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APPENDIX

SEVENTY-FIFTH CONGRESS, THIRD SESSION

Historical Letter Texas History, Written by Prisoner Sam Maverick, in Chains—Battle of San Antonio Brought All of West to U. S. A.—the Bitter Story of the Perote Prisoners

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1938

HISTORICAL LETTER WRITTEN BY A TEXAN IN CHAINS, SHOWING THE EXTREME SUFFERING OF OUR FOREFATHERS. A LESSON IN LIBERTY TO US TODAY. DATE OF LETTER, 1843

Mr. MAVERICK. Mr. Speaker, usually on March 2, which is Texas Independence Day, I rise on the floor to make certain remarks or place in the RECORD something which is of general interest concerning my State. Just preceding this March 2, I came upon a document of extraordinary historical interest.

About 2 weeks before the Independence Day of Texas in this year, I received a letter from T. C. Thompson, of Chattanooga, Tenn., stating that he had in his family files a letter from a man by the name of Maverick, which had been written in 1843. I immediately wired him and he, in turn, sent it to me. It turns out to be a letter to José María Bocanegra, Mexican Secretary of State, written by Samuel Augustus Maverick in 1843 while he was chained in a prison in Mexico.

I would not have asked permission to insert this in the CONGRESSIONAL RECORD except for its historical importance. The Samuel A. Maverick mentioned was my grandfather.

Many people have written to me and asked about the origin of the term "maverick" as applied to unbranded cattle. This was not only one of the least of his accomplishments, but a mere accident. There is no romance to the story whatever—he merely had some 400 head of cattle that were left to roam the wilds of Texas, under the care of a slave who never branded them. So people called them "Maverick's cattle"—finally, people called them "Maverick's," and then they were called "mavericks." Sam Maverick was never a cattleman, cared nothing for cattle, but it is true the great legend has grown up around his name.

THE BATTLE OF SAN ANTONIO—SENTENCED TO DEATH

The importance of the letter lies in the fact that he was connected with so many important incidents which have bearing on American history. A South Carolinian, a graduate of Yale University, he came to San Antonio in 1835 and took part in a battle which has had as great an effect on American history as any other. It was the Battle of San Antonio, the city I represent in Congress.

He arrived on the verge of the attack on San Antonio by Texan troops. Not realizing the situation, he was captured, then summarily sentenced to be executed by the Mexican military commander, but was saved by the intercession of a Spanish lady, who was the wife of John W. Smith, who had moved to San Antonia. Finally, he escaped and joined the Texas forces.

"WHO'LL FOLLOW OLD BEN MILAM?" MILAM IS KILLED IN BATTLE

These troops were in considerable confusion, and many of them had returned to their homes. However, a leader arose among them—a simple, common, ordinary fellow by the name of Ben Milam. He listened to the harangues, the grumbling, and the grouching for days. Bored, he finally announced that he was going into San Antonio. He said simply: "Who'll follow old Ben Milam?"

He led the attack, and Sam Maverick was with him. When victory had about come to the Texans, and at the height of the battle, Ben Milam was mortally wounded and died in Maverick's arms.

BATTLE OF SAN ANTONIO BROUGHT THE WEST INTO THE UNITED STATES

This battle was the foundation of Texas' freedom. It was rapidly followed by other battles, and by the Texas Declaration of Independence. It must be remembered that practically the whole West has been added to the United States of America due to this one little isolated battle and because of the heroism and sacrifice of a few men.

Somewhat after, Sam Maverick was made a delegate to the convention for the Declaration of Independence. In a little blacksmith shop at Washington-on-the-Brazos, he signed the instrument which established the Republic of Texas, the only State in the Union which was once an independent nation.

In 1836 he married Mary Ann Adams, of Tuscaloosa, Ala., and in 1838, with his wife and son, Sam (not my father, whose name is Albert), took up his residence in San Antonio. To the Republic of Texas he became the first Congressman of Bexar—my district—which then included all of west Texas and parts of the States of Oklahoma, New Mexico, Colorado, Wyoming, and Kansas.

MEXICO MAKES WAR ON THE REPUBLIC OF TEXAS

In 1843 Mexico made war on the struggling nation. Texas was invaded and San Antonio was the first place attacked by General Woll, a Frenchman and professional soldier.

He captured San Antonio, and one of the prisoners was Maverick. There followed one of the most tragic periods in the world's history. Over deserts, over high, freezing mountains, the Texans were marched for 1,800 miles. Barefooted, their feet were slashed and cut by stones and thorny cactus. They walked, chained like dumb beasts, this small band of Texans, frequently without food, often fed the rotting entrails of cattle. Some of them died of the brutality and hardships.

PEROTE, MAJESTIC AND SEVERE, STANDS TODAY

They were taken to the great castle of Perote, which still stands in majestic and austere beauty today. Not many years past I visited there and saw the cells in which the Texans

were chained. Besides the Bexar prisoners were prisoners of the Santa Fé expedition, and also Mier prisoners. I shall not tell those stories here, but anyone caring to make research can find the most bitter and thrilling chapters of American history and of the most gripping interest.

At any rate I had known for a long time that Sam Maverick had finally been offered his freedom by General Santa Ana, the President of Mexico. He had been offered freedom if he would agree not to bear arms against Mexico, and although he was in extremely frail health and was chained like an animal in this prison he refused his freedom upon those terms. He sent a most contemptuous and insulting message to the President of Mexico, stating that he would prefer to die in the prison rather than make any such agreement.

These forefathers of ours actually believed in and suffered for free, democratic, Anglo-Saxon government. General Santa Ana, the President of Mexico, was to these Texans a villain and a tyrant, although a cool view of history would indicate that he was not as evil a man as the dictators of today.

The sufferings today in dictator-ridden worlds, the persecution of minorities should remind us—those of us who are overfed and well satisfied—that even our grandfathers really suffered for the establishment of a free government in this country.

FREE, MAVERICK CARRIES THE MESSAGE OF DEATH

But to go on with the story, Maverick was later released upon his own terms. He returned to Texas, where he found his wife, as well as the wives of other prisoners; to some he carried the sorrowful message of the death of their husbands. But he persevered and with other Texans he saw the bright Single Star of Texas enter the field of the Stars and Stripes.

Maverick believed in the future of Texas and of the United States of America. A shy fellow, with very little to say, he asked his captors one favor: that they give him the chains by which he was shackled in the prison at Perote. When he returned to Texas, he gave them to his family with the simple statement that they might be preserved and as a reminder of what had happened in the history of Texas. Those chains have now been given to the University of Texas, along with his torn buckskin breeches, and are on exhibition there.

The letter which I insert today has never heretofore been published. It has been entirely unknown to history. It is somewhat long, and tells of the sufferings of the Texans in this prison of Perote. It was sent to the Envoy Extraordinary and Minister Plenipotentiary of the United States in Mexico at the time, Hon. Waddy Thompson, of South Carolina, who was a remote relative of Maverick, and the granduncle of the gentleman who sent it to me. Apparently it was never delivered to the Mexican Secretary of State.

T. C. THOMPSON, DISTINGUISHED SOUTHERNER, DIES SOON AFTER SENDING LETTER

And before I insert the letter, I might say a few words of T. C. Thompson, who sent it to me. It was in the latter part of February that he sent it, informing me that he was "straightening out his matters." Later I wrote to thank him, and his secretary informed me that he was very ill and not expected to live.

Since that time, on March 21, he has died. I have concluded that he sent me the letter, knowing he would soon meet death. Many of my Tennessee colleagues in Congress knew and admired him. He was a distinguished citizen of Chattanooga, and a former mayor of that city. The Chattanooga Free Press of Monday, March 21, says of him:

Mr. Thompson's untiring efforts to relieve suffering humanity, especially among crippled and unfortunate children, endeared him in the hearts of thousands in Chattanooga, Tenn., and surrounding sections.

It was to show some of Chattanooga's appreciation for this work that the city commission recently passed a resolution changing the name "Children's Hospital" to "T. C. Thompson Hospital for Children." It was primarily through his efforts that the hospital was constructed.

Mr. Thompson was known all over the South for his excellent work in child welfare, as well as many other humanitarian pursuits. Like his famous uncle, Waddy Thompson, he was born in South Carolina; and his father was also one of the most distinguished men of the South, and was Governor of South Carolina from 1882 to 1886.

He, too, had many interesting experiences during his life. When he was a child of 4 or 5 years of age, Sherman burned the city of Columbia, where he was born. His family scattered to the winds. An old Negro servant saved him, and with an old horse and wagon followed the Union Army, doing chores for food, for that was the only way to keep from starving.

About a year later he was brought back to a reunited family.

The letter which he so kindly sent me, preceded by an official certificate of the Congressional Library, is reproduced exactly as written, except the paragraphing and subheads are my own, and do not appear in the original letter. It follows:

LIBRARY OF CONGRESS,
DIVISION OF MANUSCRIPTS,
March 15, 1938.

HON. MAURY MAVERICK,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN MAVERICK: Herewith enclosed is a type-facsimile of the letter of your grandfather, Samuel A. Maverick, to His Excellency José María Bocanegra, Secretary of State and of Foreign Affairs, Mexico, dated Perote, 21 January 1843. I am returning the original manuscript to you under separate cover, but the Library of Congress retains for record purposes and for consultation by scholars a photostat copy. We thank you for your kindness in allowing us to keep a copy of this interesting and valuable historical manuscript.

Very truly yours,

THOMAS P. MARTIN,
Acting Chief, Manuscript Division.

LETTER OF SAMUEL A. MAVERICK, WRITTEN FROM PEROTE PRISON, MEXICO, TO MEXICAN MINISTER OF FOREIGN AFFAIRS

Perote, (fort and prison), 21st January 1843.

To His Excellency Jose Maria Bocanegra, Secretary of State and of foreign affairs &c.

Sir, I am one of the fifty five Texian prisoners now unhappily confined at this place.

On the 11th of last September at San Antonio de Bexar we surrendered to Gen[l] Woll, upon the most solem[n] pledge of his honor as a man and soldier "that we should be treated as gentlemen, &c" He was induced to offer this lenity without solicitation because he was satisfied, as he said, that we had truly and honestly mistook his army for a band of highway robbers. Such robbers, he knew, were numerous, organized, and daring on that frontier. He had moreover marched his army by a new and untravelled route.

MEXICANS ENTER AT BREAK OF DAY

On coming near our town he had seized and detained the three old and respectable Mexicans whom we had sent out with our white flag. In violation of the custom of civilized nations and even of his own proclamation of the 1st. of September, Gen[l] Woll kept these Commissioner[s] all night as his prisoners; thus not only unfairly depriving us of the benefit of our white flag, but also, absolutely turning the detention of those Commissioners into a proof, conclusive to every honest mind, that it could not be a regular army; but must, in consequence, be a lawless banditti.

Woll entered San Antonio about the break of day, before it was yet light,—and under the convenient shelter of a dense fog. Firing succeeded on both sides, in the midst of which we were visited by a white flag and by Colonel Camarco. The General saw our numbers did not exceed sixty men, and that we were undisciplined citizens, and he said that it would be madness in us, situated as we were, to resist any longer his large army. It was for these reasons, and because the old Mexican men and women ran out into the streets, telling him that we were of the opinion that we were fighting off a company of robbers, that he urged upon us a surrender, upon those favorable terms.

FRIENDLY POWERS OFFER MEDIATION BETWEEN TEXAS AND MEXICO

After our surrender he perused the gazettes of New Orleans and of Texas and saw therein that England and other friendly powers were then offering a mediation between Mexico and Texas; and he perceived that Judge Eaves the American Chargé had, a few days before, officially and in the name of his government recommended to our president, a cessation of arms, which did ~~did~~ in fact take place on our part, since we had a right to believe and did believe that Mexico would, if only out of respect for England &c, suspend hostilities on her part, long enough at least for the proposition to be presented and considered.

General Woll saw and owned how natural all this was: and for these and other reasons, he appeared really to lament the error, into which, he saw, we had fallen; and again and again he repeated his promises of kindness and of his recommendations for our speedy release at San Fernando.

MAVERICK ACTS AS COMMISSIONER IN TERMS WITH WOLL

On the occasion, I acted as one of the Commissioners, and my memory retains every particular:—but in this connexion I am bound to state that I wanted to stand out in spite of those deceptive terms, refusing to surrender at all and protesting to Woll that I was the agent of desperate men: I demanded of Woll that we be allowed to withdraw in a body with out arms in our hands, otherwise I would for one refuse to answer for the consequences to him. In this I was not sustained; but the majority prevailing, we were, in the end, through the specious promises of that general, coaxed into the horrid condition in which we now find ourselves.

Sir, what we told General Woll was, every word, the truth: and the smallest examination of the facts and this reasoning will convince you or any man of sense of the same. Woll's proclamation was fulminated against those only who should be found in arms opposing the troops of the Mexican governm[en]t.—Sir, after viewin this proclamation and these admissions of general Woll, does it not follow that we were doing only what was our duty without reference to the Mexican governmt? and that, not knowing whom we were fighting, but honestly (as Woll admitted) believing it was robbers,—does it not follow that we ought to have been liberated at once?

And is it not an undeniable truth that we were in effect kidnapped?—and that we are now here in Pirote, held by cruel force in opposition to law, justice and the plainest common sense? We have made known in respectful terms, these and the other cogent reasons why your government ought to permit us to go back to our suffering families; but it has not deigned to notice us in these cheerless stone arches, unless to notice, be to subject us to the most cruel treatment that humanity can indure.

DENOUNCES DOCTRINE "THAT MIGHT IS RIGHT" (1843)

Good Sir, It has been my hope that the old doctrine, that might is right, has quite lost its advocates—its open advocates—, in all civilized countries.

Sir, right or [w]rong we are prisoners in Mexico, and most wofully do we own the power of its governm[en]t over us.

Trodden on and tyranized over as we have been and every day, more and more, continue to be, how much better, O merciful God! would it not have been to have thrown away our blood and our crushed bones under the wheel of a relentless tyrany, rather than have tampered with and tasted that poisoned flattery of the false Frenchman.

————. Mistake me not, it is not of our liberation that I am writing. I shall not call upon you to keep the word of honor of your general.

MAVERICK, CHAINED IN SOLITARY DUNGEON, PROCLAIMS HIMSELF "IMPLACABLE PUBLIC ENEMY"

You know the value of the pledge—I am quite at fault,—You shall weight and measure the thing in your own way.

Besides it is true that I did not repose that confidence which others did and which they were authorized in doing.

And Sir I confess myself your implacable public enemy: but you owe me food, so long as you hold me a prisoner of war; and I have to request you to interpose your influence to save us from the malicious wrath and the practical cruetly and meanness of Captain Guzman, backed as he is by the Mayor de Plaza. This Guzman is Commissary and head overseer of our work.

"~~I can not~~ am loath to think so meanly of any governm[en]t on this continent as to suppose the existance of a particular order to starve us; although ~~such~~ it be asserted that such is the case:—Even the Dey of Algiers before he was kicked by Christendom into a compliance with the usages of mankind—even he allowed food enough to his galley slaves, to enable them to perform their daily labor.

TEXIANS: "ON COLD STONE FLOORS * * * IN CHAINS OF MISERY."

Here at Pirote, after being locked up twelve hours, on cold stone floors, without sufficient clothing, in chains and misery, we were turned out to a breakfast consisting of a very small cup of hot water of a darkish color and a fragment of bread which weighs three little Mexican ounces. We are then hurried out, with hand barrows and cart, loaded with horse manure and the multiplied filth of this place.

We are then marched off to the adjacent mountain to pack in loads of stone, a distance of one league,—or to a considerable distance for loads of sand—a labor which the human machine cannot stand on three ounces of bread and the false coffee of Pirote.

LABOR IS THE ONLY FOUNDATION OF NATIONAL GREATNESS AS WELL AS PERSONAL RESPECTABILITY

It is not the work, but the kind of work, and the work without adequate food, that I would complain of.

As emigrants from the United States and the various respectable states of Europe we have ever been taught to regard labor as the only foundation of National greatness as well as of personal respectability.

Therefore, however it may have been intended, we have not felt the mere labor as a disgrace.

COUPLED LIKE BEASTS, WITH HEAVY OX CHAINS

But we are chained by the legs, with heavy ox chains, coupled like beasts, two and two together, and forced at the point of the bayonet side by side with your shameless convicted felons—robbers and murders.

I have even seen the most dastard felon, as overseer, strike an unarmed and free born Anglo American.

What is there ~~will wash out~~ will erase the memory of these permitted insults?

The heavy flow of ocean, the eternal tide of time itself cannot wash out these stinking, clotted, bloody stains. We are made to work, without ever once having the pains of hunger satisfied by the cheapest and commonest food.

At dinnertime we are allowed a spoonfull of rice which is the infinitesimal of eight and a half of your illiberal pounds weight, only two and half ounces to each man: the other remaining dinner pot commonly holds Irish potato broth (which is known to be a poison) sometimes, but very seldom it contains a poor soup and some bones, grissel and the voluminous entrails of a beef. Day before yesterday we had what they call a beef ration which is mostly bone and uneatable grissel. Some of the shares not having so much as one ounce of meat.

THE GOVERNOR AND MAYOR DE PLAZA REFUSE TO LOOK AT TEXIANS' FOOD

His Excellency the governor of this Castle, on being applied to through a respectful petition, thought proper to send back the Commissary and his compatriot the Mayor de Plaza: he himself refusing to look into the pot. From what I know of your people, I should as leave as not say that I suspect it to be tenderness of feeling, nay perhaps, even pity for us, and not hatred, that induces the governor to avoid us and evade an answer to our complaints.—The dinner is finished out with red pepper and one loaf of bread,—three of the size of which are sold by the women about the castle for a pacayune. ~~The~~

The afternoons work and its insults, are rewarded by one half of those diminutive loaves of bread of three ounces weight, with a double handfull of badly boiled beans and the water of the same. These beans are unsound and unwholesome. Will your Excellency pardon me if I send a little parcel of these beans (frijolas) —they afford such a true specimen of our fare. You will see by these beans how the whole matter stands.

I will not think to offend you with a specimen of the meat; you understand ——— well enough what is literally meant by bone, grissel, and the badly cleaned guts of a poor cow with maggots in them. The ~~Mexican~~ convicts get better food and much more of it, than we do. Our cooks being two of our own number, we are enabled to compute with considerable accuracy the cost of our daily food, which, for fifty two men, at retail prices, does not exceed four dollars and three rials, not quite 8½ cents for each man. But as something or other is deficient every day, and the provisions may be bought at wholesale prices, it is evident that Six or seven cents will be nearer the truth.

For a while we had some little means for buying bread, rice &c from Captain Guzman;—it being a truth that notwithstanding he is Commissary and a captain and an overseer, he likewise keeps a little brokerage of eggs, shoes &c in our prison room under the eye of one of the prisoners, and other articles, in his own apartments. We were also made to accept from Lieutenant Hartstone, a stranger, a sum of money which has been of great use in the purchase of the Cheaper articles of food.

Very few of us have any means left: and so far from receiving any assistance from the soldiery and the people of ~~Mexico~~ the country the truth is that we have been borrowed, begged, and robbed by them in every way and by every scheme and contrivance out of hell.

FOUR STARVING IN SOLITARY CONFINEMENT AND IN CHAINS

Four of our number are already in the hospital from starvation and eating badly cooked beans and other unwholesome food.—And others are pining away under the effects of labor and starvation.

Three are in Solitary confinement and in chains, almost starved and nearly naked—two of them not having as much shirt on their broad backs as would cover the back of Your Excellency's right hand. The offence given by these three carpenters is that having for a long time worked in the work shop nine hours per day they now have the audacity to ask for their wages at two bits (or reals) a day, as agreed upon, because they needed the small sum to buy, first bread, then a shirt, &c. God ha' mercy, these men are much to be pitied:—and, as I take it, they are in no wise to blame. They agreed, at first to work at their trade all day, in order to get a little money for their extreme necessities; and they cannot work so long without twice as much food as they are allowed.

MEXICAN OFFICERS ASHAMED OF LOW AND DIRTY OFFICES

Of all the officers of the castle whom I have seen I am inclined to think most of Captain Bonilla and Lieutenant Mora. I judge from their countenances and manner that they are ashamed of the dirty and low offices to which others have brought themselves, (if not by orders).

TALKS PLAINLY; DEMANDS REMOVAL OF CAPTAIN GUZMAN

Excellent, High Secretary, do I write too plainly?—and are you too elevated to notice these small matters? Perhaps you may be inclined to be ashamed to communicate with an ungrateful Texian; or it may be that the rights of humanity do not include our people. Or, if you mean t[o] degrade us, it will serve you as well to go into a rage at the plain terms in which I have stated plain truths. But Sir, turn as you will, and where you please, neither your anger nor your pride, nor that false and unavailing tenderness of feeling which characterizes the best of your people, can serve you as a shelter: Sir, you shall bear the responsibility of rejecting this ~~my~~ appeal.

And if you be indeed the man of sense and feeling which they say you are, you will so order it that this Captain Guzman shall be removed and some other person less crafty and covetous ~~be~~ put in his office of commissary;—and it will be so ordered that we be treated with more humanity, and, if required still to labor, fed like laborers and men of stomach.

This Commissary and this treatment would disgrace Algiers:—they disgrace Mexico—If you would follow me to judge in this matter, I should say upon my honor and with due consideration, they are a disgrace to human nature, and would shame the Devil himself.

TAKES FULL RESPONSIBILITY IN ORDER NOT TO INVOLVE FELLOW PRISONERS

Respected Sir, I thought it proper to address you this on my own separate responsibility, and without consultation with my fellow prisoners; because if evil instead of good come of it, the evil shall fall on me alone.

Another reason is that I am wholly insensible of any kind of fear in doing what I conceive to be right. I cannot conceive the idea of bad consequences in such a case; and if such follow, it is no business of mine. Another reason for my being forward in this unpleasant matter is that I am as insensible as a dog about the shame of putting myself in the attitude of a beggar for bread:—I shall even attempt to dignify my poor position [text lost; hole in the paper] declaring that there is no attitude of the graces so becoming, so full of soul and interest [as] that of the famished beggar, extorting from stony pride the rich morsel which is to prolong his life. A loaf of bread to the starved and abused prisoner is worth more to him than a mine of copper.

CAST IN SOLITARY FOR REPRESENTING FELLOW SUFFERERS

Another reason is that on the 5th of this month I was cast into a solitary prison for no other reason than that I said to this Guzman for the majority of my fellowsufferers for whom I was deputed to act, that we were not of right in the condition of slaves;—that the slavish labor exacted from us at the point of the bayonet, was in violation of the laws and usages of nations, and directly opposed to the express terms of our surrender: and moreover, that, if it was determined, in our case to violate all law and compacts, all justice and mercy, all public faith and private honor; even then it still remained and was a physical impossibility and high treason against God and Nature to require and exact from us labor without sufficient food.

You Sir, and none other I thought to address, because I heard something favourable of you, and on account of your being the Foreign Minister, whilst I was a small member of another governmt the name of which I ~~shall~~ do not choose unnecessarily to mention. I sincerely trust that though plainly, nevertheless your Excellency will feel how respectfully I have addressed myself to your sense of justice and humanity. A[nd] in fine, will your Excellency have the goodness to forgive me for the excentricity of offering to make to you one of [text lost] hearty and truly respectful bows in the world; this significant piece of pantomine I shall however reserve for that blessed day, which I pray God may be close at hand, when, with the kind interference of your Excellency, I shall be premitted to go from hence, with my fellow prisoners.

I have a mind to request either the British or American Minister to hand you this note: I wish to know of its actual delivery; and it was the English convention about Mediation, and the request of the American Chargé, of which I have made mention, that ~~were the~~ unhappily, though undesignedly led us into the misery our present situation. For this reason I feel confident that neither of those gentlemen would refuse me the courtesy (I had almost said justice) of placing this in your hands. Besides I have the good fortune to be able, to refer you to Gen[l] Thompson the American Minister;—whose word in my favour will both give credit to my complaint and supply ~~I trust~~ the little want of etiquette which I have committed in addressing you at all

With every becoming token of
profound respect, I am your servant &c
Samuel A. Maverick

POSTSCRIPT FIVE WEEKS LATER—EVILS OF HUNGER, INSULTS, COLD AND NAKEDNESS CONTINUE

P. S. Owing to the advice of some of my friends who either through timidity or a well apprehended expectation that our miseries as well as the length of our slavery would be rather increased than diminished by such a remonstrance as that above written,—and also deeming it possible that some relaxation might gradually reduce the government over us from extreme cruelty to tolerable moderation—I have till now forborne the sending this letter.

The evils of hunger, labor, insults, cold and nakedness continue up to this date as intollerable as at first.

We have tried the governor and every other authority, in vain: There appears to be no relief but in death itself: before we die, however, we shall try to make it known to the world how cruelly and how unjustly we have been treated in this devilish inquisition.

SANTA ANA SAYS GIVE THEM BEEF AND WHISKEY

It is reported that day before yesterday, the President Santa Ana just before leaving here for Mexico, in connexion with something said by the Governor, made this observation, "Oh they will do well-enough (the Texian Prisoners)—just give them ~~e[nough]~~ a plenty of beef and whiskey."—Yesterday one of our queer Dutchmen was receiving forty nine pounds of stinking uncleaned cows guts for the forty nine of us out of the hospital, and ventured to say to Capt Guzman that he would like to see something of the beef and whiskey prescribed by the president.—Guzman as usual remarked that the money was wanting. Yesterday & to'day we have nothing of the meat kind. Perhaps half the time we receive the refuse parts of the poorest beeves—all the better & fleshy portions being taken off to be eaten or sold by Guzman himself.

We are equally unfortunate in the bread. We have changed two or three times from one description of bread to another: but all in vain. Whatever kinds we take are artfully reduced in size to mere nothing.

HEAVILY CHAINED; HUNGER AND LABOR CONTINUE

In one word our labor continus as it did. We are heavily chained two and two together and we are in the same extremity of hunder as from the first. In this last extremity will you blame me as rash or presumptious to appeal to whatever sense of justice and humanity may be supposed to exist in the breast of that governmt, whose prime minister you are

with all suitable respect &c
S A Maverick

4th March 1843

[Endorsement]
1843

S. A. Maverick
Perote to Mr
Bocanegra
Jany 21.
[AW]

BIBLIOGRAPHICAL MATERIAL ON SPANISH TERRITORY IN UNITED STATES

Also, for the information of students and those interested in the subject in the history of Texas, or any portion of the United States which was formerly Spanish territory, I append hereto a letter from Dr. Thomas P. Martin, Division of Manuscripts, Library of Congress, giving the bibliography on the above matter.

The letter from Dr. Martin is as follows:

LIBRARY OF CONGRESS,
DIVISION OF MANUSCRIPTS,
March 16, 1938.

The HONORABLE MAURY MAVERICK,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN MAVERICK: In searching for historical data in regard to the letter by Samuel A. Maverick to His Excellency José María Bocanegra, dated Perote, January 21, 1843, with a postscript dated March 4, 1843, I have found an article by Mr. E. W. Winkler, now at the University of Texas, entitled "The Bexar and Dawson Prisoners," in the quarterly of the Texas State Historical Association, volume XIII, No. 4 (April 1910), pages 292–324. In this article Mr. Winkler summed up all the sources and literature on the subject known to exist in 1910, and at the end he published some of the sources. Mr. Winkler's work was used in 1919 by Prof. William C. Binkley, in an article entitled "The Last Stage of Texan Military Operations Against Mexico, 1843," in the quarterly mentioned above, volume XXII, pages 260–262. Professor Binkley likewise gives an account of all the historical writing on the subject up to the date of his article, 1919.

If you have not already seen the works by Winkler and Binkley, I am sure you will want to see them; and they can be sent over to your office from the reading room. Prof. Herbert E. Bolton's Guide to the Materials on American History in the Archives of Mexico gives references—page 289—to the Mexican archives' material on the subject. The one bundle of documents which I imagine you would like most of all to have is Guerra y Marina,[1] 1843, legajo No. 5, Campana de Texas. This contains the correspondence concerning the prisoners at Castle Perote, including the communications from the various prisoners. Several names are listed, but not that of Samuel A. Maverick.[2] This leads me to suspect that his letter for some reason was never delivered to Bocanegra. This would explain why you have apparently the original letter rather than a copy in your possession. If the letter was delivered to Bocanegra, it should be in the Mexican archives.[3]

Very truly yours,
THOMAS P. MARTIN,
Acting Chief, Division of Manuscripts.

NOTES ON MARTIN'S LETTER BY MAURY MAVERICK

[1] Department of War and Navy.

[2] I am informed that all his correspondence was with the Ministry of Foreign Affairs.

[3] My personal belief is the letter was never delivered to the Mexican Government because Thompson feared Maverick would be shot. This seems reasonable, since he had written several bitter protests the originals of which I have been unable to find in the Mexican archives. The letter here included has simply remained in the hands of the Thompson family for nearly a century.

Keeping Out of War

EXTENSION OF REMARKS
OF
HON. GERALD P. NYE
OF NORTH DAKOTA
IN THE SENATE OF THE UNITED STATES

Monday, March 28 (legislative day of Wednesday, January 5), 1938

ARTICLE BY WILLIAM FORNEY HOVIS

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD an article by William Forney Hovis, editor of Dawn, entitled "The United States Can and Must Keep Out of War."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES CAN AND MUST KEEP OUT OF WAR

(By William Forney Hovis, editor of Dawn)

With the nations across both the Atlantic and the Pacific Oceans either muttering war or engaging in armed slaughter, and in view of the latest developments in central Europe where Hitler has utterly disregarded promises and treaty agreements, thus endangering the peace of many powers, it is high time that we in the United States should do some sober and deliberate thinking.

The situation in Europe and the Far East today calls for our coolest and most careful and considerate judgment. We dare not make any mistake nor allow any spokesman for us to go off half-cocked. The fact that other nations are either crazy or mad, or both, is no sufficient reason for us to lose our heads; neither must we permit ourselves to be victimized by propagandists.

We should never forget, surely we have not so soon forgotten, that 126,000 youth of our land lost their lives and that 234,000 more were wounded and disabled in the World War only a little over 20 years ago. For what? Nothing! All that suffering, grief, wretchedness, misery, woe, and loss for nothing—worse than nothing! the chief and inescapable result being the worst, most widespread, and crushing depression the world and our country had ever known.

If the powers of Europe and of other parts of the Eastern Hemisphere are bent on another debacle of self-destruction, let them go to it, but let them alone. There is no reason why we should become entangled with their differences nor mixed up in their fuss. To use the words of the late, lamented, much-loved, and homely-wise Will Rogers: "If those old European cats get to fighting, the thing to do is to tie their tails together and throw them over a clothesline and let them fight it out."

War has no legitimate place in twentieth century civilization. It belongs to the barbarism of uncivilized hordes. When the nations now fighting, along with others which disregard the validity of contract or persist in "playing with fire" act like civilized humans, it will be time to show them a little brotherly regard. Talk about the "world family" and our "brother's keeper," sounds pious but it lacks in practical sense as our experience and observation have taught us. It is not safe to fraternize with those who are liable to double-cross you, use you as a "cat's-paw," or leave you "holding the bag."

War is hateful, loathsome, hideous, horrible, and devastating beyond all power of description. Nothing was ever settled by it so that it stayed settled that could not have been settled in a better way. What always has to be done after a war could be done before, if rulers and those who have the deciding voice would cease being devils and would act like men. Propagandism which incites arbitrament by force is a pack of lies. Let us not be deceived again!

The only salvation, it would seem, lies in a strict neutrality definitely enforced. That, some will argue, is impossible. But is it? It is said that trade relations are so intimate and complicated that it would be impracticable to tie up the merchant marine. It might be somewhat impracticable, but not impossible. The United States of America, if driven to it, is self-sufficient enough to exist alone until the other nations either exhaust themselves or come to their senses.

All our mercantile and industrial interests in other lands, all put together, are not worth the slaughter of one American boy—if so, what parent will furnish the boy? Those enterprises were developed and undertaken with a full knowledge of the hazards involved. Why should they be protected by the blood of American youths who never shared in their profits to the extent of a penny?

But someone raises the question of the protection of our citizens upon the high seas in case they were in danger of being bombed as they were during the World War. In such a situation, when the roads of travel have been rendered unsafe by a state of war, let every citizen of our country be warned that anyone venturing from our borders travels at his own risk and with no promise of protection.

In the event of a general war across the seas every American endangered by conditions abroad should come home and stay at home until the tension is relieved and it is safe to leave. Such losses entailed through sacrifice would hardly be a drop in the bucket, even if they had to be met by our Government, compared with the cost to the Nation if we entered into war, to say nothing of the grief and pain and heartache and sorrow and suffering of individuals and homes without number.

It has been publicly said, recently, by one in a position to know, that 98 percent of the people of the United States do not want war. If this percentage be correct, and it would seem reasonable to believe that it is, then it is perfectly absurd and senseless to throw up our hands and say that it is impossible for us to keep out of war if the other great powers get to fighting. Such talk only upsets the unthinking and increases the danger of war.

Congress, under our Constitution, is entrusted with the power to plunge us into or keep us out of war. The Congressmen are our representatives and are sent to the seat of government to carry out the wishes of their constituents—they have no right, and ought to be kept from it if tempted, to do anything else even under the pressure of politics or propaganda. These men and women are the voice of the people; and they must be made to know that we, the people, will not consent to war under any circumstances except in self-defense when attacked.

It is the solemn duty of parents, as well as children of fighting age, to steel themselves against propaganda propagated by the paid dispenser of ballyhoo and be their own judges as to when and how our country has been attacked or insulted. Our civilization, of which we proudly boast as second to none, demands that our Nation refuse to be drawn into any slaughter, wholesale or otherwise, under the guise of neighborliness or of protecting the rights of democracy outside our own boundaries, which would mutilate or mangle, kill or destroy, or even rob of peace and happiness our American sons and daughters.

No thinking person is blind or dumb concerning the imminence of the grave dangers confronting the world, but this fact is all the more reason why we should not fail to keep calm, and why we should not lose our heads. We are amply self-sufficient to stand whatever strain of isolation the exigencies of a world conflict might place upon us. When the devastation and unmitigated mass murder of war and carnage would cease, as they are bound to come to an end sooner or later through the sheer exhaustion of the participants, we would find ourselves incalculably better off. This would not be selfishness, but simply the setting of a decent example before a war-crazed world.

The time has already arrived when after thinking clearly and straightly we should tell the world that it better be wary of monkeying with us on our own soil, but that we do not propose to batter our brains out against somebody else's stone wall just because some of our so-called neighbors would like to enter into an alliance with us because of our power and influence and push us into a position of leadership for the purpose of pulling their chestnuts out of the fire.

This is a case where the "let alone" principle is both sensible and justifiable. It is common knowledge that when anyone is foolish enough to undertake to interfere in a quarrel between husband and wife the chances are that the contenders will unite to beat him to a pulp. No! Ten thousand times, No! The United States must not get fooled as it did the last time and be dragged into war. We must not be deceived by tales about the impossibility of keeping out. We can and must.

The President's Gainesville Speech

EXTENSION OF REMARKS
OF
HON. KENNETH McKELLAR
OF TENNESSEE
IN THE SENATE OF THE UNITED STATES

Monday, March 28 (legislative day of Wednesday, January 5), 1938

EDITORIAL FROM THE NASHVILLE TENNESSEAN OF MARCH 25, 1938

Mr. McKELLAR. Mr. President, so much has been said about President Roosevelt's Gainesville speech, that I desire to put in the RECORD an editorial from the Nashville Tennessean of March 25, 1938, which, to my mind, is timely and contains much good sense; and I ask unanimous consent to have this editorial printed in the Appendix of the RECORD.

The President has shown beyond controversy that he feels friendly to the South, and his plain speaking in this instance does not seem to me to justify many of the harsh attacks which have been made upon him. Even if his assertion is

not entirely to our liking, he has done so much more for our section than any other President in my day that we certainly should not hold any ill feeling toward him on account of it.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Nashville Tennessean of March 25, 1938]

COUNSEL OF A FRIEND

Men have been stoned before who spoke only truth, reviled for what they said in conscientious candor, slandered for owning the courage to admonish—but we had not expected to see that come to pass in the very home of courtesy and fair play, the Old South.

The words of counsel offered to southerners by President Roosevelt at Gainesville, Ga., speaking upon the occasion of the dedication of a public square in his honor, undoubtedly are received by the vast majority of the people of the Old South at face value, and on that basis good value was given.

Mr. Roosevelt spoke as a friend, among friends, to friends, as the sincere well wisher of the State which has become his second home, and as sympathetic a champion as the South ever has had in the White House.

There may be room to question the timeliness of his remarks touching the economic situation; he made no pretense of delivering a messianic message; his advice was given for all to take or to leave. But despite the utterly rude attempts that have been made to twist his meaning, there can be no doubt of his good will, his earnest desire and consistent effort to keep the South in the national picture of a broadening and better life.

Public utterances, by mouth or in print, which sink to the level of scurrility forfeit the right to public attention. The brand of sophistry which has sought since the Gainesville speech to paint the President as an enemy of the South, as a traducer of its qualities, as a carpetbagger, is scarcely better than despicable.

The essence of his speech was that a higher general standard of living in the South is desirable, and that better wages and working conditions would be to that end. Who questions the fact? Certainly every decent employer in the South holds the same view; time and again the officials of business associations in the South have gone on record with like statements. It is true that traces of feudalism have survived in the South, as in other sections of the Nation, and that intelligent southerners were raising their voices against them long before there was a Roosevelt in the White House.

These traces now are few, as the President declared, but it would be a timorous statesman indeed who would betray his conception of his public duty to salve a fancied local pride, and it would be an unworthy citizenry which would take affront at a pronouncement which needed to be made.

We shall admit that there are in the South political "Bourbons" and "economic standpatters," as elsewhere, and we may deplore the extravagances to which they will put themselves to combat new ideas. It was fit that the President should have come to them frankly, in their own place, as he came frankly to the "economic royalists" of the East in his Madison Square Garden speech, and that he should have spoken to them from the shoulder.

And they have the right to answer through all the channels of communication available to them. But, in some instances, they have chosen to attack the President's motives with an intemperateness, with a wordy abandon, and an utter lack of fair argument which does no credit either to their manners or their good sense.

Such an attack can only be a boomerang. The President's Gainesville speech is in print and may be reread by any who so desires. It will not be found to contain one word or one inference that can be interpreted as a slur upon the South. Instead it will be seen to contain good advice, reasonably given—and no more criticism than a friend may give, with the best spirit, to those whom he counts as his friends.

Federal Housing Administration

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Monday, March 28 (legislative day of Wednesday, January 5), 1938

RADIO ADDRESS BY CHARLES C. McGEHEE, DEPUTY ADMINISTRATOR OF THE FEDERAL HOUSING ADMINISTRATION, ON MARCH 16, 1938

Mr. NYE. Mr. President, I ask permission to have printed in the Appendix of the RECORD an address delivered by Mr. Charles C. McGehee, Deputy Administrator of the Federal Housing Administration, over the Columbia network on Wednesday, March 16, having to do with the operation of the new Housing Act. I think Members of the Senate will find it of real value in aiding their constituencies to know what the new process of operation is.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am going to talk to you this evening concerning the property-improvement program of the Federal Housing Administration—that part which is frequently referred to as title I. The title I legislation was signed by the President on February 3. This legislation brought back into the housing program a section which expired in April of last year, and which for nearly 3 years had proven one of the most popular and most effective pieces of housing legislation ever enacted into law. Bear in mind that every dollar of a property-improvement loan is creating a job for some individual, and also that every dollar is loaned by a private financial institution; there is not one dollar of Government money loaned by the Federal Housing Administration.

This new program is not actually new, because under the old modernization plan the Federal Housing Administration insured a total of $560,000,000 in loans, and from our experience with this tremendous volume our Administrator, Stewart McDonald, has been able to make improvements. He has added something here and taken something off there until today we have a streamline 1938 model as compared with the 1934 model, under which we were operating previously.

It is now slightly more than a month since the amendments to the National Housing Act were approved by the President. In that brief time the interest shown by the public in the liberalized program of the Federal Housing Administration has been of unusual significance. Thousands of men and women from all parts of the country have written to Washington, have called at the field offices of the F. H. A., and have consulted financial institutions cooperating in the better housing program concerning how they might benefit from the new legislation.

Such a response has been most gratifying. Here certainly is abundant evidence that America is vitally interested in its homes; but it is also a responsibility, for the new amendments to the National Housing Act cover a number of fields, all related, to be sure, but in application widely distinct, and must be so considered by those wishing to benefit from them. It is for these reasons, therefore, that it is a distinct pleasure for me this evening to take advantage of the kind offer of the Columbia network to attempt to explain one aspect of the program of the Federal Housing Administration and how thousands of our citizens may expect to benefit from it. I am referring to the property-improvement credit plan, which provides for the insurance of funds advanced for the repair and modernization of existing structures, and also for the erection of new structures up to $2,500.

In order fully to understand how the property improvement credit plan works and how you may take advantage of it, there is one point I should like to stress, for it is the basic principle upon which the entire plan rests. The money loaned for repair and modernization or for new structures under this program is not Government money. It is money which comes from your local commercial bank, savings and loan association, or any other local credit agency approved by the F. H. A. There are today over 3,600 such lending institutions in the United States, approved by us to make such loans. Each financial institution has indicated that they are going to make loans, therefore there are more than 3,600 locations in the country where you can apply for these loans. The Federal Housing Administration insures these institutions against loss—but the money you obtain comes from these institutions. The purpose of this insurance is to encourage financial institutions to make such credit more generally available.

Any applications for loans under this program should be made to such financial institutions and not to the Federal Housing Administration.

For those interested in types of improvement which come under the provisions of the National Housing Act there are many opportunities to benefit from the property improvement program. This type of loan may be used for repairs, alterations, or improvements upon or in connection with existing structures. This means in detail such repairs or improvements as new roof, painting, plumbing, a new water system, a new heating system, fences, walks, and even landscaping. Repairs and improvements of this type cannot be lightly overlooked. If you are a home owner you are naturally interested in keeping your place in good repair and up to date—by doing so you are protecting your initial investment and perhaps even the health and welfare of your family.

Already thousands of home owners have taken advantage of this opportunity.

If you are one of the owners of a home from which the paint is peeling, the roof leaking, the floors sagging, heating system not functioning, or a basement damp and not fit to be used because of a leaky foundation, or of a home that needs other repairs, stop and consider the position in which you are placing your investment in your home. Is it wise to allow this condition to continue? Of course not. It is not only unwise but it may jeopardize the health of your entire family and ruin their future happiness as well. It is well for you to consider also that at some future time

you may want to sell your property, and unless it is in good condition you'll probably have to sacrifice it in order to make a sale. With the Federal Housing Administration offering every opportunity to insure you against such a loss, there is no reason why you should not make the effort to protect the equity in your home.

Many wise businessmen who own business property have seen this opportunity and are fixing up their stores and show windows, because they realize that the store or shop that has an attractive front and clean interior in good repair is the one that is getting the business. Some of these men are using credit to fix up their homes and business properties—modernization credit—credit that is extended to them by private lending institutions insured by the Federal Housing Administration. And then lots of them are using cash—they are investing now in their property.

In connection with this type of loan, however, there has been one major change in the new legislation over the old plan. That is, that loans for equipment, such as refrigerators, farm machinery, washing machines, and other types of equipment which do not become a structural part of the house are not eligible. Under the new plan improvements must be of a character which are permanent and which become part and parcel of the property.

Naturally you will be interested in the amount of money which may be borrowed under the property improvement credit plan. Loans for repairs, alterations, or improvements may not exceed $10,000. And you are given up to 5 years to repay such loans—in equal monthly installments, or, in the case of farm families, at seasonal periods when payment is received for the farm produce.

In connection with rural areas there is one provision of the new program which has already been of great interest to many farm families. It is now possible to build new structures under the property improvement credit plan and make needed additions to the farm plant which will increase its efficiency. For example, such new structures as barns, henneries, silos, garages, pens, and other types of structural farm improvements may now be built as well as improvements to the farm home, and even a new farm dwelling house.

Only this week we have issued a small leaflet entitled "How to Modernize Your Farm and Home," and this leaflet has already been given a wide distribution in rural areas. It is anticipated that with the spring planting season already here many farm families will find it profitable to take advantage of the provisions of this program.

A point which is frequently asked is whether or not security will be required in loans for repairs, alterations, or improvements up to $2,500. This is a matter to be decided upon by the lending institution making the loan. In loans over $2,500 for these purposes, security is usually required. Loans for new homes must be secured.

The cost of such loans is also a matter of vital consideration to every property owner wishing to take advantage of this plan. Of course, the interest rate and other charges are a matter of arrangement between the financial institution and the borrower. However, the total financing charges may not exceed the limit prescribed under the F. H. A. regulations. In the case of modernization loans up to $10,000 in amount the equivalent of $5 discount per each $100 of the original face value of a 1-year note is the maximum permitted under our regulations. Payable in equal monthly installments this is equivalent to an interest return of 9.72 percent. However, on new home construction—that is, upon loans up to $2,500—the equivalent of $3.50 discount per $100 of the original face value of a 1-year monthly payment note is the maximum. This represents an interest return of 6.69 percent.

Of course, I should like to point out that these are the maximum charges permitted under the F. H. A. regulations. Financial institutions may, if they deem it advisable, make even more favorable terms. We recognize the fact that, on small loans, the carrying charges have always been high. Today, however, under the provisions of the property improvement credit plan of the F. H. A., it is possible to obtain small loans for repair and improvement at terms which are more reasonable and advantageous than ever before in the history of such financing. Thus with our new 1938 model we have also introduced streamlined financing.

As amended the National Housing Act now contains broad provisions benefiting home owners. But the property improvement credit plan should prove of benefit not only to them but should have a beneficial effect on business in general. Coupled with the insured mortgage plan of the Federal Housing Administration, it is clear that the machinery is here for the Government to do its part in assisting all types of home financing. But the success of the program depends upon the whole-hearted voluntary cooperation of private industry, and private capital. By this, I mean the cooperation of the material and equipment manufacturers and distributors, labor, and the financial institutions. From our experience, to date, we have no doubt that such cooperation is being wholeheartedly offered. Particularly has our experience with $560,000,000 in loans proved that the financial institutions of America want to cooperate in this better homes program, and that they will not take unfair advantage of the insurance offered by this Administration. This gives the answer to the question asked by some people who wonder how the Federal Housing Administration can say to more than 3,600 financial institutions, "Make these loans and report them to us after they are made and you will be insured." For you will recall that your application for one of these property improvement loans is made to your local financial institution and that that local financial institution has the power to make this loan to you without preliminary approval of the F. H. A.

We have institutions which have made in some cases more than a million dollars in loans and yet have reported no claims in spite of the fact that they had insurance to cover these claims in full.

There is no greater commentary than this on the integrity of the financial institutions of America. This procedure of allowing the institutions to pass on credits avoids any possible red tape and enables that institution to tell you in a few minutes time as to your ability to obtain the loan you desire. If the institution states that you can have the loan they will aid you in filling out your credit statement and you can proceed with the improvement of your property. The Federal Housing Administration has done everything possible to make it easy for the property owners of the Nation to obtain these loans.

Is Metered Parking a Benefit to General Traffic Conditions?

EXTENSION OF REMARKS

OF

HON. ROSS A. COLLINS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1938

ARTICLE BY PAUL S. ROBINETTE, TRAFFIC ENGINEER, OF TOLEDO, OHIO, ALSO LETTERS IN REGARD TO PARKING METERS

Mr. COLLINS. Mr. Speaker, when the parking-meter proposal was before the House recently, I stated that I felt that they should be given a trial in the District of Columbia. I knew very little about their success in other cities. Since that time I have made some inquiry about their operation elsewhere, and it seems to be the general opinion that their installation provides a much larger turn-over in car parkings, enables a reduction in police officers assigned to parking, and generally enables the motorist to find a parking space for short-time parking without much difficulty.

Traffic Engineering, a digest of current literature on street and highway traffic, and so forth, for February 1938, has the following to say on parking meters:

IS METERED PARKING A BENEFIT TO GENERAL TRAFFIC CONDITIONS?

(By Paul S. Robinette, traffic engineer, Toledo, Ohio, at the annual Michigan Highway Conference, February 15–17, 1938)

A full year of use of parking meters in Toledo, Ohio, has given sufficient experience to analyze the "before and after" effect of this device. One thousand meters were installed in the congested area where there were formerly 1,600 car spaces.

Before the meters were installed the turn-over per car space was about four per day. The meters increased this turn-over to a minimum of 7 per day and often it reached as high as 15. Nearly 4,000,000 cars were accommodated during the year instead of 1,400,000 previously reported.

The meters provide an unrestricted 20 feet of curb space per vehicle instead of the former average of 17 feet, which absorbed every available inch of curb space and made ingress and egress from the parking space a difficult feat. The unoccupied overlap in the adjoining stalls makes it easy to maneuver into and out of the stalls with a minimum of delay to moving traffic. This fact, coupled with the elimination of parking at or close to intersections, has accelerated the flow of traffic through the district.

No parking is permitted in the area except where meters are installed. This has enforced the restrictions on commercial zones. Commercial vehicles are granted free use of unoccupied stalls until 9:30 a. m. This has induced commercial vehicles to make deliveries and be gone before the private auto demands the space.

The officer group for parking enforcement has been reduced from 11 to 4 men on three-wheeled motorcycles, who do a much more efficient job than the 11 formerly did.

While the effect on traffic within the area where meters are installed is generally considered to be beneficial, the strict enforcement made possible by the meters has forced the long-time parker to adjacent areas where enforcement is becoming increasingly difficult. Business in the adjacent area is also suffering from this influx of long parking.

In parking lot and garage there has been a chance from the predominance of short-term parking to long-term parking, necessitating a change of rates to a higher level.

Small vendors whose deliveries are made in vehicles of noncommercial registration have been penalized.

In general, the public, motorist, and merchant are well satisfied with parking-meter operation.

I quote also the following letter from Mr. George E. Keneipp, manager, Keystone Automobile Club of Washington, together with letters attached to his letter to me:

KEYSTONE AUTOMOBILE CLUB,
Washington, March 23, 1938.

Hon. ROSS COLLINS,
United States House of Representatives, Washington, D. C.

DEAR MR. COLLINS: In connection with the current controversy over a trial of parking meters in the District of Columbia, I thought you might be interested in the attached copy of a letter which I have just submitted to Congressman DIRKSEN, of Illinois.

Same is for your information.

Cordially yours,

GEO. E. KENEIPP, *Manager.*

MARCH 23, 1938.

Hon. EVERETT M. DIRKSEN,
United States House of Representatives, Washington, D. C.

DEAR MR. DIRKSEN: Pursuant to the suggestion that you made to me in our brief conversation in your office last Tuesday, March 22, I am submitting below a memorandum of such facts as I feel are pertinent to the current parking-meter discussion.

On page 3803 of the CONGRESSIONAL RECORD for Monday, March 21, 1938, you are quoted as stating that Commissioner Hazen has no faith in parking meters, and you quote him as follows: "My theory of this matter is to get cars off the streets to facilitate traffic and not rent the public streets for parking purposes."

I do not know just when Commissioner Hazen is supposed to have made that statement, but I presume it must have been sometime ago, for in fairly recent conversations which I have had with the Commissioner he has expressed himself as being in favor of a trial of the meters on certain streets in the District. Of course, he is in Florida at the present time, so it would probably be difficult for us to get in touch with him to confirm his opinion one way or the other. However, on Tuesday, March 22, Commissioner Allen told Mr. Van Duzer, director of vehicles and traffic, that he would have no objection to the trial, and suggested that if possible the revenue derived from the meters be used to further your proposed project of municipal parking lots. I am further of the opinion that Commissioner Sultan has no objection to a trial of the meters. The director of vehicles and traffic is very much in favor of same.

On Monday, March 21, the District of Columbia Commissioners' Traffic Advisory Council, a semiofficial group of some 20 to 25 representative citizens of the District and heads of various District government departments, at a meeting held in the office of the director of vehicles and traffic, overwhelmingly voted in favor of a trial of the meters. Their action was reported to the District Commissioners on March 22.

The principal objection to a trial of the meters in the District of Columbia appears to have come from the American Automobile Association's local club. The newspapers have stated that the American Automobile Association is making a Nation-wide fight against installation of the meters.

In the thought that it might be of value to the traffic advisory council to know the attitude of automobile clubs in some of the large cities where meters have been in use for sometime, I sent wires to a number of these, including some American Automobile Association clubs, and received the following endorsements:

DALLAS, TEX., *March 12, 1938.*

Mr. GEORGE E. KENEIPP,
Vice Chairman, District Commissioners Traffic Advisory Council, 1643 Connecticut Avenue NW., Washington, D. C.:

Dallas unanimously favors parking meters. Improved metered area traffic about 30 percent. Merchants and shoppers pleased, as expedites shopping. No opposition at all. All revenue being devoted for traffic-improvement purposes.

C. J. RUTLAND,
Chairman, Traffic Safety Committee,
Dallas Automobile Club (A. A. A.).

WILMINGTON, DEL., *March 21, 1938.*

GEORGE E. KENEIPP,
Manager, Keystone Automobile Club,
1643 Connecticut Avenue NW., Washington, D. C.:

Wilmington installed 15 parkometers July as trial. Installed 202 additional October. Ninety percent motorists, merchants in favor, provides parking space. Eliminates parking chiseler, double parking, facilitates parking movements, reduces pulling-out-accident hazard. Unexpired time on meters can be used for banking purposes. Available personally 1 cent per stop.

LINNEAUS L. HOOPES,
Manager, Delaware Automobile Association (not A. A. A.).

CUMBERLAND, MD., *March 11, 1938.*

George E. KENEIPP,
Vice Chairman, District Commissioners Traffic Advisory Council, 1643 Connecticut Avenue NW., Washington, D. C.:

Parking meters at first opposed. Now sentiment favorable by all concerned.

WESTERN MARYLAND MOTOR CLUB (A. A. A.).

HAGERSTOWN, MD., *March 11, 1938.*

GEORGE E. KENEIPP,
Vice Chairman, District Commissioners Traffic Advisory Council, 1643 Connecticut Avenue NW., Washington, D. C.:

Advisory board voted unanimously in favor.

HAGERSTOWN BRANCH A. A. A.

OKLAHOMA CITY, OKLA., *March 11, 1938.*

GEORGE E. KENEIPP,
Vice Chairman, District Commissioners Traffic Advisory Council, 1643 Connecticut Avenue NW., Washington, D. C.:

We heartily endorse the use of parking meters.

L. E. PHIFER,
Oklahoma Motor Club (A. A. A.).

MIAMI, FLA., *March 12, 1938.*

GEORGE E. KENEIPP,
Vice Chairman, District Commissioners Traffic Advisory Council, 1643 Connecticut Avenue NW., Washington, D. C.:

Parking meters approved in restricted areas wholly as a traffic and safety measure. We are absolutely opposed to the use of parking meters as a revenue measure.

MIAMI MOTOR CLUB,
W. H. OWENS (A. A. A.).

EL PASO, TEX., *March 11, 1938.*

GEORGE E. KENEIPP,
Vice Chairman, District Commissioners Traffic Advisory Council, 1643 Connecticut Avenue NW., Washington, D. C.:

Parking meters have proven very satisfactory in El Paso.

EL PASO AUTOMOBILE ASSOCIATION (A. A. A.).

These telegrams were all turned over to the Traffic Advisory Council who submitted them to the Commissioners. Mr. Van Duzer, director of vehicles and traffic, on March 22, authorized me to release the telegrams to Members of Congress who I thought might be interested. He said Commissioner Allen had no objection to this.

I am also attaching copy of a letter from Mr. C. J. Rutland, chairman of the traffic safety committee of the Dallas Automobile Club, an A. A. A. affiliate, to Mr. Dave E. Coffman, president of the club, under date of March 16, 1938, which may be of some interest.

On numerous occasions during the past year the writer has been invited to explain and demonstrate the parking meter before civic luncheon clubs, businessmen's associations, and citizens' groups. I can state quite frankly that of some 12 or 15 talks delivered in no instance was any objection offered to a trial of the meters in the District.

We believe that in all fairness the use of the meters should not be condemned without a trial. We do not say positively that they will work. If they don't, we will be among the first to ask for their removal. We only know that Washington has a very serious parking problem, and if the meters can contribute anything to the solution of this problem it would seem the better part of wisdom to at least try them out.

Sincerely yours,

GEO. E. KENEIPP, *Manager.*

MARCH 16, 1938.

Mr. DAVE E. COFFMAN,
President, Dallas Automobile Club,
First National Bank Building, Dallas, Tex.

DEAR MR. COFFMAN: The other day Mr. George E. Keneipp, vice chairman of the Washington, D. C., Commissioners' Traffic Advisory Council, wired the Dallas Automobile Club asking for its opinion on parking meters. At Miss George's request I answered this telegram, reporting favorably on the use of parking meters in Dallas.

Saturday Miss George informed me that the A. A. A. in Washington had wired to the effect that Mr. Keneipp was the manager of a competing automobile club and was attempting to embarrass the A. A. A. in their fight against meters in their city. That seems beside the point to me. The parking meters have proven highly satisfactory in Dallas, and there is no reason why we should not say so.

At the outset, when parking meters were first coming into use, the A. A. A. took a stand against them for the reason it was an additional tax on the motorist. There is no disputing this fact, but the tax is small for the service rendered. How can the A. A. A. ask Dallas to vote against the use of parking meters when that organization has not had any experience with them.

Not only have they expedited the movement of traffic in the downtown area, but they have produced a revenue, nearly all of which at the present time is being used for traffic improvement purposes to benefit the motorist.

In those cities where they have received a fair and impartial trial parking meters have proven definitely successful. It seems to me that if the A. A. A. studied this proposition they would see the merit of parking meters and would try to get them installed and use their influence to see that every cent of revenue was used for traffic improvement purposes. Traffic control can never be solved without money, and this is certainly one opportunity to get it.

Personally I do not like this attitude of the A. A. A. and think it would be in order for you to register a protest on the Washington club's attempting to interfere in a case of this kind.

Sincerely yours,

C. J. RUTLAND,
Chairman, Traffic Safety Committee,
Dallas Automobile Club (A. A. A.).

Relief of Political Refugees

EXTENSION OF REMARKS
OF
HON. MARTIN DIES
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1938

LETTER FROM HON. MARTIN DIES, OF TEXAS, TO HON. CORDELL HULL, SECRETARY OF STATE

Mr. DIES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter written by me to Secretary Hull:

MARCH 26, 1938.

Hon. CORDELL HULL,
Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: With reference to your recently announced plan to invite certain foreign countries to establish an international committee to remove refugees from Germany and Russia to other countries, including the United States, I desire to offer some constructive suggestions which may be of assistance to you and the President.

I can appreciate the deep sympathy which you and the President and the American people feel for the oppressed minorities in other lands and the common desire to alleviate the suffering of these unfortunate peoples. At the same time I am not unmindful of certain serious difficulties which will confront you. In the first place, all foreign countries with the exception of the United States deny to aliens the right to work except under certain conditions which in most instances prove impossible of compliance. In England and France and most countries there are laws which prohibit aliens from working until all native citizens are first employed. It is extremely doubtful if any of these countries will be willing to relax these rigid conditions in view of the strong feeling that exists in their respective countries that it is the duty of a nation to look after its own citizens first and that charity should begin at home. I, therefore, fear that while other nations will enthusiastically agree to the proposal yet the effect will be to merely open our doors for these unfortunate peoples with little or no reciprocal action on the part of the other countries involved.

No matter how deeply we sympathize with the plight of persecuted peoples, we cannot and we must not forget that our first duty is to our own people and that we have in our midst twelve or fifteen million unemployed who are being supported by the overburdened taxpayers of America. The admission of immigrants must result in one of two things: Either they will take jobs that Americans are now holding or the taxpayers of America will be compelled to support them. It must not be forgotten that America has been the only large country which has permitted the surplus population of other nations to settle in our midst. More immigrants have come to America in the past 50 years than to all other countries combined until today one-third of our population is of foreign stock. England and France, on the other hand, have not permitted immigration for many decades with the consequence that 95 percent of their population are of native stock.

There is another difficulty which I wish to point out. Under the immigration laws of the United States the consuls do not have the right to permit any alien to enter the United States who is likely to become a public charge. To afford any material relief to these aliens would require the violation of this law.

We cannot forget that there are millions of aliens in our midst who have come legally and illegally to the United States; that many of them are now being supported by the taxpayers and that others are holding jobs which Americans could hold if they were not here. If it had not been for the millions of aliens that we have admitted during the past few decades, it is extremely doubtful if we would have any serious unemployment.

However, we cannot keep from feeling profound sympathy for the millions of people in Europe who are today the victims of a centralization of power in the hands of a central government, and the gradual destruction of local government throughout Europe. The totalitarian governments in Europe have gradually usurped all powers and functions until today they insist upon the right to minutely inspect and regulate the lives and conduct of all their citizens. This is the inevitable result of all schemes to centralize power in the hands of a central government dominated by some overpowering personality.

There is, however, a way that America and the other Democratic countries can relieve the persecuted peoples of Europe and find them a haven of refuge from the tyrannies of centralized power. That way is outlined in a bill which I introduced several years ago to provide for the colonization of unemployed and persecuted aliens in Paraguay. At that time I assembled considerable information to show that Paraguay has much unoccupied land and is anxious to welcome colonists to settle on this land. At that time I was in touch with certain representatives of Paraguayan interests who advised me that millions of acres of land are available to colonists. My bill provided that a committee be established to raise funds to send these unemployed and persecuted aliens to Paraguay and to any other country which has available land and which welcomes colonists.

May I, therefore, suggest that you propose to the other world powers that this committee be authorized to negotiate with Paraguay and other sparsely inhabited countries of South America with a view of settling unemployed and persecuted aliens on this unoccupied land. This international committee can secure from private persons and from racial and religious organizations vast sums of money to pay for the transportation of these aliens and to colonize them on this land. I understand that the land will be furnished without cost.

While it has been several years since I have been in touch with the Paraguay situation, if there has not been a change since that time my plan will afford a happy solution to this vexing problem. It will only afford temporary relief to permit these unfortunate peoples to enter other European countries where the right to work would be denied them. Since there are no jobs available in the United States these aliens would find themselves in a distressing condition if they were brought to our country. But if such a plan as I have outlined is adopted, they can find an asylum from centralized government and also an opportunity to begin life anew with an opportunity to make a decent living.

Trusting that my proposal will receive your serious consideration, and assuring you that it is advanced for the sole purpose of helping these unfortunate peoples for whom I have the deepest sympathy.

Sincerely yours,

MARTIN DIES.

Mr. Gannett's Committee

EXTENSION OF REMARKS
OF
HON. SHERMAN MINTON
OF INDIANA
IN THE SENATE OF THE UNITED STATES

Monday, March 28 (legislative day of Wednesday, January 5), 1938

EDITORIAL FROM CAPITAL TIMES, OF MADISON, WIS., MARCH 23, 1938

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial published in the Capital Times, of Madison, Wis., in the issue of March 23, 1938.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Capital Times, of Madison, Wis., March 23, 1938]

THE PROBE OF MR. GANNETT'S COMMITTEE SHOULD GO ON

The loudest squawk of the week is coming from the headquarters of the so-called National Committee to Uphold Constitutional Government, Publisher Frank Gannett's anti-New Deal propaganda outfit that spent large sums of money fighting the Supreme Court reform bill last year and is now engaged, tooth and nail, in a costly assault on the President's plan to reorganize Federal departments.

The reason for the loud lament is this: The Senate lobby investigating committee has recently come to life and is inquiring into the identity of the interests behind certain lobbying groups in the Nation's Capital. The National Committee to Uphold Constitutional Government has come under the lobby committee's searchlight.

Whereupon Mr. Gannett, in a furious statement widely circulated this week by his propaganda agency, declares that "the infamous Black committee of the United States Senate is again at work in an effort to destroy one of the most vital liberties of the American people—the sanctity of their homes, the freedom of their thought, and the privacy of their papers."

Actually, Mr. Gannett's committee was asked by the Senate investigators to produce records showing the committee's source of funds and other pertinent information to which Congress and the public is certainly entitled. An organization that proposes to advise lawmakers what to do and what not to do should surely

operate out in the open and not behind the anonymity of a high-sounding title.

A subpena issued by the Senate investigators was served on the executive secretary of the Gannett organization, one Dr. Rumley. That gentleman, on the advice of a former Hearst attorney, defied the Senate committee and refused to produce the records.

While the Senate probers consider bringing contempt proceedings against Rumley, the facts about the National Committee to Uphold Constitutional Government remain a secret.

The Capital Times is not surprised at the Gannett committee's refusal to reveal its significant background. Some months ago this newspaper in an open letter challenged Mr. Gannett to make public the names of the individuals and organizations who financed its obviously expensive propaganda campaign.

Mr. Gannett's reply was angrily evasive—the contributors to his propaganda jackpot were too numerous to mention, and the amounts each kicked in were almost all small, said he.

We are not astonished, therefore, that Mr. Gannett should fly into a rage at the Senate Lobby Committee and shout about such irrelevant matters as "the sanctity of the home," even though nobody is threatening the sanctity of anybody's home or Mr. Gannett's "freedom of thought."

The Capital Times hopes that the Senate Lobby Committee, now chairmaned by Senator SHERMAN MINTON, of Indiana, will continue its investigation of Mr. Gannett's propaganda organization and exercise its full authority to bring out the facts.

They should make interesting reading, judging from the extreme reticence of the National Committee to Uphold Constitutional Government to make them public.

Social and Economic Implications

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1938

ARTICLE BY S. HOWARD EVANS

Mr. MEAD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article by Mr. S. Howard Evans:

SOCIAL AND ECONOMIC IMPLICATIONS

(By S. Howard Evans)

The Federal Communications Commission, on January 24, 1938, issued a report on the social and economic implications of broadcasting. This report was prepared by Commander T. A. M. Craven, a member of the Commission, in his former capacity as its chief engineer. It is based upon testimony given at the reallocation hearings held in October 1936. The engineering report on the same hearings, also prepared by Commander Craven, was rendered January 11, 1937.

The report is voluminous. Its first 132 pages comprise Commander Craven's signed report. This is followed by 11 appendixes, each containing a special summary or exhibit. The appendixes are followed by another extensive report prepared by Dr. Herman S. Hettinger of the Wharton School of Finance and Commerce, University of Pennsylvania.

Although the Hettinger and Craven reports deal with much the same subject matter, their conclusions are different in several important respects. Since Commander Craven's present position gives additional weight to his opinions and since his introduction states that he has checked the Hettinger report and given it every consideration before arriving at his own independent judgment; this analysis will be confined to his work.

Perhaps the best key to the character of Commander Craven's recommendations is contained in the concluding paragraph of his report, which reads as follows:

"With respect to those improvements which do not require rules and regulations, but which do require study on the part of the Commission and the industry, it is suggested that the Commission proceed forthwith to assume leadership and cooperation with the industry. It is our belief that having due regard to the requirements of law, particularly those pertaining to censorship, the Commission can, with the aid and assistance of the industry, ultimately set up standards of performance which can be utilized by all as a yardstick. It is our belief that the industry itself would welcome such a procedure, provided the Commission through its leadership could inspire the industry by the Commission's demonstrating its practical knowledge and reasonable interpretation of business trends in the economics of broadcasting."

To understand the nature of this suggestion it is necessary to go back through the report and find out the specific questions which appear not to require rules and regulations but to require study. Among other questions raised are the following: Whether or not newspapers should be allowed to own radio stations (pp. 41–45); ways and means to promote improved methods of utilizing radio, particularly with reference to the acceptability by the public of advertising content and continuity (p. 85), better methods of securing statistical data of a social and economic character (p. 102), and whether or not to make grants of superpower as high as 500,000 watts in individual instances (pp. 121–125).

These questions open the way for some interesting speculation. What kind of cooperation should the Commission expect from the industry, 28 percent of which is newspaper owned, in deciding whether or not to forbid newspaper ownership? What would be the result of cooperation with the industry for the improvement of advertising practices when change in any present practice would almost certain affect the income of some part of the industry? What kind of cooperation would the industry as a whole give to the Commission in improving methods of collecting statistical data when every station owner knows that data collected may be used by the Commission in passing judgment on his station? What kind of cooperation is to be expected in individual instances where the feasibility of superpower is being considered when, generally speaking, the cooperating stations will be either applicants for or opponents of superpower?

Commander Craven's suggestion, per se, offers a somewhat naive method of determining policy. Congress did not suggest cooperation when it wrote the Communications Act. The other independent and semijudicial agencies of government generally expect to secure, as a matter of right and not cooperation, the information and advice needed for regulatory purposes. When the word "yardstick" is mentioned, the Tennessee Valley Authority immediately comes to mind. That governmental agency has been very positive in its decision that the best way to protect the public is to develop a yardstick through its own resources and not through cooperation.

Obviously cooperation should never be discouraged. The National Association of Broadcasters, within the last month, has adopted a new form of organization to facilitate closer cooperation with the Federal Communications Commission. Much good can come from such a reorganization and the broadcasters are to be commended for their wisdom in accepting it. However, this step should never be regarded as a means of giving them any part in the policy-making function of a commission set up to act as an impartial and disinterested tribunal.

As a guide to what might be expected from cooperation with the industry, the Commission has a certain amount of experience gained from its efforts to promote cooperation in educational broadcasting. The Commission was instrumental in creating the Federal Radio Education Committee "for mutual cooperation between broadcasters and nonprofit organizations." That committee has been in existence since February 17, 1936. The only mention of it in the Craven report is as follows:

"In this connection the Commission is aware that it has a committee on education which is functioning and which will undoubtedly give it sound advice with respect to program service."

As a matter of record it should be reported that the Federal Radio Education Committee, which is composed of individuals about equally representative of education and of commercial broadcasting, has not met since October 1936. However, a subcommittee of six, three educators and three commercial broadcasters, has been active during the interim formulating and financing a program of research. This program has been publicly announced and consists of a number of studies to be made by different university groups over a period of 2 to 4 years. There is no indication that the committee plans a report on program service until these studies are complete. There is much doubt as to how comprehensive its recommendations can be even then.

While no one questions the value of the Federal Radio Education Committee it should be perfectly evident that the Commission can neither wait for its report nor depend solely upon this committee for suggestions upon which to base its policies with regard to educational broadcasting. Indeed the tone of the above reference to the committee implies as much. If this experience gives any indication of what can be expected from cooperation with the industry as proposed in the Craven report, it seems to suggest that the responsibility of the Commission will continue to remain that of regulating rather than "inspiring" the industry.

So much for the philosophy of the report. Now for a consideration of some of its details. The pages are packed with valuable data, much of it taken from an analysis of the testimony of witnesses at the hearings and much more introduced by Commander Craven from other sources available to him. He gives an analysis of testimony which, in general, is both fair and complete. His only conspicuous oversight in this respect is the omission of all reference to a report on broadcasting which was prepared for United States Senator BURTON K. WHEELER and which was submitted as evidence at the specific request of one of the Commissioners.

The testimony at the hearings made it clear that improvement in the broadcasting allocation policy of the Government is both desirable and necessary. Commander Craven's opinion of the kind of improvement needed was given in his engineering report prepared a year ago. In the present report he refers to his earlier recommendations as follows: "In our preliminary report we made specific recommendations for changes in the technical rules and standards now in existence and prescribed by the Commission. The effect of these recommendations is discussed in section VI. We wish to assure the Commission that our study of the economic and social phases of broadcasting shows no reason

why the specific technical suggestions should not be accepted by the Commission."

In section VI (p. 108) of his report, Commander Craven states his principal recommendations, as follows:

"(a) Establish six principal classes of stations instead of four as at present.

"(b) Reduce the present number of 40 clear channels to not less than 25.

"(c) Add 10 channels to the present broadcast band by extending the band to 1,600 kilocycles.

"(d) Redistribute channels to classes of stations.

"(e) Increase the power of stations where needed, and where technically feasible.

"(f) Make the regulations flexible."

The paramount question here is whether or not Commander Craven's recommendations provide for the kind of improvement which is needed in broadcasting at this time. The question cannot be answered "yes" or "no." The answer is a matter of opinion, and depends not upon the recommendations but upon interpretations of the licensing policy of the Government which is to be changed by the recommendations. Those who believe that this policy needs little or no change will say that Commander Craven's suggestions provide an ample remedy. Those who are of the opinion that the policy needs a more thorough overhauling will insist that his suggestions are inadequate.

The difference of opinion between these two groups centers around the practice of the Federal Communications Commission in issuing broadcast licenses. At the present time the Commission gives one broadcaster a license to use 50,000 watts power and gives to another a license for only 100 watts. There are sound reasons for these unequal grants, and no careful student of radio would suggest that they be equalized. However, critics of the system insist that the Commission place heavier responsibilities upon those who receive the choice grants of power, thus tending to equalize the competition and end the existing favoritism. Defenders of the system say that equality of competition never can be achieved and that the present inequalities are so unimportant that nothing need be done about them. Commander Craven takes this latter view and defends it ably in his report (pp. 31–32).

Far be it from any layman to argue with Commander Craven over evidence upon which he seems so eminently qualified to pass judgment. Later on in his report, however, when he comes to a discussion of the subject of superpower, he again expresses an opinion about inequalities which may be created by the licensing policy of the Commission. This opinion is so significant that it is quoted at some length:

"The question of the technical feasibility of power in excess of 50 kilowatts has been discussed in the engineering department's January report, which indicated that powers as great as 500 kilowatts are technically sound.

"On the other hand, the evidence shows that there will be economic effects, particularly if many stations should be granted such power as 500 kilowatts. We are unable to predict the absolute degree of good or bad effects because of the lack of substantial evidence * * *.

"The evidence shows that while rural listeners undoubtedly would be benefited * * * there is a question whether the smaller communities might, in the long run, lose their media for local self-expression by radio by reason of the economic effect of superhigh power. However, in this respect the evidence was the most controversial * * *.

"The evidence submitted by the clear-channel group seems to indicate that in certain circumstances some regional and local stations now within the high-grade service range of existing 50-kilowatt stations have not suffered, and that if all classes of stations were increased by approximately the same ratio, no change would be effected in the status quo of the existing economic situation. On the other hand, the evidence submitted by those who were opposed to the use of superpower indicated that certain stations would no longer be able to retain the same network connection as they hold at present, and that if the network connection were severed the station would suffer material financial handicaps. The evidence also shows that regardless of networks, many stations derive a substantial portion of their revenue from national business, and that if this national business were affected by the concentration of the national advertising on a few superhigh-powered stations, the economic stability of several stations might be affected * * *.

"Another factor involved in the use of superpower is that a small group of licensees operating on frequencies which have been assigned to them by the Federal Government would have control of radio facilities capable of reaching the entire Nation. Unless care were exercised in the regulation of these licensees, the possibility exists of having granted to a few people, from natural resources of the Federal Government, the control of a system of mass communication having untold potentialities of being utilized to influence public opinion. Hence it seems that in the determination of the question of superpower must also come the consideration of the ability of the Federal Government to control these facilities, both from the standpoint of individual licensees as well as combinations thereof, in such a manner that they will operate always in the interest of the public. Therefore, if the Commission intends to grant any of the pending applications for superpower, it certainly should impose limitations on the use of such a facility so as to insure its operation in the interest of the public from the broadcast standpoint."

The case was never more strongly stated. Commander Craven is proposing for superpower limitations proportionately the same as those advocated by others for high power in the regular broadcasting band. The difference between high power and superpower is only relative. It suggests that the subject of limitations should be studied more thoroughly before any action is taken by the Commission.

The Craven report gives no consideration to the limitations which might be imposed upon the use of broadcasting facilities. It is therefore incomplete. The Commission should not act upon its recommendations until this shortcoming has been corrected. Then and then only will a course of action be clear and safe.

Freemasonry and the Spiritual Foundations of the Constitution of the United States of America

EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 24, 1938

ADDRESS BY FRED PIERCE CORSON, LL. D., PRESIDENT OF DICKINSON COLLEGE, CARLISLE, PA.

Mr. BLOOM. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following address on Freemasonry and the Spiritual Foundations of the Constitution of the United States of America, delivered by Fred Pierce Corson, LL. D., president of Dickinson College, Carlisle, Pa.:

When the framers of the Constitution met in 1787 four major problems confronted them. If a true democracy was to be established the new form of government must create unity without identity; it must establish equality without uniformity; it must provide individual well-being without class stratifications; and it must make possible freedom without anarchy.

To every serious-minded person in the States the formation of this new Government appeared as a gigantic task. Many who were in sympathy with the aims of these nation builders felt that their dream of "one Nation indivisible with liberty and justice for all" could not be accomplished. Even the delegates to the convention had grave misgivings about the outcome of their work. Nathaniel Gorham, a Massachusetts representative, arose in one of the sessions and said, "Can it be supposed that this vast country including the western territory will 150 years hence remain a Nation?" The success, however, of their efforts is now a matter of history. What they did in that memorable Convention made possible a Nation attracting hundreds of thousands of home builders to its shores. The framework of government which they raised has preserved our democracy while a score of other democracies have risen only to fall. So well did they plan that today the Constitution of the United States is the oldest Government in existence, surviving all other forms of government in operation in 1787.

It is natural that those who are concerned with the perpetuation of our form of government should seek the causes of this remarkable success. In fact, it has been a subject of world-wide study. One of the best explanations for American progress as a democracy has come from a group of men who were not Americans but who, because of that fact, could without prejudice or bias, accurately appraise us. They were members of a commission sent to America to discover the source of our power and the secret of our success.

After a thorough and careful investigation which took into account our material resources, our fortunate location, and our form of government, these experts reported that the real source of America's success was to be found in its spiritual resources, its fundamental morality, and the point of view of its citizens. In the judgment of the chairman, who was one of Europe's outstanding political philosophers, America had become a great democracy because of the spiritual foundations on which it rested.

If, therefore, we are seeking the real causes of the success of the Republic, the thing without which our experiment in constitutional democracy would have failed, we must look for it in those spiritual attitudes which give life and direction to legal forms.

Solid foundations go far beyond the visible superstructure and are often lost sight of and neglected. This is true of the foundations on which our Republic rests. They were being laid long before the Constitutional Convention of 1787. They go back, in fact, to those men and women who settling on our shores brought with them a specific belief in God and established a religion based on the economic principles of industry, sobriety, and thrift and the social principle that rights and privileges for individual development carry with them obligations and responsibilities in human conduct. Here in the spiritual, economic, and social philosophy of these founding fathers is to be found the explanation

for the unique development and progress of the land whose benefits we now enjoy.

It is not sophistry but fact which leads to the observation that what a people think of themselves and of society determines the character of their government and the nature of their development. Will a government succeed? Will a nation make progress? First find out the people's attitude toward man, his origin, significance, and destiny before you answer.

Social forms and governmental forms are the projection of a people's conception of the individual. If men conceive their origin in low terms and their destiny solely in the acquisition of material satisfactions, you can expect them to act like beasts and not like angels. Where a people think of the individual as created solely for the State, you can expect absolutism in government. Where the individual's highest good is conceived as the banishment of all desire and ambition you can expect inertia and stagnation in society. Where there is a materialistic conception of man's origin and destiny you will have the native soil for political communism. What we believe about ourselves determines the form of government through which the belief finds expression.

The Constitution of the United States as an instrument of democracy even though it was flexible in form and stabilized by a nice system of checks and balances could not have survived these 150 years apart from the spiritual foundations embodied in the belief of the American people about themselves, their origin, their possibilities, their obligations, their rights and their destiny upon which the Constitution rested. Democracy depends upon a high conception of human personality while absolutism thrives upon a cheap view of the individual. Let us make no mistake about that. DeTocqueville was right. America owes her economic progress, her governmental stability, and her success as a democracy to her spiritual foundations.

Before 1787 the work of laying these spiritual foundations upon which the superstructure of a new government was to be erected was well under way. The church in all of its branches was one of the powerful agencies in this work and the Masonic fraternity was another.

It was not merely coincidence that of the six young men who Hendrick, the biographer of the Constitution, says produced the Constitution, at least half were members of the craft, nor that Washington, the presiding officer of the Convention, Franklin, the conciliator, Hancock, who introduced the so-called Bill of Rights in the Massachusetts ratification convention, and Marshall, whose interpretations gave the Constitution form and life, belonged to the Masonic Order. Masonry from the beginning was not only a fraternal organization but also a spiritual movement, and its members, as President Thomas Masaryk once said, have always been "ardent propagators of the ideals of humanity." For 60 years before the Constitutional Convention convened Masons in every section of the Colonies had been meeting on the level and departing on the square. By democratic methods within the lodge they had been practicing equality and brotherhood, and as centers of influence in their communities they spread a spiritual idealism about man and society without which the Constitution would have been abortive and the Nation stillborn.

Masonry's contribution to the spiritual foundations of the Constitution centered chiefly in its view of life, man, and society which every Mason was obligated to express not only in his relations to his brothers within the lodge but in his relations to all mankind. It is important to recognize this fact about Masonry, since without it the organizational aspects of the fraternity would have remained impotent and its work as a constructive force in building the new Government would have been negligible.

No man could enter the fellowship of the order who did not conceive his origin and the origin of the universe in terms of a higher and intelligent power who as the Great Architect laid the plans upon the trestle board for the development of life. The Bible upon the altar served both as a symbol of the intelligence of this power and as a practical guide to faith and practice. It was a constant reminder of the blessings of religious liberty and freedom of conscience which it guaranteed within the lodge, and its influence upon men like Madison could only strengthen their espousal of these blessings for all mankind. Masons were not permitted to forget the fact that privileges entailed obligations, which is a most necessary assumption in building a durable government.

Within the lodge, wherever their eyes rested, these Colonials were reminded of the principles which became the foundation for our American form of government. The square, the compass, the level, and the plumb all stood for some precept of man in his social relationships. The square as a symbol of morality, the compass as a symbol of duty, the level as a symbol of equality, and the plumb as a symbol of integrity pointed to essential standards of conduct in a government where the attitude of the individual and not some external force supplied the cohesive factor necessary for success. Thus were Masons conditioned by their environment for democratic government.

The lodge itself became a periodic reminder of the attainment of progress through cooperation. There apprentices and master Masons worked together for wages in erecting a perfect temple. And in that symbolism, wherever it may be found, are principles of work, optimism, and vision which have more than offset the inevitable draw-back of democratic inefficiency in achieving a better society. Panaceas for human ills and short cuts to Utopia found little encouragement within Masonic circles.

Historically Masonry has always stood for a better social order and a more abundant life for the individual members of that order. In Europe Frederick the Great expressed its purpose when he referred to Masonry as a means of educating the people to be better members of society, and in the Colonies this principle found expression in the practice of self-government within the lodge in accord with those attitudes toward life which are essential to the development of a free people.

During and before the constitutional convention, when public opinion was greatly needed for the support of the principle of self-government, there was no other single organization reaching all of the Colonies standing for and practicing so many of the principles which provided the foundation for the final form our Government took. Theological and social dogma which have sidetracked the consideration of so many sound ideas were absent in the Masonic presentation of these principles and Masonry, therefore, became a common ground for their expression throughout the Colonies from New Hampshire to Georgia.

As Masonry in those early days conceived its service to the State in establishing these foundations, so Masonry today should be concerned with perpetuating them. Foundations deteriorate if neglected and can easily be weakened by destructive and alien forces. If we are to maintain the superstructure of Democratic Government we must watch the base of spiritual principles, building them ever stronger in the thought and life of Americans. Here Masonry, elevating the principles of duty, industry, honesty, fidelity, charity, truth, toleration, harmony, and enlightenment, finds its meaning and justification as a historic and contemporary American institution.

Interstate Commerce in Food Products

EXTENSION OF REMARKS

OF

HON. WILLIAM J. DRIVER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1938

RESOLUTION ADOPTED BY THE LEGISLATURE OF THE STATE OF ARKANSAS

Mr. DRIVER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution adopted by the Legislature of the State of Arkansas:

Whereas attention of this body has been called to the fact that the legislatures of some 20 States of our Nation have at various times in the recent past enacted what amounts to proscriptive tax laws against the importation, sale, and consumption in their several States of certain wholesome food products from other States, under the guise of protecting their own producers of competing products; and

Whereas such action so diminishes or bars the use and consumption of products affected by said proscriptive laws that those consumers who otherwise would be willing and able to purchase them are unable to do so; and

Whereas many producers of food products of our State find themselves in the position where their products are either curtailed in use or altogether banned from importation into those States which have enacted these unfair proscriptive taxation statutes; and

Whereas the arbitrary taxation by one State against the free importation of food products from another or others is unsound in principle, un-American and contrary to the spirit of the founders of our Government, tends to engender a spirit of revenge among our people, raises artificial barriers between our several States contrary to and in direct disregard of our national unity, and creates a situation which may ultimately result in a demand for retaliatory legislation in those States which find their products so affected: Now, therefore, be it

Resolved, That the principle or practice of enacting into law of State or Federal Governments statutes which by taxation or otherwise inhibit or bar the free movement between the several States of healthful and wholesome food products suitable for consumption by man or beast is hereby most highly regretted and soundly condemned as unsound in principle, un-American and contrary to the spirit of the founders of our Government and their immediate repeal is also hereby most sincerely urged; and be it further

Resolved, That copies of this resolution be transmitted to the Representatives and Senators of our State in Congress assembled and to Hon. Henry A. Wallace, Secretary of Agriculture.

Farmer-Labor Platform of 1938

EXTENSION OF REMARKS

OF

HON. DEWEY W. JOHNSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1938

PLATFORM ADOPTED BY THE FARMER-LABOR ASSOCIATION OF MINNESOTA AT DULUTH, MINN., MARCH 25 AND 26, 1938

Mr. JOHNSON of Minnesota. Mr. Speaker, under the privilege accorded me to extend my remarks, I am inserting herein the platform of 1938 adopted by the Farmer-Labor Association of Minnesota at the State convention held in Duluth, Minn., March 25 and 26, 1938:

The Minnesota Farmer-Labor Association meets in convention in 1938 in a period of great historic importance. Another economic crisis faces the Nation. Millions of men and women capable and anxious to work are denied employment and the right to enjoy a decent standard of living. Thousands are being added daily to the relief rolls.

Farm produce prices are such that thousands of farmers are losing their farms, and still one-third of the people of the Nation are ill fed. Millions are in need of clothing and other personal necessities, while factories prepared to produce such necessities stand idle because of failure to produce profits.

Untold thousands must exist in hovels, while skilled workers stand idle but ready to build them comfortable homes. Independent businessmen are going bankrupt or out of business because the purchasing power of the farmers and laborers have been cut to a minimum.

FAVORS FORCEFUL MEASURES

Professional people are suffering because the masses are unable to pay them for their services. Youth is denied the opportunity of a full and normal life. We recognize as our duty and privilege to propose a platform and adequate program that will materially assist in restoring to the people of the State and Nation the right and opportunity of living conditions befitting American citizens.

We also realize that in the solution of social and economic problems confronting the State, it will be necessary to adopt forceful and vigorous measures and to pioneer in the field of economics and make fundamental changes in our social system.

Throughout the world the democratic rights of the people are being challenged and democracy is being held up to scorn. International morality has virtually disappeared and militaristic governments are threatening another world war.

In this critical situation the Minnesota Farmer-Labor Association pledges itself to carry forward the people's demands for democratic social justice, economic security, and peace. We recognize that the issue between the people and the selfish few who control their economic and social life is daily becoming sharper.

RAPS REACTIONARY FORCES

Reactionary forces are becoming more bold in their efforts to defeat progress. They are now openly resisting the demands for adequate wages and shorter hours for labor, an adequate measure of relief and social security for the needy, protection of the independent merchant against unfair competition, and adopt an equitable system of taxes levied in accordance with ability to pay, and the efforts to make the courts responsible to the present needs of our people. In this campaign the industrial overlords in their alignment with political reaction are attempting to hide their faces under the mask of liberalism.

The American people have inherited a tradition of democracy and liberalism. This tradition actuated our forefathers in 1776. It carried the American people through the great struggle for democratic rights in the days of Jefferson and Jackson, and it won for them, under Abraham Lincoln, the fight against human slavery.

NOTES PAST LEADERS

That same tradition sustained the American people in their fight against predatory wealth under the leadership of such men as the elder Robert M. La Follette, Charles A. Lindbergh, and Floyd B. Olson.

The Farmer-Labor Association reaffirms its faith in liberal democratic traditions. It maintains its position as the party of democratic and representative government, and in these days when democracy is threatened in every nation, announces its intention to defend our democratic Americans against those who would destroy them by setting up autocratic dictatorship forms of government.

We therefore denounce every effort to introduce intolerance and undemocratic influences into our social system, dictatorial methods into our governmental structure, and propaganda inimical to American ideals and traditions.

The Farmer-Labor Party is pledged to enact into law the progressive demands of the people. This program is embodied in the following proposals:

Legislation by Congress

AGRICULTURE

Individual ownership of farms and farm homes should be encouraged by refinancing the farmer at a low rate of interest (Frazier-Lemke bill) and adopt a program fixing a fair minimum price based on cost of production, on major agricultual commodities needed for the home market, and at a fair exchange value with such protective devices as may be necessary to give the American market to the American farmer. We advocate the decentralization of bureaucratic control of the Federal land bank by the Federal Farm Credit Administration, and that cooperative features of the Federal land bank be restored to the farm borrowers.

INDUSTRY

Liberalize Reconstruction Finance Corporation loaning problem to permit loans to small business at low interest rates. We advocate reduction on taxes on small incomes and small businesses.

Taxes to be levied in accordance with ability to buy so that wealth pays the proper share toward the upkeep of the Government.

Continuance of corporate-surplus and undivided-profits taxes.

No exempt securities.

In the protection of the independent merchant we favor the passage of the Patman chain-store-tax bill.

PUBLIC WELFARE

We advocate greater Federal responsibility for both direct and work relief; no relief or W. P. A. cuts as long as need exists; continuation of W. P. A. only on the basis of the highest prevailing wage, and no pauper's oaths to be required as a condition to employment, extension of social-security program to include other groups where practicable.

PEACE

We advocate cooperation with all forces genuinely seeking peace, in their efforts to promote peace; we are opposed to entangling alliances and to increased armaments, such as the big-navy bill; we favor nationalization of all war-munitions plants and the drafting of wealth in the time of war; we would prohibit the sale of war materials to aggressor warring nations and nations that are attacked should have access to our resources only under conditions that will not involve us in war.

We advocate the defeat of the Sheppard-May dictatorship bill. We favor an amendment to the Constitution of the United States reducing the term of office of Federal judges from life to a term of not more than 10 years, such judges to be elected by popular vote.

CIVIL LIBERTIES

We favor the enactment of the antilynching bill and other measures designed to protect the civil rights of the people, adequate appropriations to carry on the work of the La Follette committee investigating violations of free speech and rights of liberty.

BANKING

We favor enactment of legislation granting Congress the exclusive and constitutional power to coin money and to regulate the value thereof; Government ownership of Federal Reserve banks.

Legislation by the State

TAXES AND AGRICULTURE

We favor an equitable tax program, reduction of the State income tax so that exemption corresponds with the Federal law, and rates reduced for all classes under $5,000-a-year income.

Taxes to be levied in accordance with ability to pay, so that wealth pays it proper share in the upkeep of government. Opposition to all forms of general sales taxes. Complete exemption from the State tax levy on homesteads. For the benefit of the independent merchant and small-business man we advocate a graduated corporate-income tax and chain-store tax based on the national unit.

ADVOCATE TAX ON OLEO

The principle of the Louisiana act, reduction of property taxes, appropriation for investigation of tax dodging by corporations and wealthy individuals.

We believe a form of taxation should be devised so the benefit of mineral wealth shall redound to the tax revenues of the State without any reduction in the tax revenues of the local communities.

We advocate an adequate and effective license tax on oleomargarine and all butter substitutes sold and used in Minnesota.

We advocate legislation encouraging the extension of cooperative activities.

In order to discourage chain farming we favor a graduated land tax on large land holdings.

We favor submission of a constitutional amendment which would permit Minnesota to make use of the dock site which it owns in the Duluth harbor for terminal facilities, as intended by our fathers.

We advocate a research program to develop uses for surplus farm crops.

We advocate the expansion of agricultural education in our schools.

LABOR

We pledge our full support and aid to the right of labor to organize and bargain collectively in conformity with the law of

the land. We pledge our support to all workers in their struggle for higher wages and better working conditions. We condemn the use of the spy system in industry and urge the passage of legislation to this end.

We advocate the adoption of a state fund workmen's compensation law.

We propose a constitutional amendment giving the State the right to enact an adequate wage and hour bill.

We propose a State labor relations act patterned on the National Labor Relations Act.

We propose enactment of legislation requiring purchase by the State of material and supplies made under trade union standards. We propose an improved minimum wage and hour law for women together with more adequate health measures for women employed in industry.

GENERAL WELFARE

We favor the enactment of laws to facilitate slum clearance and low cost housing programs for farm and city and for that purpose we urge the ratification of the Federal Housing Authority Act by the State of Minnesota for the benefit of the lowest-income groups. Adequate civil-service laws for State employees.

Legislation to permit State cooperation with the Federal Government in establishing rural electrification cooperatives and municipally-owned power plants, together with a law to facilitate the acquisition and operation of municipal utilities. We favor the submission of a constitutional amendment to carry out this program.

Election to the State legislature by party designation.

Appropriation of sufficient funds to the attorney general to permit the investigation and prosecution of all forms of racketeering together with legislation to curb the usurious practices of loan sharks.

EDUCATION

We advocate and demand legislation to insure the payment of school aids in full. All income-tax proceeds should be devoted exclusively to the maintenance and support of our schools. We favor increased facilities for the transportation of nonresident pupils to our high schools. Adequate funds should be provided for scholarships and youth programs designed to provide our young people with an opportunity for education and employment.

We commend the regents of the University of Minnesota for their action in abolishing compulsory military training. We favor a program of adult education. We favor the extension of the teachers' tenure law wherever practical.

JOBS AND SECURITY FOR ALL

We oppose throwing the relief burden back on local communities where it becomes an unbearable tax burden on merchants, farmers, and homeowners, but propose that increased responsibility for relief expenditures be carried by the Federal and State governments to be paid for by a tax on the profits of monopolies.

We propose a unified agency for the administration of veterans' relief. We urge more adequate social-security measures, unemployment compensation, old-age assistance, mothers' pensions, and so forth.

We propose the payment of direct relief in cash.

PROTECT MINNESOTA INDUSTRY

The Farmer-Labor Association differentiates sharply between the chain-store system and the independent business. The former evades taxes, takes their profits out of the State, and does not contribute its share to the general welfare of the people. The independent businessman lives and pays taxes in Minnesota, employs Minnesota labor, buys Minnesota products, and contributes everything to Minnesota's prosperity. We propose as in the past to protect Minnesota business against predatory monopolies to the end that we may have a balanced prosperity among all the people of Minnesota.

We propose to lower exorbitant trucking rates on intrastate trucking to give Minnesota truck owners an equal competitive position in relation to the monopoly trucking corporations. We oppose dismemberment of the Minneapolis & St. Louis Railroad and all railroad consolidations that involve lay-offs of railroad labor, and discontinuance of service to communities.

We favor development of upper Mississippi River navigation and the Great Lakes-St. Lawrence waterway.

CONSERVE OUR NATURAL RESOURCES

We advocate the intensified management of State-owned resources for the greatest benefit of the majority of the people and urge that work relief be made increasingly self-supporting by the institution of work projects for the development of those State-owned resources.

We advocate a more adequate program for forest protection, public regulation to prevent forest destruction on private land, public aid to farm forestry, State and Federal aid to counties in lieu of taxes and other revenue from tax-delinquent forest land, and the passage of amendment No. 1 authorizing consolidation of State forest holding by the exchange of land. We advocate public ownership and development of water-power resources.

RESERVE OUR DEMOCRATIC RIGHTS

We propose to repeal the Minnesota criminal syndicalism law. We oppose any attempt to curb or deny our basic democratic rights. We are opposed to all efforts to repeal our primary election law.

The Reorganization Bill

EXTENSION OF REMARKS
OF
HON. PEHR G. HOLMES
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1938

EDITORIAL FROM THE WORCESTER (MASS.) TELEGRAM OF MARCH 27, 1938

Mr. HOLMES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the Worcester (Mass.) Telegram:

[From the Worcester (Mass.) Telegram of March 27, 1938]

SOME REASONS FOR OPPOSING THE REORGANIZATION BILL

With a final vote on the reorganization bill scheduled in the Senate for tomorrow, and with various safeguarding amendments already rejected, the outlook for defeat of the bill is not bright. The bill has already been passed in part by the House of Representatives.

The President in his annual message to Congress on January 6, 1937, declared:

"With a better understanding of our purposes and a more intelligent recognition of our needs as a nation, it is not to be assumed that there will be prolonged failure to bring legislative and judicial action into closer harmony."

That was a hint of something coming. It came a month later, when the President submitted to Congress his court-packing measure. Another month later, in his address on March 4, 1937, he delivered his most violent attack against the Supreme Court. Among other things he said:

"The Democratic administration and the Congress made a gallant, sincere effort to raise wages, to reduce hours, to abolish child labor, to eliminate unfair trade practices. We tried to establish machinery to adjust the relations between the employer and employee. And what happened? You know who assumed the power to veto, and did veto, that program."

That was the way in which President Roosevelt referred to the Supreme Court's decision against the National Industrial Recovery Act. Those words of the President were never—not even in the midst of the battle last year—emphasized as they should have been emphasized by the defenders of the Court. For the decision against the N. R. A. was unanimous. It was so clear cut that there arose wonder as to how anybody—New Dealer or anti-New Dealer—had failed to see the utter unconstitutionality in the N. R. A. from the beginning. Yet in the face of all that, in the face of the fact that Justices Brandeis and Cardozo and Stone agreed with the more conservative members of the Court, the President bitterly assailed the Court for its N. R. A. decision, and he virtually challenged the Court's authority to make that decision. Thereby the President exhibited his real idea of bringing "legislative and judicial action into closer harmony."

President Roosevelt made a desperate effort to destroy the independence of the United States Supreme Court. He made a desperate effort to inflame public opinion against the Supreme Court. He did not succeed. But he made the attempt. He abandoned the attempt not because he was persuaded that he had made an error, but because a majority of the Senate finally lined up against him. The fact that he tried with all his power to destroy the independence of the Supreme Court should be remembered now, in connection with the reorganization bill. A President who wanted to eliminate the Supreme Court because it would not virtually obey his orders is not likely to want a reorganization of the executive departments of the Government merely for the sake of greater efficiency. He is likely to want such a reorganization for the sake of greater power for himself. Certainly the bill in the form it was originally presented to Congress can leave no doubt that absolute power for the President was his dominating motive.

One of the reasons put forth for passage of the bill is that unless Congress grants to the President a broad sweeping authority to reorganize the executive departments, without requirement of its approval for each step in reorganization, then reorganization will never come. It is argued, in other words, that Congress if left to itself will never do the job. The answer to that is that the possible or probable attitude of Congress toward reorganization in the future is not the issue now. The issue now is this particular bill. This bill ought to be defeated because further powers ought not to be granted to President Roosevelt. Nor should the powers this bill grants, even as modified in the House, be given to any President.

Under it the President could not only order a general shake-up of departments. He could abolish any department or bureau, with a few specified exceptions, and these are important safeguards, admittedly. But he could transfer the duties and functions of an

abolished bureau to another department and create an entirely new personnel. In a word, he could pack the Government with employees all of his own political faith and subservient to his own ideas. Neither President Roosevelt nor any other President should be granted such sweeping powers. It is the antithesis of democracy. It paves the easy way for a dictator to take command of all of us. Even those who may sincerely believe that President Roosevelt would never attempt to go so far must admit that neither he nor any other Chief Executive of the Nation should be given such a limitless opportunity. Nor would any man who sincerely believed in America's democracy even seek such powers.

What has the President done with the powers already granted to him? He has not brought a sustained recovery. We are in the midst of a serious slump in business. The army of the millions of jobless citizens demonstrates daily that there has been no magic in the New Deal. The failure of the President's policies, and even more important, the President's persistent refusal to admit the slightest error on his part, and his unremitting attacks on business and on the policies of his Republican predecessors, provide strong arguments against granting him further authority to juggle the Government.

Another argument against the bill is the Roosevelt record regarding civil service. The President has been hostile to the merit system. Many New Deal laws provide for appointments without regard to civil-service requirements. In addition to the impairment of the merit system, there has been too much partisan politics in many of the Government's undertakings, including the apportionment and handling of work-relief funds.

But perhaps the most important of all the faults of the reorganization bill is that it has nothing to do with economy. Indeed, the President himself has declared that reorganization alone would not provide "major savings in the cost of government." That's the trouble. No one contemplates saving any money these days. Not only in the National Government but in the State and city governments this is true. No one in office ever thinks about economy or efficiency—of the kind of efficiency which brings economy.

The reorganization bill, if for no other reason, should be defeated because it does not specifically provide for curtailing certain governmental activities or for eliminating or diminishing certain governmental agencies and thereby saving money. The refusal to take any active interest in economy, the persistent failure to face the dangers in continued excessive spending—this is a state of mind in which Congress now is. It is time it was changed.

Wage-Hour Legislation

EXTENSION OF REMARKS

OF

HON. ARTHUR D. HEALEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1938

LETTER FROM CLUETT, PEABODY & CO., INC., AND REPLY BY HON. ARTHUR D. HEALEY, OF MASSACHUSETTS

Mr. HEALEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter received by me from Cluett, Peabody & Co. and my reply thereto:

CLUETT, PEABODY & CO., INC.,
Troy, N. Y., March 25, 1938.

Hon. ARTHUR D. HEALEY,
House Office Building, Washington, D. C.

DEAR SIR: When the present administration went into office, we wrote the Department of Labor, March 21, 1933, requesting that consideration be given to the possibility of establishing a minimum wage throughout the country. We realized that in many sections of the country wages were so low and hours were so long that it made it impossible, or most difficult, to obtain business by companies that were paying good wages and working reasonable hours.

So, when the N. R. A. provisions for wages and hours were adopted, we believed that objective had been attained. Then when N. R. A. collapsed, we were glad that many companies did not immediately increase their hours or reduce their wages. But now the situation is again difficult. Low wages and long hours are again appearing in many sections. We have no way of knowing to what extent this is so, but we have evidence that in some instances, particularly low wages and long hours prevail.

We had hopes that there would be a new bill controlling this situation within reasonable limits, but the news that has recently come to us is that the wage and hour bill has been laid aside. We are writing you to ask if this is so, and if there be no hope for such a bill in this session. We are hoping that you agree with us, and that you will use your influence to see that something is done about it.

Yours truly,

C. R. PALMER.

MARCH 26, 1938.

Mr. C. R. PALMER,
President, Cluett, Peabody & Co., Inc., Troy, N. Y.

DEAR MR. PALMER: Thank you for your interest in writing to me regarding your support of wage-hour legislation. I am happy indeed to note your views.

I am in entire agreement with your views and believe that the enactment of legislation of this type is necessary, not alone to prevent the antisocial exploitation of labor that exists in many concerns, but also to overcome that contraction of mass purchasing power that has so seriously menaced our entire economic system and to prevent the sabotage of that section of our industry—and I believe it is a majority of American industry—that maintains decent labor standards.

It is most unfortunate that the impression has been widely disseminated that American industry opposes this measure and it is most encouraging and helpful to have an utterance such as yours. It is fervently to be hoped that an increasing number of manufacturers will realize the vast significance of this legislation to them and lend their voices to its support.

A determined effort is now being made in Congress to bring out a suitable wage-hour bill and it is certainly my hope that those of us who have been fighting for enactment of such legislation may be able to prevail during this session of Congress.

With my kind wishes, I am,

Sincerely yours,

ARTHUR D. HEALEY.

Industry, Especially Small Business, Needs Financial Assistance From Federal Government. Congress Should Enact Necessary Legislation.

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1938

Mr. RANDOLPH. Mr. Speaker, there is a pressing problem now confronting a large portion of small business-men throughout the United States. They need badly at this time financial aid from the Federal Government, which will take the form of loans that can and will be repaid.

In the congressional district which I represent the need for such aid is an acute one. At this point I insert copy of a letter written by myself to Secretary Morgenthau:

MARCH 25, 1938.

Hon. HENRY MORGENTHAU,
Secretary of the Treasury, Washington, D. C.

MY DEAR MR. SECRETARY: I am deeply interested in the study which is now being conducted by several Government officials, including yourself, regarding the possibility of preparing a program of financial aid to business on a more liberal plan than that which has been previously offered by the Reconstruction Finance Corporation.

I have just returned this morning from a trip into West Virginia, where I secured first-hand information on this subject and found out the need of the small-business man for Federal aid at this time. I have been carrying on correspondence on this subject for some time and have been vitally interested in seeing something done.

I am keenly aware of the fact that the mill owners, mine operators, and small industrialists in my congressional district—and I believe throughout the Nation—are very much in need of Federal assistance at this time, but the majority of them are unable to comply with the rigid requirements set up by the R. F. C. I do not wish to give the impression that I am in any way criticizing the activities of this lending agency, but sincerely feel that the situation is not being adequately coped with.

I am hopeful that some program can be worked out by your committee whereby the small-business man can be provided with working capital to clear up indebtedness, pay back taxes, and secure funds for future operations. I know that you and the other distinguished gentlemen are sincere in your efforts in this direction, and I trust something can be done at an early date.

Most sincerely,

JENNINGS RANDOLPH.

I now desire to set forth copy of a letter from one individual businessman from my district, his communication being typical of many requests being received by me on this subject. I shall not give his name but only the text of the letter:

DEAR MR. RANDOLPH: This company, which has been employing around 300 men, had the shortest workweek for a period of the past 7 or 8 years.

In the past we have been able to take care of our men to the extent that all who were able to work have been kept free from relief rolls.

Due to the failure of the Guffey commission to maintain the price structure, and the market conditions, we were obliged to suspend 30 employees today and will be unable to furnish enough work to carry the balance of employees without financial aid from some source.

We have understood that several coal companies have received Federal aid in some such manner as the farmer is receiving in order to develop and improve their properties. If we could obtain Federal aid for such purposes, we would build several miles of new tramways and develop two new mine entries, thereby taking care of our men until business might revive.

If you can give us any information as to procedure in obtaining Federal aid for above purposes, it will be greatly appreciated.

I have replied to the foregoing letter by stating "it appears that definite plans are now under way to secure new legislation which will allow liberalization of R. F. C. loans to industry."

At this point I include copy of a letter written by a constituent of mine bearing directly on this problem:

MORGANTOWN, W. VA., *March 26, 1938.*

Hon. HENRY MORGENTHAU,
Secretary of the Treasury, Washington, D. C.

MY DEAR MR. SECRETARY: Being one of the small-business men of West Virginia and also interested in having our country come up out of this recession, I would like to offer a suggestion that I think will help all small business.

Up until our former Secretary of the Treasury, Mr. Mellon, took charge, the small-business man could go to the banks and get a loan on his real estate or farm lands, which he had been taught was the foundation of all credit, and which I think ought to be now.

Therefore, if the Government would say to the banks, both State and National, that we are going to recognize only real estate and farm lands as first collateral, then the small-business man could go to the banks and secure his loans. That would bring back the price of real estate.

In regard to the borrowing of the small-business men from the R. F. C., I think there is too much red tape and too many rigid requirements for him to meet.

I sincerely hope that your committee can work out something for the small-business man as he certainly needs help now to pay his taxes, clear up his old indebtedness, and to have money to use as working capital.

Hoping that this suggestion will help, I am,

Yours truly,

O. S. TENNANT,
O. S. Tennant Milling Co., Morgantown, W. Va.

An Associated Press dispatch of Sunday states:

The administration asked Congress yesterday to authorize a virtually unlimited program of Government loans to business and a resumption of self-liquidating loans to public bodies.

The administration's proposal would enable the Reconstruction Finance Corporation to make business loans on a long-term basis, meeting directly the complaint of many businessmen that such credits were not available.

The R. F. C. would be given power also to buy securities of private corporations, opening the way for capital loans for expansion and new construction. Small-business men have complained to the Government that capital for those purposes was difficult to obtain except in large quantities.

Making public a letter from Jesse Jones, R. F. C. chairman, requesting that the new authority be granted, Senator Glass, Democrat, of Virginia, chairman of the Senate Appropriations Committee, said he already had introduced legislation designed to carry out the administration's recommendations.

Mr. Jones said in his letter that President Roosevelt had authorized him to make the request.

Under existing law, the R. F. C. is prohibited from making loans maturing later than January 31, 1945. The total of all private loans outstanding cannot be more than $300,000,000. Both restrictions would be eliminated under the administration proposal.

The new provision would empower the R. F. C. to "purchase the securities and obligations of and to make loans to, any business enterprise when capital or credit, at prevailing rates for the character of loan provided for, is not otherwise available."

The corporation would be restricted only by its judgment as to the solvency of the borrower and the soundness of the loan.

It would be required to determine that the loan or security was of a nature "reasonably to assure retirement or repayment."

In the Washington Post of the same date Franklyn Waltman, political writer, comments as follows:

The fact that the administration again has turned back to Senator GLASS as sponsor for its banking and financial legislation is significant of the changed attitude of those controlling the New Deal. Aside from the first few months of the Roosevelt administration, Senator GLASS has been disregarded, if not ignored, in the projecting of New Deal banking and financial moves.

All this led to the belief on Capitol Hill yesterday that the President had been persuaded by Chairman Jones that it was necessary to take steps, not only to ease up somewhat on the restrictions surrounding loans to business, but also to head off more far-reaching proposals in that direction.

An article by Eric Friedheim in the Washington Times says that—

The administration is perfecting a new program for making credit available to both large and small business, it was learned today following conferences between high Government fiscal officials.

President Roosevelt is reported as dissatisfied with the existing Federal lending machinery and is said to have suggested expansion of Government aid to industrial enterprises.

Although the R. F. C. recently renewed its industrial-loan program, only a negligible amount of capital has been released. Corporation Chairman Jesse Jones has insisted that borrowers must furnish adequate collateral for this type of loan.

That small-business men are continuing to clamor for Federal loans is evidenced by a report issued by Secretary of Commerce Roper which analyzed nearly 4,000 letters received from individuals during the past month.

"Increased facilities for providing credit and capital were strongly demanded in the letters," the report said. "The majority indicated their belief that the existing banking system, including both private and official agencies, failed to meet the needs of the small-business men."

Many pleas for aid came from small retail dealers who need working capital to clear up indebtedness, pay accumulated taxes, and provide funds for future operations.

"A fairly large volume of letters also was received from small companies needing funds for the installation of machinery and plant expansion as well as working capital," the report said.

Mr. Speaker, we should speedily recognize our responsibility to provide the necessary machinery so that there can be set in motion within a short time a new program which will make available to small industry and business the funds which are badly needed.

Army and Navy Union

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1938

STATEMENT BY THE NATIONAL COMMANDER OF THE ARMY AND NAVY UNION

Mr. McCORMACK. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following statement recently made by the national commander of the Army and Navy Union:

In celebration of 50 years of incorporation the Army and Navy Union of the United States of America has today voted full life memberships to more than 550,000 disabled ex-service men and women whose disabilities resulted from service during some period with the armed forces of the United States. This group includes all survivors of the Grand Army of the Republic, Indian and Spanish War Veterans; all service-connected disabled of the World War; and those disabled in line of duty between wartime periods before and since the World War.

In issuing the general order, Commander in Chief C. John Russell stated: "The membership requirements of the Army and Navy Union admit to membership honorably discharged ex-service men and women who have served in any branch of the armed forces, including those in all branches of the service today. Therefore, the Army and Navy Union makes this award of full-fledged life memberships to the disabled of all war and peacetime periods.

"All new lifetime members will be accorded equal privileges with other members in good standing at the forthcoming national 'Golden Jubilee' Convention in Atlantic City, N. J., August 24–27, 1938."

Commander in Chief Russell pointed out that new life members to receive their membership cards must communicate with the Army and Navy Union national headquarters in Washington, D. C., furnishing their compensation or pension number for identification purposes.

The Farmers' Union Program

EXTENSION OF REMARKS

OF

HON. JED JOHNSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1938

LEGISLATIVE PROGRAM ADOPTED BY THE FARMERS' EDUCATIONAL AND COOPERATIVE UNION OF AMERICA, AT OKLAHOMA CITY, OKLA.

Mr. JOHNSON of Oklahoma. Mr. Speaker, under leave to extend my remarks, I am including the following State and national legislative program of the Farmers' Educational and Cooperative Union of America adopted at the State convention held in Oklahoma City, which I believe will be of special interest to Members of Congress:

REPORT OF RESOLUTIONS AND LEGISLATIVE COMMITTEE

We, your commitee on resolutions and legislation, wish to present the following:

NATIONAL RESOLUTIONS

No. 1

We recommend the early construction of lakes, reservoirs, and dams over a wide territory from the western part of North Dakota, south, between western Texas and Oklahoma, to the Rio Grande in Texas, and all effective measures of soil conservation to be favored. (Carried.)

No. 2

We recommend an immediate amendment to the Frazier-Lemke bill to refinance farm mortgages and the bill applying to town and city mortgages, to the effect that said bills apply first to homesteads and in those States only which have laws against mortgaging homesteads except for purchase price. (Carried.)

No. 3

We recommend that our National Representatives center their efforts for the enactment of legislation for water and soil conservation, the cost-of-production bill, and Frazier-Lemke farm refinancing bill. (Carried.)

No. 4

Resolved, That there should be a standard of value based on hours of productive labor as a unit of valuation, to be enacted by an act of Congress to the end that we may have a standard of value by which to determine the value of the production of labor, and that the Government of the United States shall be the sole banker for its citizens.

No. 5

We recommend that the Farmers' Union go on record favoring adoption of the rural electrification of rural homes.

No. 6

Resolved, That we favor the enactment of an adequate old-age pension law, to be administered and paid by the Federal Government.

STATE RESOLUTIONS

No. 1

We recommend the adoption of the program adopted by the convention held at Oklahoma City, Okla., January 18–19, 1938, by the National Farmers' Educational and Cooperative Union of America. (Carried.)

No. 2

Whereas the privately owned industries are constantly decreasing labor power by using automatic and improved machinery: Therefore be it

Resolved, That we demand public ownership and operation of all public utilities. (Carried.)

No. 3

Whereas it is the primary purpose of the Farmers' Educational and Cooperative Union of Oklahoma to better the conditions of the workers on the farm, at the same time it is essential that the industrial workers also have economic security in order that the farmers get their just share of the products of their labor: Therefore be it

Resolved, That in order to help our industrial brothers and encourage their organization, it is the sense of the Farmers' Educational and Cooperative Union, Oklahoma Division, in annual convention assembled, that we patronize the different union labels and shop cards of organized labor and encourage our members to patronize the union label wherever possible; and merge with all bona fide labor groups in securing legislation beneficial to all producers of wealth. (Carried.)

No. 4

Resolved, That we demand a State law making the legal rate of interest 4 percent and contract rate not to exceed 5 percent per annum. (Carried.)

No. 5

Resolved, That the State executive committee be authorized and instructed to furnish and publish through the Oklahoma Union Farmer a series of lessons on the fundamental purposes of our organization—educational, cooperative, economics, and financial for the study of local unions. (Carried.)

No. 6

Resolved, That we heartily endorse the principles of the graduated land tax. (Carried.)

No. 7

Resolved, That we are opposed to deficiency judgments in foreclosure suits and attorney's fees being assessed against the mortgagor. (Carried.)

No. 8

Whereas under our present system of taxation the property of our people will soon be destroyed, and our sources of taxation dried up, compelling the elimination of old-age pension and public-school aid; and

Whereas the present gross-production tax of 5 percent on oil and gas, and three-fourths of 1 percent on other minerals produced $14,313,668.66 in 1937; and

Whereas an increase of this gross-production tax to 20 percent on oil and gas, and a corresponding increase on other minerals, will raise $57,254,674.64 for 1938, which with the present income tax of $7,093,072.77 will amount to $64,347,747.41; and

Whereas such an increase in this tax will hurt no citizen, and will increase production of these minerals; and

Whereas such an increase in this tax will eliminate our sales tax upon the poor, gasoline tax, car-tag tax, and nuisance taxes, and provide money to build roads, have full school terms, pay our teachers a living salary, and provide old-age security for blind and dependent children, and for our old people in keeping with American citizenship and pay them $30 per month as the people voted in 1936; and

Whereas such an increase in this tax will discontinue our present system of placing farmers and the average businessmen and women deeper in "the hole" when they make no profit on their farms and business: Therefore be it

Resolved, That we recommend the adoption of this resolution, and demand that the next State administration and legislature increase the gross-production tax in conformity to this resolution. (Carried.)

No. 9

Resolved, That the Government buy all the land, both grazing and agricultural, not occupied and used by the owner and family and in event a satisfactory price cannot be agreed to with the owners, then resort to the right of eminent domain, and that the Government issue currency against the land to pay for same, bearing no interest; and that the Government apportion said lands to the landless, on a basis of their ability to use and develop same and that the occupant pay to the Government a rental annually, either cash or crop rental, as may be customary, and all payments less actual cost of handling shall be credited on the cost price of the land. And when occupant shall have paid the cost of the land, then the Government shall issue to said occupant a perpetual use and occupancy title, but no land so financed by the Government shall be mortgaged nor sold to any other than a bona fide user and occupant. (Carried.)

No. 10

We favor the continuance of crop-production loans. (Carried.)

No. 11

We favor crop insurance against loss from natural causes. (Carried.)

No. 12

We demand an immediate moratorium on all farm and home foreclosures occupied and used by the owners. (Carried.)

No. 13

Whereas the abstract and title insurance companies reap a heavy harvest in Oklahoma: Be it

Resolved, That we demand legislation that will make compulsory the Torrens system of land-title registration. (Carried.)

No. 14

Resolved, That this convention recommend the executive board to set aside, not to exceed 50 percent of the funds accrued from the oil and gas business for the purpose of establishing other oil and gas stations to serve the members in various parts of the State. (Carried.)

No. 15

Resolved, That we recommend that the executive committee put on an extensive membership campaign at once as finance will permit. (Carried.)

No. 16

Resolved, That we cooperate to the fullest extent possible with all youth groups in constructing a permanent camp near Turner Falls. (Was withdrawn by committee.)

No. 17

Be it Resolved, That we express our appreciation of all the practical educational work being carried on by the youth and adult organizations of the State. (Resolution motion lost.)

No. 18

Resolved, That all ports of entry at State lines in the United States obstructing commerce between the several States be abolished, and that the mileage tax be abolished. (Carried.)

No. 19

Resolved, That the trailer-tag tax be repealed on trailers used behind passenger cars by the owner to haul his own products. (Carried.)

No. 20

Resolved, That home ownership be established:

1. By extending a practical education in farm-life activities to all rural youth.

2. By assisting each family in production for home consumption, and each individual in a self-supporting enterprise.

3. By a system of finance not to exceed 1½-percent interest per annum and an annual payment of 2½ percent on the principal.

No. 21

Resolved, That the executive board of the Farmers' Union appoint a committee to report to its membership the amount of money being expended on public-school education in Oklahoma, and to determine to what extent the present system of education is meeting the needs of the youth of today. (Carried.)

No. 22

Resolved, That no salaried employee should be allowed to make any charge for any Farmers' Union service that they may render to any Farmers' Union member or one about to become a Farmers' Union member. Upon proof of such violation they shall be dismissed from the service at once. (Carried.)

Motion made to adopt amendments as a whole. (Carried.)

Work of W. P. A. in Connection with Southern California Flood

EXTENSION OF REMARKS

OF

HON. H. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1938

EDITORIAL FROM THE CLAREMONT (CALIF.) COURIER, OF MARCH 18, 1938

Mr. VOORHIS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the Claremont (Calif.) Courier of Friday, March 18, 1938:

[From the Claremont (Calif.) Courier, of March 18, 1938]

THE W. P. A. COMES THROUGH

Claremont may be preponderantly conservative in politics and generally antagonistic to many of the policies of the present administration, but it henceforth will have little face for criticism of W. P. A. officials.

Most feeling of partisan cynicism at the aims and conduct of this work-relief program was washed away in the emergency of March 4, when W. P. A. leaders cut red tape and hurled men and materials into the levee area above Claremont to save the community from an inundation as serious as that experienced during the peak of the storm 2 days before.

The community is grateful to the W. P. A. officials, and the Courier deems it a privilege publicly to express the appreciation of Claremont to the relief organizations heads for their providential assistance.

I Believe in Democracy

EXTENSION OF REMARKS

OF

HON. ROSS A. COLLINS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 22, 1938

EDITORIAL FROM THE MISSISSIPPI EDUCATIONAL ADVANCE

Mr. COLLINS. Mr. Speaker, one Sunday afternoon a few weeks ago I was talking with one of the country's most worthy men. We were discussing present-day conditions and present-day thinking throughout the world. He was concerned chiefly about the present-day belief that a single man should be in supreme command of the destinies of a nation. He said in great earnestness that the history of mankind records the eternal truth that a nation reaches heights of greatness in proportion to the number of its people who interest themselves in its political and economic affairs, and that a nation decays whenever its people cease to be jealous of their rights and liberties and voluntarily permit one person or a few persons to direct governmental business.

A few days after this conversation another friend, a learned judge of my home State, mailed me a copy of an article on the same subject which was written by the superintendent of a school in a small town in my State, Dr. R. L. Hunt, of Louise, Miss. I have read and reread the article many times, for I regard it as both timely and worth while. For this reason I have asked unanimous consent to print it in the RECORD, knowing that by so doing it will be read and appreciated by many thinking American citizens.

[From the Mississippi Educational Advance for February 1938]

I BELIEVE IN DEMOCRACY

I believe in democracy. There is in me this faith which it is time to declare. It is time for all of us who believe in democracy to make our affirmation of faith.

Three things have happened in the past week to make me know this must be done—three little things, but things to me more significant than the vast portents sometimes argued. A preacher, minister to a congregation of nearly 3,000 souls, remarked in casual conversation that it seemed unfair to let a man vote if he had no property. A lady of very conservative tendencies expressed great admiration for the king as a symbol of stability. My one-time schoolmate, now on the staff of a State department of education, wrote me a note during a forum on the dangers to democracy, to say, half in jest, half in earnest, "I am tending toward fascism, a strong man * * *."

Of such stuff is made the thinking of a people. Informally and without premeditation these friends were expressing reactions to oft-repeated criticisms of democracy and its way of life. These friends shared the thoughts of millions less articulate and perhaps less thoughtful and influential. The people have heard criticisms, some justified and some not, so often that they can only believe that no hope is to be found save in revolution, in a turn to right or to left. True or not, if a saying is repeated often enough, it will be believed by the majority. Truth will win in a free field, surely, but some of the present hostile atmosphere is being created by organizations for institutional purposes. It is time for us who believe in democracy to declare our belief and the reasons for the faith that lies in us. We must declare our allegiance loudly, fervently, and often, to equal the voices raised against it. I believe in democracy.

I believe in democracy, first, because it is the political expression of the religious—to me Christian—principle that all men matter equally to God. Other men may find this principle in other religions; for me it is the heart of the Christianity I know. God, the Creator-Father, loves His children so much that He will go to the cross for the least of them. Ignorant and despised, naked and starving, the humblest of humanity may yet approach directly to God; the prayer of the poorest will be heard equally with the prayer of the richest potentate. Democracy gives political expression to this religious faith; it attempts to count men upon the same basis. Every man matters equally to God, and the vote of every man counts equally in a democracy. The practice of democracy is therefore near the ideal; democracy is thereby the expression in statecraft of an ultimate truth. Because it is the political expression of the equality of man before God, I believe in democracy.

I believe in democracy, second, because it recognizes personality as of supreme worth. It is easy to have a government where people are sold for the building of an empire or for a man's fortune. It is easy to have a government where a man votes according to his wealth, or his birth, or his physical strength in muscle and arms. Such governments value wealth and armaments more than personality; these governments have been tried often and thoroughly. They do not survive. Societies based upon wealth or birth or other such standards are subject to violent disruption more than the democracy resting upon the wide basis of the majority, upon the consent of the governed. Democracy insists that "a man's a man for a' that," and its insistence is truth according to the testimony of history. Because it recognizes personality as of supreme worth, I believe in democracy.

I believe in democracy, third, because I believe in the democratic method. The man persuaded against his will is only half persuaded still. Empires have been built upon other, more "practical" methods than the reasoning to secure majority consent and the bargaining to secure the greatest good to the greatest number, but those empires have fallen. He who lives by the sword perishes by the sword—the truth is written large in history. The military machine carries within itself the seeds of its own destruction. The government by violence may produce a seeming

calm for the present, but its future is that of an explosion. This generation has witnessed such explosions, and may observe others in the making. The testimony of history is that a government is secure only by the desire of the people. The more overbearing the force of repression, the more drastic the reaction to it. The governments resting upon force, whether that force be exerted by "capitalists" or by the "proletariat," cannot produce the peace and good will necessary to economic life in this time of specialization and exchange of services and goods. Peace, order, and prosperity come with the good will produced by the consideration for others known to a democracy.

There is nothing in the way of a rule by a strong man, of government by dictatorships benevolent or otherwise, which has not been tested in the past—to fail far beyond the alleged failure of democracy. The system of democracy may seem slow to the person who would create a Utopia by fiat, but lasting growth is slowly achieved. It is a slow process to educate and persuade, to win the consent of the majority, but it is the only way by which your desired revolution may be made secure. Government is safe and sure only when it rests upon the consent of the governed. The ends you desire must characterize also the means taken to achieve them; if you desire the good of the majority, your method must be in harmony, for inevitably the means partake of the ends. No violence can achieve the permanence and security of a democracy, winning by reason. Because I believe in the democratic method, I believe in democracy.

I believe in democracy, fourth, because democracy seeks to develop to the full every talent of every individual. Talent does not respect rank, and genius is not snobbish; they dwell in the cabin as in the palace. More than any other form of government, democracy delights in the development of the embryo artist, the student-scientist, the budding statesman from any section of its society. Democracy honors the work and contribution of all worthy labor, and cultivates thereby the security and self-respect which makes possible the development of personality. Other forms of government with class rigidities make it harder for the artist to come from the hovel, the statesman from the cabin. Democracy gives play for the expression of individuality which brings to its service the strongest points of every person. It gives opportunity for the development of genius along lines socially desirable, rather than the antisocial, violent expressions fostered by some systems. The wealth of individual contributions makes the wealth of democracy; a democracy is richer than any other form of society, because it draws from the talents of every individual more than any other form of government. Because it develops the talents of every individual and gives play to the expression of personality, I believe in democracy.

I believe in democracy, fifth, because it is the American tradition. No people can safely leave its past; the past is much of its fortune for the future. The American heritage in which I rejoice is rich in its vision of the worth of man. Each person matters, and his right to the pursuit of happiness is worth defending by all. The blood of our fathers has been shed in such defense. This is the American heritage, and we are what we are today because of it. Because it is our heritage, I believe in democracy.

I believe in democracy because it has worked. On the pragmatic test of the results achieved, contrasting here with the idealistic basis first put forth, democracy has worked better than any other form of government. It has been accompanied by higher standards of living, greater development of natural resources, wider distribution of wealth, more rights for the people. The weaknesses of our society today are less the weaknesses of democracy than of the lack of democracy. We have weaknesses where we have fallen short of democracy, but we have a better government than any other because we approach most closely the democratic ideal. Because it has worked more effectively than any other form of government, I believe in democracy!

I believe in democracy because its advantages so far outweigh its disadvantages. I know some of the dangers of democracy, and some of the charges against our society. The majority may become a mob to crucify a minority—but is the tyranny of an autocrat or of an oligarchy not a greater danger? It is expensive to consult the desires of the people through such devices as an election—but are not revolutions more expensive? The people often do not know what is for the good of the majority—but is it safer to consult the self-interest of a minority? It is dangerous to delay to go the long way around to win the consent of the majority—but is the short cut to avoid the delay not more dangerous? A democracy is not an efficient fighting machine—but is fighting the most efficient method of settling disputes? And what prince shall wage war successfully if his soldiers do not wish to fight? There is corruption and graft in our Government—but can any despot show any honest men in his employ to the number of honest men found in the service of the American people? Big business dictates too much to our Government—but is the cure for that to give complete authority to big-business men or their opponents? The justice of some of the charges against our society and against democracy is easily observed. The charges need not be discounted, so long as equal scrutiny is given to substitute proposals. We may recognize all the weaknesses of democracy, recognize all the faults of our imperfect application of the principles of democracy—it yet holds more of achievement and more of promise than may be found in any alternative. Because its advantages so far outweigh its disadvantages, I believe in democracy!

Foreign Affairs

EXTENSION OF REMARKS

OF

HON. WILLIAM E. BORAH

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Tuesday, March 29 (legislative day of Wednesday, January 5), 1938

RADIO ADDRESS OF HON. WILLIAM E. BORAH, OF IDAHO, ON MARCH 28, 1938

Mr. BORAH. Mr. President, I made some observations last night over the radio on foreign affairs. I ask that they be inserted in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, above the din of screeching and incoherent propaganda, calculated, if not designed, to break down the traditional foreign policy of this Government and involve us in foreign controversies and wars, it was reassuring to hear the clear, sane voice of our American Ambassador in London saying, "The great majority of Americans oppose any entangling alliances. Most Americans insist that their country retain its independent and unmortgaged judgment as to the merits of world crises as and when they arise. This viewpoint has dominated the whole foreign policy of the United States and it endures to this day. * * * The United States has no intention of attacking anyone. It does not expect to be attacked. It is now, and intends to remain, on friendly terms with every country in the world. If the force of events should make it impossible for us to follow this policy, my country will decide, when the time comes, what to do to preserve the welfare of its own citizens."

This sound policy, here stated, is as essential to the contentment and happiness of the American people and to the power and dignity of this Republic as when Jefferson first stated our foreign policy to be: Peace with all nations, commerce with all nations, friendship with all nations, entangling alliances with none.

While providing at all times adequate national defense as against those who would attack us, it should still be the policy of this Government to seek friendly relations with "every country in the world," regardless of race or creed, political theories, or forms of government. However abhorent may be the theories or practices maintained in other countries, the amelioration of such conditions does not lie in a departure from the sound foreign policy so clearly and so well stated above and so long maintained by this Government.

When the French Revolution, which the younger Pitt declared to be the "terror and dismay" of the world, was threatening all Europe, when the only government in France was the Committee of Public Safety, with its Dantons and its Robespierres, George Washington, with unanimous approval of his Cabinet, in which sat Alexander Hamilton and Thomas Jefferson, extended recognition to this improvised government of France. No one could detest the things then happening in France more than the man whose very name was a synonym for ordered liberty. It is one thing to personally reject an ism, or a political creed, but it is wholly a different matter to permit these things to change international relations.

It seems worth while, in view of the studied effort to use the happenings in Europe as the basis of our policy in the United States and as a means to throw our people, directly or indirectly, into European affairs, to review some rather recent history that we may understand just why these things are happening and the moving forces underlying the happenings.

When the so-called peace treaties were signed at Versailles, ancient states had been dismembered, national boundaries reestablished, vast colonial possessions given over to the victors, people shoved about from sovereignty to sovereignty, with no more choice upon their part than have cattle which are prodded from one corral to another. All Europe and parts of Asia had been redistributed, divided up, parcelled out largely in accordance with the terms of the secret treaties made while our American boys were being conscripted to fight in foreign countries for the preservation of democracy. In the vindictive fatuousness, which so often comes with the aftermath of war, it seemed to be believed at that time that this arbitrary division of the world would stand, that the Ptolemaic theory of the universe could be applied to politics, that the world no longer moved, that the status quo was sacred and blessed with immortality, that the "have nations" would become the righteous nations, and the "have nots" the unrighteous. And, furthermore, that the United States, with her manpower and her money, should maintain and underwrite the status quo. Hence the League of Nations.

Of course, such a treaty could not stand. It affronted every principle of justice and challenged the deepest passion of the

human heart, that of nationality. It soon brought Europe to a state of bitter unrest and shortly to hunger and want and unspeakable suffering upon the part of the masses. As a result, all nations, even in the midst of economic paralysis, began to arm. While the hospitals of the nations were still crowded with the maimed and the insane, everywhere there was preparation for war—really preparation for the maintenance of the terms of the Versailles Treaty. The Versailles Treaty is the mother of modern armaments. There has been no peace in Europe since it was written, and it seems to be certain there will be no peace until its most unjust terms are ameliorated or rejected.

This condition was not unforeseen; in fact, it seems from the things which followed that the makers of these treaties anticipated the happenings which are now being recorded. Viscount James Bryce, the author of the American Commonwealth, declared at Williamstown, Mass.: "The seeds of future wars have been sown in Europe by the deliberations and the findings of the Versailles Conference." From a much humbler source, I may be pardoned for recalling that in 1921 I expressed the following view: "So long as the Versailles Treaty is the fundamental law of Europe, just that long there will be misery, unrest, conflict, and bloodshed."

The German dictator reached out recently and took under his control and direction the once proud country of Austria. It is a sad and stirring thing to see a once great nation—the vast estate of Maria Teresa—pass under the domination of another power. But if you begin your study of the event with the signing of the Versailles Treaty, that which happened to Austria would appear natural, logical, inevitable, and a thing which is not of the slightest moment to the Government, as a government, of the United States.

Austria had never been an independent nation, except in name, since she escaped from the operating table at Versailles. It was there that she was robbed of her wealth, most of her natural resources, and deprived of every means by which she could hope to become and remain an independent nation. Economically, financially, politically she had been rendered helpless. It was inevitable that some strong power would extend its dominion to this rather pivotal piece of territory. If Hitler had remained a hod carrier in his native village, Austria and Germany would nevertheless have come together sooner or later, as they undertook to do peacefully in 1931. This peaceful movement was interrupted when the so-called World Court suffered itself to be made a political tool of the chancelors of Europe. The Versailles Treaty has many crimes for which it must give an account, but none more futile and brutal than its crime against Austria. It is nothing less than a flimsy piece of transparent acting for those nations who joined in committing that first crime to seek to make a great world tragedy of the fact that the nation thus outraged has come under a new master. Austria cannot possibly receive a harsher treatment at its hands than it received in the first instance at the hands of its friends. It would not be necessary to recall these matters, plain, indisputable facts of history, were it not for the exaggerated use which is being made of this incident to shame and denounce the American people for refusing to have a part in these unfortunate events.

I have used the singular term in speaking of the Versailles Treaty but have had in mind, of course, a group of treaties, including the treaty of St. Germain and of Trianon.

Let us consider another line of thought upon the part of those who would lead us as a nation into European affairs. Modern wars are mass wars, and the art of leading a people into war is the art of deceiving the masses. You could hardly expect a people to be greatly moved over a distribution or redistribution of territory unless it was their own territory. Some more searching appeal must be had. Naturally, therefore, there comes into the discussion the problem of democracy, of again saving democracy. We are plainly told that there should be an alliance, parallel or otherwise, between democracies that we may offer a solid front against dictators.

It seems to be assumed there is, or will be shortly, a line-up of the nations—the totalitarian states upon the one side and the democracies on the other. And that these antagonistic forces will sometime or other settle their differences in some great naval battle like Actium or Trafalgar. If we are to judge the future by the past, or if we are to consider the forces which move nations, all this seems impracticable and unworkable. When have nations drawn apart or held together by reason of different or the same views or philosophies as to forms of government or political theories? A nation acts, indeed, must act, under the iron law of self-interest, a thing seldom determined by forms of government. Paraphrasing the words of Lord Rosebery, the instinct of self-interest guides the European powers with the same certainty as the weather moves the sheep on the hill. A nation does not, and cannot, choose its friends because of approval or disapproval of theories or practices, political or otherwise. Will we not trade, and will we not always be anxious to trade, with peoples whose doctrines we reject and possibly fear? We went into the World War to make the world safe for democracy, and we made it a breeding camp for dictators. And, like Mark Antony over the body of the bleeding Caesar, we quickly seized the bloody hands of those who had assassinated liberty. We need not go back even so far as the World War for an illustration that nations, including democracies, obey the rule of self-interest.

Seven years ago the most arbitrary and militaristic of governments invaded China and seized vast territory in violation of the pact of Paris, the Nine Power Treaty, and the Covenant of the League of Nations. Here was a matter in which all who believe in the sanctity of treaties would be interested. This democracy said to the British democracy, "Come, let us act together; let us protest this running amuck among the most solemn of treaties and the invasion of a friendly nation; let us at least refuse to recognize the fruits of the crime." But the British democracy felt its interests lay in a different direction. It took its stand with the arbitrary government in as pronounced a disregard of treaties as history records. Before the Assembly of the League it defended the violation of these treaties better, said Japan, than Japan could have done. It assigned as a reason that its trade interests could be better protected and would be protected by the invading nation. Greatly disappointed, manifestly humiliated, we learned once more that kindred languages or political theories, culture, or outward friendships disappear in the presence of national interests.

The British democracy is no exception to this rule. It was following a rule of national conduct common to all nations. Countless instances could be cited upon the part of other nations. The theory that democracies, because they are democracies, can act together in the interest of democracy is only a theory. Tomorrow some reality involving the welfare of a nation will break the theory in pieces. Washington, under conditions not dissimilar to our conditions at present, declared: "There can be no greater error than to expect or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard."

The theory that you can save democracy through an alliance with democracy is a misleading theory. An alliance is an alliance, with all its burdens and dangers, its debts, controversies, and wars. Such an alliance would have all the vices and none of the virtues of the old balance of power. It would be potent enough to get us into all kinds of involvements, but not strong enough to get us out, for when the crucial test came the question of democracy would give way to national interests or, more likely, national ambitions.

The problems of democracy, especially our democracy—and I believe of all democracies—lie closer home and are to be worked out along wholly different lines. After we have provided adequate defense for our Nation, as we shall do, the problems of democracy remain. Democracies are bleeding inwardly. The healing is not to be found in armaments, but in bringing contentment, happiness, and prosperity to the harried, confused, and discouraged citizen. There is greater danger to our democracy in that vast army of unemployed encamped in every city, town, and village throughout the land; in that 50,000,000 men, women, and children living in constant sight of the poverty line, poorly clad and poorly fed; in the hundreds of thousands, with the number increasing every year, of malformed and rickety children; of the 5,000,000 girls and boys who leave colleges and universities finding no avenue in which to engage their energies, their genius—more danger here by far than in any fleet of battleships which any nation, or group of nations, may choose to send against us. The danger coming from the latter is remote, highly problematical. But the danger as to the former is here in all its hideous ugliness, eating away at the moral fiber of our people. Widespread poverty, want, and suicide walking with want, will in time break the morale and destroy the faith in government of any people. I care not what flag floats over a people, what their traditions as to liberty may be, how well their institutions of government express the aspirations and hopes of a people, crushing taxes and hunger and disease and broken families will in time undermine and destroy all these things. These are the things which make for communism and fascism and which today wage war against every democracy in the world. This is the problem of democracy. If democracy cannot find a cure for the disease of waste, for the things which undermine and discourage the citizen and dissipate his energies, it is useless to talk of combinations or alliances or in preparedness, because the remedy of these things constitutes the true basis of all preparedness.

I do not disagree in any respect with those who regard the doctrines now being preached and practiced in some countries as a menace to every principle of free government. We disagree only as to the manner and method of combating the menace. Enemies of liberty, enemies of religion, enemies of the family, the Communists' and Fascists' doctrines would sweep away the very foundation stones of Christian civilization. They constitute the severest trial which the lust for power and the frenzy of crime have inflicted upon the human family. What day passes but records some shocking decree against liberty, against race or religion, some assassination at the instance of government, some purge to quiet the cowardly fears of those in power? Such a system is itself a declaration of war against democracy. I do not minimize what all this means to the people of this country and all that they cherish. But I do contend most earnestly that the first line of defense against such enemies is the clear mind, the sturdy character, and the loyal heart of the citizens. Against these systems there is, in the last analysis, no security, no protection, except the security and protection found in the contentment and happiness, the prosperity, and the devotion of the people.

I know of no course we as a people could pursue more definitely calculated to establish a totalitarian government in this country than by permitting ourselves to be involved in foreign wars. Let us consider for a moment what it would mean if we were called upon to wage war in some foreign affair. To start with, we would have a national debt of $40,000,000,000, taxes already so heavy and burdensome that they are discouraging and demoralizing all lines of industry, a heavy deficit, 13,000,000 unemployed, practically one-third of our population poorly clothed and poorly fed. The Government would call for and receive authority for the exercise of the most arbitrary power. If you doubt that, turn with me and con-

sider a bill now pending in the Congress and which has already received the approval of a committee of the Congress. It is called the war-profits bill; it ought to be called a bill to cut the jugular vein of this Republic. It is called a National Defense Act; it should be called the national assault act. How perfectly it would fit into a war situation. It transfers to one man practically all conceivable governmental powers. The businessman, the producer, the laborer, the civilian, and all walks of life would be regimented and every right of the citizen, as those rights have been known and enjoyed, would be subject to the arbitrary power of one man. If the bill were enacted into law we would have as complete a totalitarian state in many respects as they have in Germany and Italy. It is astounding that we have reached a point in constitutional thought when such a bill would even be proposed. But it is a war measure, and if war should come it would likely be overwhelmingly passed. But this is what war means under present economic conditions, especially so. War is always the eternal enemy of democracy, the friend of communism, and the father of fascism. Yet those who would drag us into all foreign controversies are the friends of just such measures as above referred to. While accentuating our supposed duties abroad, they would undermine and destroy our liberty as a people at home. Those who talk so glibly about our duty to crush nazi-ism in Europe, if they should have their way, would plant the brutal thing in the very heart of the American Republic.

When we look about us and witness the utter degradation to which once strong, proud peoples have been reduced, the comforts and the security of home gone, freedom of worship denied, the right to be heard in defense of limb, liberty, or life utterly unknown, no free, unchallenged life anywhere or in any respect, and then contemplate the guaranties of the Great Charter and what they mean to the people, the sacred traditions against which they are buttressed, what mad folly it is to offer to strike all these down in the name of national defense. It is an expression of that abnormal, almost insane, official egotism now oppressing and torturing the life of peoples everywhere, which proceeds upon the theory that a few officials, temporarily and often through political accident in power, are wiser than the accumulated intellect of all the people.

History seems to record that if a people once lose that feeling toward their government, which is hard to define yet easily recognized and which has been a part of the life of every great people, a mingling, as it were, of a sense of reverence with a spirit of comradeship, something essentially divine and yet something of which the people are a part, this once lost can never be restored. When government and country mean no more than something with which to experiment on the one hand and something to exploit on the other hand, the nation has already reached the meridian of its greatness. And if any such measure as the foregoing should ever receive the approval of the American people it would be conclusive proof that they were no longer fit for liberty.

Coming back to the main subject, our foreign policy. It is urged that, while alliances may be objectionable, we should cooperate. Cooperation, it is said, is the law of life, the true spirit of humanity, and, failing to cooperate, we will, as a nation, become ostracized, and finally fall into spiritual, moral, and physical decay. With whom are we going to cooperate? And is that cooperation to be by authority and approval of the people or an official who may be in the place of power? There were those in this country who urged earnestly that we cooperate with Mr. Eden in his policy of refusing to negotiate with the dictators, and if necessary, urged whipping the dictators. But they did not wish to cooperate with Mr. Chamberlain's policy of negotiation. The former cooperation might have led us into war; the latter would lead us into close association with Hitler and Mussolini. There are those who would have had us cooperate with Great Britain when she seemed ready to engage in war with Japan. But what would be our policy of cooperation when it should appear that Great Britain may again join hands with Japan, recognize her authority over North China, and become her permanent ally? Shall we cooperate with Great Britain if she concludes to fight for the German colonies? If we cooperate with France, a republic, against Germany, shall we be content to cooperate with Russia, France's close ally? This policy of cooperation is rather difficult to apply to practical purposes. Either we must accept the policies as established by other countries or the people of the United States would become mere playthings of the likes and dislikes of those who might be in power.

We would be interested also, I should think, in the matter of cooperation to know just how policies are formed upon the part of those with whom we should cooperate and how wars are made. It is conceivable that if the people in those countries had anything to say about peace or war, it might be a basis for cooperation, for, I venture to believe, there would be very few wars. But I invite your attention as to how wars are made in Europe from a very high authority, a most conservative but also intelligent authority. An editorial appearing in the London Times some time ago said: "Who then makes war? The answer is to be found in the chancelleries of Europe among the men who have too long played with human lives as pawns in a game of chess, who have become enmeshed in formulas and the jargon of diplomacy that they have ceased to be conscious of the poignant realities with which they trifle. And thus will war continue to be made, until the great masses who are the sport of professional schemers and dreamers say the word which shall bring, not eternal peace, for that is impossible, but a determination that wars shall be fought only in a just and righteous and vital cause." Into this maelstrom where a few men play with human lives as pawns, the dreamers, the sentimentalists, not to mention some other classes, would plunge the United States under the attractive banner of cooperation.

In conclusion, our supreme and imperative task is here at home—and it is a task—which many fear we can never successfully meet. Whatever is necessary for the defense of this country and the life and liberty of our people, no true American would withhold. And what we owe to other peoples in promoting the cause of peace in fostering better understanding through trade and commerce, and in friendly relations, we will doubtless always be ready to admit and to pay in full. But venturing beyond that and permitting ourselves to be drawn into controversies and wars not our own, there is no depth of human misery which such a course may not entail and no calamity to our scheme of government which may not ensue.

Reciprocal Trade Agreements

EXTENSION OF REMARKS

OF

HON. HENRY CABOT LODGE, JR.

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Tuesday, March 29 (legislative day of Wednesday, January 5), 1938

EDITORIAL FROM NEW YORK SUNDAY ENQUIRER OF MARCH 6, 1938

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an ably written and encouraging editorial from the New York Sunday Enquirer.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Sunday Enquirer of March 6, 1938]

JUST WHAT WAS NEEDED

Senators LODGE and WALSH, of Massachusetts, the former a Republican, the latter a Democrat, have collaborated in the introduction of a resolution providing for a senatorial investigation of imports from abroad and their bearing upon unemployment in America.

The investigating committee would be required, after due study, to recommend alterations in our tariff policy in order to safeguard American wage earners and give further scope for employment. Speaking of the resolution Senator LODGE declared:

"The rising tide of unemployment shows that the need for such adjustments is urgent. Passage of this resolution will be a vital and fundamental first step on the road to real work at real wages."

This is one of the most heartening developments which have taken place in Congress during the past few years. Our State Department, deaf to the protests and pleadings of those opposed to its policy of trying to bribe foreign nations to be peaceful and helpful to each other economically, is now engaged in the congenial task of negotiating a "reciprocal" trade treaty with Great Britain. If this pact materializes it will bring upon the American worker, employed and unemployed alike, and his family, as well as upon American industry and commerce, a condition of things dismaying to contemplate.

There should be an immediate popular response to the wise action of Senators WALSH and LODGE. The success of their move is of paramount consequence to the Nation.

All those who favor it—and they are legion—should immediately either write or telegraph these Senators, calling for the passage of their resolution.

Founders' Day, Georgetown University

EXTENSION OF REMARKS

OF

HON. ROYAL S. COPELAND

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, March 29 (legislative day of Wednesday, January 5), 1938

ADDRESS OF HON. DAVID I. WALSH, OF MASSACHUSETTS, AT GEORGETOWN UNIVERSITY, ON MARCH 26, 1938

Mr. COPELAND. Mr. President, it was my privilege, as well as that of several other Senators, to attend the exercises

commemorating Founders' Day at Georgetown University on Saturday evening, March 26, 1938. We witnessed the bestowal of a signal honor upon the senior Senator from Massachusetts [Mr. WALSH] by his admission on that occasion to fellowship in the William Gaston Academy of Law.

I ask unanimous consent that the able address of the senior Senator from Massachusetts delivered on that occasion, entitled "America's Protection Against Anti-Democratic Movements," be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am deeply appreciative of the honor conferred upon me, in my admission to fellowship in the William Gaston Academy of Law. Nothing within the gift of your university would I esteem more highly and no honor within the bestowal of any university would I value more than one from Georgetown. Not alone because the religious faith of its founders and its teachers is my faith; not alone that it is the oldest and among the foremost Catholic universities in our land; but also from the fact that in the richness of its traditions, the quality of its scholarship and its contribution to the spiritual and intellectual advancement of American life, Georgetown stands second to none.

It is a notable circumstance that the life span of your university coincides with the span of the Constitution of the United States. The founding of the university which these exercises are commemorating was in the same year as the completed ratification by the States of the written instrument that is at once the charter of our liberties and the framework of our Federal Government and which has stood for 149 years without basic change and up to now without substantial impairment.

Tonight I am also mindful of the fact that the William Gaston Academy of Law takes its name from the university's first enrolled student, William Gaston, of North Carolina, whose public career in the Legislature of North Carolina, in the Congress of the United States, and finally upon the supreme court bench of his native State revealed him as a man of the finest qualities of mind, heart, and soul, devout in his religious faith under circumstances which required courage and perseverance, upright in his public conduct, and sturdy in his adherence to the principles of liberty and democracy.

It is natural therefore that my thoughts on this occasion should revert to the foundations of our Republic, to the philosophy of government that actuated the founders—the spirit of the times a century and a half ago—and the contrast between that spirit and that philosophy and the spirit and philosophy of today.

I am moved to do so all the more because of my conviction that today our Nation is not entirely immune from the forces that have been undermining democratic governments throughout the world. The suddenness and rapidity with which the antidemocratic movements have progressed has created here in America a renewed interest in democracy and a new estimate of its value. If our democratic form of government is lessened or lost, it will be because we have strayed from the essential principles of democracy and the fundamental concept of the founding fathers. The concepts of liberty and the philosophy of government of the founders of our democracy are stated in imperishable words in the preamble of the Declaration of Independence:

"We hold these truths to be self-evident: That all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness."

They declared that it was in order to preserve these God-given rights that governments are created, deriving their powers from the consent of the governed. Their concept was of a government that had only such power and authority as the people conferred upon it; of a government that existed solely by the will of the people and solely to serve the people; a government that could not in any event infringe upon the unalienable rights of life, liberty, and the pursuit of happiness; and liberty was used in the broadest sense of the word to embrace religious liberty and toleration, to embrace personal liberty and the private right to property, as well as the other priceless rights that they later embraced in the Bill of Rights. To them democracy raised the status of the citizens from the role of subjects to that of free men.

Contrast this concept with the economic and political philosophy of communism and fascism that are overrunning Europe and threatening the entire world. Communism and fascism have many differences, but they are alike in that they both deify the state. The state is supreme; the individual is the subject of the state and exists only to support the state; his life, liberty, and property are at the mercy of the state to be conscripted for whatever the dictator decrees to be for the betterment of the state. I need not remind you that these communistic and fascist governments wear the livery of democracy, even though they be the very antithes's of democracy; that they pretend that the people rule; that they even go through the form of holding plebiscites and ratification meetings.

No one in authority in our country today espouses communism or fascism. Indeed, on every hand we hear it denounced and condemned, coupled with laudation of our democratic form of government and every proposal of change, however contrary to the philosophies of the founders, is defended with the claim that it is no more than an adaptation of their principles.

What are the realities we observe here in America today? In the desire to hasten social and economic reform we have delegated to the Executive (on the assumption that he will exercise them wisely) extensive powers and authority which under our Constitution were reposed in the Congress. We have increased, and are steadily increasing, centralization of power in the Federal Government at the expense of the States and to a point that threatens the integrity of the State governments. The taxing power, conferred by the people upon the Federal Government for the purpose of raising revenues to defray the expenses of government, and for that purpose only, is being employed for other and different purposes, and for a so-called redistribution of wealth and even at times as a punitive instrument. The farmers of the country are being subjected to regimentation, voluntary perhaps, consent being obtained by means of bonuses and subsidies out of the Federal Treasury on the one hand and penalties on the other hand, but regimentation nevertheless. The rapid multiplication of bureaus and agencies removed from popular control are asserting supremacy over every phase of private business, and competition between private industry and the Government continues to increase.

These are the realities that we face today. These are not the principles and methods of the democracy of the founders. They are in fact entirely contrary to the philosophy of government and the ideals of freedom that pervaded the minds and hearts of those who signed the Declaration of Independence, who fought the Revolutionary War, and who wrote our Federal Constitution.

There is a defense and a strong defense made in favor of these new trends in our governmental set-up. They point out abuses, many abuses, in our social and economic system. All must admit their harmful effects and need for correction. Strange as it may seem, the loss of democracy has usually resulted from capitalization of the unrest among the people because of these abuses and advancement of panaceas in the guise of reforms and benefits. In a word, it has been abuses in the body politic and sudden demand for immediate remedial policies that have resulted in the substitution of the totalitarian state for democracy. Whenever social and economic benefits have resulted temporarily, they have been accompanied in most cases by ruthless disregard of the people's liberty.

Many times in our history there has been extreme dissatisfaction with political policies of Presidents and of parties, yet our people have not sought a remedy through weakening the power and authority of any one of the three branches of the Government. Our people have patiently waited the operation of normal correctives. It is this attitude that has contributed to the preservation of our institutions and contributed materially to our political stability and economic prosperity.

And I say to you tonight, in all earnestness, that if these rapid and radical changes in the fabric of our Government prevail, our democracy and our liberties will be steadily lessened. If we are not vigilant, we may lose our priceless heritage and find ourselves in a totalitarian state of our own making, ruled by a legally constituted, but nonetheless all powerful, ruler.

Let us turn back before it is too late. Let us here highly resolve that a government of the people, by the people, and for the people, which has endured for a century and a half as the guardian of our liberties and our freedom, shall not perish.

Let us turn our thoughts to recollection of those earlier Americans from whom has come our heritage, and from their precepts and examples, find new inspiration and take new courage.

Let us recall John Carroll, the founder of your university, and Robert Walsh and William Gaston, and the other illustrious men intimately associated with the early history of Georgetown and the early history of our Republic.

Let us keep the faith and go forth tonight from these hallowed halls of Georgetown with brave heart to defend our Republic and to preserve our heritage.

Protection for Jews of Rumania

EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Tuesday, March 29 (legislative day of Wednesday, January 5), 1938

TEXT OF PETITION SEEKING PROTECTION FOR THE JEWS OF RUMANIA SUBMITTED TO THE COUNCIL OF THE LEAGUE OF NATIONS, NOW IN SESSION AT GENEVA, SWITZERLAND, BY THE EXECUTIVE COMMITTEE OF THE WORLD JEWISH CONGRESS, OF WHICH DR. STEPHEN S. WISE IS THE PRESIDENT, ON JANUARY 26, 1938

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the text of a

petition, seeking protection for the Jews of Rumania, submitted to the Council of the League of Nations by the executive committee of the World Jewish Congress on January 26, 1938.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

To the President and Members of the Council of the League of Nations, Geneva:

Basing its action on the stipulations of the minorities treaty concluded on December 9, 1919, between the principal Allied and Associated Powers and Rumania and placed under the guarantee of the League of Nations, as well as on the resolutions of the Council and of the Assembly of the League of Nations relating to the procedure to be followed in questions dealing with the protection of minorities.

And referring to certain measures taken and contemplated by the Government of the Rumanian Kingdom and constituting, from the standpoint of the Jewish population of Rumania, an infraction or the danger of an infraction of the said treaty.

The executive committee of the World Jewish Congress, an organization representing more than 7,000,000 Jews throughout the world, recognized successor to the Committee of Jewish Delegations, which pleaded the cause of all minorities before the peace conference and which has served since then as the guardian of the rights of the Jewish minorities solemnly established by the decisions of the aforesaid conference, has the honor of submitting to the president and the members of the Council of the League of Nations the following petition:

I

In the treaty concluded on December 9, 1919, between the principal Allied and Associated Powers and Rumania, the latter accepted a certain number of obligations designed for the protection of the racial, religious, and linguistic minorities in that country and recognized those stipulations as "fundamental laws," promising "that no law, regulation, or official action shall conflict or interfere with these stipulations, nor shall any law, regulation, or official action prevail over them" (art. 1).

Moreover the preamble of the treaty expressly states that the provision for the equality of rights granted to all the citizens of the former Rumanian Kingdom and of the newly acquired Provinces was a prerequisite of the "large accessions of territory" awarded to Rumania by the Allied and Associated Powers. The preamble declares as follows:

"Whereas under treaties to which the principal allied and associated powers are parties large accessions of territory are being and will be made to the Kingdom of Rumania; and

"Whereas Rumania desires of her own free will to give full guaranties of liberty and justice to all inhabitants, both of the old Kingdom of Rumania and of the territory added thereto, to whatever race, language, or religion they may belong; and

"Have, after examining the question together, agreed to conclude the present treaty, and for this purpose have appointed as their plenipotentiaries the following, reserving the right of substituting others to sign the treaty." (Here follow the names of the plenipotentiaries.)

Under the terms of the principal provisions of this treaty "all Rumanian nationals" are "equal before the law," and enjoy "the same civil and political rights, without distinction as to race, language, or religion" (art. 8, sec. 1). No discrimination is permitted particularly in matters relating to the admission of members of the minorities "to public employments, functions, and honors, or the exercise of professions and industries" (art. 8, sec. 2). The "full and complete protection of life and liberty" is guaranteed to all the inhabitants "without distinction of birth, nationality, race, or religion" (art. 2). "Rumanian nationals who belong to racial, religious, or linguistic minorities" must enjoy "the same treatment and security in law and in fact as the other Rumanian nationals" (art. 9). They have, furthermore, "an equal right to establish, manage, and control, at their own expense, charitable, religious, and social institutions, schools, and other educational establishments" (art 9). "No restriction" is permitted to "be imposed on the free use by any Rumanian national of any language in private intercourse, in commerce, in religion, in the press, or in publications of any kind, or at public meetings" (art. 8, sec. 3).

Furthermore, Rumania obligated herself to recognize as "Rumanian nationals ipso facto and without the requirement of any formality all persons habitually resident at the date of the coming into force of the present treaty within the whole territory of Rumania, including the extensions made by the treaties of peace with Austria and Hungary or any other extensions which may hereafter be made" (art. 3). It should be noted that the treaty had in mind in particular the situation of the Jews stipulating expressly in article 7 as follows: "Rumania undertakes to recognize as Rumanian nationals ipso facto and without the requirement of any formality Jews inhabiting any Rumanian territory, who do not possess another nationality."

Finally, by virtue of article 12 of the treaty, Rumania has agreed "that the stipulations in the foregoing articles, so far as they affect persons belonging to racial, religious, or linguistic minorities, constitute obligations of international concern and shall be placed under the guaranty of the League of Nations. They shall not be modified without the assent of a majority of the Council of the League of Nations." Rumania has agreed "that any member of the Council of the League of Nations shall have the right to bring to the attention of the Council any infraction or any danger of infraction, of any of these obligations, and that the Council may thereupon take such action and give such directions as it may deem proper and effective in the circumstances." In addition, Rumania has agreed "that any difference of opinion as to questions of law or fact arising out of these articles between the Rumanian Government and any one of the principal allied and associated powers or any other power, a member of the Council of the League of Nations, shall be held to be a dispute of an international character under article 14 of the Covenant of the League of Nations." Rumania has agreed "that any such dispute shall, if the other party thereto demands, be referred to the Permanent Court of International Justice. The decision of the Permanent Court shall be final and shall have the same force and effect as an award under article 13 of the Covenant."

In accordance with these provisions, by a resolution adopted on August 30, 1921, the Council of the League of Nations placed the stipulations agreed upon under the guaranty of the League of Nations.

II

The new Rumanian Government has just proclaimed a certain number of political doctrines which constitute in themselves an infraction or danger of infraction of the rights granted to all Rumanian citizens under the treaty mentioned above. Indeed, the new Rumanian Government has solemnly declared that its policy is to establish a regime based on the predominance of the Rumanian race and that it considers persons belonging to other races strangers to the state.

III

The Rumanian authorities, in contravention of the international obligations deriving from the treaty of December 9, 1919, have recently announced publicly that they consider hundreds of thousands of Rumanian citizens of the Jewish race or religion as refugees or immigrants who have no right to Rumanian citizenship or who have acquired it by illegal means.

His Majesty the King of Rumania and His Excellency M. Goga, President of the Council of Ministers of the kingdom, have issued declarations which have had wide repercussion and according to which Rumania is justified in and has the intention of depriving of their citizenship or of their right of settlement and residence in the kingdom 250,000 Jews (according to the King) or 500,000 (according to M. Goga). (We may, in passing, note that the pro-Government journal, Tara Noastra, on January 6, 1938, charged that close to a million Jews, i. e., more Jews than there are in Rumania, had entered the country by fraud.) In requesting the members of the Council to take cognizance of the documents appended to this petition we abstain from entering here into a discussion of the language, highly insulting to the entire Jewish race, in which this program has been publicly announced, language which in itself constitutes an infraction, or at the very least, a danger of infraction of the principles of the treaty of December 9, 1919.

As far as the figures are concerned, on which the Rumanian Government supposes it can justify its intention of disfranchising or of expelling hundreds of thousands of Jews living in Rumania, it is easy to refute them with the aid of the official statistics published by the Rumanian authorities themselves. The Demographic Bulletin of Rumania, 1936, the official publication of the Central Institute of Statistics of the Ministry of Interior, shows that throughout the territory of the kingdom of Rumania there are no more than 758,000 Jews, constituting 4.2 percent of the total population. In 1910, however, the number of Jews living in the territories constituting the present-day Rumanian kingdom amounted to 851,000, a figure which is considerably higher than the present number of Rumanian Jews. There has been no mass immigration of Jews settling in Rumania. We may illustrate this with the fact that according to the report of the administrative council of the International Nansen Office for Refugees, submitted to the assembly of the League of Nations on September 3, 1936, there were in Rumania at that time, according to the survey made by the representative of the Nansen office in Rumania, no more than 11,000 Russian refugees, including both Jews and non-Jews.

Finally, we may note that the statistics of migration published officially by the Rumanian Government indicate a steady decrease of the number of foreigners living in Rumania, and that this alone shows that no influx of new immigrants could have taken place in the country in recent years.

Accordingly, contrary to the assertions of the Royal Government of Rumania, it is impossible to consider the hundreds of thousands of Jews involved in the Government's proclamations and projects as immigrants or refugees. These Jews are simply nationals of old Rumania or residents of the annexed Provinces who, under the terms of the treaties, have acquired Rumanian citizenship by virtue of the annexation itself. Consequently they enjoy all the civil and political rights of citizens of the kingdom.

In a special memorandum appended to this petition, we have the honor of submitting to the members of the Council additional statistical data completely refuting the arguments offered by the spokesmen of the Rumanian Government.

It must be added that a commission has been constituted to prepare the procedure of denaturalizing undoubtedly designed to be followed by expulsion, and that it has already begun its work. In preparing these measures the Rumanian Government without a doubt has placed the stipulations of the treaty of December 9, 1919, in grave danger.

IV

The Royal Rumanian Government has not limited itself to proclaiming doctrines of a general character and to taking or contemplating the grave measures summarized in sections II and III of this petition, but has gone further. It has lost no time in announcing, as well as enforcing from the first day of its assumption of power, a number of very specific regulations affecting the entire economic and cultural life of the Jewish population and embodying clauses which are without a doubt contrary to the terms and spirit of the treaty of December 9, 1919.

Thus, the Royal Rumanian Government has made known that it is dismissing all Jewish citizens from all public offices. These offices, in particular those falling within the jurisdiction of the Ministry of Labor, including the social insurance, have been ordered to prepare lists of employees who are of "foreign" origin, in order to replace them with "Rumanian" employees. Numerous operations of this type have taken place.

It has been decided to prohibit the Jews to engage in certain professions and businesses.

Jews will hereafter be excluded from the sale of commodities monopolized by the state (alcohol, tobacco, matches, etc.).

Another serious measure concerns the expatriation of Jews engaged in agricultural enterprises.

Steps have been taken to prevent the Jews from engaging in any business whatever in rural regions.

There has been announced a decision to exclude from dealing with the state, whether as customers or as sellers, enterprises having Jewish capital or personnel.

A commission has been appointed for the elimination of Jews from the field of innkeeping and licenses for exercising this vocation in the country have already been revoked.

There has been published a decree prohibiting Jews to engage or to have at their service a non-Jewish female servant below the age of 40 years.

The majority of Jewish physicians have been notified that they will not longer have the right to practice their profession. Similar measures affecting engineers and architects are contemplated.

Fifteen hundred Jewish lawyers are menaced by the suppression of their right to practice their profession.

Jews have been or will be ousted from all positions which they have occupied in the radio field.

There has been announced the elimination of Jews from the theater and cinema.

Persons belonging to the Jewish and other minorities have been prohibited from teaching the Rumanian language and the national history, even in schools maintained by the minorities.

The measures taken against Jewish journalists have been particularly severe. All the Jewish newspapers in Bucowina, including 14 at Cernauti, have been suppressed. All journals published in Yiddish in Bessarabia have been suppressed. The Rumanian journals have been forced to discharge their Jewish editors. Several journals (Adeverul, Dimineata, and Lupta) have been suppressed on the pretext that their personnel is "foreign," i. e., Jewish. One hundred and twenty Jewish journalists have been deprived of their traveling permits.

The director of the official telegraphic agency, Rador, has been dismissed because he is a Jew.

Some measures of a general type, among them being the appointment of special commissioners and commissions, have been taken for the purpose of purifying, from the nationalistic point of view, industry, commerce, and labor in Rumania.

This list is necessarily incomplete. We reserve for a future occasion the presentation to the members of the Council of all further facts bearing on the subject, indicating at the same time that the severity of the measures taken by the new Rumanian Government render extremely difficult the transmission of information and all documents relating to the steps announced and enforced by the Rumanian authorities.

The various measures which we have enumerated, and which increase daily, show that it is the intention of the Rumanian authorities to oust the Jews completely from Rumanian national life not to say expel them from the country.

V

The general doctrines of the new government (sec. II), the thesis according to which Jewish citizens are foreigners in their own land (sec. III), the various measures announced or enforced (sec. IV) are not, in the light of all the objective information in our possession, the results of a situation peculiar to Rumania or of circumstances newly arisen in that country. They constitute, rather, the application in a purely political manner of certain racist conceptions to the Jews of Rumania, who, far from being a harmful element, have contributed greatly to the prosperity and the international prestige of their country through their industrial and intellectual activity, their patriotism, and their attachment to the soil of their ancestors, which they have inhabited for centuries. The treatment which is being inflicted upon them at present is due above all to the fact that certain political parties and leaders having attained power are striving to realize a program which strongly resembles that which the League of Nations prevented from being applied in 1933 in Upper Silesia by virtue of the German-Polish Convention, which is analogous to the treaty of December 9, 1919.

VI

The policy inaugurated by the Rumanian Government, which in certain aspects constitutes an infraction of the treaty of December 9, 1919, and in others a danger of infraction, has already led to consequences which make an immediate rectification of the situation necessary. Inexpressible anguish prevails at present among the Jewish population of a country which is a member of the League of Nations, despite the special treaty which we have cited and despite the essential principles of international morality unceasingly proclaimed by the organs of the League of Nations, particularly in connection with the protection of minorities. A population of almost 760,000 souls is suddenly menaced with deprivation of its solemnly guaranteed rights. It is in process of losing all faith in law and in justice. It finds itself exposed to the tragic situation already known to Jews in another country which, however, never subscribed to the system of the protection of minorities. Thousands of Rumanian citizens of the Jewish race and religion dream of fleeing abroad, but the frontiers are closed in the faces of these unfortunates. One solitary hope serves to keep these human beings from total despair, the hope that the stipulations of the treaty of December 9, 1919, will be safeguarded by the Council of the League of Nations.

VII

Inasmuch as the measures planned and announced by the Royal Rumanian Government without a doubt constitute an infraction of the treaty of December 9, 1919, or have created a situation constituting a danger of infraction of the stipulations solemnly affirmed by this treaty, the executive committee of the World Jewish Congress has the honor of requesting the Council of the League of Nations to take steps and to give such instructions which will appear appropriate and effective in order that the proclamations, speeches, declarations, decrees, administrative measures, etc., which are in contradiction to the fundamental laws contained in this treaty, may be declared null and void; in order that the discrimination against the Jewish population may be checked; in order that the system of guaranties established by the treaty may be maintained or reestablished, and in order that those Jews who have already been affected by measures contravening the international obligations of the kingdom of Rumania, may have all their rights restored and that reparation may be granted them.

VIII

In presenting this petition, which is receivable under the resolutions and reports adopted by the Council of the League of Nations with regard to the procedure to be followed in matters concerning the protection of minorities, particularly the resolutions and reports adopted on October 22, 1920, September 5, 1923, and June 13, 1929, the executive committee of the World Jewish Congress request the secretary-general of the League of Nations to take cognizance of the extreme urgency of this petition and to apply to the present request the urgent procedure provided by the resolution of the Council adopted on June 27, 1921.

In support of this request we point to the gravity of the situation in which the 758,000 Jewish citizens in Rumania now find themselves, on account of the measures mentioned above, which strike at their most elementary rights, and because they are threatened with the utter ruin and complete destruction of the foundations on which their life depends.

Delaware

EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Tuesday, March 29 (legislative day of Wednesday, January 5), 1938

RADIO ADDRESS BY HON. JOHN G. TOWNSEND, JR., OF DELAWARE

Mr. McNARY. Mr. President, last evening the senior Senator from Delaware [Mr. TOWNSEND] delivered a brief but impressive address over the National Broadcasting Co.'s network in the parade of States program. His subject was Delaware. I ask that his address be printed in the Appendix.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Although it is impossible to do justice to Delaware in the time allotted, it is my pleasure to indicate the proud history and fortunate position of the Diamond State.

Four flags have flown over Delaware. In 1931 the tercentenary of Dutch settlement was observed. On June 27 this year the President of the United States will welcome the Crown Prince of Sweden at the Point of Rocks, Wilmington, to celebrate the Delaware Swedish Tercentenary. Grant of the "three lower counties on Delaware" was made to William Penn in 1682.

Delaware, the first State to ratify the Constitution, small in size, is happily favored by nature. Its three counties, New Castle, Kent, and Sussex, are comfortably populated with thrifty and friendly people. The soil is kindly.

The University of Delaware and numerous public and private schools provide a fine educational system. Splendid public buildings and beautiful churches bespeak the character of the people. The finest of roads run the length and breadth of the State. Although our taxes are as low as in any State, we maintain a balanced State budget.

Wilmington, the first city of the first State, is an industrial and railway center. Ships and railway coaches are built there; chemical products, leather, and many other items manufactured.

I can imagine no more enjoyable trip for the motorist this spring than to travel over the good roads through Delaware. In New Castle County he will see the Delaware River, beautiful rolling hills, and wide fields; the picturesque Delaware and Chesapeake Canal. Through Kent and Sussex he will have a feast of beauty in the blossoming orchards, a sea of white and pink and rose. At last, in Sussex, he will find fine beaches and resorts and a sportsman's paradise.

Throughout the trip he will be charmed by the historic homes and churches; the well-kept farms; and peaceful, prosperous villages; the old trees and winding streams. Come to Delaware!

Investigation of Tennessee Valley Authority

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 29 (legislative day of Wednesday, January 5), 1938

RADIO SPEECH BY SENATOR H. STYLES BRIDGES, OF NEW HAMPSHIRE, ON MARCH 27, 1938

Mr. DAVIS. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a speech delivered by the eminent Senator from New Hampshire [Mr. BRIDGES] over the Mutual Broadcasting System on March 27, 1938. The address has to do with the investigation of the Tennessee Valley Authority.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the radio audience, 9 years ago the fortunes of the Democratic Party underwent a profound change for the better. Under the generous sponsorship of Chairman Raskob, certain capitalists and other interested leaders, a revitalized national headquarters and a general staff was established.

The very heart of that headquarters was the publicity department, under the generalship of Charles Michelson, probably the greatest American technician in the science of directing public opinion. It was he who reduced the art of political ventriloquism to an exact science. The Democratic Party won control of the House in the election following Michelson's employment and have held it ever since. They won the Senate and the Executive in 1932 and have held them also. Mr. Michelson, despite the change of paymasters, continues to direct the greatest peacetime propaganda machine ever created in America. Raskob no longer pays him; his salary now comes from $100 Jackson Day dinners and the sale of Presidentially autographed campaign books.

I must beg your indulgence for the moment. It was announced that I would talk about T. V. A. and I intend to do so. Discussion of the life and works of the beloved Charlie Michelson—and I'm told he is a grand fellow personally—may seem far afield from T. V. A., but if you will bear with me you'll soon see the connection.

Now, in love, in war, and in politics the best defense is a vigorous attack. The grand strategist of the Democratic Party, wily, skilled, able Mr. Michelson knows that by heart.

When we apply that rule to the current T. V. A. situation, actions that have seemed obscure become crystal clear.

For 3 months or more the Nation has heard nothing good about the Tennessee Valley Authority. One member of the three directors has publicly preferred serious charges against the other two, including complicity in what he termed an attempted "bare-faced steal."

How was this charge met? Was there an honest examination of the facts by the only method legally available—a congressional investigation? There was not.

Instead of that the man who made the charge was given a drumhead court martial of questionable legality by the President, who constituted himself the judge, the jury, the prosecuting attorney, the sheriff, and the executioner all in one. The President's interest in the case was so strong that under ordinary procedure in a court of law he would have been automatically disqualified from judge or jury service in a similar situation.

The man who made the charges, Chairman Morgan, whose lifelong record of high character, of brilliant public service, and personal integrity is beyond reproach, was summarily dismissed with abusive language. He could not have presented his case to such a kangaroo court, and he steadfastly refused to present it except at a congressional hearing.

The best defense is attack. The administration adopted this method. The defense against the charges of Chairman Morgan was not refutation of his statements. It was an attack upon him, the man who made them. The President ignored the statutory limitation set up in the T. V. A. Act for Presidential removal of T. V. A. directors. He ignored the fact that his legal method of removal should have been a simple message to a Congress, three-quarters of whom are members of his own party, asking for a concurrent resolution to dismiss Chairman Morgan. The very fact that the President by-passed the legal method lends added color to Chairman Morgan's charges.

It was dramatic thus to hold a "demonstration trial" after the Moscow technique. It was bold. It was daring. It was defense by attack. It was Michelsonian strategy.

I suggest that the American public in the weeks to come remember this episode as the key to future strategy in dealing with the T. V. A. investigation.

Yes; there is going to be a T. V. A. investigation. This is still a democracy. The public will cannot be defied indefinitely.

Even before last Christmas Chairman Morgan first aired his charges. For weeks, for months, the administration sought to belittle the charges. When public clamor became too insistent to be smothered, how did the administration adapt the Michelson strategy of attack as a means of defense?

The first step was the introduction of a resolution for an alleged investigation of T. V. A., not by Congress but by another agency, the majority of whose officials are either appointees of the President or members of his party, the Federal Trade Commission.

But the true inwardness of this resolution, my friends, did not meet the eye at once. An examination of its contents showed that very little of it was to be directed toward the scores of charges openly made against this Federal adventure of Alice in Wonderland, or perhaps I should say Alice in Blunderland. No, indeed! Remember that the best defense is attack. This resolution directed the Trade Commission to go on a fishing expedition into the activities of the private industry in its legal tests of the T. V. A. power program.

Another investigation of the utilities. What a marvelous out. Not only would the public attention be diverted but we would forget all about the charges of fraud, waste, extravagance, and incompetence of T. V. A. itself. The audacity of this strategy was dazzling.

In taking this method the administration was able to force all those who sought a real, an honest probe of the affairs of T. V. A. into the wholly false position of defending the utilities. That position is self-evidently a false one since there never has been any opposition to inclusion of an inquiry into the utility phase of the question. There has only existed a strong demand, widely supported by the public, for an inquiry into all phases.

I have repeated my own position frequently: that I have no opposition to the principles of T. V. A. as set forth in its creating act; that if those principles are to be preserved public confidence must be restored; and that confidence cannot be preserved until a full, free congressional investigation of T. V. A. is made. If that investigation should include the question of the effect of litigation by private utilities on this matter I have no objection. I do object to the use of a minor side issue as a tactical means of obscuring the main issue. I have no doubt that an industry that has produced an Insull may still have a skeleton or two in its closet.

But that is not the issue here. T. V. A. is what the public seeks to find the truth about. There has been almost no defense to T. V. A. on the merits of the issue of the charges that have been leveled against it. The administration's strategy has been to cover up T. V. A. dirt by a phoney counter-attack. The New Deal apologists in Congress and in the press impugn the motives of those who seek decency and honesty in government, and who believe in a square deal for all. They revile us with scurrilous remarks and level false charges. Having been in a position of leadership in forcing the T. V. A. investigation I seem to be the object, personally, of this contemptible smearing attack. Certainly such tactics are the strategy of desperation. When the truth fails as a defense the last resort is defamation of character.

The proposal of a Federal Trade Commission investigation was too raw for the public to stomach. It died under pressure of public clamor for a real congressional investigation.

So the administration retreated an inch. Retaining all the language of the Commission inquiry resolution, a new proposal was made, this time for a senatorial investigation largely of the activities of the private industry in legal opposition to T. V. A. The

strategy of diverting attention away from the scandals of T. V. A. and toward the utilities red herring, was retained in full force.

Meantime the clamor of an outraged public had become so great that the House of Representatives insisted on conducting an investigation of its own. To head that off the administration agreed to a joint investigation by both Houses, another strategic retreat.

And on Friday the administration retreated once more. On behalf of our colleagues of both parties who are interested in obtaining the facts in this situation Senator KING, coauthor of our investigation resolution, and myself were able to insist upon including in the administration resolution eight specifications setting forth the charges of Chairman Morgan and others that have been made in recent months.

Recently a friend of the T. V. A., as part of a bit of propaganda literature made the statement concerning the motives of those desiring an impartial investigation. He entitled his hand-out, "Keep your eye on the ball in the T. V. A. investigation." I can think of no better advice to the public.

The hand is often quicker than the eye. And the T. V. A. hand is going to make that ball disappear if we don't watch it closely.

The battle for a thoroughgoing investigation of T. V. A. is not yet won. I have every confidence in the integrity of the Speaker of the House and of the Vice President. But I realize the terrific administration pressure that will be put upon them to appoint so-called friends of T. V. A. or persons who will be amenable to administration control on the investigating committee, and to exclude from it so-called unfriendly persons like myself who want an honest investigation.

In conclusion, the T. V. A. investigation is of interest to every man, woman, and child in the country. Hundreds of millions of dollars have gone into this project. Into it hundreds of millions of dollars more will yet go. It is your money, earned by you and paid by you in taxes. This is your fight and we in Congress who are demanding an honest, impartial investigation are merely your representatives. Let's not allow this situation to be whitewashed. Let's get the facts, let the chips fall where they may.

Dramatization of How a Bill Becomes a Law

EXTENSION OF REMARKS

OF

HON. ALFRED F. BEITER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 29, 1938

DRAMATIZATION OF HOW A BILL BECOMES A LAW BY SISTER MARY CONSILIO, O. P.

Mr. BEITER. Mr. Speaker, under leave to extend my remarks I include herein a dramatization of how a bill becomes a law, entitled, "How Bill Became John Law, Esquire," by Sister Mary Consilio, O. P. This dramatization was produced recently at Public School No. 47, in the city of Buffalo, N. Y., under the direction of one of the teachers, Mr. Leo Burgoyne. Nine ninth-grade boys played in the cast. The balance of the ninth-grade class and part of the seventh-grade class sat on the stage and made up the "congressional chamber." One of the pupils of the eighth-grade class explained, by use of a slide, the progress of a bill through Congress before the performance.

This drama was published in the Young Catholic Messenger and is of interest to young students who are studying civics and current history.

HOW "BILL" BECAME "JOHN LAW, ESQ."

(A dramatization of how a bill becomes a law, by Sister Mary Consilio, O. P.)

(The bill debated in this drama is fictitious.)

Scene: The Capitol, Washington, D. C.

CHARACTERS

Bill, who later becomes John Law.
Representative Blank, who introduces Bill.
Presiding Officer of the House.
Chairman of Committee on Foreign Affairs.
Clerk.
Representative Dash, Chairman of the Committee of the Whole.
Leader of the favorable side.
Leader of the opposing side.
Sergeant at Arms.

(Scene one: The Capitol. Representative Blank enters with "Bill" beside him.)

Representative BLANK. Hurry along, Bill. I want to get you through the House before the session adjourns.

BILL. I'm all nervous about facing that big crowd of men. How many did you say there were?

Representative BLANK. The full roll is 435, but several have died and the State governors have not yet appointed others to fill their unexpired terms. Don't worry, though, Bill. You'll find lots of friends in the House. I've spoken about you to many of the leaders, and they are quite anxious to have me introduce you.

BILL. Do you think they'll make me change my appearance any? I do like just what I have on.

Representative BLANK. Well, they may put a patch or two on you, but they won't change you very much. The committee will have to see you first in private, and if they think you're fit you will have to come before the House; if the committee doesn't think you'll do, I'm afraid it's the graveyard for yours.

BILL. The graveyard? What graveyard?

Representative BLANK. That's what we say when we mean that a bill has been killed by the House committee. It means that the committee doesn't think it will do, and it fails to recommend it to the House. That "kills" the bill. It never comes before the House in that same form again. But don't worry, old friend. You'll easily get by the committee. I don't expect to see you go to the graveyard.

BILL. It isn't very pleasant there. I don't want them to smother me like that. You don't think they'll do that to me, do you, Representative Blank?

Representative BLANK. I think they won't do that to you, Bill. You see, the last time there was a big war in the world, hundreds of thousands of our soldier boys were sent to Europe, and millions of our dollars were lent to the nations of Europe. Some say it was because many Americans had money invested in foreign nations and they were anxious to have their interests protected. Some rich bankers had lent money to foreign banks to pay for the war, so naturally they didn't want those countries to lose the war. Now if Congress agrees to you, the amount of American investments and loans in foreign countries will be limited and made at the risk of the investors, and the United States will not be mixed up with foreign troubles again because of American investors. But here we are now: I will introduce you.

BILL. What a crowd of lawmakers I see before me. I hope I have a happy fate at their hands.

(Scene Two: Before the House of Representatives. (The class may represent the Members of the House.))

Representative BLANK. Mr. Speaker, Representative Blank.

PRESIDING OFFICER. Representative Blank.

Representative BLANK. I wish to introduce my friend Bill to the Members of the House. His full name is A Bill for the Limitation of American Investments and Loans in Foreign Nations. I hope that he will be favorably received by the Members of the House.

PRESIDING OFFICER. Thank you, Representative Blank. I shall refer your friend Bill to the Committee on Foreign Affairs, and I hope that he will live to come up before the body of the House. We shall call your Bill No. 9876543. Now the next business before the House, please.

BILL (aside). Whew! That was short and snappy. Now for the committee room. They tell me the committee work is done in secret and that no records are made of the proceedings. Well, now that I'm on the way, I am anxious to go through with it all.

(Scene Three: Some time later. Outside the committee room. Bill, looking rather wilted, but smiling, follows a member of the committee from the room.)

BILL. Wheeww! That was hot! I feel so wilted that I can't jump around to celebrate my victory. What a lot of mean things those committee men on the left said about me. They said that I would destroy the freedom for which their forefathers died; that I would banish the word prosperity from the American dictionaries.

MEMBER OF COMMITTEE. Hello there, Representative Blank. Here's your bill we're returning to the House. He was almost smothered in there, but we saved him. The opponents said that if he did pass the two Houses the President would surely veto him, and that if the President failed to do that the Supreme Court would undoubtedly declare him unconstitutional in cases that would be sure to come up concerning this bill.

Representative BLANK. They're not any too comfortable about my bill, are they? How do you feel now, Bill? Quite elated?

BILL. Not at all, yet. They tore me apart too much for that. They made some very uncomplimentary remarks about me, but one of the committee stood up and asked: "Mr. Opponent, was your son used as fodder for cannon in the last war? My son lies with thousands of others among the poppies in Flanders' fields." That changed the direction of the wind. They began to listen after that, and here I am now, going back with this gentleman to the House.

Representative BLANK. Well, you're a party bill, so all the loyal members of our party will support the committee's recommendation and vote to pass you to the Senate. I will see you later. Good luck.

(Scene 4: The House of Representatives again some time later)

CHAIRMAN OF COMMITTEE. Mr. Speaker, chairman of the Foreign Affairs Committee.

SPEAKER. Chairman of the Foreign Affairs Committee.

CHAIRMAN. The Committee on Foreign Affairs reports favorably on the bill for limitation of American investments and loans in foreign nations. The committee recommends that said bill be given a place on the calendar to await its turn to come up for discussion before the body of the House. Thank you.

SPEAKER. I recommend the bill to the Committee on Rules, so that the bill may be given a date on which to come up before the House.

BILL (aside). Suspense! Suspense! I wish the Committee on Rules would advance me out of my turn. They do it sometimes to important bills, I hear. I guess that is why the Committee on Rules has been nicknamed "the steering committee." I think I shall rest for a while until my date is called. I've had a strenuous time of late.

(Bill departs.)

(Scene 5: Several weeks later. The House of Representatives again)

SPEAKER. Members of the House of Representatives, we have before us for discussion a bill introduced by Representative Blank and favorably reported by the Committee on Foreign Affairs. We shall now debate this bill in the Committee of the Whole.

BILL (to clerk, beside whom he is seated). What does that mean, please?

CLERK (in whisper). The whole body of Representatives will sit as a committee to discuss you. The Speaker will leave his place and will appoint a Representative to be Chairman of the Committee of the Whole for the time being. There are some sharp debates coming, I think.

BILL. Do you think they'll kill me? Does the House have a graveyard, too?

CLERK. Yes; the House has a graveyard, too. You must be prepared for anything.

BILL. I feel cold and creepy. What's the temperature in here, please?

CLERK. Hush-sh; 84°—in the shade, too!

SPEAKER. I shall appoint Representative Dash to the chair, please, as Chairman of the Committee of the Whole. Representative Dash.

Representative DASH. Thank you, Mr. Speaker. Members of the Committee of the Whole: We have up for discussion today the limitation of American investments and loans in foreign nations. The Committee on Rules has determined 5 hours as the time limit for the bill's discussion. I shall announce the rules for time limit as set by the Committee on Rules for this debate: The committee appoints 2½ hours as the limit beyond which neither side may continue the debate. The leader of each side of the debate may be allowed 1 hour to open the discussion, but, according to the rules of the House, no Member other than the leader will be allowed more than 5 minutes of speaking time. No one, without the consent of all, may speak twice.

BILL (to himself). I wish the opposing side had only 5 minutes altogether in which to speak. This is terrible. Why don't they start?

LEADER OF THE FAVORABLE SIDE. Mr. Chairman, members of the Committee of the Whole: During recent years much ugly matter has been brought to light bearing on the United States and the World War. I need not review for you the facts in all their ugliness. I need only remind you that the flower of our American youth was lost, that millions of dollars have gone, and that untold suffering has come upon our Nation. Why? The doughboys would have told you then, "To make the world safe for democracy." But what have our recent investigations uncovered? That underlying our principles of democracy, lying concealed as a worm in a core, unknown—unnoticed—by the average American, was the matter of foreign investments and loans. This, the bill up for discussion now, hopes to eliminate by curtailing the amount and kind of investments and of loans, and, if need be, to place a tax upon all such moneys which find their way to foreign nations.

LEADER OF THE OPPONENTS. Mr. Chairman, members of the Committee of the Whole, it will be our aim to bring before this Committee reasons why this bill should not be passed. Does not our Constitution guarantee "the pursuit of happiness" to each of its citizens? Would not this bill curtail such a guarantee? Does not our Constitution guarantee the rights of property? Would not such a bill destroy them? My respected opponent failed to prove his points in which he declared that moneyed interests, rather than democracy, were the motivating principle of our entrance into the World War. Let the opposing party prove the truth of these statements, and then we shall attempt to prove that such a bill for the limitation of American investments and loans in foreign nations would be a violation of the rights guaranteed by the Constitution to its people.

BILL. They both sound like good arguments to me. I wonder whether I'm all wrong? But, no, didn't the Committee Chairman say, "Was your son used as fodder for cannon in the World War?" And didn't he add sadly, "My son lies with thousands of others among the poppies in Flanders' Fields." * * *

(Several hours later, during which the debate has continued.)

BILL. Well, the debate seems about over. Perhaps they'll patch me up a bit here. I'm rather worn from my rough handling so far.

CLERK (in a whisper to Bill). The Committee of the Whole has just voted favorably on you. Watch, now. The Chairman of the Committee gives his place back to the Speaker, the Committee "rises," and becomes again the deciding body, or the House of Representatives, and the bill will be placed before them for passage. This part will be interesting. They may start some filibustering.

BILL. Filibustering? That sounds like fighting.

CLERK. Well, it isn't fighting actually, but it shows the opposing side has some fight in it. They may call a motion to adjourn, or call for yeas and nays, etc., which would take a long time, or do anything to delay the passage of the bill. They could keep that up indefinitely if the Speaker recognized such "dilatory motions." But the Speaker won't, I'm sure, and if many such motions are made, he will refuse to give the floor—that is, to recognize—anyone whom he knows to be filibustering.

BILL. Suppose the Speaker approves the filibustering and gives that side the floor repeatedly. Then what'll happen to me?

CLERK. Someone may enter a motion of "previous bill," which means that the bill up for discussion before any of the filibustering started must be decided at once if the House says so. Even motions made to adjourn may be declared out of order. The Members then vote yes or no on the bill. This is called the cloture rule. That means the debate has been closed.

BILL. I hope they're ready to close the debate on me. They ought to see I'm good for their welfare.

CLERK. Well, not everyone sees alike, you know. Some think you're a danger to the Constitution.

SPEAKER. We are now about to call for the vote on the bill entitled "A bill for the limitation of American investments and loans in foreign nations." The clerk will now call for ayes and then for nays.

BILL. Here's where I get mine. I'm afraid to look or listen.

CLERK. Those in favor of the bill will signify by saying "aye."

(Class gives the vote.)

Those contrary, signify by saying "nay."

(Class again votes.)

The ayes have it. The bill for the limitation of American investments and loans in foreign nations has been passed by the House of Representatives.

SERGEANT AT ARMS. Congratulations, old top. I knew you'd make it. Now for the Senate. I hope they give you a good reception.

BILL. Thanks; you're very encouraging. But what'll they do to me there?

SERGEANT. No more than they did to you in this House, except that they may put a patch or two on you and send you back here for an O. K. before you go to the President. Good-bye; there's a long path ahead of you yet, but I hope you make it.

BILL. Thanks, friend. Off to the Senate for mine. Oh, what a thrill to hear that chorus of ayes. Hooray, whoopee, hurrah.

(Scene 6. Several weeks later. Representative Blank meets his one-time friend, Bill, on Pennsylvania Avenue. Bill wears a policeman's cap and badge and carries a stick.)

Representative BLANK. Well, if it isn't my old friend, Bill.

EX-BILL. How are you, Representative Blank? I'm Bill no longer. The President put his signature on me this morning and now I'm John Law, Esq. See my new outfit? Because of the President's approval, I may now go abroad in the land and, believe you me, people will respect me from now on.

Representative BLANK. Do you remember how nervous you were when I introduced you in the House?

JOHN LAW, Esq. I surely do. But I'm not any longer. I've been through a great deal since then. I got into a few minor difficulties in the Senate, but they were ironed out quite satisfactorily and here I am, thanks to you and your friends, the champion of the American Nation, John Law, Esq., on the limitation of American investments and loans in foreign nations.

(The end.)

Establishment of New Air-Mail Routes

EXTENSION OF REMARKS

OF

HON. LYLE H. BOREN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 29, 1938

LETTER FROM HON. LYLE H. BOREN, OF OKLAHOMA, TO MEMBERS OF CONGRESS

Mr. BOREN. Mr. Speaker, setting up a fund, presumably for particular new air routes on the theory that they are proposed to be established by the competitive-bidding system, is contrary to the public interest and is injurious to the welfare of the air industry. It should clearly be shown that it is the attitude of Congress that particular air routes should not be designated in the appropriation and that we do not approve the competitive-bidding system for establishing new air routes.

The record should also show that legislation now pending for the proposed stabilization of the air industry should be enacted prior to any action on the part of the Post Office Department in establishing new routes and that it is the opinion of the Congress that the Post Office Department

should refrain from establishing new routes by competitive bidding until the new general legislation for the air industry is definitely disposed of. Without that definite assurance to the industry and to the public, any additional funds for the purpose of new air-mail routes is ill-advised and dangerously inconsistent with the public interest.

I am including as part of my remarks the following letters which I have addressed to Members of Congress upon this subject:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 21, 1938.

DEAR COLLEAGUE: On Senate Calendar No. 1370, the Senate Committee on Appropriations has submitted a report with various amendments to H. R. 8948 (Treasury and Post Office Department appropriation bills, fiscal year 1939). The significant amendment to the bill is the appropriation for the office of the Second Assistant Postmaster General of $985,177 for the establishment of new air-mail routes. These routes are specifically defined in the amendment.

The new routes are to be established through the competitive bidding system. The bidding system has broken down.

The large mail lines have, in recent months, bid as low as 1 mill per mile and eight-thousandths of a cent per mile on routes where the cost of operation has run from 26 to 30 cents per mile. These companies obtain the routes by these ridiculous bids and immediately set about to get adjustment of the routes to fair and reasonable figures. The sole reason for these ridiculous bids is to keep smaller companies from obtaining routes on honest bids.

The competitive bidding system for air-mail routes when exposed is a national scandal and disgrace with the Government aiding and abetting (through the bidding system) the large lines in freezing out companies with smaller financial reserves.

In the particular routes established by the Senate amendment, you have only to think of the towns and cities in your own congressional district or State to realize that the establishment of these routes are not founded on public convenience and necessity for the use of air-mail service.

The time has come to establish a permanent air-mail and air-commerce system founded on public convenience and necessity. Uniform rates within specified classifications is the only intelligent foundation for air-mail contracts and the establishment of new routes must be based on public necessity as determined by some independent body such as the Interstate Commerce Commission.

I solicit your aid in establishing a sound permanent policy for air mail and air commerce. The first step is to defeat the proposal by the Senate Appropriations Committe.

I will be very pleased to have an expression from you on this subject.

Sincerely yours,

LYLE H. BOREN.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 26, 1938.

HERE ARE THE FACTS

DEAR COLLEAGUE: I have received many answers to my letter of February 21, and am led to believe that there is some confusion in the minds of some Members of Congress in connection with the statements I made concerning the air-mail-bidding program as it exists today.

On July 12, 1937, the Post Office Department opened bids on four new air-mail routes, totaling 1,766 miles of air-mail transport. Some of the bids were honest (in the neighborhood of 30 cents or more). Several of the bids were 1 mill per mile, and one of the bids was .000008 of a cent per mile. The 30-cents-per-mile bid was an honest bid for the business. The 1-mill-per-mile bid was monopoly's attempt to invade the little fellows' pioneered territory. The .000008-of-a-cent bid was the despairing bid of a small firm, with its back to the wall, in an attempt to defend its investment in pioneering a territory.

Out of these four routes advertised, one route was noncompetitive in the sense that the monopolies were not interested in that territory because it was a remote and unprofitable route from Huron, S. Dak., to Cheyenne, Wyo. On that particular route, three bids were offered, ranging from 19 to 33 cents, all of them bid by independent carriers.

On the offensive, the ridiculous bids are being made as aggressive invasion of territory that has been pioneered by other lines—1 mill a mile as an attempt to run under established lines. The same old cutthroat idea of advancing monopoly by being able to carry through a period of loss longer than your competitor could exist under such a system of constant loss.

On the defensive, the ridiculous bids of 1 mill a mile or less are sometimes bid by contractors already having difficulty in carrying on the commerce in a territory that they have pioneered, and are still struggling to overcome the losses of pioneering. They bid the ridiculously low bids realizing that their only chance of protecting their territory is through a franchise, hoping that providence will permit their existence until adjustments can be made in their routes.

To give one definite example of the offensive and defensive war now being carried on between the monopoly builders and the independents, I refer to the Washington-Buffalo-route bid of July 12, 1937. A large air line bid 1 mill a mile for 300-pound loads, expecting to gobble up the independent air-line territory. The independent line was then compelled to risk its existence in this war or simply give up and be destroyed by the larger air line. So, the little company bid .000008 of a cent per mile for 300-pound loads. Over their territory the independent air line was carrying for 33⅓ cents from Detroit to Washington, via Cleveland and Pittsburgh, the same load that they were now compelled to bid this ridiculous figure for. At that very time the Interstate Commerce Commission had established, after hearings, that 33⅓ cents was a fair and reasonable rate for this territory. The large air line (the offensive bidder) has been, and now is, receiving 24 cents per mile on its established route and is at this time appearing before the Interstate Commerce Commission and is actively seeking an increase in that rate.

The large air-line bid 1 mill per mile for a new route at a time when they already had a petition before the Interstate Commerce Commission claiming that 24 cents per mile was not a fair and reasonable rate.

The independent air lines are compelled to fight for route security, and it is a defensive war that compels the interest and respect of the American Government. Some great air lines are grasping for monopolies on all profitable route territories, and their motives are sufficiently sinister to the public intreest to demand the Government's attention.

Public interest demands that American air transportation, which is the leader of the world, be preserved as an industry instead of being destroyed by accumulative monopolies in its infancy.

The President has recommended to us that legislation be enacted this session to stabilize the air industry and eliminate the discriminations which I have mentioned. Such legislation is now under consideration by the Congress. Certainly we should not permit further monopolistic speculation on our actions by permitting the Senate amendment on the Treasury-Post Office appropriation bill to pass, thereby permitting a continuance of the practice that is destroying the independent lines of today. The monopolies have hurried to bring pressure to prepare this final banquet that they might gorge themselves before we put them on a diet of public convenience and necessity.

Sincerely yours,

LYLE H. BOREN.

Suppression of Venereal Diseases by Public Health Service

EXTENSION OF REMARKS
OF
HON. JOHN F. DOCKWEILER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 29, 1938

Mr. DOCKWEILER. Mr. Speaker, perhaps the greatest opportunity to work for the well-being of the United States comes to a Member of Congress when he is called upon to support and vote for improvement in public health. During the past 6 years this administration has engaged in many crusades to improve the health and increase the prosperity of our citizens. Important among these was the legislation approved last year establishing a division within the Public Health Service to fight cancer. Congress appropriated several million dollars to assemble a great force of scientists in the war on cancer and that fight will be carried on until cancer is no longer the grim reaper of hundreds of thousands yearly.

Not many years ago it would have been impossible for a man in public life to stand on the platform or on the floor of this House and discuss venereal disease. We have, however, torn the film of false Puritanism from our eyes. Our viewpoint has become realistic. We know, now, that we must defeat disease—and particularly social disease—or disease will defeat us, and the civilization we have constructed.

Dr. Thomas Parran, our distinguished Surgeon General of the United States Public Health Service, leads the fight now against the dread scourge of syphilis. He has described this disease as our most menacing health problem and number one American killer. In years to come our Nation will realize how much it owes Dr. Parran. It will thank this learned scientist for bringing us out of that one last vestige of the

"dark ages"—the secrecy with which the subject of venereal disease has been veiled. How much easier it will be to fight this enemy now that it has been drawn into the open and stripped of its century-old protective cloak.

The war on syphilis and other social diseases is a job for the Federal Government. This Government spends millions annually for flood control, millions for highways in every State, millions for aid to the blind, dependent children and mothers under the Social Security Act. Some counties, some States, might be able to construct flood-control works, build adequate highway systems and furnish needed care for the blind, children, and mothers. But of what value would these flood-control works be if the counties and States above could not construct similar works? What good would a highway be if it stopped dead end at a State line? Similarly, what good to fight disease and pestilence in one county or one State so long as the flood of diseased persons over State lines is unchecked? The fight against syphilis is a national war and must be carried on with the help of the Federal Government.

So I am thankful for the privilege of adding my voice to the chorus of support for a measure now before Congress to make the war on syphilis a national war in which the Federal Government will take the leadership. Hearings will be commenced on April 12 before the Committee on Interstate and Foreign Commerce, of which my colleague CLARENCE LEA is chairman, on H. R. 9047, introduced by Congressman BULWINKLE. Such a companion bill has been introduced by Senator LA FOLLETTE, of Wisconsin, and was reported to the Senate and has been passed by the Senate.

This bill would establish within the Public Health Service, under the capable leadership of Dr. Parran, a division to wage the fight on social diseases. It would authorize the appropriation of $15,000,000 over a 3-year period to start the campaign. Small cost, that, when we consider the object.

Dr. Parran advises us that syphilis can be controlled as effectively as smallpox and more cheaply than tuberculosis. Syphilis costs this Nation more annually than the entire sum this bill would appropriate. Competent medical testimony estimates that the care of those blinded by syphilis costs $10,000,000 annually; the care of the syphilitic insane costs $31,400,000 every year. Forty thousand die annually from heart disease caused by syphilis. Nearly three-quarters of a million cases are constantly under treatment, and there are probably half a million sufferers unreported. The victims and their dependents constitute a major drain upon insurance, social security, and relief funds, for which the Federal Government has assumed a large responsibility.

My own State of California is spending 10 cents per capita annually to treat syphilitic patients in her insane asylums and 5 cents per capita on control measures. I believe this situation should be reversed because we can, within a comparatively short time, eliminate all the economic costs of this great scourge by a simple and definite program of treatment and prevention already laid down by the Public Health Service.

We in California have overcome the public inertia and indifference and actual hostility based on ancient but still active prejudices. We have a bureau of venereal disease as a part of our State health department, and we are spending money on educational work to break down the obstacles which have stood in our way. We are now considering this as a disease, not a moral issue. We are proceeding on a threefold program:

First, early report of every case uncovered; second, free clinical treatment where necessary; and, third, a consistent and constant program of education of the general public.

We have in California 80 free clinics now operating. In the month of July 1937 these clinics treated 1,938 cases. Our State board of health estimates we have a constant case load between 25,000 and 40,000.

The situation in California is complicated by the great influx of transients into our State. In Los Angeles County alone the health department estimates that 15 percent of all new cases discovered are in transients, and it must be kept in mind that there are probably as high as eight undiscovered cases for each discovered in this class of persons.

There is only one answer to the question of how we can eliminate this No. 1 American killer and maimer. I am in favor of the installation of as many as necessary compulsory free clinics. I favor legislation which will make it compulsory for anyone infected to take treatment either from a private physician or from a Federal or State free clinic. There is no longer any question but that this dread disease can be cured. How utterly stupid, how short-sighted, how tragic it is, that with the knowledge that we can eliminate syphilis we have allowed ourselves to overlook this knowledge and to pile up year after year costs for the care of its victims far, far in excess of the cost of stamping it out entirely.

In the name of the tens of thousands of babies who will be born with this infection next year—in the name of the women of America and America's children, I urge immediate action by the Federal Government in a nationally correlated program of compulsory free clinics for the control of this scourge. No one State working alone can solve the problem. The attack must be Nation-wide.

We in California will do our part. More, we will take the lead and point the way. But, once again, the principal and the leading responsibility is that of the Federal Government.

The Housing Problem

EXTENSION OF REMARKS

OF

HON. VIRGINIA E. JENCKES

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 29, 1938

ARTICLE BY A. B. LEE, OF WASHINGTON, D. C.

Mrs. JENCKES of Indiana. Mr. Speaker, this House of Representatives has been greatly interested in the housing problem confronting our Nation.

Legislation has been enacted providing necessary funds to carry on this most important work.

I have been greatly interested in every phase of housing in order that our citizens might have every advantage of better housing. I have made a careful study of the various methods of assistance which might be helpful to all of the people.

The Members of this House of Representatives will be interested in an article by A. B. Lee, of post-office box 171, Washington, D. C., a prominent writer on the subject of Houses of Earth, which appeared, in somewhat abridged form, in the June 1937 issue of Coronet, which is published in Chicago, Ill., under the very able editorial management of Mr. Arnold Gingrich.

A. B. Lee is a member of the writers' project staff of the Works Progress Administration in Washington, D. C.

This most interesting story, which I hope all the Members will read as a matter of interest only, is as follows:

HOUSES OF EARTH

If you want to experience the real joy of living, try bringing your castle in the air down to earth and build your home of mother earth. To do this you must revive the most ancient art of construction and use the materials at hand.

Results will convince you that given a site and a bit of earth, any man or woman may build a house that will cost less and be more durable than one built of any other material. It will be fireproof and practically air-conditioned without extra cost in time or material, and will help the family budget also by reducing the repair costs if not actually eliminating them. Rammed earth walls gradually become like stone and are alike impervious to moisture, rats, and termites.

Two such houses already flank the city of Washington, one at the extreme eastern boundary, the other on the west. The first, called hill-top house, was built in 1773. It has literally withstood the storms of well-nigh two centuries. The original walls turned to stone and defied the demolishing touch of a house wrecker who tried to raze the structure and, after repeated failures, canceled his

contract. It was then decided to restore the house. The front of the house, with its 27-inch walls, is 20 degrees warmer in winter than the modern addition, which is not of rammed earth. In the summertime, the old part of the structure is as cool as an air-conditioned house while the new rooms throw off a sweltering heat.

The modern example of this ancient architecture was erected in 1921 by Dr. Humphrey in the western suburbs of the Capital near Cabin John.

There is an excellent reason for the present lack of information on rammed earth construction. There's no money in it for anyone. No material to sell. Rammed earth is free to all and unpatented, offering every man a chance to reap the reward of his own industry. The material costing nothing is right at the building site, and the walls can be built at approximately 25 percent of the cost of a similar wall in brick, less than 50 percent of a concrete wall, and from 25 to 30 percent less than the cost of a good frame. Earth seems to be about the only material which has not risen in price. Masonry walls are rarely watertight, and brick walls are both damp and cold, while earth walls are not only dampproof, but also heat and coldproof, for once dried and waterproofed, moisture will never penetrate them. These walls will last for centuries and are proof against frost, rain, and fire, and are superior in solidity to any cement. They are too dense for vermin to penetrate; rats cannot gnaw through them. The solution of the lower-cost building is found in the revival of (pise' de terre) rammed earth.

The use of earth in the construction of human habitations greatly antedates the written history of man. In Normandy alone, pise' de terre construction dates from Neolithic times (3,000 to 10,000 years B. C.) down to the present. In the valley of the Rhone River (France) pise' de terre houses of great age (600 to 900 years) are still occupied and in good condition. Adobe buildings in Mexico, California, and elsewhere in the Southwest certainly date back to early Spanish occupation.

Rammed earth is not a slow process. Three men can haul, dig, and place 54 square feet of 18-inch wall of the first story in a day. It is a method by which a farmer may solve the housing problem on drought-ravished acres. About his only cost is a few sacks of cement. The lumber for the forms can be taken from an old shed or corncrib, and the labor cost is removed since the farmer and sons can do it themselves. The doors and windows can be purchased ready-made, and the framework, clamps, and so forth, can be put together by the farmer himself. The actual erection of rammed earth presents so little difficulty that it can be done by anyone who has sufficient strength to shovel earth and wield a rammer.

The most important considerations in pisé work are:

1. The selection of a proper soil having the correct amount of moisture content when used.

2. A thorough compacting of the earth. But success of this material is dependent upon other factors. The soil cannot be too moist, else a stroke in one place will make it rise in another. This condition will stop your work until it is dry enough for ramming. When the soil is too dry, there is no need for stopping work, for it may be sprinkled with water to assure the proper amount of moisture.

In digging cellars it generally happens that the dirt which comes out of them is suitable for the purpose. But the top soil is not fit, as it contains vegetable matter and will prevent proper compacting. Rammed earth is a mineral substance and anything that can slake or rot must be excluded. It is better to cast aside 9 inches of top-surface soil and it is a good plan to sift a large heap of it and keep it under shelter, to permit uniform distribution of moisture, so that a supply in proper condition will be always on hand.

THE TOOLS AND FORMS

The only special equipment for this work comprises rammers and forms. These are simple and can be made by anyone handy with ordinary tools. Of course, picks, shovels, screens, and watering pots are required in proportion to the size of the work. Three rammers are needed, one being of heart shape, another of wedge-shaped head, and both cast iron. The large rammer of flat-faced type is a hard wood block covered with an iron shoe and makes the best rammer to start the work. These three weigh about 15 pounds and can be made by any blacksmith or pipe cutter.

HOW TO JUDGE SOIL

The soil in a footpath which remains hard in wet weather is fit for rammed earth walls. Difficulty in crushing a dry lump of soil between the fingers is another indication, but to prove that the earth is suitable for building, the following test should be made. Place a small wooden tub without a bottom in a hole in the ground in which a flat stone has been set. To prevent bursting, the space around the tub should be filled with well rammed earth. The soil to be tested should then be rammed into the tub in 4-inch layers until it rings like metal, then removed. If when the natural moisture decreases, it continues to increase in density, then it is fit for building. Pure clays are not suitable because of excess shrinkage and pure sand will not bind. A mixture of the two is good.

FOUNDATIONS

A concrete or stone wall must be built to go below the frost line. Lay the foundation 4 inches wider than the earth wall is to be; that is, for an 18-inch wall lay a 22-inch foundation up to or slightly higher than the surface level. The rammed earth walls must be off of the ground. On top of this lay a 2-inch section of concrete exactly as wide as the wall is to be. The width is important as the mold must later be laid plumb and true, and clamp to the course at the start. You are erecting a house which will last for centuries if you use care.

Although commonly confined to one or two-story buildings pisé walls have been carried 50 feet high, as in a church in France which was 80 feet long, 40 feet wide with walls 18 inches thick. If the building is to be 40 feet high, the bottom walls should be 22 inches thick; for the second story, the wall may be 18 inches thick, and for the third story, 14 inches thick.

THE RAMMING WORK BEGINS

Place in the mold boards any section pieces for doorways or windows which will reach to the foundation. In order to provide openings in the earth wall for the floor joists, wooden blocks of the proper dimension should be placed inside the mold at the correct positions where the beams are to come and lightly nailed to the mold boards. The floor joists may be set as soon as the blocks are removed. The joist recesses should be large enough to permit the circulation of air. All openings in the walls must be foreseen and blocked off in the mold. The openings must be made the exact size. If made by a carpenter, a set of molds should not exceed in total cost $130. This amount should cover all iron parts and blacksmithing, lumber, and carpentry. Quarter-inch iron pipe and ordinary "tee" fittings will serve for the mold "tie bars," eliminating blacksmithing.

The mold planks, all planed timber, are nailed on stout battens. They are held together by four pairs of posts 3 inches by 3 inches, which are connected above and below with tiebars of flat iron 1½ by ¼ inch. The tie bars have at each end a certain number of 1-inch holes punched in them to receive pins for the purpose of preventing the posts from slipping off. By changing the pins, walls of any given size can be obtained.

PIPING

Provision for the soil pipe and electric conduit should be carefully made in the original plans. The pipes and conduit can be placed against the inside surface of the molds, which will render them more accessible, and the rammed earth will hold them in place. Bulkheads must be set in the forms at door, window, and other openings to withstand the pressure created by ramming. The earth is shoveled into the form in 4-inch layers, and when the rammers bring forth a singing sound it is time to place another 4 inches of soil in the form.

The earth is first beaten down with a V-shaped rammer and then surfaced with a flat-bottomed one; the sides of the molds are rammed with a spade-shaped rammer. The doors and window frames are correctly set in the molds and anchored into the walls by long hoop-iron ties, while the walls are going up.

Boards in the earth wall will be as sound in 100 years as on the day they were placed in the wall. The rammed earth over doors and window openings should rest on heavy wood reenforcement and 3-inch Georgia pine will last for centuries.

Once properly rammed, the earth is so solid that it will support from 10 to 30 tons per square foot. Beams may be set at once when the mold is removed, and the heaviest roof and floor timbers may be put in place in the freshly rammed wall. The work progresses as in masonry construction. A house for a single family is generally finished in about 2 weeks. Two men, new to the work and therefore proceeding slowly, completed a six-room house in 26 days.

If plaster is desired for your inner walls, just apply it as you would on lath. It sticks tightly if you give it additional holding surface by scoring it with a rake.

For outside walls the cheapest finish is a waterproof coating made from 1½ gallons unslacked lime, 3½ gallons boiling water, and ½ pound of common tallow, mixed thoroughly, adding enough water to insure easy handling with a brush.

Fireplaces may be finished in rammed earth walls in exactly the same fashion with any other walls, and if the house is being built in the summer it will be dry enough for occupancy within 10 days after completion.

The housing problem has all at once become an acute national need, and, while a world-wide search has been going on for lower-cost building materials, we have actually found a superior product right under our feet.

Mr. Hitler, Keep Your Hands Off of North and South America

EXTENSION OF REMARKS

OF

HON. ALFRED N. PHILLIPS, JR.

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1938

TELEGRAM FROM HON. ALFRED N. PHILLIPS, JR., OF CONNECTICUT, TO THE PRESIDENT OF THE UNITED STATES

Mr. PHILLIPS. Mr. Speaker, under leave unanimously granted me to extend my remarks in the Appendix of the

CONGRESSIONAL RECORD, I submit herewith a telegram addressed to Hon. Franklin D. Roosevelt, President of the United States, which reads as follows:

MARCH 23, 1938.

Hon. FRANKLIN D. ROOSEVELT,
President of the United States, Warm Springs, Ga.:

Have just made speech in House protesting Hitler's diplomatic invasion of Brazil. I respectfully call upon you as President of the United States to inform Hitler that America will not tolerate any breach, diplomatic or otherwise, of the Monroe Doctrine as a deliberate unfriendly act which will be resented by the people of the United States who realize that any invasion of this hemisphere in any way by Hitler is the beginning of an increasing number of serious hostile acts against America which can only end in Hitler's invasion of the United States of America by force. I trust this telegram finds you and yours well. Best personal regards.

ALFRED N. PHILLIPS, JR.,
Member of Congress, Fourth District, Connecticut.

American Relations With Spain

EXTENSION OF REMARKS
OF
HON. BYRON N. SCOTT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 29, 1938

LETTER TO THE PRESIDENT OF THE UNITED STATES BY A COMMITTEE OF MEMBERS OF THE BAR OF SEVERAL STATES

Mr. SCOTT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter addressed to the President of the United States by a committee of members of the bar of the several States:

The President of the United States of America, the Members of the United States Senate, and the House of Representatives, Washington, D. C.

SIRS: We the undersigned members of the bar of the several States of the United States, urge the immediate reconsideration of the policy of the United States Government toward the republican Government of Spain.

The embargo legislation and the Presidential proclamation issued thereunder have resulted in a denial to the Spanish Government of "the full, entire, and reciprocal liberty of commerce and navigation" guaranteed by the "treaty of friendship and general relations" between Spain and the United States.

The embargo legislation, in denying to the established Government of Spain the right to purchase from citizens of the United States the means of self-defense against insurrection, constitutes an unprecedented repudiation of well-settled principles of international law as well as a reversal of traditional American foreign policy.

The embargo legislation, insofar as it applies to the civil war in Spain, was not necessary for the preservation of the peace of the United States since continuance of commercial relations with the established government in cases of civil war, in conformity with international law, has never, in the history of the United States, endangered our peace and, in the specific case of Spain, there was and is no evidence that such continued relations would endanger our peace.

The effect of the embargo against Spain has been to injure the established government of a friendly nation, to aid insurrection and encourage armed revolt against an established government, to assist foreign aggression in Spain, and to weaken the authority of international law.

As members of the bar, devoted to the ideals of democracy and liberty, we ask the careful consideration of the points of law established by the accompanying memorandum of law. We believe that a consideration of the true character and effect of the embargo against Spain reveals that the neutrality law, insofar as it affects Spain, should be repealed, that the Presidential proclamation imposing the embargo against Spain should be revoked, and that the United States should return to its honorable and historical policy in conformity with international law.

Respectfully submitted.

Judge Milton E. Gibbs, Rochester; Judge Robert W. Kenney, Los Angeles; Judge Arthur Le Sueur, Minneapolis; Justice Justine Wise Polier, New York; Justice James H. Wolfe, Salt Lake City; Hon. Charles Belous, New York; Hon. Smith W. Brookhart, Washington, D. C.; Prof. Leslie H. Buckler, University of Virginia; Prof. Michael N. Chanalis, University of Newark; Dr. Felix S. Cohen, Washington, D. C.; Prof. Morris R. Cohen, New York; Hon. Maurice P. Davidson, New York; Hon. Hubert T. Delaney, New York; Hon. Jonah J. Goldstein, New York; Prof. Herman A. Gray, New York University; Dean Leon Green, Northwestern University; Prof. H. C. Havighurst, Northwestern University; Hon. Henry T. Hunt, Washington, D. C.; Prof. Samuel G. Inman, New York; Hon. Stanley M. Isaacs, New York; Hon. Paul J. Kern, New York; Hon. Vito Marcantonio, New York; Hon. Nathan R. Margold, Washington, D. C.; Prof. William E. Mikell, Philadelphia; Hon. Patrick H. O'Brien, Detroit; Hon. Isaac Pacht, Los Angeles; Hon. J. Stuart Page, Rochester; Prof. Leon A. Ransom, Howard University; Hon. Lester William Roth, Los Angeles; Prof. Malcolmn Sharp, University of Chicago; Prof. Wesley A. Sturges, Yale University; Dean William E. Taylor, Howard University; Addis Adams, Rochester; St. Clair Adams, New Orleans; Ben Anderson, Portland; Spencer Austrian, Los Angeles; Hart E. Baker, Chicago; Elsa C. Beck, Chicago; Nathaniel K. Beck, Pittsburgh; Abraham Benedict, New York; David J. Bentall, Washington, D. C.; Edgar Bernhard, Chicago; S. John Block, New York; Carl Bogenreif, Des Moines; Gasper Bossetta, New Orleans; Louis B. Boudin, New York; George K. Bowden, Chicago; Matthew Braniff, New Orleans; James L. Brewer, Rochester; Maurice C. Brigadier, Jersey City; Charles Brodek, New York; Andrew Brunhart, Milwaukee; Russell N. Chase, Cleveland; Walter Cherry, Rochester; Ernest Cluck, Seattle; W. A. Combs, Houston; J. H. Corcoran, Rochester; Paul Coughlin, Seattle; Thomas W. Crone, Rochester; Joseph H. Crown, New York; Ernest L. Cuneo, New York; Edward Davis, Philadelphia; John P. Davis, Washington, D. C.; Rebecca Davis, Pittsburgh; John D. Denison, Des Moines; Kenneth Diamond, New York; Richard A. Dowling, New Orleans; Abraham Edelstein, Rochester; George Clifton Edwards, Dallas; Louis P. Eisner, New York; Jesse Epstein, Seattle; Marvin T. Falk, Rochester; Henry Fallon, New Orleans; Robert Faulds, Los Angeles; David H. H. Felix, Philadelphia; Arthur Fisher, Chicago; Russell Fluent, Seattle; Jack M. Fox, Baltimore; Osmond K. Fraenkel, New York; Walter Frank, New York; Nathan Franzos, Pittsburgh; David M. Freedman, New York; Edward T. Friske, Denver; Albert Frost, Denver; Samuel T. Gaines, Cleveland; Leo Gallagher, Los Angeles; Irwin Geiger, Washington, D. C.; Max Geline, Milwaukee; Albert C. Gilbert, New York; Joseph G. Glass, New York; Henry R. Glynn, Rochester; Solomon Golat, Newark; Nathan I. Golden, Denver; Ernest Goodman, Detroit; Irvin Goodman, Portland; Scott K. Gray, Albany; Sam Handelman, Cleveland; Allan Hart, Portland; Pearl M. Hart, Chicago; Arthur J. Harvey, Albany; Arthur Garfield Hays, New York; Simon J. Heller, Denver; E. E. Henry, Seattle; Walter M. Hinkle, New York; Rolla V. Houghton, Seattle; Charles H. Houston, New York; Carl J. Hutton, Chicago; Abraham J. Isserman, Newark; Stephen B. Kahn, Portland; John M. Kanne, Chicago; Samuel S. Kaplan, New York; Ephriam Karch, Rochester; Oscar Kaufman, New York; Herman Kenin, Portland; Dorothy Kenyon, New York; D. W. King, Dallas; Ross Kingston, Seattle; Dr. Milton Konvitz, Newark; Charles R. Kreidler, Rochester; John V. Laddy, Newark; Jerome Land, Cleveland; Yetta Land, Cleveland; Harlow Lenon, Portland; Jack Lerner, Newark; Leo Levenson, Portland; A. Harry Levitan, Philadelphia; John F. Lewis, Jr., Philadelphia; Leo J. Linder, New York; Mark M. Litchman, Seattle; Jack G. Lubelle, Rochester; Floyd G. MacDermott, Rochester; William J. Mack, New York; A. J. Mandell, Houston; John W. Martin, Rochester; Louis F. McCabe, Philadelphia; Martin A. McCormack, Cleveland; Carey McWilliams, Los Angeles; Kenneth Meiklejohn, Washington, D. C.; Samuel D. Menin, Denver; Darwin J. Meserole, New York; Herman Midlo, New Orleans; Earl E. Miller, Dallas; Harold Moore, New Orleans; Herbert Mount, Milwaukee; Walter Nelson, Detroit; Maurice Nernberg, Pittsburgh; H. H. Nordlinger, New York; Gilbert A. Nussbaum, Rochester; Otto Oplattka, Chicago; George Palda, Cleveland; A. T. Pammentir, Rochester; Judson A. Parsons, Rochester; Nathaniel Phillips, New York; Louis S. Pierce, Rochester; Walter H. Pollak, New York; Lee Pressman, Pittsburgh; William Quick, Milwaukee; Charles Rabbins, New York; Arthur Rack, Pittsburgh; Arthur Rathjen, Rochester; S. Roy Remar, Boston; Leo J. Rice, Rochester; Harold Riegelman, New York; Mortimer Riemer, Washington, D. C.; Joseph Robbins, Cleveland; William E. Rodriguez, Chicago; Benjamin H. Rosen, Pittsburgh; David Rosner, Denver; I. Edward Roth, Pittsburgh; Samuel L. Rothbard, Newark; Charles Rothenberg, New York; Harry Sacher, New York; H. Schlesinger, Pittsburgh; Philip Schoenberg, Cleveland; Charles P. Schwartz, Chicago; Harold P. Seligson, New York; Albert L. Shepard, Rochester; Edward H. Sherman, Albany; Milton Siegel, Minneapolis; Robert J. Silberstein, New York; George Skolsky, Albany; Edgar Snyder, Seattle; Waldemar Sonneman, Milwaukee; S. Khan Spiegel, Philadelphia; John B. Steen, Newport News; H. W. Stone, Rochester; Maurice Sugar, Detroit; Dr. George I. Swetlow, New York; Theodore M. Swett, Portland; A. Ovrum Tapper, Chicago; Arthur A. Tarlow, Portland; Howard Thompson, Seattle; Andrew Ulvestad, Seattle; Abraham Unger, New York; Louis Waldman, New York; Clore Warne, Los Angeles; David Weiss, New York; Emil Weitzner, New York;

Ruth Weyand, Chicago; Carle Whitehead, Denver; Thomas S. Wilson, Portland; Herbert Wright, Cleveland; Herman Wright, Houston; Morton E. Yohalem, New York; David M. Zap, New York, and Gordon F. Zimmerman, Rochester.

Protest Against Activities of Civil Liberties Committee

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 29, 1938

LETTER RECEIVED FROM JOSEPH P. KAMP, VICE CHAIRMAN OF THE CONSTITUTIONAL EDUCATIONAL LEAGUE, INC., AND REPLY THERETO

Mr. HOFFMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert herein letter received this morning, together with copy of my reply thereto:

CONSTITUTIONAL EDUCATIONAL LEAGUE, INC.,
First National Bank Building, New Haven, Conn.

DEAR CONGRESSMAN HOFFMAN: May I enlist your good offices and call your attention to an intolerable situation which has impeded the work of the Constitutional Educational League for some months past. We have been the victims of the continuous persecution of the so-called Civil Liberties Committee. Last Friday we wired the Senate: "The La Follette committee's agents invaded our offices and illegally ransacked our files last October. Since then the La Follette committee has held our executive officers under continual subpena. Time and again it has commanded us to appear in Washington on a stated day and hour and each time has notified us of another postponement."

We therefore feel compelled to make the following statement:

"After being under subpena, and therefore under the shadow of undeserved suspicion, for almost 5 months, and at the same time subjected to a constant barrage of unfair, uncalled-for, and damaging publicity at the hands of the La Follette committee, the Constitutional Educational League makes this public statement of its position.

"We denounce the committee's attempt to harass bona fide law-abiding, patriotic organizations, such as ours, as a shameful misuse of senatorial power.

"We accuse the committee of deliberately and maliciously attempting to impugn the character of the league without excuse or justification.

"We denounce as a vicious and contemptible lie the inference, in the committee's statements to the press, that the league is a 'vigilante' organization.

"We charge that this dishonest attempt to brand us as irresponsible and lawless is an infamous libel, obviously intended to react to our disadvantage and to give comfort and satisfaction to our opponents—Chairman LA FOLLETTE's friends—those "red" forces which have for their purpose the overthrow of the United States Government.

"We protest being subjected, without warrant in law, to inconvenience and embarrassment and in being relegated to the category of defendants in what the public has been led to believe are criminal proceedings.

"We accuse the committee's agents of unlawfully ransacking our files and intimidating our employees, and of attempting to intimidate our officers.

"We remind that committee that on July 4, 1776, our forefathers, in the Declaration of Independence, protested that King George III had 'sent hither swarms of officers to harass our people.'

"We fear that the tyrranical activities of committees such as this will cause the American people to demand a new Declaration of Independence in self-defense.

"We protest the interference we have experienced at the hands of the committee as an infringement of our constitutional rights.

"We decry all such violations of civil liberties by a committee which pretends to be a champion of civil liberty.

"We protest being made the victims of this thoroughly un-American inquisition because our activities could not, by the farthest stretch of the imagination, be considered as coming within the scope of the authorized inquiry.

"We contend, judging from our experience, that neither the committee nor its investigators are interested in discovering the truth and that their sole and only purpose is to find something that may be used by the Communists and the C. I. O. to discredit our activities.

"We deny that they have the right, and, further, we deny that the United States Senate intended to, or did give them the right to, engage in a broad and general "fishing expedition" at the taxpayers' expense.

"We charge, and are prepared to prove, that the committee's activities are the culmination of a conspiracy entered into between John L. Lewis, representatives of Communist, and other red organizations, and the chairman of the committee, Senator LA FOLLETTE.

"We demand that the committee show its sincerity by thoroughly investigating the thousands of civil liberty violations for which Communist and C. I. O. racketeers are responsible and stop wasting the taxpayers' money prying into the affairs of patriotic organizations which are the true defenders of civil liberties in this Nation.

"We protest the unprincipled methods used to browbeat and intimidate the secretary of our organization in his appearance before the committee.

"We charge, that in order to confuse and embarrass him, this committee used trickery that would put a first-class confidence man to shame; employed cheap tactics that even a shyster lawyer would not stoop to; attempted dishonestly to put words in his mouth; treated him generally like a prisoner in the dock—and asked not a single question designed to discover if the league had done anything that might bring it within the scope of the investigation.

"We accuse the committee of being itself the worst violator of civil liberty because civil liberty cannot exist where such abuse of power is tolerated.

"We resent most of all being persecuted by a "red" inspired two-man subcommittee whose chairman we consider to be disloyal and un-American.

"We declare that the actions of this committee hamstring Americanism and encourage communism.

"We demand to know, and the American people should be told, if this committee believes—what its action suggests—that patriotism is now a crime.

"We call attention to the fact that the Constitutional Educational League is organized 'to bring about a more complete understanding of the functions of our Government and the guaranties and provisions of its basic instrument, the Constitution of the United States; to inculcate patriotism and love of country; to investigate and expose the subversive elements which are seeking to undermine the faith of the American people in their institutions.'

"We have not attempted to organize or disorganize labor. We have taken no part in industrial conflicts. We have not engaged in strike-breaking. We have no spies in the labor movement. We have not organized vigilante groups. We have taken no part in 'back to work' movements. We have rendered no special service to employers or anyone else. We serve only our country. We confine ourselves exclusively to upholding and defending constitutional government. This has been our program for almost 20 years.

"Because all of our activities are carried on through the medium of the printed and spoken word we could not have violated anyone's right of free speech or assembly, nor could we have interfered with the right of labor to organize and bargain collectively.

"The La Follettee committee, receiving its authority under Senate Resolution No. 266, is limited to 'an investigation of violations of the rights of free speech and assembly and undue interference with the right of labor to organize and bargain collectively.'

"We therefore deny the legality of its activity in respect to the Constitutional Educational League. We challenge its right to conduct an investigation into our affairs.

"We question, likewise, the validity of its subpena.

"But in respect for the Senate of the United States we will appear in answer to its summons. We stand ready to answer any and all questions pertaining to our activities. We could have no purpose in trying to hide them. We are proud of our accomplishments in the field of patriotic education.

"However, we challenge the committee to produce a shred of evidence to prove that the League or its agents at any time infringed on anyone's civil liberties.

"We challenge the committee to show one single instance wherein the League or its agents interfered with labor's right to organize and bargain collectively either before or after the enactment of the Wagner Act. Specifically, we defy the committee to produce anything upon which even a suspicion could be based that the League or its agents interfered with anyone's right of free speech or assembly.

"We remind again that the committee is empowered to make 'an investigation of violations of the rights of free speech and assembly and undue interference with the right of labor to organize and bargain collectively.'

"We challenge the committee to confine itself to this issue.

"We dare it to be fair and honest."

JOSEPH P. KAMP, *Vice Chairman.*

MARCH 29, 1938.

Mr. JOSEPH P. KAMP,
225 Fifth Avenue, New York City.

DEAR MR. KAMP: Replying to yours received this morning.

In view of the nature of the statements contained in your letter, you should have opportunity to appear before the committee at an early date.

House rules forbid the making of any comment which would express my own opinion.

Sincerely yours,

CLARE E. HOFFMAN.

Butter an Essential Food

EXTENSION OF REMARKS
OF
HON. FRANCIS D. CULKIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1938

OUR FIRST CONSIDERATION SHOULD BE THE HEALTH OF THE PEOPLE

Mr. CULKIN. Mr. Speaker, the packer kings and the lobbying groups who style themselves the "American Margarine Institute" took a thorough trouncing on March 22. On that date the House, by an overwhelming vote of 289 to 15, refused to dignify oleo by making it an article of diet for sick veterans in our hospitals. Face to face with the issue, the House put sectionalism aside, and stopped in their tracks the little group of margarine manufacturers who are endeavoring to supplant life-giving butter by a synthetic product.

The matter would be a closed incident except for some statements on the floor which, doubtless in good faith, mirrored the propaganda on which millions have been spent by the packer kings and the margarine manufacturers. Some reply would seem necessary to these statements.

OLEO A SYNTHETIC PRODUCT

The fact is that margarine is lacking in the vitamins necessary to sustain life and give health and growth to children. The small group of Members who favored this measure seemed complacent about the business of selling synthetic food to the American people. The House knows, of course, that chemistry has gone far and that many of our food products can be similated and produced in a form identical in taste and appearance with the genuine article. They can be produced at a price which is but a fractional part of the cost of producing the real article. Chemistry, however, has not produced the life-giving vitamins.

May I say that nations have risen to a position of influence in the world and then have gone down for various causes, but there is no surer course of national destruction and decay than the use of synthetic substitute foods by any people. Two generations will suffice to destroy the vitality of a race that is fed on synthetics. Such a race is incapable of real achievement in the fields of art, science, government, or industry. In the defense of their liberties and institutions, such people are foredoomed to disaster and destruction. He who runs may read that the dominant races of the world since the beginning of history have been those who have lived largely on milk products. A nation is what it eats, and a proper diet of dairy products lies at the root of national vitality.

The tests made by the London Privy Council of Medical Research established that fact. The London Council conducted a series of tests whereby one group of boys was fed the basic ration with butter, and another group with the basic ration and oleo. The group, of 26 boys, having the butter ration added, gained in 12 months an average of 6.30 pounds in weight per boy, and 2.22 inches in height. Those fed on margarine made about half that gain. This half was the difference between normal, sturdy growth, and subnormal health.

Repeatedly the various agricultural colleges of the country have made laboratory tests as to the relative value of margarine and butter. The Agricultural College of Wisconsin has published an interesting pamphlet on its findings. It shows that a group of rats fed solely on margarine grew weak, lost their power to move about, and finally died. A group of rats fed solely on butter grew strong, powerful, and possessed a lustrous coat.

ORIGIN OF FOREIGN OILS

A large part of the oils used in the manufacture of margarine come from foreign sources. A considerable portion of this is made up of coconut oil. Let us look into the source of coconut oil and consider that matter from the standpoint of the American consumer.

Coconut oil is made from copra, which is dried coconut meat. A description of copra and the processing procedure appeared in Duncan's Trade Register, a grocery magazine published at Portland, Oreg. It is as follows:

The coconuts fall from the trees, are broken open, and the meat dried in heaps under the tropical sun. This is called "copra."

When dry, copra looks and smells something like stable manure, or worse.

When the stuff is ready for shipment, swarms of half-naked Malays load it on ships, tramping it into the hold of vessels with bare feet. An army of naked Malays sweating under the tropical heat tramping copra that is going to be made into the poor man's butter. Think of it!

When copra arrives at American oil mills, it is run out of the ship with conveyors. Generally it is piled up in the open air, where it attracts millions of flies and looks exactly like piles of stable manure, and smells a darn sight worse.

This compost is then ground and pressed between steam-heated rollers. The raw oil is about the most rancid and evil-smelling thing in the world. Until recently it was used exclusively for soap grease. German scientists discovered ways of refining it. The process is simple:

First, the oil is heated to a very high degree. It is then placed in vats and large quantities of sodium injected. The rancidity attacks the sodium solution and is eaten away. The oil is then treated with ether, which process solidifies the oil.

And this is the stuff they advertise as the "white meat of the coconut." This is the fatty substance of the poor man's butter. This is the vile carrion the packer kings give American children.

But don't take my word for it. Go to the copra mill and see for yourself. Watch the process from compost to coconut oil. If you can see it made and still eat it or feed it to your children, there is nothing that will turn your stomach.

Is it not about time to get away from false economy and think not only in terms of the American dairyman, whose condition is desperate, but also give consideration as well to the health and well-being of the growing children of America?

I know that the internationalists dealing in fats and oils, who are feathering their own nests to the detriment of the health of American children, will seek to qualify this. I have listened to their patter before, but facts are stubborn things, although urged by lobbyists whose disbursements run into several millions of dollars per year.

The argument of uncleanliness, of course, does not apply to margarine made from domestic oils and fats. These products, however, are lacking in the life-giving vitamin, which is either not present or when present in small quantities is destroyed in processing.

DAIRYMEN GOOD CUSTOMERS

The amount of cottonseed products which the dairymen annually buy for feed amounts to about $40,000,000. When the dairyman was getting a living price for his products, his purchases of cottonseed byproducts for feed amounted to $100,000,000 a year. If the dairyman is driven to the wall, as he bids fair to be, the present market of $40,000,000 will be lost.

The few Members who are so sensitive about the sale of cottonseed oil should remember that the dairymen are their best customers for this product. If the butter market is destroyed by the increasing sales of this synthetic margarine, no one will suffer more than the cotton farmer. The dairymen, with their dependents, constitute a group of about 15,000,000 people in the Nation. They not only buy for feed $40,000,000 worth of cottonseed products annually but they are a large part of the market for goods made from cotton.

During the A. A. A., and under the Soil Conservation Act, the dairyman has received no benefits from the Government. The cotton farmer, to date, has received over seven hundred millions in farm benefits from the Government. A considerable share of this burden was borne by the dairymen. It seems to be the height of folly for the southern cotton farmer to back, or indirectly encourage, anything which prejudices the condition of the dairymen. The vote in the House on this measure would seem to indicate that the preaching of sectionalism has failed. I hope and pray that it has.

MAKING LONE FIGHT

The butter market belongs to the American dairyman. Dairy products are not only the cornerstone of American

health and well-being but are also the cornerstone of the dairymen's buying power nationally. The Federal Government and States have paid $275,000,000 in the elimination of disease among cattle. They have done nothing for the dairymen who have spent two hundred millions in the sanitary production of milk and its byproducts, including butter. Disease among dairy cattle is practically eliminated in America. We alone, among the nations of the world, have made this great gain for public health. It is gratifying to the Members from the dairy States that our colleagues from the South have not been led astray by artful and misleading propaganda in behalf of butter substitutes.

ABOLISH SUBSTITUTES

I beg leave to call the attention of the House to a bill which I have introduced, prohibiting the manufacture and sale of butter substitutes in America. This, in my judgment, would be a noteworthy contribution to the health and well-being of the people of the country. The essential parts of the bill are as follows:

Be it enacted, etc., That no person, copartnership, or corporation shall manufacture, import into the United States, transport interstate, or offer, sell, or have in his possession for sale, any oleomargarine, margarine, butterine, or other substitutes for butter, manufactured wholly or in part from any fat other than that of milk or cream.

SEC. 2. That no person, copartnership, or corporation shall manufacture, import into the United States, or sell, offer, expose, or have in possession for sale, any milk or cream or substitute therefor which contains any fat or oil other than that of milk.

SEC. 3. That no person, copartnership, or corporation shall have upon premises occupied by him or them where any dairy product is treated, manipulated, manufactured or reworked, any substance that might be used for adulteration of any such product, and the presence upon any such premises of any fat or oil capable of being used for such adulteration shall be prima facie proof of intent so to use it.

SEC. 4. Any violation of the foregoing shall be a misdemeanor and upon conviction of a violation thereof a penalty of not more than 1 year in prison or a fine of $1,000, or both such fine and imprisonment may be imposed.

This bill is patterned exactly upon the law that has been in effect in Canada for more than 10 years.

It is noteworthy that in France and England, butter and margarine cannot be sold in the same shop. We should be brave enough to follow the example of Canada in the elimination of these fraudulent substitutes.

LABOR CONDEMNS SUBSTITUTES

The paid lobbyists of the Margarine Institute will claim that elimination of oleo is a discrimination against the very poor. My answer to that is to call the attention of the House to the resolution passed by the American Federation of Labor at their meeting in Atlantic City, October 17, 1935. The Federation is the outstanding consumer group in America, and this is their final say on the question. Two national conventions of the Federation have convened since this resolution was passed, and the Margarine Institute has moved heaven and earth on both occasions to have this resolution repealed. Their efforts have been of no avail, and the condemnation of butter substitutes stands unrevoked. Here is the resolution:

Whereas, throughout the depression there has been a necessity because of unemployment and inadequate wages among the workers and their families to turn from high-class, health-giving foods to cheaper substitutes; and

Whereas studies made by Dr. C. E. Bloch and confirmed by studies made at Johns Hopkins Hospital indicate serious danger to the eyesight of our children caused by xerophthalmia, a disease arising in a large degree out of a diet lacking in vitamin A; and

Whereas vitamin A is now recognized by scientists as an element which is vitally necessary in abundant quantities in the diets of our children; and

Whereas this disease is occasioned in large part by the use of cheap substitutes for milk, butter, and other dairy products, and it is necessary at this time, when all are hopeful of better economic conditions, to call to the attention of our members the dangers to their families which may be brought about by the use of synthetically composed substitutes in place of wholesome dairy products; and

Whereas we recognize the necessity and the value of the organized workers cooperating with the producers of dairy products in protecting themselves and their families against the destructive competition of synthetic substitutes: Therefore, be it

Resolved, That we pledge our support to the dairy farmers of this country in securing legislation which will insure protection against these substitutes, and at the same time require that these substitutes pay their proportionate share of the local, State, and Federal tax burden as is now or may be imposed upon those engaged in the dairy industry.

PACKER KING BACKGROUND

I have shown you that the producers of domestic oils and fats would be greatly benefited by leaving the butter market to the dairymen. It will also interest the Members of the House to know that there are only 16 establishments in America manufacturing oleo. Their total pay roll is about $800,000 a year, and they pay normal taxes. In the background of this are the packer kings who manufacture 50 percent of the margarine produced in the United States.

It should be recorded here that the National Dairy Products Corporation, a monopolistic outfit which has taken the dairymen for a ride, has now stuck a knife in their backs by going into the manufacture and sale of butter substitutes. Balance this whole unsound proceeding against the health of the American people and the economic well-being of the 15,000,000 people in the dairying field, and you have the exact picture.

I hope that in the near future America will be as brave as Canada, and refuse to countenance the selling of butter substitutes. It is a consummation devoutedly to be wished for.

Extending Social-Security, Housing, Venereal-Disease, and Other Legislation for Puerto Rico

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1938

Mr. IGLESIAS. Mr. Speaker, there is no community under the American flag in greater need of the benefits of titles V and VI of the Social Security Act, of the extension of the provisions of the National Housing Act, and also of the far-reaching proposed legislation introduced by Senator LA FOLLETTE in connection with the investigation and control of the venereal diseases than the island of Puerto Rico. Because of its exceedingly dense population of approximately 2,000,000 American citizens and a relatively low economic status, the island is confronted with overcrowding in dwellings and serious health, social, and welfare problems which cannot be properly attended to with its limited resources.

Title V of the Social Security Act provides aid through the Children's Bureau of the United States Department of Labor to the States and Territories for work in maternal and child health, aid to crippled children, and child welfare.

Title VI provides aid through the United States Public Health Service to the States and Territories in the establishment and maintenance of adequate health services, especially in predominantly rural communities.

I introduced a bill, H. R. 6524, the purpose of which is to extend titles V and VI of the Social Security Act to Puerto Rico. This bill has already been considered by the appropriate departments and agencies of the Federal Government. It has the approval of the Department of the Interior, the Department of Labor, the Department of the Treasury, and the Social Security Board, and is now pending in the Committee on Ways and Means.

H. R. 10050, introduced by me on March 28, provides for the creation of a public housing authority for Puerto Rico and of public housing authorities in municipalities of Puerto Rico, which authorities are corporate entities, separate and distinct from the government of Puerto Rico itself and from

the municipalities and other public bodies of Puerto Rico. The housing authorities would have power to undertake projects for the clearance of slums and the construction of dwelling accommodations for persons of low income, but would have no taxing power and would depend for their revenues on the income-producing capacity of their projects. Such authorities would have the necessary statutory power to participate in a housing program in cooperation with the United States Housing Authority, created by the United States Housing Act of 1937.

Housing legislation entitled "housing authorities law" and "housing cooperation law" is now pending in the Legislature of Puerto Rico.

Now, with regard to proposed legislation for the investigation and control of the venereal diseases, I have already requested the author of the bill, Senator ROBERT M. LA FOLLETTE, to amend the bill to include Puerto Rico. I have no doubt that when the bill comes up before the committee for consideration there will be no objection to the inclusion of Puerto Rico. At this point, Mr. Speaker, I should like to include as part of my remarks a short memorandum on the problem of syphilis in Puerto Rico, as it was prepared by Hon. E. Garrido Morales, M. D., Dr. P. H., commissioner of health.

MEMORANDUM ON THE PROBLEM OF SYPHILIS IN PUERTO RICO

Studies performed by different workers in Puerto Rico have revealed that syphilis is an outstanding public-health problem in the island.

In the report of the survey on prevalent conditions in Puerto Rico, carried out by the staff of the Brookings Institution (Porto Rico and Its Problems—1930—Survey Staff—Brookings Institution, Washington, D. C., p. 66), it is stated in regard to syphilis that: "Conditions are perhaps rather loosely reported to be similar to those in the British West Indian Islands, where, according to a recent report, a very considerable percentage of the population is infected with hereditary or contracted syphilis."

Thomas Parran, Surgeon General of the United States Public Health Service, in his article, Control of Syphilis, published in Venereal Disease Information of July 1937, volume 18, No. 7, states: "In population groups with a high prevalence such as Negroes, Mexicans, and Puerto Ricans, whole communities should have a blood test family by family. The Wassermann dragnet must be cast widely to find cases."

Due to very incomplete notification of syphilis on account of the failure of physicians to report cases of this disease, morbidity data on the prevalence of syphilis is very unsatisfactory. Even mortality statistics do not represent the exact rate of annual deaths from syphilis because of the fact that the disease when present is frequently unrecognized although playing an important part in the etiology of a great number of circulatory and many nervous conditions which are stated at the end as the only cause of death. To a great extent the same condition exists in continental United States, and we estimate that it is proper to compare the corresponding statistics from both places.

Deaths and death rates per 100,000 population from syphilis in Puerto Rico and United States, years 1931–35

Year	Puerto Rico			United States[1]		
	Deaths	Rates	Percent to total deaths	Deaths	Rates	Percent to total deaths
1931	341	21.6	1.1	10,592	8.9	0.8
1932	414	25.9	1.2	10,684	8.9	.8
1933	539	33.2	1.5	11,039	8.8	.8
1934	487	29.5	1.5	11,726	9.3	.8
1935	539	32.2	1.8	11,390	9.1	.8
Total average, 5 years		28.5	1.4		9.0	.8

[1] Vital statistics special report, Bureau of the Census.

The study of the above table seems to justify the assumption expressed at the beginning of this memorandum that syphilis is more prevalent in Puerto Rico than in continental United States, since we find that syphilis represents for the 5-year period under consideration an average percentage of 1.4 of the total number of deaths with an average death rate of 28.5 per 100,000 population in Puerto Rico against an average percentage of 0.8 of the total deaths and a rate of 9 per 100,000 population in continental United States.

Data obtained from the Wassermann and Kahn reactions performed in the biological laboratory on the total number of samples sent to that institution from the whole island during the fiscal year July 1, 1936, to June 30, 1937, show the following results:

Results of Wassermann tests performed at the biological laboratories of the department of health for the fiscal year 1936–37

	Total number	Percentage positive
Department of health	53,353	15.22
Puerto Rico Reconstruction Administration	9,060	5.37

RESULTS OF COMPARATIVE KAHN TESTS PERFORMED DURING THE FISCAL YEAR 1936–1937

Department of health	27,777	14.80
Puerto Rico Reconstruction Administration	8,308	6.39

The study of the above table shows positive results in 15.22 percent of the total number of 53,353 Wassermann reactions and 15.5 percent of 27,777 Kahn reactions performed as complementary information of the same sample of blood. These blood samples were received mostly from municipalities with organized health units, and in the majority of cases they were obtained from persons applying for health certificates from predominantly urban districts.

The same table shows that corresponding laboratory tests on 9,060 blood samples sent by the Puerto Rico Reconstruction Administration for examination gave positive results in 5.37 percent of the Wassermann reactions and 6.39 percent of the Kahn reactions.

Apparently the difference in positive reactions in the total number of samples received from the health units and those sent by the Puerto Rico Reconstruction Administration is explained by the fact that the first group belongs to persons chiefly from urban districts, while the latter pertains to persons from the rural zones of the island.

Veeder in 1915, in the examination of 531 soldiers in a Puerto Rican regiment, obtained 37.4 percent positive Wassermann reactions and estimated the incidence of probable syphilitics in the island as 45 percent.

Costa Mandry in 1931, in an extensive survey on the prevalence of syphilis in Puerto Rico as shown by the Wassermann reaction, found 16.04 percent positive results in a group of 17,530 unselected individuals applying for health certificates; 13.6 percent positive Wassermann reactions out of 2,955 prenatal cases attending the dispensaries of the health department, and 5.03 percent in random samples selected from the rural zone.

In a study made by Koppisch in 1934, in 61 cases of sudden death in Puerto Ricans he found, from the point of view of the autopsy findings, that syphilis was the cause in 16 cases, or 26.2 percent, and arterio sclerosis in 9 cases, or 14.7 percent. This is a high incidence of syphilis as a cause of sudden death, if we compare with statistics from the United States, where arterio sclerosis has a high incidence as a cause of sudden death. It might mean that arterio sclerosis is less frequent in Puerto Rico, but it may also mean that syphilis goes unnoticed or insufficiently treated more often in Puerto Rico than in the United States.

In a review of 940 autopsies performed at the School of Tropical Medicine of Puerto Rico 7.3 percent showed morphological tissue changes characteristics of syphilis. However, this rate does not include doubtful lesions of cases in which although serological examination was positive the tissues examined did not show any changes which were characteristics of syphilis.

For the fiscal year 1937–38 the insular legislature appropriated $9,762 for the control of syphilis for the entire population of approximately 1,800,000 inhabitants. Of this amount $5,000 was appropriated for the purchase of salvarsan and the rest for the salaries of a physician, a nurse, and a "practicante."

The insular health department at the present time has public health units, with full-time personnel, covering the entire territory of the island. A considerable amount of work against syphilis could be accomplished if funds were available for the purchase of drugs and perhaps for additional specialized personnel.

Since syphilis is a problem of such vital importance, and the present available funds are not sufficient to attack the problem properly, it is our opinion that additional funds should be requested from the Federal Government, as there is a bill (H. R. 8250, 75th Cong., 1st sess.) before Congress at the present time, "to provide for the health and general welfare of the people of the United States by aiding the several States and Territories in the control and eradication of syphilis."

SUMMARY

(1) According to available mortality statistics, syphilis is almost three times as prevalent in Puerto Rico as in continental United States.

(2) The results of Wassermann and Kahn tests, performed among persons applying for health certificates and prenatal cases attending the dispensaries of the insular department of health, reveal that approximately 15 percent of the adult population is infected.

(3) Syphilis was responsible for 26.2 percent of 61 cases of sudden death investigated by the School of Tropical Medicine during the year 1934.

(4) During the year 1937–38 the insular health department has an appropriation of $9,762 for the control of syphilis in the island, of which $5,000 is to be used for the purchase of salvarsan and other antiluetic drugs.

(5) A great deal of work could be accomplished by the insular department of health if funds were made available by Federal Government to combat this disease. The entire territory of the island is now served by public health units under the direction of full-time health officers.

A campaign to eradicate syphilis from continental United States would be incomplete unless it provided funds for the treatment of cases and its prevention among the American citizens of Puerto Rico, as there is always the possibility of the spread of the disease in the continent by persons from this island migrating to the United States.

On March 8 Senator PEPPER introduced a bill—S. 3631—to provide for assistance to States, counties, health districts, and other political subdivisions of the States in the construction of additional hospital facilities for the medically needy. Probably there is no area under the jurisdiction of the United States in greater need of such assistance from the Federal Government than Puerto Rico. However, as the bill now reads, Puerto Rico is not included to share these benefits with the States and other Territories. It will be necessary, therefore, to have the bill amended to specifically include Puerto Rico, and I have personally requested Senator PEPPER, the author, to use his good offices to have the bill so amended when it comes before the appropriate committee for hearings.

ECONOMIC ASPECTS OF PUERTO RICO

In his message to the National Rivers and Harbors Congress in Washington, January 20, 1938, Gov. Blanton Winship, of Puerto Rico, had this to say:

Puerto Rico is situated at one of the cross roads of world commerce—1,380 miles southeast of New York and 1,010 miles from the Panama Canal.

Puerto Rico is the best customer of the continental United States in the American continent south of the Rio Grande. We buy more American goods from American manufacturers than any Latin-American country—more than Mexico or Cuba. In world trade with the United States we hold sixth place as a purchaser from the mainland. Puerto Rico's total commerce, imports and exports, is around $200,000,000 per annum. Taking purchases alone, the island's purchases from the United States mainland ran in the calendar year 1936 to $86,352,000. I especially want you delegates from the different sections of the United States to bear in mind that Puerto Rico buys about 92 percent of all its purchases from the United States mainland.

In 1936 its purchases from the continental United States were exceeded only by those of Canada and of Great Britain, France, Germany, and Japan. Next to those five great countries came the little island of Puerto Rico. In items such as rice, Puerto Rico buys more than one-sixth of the rice produced in the United States. In farm products generally it ranked second in all the world in purchases from the mainland; in particular products, such as lard, and in shoes, in agricultural implements, automobiles, and in many other articles it takes high rank as a purchaser from the mainland. Our principal export to the United States is sugar. After that comes our always growing needlework industry—$21,000,000 to the mainland last year; and I want to emphasize to you that you will not find in the whole world any finer needlework than is made in Puerto Rico * * *.

The majority of people of Puerto Rico, as represented by the legislature, have the greatest confidence in the manifest fairness of the people of the United States, and they feel and believe that they will be included in any social security or rehabilitation plan contemplated for the several States of the Union.

RESOLUTION APPROVED BY THE EVANGELICAL MEN'S ASSOCIATION OF PUERTO RICO AT ITS SEVENTH ANNUAL CONVENTION HELD AT THE CITY OF PONCE, P. R., FEBRUARY 22, 1937, REQUESTING CONGRESS TO EXTEND TO PUERTO RICO THE BENEFIT OF THE SOCIAL SECURITY ACT

Whereas that honorable entity, the Congress of the United States, sensed the necessity for some action on the part of the Federal Government to relieve the hard and gloomy situation of the old and destitute of our country, which situation was referred to, and characterized by President Roosevelt as the most awful tragedy of our civilization; and,

Whereas on August 1935, Congress passed the Social Security Act as the instrument of our Federal Government to protect and care for certain classes of citizens among which are included those referred to by the President; and

Whereas Puerto Rico is a part of the United States and its citizens have been invested with American citizenship; and

Whereas to our judgment it does not seem fair to discriminate among citizens who owe the same undivided allegiance to their flag and country and who are conscious of the blessings and responsibilities of their condition as American citizens; and

Whereas the great social evils that exist in the mainland, and for which provision is made by the Social Security Act, do most certainly exist in still greater proportion in this American community by reason of its great density of population and also because of the lack of thriving industries and undeveloped natural resources: Now, therefore, be it

Resolved, as it is resolved hereby—

First. To petition Congress as it is hereby respectfully petitioned to extend to Puerto Rico sections 5 and 6 of the Social Security Act, approved by Congress August 1935.

Second. That a copy of this resolution be sent to each of the following Federal officers for their information and proper action:

The Honorable Franklin D. Roosevelt, President of the United States;

The Honorable John Nance Garner, President of the Senate of the United States Congress;

The Honorable William B. Bankhead, Speaker, House of Representatives;

The Honorable Harold L. Ickes, Secretary of the Interior;

The Honorable Ernest H. Gruening, Chairman, Board of Insular Territories and Possessions;

The Honorable Blanton Winship, Governor of Puerto Rico;

The Honorable Santiago Iglesias, Resident Commissioner for Puerto Rico.

Third. That a copy of this resolution be given to local newspapers for public information and knowledge.

Unanimously approved at the seventh annual convention of the Evangelical Men's Association of Puerto Rico, held at Ponce, Puerto Rico, February 22, 1938.

ENRIQUE ESPINOSA Y FLORES, *President.*

The Revolution of Education in Mexico

EXTENSION OF REMARKS

OF

HON. MORRIS SHEPPARD

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Tuesday, March 29 (legislative day of Wednesday, January 5), 1938

ADDRESS DELIVERED BY HIS EXCELLENCY, DR. FRANCISCO CASTILLO NÁJERA, AMBASSADOR OF MEXICO TO THE UNITED STATES, BEFORE THE AMERICAN ASSOCIATION OF SCHOOL ADMINISTRATORS, AT ITS ANNUAL CONVENTION IN ATLANTIC CITY ON MARCH 1, 1938

Mr. SHEPPARD. Mr. President, on March 1, 1938, His Excellency, Dr. Francisco Castillo Nájera, Ambassador of Mexico to the United States, delivered before the American Association of School Administrators at its annual convention in Atlantic City, N. J., an address on the subject, The Revolution of Education in Mexico. I ask that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The new system of education in Mexico is an outstanding achievement of the revolution. Men of learning from many foreign countries have praised it with enthusiasm.

Prof. Frank Tannenbaum, of Columbia University, in his book Peace by Revolution, published in 1933, asserted that no outcome of the Mexican Revolution is more significant than its rural educational movement. He wrote: "It is the most modern, yet the most delicate and sensitive large-scale movement of cultural stimulus and social awakening that can be recorded in America and perhaps in the world."

Carleton Beals, well-known commentator on Latin America and on Mexican affairs in particular, made in the New Republic, of March 13, 1935, a somewhat similar statement. Said he: "For the first time in Mexico's history, fairly well generalized programs of education and public health—the budgets of which have been greatly increased by the present Cárdenas administration—have been instituted."

On his return from Mexico, in 1936, the well-known American philosopher and educator, John Dewey, declared: "There is no educational movement in the world which presents a more intimate spirit of union between the school activities and the community than the one found in the Mexican rural school."

Again, quite recently, at the official inauguration of the annual convention held under the auspices of George Washington University, on the subject of Pan Americanism, President Marvin, of that University, declared to the distinguished audience that filled the auditorium of the United States Chamber of Commerce: "The educational program of Mexico is the most important cultural experiment taking place in the world today."

We Mexicans are thankful for such praise, not only because it confirms the success of what has already been done, but also because it is a valuable stimulus to continue the work.

Those of you who have closely followed the historical development of Mexico, may readily discover the fundamental reason of the social transformation which has taken place there. However, others may wonder how such a reform in education could evolve in a country like Mexico, famous for its high percentage of illiteracy and its former conservative character of education. I must here remind you that the educational reform, which has been carried on since 1921, cannot be fully understood if it is separated from the revolutionary movement which broke out in 1910. This movement completely transformed the whole structure of Mexico, by abolishing a regime that, for nearly 30 years, had converted the government into a gilded autocracy.

Until 1910, Mexico, as far as her economic conditions were concerned, lived in the Middle Ages. As a logical outgrowth of the colonial system of "Encomiendas," the famous and infamous "haciendas" maintained feudal conditions of agricultural exploitation. The "hacienda" occupied the position of a virtually independent and sovereign principality within the state. In an important pamphlet, published a few months ago by the International Labor Office, on the Agrarian Problem in Mexico, Dr. Enrique Munguía wrote:

"It (the 'hacienda') thus represented political, social, and economic absolutism and, as a general rule, the will of its owner was uncurbed by any other interests, or legally enforceable claims, than his own. The 'hacendado,' if he liked, could coin token currency, appoint his own magistrates, exert a decisive influence over the appointment and removal of high and low government officials, avoid taxation or have it assessed upon his own terms, eject his tenants or prevent them from leaving, keep their descendants in peonage through debt; and organize and maintain a mounted police force of his own which, without much formality, could inflict corporal punishments and confine, or even execute, a prisoner."

How could any government, under such economic and social conditions, put into effect any kind of democratic educational policy?

So much has been written and said on the inhuman and gruesome exploitation of the peons working in those haciendas, that the word "peon" itself has become in all languages, and in all countries, associated with the word "slavery." In that respect, the Agrarian revolution of Mexico against the peonage system can be compared with the Civil War in the United States against Negro slavery.

In 1911 there were in Mexico large "haciendas" covering as much as 1,729,700 acres. Two percent of the population owned 70 percent of the land. According to the first agricultural census, taken in 1930, reliable statistics showed the extent of the "haciendas" and their importance in the economic conditions of agricultural production. According to that census there were 13,444 large holdings of at least 2,471 acres each, comprising a total area of 254,220,451 acres, that is to say, 83 per cent of the total area of all landholdings covered by that census; and about one-half of the total area of the whole country. * * * Of these properties, 1,831 "haciendas" were made up of more than 24,710 acres each; and, together they covered 169,866,409 acres. In other words, 1,831 Mexican families, representing 0.01 per cent of the total 16,000,000 population—or, to put it more clearly, one-hundredth of 1 percent of the people of Mexico—owned 33 percent of the territory of the country. As we see, up to the year 1930 the problem of land concentration remained acute. It is mostly under the administration of President Cárdenas that the agrarian policy has been applied with full force. Under the Agrarian Code of 1934, nearly two and a half million people were entitled to claim land. By the first of September, 1936, nearly 1,000,000 beneficiaries, or 40 per cent of the rural population, had obtained land. Until the remaining 60 per cent also obtains land, the ideals of the Mexican revolution will not be fulfilled. However, the economic emancipation of the Mexican farmer is definitely on the march.

I repeat: No national movement of education could be accomplished anywhere and by any government while the feudal system of "haciendas" and "peons" remained the predominant factor in the political and economic life of the country. That explains why before 1910 there was no national Mexican culture in the true sense of the word. Only a minority of the population could attend school; and a still smaller group of the privileged classes could reap the benefits of the university. The "científicos," the "scientists"—as they called themselves—were during the dictatorship of Díaz, the self-styled depositories of science and truth. They comprised an intellectual oligarchy without any connection whatsoever with the masses. The few were being educated as though they were meant to live by themselves or on desert islands.

Moreover, before the revolution, the culture of Mexico had no roots in the country itself and was but a transplantation of European ideas. In politics, as well as in science and art, Europe was the model. Today the picture is changed. We think as Mexicans. We have a Mexican art. We are trying to solve our political problems according to national conditions.

In 1910 the number of schools supported by the Federal Government did not exceed 600, with a total enrollment of about 70,000 pupils. Over 70 percent of the people of Mexico were illiterate. According to official statistics of 1932 there were in that year 13,719 rural schools, 5,733 city schools, and 405 kindergartens, making a total of 19,857 schools open for primary education alone. Eighty-six percent of those primary schools are supported by the Federal Government and by the several States. These schools were attended by 1,907,650 children under 39,709 teachers. The same statistics show that in 1932 there also were 523 institutions of secondary education attended by 80,194 students under 6,169 professors. Considering the policy of the Mexican Government, which increases every year its budget for education, a conservative estimate would bring the number of schools in Mexico today to more than 23,000, and the number of pupils to more than 2,000,000.

In 1910, less than 8,000,000 pesos, or 7 percent of the total revenues of the Government, were spent on education. The Federal Government spent 15 per cent of its budget, in 1934, on education. It spent 16 per cent in 1935; 17 per cent in 1936; 18 per cent in 1937; and almost 20 per cent of the budget of 1938 is allotted to the work of education. A government which spends today one-fifth of its federal budget in the work of education, is certainly doing something for the welfare of its people.

I shall now try to sum up the essential features of the educational system under President Cárdenas.

First. Education of the masses is an essential function of the Federal Government: Popular education, in Mexico, is a vital problem, the solution of which cannot be left in the hands of private enterprise. The Government of the revolution, before coming into power, pledged itself to eradicate illiteracy, and it is doing it.

Second. Education is a popular problem and not an academic one: For the moment, the issue is not one of higher studies, but of primary education. We are more concerned, at present, in teaching millions of people how to read and write, than in producing a handful of geniuses. Our problem is one of quantity. Moreover, we believe that by increasing the quantity of useful and literate citizens within our borders, we will indirectly improve the quality of our national culture.

Third. Special attention must be given to rural education: Mexico is essentially an agricultural country. The overwhelming majority of her people live in rural districts. If the agricultural worker cannot go to school, the school must go to him. That is why we have adopted a system of cultural missions or Brigades of Indigenous Cultural Penetration (Brigadas Culturales de Penetración Indígena).

Fourth. Popular education should be practical: Its first obligation is to teach the people not only how to read and write, but how to live. The brigades teach primary education, impart practical knowledge of small industries suitable to each section of the country, train labor for farms and shops, thus enabling both farmer and industrial worker to become self-supporting. A good many of the students manufacture school furniture and supplies, as well as clothing and footwear for themselves. Other students farm adjacent portions of land where they raise grains and vegetables and thus acquire practical training in supporting themselves. The "cultural brigades" deal with realities and avoid tendencies toward speculation. Missionary teachers make thorough studies of economic conditions of indigenous communities, report these to the Government and suggest those improvements which are most urgently needed. They also establish cooperatives to handle production and distribution, and train the people of each locality in such activities. There is in each brigade at least one teacher who speaks the language or dialect of the district. In order to better understand the importance of this civilizing work, let me add that Dr. Gamio, among other distinguished archeologists and ethnologists, found that 80 per cent of the tools and utensils still used by the indigenous population of rural Mexico are of the prehistoric and colonial types. In other words, for the majority of our agricultural population the clock of time stopped with the Spanish conquest.

Fifth. Education should develop a sense of social solidarity: We believe that an educated citizen is not one who can do most for himself but one who can do most for others. Against the motive of personal material profit we preach the doctrine of economic interdependence and social service. The rural school is a center of life. Children attend during the day, adults at night. In the school women learn how to make their own as well as their children's clothes; the men learn how to improve their primitive agricultural methods. In the schools children are vaccinated, and expectant mothers receive medical advice. Adjoining the schools are small tracts of land, in the tilling of which the villagers cooperate with the students. Many rural schools have been built by the men of the community, working in their spare time on Sundays, and the citizens themselves provide the land and supplies. The cultural missions or brigades visit the homes, examine the water supply, improve sanitary conditions, try to convince the people to use fertilizers and to practice rotation of crops, organize parents' clubs, and suggest a suitable place for open-air theaters. To use Dr. Beteta's words, these unique missions work to better the condition of the inhabitants in as many ways as possible. The school really belongs to the community and not the community to the school.

Sixth. Education must reach not only the civilian population, but the thousands of men who comprise the Federal Army. We think that in a true democracy the Army must not be isolated from the population. The revolution was fought by the masses. The Army of today was born from the triumph of the masses. The Army and the people belong to each other. Formerly the officers of the Army were educated as a class in themselves, an arrogant class whose mission was to obey blindly the orders of the dictator. The Army was nothing more than an awe-inspiring machine without any kind of social consciousness. Under

these officers the soldiers were but mere instruments, to be used ruthlessly at their will. It is no wonder, then, that the Army of Porfirio Diaz, under the cloak of military discipline, turned against the masses, against the workers, as occurred during the strikes of Cananea and Orizaba, the campaign of the Yaqui Indians, also in Yucatan, during the first days of 1910, and the military rebellion of 1913. The people in power at that time believed that a good army should be an automaton. Today we believe quite the contrary. Under the wise direction of the Secretary of National Defense, Gen. Avila Camacho, the Army is constantly kept alive to the revolutionary ideals that governed its first great fighters.

If tomorrow a reactionary minority should seek by brutal force to break the social trend of our policies, we, who for years fought side by side as companions in arms, feel sure that the Army of today, like the militias of yesterday, will fight to smash the traditional enemies of the people. The idealistic affinity and the comradeship between the soldiers and the people are so marked in Mexico that the whole political structure of the country is being consolidated by the formation of a nation-wide political party that will unite the soldiers, the peasants, and the workers to make a true popular front.

In order to educate our soldiers, competent instructors in the military academy give courses in the subjects of political economy, sociology, and civics. Also, many lectures are given, pointing out the essentials of capitalism, imperialism, fascism, Soviet Russia, the New Deal, civil war in Spain, and the war in China. The government of Mexico is not afraid to have its Army become socially conscious.

Last but not least: Education must replace superstition and fanaticism by scientific knowledge and loyalty to mankind. We feel that education should be essentially scientific. We stand against imperialism, racial prejudice, and bigotry. We believe in democracy, in science, and in social progress. We do not want selfish financial interests and the traditional enemies of popular emancipation to take advantage of the blind impulses and the lower instincts of men. We do not think that the fight is over. It has just begun. Perhaps we have made mistakes, but so far we have not deviated from our original path. The generations of tomorrow will go on with the task. They will reap the benefits of what was done before them, and they will in turn prepare the way for those who follow them. Thus, mainly through popular education, each generation will be able to appraise the men of yesterday and mold the men of tomorrow.

Loyalty to mankind must remain the indestructible link that binds all men together through space and time.

Tennessee Valley Authority—Gilbertsville Dam

EXTENSION OF REMARKS

OF

HON. RICHARD B. WIGGLESWORTH

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1938

ARTICLE PUBLISHED IN A LEADING NEWSPAPER

Mr. WIGGLESWORTH. Mr. Speaker, in December last, after hearing the three directors and others appearing on behalf of the Tennessee Valley Authority and after full consideration of the record, the House subcommittee in charge of appropriations for the independent offices voted not to recommend any appropriation of funds for the commencement of the proposed dam at Gilbertsville, Ky., at this time. In view of the condition of the Treasury and the dangers inherent for all in that situation; in view of the specific request by the President for postponement of any appropriation which can be postponed without harming the safety of the Nation or necessary Government functions; in view of the wide difference of opinion among experts, most qualified to speak as to whether the type of dam proposed and the location proposed is or is not the right type and the right location, commencement of construction at this time of the proposed $112,000,000 project was considered to be without justification. This decision was subsequently endorsed by the full Committee on Appropriations and by the House as a whole.

A week ago, the bill having returned from the Senate with amendments, the House reaffirmed its stand in this connection. Under the leadership of outstanding members of the majority party, the House by record vote declined to embark at this time upon this tremendous project, confronted as we are by wide difference of engineering opinion and by serious charges bringing into question not only the efficiency but the integrity of those responsible for the administration of the entire Tennessee Valley Authority.

In this connection and under leave to extend my remarks, I include at this point the following article recently published in a leading newspaper:

NO GILBERTSVILLE DAM

Several factors entered into the second rejection by the House of the Gilbertsville Dam project in the Tennessee Valley. Some Members are opposed to the appropriation of any more money for huge T. V. A. projects until the present controversy regarding the Authority has been cleared up. Others doubt the wisdom of building such a dam under any circumstances. And many insisted that any money available for flood control could be spent to better advantage in other parts of the country.

Representative WOODRUM pointed out that the Gilbertsville Dam is not involved in the row between the dismissed Chairman of T. V. A. and the other two directors. But that fight arises directly out of the conflicting policies sponsored by these two factions. And the redirection of that policy which is expected to result from a thorough senatorial investigation may vitally affect the desirability of this particular dam. It would be the height of inconsistency for Congress to provide money to begin a $112,000,000 T. V. A. project on the eve of this prospective inquiry.

Sponsors of the dam lean heavily upon the flood-control argument. But every plea for the preservation of homes, farms, and factories from flood waters reacts against this proposal. For, as a number of Congressmen pointed out, the Tennessee River already has three dams and four more are under construction. Other sections of the country where floods are a much more serious menace have been granted no such protection. Clearly the Tennessee Valley is one of the last places in which to spend funds that may be available for flood control.

Construction of a dam at Gilbertsville for the production of more power would be equally ill-advised at present. Several Congressmen noted the surplus electricity supply already available in the Tennessee Valley. Apparently, too, this dam would be comparatively inefficient as a producer of power.

Finally, from the viewpoint of navigation, the arguments for haste in authorizing this project are totally ineffective. Some engineers contend that the immense lake to be created would complicate the problem of commerce on the river. In any event, navigation needs could be satisfied by the expenditure of a small fraction of the proposed $112,000,000 outlay at Gilbertsville.

General Rivers and the Philippines

EXTENSION OF REMARKS

OF

HON. KARL STEFAN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 29, 1938

LETTER BY MAJ. GEN. WILLIAM C. RIVERS REGARDING DEVELOPMENTS IN THE PHILIPPINE ISLANDS

Mr. STEFAN. Mr. Speaker, now that there is a very strong movement to reopen the Philippine independence question, I feel that the membership of this House should be informed on the question. I have taken the floor many times to call your attention to the promises we have made to the Philippine people regarding complete independence on July 4, 1946. Many statements regarding those islands have been made since that time. We are today debating the annual appropriation bill which makes provisions for the Army and which bill includes expenditures for our forces in the Philippine Islands. I urge every Member of this House to read the provisions in the Tydings-McDuffie Act, which refers to the neutralization of the islands in case the provisions of that act are carried out.

More especially today I call your attention to the following letter, which was recently written by Maj. Gen. William C. Rivers, regarding the recent developments in connection with the Philippine Islands:

To the EDITOR OF THE NEW YORK TIMES: Two public officials have recently made striking statements concerning the Philippines. The Chief of Operations of the Navy, Admiral Leahy,

formally gave to the Vinson naval committee his professional judgment that "the Navy which America now has and the Navy which it will have when it is increased by the authority contained in this bill will be seriously inadequate to the task of sending a naval force to the Philippines." Again, "I said it would require at least three times this amount of increase of our present Navy to warrant undertaking such an expedition, and I doubt if we could with three times the increase." And that a fleet about twice the size of the fleet of any Asiatic naval power would be required to carry on a war in the vicinity of the Philippines.

The sum mentioned in the Vinson bill is one and one-fourth billions. So that we see that in order to protect the Philippines, or to recapture the islands, an initial expenditure for construction alone of four billions would be necessary.

THE COMMISSIONER'S PLAN

Admiral Leahy had also stated more than once that "The defensive line of the American Navy at the present time reaches from the Aleutian Islands to the Hawaiian Islands, to Samoa, and to the Canal. There is also in the Atlantic a defensive line that runs from the Canal to the Virgin Islands and to the coast of Maine."

Six weeks after the publicity given to Admiral Leahy's opinions—which were sound and clear and which contained the latest authoritative public naval judgment on the subject—the United States High Commissioner resident at Manila in a radio address recommended that if the Filipinos so desire the existing Filipino Government be made permanent. The proposal means that the United States would continue to control the foreign affairs, the tariffs, immigration, currency, and the public debt of the Philippines. The Filipinos would continue their powers over all local affairs within the islands.

The President of the Commonwealth promptly rejected the proposal put forth by the High Commissioner. "I positively could not agree," was President Quezon's statement; and, "If the Commonwealth were given a full dominion status I would consider the permanent retention of the islands by the United States."

Mr. Quezon has long made it clear that he desires a form of government under which the Philippine State can join the League and have the complete control of all the subjects mentioned. He has frequently expressed the necessity for the trade relations with America to be regulated by treaty rather than by acts of Congress. The new Philippine State—after 1946, or before that date—as planned and desired by the Commonwealth President would be one in which the United States would have only the power to go to its defense.

EDUCATION NEEDED

It is apparent that a campaign of education is to be made in the Philippines and in the United States in favor of our citizens assuming permanent responsibility for the defense of the far-off and quite indefensible "Pearls of the Orient." A prediction can be ventured that if Mr. Quezon persuades the United States to break its promise to the Filipino people to give them independence there will be a revolt of the mass of the Filipino people.

The Philippines occupy a matchless strategic position—like Switzerland, whose neutrality has lasted 120 years. This is solely because it is to the selfish national interests of the European countries to have Switzerland remain neutral. Certainly Japan, Russia, China, France, the Netherlands, Great Britain, and Australia have a deep and selfish interest in guaranteeing the permanent neutrality of the Philippines.

I believe the existing law for the independence of the Philippines ought to be carried out. I believe that our work in the Philippines has been done well. I am convinced, also, that we have completed our task in the Philippines. Were the Congress at Washington to set up a dominion state in Manila, how can the Filipinos rely on its permanency? Each Congress may revoke or alter a law passed by its predecessors. The Filipinos are a hard-working people with racial pride and ambition. They will govern themselves well, if the economic difficulties at the start can be arranged by our own people allowing the Filipinos privileges in the American market for a number of years.

NO "SCUTTLING" SEEN

The High Commissioner makes eloquent plea: Hold forth the torch of liberty in the Orient; an outpost for Christianity in the Far East; do not scuttle; save democracy in the Orient. Christianity was in the Far East long before we ever heard of the Philippines.

We fought well in a great costly war to aid democracy in Germany; the future of eastern Asia will inevitably be settled by the people who live there—by Chinese, Japanese, and Russians. This is what we insist on in the two Americas.

As to scuttling: A number of Japanese clad as farmers began walking through some of the Provinces south of Manila some years ago. The Governor General wished those of us with the constabulary to find out their plans. We soon reported that the vistors said that they were engineer soldiers from a regiment of topographical engineers on nearby Formosa. They were just selling small articles and comparing their commercial maps with the terrain.

The cruisers *Maryland*, *West Virginia*, and *Pennsylvania* left at once for Honolulu. Did they scuttle or merely increase the strength of the fleet at Honolulu by adding to its unity and power?

WILLIAM C. RIVERS,
Major General, United States Army (Retired).

NEW YORK, *March 21, 1938.*

Observations On Reorganization

EXTENSION OF REMARKS
OF
HON. JAMES M. MEAD
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 29, 1938

Mr. MEAD. Mr. Speaker, these House bills are designed to effect a reorganization of the executive agencies and a reduction in the number of independent units in this branch of the Government. There are now more than 130 separate and independent departments, boards, commissions, authorities, administrations, and agencies by other names. No one questions but that there is great need for a thorough reorganization which will enable the executive branch to carry on its work more effectively and efficiently. For nearly 30 years reorganization has been an active public issue with both of the major political parties pledging themselves to bring it about. Former Presidents, including Taft, Wilson, and Hoover, all tried their hands at it. Congress has had special committees on reorganization time and again since 1920, but so far with little success.

The only real reorganization which has taken place was during the first 2 years of the present administration under the authority vested in the President in 1932 and 1933 to reorganize the executive agencies. The President abolished more agencies and brought about more consolidations and reorganizations during this 2-year period than Congress has been able to do in the last 20 years. No real criticism has been made of any exercise which he made of this authority while it was vested in him.

The purposes, it is true, of this legislation go further than merely providing a more simplified and logical organization of the administrative agencies of the Government. It is proposed to deal in a very comprehensive way with the administrative management of the Government—to make it efficient, to make it economical, and to make it democratic. This can be accomplished through the intelligent cooperation of the press, the public, and the Government. Cooperation, therefore, is the Republic's greatest need.

No one will deny that the National Government of this country is of first importance to the citizens of this land. The problem here dealt with is thus of central significance. Modern government must be strong, intelligent, efficient, coordinated, and economical. If it is not, it will fail to perform those services which the people demand of it; it will be unable to deal with new and changing difficulties; it will bungle and muddle and waste; it will precipitate one emergency after another; it may collapse, and may even be abandoned for dictatorship merely in the hope of getting anything done at all. Government in this land must continue to be truly democratic. However complicated its structure and numerous its experts, it must be governed in its policies and work by the common sense, humanity, and desires of the masses of the people, freely expressed through untrammeled individual and group action.

There are those who seem to believe that the provision of a more orderly and efficient administrative branch of the Government will, in some way, detract from the prerogatives of the Congress. It will not. Nothing could be further from the truth. Every great piece of legislation enacted by the Congress, every broad policy which it adopts affecting the economic and social life of the Nation, must be carried into actual effect by the executive branch of the Government which is charged with the administration of the laws of Congress. It is of little avail to Congress to spend months perfecting great national laws unless it can be assured that these will be carried out effectively and economically by the executive branch.

The success or failure of the National Government has now come to rest not alone upon the wisdom of the major

policies which are enacted into law, but fully as much upon the skill and effectiveness with which these policies are carried into operation through administration.

We have learned over and over again that it is futile for the Congress to labor over great national policies and to draft laws with meticulous statesmanship if those policies and laws are to be turned over to a weak, routine, incompetent administration.

The weak link in American Government today is unquestionably administration. We live in an age of administration. Great strides in administration have been made in business and industry, in education, in all walks of life. Many of our State and city governments have made notable advances in administration. Starting in 1917 in the great State of Illinois under the leadership of Governor Lowden, State after State has put its house in order (reducing in many instances the more than one hundred separate boards, commissions, and departments into a relatively small number of executive departments. New York State is another example of efficient administration resulting from reorganization.

During the same time many of our cities have made notable strides in reorganizing and improving their administration. But during this period there has been little change in the Federal Government except to create new agencies. As the Government undertook new activities, more and more independent agencies were created to perform these new duties until we have now reached the point where a thoroughgoing reorganization is imperative.

The reorganization of the administrative agencies, however, is only one feature of the pending legislation. In order to bring about a more efficient and economical administration it is necessary to go further. The civil-service system must be extended to the several hundred thousand civilian employees outside of the service. We cannot longer postpone this step. It is expected of us by the people. It would be unfair and unjust to continue for long a large group of employees in permanent positions without the protection of civil-service status. Along with this extension of the civil service must go a reorganization and improvement of the administration of the civil service itself.

A third feature of the pending reorganization legislation relates to the financial administration of the Government. We now recognize basic defects in the Budget and Accounting Act of 1921 as a result of the 16 years of experience which we have had with it, and the reorganization legislation proposes to correct these defects and to provide a more modern businesslike system of accounting and auditing. The House bill continues the Comptroller and adds the independent Auditor General who reports directly to Congress. It is designed to provide the Congress for the first time with effective means of holding the executive branch to a strict accountability for the expenditure of public funds. In this instance private enterprise has set a notable example for Government to follow. The House bill continues the preaudit and makes an effective postaudit as well.

We have heard a great deal about dictatorships and the concentration of power in the Executive. Let us see what there is in this legislation which concentrates authority in the Executive. In the first place, a reorganization authority similar to that granted to the President by this legislation was given to President Hoover in 1932 and again to President Roosevelt in 1933. The authority granted to the President by the present legislation to make transfers and to reorganize the administrative agencies of the Government is, however, much more restricted and circumscribed than that which was granted to him by the acts of 1932 and 1933. The pending legislation exempts a number of independent agencies from the authority of the President; it sets up definite and specific standards to guide the President; and it limits the authority to a period of 2 years. Every Executive order issued under the authority must be submitted to Congress while in session and lie before it for 60 days before it becomes effective. Before the pending bill is finally acted upon, further restrictions may be adopted.

The message of President Hoover on February 17, 1932, when he asked the Congress for exactly the same power, reads as follows:

> Because of its direct relation to the cost of government, I desire again to bring to the attention of the Congress the necessity of more effective organization of the executive branch of the Government, the importance of which I have referred to in previous messages. This subject has been considered many times by the Executive and by the Congress, but without substantial results. Various projects are now before the Congress.
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> The need for reorganization is obvious. There has been with the years a gradual growth of the Government by the accretion in its departments and by independent executive establishments, boards, and commissions as problems requiring solution confront the President and the Congress. Today the Government embraces from 150 to 200 separate units, dependent on the method of notation used. Governmental units when once set up have a tendency to grow independently of other units. This leads to overlapping and waste. Moreover, there is a marked tendency to find new occupations when the initial duties are completed. The overlap and the number of agencies can be reduced.
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> We may frankly admit the practical difficulties of such reorganization. Not only do different fractions of the Government fear such reorganization, but many associations and agencies throughout the country will be alarmed that the particular function to which they are devoted may in some fashion be curtailed. Proposals to the Congress of detailed plans for the reorganization of the many different bureaus and independent agencies have always proved in the past to be a signal for the mobilization of opposition from all quarters which has destroyed the possibility of constructive action.
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> There is little hope for success in this task unless it is placed in the hands of some one responsible for it, with authority and direction to act. Moreover, the consummation of a comprehensive reorganization should be undertaken gradually and systematically, predicated on a sound and definite theory of government and effectuated as the result of study and experience gained in the actual processes of reorganization.
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> I recommend, therefore, that the Congress provide for * * *.
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> Authority under proper safeguards to be lodged in the President to effect these transfers and consolidations and authority to redistribute executive groups in the 10 executive departments of the Government or in the independent establishments, as the President may determine, by Executive order, such Executive order to lie before the Congress for 60 days during sessions thereof before becoming effective, but becoming effective at the end of such period unless the Congress shall request suspension of action. (Message of President Hoover to Congress, February 17, 1932.)

At that time under a Republican administration, it was not charged that President Hoover wanted to set up a dictatorship or an authoritarian government. Under the authority granted to him it was provided that either branch of Congress could set aside any action which he took. The Executive orders recommending reorganization which President Hoover sent up to Congress in December 1932, were all set aside by action of the House. President Hoover then urged very strongly that his successor be given effective authority which finally was given by Congress in 1933, and which to a less extent is given the President by this pending legislation.

From 1932 to 1935 the President was granted the authority to make transfers and consolidations under much broader terms than now proposed. No man has been heard to charge that the President exercised that authority unwisely, or utilized it in any way to build up a dictatorship. Nor was any action taken by any of the three Presidents who have had this authority—Wilson, Hoover, or Roosevelt—which would constitute any reasonable ground to fear that the authority would be abused.

There has been a great deal said about the fact that it would require a two-thirds' vote of the Congress to override a veto if the President refused to approve an act of Congress setting aside an Executive order. The Constitution itself provides for a two-thirds' majority to override a veto of the President. Every time Congress enacts any legislation it can be said that Congress cannot later repeal it or change it over the President's veto except by a two-thirds' vote. If this argument had any validity Congress would stop enacting any laws. It must be remembered that Congress has the power of life or death over every Federal agency by its control of appropriations.

What happened in 1933 and 1934 when the President had this same authority? There was some objection raised on the part of some Members of Congress to certain of the proposed changes, but there was no effort in Congress to

set them aside. What actually happened was that the President withdrew or suspended the changes which were objected to without any formal action by Congress.

There is nothing extraordinary or unusual about vesting authority in executive officers to make administrative changes in organization. In the past this authority has been vested in our Presidents on several occasions and has also been vested in the heads of departments and independent agencies with respect to their internal organization. Congress does not prescribe by law all of the bureaus and divisions of the Government. As early as 1874 Congress granted to the Secretary of State very wide authority to set up bureaus and divisions and to make changes and transfers when in his judgment it became necessary. The same authority to a greater or less extent has been granted to other departments and agencies. Probably a majority of the bureaus within the departments and independent agencies have been created wholly by Executive action and are subject to change at any time in the same manner. These changes do not have to be referred to Congress at all. When Congress created the Department of Commerce and Labor in 1903, it granted the authority to the President to make transfers to the new Department. This authority still stands on the statute books, and the President could now, if he wished to do so, transfer almost any bureau or division in the Government to the Department of Commerce or to the Department of Labor, and he would not have to submit the order to Congress for 60 days as is the case in the pending bill. Under this authority President Coolidge transferred the Bureau of Mines and Patents from the Department of the Interior to the Department of Commerce as late as 1925. Congress acts in harmony with Democratic ideals in vesting such authority in the President, for he is the responsible head of the executive departments and as such is chosen by vote of the people.

Another major part of the reorganization program deals with the extension of the civil-service system, and a reorganization of the administration of this important management activity of the Government.

The time has come to extend the civil service to the thousands of employees of the Government who are now outside of the system. The spoils system must go. This important provision is agreed to on all sides. But it is equally necessary to reorganize and improve the administration of civil service. In fact, it is essential to do so before the civil service can be extended to the large number of employees now outside that service. After careful study of the whole problem and the need for an improved and strengthened civil service, the Committee on Reorganization came to the conclusion that what is needed is a single, responsible, executive officer at the head of the central civil-service agency, and an advisory and protective citizen board to act as the "watch dog" of the merit system.

These are the major provisions in the civil-service bill now pending before the House of Representatives. It follows the recommendations of President Hoover in 1932, of Gov. Thomas E. Campbell, chairman of the Civil Service Commission under President Hoover; of Leonard D. White, member of the Civil Service Commission from 1934–37; and of practically every official report on civil service which has been made in any of the States during the last 10 years. Everywhere it has been recognized that the board form of organization is unsuited to the large administrative responsibilities of civil service today.

In this connection, the comments made by the Honorable Thomas E. Campbell, a former Republican Governor of Arizona and a former president of the United States Civil Service Commission under the administration of Herbert Hoover, are pertinent. If any person should be able to recognize the obvious deficiency of a three-membered commission attempting to perform administrative or technical functions and the need for the selection of a well-qualified administrator to serve in its stead, this man should certainly be able to do so. He has been active in political life and he has served in the capacity of president of the United States Civil Service Commission under an appointment received from former President Hoover. He now stands in a detached position where he can appraise the work of the Civil Service Commission in an unbiased and impartial manner. This, in part, is what Mr. Campbell has stated:

> My previous experience as a public official in local and State jurisdictions and as Governor of the State of Arizona, as well as president of the United States Civil Service Commission, has led me to the definite conclusion that boards or commissions are clearly not suited to the performance of administrative duties. Boards and commissions carry on their work by compromise and indecision. This is an inefficient method of operation and usually results in needless confusion, the diffusion of responsibility, harmful delay, and the lack of needed leadership. In cases where this situation does not exist, commissions frequently fall under the domination of one of their strongest members, while the other members play the role of mere "yes men."
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> It is for these reasons that many of the difficulties and inadequacies apparent in the administration of the Federal merit system will unquestionably be overcome if the proposed single Civil Service Administrator is made responsible for all administrative and technical personnel functions. The creation of a civil service board of seven nonsalaried citizens as suggested by the committee on administrative management will furnish sufficient protection for the integrity of the merit system. The proposed new board will have no administrative or technical duties to perform. However, it will serve as a watchful advisor to the President and the Civil Service Administrator. In this capacity it will render a useful function without manifesting the weaknesses inherent in the existing Civil Service Commission.

After pointing out that a more effective central personnel agency was needed in the Federal service, Mr. Campbell concluded:

> That is why I am looking forward to the final adoption of the President's personnel proposals. I am for them. I hope they will be passed by the Congress.

The third phase of the pending reorganization legislation deals with Government accounting and auditing. The broad purposes of this legislation are to correct the fundamental defects in the existing auditing and accounting system of the Federal Government—defects which are apparent after 16 years of experience under the present system since the enactment of the Budget and Accounting Act in 1921. The legislation is also designed to give Congress more effective control over the spending departments, to enable the Congress, through a Joint Committee on Public Accounts, set up by this legislation, to hold executive officers to a strict accountability for expenditure of appropriations voted by Congress.

It will come as a surprise to most people that Congress does not at the present time have an audit report of the fiscal transactions of the Government. Congress has no means of knowing, except as it may learn a little here and there, of cases where the departments make illegal, irregular, or improper expenditures. The reorganization bills provide for an independent auditor, directly responsible to the Congress, called the Auditor General, whose function it will be to conduct an audit of the fiscal affairs of the Government and make reports to the joint committee of Congress. This will be the sole function of that officer, and by this system Congress will for the first time in the history of the country have made on its behalf an independent audit and receive the audit reports and other information from which it may know how its appropriations are being expended.

The arguments which have been raised against the auditing and accounting features of the reorganization bills are based largely on ignorance or misunderstanding of what is actually proposed. The suggested plan is in line with the best practice in business organization. The accounting control is to be exercised by an officer under the President, just as in business it is exercised by an officer, usually known as the comptroller, who is under the chief executive of the business. The audit, on the other hand, will be conducted by an independent officer appointed by Congress and responsible only to Congress. This is in accord with sound principles of financial management in business and in government.

The fundamental defect in the existing system is the mingling of controlling and auditing functions by placing them in the hands of a single officer. This defect has defeated the ends of a truly independent audit and has made

it impossible for this officer to provide the Congress with the audit reports and information whereby Congress may hold the executive officers strictly accountable. The House reorganization bills do not weaken in any way the protective features against illegal or improper expenditure of public funds; to the contrary, they strengthen the system against abuses and provide the Congress with the information which it needs to carry out its constitutional responsibility.

In retaining ample safeguards over the Executive activities, while providing a practical medium for the simplification of our administrative set-up, and at the same time in extending the civil service merit system to all the rank and file in the Federal service, Congress has in preparation a measure which merits the consideration, the counsel, the cooperation of all who are concerned with the future of our democratic ideals.

Our National Defense

EXTENSION OF REMARKS
OF
HON. JOHN R. MURDOCK
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 29, 1938

RADIO ADDRESS BY HON. JOHN R. MURDOCK, OF ARIZONA, ON MARCH 29, 1938

Mr. MURDOCK of Arizona. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following radio address delivered by me on our national defense, on March 29, 1938:

Again it is a privilege and pleasure to speak to you from the Nation's Capital on a topic of vital interest at this moment. My topic is national defense. Many letters have reached me in regard to the matter of an enlarged Navy, a suitable appropriation for the Army, and other phases of national defense. For the last 5 legislative days the House has had under consideration the Army appropriation bill, which was passed this afternoon, carrying about $448,000,000. Immediately prior to the consideration of the Army bill we had up for consideration in the House the so-called super-Navy authorization bill, which was passed by the House on March 21, following the regular annual Navy bill 2 weeks earlier. By these three measures we have authorized to be expended, or have directly appropriated, the huge sum of $2,122,000,000. How do you listeners feel about these measures? Let me say at once that, after suitable modification and on final passage, I supported all of them.

Having said that, I feel that I ought to explain, for I must say that when the big Navy bill was first presented to the House I had my mind pretty well made up to vote against it. It is true many defense organizations and patriotic groups had urged me to support the President's plan for an enlarged Navy. On the other hand, many peace organizations had urged me to oppose it. My own feeling 2 weeks ago was that the bill was unnecessary, even as an authorization only, for it seemed that we had already authorized more ships than we were capable of building, and I felt, too, that it was a questionable matter whether we should enter into a competitive race to build warships, and also whether warships constituted the best means of national defense. Perhaps my coming from the interior of the country gives me a one-sided, narrow view concerning a Navy.

When the so-called super-Navy bill was first presented in its original form, it had at least two objectionable provisions. Many Members felt that two battleships would be sufficient. More Members objected to the statement of policy in the bill which would cause our fleets to police the seven seas of the globe. That original "policy provision" didn't make it look like a Navy for defense. Some thought such a practice would likely lead us into war. One hundred and fourteen Members voted to eliminate the three superdreadnaughts, and many more vainly wanted to cut down on the number of capital ships. We who demanded a Navy for defense rather than offense, insisted on striking out, and did strike out, that "policy provision" of the bill which seemed likely to get us into a war. In striking out that provision, however, we struck out one concerning an international conference for limitation of naval armament.

Now, much as I regretted to vote to authorize this huge Navy, I felt that to do so now might be wise, if thereby it would bring the other nations to their senses. One of the values of this Navy bill seemed to be for this Nation to say, in effect, to Japan or any other nation, "If you are so mad as to insist on a naval-armament race, we can build battleships, or whatever is needed, as fast and as long as you can, and we propose to do so, as long as the madness is upon you, but we would rather be sensible and meet with you about a conference table, and to decide to be reasonable in the building of navies." With that idea in mind, many Members naturally insisted that before the big Navy bill could pass, it should have some provision for an invitation to rival nations to meet with us about a conference table for a parley. Accordingly, on March 17 I offered an amendment with the idea of an arms-limitation conference in view. I'm glad to say that my idea next day was incorporated in a committee amendment and successfully placed into the bill.

Thus the door was opened and an invitation and welcome extended to our naval rivals to gather with us about a conference table to see if we cannot stop this mad naval race by limitation of such armament. As I said in the House in speaking on this amendment, the American eagle holds in one claw a bundle of spear points and in another, an olive branch. So do we, by passing this huge naval authorization, signify to the world that we are willing, if forced to it, to build great fleets, but at the same time we hold out the olive branch of conference and treaty limitation agreement.

An amendment offered by Congressman KNUTSON would have defined our naval defense lines and kept our big Navy in our "front yard" and "back yard." However, his amendment of March 18 was ruled out on a point of order. I think he had a fairly good idea in that proposed amendment. If we are going to have—if we must have—a big Navy for defense purposes and the bigger the Navy, the more this holds true—we must keep our big warships at home, at least until after war has actually been declared or started. It is not so much the number of ships, but their disposal, which truly characterizes and determines our Navy as one of defense or one of aggression. Is not every Member who voted for an enlarged Navy in the name of defense obligated to see to it that the use of the Navy conforms to a defense policy rather than an aggressive policy?

Provision in the naval bill for building part of this great fleet in Government navy yards and half of it in private yards caused Members to fear that some demand for an enlarged Navy might be by possible profiteers. There was insistence by certain Members that all of the authorized building be done in Government yards. Such, however, was not written into the bill.

I think, under the circumstances, it was well that about half of this building is to be done under contract with private shipbuilders. Of course, we must take unreasonable profits out of such a building program; but I believe that we have provision of law and I know we have public sentiment against private companies making unconscionable profits as has been done in the past. I do not feel that the bill as passed runs counter to our idea of taking the profits out of war. Of course, there is always a danger to be guarded against—that we may build a navy more for the profit of builders than for the needs of the country. If we can limit the private builders to a legal profit of 10 percent in the building of this navy, if and when it is built, we'll get quicker and better service, in my judgment, by having it constructed jointly by the Government and private builders.

The Army appropriation bill which we passed today contains some provision for civilian military training camps and for Reserve officer equipment and training of which I most heartily approve. I wish we might have done more to motorize our artillery. I wish especially that we might have improved our military posts, such as Fort Huachuca, in southern Arizona. I believe that one basic national-defense plan requires improvement in our existing highway systems and some new construction of superhighways north and south.

There is one kind of military preparedness which the bill we passed today does not contain. We ought to develop a source of supply of the critical and strategic war materials, such as manganese and tungsten, and have a steady production of them sufficient to meet our needs in peace-line productions. We should so prepare our industries that they can be converted quickly to a wartime basis. Above all, we should conserve our human resources in such a way that our Nation will be worth fighting for and our young men equipped and inspired to defend it against all comers. This means building up the physique and the spirit of the people. In my mind, this is the most needed preparation, and is not covered in the present bill.

One thing in regard to these appropriations that hurts me most is the necessity for them over something else. I firmly believed when I cast my vote for the supernavy that this country needed it for protection, and as a matter of defense. No expense is too great for us to endure, if what we do will keep us out of war. The tragedy of it is that we so sadly need the vast funds which we are planning to spend in armament to be spent in the rebuilding of our devastated country. This country has been devastated since 1929 almost as much as if it had suffered the heel of the invader. Since then we have resolutely turned our face toward a new day, have expended our substance and energy toward bringing about a better order of society. It is easily conceivable that a war, or even such vast preparations to avoid war as we are about to embark upon may prevent the great rehabilitation of this Nation. As a student of American history I have felt that America's entrance into the World War under the leadership of Woodrow Wilson distracted the mind of that great leader and turned the energies of the American people from a task that was nobly begun in 1913 and left uncompleted when we entered the struggle. It is earnestly to be hoped that the disturbed conditions of the world today will not be used

to take our minds off our internal problems, nor that the efforts for national defense shall absorb all of our energies when so much is required to build the better America for which we long.

Where do we first begin our plan for national defense? In the hearts of the American people. The American Legion and other patriotic societies do well to inspire love of country and appreciation of its institutions in the hearts and minds of all citizens, more especially the young. All the floating fortresses, all the bombing planes, all the anti-aircraft guns and motorized artillery will be but poor defense for a nation if that nation is not worth defending. We must see to it that it is never true that this Nation "is not worth defending." Masses haunted by fear of economic insecurity and without hope for better days have no morale. It is even more important that we buoy up the spirit of our people and give them more to defend, as a part of our defense program, than that we give them the machinery, equipment, and training for national defense. Let us not blind ourselves to the other part of the national task, nor let vast expenditures for Army and Navy prevent such other efforts as will fortify America's soul.

We are all agreed that America must keep out of war. We are not agreed as to the best way. Some say that sufficient armament and military preparedness is the best assurance of peace. And yet, I have a feeling that military armament may be carried to the point where it will get us into war. There is some sense to the statement made in 1914 that "Europe exploded because she was loaded." I do not want my country to present a show of weakness; I do not want this rich prize to tempt the madmen of the old world. What I do desire is that we shall carry a big stick and speak softly. I never heard of anyone embracing a porcupine because it smiled or grinned at him. I, as an earnest peace advocate, sincerely believe that by the passage of these bills our country is given that "defensive posture" of which George Washington spoke.

Reorganization of Executive Departments

EXTENSION OF REMARKS
OF
HON. LEWIS B. SCHWELLENBACH
OF WASHINGTON
IN THE SENATE OF THE UNITED STATES

Wednesday, March 30 (legislative day of Wednesday, January 5), 1938

ARTICLE FROM TIME, MARCH 28, 1938

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the RECORD an article published in Time of March 28, 1938, on the subject of reorganization of the executive departments.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Time, March 28, 1938]

REORGANIZATION RENAISSANCE

"Now that we are out of the trough of the depression, the time has come to set our house in order. The administrative management of the Government needs overhauling. * * *"

With these brave words, Franklin Delano Roosevelt in January 1937 launched what looked at the time to be the most far-reaching project of his administration to date: A gigantic plan to reorganize the entire executive branch of the Federal Government, intended, among other things, to kill the United States spoils system.

Few United States Presidents ever acquired as much political prestige as Franklin Roosevelt had in December 1936. Few have lost as much as he lost in 1937. Crowded off the congressional stage by the fight to enlarge the Supreme Court last spring, the plan to reorganize the executive branch was crowded off again this winter by more practical concerns. By last week, with the country apparently back in the trough of at least a recession, the reorganization plan had reemerged. Because it gave the President's enemies in Congress a fine excuse—ill-supported by the bill itself—to argue in effect that he was trying to make himself a dictator, it produced the major political fireworks of a highly incandescent week.

Plan.—Idea that the executive branch needs repair did not originate with its present chief. Ever since the turn of the century Presidents have been trying to untangle the underbrush of overlapping duties, conflicting authorities, and mechanical inadequacies of the various bureaus, commissions, and other agencies responsible to the Executive. The bill which the Senate was debating last week, a considerably modified version of a report of a committee headed by a University of Chicago political science lecturer named Louis Brownlow, proposed five major changes:

(1) For the purposes of economy and efficiency, the President could coordinate, reorganize, or segregate any of the one-hundred-odd Government agencies which he found superfluous, badly integrated, or overlapping. This did not include quasi judicial bodies like the Board of Tax Appeals, Federal Trade Commission, National Labor Relations Board, as the Brownlow committee had originally suggested. Though he could reshuffle agencies, the President could not create any new ones unless they were to serve functions already authorized by Congress. Changes could be voted down by Congress within a 60-day limit; but if Congress disapproved, a Presidential veto of the disapproval could be overridden only by a two-thirds vote.

(2) Admittedly, one of the gravest flaws in the United States Government since Andrew Jackson has been the system whereby the victorious political party always assumes control of Government jobs. Daringly, the reorganization plan struck at this by giving the President power to cover into the classified civil service any minor officer he wished, and to create, instead of the present three-man, bipartisan Civil Service Commission, which can be changed at the will of the President, a single administrator, to be appointed by the President, with the Senate's approval, for 15 years. The administrator would be specifically delegated by the bill to submit plans for the development of a Government career service.

(3) As currently organized, disbursement of Federal funds and auditing of Federal accounts are both duties of the Comptroller General. The Senate reorganization bill would abolish his office entirely. Supervising expenditures would become the job of the Bureau of the Budget, whose Director would be responsible directly to the President instead of to the Secretary of the Treasury, as he is at present. Auditing Federal expense accounts would become the job of an entirely new official, an auditor general, to be appointed by a new joint congressional committee on public accounts. Object of this change is to make spending and auditing functions independent of each other (as they are in most well-run private businesses), insure prompter, sounder Government accounting.

(4) Reorganization proposed the first new department since Labor was created in 1913; welfare, under which would function agencies like W. P. A., National Youth Administration, and possibly the Social Security Board. It proposed also a national resources planning board.

(5) Among other miscellaneous improvements, the bill empowered the President to hire six administrative assistants, which he once said should be equipped with "a passion for anonymity."

Faced with its impressive omnibus, a joint congressional committee last year soon fell to squabbling, finally split apart to work on it separately. The House committee divided the bill into four sections, passed two last August. The Senate bill, introduced by Joe Robinson last June, was rewritten by South Carolina's JIMMY BYRNES and reintroduced in January, finally emerged from committee last month. Last week the Senate settled down to work on it with a will.

Fifty to thirty-eight: To Congress nothing is at once dearer and harder to defend than patronage. Any bill putting patronage jobs under civil service would have faced a hard fight at anytime, and when the Senate reorganization bill was brought up for debate the same confident group of anti-Roseveltian Democrats who helped defeat the Court plan jumped jubilantly into the fight against it. First test of their strength was an amendment proposed by Massachusetts' DAVID WALSH to leave the civil service administration under a three-man commission. It was defeated, but by such a narrow margin—50 to 38—that Floor Leader ALBEN BARKLEY promptly betrayed the fact that his alarm outweighed his satisfaction by leaving himself appallingly wide open to a rude jibe from Idaho's BORAH. To MR. BORAH'S suggestion that the President favored shifting the Forest Service from the Agriculture to the Interior Department, perturbed Leader BARKLEY indignantly cried:

"I would be willing to bet my head against the hole in a doughnut that it is not transferred."

Replied MR. BORAH: "The Senator's comparison is not fair."

Floor Leader BARKLEY could think of no better comeback than to hope that his opponent was not minimizing the odds that had been offered.

43 to 39: To Montana's BURTON WHEELER, anything that looks like a grab for Presidential power is profoundly disturbing. WHEELER'S scheme for drawing the teeth of the reorganization plan was an amendment whereby Presidential changes, under title I, needed congressional approval to be effective, thereby throwing the balance of power to Congress, since a simple majority would be sufficient to thwart any Executive proposal. Scurrying to round up votes against the amendment, Floor Leader BARKLEY found so few that it seemed advisable to have Louisiana's ELLENDER launch a miniature filibuster to prevent a roll call. Meanwhile, Floor Leader BARKLEY was so busy bargaining on the floor that MR. BORAH was moved to another and more pertinently acid comment on the proceedings. Said he: "Certain things are being promised on and off the floor that amount to reorganization of the Government before the bill is passed."

Next day, when a vote was finally taken, MR. WHEELER'S canny amendment was beaten by an even smaller vote than its predecessor—43 to 39. By this time, however, to offset its dwindling majority, the administration bloc had found a new trump card in the form of charges that a good part of the pressure against the bill had been generated by a high-powered lobby financed by Publisher Frank Gannett. Convening his Lobby Investigation Committee for the first time since he succeeded Hugo Black as its chairman,

Indiana's SHERMAN MINTON quickly produced a Dr. Edward A. Rumely, who as secretary of something called the National Committee to Uphold Constitutional Government admitted that he had spent $50,000 and sent out 800,000 letters to defeat reorganization, in which Publisher Gannett sees a threat to democracy. On Dr. Rumely's somewhat ill-chosen mailing list, it turned out, was Texas' TOM CONNALLY, who had received a letter addressed to the Honorable TOM CONNALLY at Marlin, Tex., urging him to urge Senator CONNALLY to vote against the bill. Said Senator CONNALLY: "Senator CONNALLY took counsel with Citizen CONNALLY and decided to vote the other way."

By week's end, only two more major battles remained, over amendments (1) to strike out the section of the bill abolishing the office of Comptroller General and (2) to except a number of agencies from the group which the President could change. With two victories to their credit, administration Senators felt reasonably confident of winning their final one.

The Philippines

EXTENSION OF REMARKS

OF

HON. WILLIAM E. BORAH

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Wednesday, March 30 (legislative day of Wednesday, January 5), 1938

ARTICLE FROM THE CHRISTIAN CENTURY, MARCH 30, 1938; ALSO A COMMUNICATION FROM WILLIAM C. RIVERS, MAJOR GENERAL, UNITED STATES ARMY, RETIRED

Mr. BORAH. Mr. President, I offer for printing in the Appendix of the RECORD an article on the Philippine problem appearing in The Christian Century, the issue of March 30, 1938.

I also ask to have printed in the Appendix of the RECORD a communication on the same subject printed in the New York Times on Sunday, March 27, 1938, from William C. Rivers, major general, United States Army, retired.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

[From The Christian Century of March 30, 1938]

KEEP FAITH WITH THE PHILIPPINES

Is the United States, despite all the promises of independence which it has made to the Philippines, to remain in permanent possession of the island archipelago? Has the Roosevelt administration, which once approved a law providing for American withdrawal from its far-eastern entanglements, reversed itself? Instead of getting out of the oriental crisis, is the American Government preparing to become more deeply involved? Is the real reason for the supernavy bill an intention to retain and defend a colonial empire off the coast of Asia? Such are the questions raised by the declaration of the Philippine High Commissioner, Paul V. McNutt, favoring repeal of the Tydings-McDuffie law and adoption of permanent American sovereignty over the islands.

Few close students of American politics believe that Commissioner McNutt's speech represented merely a personal opinion. All the circumstances surrounding it argued otherwise. For one thing, it is inconceivable that an official occupying such a position as does Mr. McNutt would make a proposal of such grave consequence without having consulted with and received the approval of the President. Moreover, this plea for permanent retention of the Philippines is only a climax to a series of recent moves which have cast doubt on the intention of the present administration to carry through its previously avowed independence policy. The first of these moves came with the appointment of Mr. McNutt, a notorious Legion swashbuckler, as High Commissioner. The second came with the detachment of Gen. Douglas MacArthur as field marshal and permanent commander of the Philippine Army. The third came with Mr. Roosevelt's January announcement that American economic control over the islands would be continued at least until 1960, although independence has been voted in 1946.

Mr. McNutt's proposal that Congress repeal the Tydings-McDuffie law and inform the world (and especially Japan) that the United States means to stay forever in the Philippines follows logically these other indications of a shift in Mr. Roosevelt's oriental policy. The fact that the President has taken no steps to disavow Mr. McNutts speeches—the first of which was sent out over an international radio hook-up—further indicates that the Commissioner was revealing the present views of the White House. But the most startling aspect of the proposal lies in its disclosure that the President is now pursuing ends in the Far East which seem to him so important that, for their sake, he is willing to challenge the interests which persuaded him to sign the Tydings-McDuffie bill in 1933.

For our readers will remember that the bill granting full independence to the Philippines was not pushed through Congress by any sudden outburst of public idealism. A promise of eventual freedom for the Filipinos had, to be sure, been on the statute books ever since the enactment of the Jones law in 1916. But this promise seemed far from fulfillment until a combination of American economic interests passed the law of 1933. Cane- and beet-sugar growers, cottonseed-oil producers, butter producers who were also determined to stop competition from margarine made with coconut oil, union labor intent on keeping out Filipino immigration—these were the forces behind the Tydings-McDuffie bill. They are still potent forces, not to be lightly challenged by any Chief Executive.

Five years ago, it must also be remembered, such influence as the Army and Navy exerted on national policy favored American withdrawal from the Philippines. Both services then believed the islands to be indefensible. Maj. Gen. William C. Rivers, who served years in command in the Philippines, has written:

"The United States is unable to defend the Philippine Islands, even in alliance with Great Britain and even if we doubled our fleet, if there should be a war with Japan. That country is located squarely between the United States and the Philippines. A modern warship is so tied to a base that it can operate but 2,500 miles away—then it must return to the base for fuel, food, ammunition, and repairs. About 4,500 miles separate the United States and the Japanese Empire. An American fleet cannot attack Japan from our west coast or from Honolulu, 4,000 miles from Yokohama, nor can a Japanese fleet attack the American fleet at Honolulu or on our California coast. An American fleet cannot defend the Philippines, 5,500 miles from Honolulu. Nor is a naval base at Guam or Samoa practicable—it would be an indefensibe salient, and an attempt to defend either Samoa or the Philippines would throw our Pacific defense plans out of balance."

Gen. Hugh S. Johnson, in commenting on Commissioner McNutt's proposals, has said what amounts to the same thing. High naval authorities have in the past been equally emphatic. It has only been within the past year or two that a few naval officers, under White House encouragement, have begun to talk about the possibility of providing a naval defense for the archipelago.

If the administration now favors permanent possession of the Philippines, some new element of vast importance must have been injected into the situation in the last 5 years. The forces which pushed the Tydings-McDuffie law through Congress in 1933 are just as strong as they ever were. The Army is just as much in favor of getting out of the Philippines, and so is still most of the Navy. What is causing the President to reverse his policy?

Mr. Hull, in the speech commented on elsewhere in this issue in which he declared America's intention of maintaining its interests in the Far East, said that this policy rested on the necessity of checkmating Japan. He did not, of course, put it in such bald terms. Instead, he spoke of a choice between "international order or international anarchy based on brute force," and declared that the United States must hold its position in the Far East to testify to its devotion to the former. But if Mr. Hull had the Philippines in mind when he spoke in this fashion—and it is hard to see what else he could have been talking about—why is the danger of Japanese anarchy any greater today than it was in 1933, 2 years after the rape of Manchuria? If Japanese policy now argues against granting independence to the Philippines, it did so quite as much when Mr. Roosevelt signed the Tydings-McDuffie Act 5 years ago.

The suspicion will not down that during the last few years the President has become enamored of the idea that the United States may play a controlling part in fixing the destiny of Asia. Thus, 4 years ago the United States reached westward from Hawaii to claim Howland, Baker, and Jarvis Islands for use as air bases, despite the fact that England's sovereignty over them had not previously been challenged. Last year the Navy announced that the "defensive area" of the United States had been extended still farther westward to take in Samoa. This year the President has reached westward yet again, now annexing Canton and Enderbury Islands in the face of British protests. But all these moves toward greater involvement on the other side of the Pacific and in the vicinity of Japan's southern islands would be pointless without retention of the Philippines. The string of islands which the United States has acquired, stretching westward across the Pacific, is the shaft of a great spear pointed toward Asia; the Philippines are the spearhead. Such a weapon can have but one intention behind it—deep involvement in Asiatic politics.

It may be that the people of the United States wish this Nation to become deeply and permanently entangled in the politics of the Far East. We doubt it. The financial costs, for one thing, would be staggering. All plans for permanent defense of the Philippines envisage naval bases, forts, barracks, and other items of military and naval equipment which would cost many billions of dollars. Admiral Leahy's recent testimony before the House Naval Affairs Committee indicated that an American fleet could not operate successfully on the other side of the Pacific—i. e., defend the Philippines—without being at least three times the size of the Navy provided for in the pending super-Navy bill. Nor would the economic factors, which have made the Philippines a poor investment from a dollar-and-cents standpoint, ever begin to offset this tremendous financial outlay for arms.

But the moral and political costs of permanent occupation of the Philippines would be even greater, and these are the costs which thoughtful Americans should most bear in mind. Permanent possession of the Philippines means, for one thing, permanent implication of the United States in the old, discredited and war-breeding game of imperialism. It means a smirch on the national honor, placed there by repudiation of the solemn promises written into the Jones law of 1916 and the Tydings-McDuffie law of 1933. It would introduce into the American system of government a new factor—the "dominion," still further complicating an already baffling territorial problem, and saddling on the National Government added responsibilities without compensating powers. Most of all, any such declaration of changed intention as Commissioner McNutt has recommended, would be notice served on Asia that America means to play a direct and major part in the political remaking of that continent.

The professional politicians at the head of the present Philippine Commonwealth government are reported to have greeted the McNutt proposal with acclamation. So quickly, in fact, did President Quezon announce his approval of Mr. McNutt's suggestions that Washington correspondents concluded that the two men must be working in collusion. There need be no surprise at the apparent suddenness of Mr. Quezon's conversion from a brief in Philippine independence. Mr. Quezon and his followers had, perforce, to be the most vociferous champions of Filipino freedom in order to obtain control of legislature and offices on the establishment of the commonwealth government. But now the situation, so far as these politicos are concerned, is changed. They have the offices; they also have tremendous fortunes which they have built up during their years in office. Those fortunes would be almost as much imperiled by the advent of a genuine popular government in an independent Philippines as by a Japanese invasion. The Quezon fortune, in other words, as well as the fortunes of the principal Quezon henchmen, is protected by American bayonets. Mr. Quezon wants America to stay in the islands. And no wonder!

Mr. Roosevelt should be made to understand that the American people have no desire to see this Nation permanently implicated in the political intrigues and problems of the Far East. What they do desire is that the United States shall keep faith with the Filipino people. And keeping faith requires that the United States shall make good on its promise to grant full independence in 1946. Nothing but a desire to strut about on the international stage as a world power, nothing but a dream of bossing the peoples of Asia can prevent this Nation from keeping its promise, written into law in the Tydings-McDuffie Act. Honor is at stake in this decision—honor, and the Nation's future peace.

[From the New York Times of March 27, 1938]

THE PHILIPPINES—APPARENTLY ISLAND FOLK AND WE NEED EDUCATING

TO THE EDITOR OF THE NEW YORK TIMES: Two public officials have recently made striking statements concerning the Philippines. The Chief of Operations of the Navy, Admiral Leahy, formally gave to the Vinson Naval Committee his professional judgment that "the Navy which America now has and the Navy which it will have when it is increased by the authority contained in this bill will be seriously inadequate to the task of sending a naval force to the Philippines." Again, "I said it would require at least three times this amount of increase of our present Navy to warrant undertaking such an expedition, and I doubt if we could with three times the increase." And that a fleet about twice the size of the fleet of any Asiatic naval power would be required to carry on a war in the vicinity of the Philippines.

The sum mentioned in the Vinson bill is one and one-fourth billions. So that we see that in order to protect the Philippines, or to recapture the islands, an initial expenditure for construction alone of four billions would be necessary.

THE COMMISSIONER'S PLAN

Admiral Leahy had also stated more than once that "The defensive line of the American Navy at the present time reaches from the Aleutian Islands to the Hawaiian Islands, to Samoa, and to the Canal. There is also in the Atlantic a defensive line that runs from the Canal to the Virgin Islands and to the coast of Maine."

Six weeks after the publicity given to Admiral Leahy's opinions—which were sound and clear and which contained the latest authoritative public naval judgment on the subject—the United States High Commissioner resident at Manila in a radio address recommended that if the Filipinos so desire, the existing Filipino government be made permanent. The proposal means that the United States would continue to control the foreign affairs, the tariffs, immigration, currency, and the public debt of the Philippines. The Filipinos would continue their powers over all local affairs within the islands.

The President of the Commonwealth promptly rejected the proposal put forth by the High Commissioner. "I positively could not agree," was President Quezon's statement; and, "If the Commonwealth were given a full dominion status I would consider the permanent retention of the islands by the United States."

Mr. Quezon has long made it clear that he desires a form of government under which the Philippine State can join the League and have the complete control of all the subjects mentioned. He has frequently expressed the necessity for the trade relations with America to be regulated by treaty rather than by acts of Congress. The new Philippine state—after 1946, or before that date—as planned and desired by the Commonwealth President would be one in which the United States would have only the power to go to its defense.

EDUCATION NEEDED

It is apparent that a campaign of education is to be made in the Philippines and in the United States in favor of our citizens assuming permanent responsibility for the defense of the far-off and quite indefensible "Pearls of the Orient." A prediction can be ventured that if Mr. Quezon persuades the United States to break its promise to the Filipino people to give them independence there will be a revolt of the mass of the Filipino people.

The Philippines occupy a matchless strategic position—like Switzerland, whose neutrality has lasted 120 years. This is solely because it is to the selfish national interests of the European countries to have Switzerland remain neutral. Certainly Japan, Russia, China, France, the Netherlands, Great Britain, and Austria have a deep and selfish interest in guaranteeing the permanent neutrality of the Philippines.

I believe the existing law for the independence of the Philippines ought to be carried out. I believe that our work in the Philippines has been done well. I am convinced, also, that we have completed our task in the Philippines. Were the Congress at Washington to set up a dominion state in Manila, how can the Filipinos rely on its permanency? Each Congress may revoke or alter a law passed by its predecessors. The Filipinos are a hard-working people with racial pride and ambition. They will govern themselves well, if the economic difficulties at the start can be arranged by our own people allowing the Filipinos privileges in the American market for a number of years.

NO SCUTTLING SEEN

The High Commissioner makes eloquent plea: Hold forth the torch of liberty in the Orient; an outpost for Christianity in the Far East; do not scuttle, save democracy in the Orient. Christianity was in the Far East long before we ever heard of the Philippines.

We fought well in a great costly war to aid democracy in Germany; the future of eastern Asia will inevitably be settled by the people who live there—by Chinese, Japanese, and Russians. This is what we insist on in the two Americas.

As to scuttling: A number of Japanese clad as farmers began walking through some of the provinces south of Manila some years ago. The Governor General wished those of us with the constabulary to find out their plans. We soon reported that the visitors said that they were engineer soldiers from a regiment of topographical engineers on nearby Formosa. They were just selling small articles and comparing their commercial maps with the terrain.

The cruisers *Maryland*, *West Virginia*, and *Pennsylvania* left at once for Honolulu. Did they scuttle or merely increase the strength of the fleet at Honolulu by adding to its unity and power?

WILLIAM C. RIVERS,
Major General, United States Army (Retired).

New York, March 21, 1938.

Kansas City Election Returns

EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Wednesday, March 30 (legislative day of Wednesday, January 5), 1938

ARTICLE FROM WASHINGTON EVENING STAR OF MARCH 30, 1938

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article from the Washington Evening Star of today relative to the recent election in Kansas City, Mo.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of March 30, 1938]

PENDERGAST WINS BUT LEAD IS CUT—FIRST ELECTION SINCE VOTE FRAUD SCANDALS FINDS BOSS STILL ON TOP

KANSAS CITY, March 30.—Tom Pendergast still is boss of one of the most powerful city political organizations in the Nation, but he knew today he had been in a fight.

The Democratic leader retained the City Hall, which he has dominated since 1926, by winning a hotly contested battle of 194,000 ballots in yesterday's municipal election. It was the first election here since Kansas City was rocked by vote-fraud scandals 2 years ago.

Mr. Pendergast's 1934 majority of 59,000, rolled up at a city election marred by 4 killings, was cut to 43,000 yesterday in orderly voting guarded by a new bipartisan city election board.

COALITION OPPOSITION

The opposition was a coalition party of Republicans and independent Democrats, formed only a few months ago by a house-to-house canvass, to challenge an organization founded in the eighties.

Unofficial figures gave Pendergast's mayor, Bryce B. Smith, 118,875 votes for a third term to 75,213 for the coalitionists' Col. Fred Whitten, a lawyer and World War veteran.

Mr. Pendergast called his ticket's victory "a wonderful showing" and issued this statement:

"If it is true, as the Kansas City Star and the coalition speakers reported, that the Democratic President of the United States was against us; that the Attorney General of the United States was against us; that the Governor of the State of Missouri was against us; that the bipartisan election board was against us; that the independent Kansas City Star newspaper was against us—I think, under those conditions, we made a wonderful showing."

FIGHT OVER UNITED STATES ATTORNEY

United States District Attorney Maurice Milligan, whose prosecution of the 1936 frauds here has resulted in 56 convictions of election workers without an acquittal, was reappointed recently on recommendation of Attorney General Cummings and President Roosevelt. Senator HARRY S. TRUMAN, Democrat, of Missouri, a Pendergast adherent, opposed the reappointment. Mr. Pendergast has been at odds with Governor Stark over appointments.

In the campaign Mr. Whitten blamed the Pendergast organization for the 1936 frauds and charged that wide-open gambling and protected vice were rampant here.

Despite the reduced majority, Pendergast forces won back one of the two council seats he lost to a fusionist movement in 1934.

Keep America Out of War

EXTENSION OF REMARKS

OF

HON. HENRY C. LUCKEY

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 30, 1938

RADIO ADDRESS BY COL. J. E. MYERS

Mr. LUCKEY of Nebraska. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address by Col. J. E. Myers, national director, American Peace Movement, Inc., 1018 Eighteenth Street NW., Washington, D. C.:

Men and women of America, zero hour is near. War between the nations is at hand, and if we are to avoid being drawn into its hideous vortex we must obey the instructions from the Father of his Country, which are, first, to avoid foreign alliances and entanglements, and, second, to be prepared for war is the most effectual means of preserving peace. There are no longer any "legal moral, or otherwise standards of conduct" now recognized abroad. This demands our deep consideration and immediate action, for we know that we are safe from the horrors of war just so long as we mind our own affairs and stay in our own back yard.

We have no quarrel with any nation or nations. For what mad, insane desire should we join a Pied Piper march over the seas again to die on a foreign soil or for a foreign cause?

Except to repel a threatened invasion, the people themselves should decide for war or peace. We do not believe that the life, liberty, and happiness of 130,000,000 people should be placed in the hands of one person to decide so grave a question, and we support the Ludlow amendment as introduced in a Senate bill jointly by 12 Senators.

We must avoid all foreign alliances that are involved in the present situation, which is fraught with gravest danger, for at any moment another *Panay* incident may take place, which might mean another battleship *Maine* and war, with its pain and suffering—may bring about an internal revolution, with its attendant reign of terror and bloodshed.

Are you willing to sit idly by as the days and weeks seem to bring us nearer and nearer to our ultimate destruction? This must not be. America, awake! For there is hope and faith; all is far from lost; we can and will avoid war, with its gruesome details and its awful results. It can be done, and the American peace movement of your city has already taken the first steps to this end.

This is what we have done. We have had a bill introduced by Senator FRAZIER in the Congress of the United States for the removal of all our troops and ships from the territory of any nation at war in the Eastern Hemisphere.

We plead with every loyal and patriotic citizen to support this measure to its fullest extent. But this is not all, for there is a no less serious peril now rampant throughout America. This is the menace of un-American activities—which is the cancer eating out the heart of our democracy, and which we must and will pull out by its very roots. We cannot afford to leave a single poisonous fang to defile our people or undermine their self-respect and courage. With your moral support of our principles in the fight for these measures there will no longer be any danger to our glorious America.

Americans! Do you not see that we are amply protected from an invasion by our great natural Chinese wall? I mean the Atlantic and the Pacific Oceans. And unless we become involved in a world war we are absolutely safe for centuries to come, except for the subversive movements within the heart of our American nations. With the help of converted bombers, our military aviation forces can protect our coasts 500 miles or more out at sea and leave our naval forces in part free to protect South and Central America.

Battleships take years to build, and this is the reason why we should start building thousands of modern bombing planes and pursuit ships, with many landing fields and supplied with underground hangars and modern equipment, as well as numerous torpedoboats, destroyers, submarines, and airplane carriers, whose speed could always keep them out of range of any battleship. In this way they could stage a Corbett-Sullivan fight far out at sea.

Mr. Lester P. Barlow, vice president of the American Peace Movement, and the inventor of a new air bomb of paralyzing effect, recently said before the House Naval Affairs Committee: "We could construct the necessary aircraft equipment to give this Nation absolute defense in the Western Hemisphere against any foreign foe within a period of 18 months."

He further stated: "One battleship, costing $60,000,000, may be put out of action by a single marine torpedo or by aerial bombs costing less than $1,000. This is something to ponder over when we think in terms of defense."

Gen. Johnston Hagood, in his book We Can Defend America, says: "The fashion of the day is to minimize the strategic strength of the two great oceans on our east and west and to discount the enormous difficulties that these trackless seas would impose upon our would-be invaders."

And, my friends, may I quote from a report submitted to the Naval Affairs Committee regarding our distinguished naval authority Admiral Sims? He stated, for example, that "the only proper place for American battleships in the next war would be in the Mississippi River."

Our federation of associations believes in adequate national defense, starting now. And we hold that we should protect ourselves without delay by the construction of many bombproof air bases in South and Central America. This becomes more apparent when we know that a new superairplane is now under consideration which can fly 8,000 miles, carrying 2 tons of explosive shells. This same ship can travel 385 miles per hour at 25,000 feet altitude for distances of 1,000 miles, carrying 34 tons of TNT.

Over 20 such giant ships can be built in a comparatively short time for the cost of one battleship. They could drop a ton of high-explosive shells every 10 seconds for 24 hours or more on an enemy fleet several hundred miles off our shores. We believe that no fleet could survive this awful rain of fire and that no fleet would dare approach any country in the Western Hemisphere subject to such an attack.

Let us draw a picture of what might happen in the event of war—a picture very different from that in 1917.

Were Japan to attack us, her fleet and transports could be completely destroyed by our planes and submarines a thousand miles off our shores; but, remember, the reverse is equally true; how could we hope to succeed if we attacked Japan at a distance of 7,000 miles?

Let us consider the position of France; like a nut in a nutcracker, she would be crushed by Germany and Italy without one glimmer of hope.

I ask you, how could the English fleet expect to enter the Mediterranean Sea in the face of an attack by Italian one-man torpedo boats and air death squadrons? Picture the capture of the Suez Canal in its dominating and strategic position and the consequent uprising of the British colonies. Would England be prepared to give us assistance of any kind whatsoever?

And Russia, with her miles and miles of poor roads and intense cold, would be as far removed from any material influence for offense as she was in Napoleon's day.

Since no war is ever won by staying at home, the United States alone would have to conquer a determined people across an ocean 7,000 miles away.

So, my American friends, it is up to you to choose for peace or war. If you choose war, you will have nothing to gain and everything to lose, including liberty.

If you choose peace, you lose some "face" with yellow people—but you save the Philippines for their independence, because Japan will be too busy for years to come in the conquest of China to bother with them. And you save, besides, billions of dollars and tens of thousands of lives.

Why not sidestep this issue and avoid this world war of chaos and destruction by asserting your rights and privileges under the Constitution of your land?

In recent testimony before the House Naval Affairs Committee, Mr. Boake Carter and Dr. Healey, of Georgetown University, both insisted that a definite foreign policy must be established before a definite naval policy could be determined.

Let me point out that the measures we support not only include the removal of our naval and military forces from war zones, but also the defining of our naval frontier to the Western Hemisphere, which sustains our historic Monroe Doctrine. These are far from isolationist policies. Thus, we provide for a very definite foreign policy which is now so hazy in the minds of our people and we also provide for the only possible way to keep America out of war, by preventing any and all foreign alliances for aggressive purposes.

We have enough to do here at home. And we are blessed with the opportunity to gain the everlasting friendship and assistance of our sister republics by trade, travel, and communications. We must no longer neglect our neighbors. Let us rebuild our merchant marine and let us construct a national highway, the highway of peace, connecting the Americas. Such a superhighway, sweeping South in a great majestic arc, would form a covenant—a solid indestructible concrete foundation with which to cement the basic ties of faith, good will, and understanding between the nations in the Western Hemisphere.

Let us adopt the motto "America for the Americans" and let us unite with these friendly people for the protection and the glory of America.

We will defend to the last drop of blood our sacred Constitution, and we are determined never to falter but to stand back of every man, woman, and child in our beloved America and to uphold only the highest ideals of her civilization so that her light will shine forth and bless all mankind and make America a place where conflict ends and peace begins.

Abolish Deficiency Judgments

EXTENSION OF REMARKS

OF

HON. WILLIAM B. BARRY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 30, 1938

Mr. BARRY. Mr. Speaker, if we delve into the pages of history we will find that nothing in the nature of a deficiency judgment could have arisen with the first mortgages that we are familiar with—those of the Jews of the Biblical history. The mortgages referred to in the Bible were in the nature of outright conveyances for years with a right to redeem on payment of the value of the land.

In the early history of the English mortgage law, the deficiency judgment was unknown. A mortgage was regarded as a full conveyance of the property to the mortgagee subject to defeasance upon payment of the mortgage debt. If the debt was not paid when due, title and ownership to the property vested absolutely in the mortgagee. There was no liquidation sale. The only legal action which might be necessary would be an action of ejectment to obtain possession. Even in later times it was difficult for a foreclosing mortgagee to obtain anything in the nature of a deficiency judgment no matter how depreciated was the value of the property.

Later on, a remedy to protect the mortgagor sometimes was invoked in equity, foreclosure by sale. This procedure was adopted from the civil law. Early Roman law viewed the mortgage transaction as a security device. The mortgaged property was held merely as a lien for the debt. If the debtor failed to make payment the property could be sold and any surplus resulting at the liquidation sale belonged to the debtor. In this country, foreclosure by sale was adopted in early times as the common method of foreclosure in most of the States. It seems certain that this preference is due to the fact that it was considered an advantageous procedure for the debtor. Surpluses were much more common than deficiencies in a country where property values increased more rapidly than elsewhere in the history of the world.

The reaction of the farmer and the small-home owner to the obtaining of a deficiency judgment in the present period of economic distress is of importance in determining our future policy on this subject. The angry demonstration of middle western farmers, in the summer of 1933, against the foreclosure of neighboring farm mortgages, was not so much a protest at exercising the right to foreclose as it was an expression of bitterness against the custom of bidding in for less than the amount of the debt. This class of debtors does not consider complicated price theories or the effect of major economic swings when personal debts are involved. The small-property owner recalls that his farm or home cost a certain amount of dollars; that it was valued at an even higher figure when it was mortgaged; that it was mortgaged to a money lender who refused to loan more than one-half or two-thirds of its value; and now, upon default, the agent of this mortgagee is bidding in the property for a fraction of that value.

Moreover, the deficiency includes very heavy costs of foreclosures—attorney's fees, court costs and disbursements, and often fees of a receiver and trustee. The expenses in home and farm foreclosures frequently amount to 10 percent or more of the mortgage debt. The mortgagee had made little effort to keep down these costs. The mortgagor is too despondent or too penniless to engage a lawyer to protect him. When he first appreciates that, legally, he is liable for a deficiency which includes these unusual expenses, he is in a rebellious mood. The result is that a very small proportion, indeed, of deficiency judgments ever prove to be of any value. It is said of one of the largest insurance companies in this country that of approximately $4,000,000 of deficiency judgments obtained in 1930 it had received in payment less than $5,000. Most of these debtors, when hard pressed for payment of such a debt, resort to bankruptcy. The final result of this transition from the form of foreclosure under the earliest "title" theory of the common law to the present method is that the mortgagor has received but small benefit from the supposed advantage of a public sale and has suffered a severe detriment in the possibility of burdensome and disheartening deficiency judgments.

The very severe economic depression through which we were passing before the adoption of emergency measures brought in its train great distress to the mortgage debtor. There had been an enormous number of foreclosures against all types of property, including, of course, homes and farms.

The lack of available sources of mortgage funds and the fear of the general public to invest in real estate had caused almost an entire lack of competitive bidding at foreclosure sales. The result had been that, in addition to the foreclosure and consequent loss of the mortgaged property, the mortgagor has been burdened with very large deficiency judgments—in many cases, after costs have been added, more than the debt itself. Deficiency judgments in turn have enabled the mortgagee to sell out all the debtor's property without any bidding, causing, ultimately, the complete ruin of the real-estate-mortgage debtor. The only purchasers at foreclosure sales are the mortgagees, who can bid what they wish. In such case the sale price may bear little relationship to the value of the property. Our legislative bodies recognized this fact. In numerous States various forms of moratoria have been granted on mortgage foreclosures. The Federal Government enlarged the powers of the Federal land banks, created the Federal home-loan banks, the Home Owners' Loan Corporation, and the Farm Credit Administration to forestall foreclosures and to aid in refinancing mortgages on a reduced valuation.

Because of the dire conditions set forth above, the Government posing as a great benefactor established the Home Owners' Loan Corporation in 1933, which was to be the deliverance of distressed home owners from financial ruin. Small-property owners in distress come hopefully to the open arms of the H. O. L. C. with their home problems. Most of them had their life savings invested in the little property which they called home. They would do anything to save it.

The formation of the H. O. L. C. was a miraculous escape to most of them, and they took to their hearts their country's aid. But how long did this agency of Uncle Sam's remain a refuge for the distressed? Do we not find that it has assumed the role of a "Shylock" in its latest dealings? Has it not abandoned all the principles of equity by assuming that a debtor should have all his property swept away by foreclosure sale for a sum admittedly inadequate and

possibly amounting only to costs, and still find himself liable for the whole debt or a major part of it? Has it not adopted all the evils it was supposed to remedy—that is, by allowing the amount of the deficiency judgment to be in the almost exclusive control of the mortgagee? This conclusion is arrived at because of the following procedure. As a result of the aforesaid description of the present drop in the real-estate market there are practically never any bidders for the property at a foreclosure sale. Consequently the holder of the mortgage, the H. O. L. C., who is foreclosing, buys in the property itself. The purchase price at the auction, which is any sum fixed by the holder of the mortgage, is deducted from the amount of the original mortgage, arrears, court costs, and disbursements, and the balance is still due from the home owner personally. This balance is called the deficiency, and a judgment is entered against the defendant for that amount. Thus the home owner not only has lost his home at the auction sale but also owes the deficiency to the plaintiff. The Home Owners' Loan Corporation has been buying in property, even if the value ran into thousands of dollars, at a nominal sum of $500. Recently it has become apparently conscious-stricken and has increased its bid to about two-thirds of the amount that may be due from the home owner.

I feel, however, that the deficiency judgment evil should not be temporized with. During the special session of Congress I introduced H. R. 8622, to abolish personal and deficiency judgments that have been taken by the H. O. L. C. in foreclosures and to forbid the taking of said judgments in the future.

I therefore urge the Members of the House who represent people burdened with deficiency judgments to contact the chairman and members of the Banking and Currency Committee, before which my bill is now pending, and urge them to report said bill to the House without further delay.

A Reply to a Critic of the Fine Arts Bill

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 30, 1938

LETTER FROM HON. JOHN M. COFFEE, OF WASHINGTON, TO H. L. MENCKEN

REFUTING H. L. MENCKEN

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks, I include herein a copy of a letter recently sent by me to H. L. Mencken, eminent literary critic, author, and newspaper editor, which deals with the Coffee fine arts bill. Mr. Mencken had bitterly attacked the bill and the letter incorporates my reply to him:

MARCH 8, 1938.

H. L. MENCKEN,
Editorial Department the Evening Sun, Baltimore, Md.

DEAR SIR: My answer to your editorial jeremiads against my bill to set up a Federal bureau of fine arts is that you remind me of the lady who observed her son marching in company with the others in a regiment of infantry. Noting that her son's steps were different from that of his fellows, she said, "My, they're all out of step but Jim." Apparently the foremost intellectuals and friends of art in America are sycophantic puppets of the communistic movement and of radicalism. Such luminati as Lawrence Tibbett, the opera singer; Jane Cowl, the actress; Donald Ogden Stewart, the novelist (who are among the hundreds of notables who endorse my bill), are casually placed in one category by your editorial writer, concerning whom I can only remark, as was said in Shakespeare's play, "Pray tell me, upon what meat does this our Caesar feed that he has grown so great?"

The attitude of your editorial writer is that all too frequently assumed by journalistic advisers of the credulous public, standing alone and isolated upon the empyrean heights. These journalistic omniscients assume that any new or original idea must be the crackbrained output of some legislator of diseased mind. My comment on that is an Arab proverb: "The dogs bark, but the caravan passes." It seems to me there is a saying of some currency, "Wake up and live!" This is an admonition I would suggest for conservative journalists who, like ancient Canute, are trying to abjure the movement of the tides by verbal abuse.

I can say of your editor that it seems to me he belongs within that group whom Shakespeare had in mind when he wrote, "I am Sir Oracle, and when I ope my lips let no dog bark." That is the attitude of your editor. All original ideas should be suppressed. Do not encourage art lest some artists of humble origin or low degree trespass upon the sacred and perfumed precincts reserved for the elect. Surely one cannot have genius or the creative spark if he had been on relief, for the public recognizes artistry and pays for it well.

In closing, the superior, patronizing tones of die-hard conservatives bore me to distraction. Some of us may have had as respectable a background as the would-be preceptors rattling around newspaper offices like bullets rattling about in an empty steel barrel. "Physician, heal thyself." Clean out your own stables. God knows there is room for improvement in the newspaper world. I would begin with the Baltimore Sun, which once set itself up as a newspaper that would champion the weak and the unprotected, which once arrogated to itself the claim of being the palladium of liberalism. "Gone are the days." Keep on baying at the moon. The world will progress despite the animadversions of newspaper snipers. No loftier goal can be sought, in my humble opinion, than that of spreading throughout America the benefits of artistic achievement, nor aiding in the inculcation into American citizenry of a true appreciation and understanding of the beauties and soul satisfaction which spring from the arts.

Respectfully,

JOHN M. COFFEE,
Member of Congress.

The Restoration of the Chesapeake & Ohio Canal

EXTENSION OF REMARKS

OF

HON. JAMES L. QUINN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 30, 1938

Mr. QUINN. Mr. Speaker, announcement recently was made by the Secretary of the Interior that steps have been taken toward acquiring the property of the Chesapeake & Ohio Canal by the Federal Government. According to the newspapers, Mr. Ickes is about to consummate a deal—he says it is "slightly Scottish"—for the right-of-way and appurtenant land of the canal over the entire 186 miles of its length from Washington to Cumberland, Md. I wonder how many Members of Congress as well as the people generally realize the value of this acquisition, not in its intrinsic worth, which is not inconsiderable, but in the inestimable advantages it opens for historical study, recreational enjoyment, and facilities for travel embracing the picturesque valley of the upper Potomac.

In his announcement Mr. Ickes tells us that through the agency of the National Park Service the canal will be restored from Georgetown to the mouth of Seneca Creek above Great Falls; that its old locks and lock tenders' houses will be rebuilt, its waterside taverns rehabilitated, and provision made for boating.

At the same time, he says, it is intended to develop a parkway with the immediate consideration of joining the proposed memorial drive at Harpers Ferry, linking up the battlefields of Antietam and Gettysburg. It is to be hoped that no time will be lost in extending this development all the way to Cumberland. With easy access by motorcar the romantic region of the Potomac will open new pages of history to millions of Americans. Great Falls, Monocacy, the battleground at Balls Bluff, General Lee's memorable ford at Point of Rocks, Harpers Ferry, Shepherdstown, scene of Rumsey's experiment with the first steamboat; Williamsport, Cresap's Old Town, and a score of other historic landmarks will have a new meaning and a new interest to people who now at best have only a casual knowledge of the im-

portant events which occurred in the country traversed by the old canal.

The improvements contemplated by the Department of the Interior will, when completed, constitute a unique monument to American transportation, and also a lasting memorial to the engineering genius of George Washington. Let us not forget that Washington was the founder of this canal, having been president of the company originally organized to develop navigation on the Potomac beyond tidewater. First, he opened a pack-horse trail to the Ohio country, widened it for a wagon road in 1754, and subsequently projected an all-water route from the Atlantic seaboard to the Great Lakes via the Potomac, the Casselman, the Youghiogheny, the Monongahela, the Ohio, the Beaver, and thence down the Cuyahoga into Lake Erie.

Washington's plan was realized, but, of course, to an extent of which he probably never dreamed. Years after his death the canal along the Potomac was built, canalization was provided for the Youghiogheny, the Monongahela, the Ohio, and the Beaver; but the iron horse outran the canal-boat mules and river packets, and so over the route of Washington's colonial survey there has been constructed one of the finest railroads in the world—the Baltimore & Ohio.

Now that Washington's children have taken wings it is significant that the first air route between the Potomac and the Lakes—between Washington, Pittsburgh, Cleveland, and Detroit—follows the identical course surveyed by the young Virginia engineer more than 150 years ago. When we glide along at 2 miles a minute in modern planes our vista beneath the clouds unfolds traces of the ancient pack-horse trail over which Washington toiled on his journeys to and from the West, and follows it all the way. Restore the old canal, Mr. Ickes, at least to Great Falls; and then we shall have, side by side and above and below, wagon roads, water navigation, railroads, superhighways, and airways over a stretch of treasured miles. Where else in all the world is the progress of transportation so impressively exemplified?

Mr. Speaker, I am now coming to the point of my speech. Mr. Ickes announces that he will restore the canal for "boating." I hope he means the kind of boating I have in mind. I want the old canal boats brought back. I want him to restore the mules, and employ old-time skippers who still can cuss the mules.

In other words, I want the people to go out to Georgetown, board a canal boat and journey up the valley through the locks just as folks did 100 years ago. Let them have the same accommodations their great-great-grandparents enjoyed—the same bunks, the same fare, the same black fiddlers. To Great Falls and back on a Saturday afternoon. Can you imagine a more novel excursion?

An aura of romance hovers over this pioneer waterway. An oldtime newspaper associate of mine in Pittsburgh, John P. Cowan, now with the National Park Service, has told us all about it. About 20 years ago when the canal still was in full operation he made a journey with his wife in a tiny cabin motorlaunch from Cumberland to Washington, requiring 2 weeks for the trip. When his motor "died" he was towed by the canal boats, and the skippers—he refers to them as "admirals"—were always considerate of fellow mariners in distress. He dug up the history of the canal, recounting the tragedies in the War between the States that were witnessed upon its banks, but wove around it the romance and glamor that linger still and published it in a book.

Therefore, let us restore the canal to its former glory. Bring back the boats, the mules, the skippers, and strike up the polka and the hornpipe. Invite all the people on board, sell them tickets at a fair rate, and then, Mr. Secretary of the Interior, you will have the distinction of making the canal self-supporting for the first time in its history and providing a new form of twentieth-century recreation.

Preserving Our American Historic Shrines

EXTENSION OF REMARKS
OF
HON. HERMAN P. EBERHARTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 30, 1938

ADDRESS BY ARNO B. CAMMERER, DIRECTOR OF THE NATIONAL PARK SERVICE, AT PITTSBURGH, ON MARCH 26, 1938

Mr. EBERHARTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered by Arno B. Cammerer, Director of the National Park Service, in Pittsburgh, Pa., on Saturday last:

Mr. Toastmaster, honored guests, ladies, and gentlemen, the National Park Service has great pleasure in joining today with Pittsburgh in these exercises which recall dramatic events and sacred memories in the history of Pennsylvania and the United States. Fort Pitt symbolizes a decisive phase of the long struggle between Great Britain and France for possession of this country. The erection of this fort was a token of English control of the Ohio Valley and the vast interior of the country and a symbol of the triumph of Anglo-Saxon over French civilization.

Others have spoken of the significance of the Pittsburgh area in the westward extension of the American frontier. I want to talk to you people of Pittsburgh about the development and purposes of the program for conserving those areas of great scenic, scientific, and historic importance which the Department of the Interior, through the National Park Service, now administers and into which your own objectives here will doubtless fit. In doing this, I shall lay particular emphasis on those parts of the program that are concerned with historic sites.

About 1910, the organization of a Federal bureau to administer the national parks and monuments which had been created during the previous 40 years and which were administered mostly by the Department of the Interior was first actively advocated. As early as 1872, the act authorizing the Yellowstone National Park had given recognition to the principle that outstanding examples of scenic and scientific areas have definite educational and inspirational value and should be treated as national shrines for the enjoyment of all the people. In the 1890's, that principle had been given further recognition by the establishment of Yosemite, Sequoia, General Grant, and Mount Rainier National Parks.

During this decade recognition was given also to historic areas with the establishment of national military parks commemorating the great battles of the War between the States, these parks being placed under the War Department. Among the areas so recognized were such historic major battlefields as Gettysburg, Vicksburg, and Chickamauga-Chattanooga. In the first 15 years of the present century, public interest in the national-park idea became more intense, and parks and monuments were established on numerous areas of scenic, scientific, historic, and archeologic importance. But there was no uniform system of administering these areas; indeed, no one official in the Interior Department devoted his entire time to national parks, and the five large, and three small, parks under this Department were administered as a part-time job. It was this condition that brought about a campaign to establish a Federal bureau to devote its entire attention to the preservation, development, and administration of national parks. As a result, the National Park Service of the Interior Department was created in 1916.

That new Federal bureau had as its principal objectives the preservation of outstanding examples of scenic, scientific, and historic areas, and their use as places of recreation and inspiration for the people. The National Park Service also recognized that there is an educational aspect in the enjoyment of the areas under its supervision; scenic and scientific appreciation, historical-mindedness, and national patriotism are enlarged and intensified. An educational program designed to interpret these areas for visitors has consequently been made an important feature in park work.

When the National Park Service was established in 1916, those national monuments of historic and archeologic interest, then eight in number, which were administered by the Department of the Interior, were placed under the direct jurisdiction of this organization. These monuments formed the nucleus of the system of historic areas now administered by the National Park Service. The historic monuments at present include the ruins of Spanish missions at Tumacacori, Ariz., and Gran Quivira, N. Mex., which recall the days when Spain ruled over the Southwest and opened that region to Christianity and western civilization. Cabrillo National Monument at Point Loma, Calif., is significant because there the Pacific coast was first sighted by a

European, Juan Rodriguez Cabrillo. Notable also are Forts Marion and Matanzas at St. Augustine, Fla., venerable strongholds built by the Spanish and impressive memorials of the period when European nations struggled for empire in the New World. Fort Marion, the oldest large defensive work still standing in the United States, was begun in 1672 and constituted a vital outpost of the far-flung Spanish empire. Fort Pulaski at Savannah, Ga., is an example of the huge coastal defenses built in the period shortly before the War Between the States.

In 1930 two important national historical parks were added to the group of historic reservations. Jamestown, Va., site of the first permanent English settlement in the United States, and Yorktown, Va., scene of the decisive event of the American Revolution, the surrender of Cornwallis' British Army to Washington in 1781, were grouped as the Colonial National Historical Park. Wakefield, Va., birthplace of George Washington, was set aside as the George Washington Birthplace National Monument.

The responsibility of the National Park Service for the administration of historic and archeologic areas was greatly increased in 1933, when, by Executive order of the President, 59 such areas, formerly administered by other departments of the Government, were brought under the jurisdiction of this organization. Included in these areas were the important battlefield sites theretofore administered by the War Department. Gettysburg, site of what was probably the decisive check to Confederate hope of victory; Vicksburg, the fall of which cut the Confederacy in two and gave the North command of the Mississippi River throughout its course; Chickamauga-Chattanooga, which made possible Sherman's march to the sea and the conquest of Georgia, North and South Carolina, were among the historic battle areas now given to the National Park Service for administration.

Two years later, in August 1935, the movement for historic conservation achieved its most important victory with the passage of the Historic Sites Act. That law declares it to be the policy of the United States to preserve historic sites, buildings, and objects of national importance. The Secretary of the Interior, through the National Park Service, is authorized to make a survey of historic and archeological sites in order to determine which possess exceptional value as illustrations of the history of the United States. The Secretary is authorized to acquire in the name of the United States by gift, purchase, or otherwise, real or personal property which he considers of national historic or archeologic significance. He is also authorized to administer the properties acquired under the Historic Sites Act, either through the National Park Service, or, if that should be administratively difficult, through a corporation organized for that purpose. The Secretary may make contracts and cooperative agreements with States, municipalities, and other governmental units, and also with associations or individuals for the purpose of protecting or maintaining historic sites.

There are several noteworthy features of the Historic Sites Act. The first is the general nature of the authority conferred. Before the passage of that act special legislation was required to preserve a historic site, unless it was located upon property already owned or controlled by the United States, in which case it could be made a national monument under the Antiquities Act of 1906. Private property could be donated for the purpose of establishing national monuments under the Antiquities Act, but this occurred only rarely and the authority of the United States began only when the property passed into its hands. At present it is not necessary that the United States acquire title in order to preserve sites of national significance; such sites can be preserved provided the owners are willing to make suitable agreements and provided money is available to enable the Federal Government to carry out its agreements with the owners. The second outstanding feature is the authority to engage in activities concerning other than Government property. Surveys and investigations may be carried on, with the consent of the owner of the property, even when there is no intention to acquire it in the name of the United States. Thus it is possible to obtain technical and historical data relating to sites which, though lacking national significance, are worthy of preservation by local groups. The third notable feature of the act is the authority to enter into cooperative agreements with owners of important sites. This obviates the necessity of acquiring title in the name of the United States and yet enables the Government to provide for the preservation of privately owned property.

The purposes of the National Park Service in the administration of historic and archeologic areas are preservation, education, memorialization, inspiration, and recreation. It regards preservation of the physical condition of a site as it was at the time of its greatest historic significance as essential if a realistic picture of the area is to be obtained. Necessary preservative measures are accordingly adopted, and every effort is made to prevent encroachment or purely modern features, and to eliminate as far as possible such existing features. Generally speaking, large-scale restoration is not attempted. But sample restoration, or the partial restoration of structures, earthworks, and other historic features that will assist visitors in visualizing former conditions, is commonly used. In battlefield areas, for example, earthworks of the type most closely associated with a given site are constructed, as well as typical speciments of hospitals, soldiers' huts, and other structures of historic interest. In such areas, too, restoration of the historic landscape is undertaken if funds are available.

Education, which in historic areas implies the teaching of American history, is regarded by the National Park Service as one of its principal duties. Informal lectures are given at intervals on subjects closely associated with the area; visitors are taken on conducted trips; narrative markers are constructed; and historical pamphlets are distributed. One of the most important elements in the educational program is the museum which, by means of easily understood exhibits and labels, gives visitors a vivid picture of the history of the area.

Memorialization and inspiration, though perhaps not as important objectives as preservation and education, are nevertheless significant aims of the National Park Service. In carrying out these objectives no effort is made to memorialize only those leaders who stood for policies which have gained general acceptance. On the battlefields of the War between the States, which almost brought about the disruption of the Federal Union by creating an independent Southern Confederacy, equal honor is today paid to all Americans, whether of the North or of the South, who fought and sacrificed their lives for their convictions. Honor is paid not to any particular set of policies, but to American manhood, integrity, and honor, virtues that know no sectional lines, that command respect everywhere. Perhaps in no other country in the world would it be possible for a government to honor men who had rebelled against it and nearly achieved its disruption.

Recreation for the public is the fourth objective in the administration of historic areas. Picnic grounds, parking spaces for automobiles, and other facilities for the convenience of the traveling public may be, and are, provided. But that is done in such a way that the purely recreational aspects of an area do not intrude on the historical.

Another important activity of the National Park Service at present is the technical historical service it renders to State park authorities cooperating with it in Civilian Conservation Corps work. The field personnel assigned to this work have discussed the historical problems of State parks with the interested authorities and have advised them how to meet these problems. As a result of this cooperation, the National Park Service has made important contributions to the park programs of various States.

Although conservation of historic areas is relatively new in the United States, much significant work has been achieved. Not only has the principle of historic conservation been fully accepted, but the work of conservation is already well advanced. There are today 81 areas of historic and archeologic importance administered by the National Park Service. This includes, under the Historic Sites Act, such areas as the National Expansion Memorial project at St. Louis, the Chesapeake and Ohio Canal project at Washington, and the Derby Wharf Site at Salem, Mass. In brief, the outlook is that the work of historic conservation will steadily progress in the United States.

As to the great historic importance of Pittsburgh in our Nation's story, there can be no doubt. The Forks of the Ohio, the name given by early English traders to the tract of land forming the triangular plain at the confluence of the Allegheny and Monongahela Rivers is a notable landmark in the westward progress of British colonization. Proclaiming Anglo-Saxon supremacy, achieved there through the triumph of British arms, George Bancroft, in his History of the United States, designated it as the "Gateway to the West." There, in 1758, Maj. Gen. John Forbes destroyed Fort Duquesne and forced its garrison to retire, ending French domination on the Ohio. There, in the following year, construction was begun on a new fortification called Fort Pitt. Although the French had been expelled, the new post was an important point on the trans-Allegheny frontier, offering a haven of refuge for English traders and making it possible for settlers to penetrate with comparative security into this region. At the time of Pontiac's conspiracy, the garrison withstood a siege of 6 weeks until relieved by Col. Henry Bouquet. By 1770 an important trading post had been established at the Forks of the Ohio, and the town of Pittsburgh advanced apace. Although Fort Pitt was abandoned in 1790, the Forks of the Ohio continued for many years to be an important point in the westward extension of the American frontier. There goods were received from and sent to the western settlements; there thousands of pioneers started on their journey down the Ohio for the promised land in the West. Here, in short, a significant part in the drama of America was played.

As you already know, Fort Pitt has been classified as of national historical importance by the Secretary of the Interior, acting upon the advice of his special advisers on such historic matters. On February 10 the Secretary approved my memorandum to him on Fort Pitt, which read as follows:

"On January 14, 1938, the Advisory Board on National Parks, Historic Sites, Buildings, and Monuments approved the site of Fort Pitt, Pittsburgh, Pa., as of national historic significance under the Historic Sites Act. As the Pittsburgh authorities are anxious to do something about this, it is recommended that you approve its designation as a historic site with the understanding that plans for its acquisition, maintenance, and development as such—yet to be formulated in conferences with the Pittsburgh authorities—be laid before you for consideration and approval."

I am glad of this opportunity to express to the members of the Point Park Commission, the Historical Society of Western Pennsylvania, the Lower Downtown Businessmen's Association, and the other civic and patriotic organizations represented here tonight the appreciation of the National Park Service for the friendliness and courtesy invariably shown me and other representatives of my

Service. These organizations are to be congratulated for their activity in arousing public interest in historic events of significance, both to Pittsburgh and to the Nation. This dinner, sponsored by these organizations, is an example of the service that can be rendered to the creation of historical-mindedness by public-spirited men. It is an event of which Pittsburgh and Pennsylvania may well be proud.

In conclusion, I again want to express my sincere appreciation for having been invited by you to participate in this very lovely community dinner. Thank you.

The Grand Canyon of Illinois

EXTENSION OF REMARKS

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 30, 1938

Mr. DIRKSEN. Mr. Speaker, to those States which boast of grand canyons carved by the effacing hand of Nature, may I suggest that the fair State of Illinois will soon boast of grand canyons made by the hand of man. Where Nature produced her canyons she left no problems behind. Where man made and is making these canyons, caverns, and abysses in the surface of the earth, he not only leaves problems but produces new ones. Nature achieved her handiwork without pain. Man's efforts to duplicate these canyons leaves a trail of pain, anguish, suffering, and hardship.

When I speak of the grand canyons of Illinois, I refer to those holes and hollows left by strip mining.

Until 1920 there was virtually no strip mining in this Nation. In 1921 the first record of strip-mining production indicated in the Minerals Yearbook for 1937 shows 1,879,000 tons produced by 60 strip pits. By 1935, 317 strip pits produced 27,177,000 tons and for 1937 it is estimated that strip production will be 60,000,000 tons.

The phenomenal increase in the sale of mechanical coal-loading equipment for 1936 and 1937, bears out the evil augury that the strip mine is a deadly menace to the jobs of thousands of miners, particularly in Illinois, where strip production has increased by leaps and bounds.

Figures for Illinois indicate that in 1935, 71 strip pits with 105 power shovels produced 7,410,087 tons of coal, with an average value of $1.44 per ton. This is 16.6 percent of all coal mined in Illinois for that year. In 1936 strip tonnage increased by 21.6 percent whereas production from deep mines increased but 13 percent.

Of the 43,748 men who worked in the coal fields in 1935 in Illinois, 35,271 were underground miners and 2,655 were employed on stripping operations. The average daily production for the underground miners for the year was 4½ tons, whereas the stripping operation produces 12.65 tons per man. In the Fulton County fields the average was 14.27 tons per man per day.

Had the 7,410,087 tons produced by the mechanical stripping been produced in shaft mines, it would have employed 9,000 miners underground in addition to the top men that would have been required. Thus it can be definitely contended that strip operations in Illinois for 1935 have completely blotted out somewhere between 6,500 and 7,500 jobs for miners. Thus do the grand and forbidding canyons of Illinois carry with them a trail of hardship, woe, and distress.

What shall be done about this matter? Stripping operations will continue to increase and as they do, the huge power shovels used to scoop away the overburden will also scoop away jobs as they scoop holes in the surface of Illinois.

The argument is of course that it makes cheaper coal available to the consumers. But on the other side is a far more impressive argument. Stripping operations are displacing men at a time when our unemployment condition is most acute. Moreover these operations are wasting land that will be of no earthly use for generations to come and destroying thousands—yes, millions—of dollars of taxable value.

The time has arrived when the State of Illinois must address itself to this problem vigorously and by means of the exercise of its general police powers in the interest of public welfare or by means of a differential tax, deal with this growing problem. Since strip operations are so essentially intrastate operations, this problem becomes the problem of our legislature. It must be met.

Reorganization of Executive Departments

EXTENSION OF REMARKS

OF

HON. HERMAN P. EBERHARTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 30, 1938

RADIO ADDRESS BY HON. HERMAN P. EBERHARTER, OF PENNSYLVANIA, ON MARCH 27, 1938

Mr. EBERHARTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address made by me over station KDKA on Sunday, March 27, 1938:

Since being in Congress I have steadfastly supported the President in all his objectives and have always been known as a New Deal Congressman. I have stood by him when a great majority of the newspapers of the Nation violently criticized some of his proposals. I have found that most of his proposals for legislation were in complete accord with his campaign pledges.

Today, however, I want to talk to you about my position with relation to a proposal, which seemingly has the stamped approval of the Chief Executive; not one specifically a part of his 1936 platform, but one which the President seems to have characteristically inherited from one of those committees of experts who so frequently, after appointment by a public official, make recommendations which sound fine, but which just don't work out in the public business, because public business is peculiarly different from private business.

In 1936, the President appointed a committee of three persons to make a thorough study and submit a comprehensive report on the reorganization of the executive departments of the Federal Government. This committee is commonly called the Brownlow committee, taking the name from its chairman, Louis Brownlow. Everyone agreed to the need for reorganization and, generally speaking, the committee did an excellent job in its studies, and the report it submitted.

The report provided five major recommendations:

First. Expand the White House staff, so that the President would have a sufficient group of able assistants in his own office to keep him in closer and easier touch with the widespread affairs of administration, and to make for a speedier clearance of the knowledge needed for Executive decisions.

Second. Strengthen and develop the managerial agencies of the Government, particularly those dealing with the Budget, efficiency research, with personnel, and with planning, so that these agencies would be really effective as arms of management to the President.

Third. Extend the merit system upward, outward, and downward, to cover practically all nonpolicy-determining posts; reorganize the civil-service system as a part of management under a single, responsible Administrator; create a citizen board to serve as a watch dog of the merit system; increase the salaries of key posts throughout the service, so that the Government may attract and hold, in a career service, men and women of ability and character.

Fourth. Overhaul the 100 independent agencies, administrations, authorities, boards, and commissions; and place them by Executive order within one or the other of the following 12 major executive departments: State, Treasury, War, Justice, Post Office, Navy, Conservation, Agriculture, Commerce, Labor, Social Welfare, and Public Works; and place upon the Executive continuing responsibility for the maintenance of effective organization.

Fifth. Make each executive of these 12 departments directly responsible to Congress by providing a genuine, independent post audit by an Auditor General of all fiscal transactions, thereby restoring to the Executive complete responsibility for accounts and current transactions.

These recommendations were to be put into effect by the passage of a series of five bills, drawn at the instance of the President and introduced into the Congress.

Two of them have been passed by the House of Representatives, both recognized as sound in principle and practice. They caused no serious or prolonged struggle on the floor of that body.

One gave to the President six administrative assistants to help him in the administrative work of his office. The salary of each of these is $10,000 per year.

The other act passed by the House created and established a Department of Welfare, which would have under its jurisdiction the promotion of public health, safety, and sanitation; the protection of the consumer; the cause of education; the relief of the unemployed; assistance and benefits to the aged and, in general, all welfare activities.

However, the aims set forth in recommendations Nos. 2 and 5 of the Brownlow committee call for changes which I am forced to oppose, and I intend to vote against their enactment into law should they reach the floor of the House. At present these recommendations are being debated in the Senate and are receiving the violent opposition of a group of Senators, among whom is Democratic Senator BYRD, of Virginia. The proposed measure would "amend the Budget and Accounting Act of 1921" and would "establish the office of Auditor General of the United States." It would also abolish the office of Comptroller General.

In 1921 the office of Comptroller General of the United States was established. In set-up, this office, filled by appointment of the President, provides that the Comptroller General can be removed only by Congress. In other words, Congress had a free and untrammeled agent. Not only that but he was given the power to preaudit expenditures of all Government agencies. In other words, before the public money is spent he has the authority to look into what it is to be spent for, and to insist that it be spent as Congress directed by law. In the event that he considers the expenditure outside the intent of the law as passed by Congress, he can stop the disbursement by merely refusing to countersign a warrant for the funds.

He audits and performs his other duties without direction from any other officer. The balances certified by the Comptroller General are conclusive on all departments and establishments of the Government. In order that he may have absolute independence as an auditor, and also as an agent of Congress, he is clothed with authority to prescribe the forms, systems, and procedure for administration appropriations, fund accounting, and for the administrative examination of accounts. All of these attributes serve to make the Comptroller General independent of Executive control.

Now, the new proposal is to transfer many of the functions of the Comptroller General to the Director of the Budget, who would be directly under the President and responsible only to the President. To take the place of the Comptroller General, Congress is to be given a new agent to be called the Auditor General.

I doubt that anyone will deny that Congress is fully entitled to a fiscal officer, with authority in the National Government. It seems only reasonable that the Congress should know how money is being spent, once it takes the responsibility of appropriating it.

Now let us see what authority is given the proposed post of Auditor General.

He is to be appointed by the President for a term of 15 years, and to be removable only by Congress. He is to have the power to audit all receipts and expenditures of the Government; to make such investigations relating to receipts and expenditures as he shall deem necessary, or as he shall be directed by Congress.

To that extent, and to that extent only, will he be as independent and as effective as the present Comptroller General.

He will not be permitted to preaudit. This is the vital point. Under the provisions of the new bill, he will not be permitted to audit any account covering expenditures until after payment, and in the matter of claims—settlements aggregating millions of dollars every year—he will not be permitted to audit until after settlement has been made. He will have no voice whatever in the certification of balances, and the findings of his audit will serve only for the purpose of a report to Congress, after the differences which he has noted, have first been submitted to the Director of the Budget.

During the 15 years that the accounts of the Government have been audited and settled by the Comptroller General, approximately $200,000,000 has been disallowed. The Comptroller is clothed with authority to settle accounts. This would be denied the proposed Auditor General.

Ladies and gentlemen, I am not unaware of the fine-spun arguments which have been put forward in behalf of the bill. I do not have time here today to discuss all of my objections to it, much less present you a detailed discussion of just why a piece of proposed legislation sounds pretty good when presented theoretically, but will fail to stand the acid test of practice.

There is no question but that the present set-up is to be, in some respects, justly criticized. The chief criticism is that the Comptroller General is in the anomalous position of being required to settle and adjust accounts; and thereafter to report to Congress his criticisms of his own settlements and adjustments. And there is not much doubt that under the present system much red tape is unavoidable.

The charge has been made that frequently the Comptroller General has been too technical in his rulings; that he has insisted too strongly upon strict compliance with the letter of the law: But is it not better that an official err occasionally in this regard rather than make the mistake of interpreting too liberally the provisions of the law or the intention of Congress?

Naturally, one holding the absolute power of withholding expenditures contemplated or insisted upon by department or bureau heads would occasionally disagree with the opinion of those department and bureau heads as to their authority to expend public funds in certain manners and for certain purposes.

At each time these differences of opinion arose it added to the unpopularity of the Comptroller General with the heads of executive departments. I do not mean to infer in the slightest degree that any secretary of any department, at any time, had the slightest intention of spending the public moneys illegally or extravagantly. On the contrary, differences of opinion were honest differences of opinion, and it is well known that an honest difference of opinion often causes the greatest dissention.

The proposal to vest in the Treasury Department the function of rendering an advance decision involving the expenditure of public funds is, in my opinion, unwise. The Treasury Department is a large spending agency and the function of rendering advance decisions should continue to be exercised by a nonspending, independent agency, such as the General Accounting Office, under a Comptroller General .

If such functions were vested in the Bureau of the Budget it would mean that this Bureau would first have the power of approving estimates of appropriations, and then have the control of the spending of the amounts appropriated.

Citizens generally know the value and the function of a controller. They know the practical worth of an effective watchdog of public funds.

My friends, the worthy objectives of President Roosevelt and the New Deal must be accomplished. I know they will be fought through to a successful culmination, and that they will bring a better day for all of us, the pessimism of reactionaries to the contrary notwithstanding.

But they will not be helped by such proposals as this one I have discussed today.

I don't think Congress will pass the bill. I don't even think President Roosevelt will put up a fight in its behalf after he thoroughly samples the sentiment of Congress.

The Home You Want Is Within Your Reach—You Can Now Build on New F. H. A. Long-Term, Low-Interest Plan—You Can Paint, Modernize, Repair, and Improve Your Present House on Easy Terms—Funds Available for City and Farm Construction Through New Service Office Opening in Austin

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EXTENSION OF REMARKS

OF

HON. LYNDON B. JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1938

Mr. LYNDON B. JOHNSON. Mr. Speaker, we have in the past—during the entire administration of President Roosevelt, in fact—heard a great deal about the various programs designed and set going to put the American family on its feet. For the first time in our history the little fellow, the poor and unknown little family, has been uppermost in the minds of all the leaders of our country during the last 5 years. It is a most encouraging condition.

But only when we can see and touch and feel the results of the working of the various programs this administration has started do we appreciate how well and how fast these ideas have been changed from mere principles into benefits.

The Federal Housing Administration's work, as it is springing into new life under the amendments recently passed by this Congress and approved by the President, is a clear-cut case.

Since the passage of the revised law I have received many letters asking about procedure and saying definitely that the writers intended to build as soon as they could obtain full information. For this reason I have compiled three lists of questions and answers arranged under these headings:

First. If you want to build your own home.

Second. If you want to paint, modernize, repair, or improve your home.

Third. General questions.

IF YOU WANT TO BUILD YOUR OWN HOME

1. Where do I apply for directions on how to go about getting a loan?

To the Federal Housing Administration service office, which will open Monday, March 28, in the Austin Post Office Building—the main city post office—at 221 West Sixth Street, with Mr. L. B. Griffith in charge.

2. Does the Federal Government itself lend the money?

No. F. H. A. insured loans—which means loans the F. H. A. insures for money-lending companies, protecting them against loss in case the borrower does not pay—are loans to private home builders or home modernizers made by private financial companies approved by the F. H. A.

3. Who should apply for this kind of loan?

Any responsible person with a steady income, good credit, and good prospects of being able to pay it back.

4. To whom should I apply for this kind of a loan?

To any bank, building and loan association, or other financial company approved by the F. H. A. A list of approved companies in central Texas may be had by writing or calling on Mr. Griffith at the Austin office.

5. What kind of property may be financed?

One- to four-family houses.

6. What is the largest loan allowed?

$16,000. As a rule, the F. H. A. advises against building a home to cost more than two and one-half times your annual salary.

7. How are the loans paid back?

In equal monthly installments. The size of the payment and the time allowed to pay back the loan depend on how much the borrower can afford to pay regularly out of his wages or salary every month.

EASY MONTHLY INSTALLMENTS PAY OFF YOUR LOAN

8. What is included in each monthly payment?

Part of the principal, interest (not more than 5 percent can be charged), premium on the mortgage insurance (one-fourth to one-half of 1 percent, depending on the kind of mortgage), taxes, fire, and hazard insurance premiums.

9. Can you pay off the mortgage before it comes due?

Yes. It is, of course, to the borrower's advantage to pay off the loan as fast as he can.

10. When must application be made?

The application must be made and plans approved before construction is started.

11. What is the down payment?

The down payment can be either cash or a clear lot or both. The down payment can be as low as 10 percent of the total appraised value.

For example: On a $5,000 home, the lender might advance up to 90 percent. The down payment would be $500 and the mortgage loan $4,500. Monthly payments of about $29.70 would pay off the loan and interest. To this would be added 90 cents a month for mortgage insurance, one-twelfth of the year's taxes, and one-twelfth of the year's hazard insurance charges.

Lesser loans are in proportion.

12. How much time is allowed to pay back?

For mortgages of $5,400 or less, 25 years may be allowed.

13. What are the financing charges?

Not over 5 percent, plus one-fourth of 1 percent, the cost of the insuring of the loan by the F. H. A.

14. Must the borrower live in the house?

Yes. The smaller down payment, 10 percent, and the longer term to pay back, 25 years, apply only to owners who occupy their houses.

CAN I REFINANCE THE MORTGAGES ON MY HOUSE?

1. Can I refinance my present first and second mortgages by turning them into one mortgage under this F. H. A. plan?

Yes; if the property you own meets the F. H. A. standards. But a new mortgage must take in all the present mortgages on the house and lot.

2. Is such a loan limited to present mortgages or the price I paid for my home?

No. In some cases the loan can be big enough to include money for repairs, modernizing, or improving in order to make the property eligible for a F. H. A. loan.

3. Does the F. H. A. plan apply only to a new home?

No. If an existing house meets F. H. A. requirements it can be bought on the F. H. A. plan, but the down payment must be at least 20 percent.

HOW CAN I GET MONEY TO PAINT AND REPAIR?

1. Can I fix up my present house, put in a bathroom, paint it, put a sink in the kitchen, and do other remodeling and modernizing with one of these F. H. A. loans?

Yes. Loans for this kind of work are called, by the law, "property-improvement loans," and they are made for just such purposes. These loans are made by private companies and the F. H. A. insures these companies against loss. The purpose of the insurance is to encourage lending companies to make loans for these purposes more generally possible.

2. Who can get such a loan?

The owner of the property to be improved. This includes anybody leasing a piece of property, such as a store or business house, and who has a lease that will not expire until at least 6 months after the date the loan is due to be paid. The borrower must have good credit and must be considered able to make his payments. An individual, partnership, corporation, or other qualified organization may make such loans.

3. On what kind of work can the money borrowed under this plan be spent?

(a) For repairs, alterations, or improvements on or in connection with buildings already on the lot or farm. For example: Repairing the roof, addition of a room, rebuilding a porch, putting in plumbing or heating, a new fence, or walks, and drives, etc.

(b) For building new houses, garages, barns, etc.

(c) Loans cannot be had, however, to buy equipment and appliances.

4. How much can be borrowed?

Not exceeding $10,000 for repairs, alterations, or improvements such as are listed under Question 3a directly above. Not exceeding $2,500 for building new buildings as explained in Question 3b directly above.

MANY TEXAS AGENCIES ARE READY TO MAKE F. H. A. LOANS

5. Who lends this money to those wanting to do this work?

Banks, savings institutions, building and loan associations, finance companies, and other institutions approved by the F. H. A. There are thousands of such companies throughout the United States. Many are scattered about central Texas.

6. Where do I have to go to get one of these loans?

Directly to an approved finance company. The Austin service office of the F. H. A. can give you the names of the companies in your community which have been approved. The money lent you is the company's money, not the Federal Government's. Therefore, whether you can get the loan or not is decided by the company, under the requirements set up by the F. H. A.

7. What kinds of property can be improved?

City, town, and farm property.

8. How long can a person have to pay back the loan?

Up to 5 years for repairs, alterations, and improvements, and up to 10 years for building new small homes.

9. How do I pay the loan back?

In equal monthly installments, or semimonthly installments, or weekly installments, whichever seems best in your case. Some farm borrowers can even arrange it so they can make harvest-season payments.

10. Can I get a loan on property I now own but which I have mortgaged?

Yes; if the lending company is willing. It may require that payments on the mortgage and all taxes be paid up to date.

SOME OTHER QUESTIONS WHICH MAY PUZZLE YOU

1. Will a lot I now own free and clear of debt be acceptable in establishing my equity of cash?

Yes; a free and clear lot owned by the applicant for a loan or to be purchased and fully paid for by him will be considered as an equity in equal amount to the value of the lot as determined by the F. H. A.

2. How long does it take to get approval of a loan by the F. H. A.?

In most cases not to exceed 2 weeks. Where it is impossible to get all the information necessary it may take longer.

3. What are the first costs a borrower has to pay?

When you file your application you must pay a fee at the rate of $3 per $1,000 of the face amount of the application. If your loan is rejected without an appraisal of the property being made, this fee will be paid back to you. If a loan is approved, however, even though for less than you asked for, you cannot get a refund of this fee.

4. Is the finance company making the loan allowed to make any charges of its own in connection with the application?

Yes. An approved lender can charge a first service charge equal to 1 percent of the face amount of the application on all loans to be made on existing property, or a fee of not less than $20, whichever amount is greater. On applications covering new construction the lender, provided he makes inspections of the property during construction and makes partial advances of the loan during the period of construction, can charge an amount equal to 2½ percent of the principal amount of the mortgage or a flat charge of $50, whichever amount is the larger.

HOME-BUILDING INTEREST GROWS IN CENTRAL TEXAS

This information has been distributed in my district as a step in a community and county-wide program in connection with the opening of the Austin office. It has been our desire to prepare the way for this office to be able to do its fullest and most efficient work from the start.

We were successful in presenting a convincing case to the Federal Housing Administration concerning the need for this office in Austin largely because of the public interest in home building and the great development of the whole central Texas area through the reclamation and power projects of the Lower Colorado River Authority and its rural electrification activities.

The spirit of unity in which the whole city has worked in this enterprise is well shown in this telegram which I have just received from the Austin Chamber of Commerce:

Austin appreciates opening of F. H. A. suboffice and facility of 15-day limit on disposition of housing applications. Establishment of the office has been given extensive publicity. In reference to Mr. William H. Clark, Jr.'s visit, representatives of all lending agencies will gladly meet with him. Bankers advise they have conferred on matter and find that applications are being handled by at least six lending agencies, among whom competition is so active that prospective owners are solicited by several and all available and potential demand for F. H. A. loans is being met promptly. Banks advise that any time requirements of prospective builders are not adequately and promptly met by the competing lending agencies the banks will take steps to keep the facilities available.

ADMINISTRATION IN TEXAS EFFICIENT, THOROUGH

It is my opinion that in the entire reconstruction program there is no more noteworthy agency than the Federal Housing Administration. Its operations do not cost the taxpayer a cent. It is in no sense of the word a public leech. It pays its way as it goes along. It operates on sound business principles and its organization, from Stewart McDonald, the Washington Administrator, through Mr. Clark, the Texas State director, and to the suboffices is efficient, thorough, and prompt. Mr. Clark has done a highly commendable job in Texas. He has thoroughly sold the F. H. A. program to Texas. He has made no great show, he has blown no horns, and he has staged no stunts. In a quiet, unassuming manner he has been getting the job done.

Whenever we all unite in any program which turns business back through its natural courses, unpacking clogged money in banks, lifting the jobless off the relief rolls, unfreezing the stream of building materials and supplies, opening the flow gates of business and industry, and putting our people in homes we have united in the best work any of us can do. For by such means we unite in recovery which is permanent.

Cancer Work of Government Progressing Successfully. Buildings, Research, Grants-in-aid. Let Us Attack Syphilis Next

EXTENSION OF REMARKS
OF
HON. MAURY MAVERICK
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 30, 1938

CANCER CONTROL. APPROPRIATION FOR BUILDINGS, RESEARCH

Mr. MAVERICK. Mr. Speaker, one of the things for which I feel the greatest pride is my part in helping to put over the cancer-control bill. I introduced one of the first bills on cancer.

Appropriations for buildings were made last year. The National Institute of Health is having successful progress in building at Bethesda, Md., on property donated to the Government by the late Luke Wilson. Mr. Wilson died less than a year ago on this very land—of cancer.

For grants-in-aid appropriations have also been made for various cancer projects. Research and study have been given tremendous impetus. Dr. Thomas Parran, Surgeon General of the National Public Health Department, and his assistants are doing an excellent piece of work. He estimates that 50 percent of those afflicted with cancer, if the disease is detected early enough, can be saved. The detection of cancer in its early stages is one of the important parts of the program.

DISEASES SHOULD BE DISCUSSED BY RIGHT NAME

There is no known cure for cancer. This great institution will attempt to cooperate with hundreds of institutions and thousands of physicians to find a cure—and some day, this will be done. This work should be encouraged by all the people.

Public health and the discussion of diseases by their right names should be encouraged. For instance, there is before the House a syphilis bill. For that, too, I am working—it is easier to cure than cancer, but still a great problem.

The Three Hundredth Anniversary of Pennsylvania

EXTENSION OF REMARKS
OF
HON. F. RYAN DUFFY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES

Thursday, March 31 (legislative day of Wednesday, January 5), 1938

RADIO ADDRESS BY HON. JOSEPH F. GUFFEY, OF PENNSYLVANIA, ON MARCH 30, 1938

Mr. DUFFY. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting address delivered by the distinguished Senator from Pennsylvania [Mr. GUFFEY] over the Columbia Broadcasting System on March 30, 1938. The address was delivered in connection with the three hundredth anniversary of the founding of Pennsylvania, which is to be celebrated on April 8.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, it is with great pleasure that I speak to you tonight regarding the early history of the great Commonwealth, Pennsylvania.

Most people associate the founding of Pennsylvania with William Penn. Penn truly did found Pennsylvania, but it was settled and colonized by Swedes and Finns 6 years before Penn was born.

For some unfortunate reason, the beginnings of Pennsylvania have been sadly neglected by historians. Colonization of the Delaware Valley was first conceived by Sweden's great King Gustavus Adolphus in 1624. He nursed the idea for several years and was about to dispatch an expedition when he died in battle in the great Thirty Years' War. His dream, however, lived on in the mind of Count Oxenstierna, his Chancellor, who became adviser to Queen Christina, successor to King Gustavus Adolphus. Oxenstierna never forgot the wishes of his ruler and constantly beseeched the Queen to carry out overseas colonization.

Consequently, in 1637 the Swedish Government endorsed a commercial venture, headed by Peter Minuit, to invade the Delaware Valley. Minuit was no stranger to the North American Continent as he had already founded present-day New York State, when in the employ of the Dutch. In fact, it was Minuit who purchased the island of Manhattan from the Indians for $24. The Swedish Government placed two ships at the disposal of Minuit—the *Kalmar Nyckel* and the *Fogel Grip*. He sailed from Gothenburg, Sweden, with about 150 persons, late in November 1637. The trip to America was a terrible ordeal. The two vessels were battered by constantly heavy seas and terrific winds, and it took nearly 5 months to cross the Atlantic. It was on April 8, 1638, that these two vessels literally staggered up the Delaware River and cast anchor a few miles below present-day Chester. Shortly after, five Indian sachems boarded the *Kalmar Nyckel* and gathered in Minuit's cabin for a conference. The outcome was the purchase of land extending from Cape May to what is now the Philadelphia Navy Yard, with the western boundary vaguely described as where the sun sets. The eastern boundary, of course, was the Delaware River. That was actually the definite beginning of Pennsylvania.

Now, Minuit was ever restless, looking for new fields and more profits. Scarcely had he begun colonization here than he left in the *Fogel Grip* for the West Indies for further trade. While at anchor he went over to a nearby ship to visit a friend. A terrific storm came up and blew the vessel away, destroying it, with all aboard. Thus was Minuit lost to history.

When word reached Sweden that Minuit had died, a new director named Hollandaer was sent here. Hollandaer bought more land from the Indians, extending the northern boundary to present-day Morrisville, Pa., which is opposite Trenton, N. J. Under Hollandaer the colony expanded and settlements were established throughout the countryside.

Word went back to Sweden of the colony's prosperity and the Government decided to implant a colonial empire in place of a distinct commercial enterprise. With that in mind, Lt. Col. Johan Printz was drafted to service as Governor. Printz was a mighty man, both physically and mentally. He weighed 400 pounds, and historians state that his drinking cup was of 2-quart size and his appetite accordingly. Printz arrived here in 1643 with more colonists, trade goods, and livestock. He quickly vetoed the site of Minuit's colony as a strategic place of government and moved it to Tinicum Island. He erected a fort there because it commanded the Delaware River and also erected an executive mansion. Thus was builded the cradle of Pennsylvania.

Printz was a man of tremendous energy. He gathered unto him about 50 sturdy colonists and ordered them to build storehouses, cabins, and a trading post. Corn and tobacco were planted, outposts for trading with the Indians were established, and a wide circle of trap lines set to catch beaver, mink, and otter that were sent to the mother country and became dollars and cents in the currency of that day.

As development went on with a prosperous flourish, the Dutch and English were attracted to the vicinity by the profits Printz was piling up. Almost opposite Tinicum Island the English established a settlement in New Jersey, made up of dissatisfied colonists from New Haven, Conn. In several other nearby localities the Dutch gathered. They built stockades, forts, and homes and more or less continually claimed the territory for the Netherlands. Printz, however, made light of their claims. Sometimes he ignored them, and at other times he would take a band of soldiers, go forth, and knock their settlements to pieces. If a Dutch ship came up the river, he let go a blast of solid shot from Tinicum Island's fort, which discouraged their efforts to gain a foothold in Pennsylvania until years later.

Printz received his first real set-back about a year after he established the seat of government at Tinicum Island. A careless sentry went to sleep in the fort leaving a candle burning, and thus a fire started which reached the powder magazine and blew up the fort and destroyed the executive mansion, the trading post, as well as other nearby buildings.

Undaunted, Printz rallied his forces and constructed new buildings. He ordered glass—a great luxury—from Sweden for the new executive mansion. He imported books, brass door knockers, iron hinges, and nails—things usually found only in the great palaces of Europe. He then established the first school and church in Pennsylvania, with both school classes and church meetings held in the blockhouse.

The Reverend Johan Campanius Holm, a distinguished Swedish prelate, who had accompanied Printz to America, was the minister. Holm was indefatigable in his zeal to spread religion. He went out to the many little settlements about the countryside every night and held church, and by day he talked to the Indians in an effort to convert them to the Christian religion. He finally translated the catechism into the Indian language—that of the Minquas, the dominant tribe in that territory.

Printz had received very definite instructions from Count Oxenstierna about his method of conduct. These instructions told him to treat the Indians fairly, to spread religion everywhere, but to do so with the understanding that all creeds were to be left to themselves. There was to be no bigotry or no class hatred.

As the years rolled by Printz colony was augmented by arrivals from Sweden. However, historians reveal that various individuals were continuously straying away to establish new settlements until finally he was short of manpower. He sent many requests to Sweden for assistance but received no encouragement. Finally, in 1653, he went home to make a personal plea to his Government, leaving his son-in-law, Lieut. Johan Papegoja, behind to administer affairs. Printz found the home government busy with affairs of state and was told to wait for an answer. In the meantime he betook himself to Bottnaryd, which was near his birthplace, and was appointed a civil official there. A great exponent of horseback riding, Printz went out on his favorite steed one day. The horse, high-spirited and mettlesome, threw him and he died from his injuries. That was in 1663.

Meanwhile Printz willed Tinicum Island to his daughter Armegot, who was the wife of his aide, Lieutenant Papegoja. Armegot was America's first big-business woman, the Hetty Green of her time. She sold the islands and went to Sweden. When the purchaser defaulted on installments she came right back and started legal proceedings. It was the first big lawsuit in America, and finally was decided in her favor by the courts of New York some years later. She sold the island again with like result, and yet once more, each time making a death-defying trip across the ocean in a small, open-decked ship to save the cradle of Pennsylvania. Finally she sold it to a purchaser who paid the money.

Armegot Printz should be called the founder of the Lucy Stone League in America. Despite the fact that she married Lieutenant Papegoja, she was always known as Armegot Printz and so signed her name on legal documents throughout her life. She also was America's first distiller, at least, in the vicinity of Pennsylvania. There is a license in existence from the British Crown giving her authority to distill spirituous liquors with the admonition that she do so with great care.

Furthermore, she remained the head of Pennsylvania's first machine industry—a couple of revolving stones that sired the millions of wheels that turn today in our glorious Commonwealth and make it the greatest industrial State in the Nation. Armegot's industrial venture was a grist mill on Cobbs Creek, not far from Tinicum Island, which was erected by her father. It was used by our forefathers to grind their grain and was turned by water power. Its replica stands there today, restored by the Colonial Dames of America. Armegot Printz would have been a remarkable woman at any period of the world's history, but when we realize what it meant 300 years ago for a women to possess the courage, ability, and intelligence which she showed, she stands out as a woman whose recognition by Pennsylvania has been too long delayed. While we are celebrating this great occasion of Pennsylvania's founding, we should consider some suitable memorial for Armegot Printz, probably the first exponent of equal rights in America.

In 1655, while Printz was in Sweden, the Dutch came down from New York, with soldiers on foot and by sea, to contest Swedish authority in the Delaware Valley. A battle ensued, but, fortunately, not a great one, for only five or six lives were lost. The result was that the Dutch captured all Swedish positions and raised their flag of authority.

Business went on as usual, however, and never was an attempt made to confiscate lands or take commercial property from the rightful owners.

After that came the English with a claim to all North America. There never was any violent trouble between the English, Dutch, and Swedes. The English simply marched in and took over the territory, claiming a prior right. Their right to do so under the laws of that day seems unquestioned, as they were in Virginia in 1607 and in Massachusetts in 1620. It was understood in those days that a nation could claim all territory lying between its two flags, so it is apparent that they were entitled to all the land between Massachusetts and Virginia.

So it was that in 1682 William Penn came to Pennsylvania—with a deed to thousands of acres in the vicinity of present-day Philadelphia. This grant was made by the British Crown for a debt it owed to Penn's father, an admiral in the British Navy. Penn came here endowed with a spirit of brotherly love. He came to promote friendliness and equality and religious tolerance for and among all. However, thanks to our first sturdy founders, he discovered the institutions for those things well advanced. The Swedes and Finns had established schools, churches, and law courts, and it was only necessary for Penn, with his great genius and superb well-being for all, to carry on.

Pennsylvania, in celebrating its three hundredth anniversary next April 8—Forefathers' Day—does so as a unit, not as a race of Swedes, Finns, Dutch, or English, but as a monumental commemoration to those great pioneer forefathers who established the culture and education that is our heritage now in 300 years of progress.

I wish all in the sound of my voice, wherever you are, either within this imperishable Nation or over the seas, to celebrate the first settlements in Pennsylvania, the Keystone State of the Union and the true "cradle of liberty" of these United States. I thank you.

An American Veteran's View on the European Situation

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, March 31 (legislative day of Wednesday, January 5), 1938

RADIO ADDRESS BY HON. F. RYAN DUFFY, OF WISCONSIN, ON MARCH 14, 1938

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting and timely address delivered by the Senator from Wisconsin [Mr. DUFFY] on the subject, An American Veteran's View on the European Situation. The address was on March 14, 1938, delivered during a special broadcast arranged by the Columbia network on the Austrian crisis.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

(Following is a copy of an address by Senator F. RYAN DUFFY, Democrat, of Wisconsin, and a member of the Foreign Relations Committee. Senator DUFFY spoke during a special broadcast on the Austrian crisis, arranged by the Columbia network, which included pick-ups from London, Paris, Berlin, Prague, Vienna, and Rome. He presented An American Veteran's View on the European Situation. He spoke from the studios of WJSV, Columbia's station for the Nation's Capital.)

During the past several weeks, American citizens have watched intently the rapidly changing scenes in mid-Europe. It came as a shock to most of our citizens that Austria's suggestion for a plebiscite among her own people could be sufficient reason for the destruction of that Government at the hands of a dictator.

The ancestors of most American citizens came to this land in order to escape autocracy in some form or other. They came here because they knew that those precious rights, such as freedom of religious worship, freedom of the press, and of assembly, could only be permanently assured in a democracy. When dictators sneer and attempt to ridicule democratic forms of government, our people merely shrug their shoulders, because they would much prefer to sacrifice any benefits that could possibly flow from a totalitarian government, in order to retain those priceless liberties which we believe are essential to a nation of free people. It is interesting to note that the swashbuckling, saber-rattling actions today are coming from those nations where the people at large have had very little to say above the selection of those officials who shall control and run the governments. It is the democracies of the world that are exercising the splendid influence for continued peace.

The American veterans of the World War are greatly disappointed at the recent turn of events in Europe. Our soldier boys really felt that the sacrifices they were called upon to make would contribute to the firm establishment of democratic processes in the nations of the world. This last summer, as a member of the American Battle Monuments Commission, I had the opportunity to visit in several of the European countries where they still have democracies. I believe the veterans in those countries, having gone through the awful experiences of war, are foremost among those who say that every possible effort must be made to remain at peace. War holds no romance for them. Most of them, just as in my own case, have one or more boys, and they do not want them to go through the experiences that their dad had to face. But, unfortunately, in those governments where dictators seem to rule supreme neither the veteran nor any other good citizen has very much to say as to policy.

Our people abhor war. We stand ready to make great sacrifices in order to keep out of any armed conflict. We covet no land or property which belongs to other nations. While America in the past has taken the lead time and time again in an effort to have nations become more friendly in their dealings with each other, I feel that we are about ready to give up in disgust. We are going to attend strictly to our own business; we are not going to enter into any understanding or pact which will involve us with the troubles of other nations. We shall carry out such a defense program, so that brutal, aggressor nations will not be able to kick us around. We are going to devote ourselves energetically to trying to solve our problems here at home.

This is a time for clear, safe thinking. It is important for the future safety of this Nation that we do not allow or permit any spirit of hysteria or emotionalism to interfere with our calm, cool consideration of the difficult problems at hand.

A Big Navy Is Not Necessary for Defense—No Foreign Country Can Successfully Attack Us

EXTENSION OF REMARKS

OF

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 31, 1938

ARTICLE FROM THE WOMAN'S HOME COMPANION FOR MARCH 1938

Mr. HILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an article entitled "America's Defenses" which appeared in the March issue of the Woman's Home Companion.

With reference to a peace amendment mentioned in the article may I say that this proposal by General Butler is not before this Congress. However, the author of this article well illustrates my contention that if we, as a nation, stay safely away from wars abroad, we can successfully avoid participation in all wars.

Must America fight again? It is not at all necessary. Surely we have no reason for taking part in another war in Europe or Asia. Nothing short of blundering statesmanship could obligate us to send another huge army abroad, to fight and die on foreign soil. Even that danger can be averted. We have but to adopt the amendment for peace proposed by Gen. Smedley D. Butler. Since under such an amendment to the Constitution, as readers of the Woman's Home Companion will remember, we could not send our armed forces abroad for any purpose; we should be compelled to settle our disputes with other nations by wholly peaceful means.

It can be argued, of course, that a country with which we might quarrel could send its armed forces to attack us upon our own soil. Then we should have no choice but to fight. Fortunately for us, the chances that any such attack could be successfully carried through, or could even be launched, are practically nil. In his proposed constitutional amendment General Butler has by implication defined the territory and adjacent waters which we would and should be prepared to defend. Within the limits thus defined we are invulnerable. Our present armed forces, plus our natural defenses, are more than sufficient to prevent any enemy from penetrating our territorial seas or continental boundaries. That being so, no power anywhere is likely to make the attempt.

The Navy is recognized as the country's first line of defense. But it will remain that only if it confines its activity to American waters. A fleet steaming off to battle in distant waters loses efficiency in direct proportion to the length of its voyage. If the American fleet were, for example, to proceed to the European coast to wage battle, it would find upon its arrival that its fighting effectiveness had been cut approximately in half. Thus even a smaller fleet, if fresh and operating close to its home bases, could readily defeat and probably destroy the American Navy in any engagement in European waters.

If we turn the problem about, we see that this very factor enormously increases the defensive strength of the American fleet in its own waters. Indeed, even if the two other great navies, the British and Japanese, were to merge their present forces for the purpose of attacking the United States, their efficiency would be so reduced by the time they reached our coast that their combined effective strength would be measurably less than that of the present American Fleet. In other words, in its own seas the American Navy is supreme and cannot be beaten. That fact is recognized by naval experts everywhere.

So long as this is true there is not the slightest danger that any hostile expedition will be sent against this country, since such an expedition could not break through our naval defenses. Let us suppose, however, that such an attempt is made. We should have to presume that the enemy would come from across the ocean, for it is self-evident that neither Canada nor Mexico has the desire or the manpower and resources to attempt an attack upon the United States. How large an expedition would the enemy need and how would he bring it across the ocean?

Many people believe that because the A. E. F. carried an army of 2,000,000 men to France, such a feat could easily be duplicated by a foreign power bent upon invading the United States. These people forget that our troops passed over an ocean controlled by the Allied navies and landed at their leisure upon friendly territory. An enemy coming to attack us would have to fight his way across the sea and then would have to fight to get a foothold upon our shores. He could not send over a few ships at a time, as we did, for such small units could be picked off and destroyed one by one. He would have to have a force large

enough to meet and defeat the American Army in the first encounter, for if he lost the first battle he could not even get ashore.

Some Army officers feel that an enemy could send an expedition of 300,000 men against us. The records of the A. E. F. indicate that no less than 3,150,000 tons of shipping would be needed to carry such a force, together with its ammunition and equipment. Necessary auxiliary ships would bring the total to at least 3,600,000 tons, not including the naval escort. Apart from England no country in the world has that much ocean-going shipping, while England, whose very life depends upon its maritime trade, could never spare so many vessels.

Dividing this total by 6,200 tons—the displacement of the average British merchant vessel—it may be seen that such an expedition would consist of about 580 ships. How could such a vast and unwieldy armada be held together even in fair weather, to say nothing of adverse weather? Every naval student knows that the thing is quite impossible, and so would never be tried. Though the enemy were to cut his force to 50,000 men, let us say, he still would need at least 97 ships. It would be next to impossible to keep even such a fleet in hand, as the studies of British and American naval experts show.

Let us presume, however, that this miracle has been accomplished, and, further, that the American Navy has been wiped out. Now the enemy would have to land. Where would he put in? He could not simply sail into an American harbor. Naval officers have testified before congressional committees that our harbors can all be adequately protected "by forts, mines, and submarines without the aid of the fleet."

The enemy would be forced to attempt to land, therefore, somewhere upon our naked coast, where he would have no harbor or landing facilities. The A. E. F. had all of these facilities and still needed 2 or 3 weeks to unload 450,000 tons of cargo. The enemy, lacking such aid, would require many weeks to put his 50,000 men and 450,000 tons of cargo ashore. He would certainly be under fire all of this time. One has merely to state the problem to show how impossible it would be for the enemy to effect a landing.

But let us grant the impossible for the sake of the argument. Where would the enemy then be? His army, having come ashore, would be thousands of miles from home, in a hostile foreign land—an isolated force of definitely limited strength, dependent solely upon the equipment and supplies it had brought along. It would be facing an American army defending its own soil, an army with the resources of a nation of 125,000,000 people at its immediate command, in control of a great network of railroads and highways and other lines of communication, and intimately acquainted with the terrain over which the war would be fought; an army, in short, that would be overwhelmingly superior, man for man, to any invading force that could conceivably be landed on our shores.

In sum, the prospective enemy would have to perform miracle after miracle before he could so much as get enough men on our soil to begin his war. And then he would be facing certain and immediate defeat.

We have been supposing that there is an enemy in sight. But where is he? Certainly none of the American countries is likely to attack us. England would never dare send the whole of its navy and most of its army to fight the United States and thus leave itself exposed to an attack from the Continent. France, ever fearing a German war of revenge, would never think of further weakening its position at home by diverting any part of its military machine to such a risky venture. Germany has all that it can do to keep from bankruptcy; it would leave its French frontier unguarded, and give up its ambitions in central and eastern Europe on the virtually impossible chance that it might succeed in making a colony of America. Italy not only has similar problems but is essentially a minor power. Russia, with an ambitious Germany on one flank and a reckless Japan on the other, neither has the desire nor could spare the men and equipment for a war of dubious purpose on the other side of the earth. Japan has cut out for itself a job—the stupendous one of bending the Chinese giant to its will—that is certain to keep it well occupied for years, perhaps for decades.

Moreover, the prospective enemy would have to have a very good motive for taking the enormous risk involved in any attempted invasion of this country. What could he gain by attacking this country?

The victor might want our natural resources, but here again he would have to send in a gigantic army to accomplish his purpose.

There remains the possibility that an unfriendly power, appreciating these several difficulties, might not attempt to attack and invade us, but might seek to punish us or undertake reprisals against us by means of an air attack. Scaremongers have drawn lurid and frightening pictures of vast aerial armadas flying across the ocean, bombing our cities, deluging them with poisonous gases, destroying their buildings and public works, and killing most of their people. This picture, mainly the work of military propagandists, is all too often accepted as true by unsuspecting pacifists. It is not based on fact.

It cannot be denied that under certain circumstances poison gas can have a broad demoralizing effect. Yet it must be borne in mind that no new gases have been developed since 1918, while existing gases cannot work one-hundredth part of the havoc pictured by the scaremongers. Except in actual military warfare, these chemicals have practically no value. The attacking armies, both in Spain and in China, have not shown much regard for civilian populations. Still they have not attacked noncombatant communities with gas, not because of any humanitarian feeling, but because they know that the gas attack is a more or less futile weapon when used against cities or towns.

Bombardment from the air is another matter, but even that danger has been exaggerated. In any case there is not a single bombardment plane in existence that can fly across either ocean to attack our cities. As Majors Dupuy and Eliot point out in their recent book, If War Comes, the mean range of the most modern bombers, flying with a medium war-load of bombs, today is only about 500 miles. That means that the attacking planes cannot reach us—unless they are brought to within at least 500 miles of our shores by aircraft carriers, which can never be done so long as the American Navy remains in being.

If we stay at home, then, and keep our armed forces at home, we are perfectly secure. None of the powers could afford to drop its own political problems at home for the sake of attacking us. No country would have anything to gain by invading the United States. And no nation has the strength or resources that would be needed even to approach our shores.

So if we do not send our armed forces questing after economic advantage or honor abroad—as we could not do with the proposed Butler amendment in effect—we can keep the country out of any war in the foreseeable future.

The Reorganization Bill

EXTENSION OF REMARKS

OF

HON. WILLIAM A. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 31, 1938

LETTERS FROM THE AMERICAN FEDERATION OF LABOR AND THE NATIONAL GRANGE

Mr. ASHBROOK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letters received by me from the American Federation of Labor and the National Grange:

WASHINGTON, D. C., *March 30, 1938.*

HON. WILLIAM A. ASHBROOK,
House Office Building, Washington, D. C.

DEAR SIR: I wish to call your attention to S. 3331, which was passed in the Senate last Monday, in a form very objectionable to the American Federation of Labor and its entire membership.

During the present Congress, the American Federation of Labor and its affiliated organizations have consistently been denied the opportunity of being heard on any of the reorganization bills by the House committee. We are, therefore, calling upon the Members of the House of Representatives to insist that full and complete debate with every opportunity for amendments be provided on the floor.

In our opinion, the Civil Service Commission and the United States Employees' Compensation Commission should be retained as independent agencies.

We are of the further opinion and request that the House provide that any Executive order issued by the President under this bill which consolidates, abolishes, or transfers any bureau or department, or any of their functions, should not be effective until approved by a majority of both Houses.

We object most seriously to the sweeping delegation of congressional authority to the executive branch of the Government, and we cannot understand how anyone interested in maintaining our form of government can propose or vote for it, as, in our opinion, the Congress ought to retain all its constitutional authority in conformity with principles of democratic procedure and democratic government, and that said power ought to be broadened and extended instead of being curtailed or surrendered.

The American Federation of Labor, its affiliated organizations, and its entire membership are greatly alarmed over the serious implications involved in this legislation.

I sincerely and earnestly appeal to you to incorporate in the bill, amendments along the lines above suggested. If this is not done, we will be compelled to request recommittal.

Yours very truly,

FRANK MORRISON,
Secretary-Treasurer, American Federation of Labor.

WASHINGTON, D. C., *March 30, 1938.*

To the Members of the House:

In our opinion, the enactment of the Senate bill for the reorganization of Federal agencies in its present form would be a

blow to the cause of popular government. It would vest the Executive with what we conceive to be wholly unwarranted powers and would reduce Congress to the status of a mere spectator in the work of reorganization. This would mean the abandonment of the processes of representative government and would degrade the ideals of American democracy.

While the provision for the creation of a Department of Conservation has been dropped from the Senate bill, the measure, as it now reads, leaves the way open for the transfer of various agricultural agencies to the Department of the Interior. We regard it as significant that Secretary Ickes publicly announced his gratification over the defeat of the attempt to amend the Senate bill so as to forestall the transfer of agricultural agencies to his Department.

We are strongly opposed to the scrapping of the Civil Service Commission by the Senate bill and the substitution therefor of a single civil-service administrator, wtih all that such a move would imply.

We feel strongly that Congress should retain its direct control of public funds and expenditures through the maintenance of an independent Comptroller General. The only way this can be assured is by the preaudit of accounts for expenditures of public funds as at present instead of a postaudit.

Since the advocates of the pending Senate bill themselves say that the reorganization plan under consideration would not effect any economies, and since Congress would be deprived of any reasonable opportunity to pass on Executive orders for regrouping Federal agencies under the Senate bill, we earnestly advocate that this proposed legislation be recommitted to committee for further study and redrafting. We are persuaded that such a move would redound to the public good.

In view of the possibility that the Senate bill may prevail in conference, we believe that recommittal for further consideration at this time is highly desirable. If this is impossible, we ask for the defeat of the reorganization measure.

Yours sincerely,

THE NATIONAL GRANGE,
By FRED BRENCKMAN,
Washington Representative.

One Hundred and Seventeenth Anniversary of Greek Independence

EXTENSION OF REMARKS
OF
HON. HERMAN P. EBERHARTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 31, 1938

RADIO ADDRESS BY HON. HERMAN P. EBERHARTER, OF PENNSYLVANIA, ON MARCH 27, 1938

Mr. EBERHARTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following talk which I made recently over the radio:

The year 476 A. D. marked the end of the western Roman Empire. The so-called Dark Ages ensued, and clouded most of Europe. But, in the eastern Roman Empire, better known as the Byzantine, or Greek Empire, the forces of civilization and culture continued for 975 years, which, by the way, were years of incessant struggle against barbarians attacking the Empire from all sides. And more so from Asia, whence the Persians, the Arabs, the Avars, the Saracens, the Seljuks, and the Turks alternately drove at its prosperous and enlightened provinces with all the ferocity and spirit of devastation with which they were so deeply imbued. For centuries these and other barbarous races were repulsed by the Grecian armies of such brilliant leaders as the Emperors Heracleios, Vasilios II, and the Paleologi. Gradually, however, the power of the Empire diminished. Egypt, Palestine, Syria, Asia Minor, Sicily, and South Italy were lost until the oncoming Turks, under Mohammed II, drunken with religious fanaticism, managed after many unsuccessful attempts to go so far as to capture the capital of the Empire, famed Constantinople.

The capital of the Grecian Empire, as you all know, fell into the hands of the Turks on May 29, 1453. It was on a Tuesday. Hence, Tuesday is even today considered an ominous day among the Greeks, and they usually endeavor to avoid important tasks on that day. Within a short time all of Greece was taken by the invaders. Thereupon began the great exodus of Greek scholars to western Europe, where their coming brought about the Renaissance, or revival of learning, which was the beginning of modern European civilization.

But while western Europe was being spiritually reborn and coming out of the darkness of centuries the dark age of Turkish oppression and tyranny was blighting Grecian lands and islands. The extinction of the Empire marked the final subsidence of the forces of ancient civilization.

For hundreds of years the subjected Greeks were the victims of an arbitrary, Asiatic despotism. Nevertheless, they clung to their love of liberty and Grecian tradition and ideals. They remained faithful to their religion, although they could have secured for themselves full equality with their masters had they been willing to adopt the Mohammedan faith. Far from that! They preferred death.

There were many unsuccessful, sporadic uprisings by liberty-loving patriots prior to the beginning of the nineteenth century. By then, the time for concerted action had ripened and, although the odds were vastly against them, in view of the fact that they would be compelled to fight the then immense and mighty Ottoman Empire, the Greeks could no longer tolerate utter slavery, and prepared, with what few means they had, for determined action against their oppressors. Alexander Ypsilantis, head of the revolutionary movement, for whom Ypsilanti, Mich., was named, fired the first gun at Jassy, Moldavia, in March 1821, the time set for the uprising by the Grecian secret societies. But he and his small army were slain, to the last man, in the battle of Dragatsani. But the Greek revolution really dates from Annunciation Sunday, March 25, 1821, when Germanos, Archbishop of Patras, blessed the insurrection. Then followed 7 years of desperate fighting, hunger, and privation, to say nothing of the atrocities, and massacres, wantonly and ruthlessly perpetrated by the bloodthirsty Turks, wherever they stopped or passed; and particularly in the islands of Chios and Psara, where not even the grass was spared. Even that was burned! It was an intolerable situation throughout for the Greeks of the mainland as well as of the islands. But out of it there emerged in glory such revered and world-honored places as Souli, Missolonghi, and Tripolitza, and such immortal men as Bozzaris, Colocotronis, and Canaris, and above all, a free and independent Greece.

Here in the United States our people recorded their sympathy and admiration for the heroic Grecian people and moral as well as material support was wholeheartedly and spontaneously lent. And what the people of Greece then thought of the friendship of the American people is indelibly recorded in no less authentic and unfading an instrument than that marvelous "Hymn to Liberty," their national anthem, written by Dionysios Solomos, the poet laureate of Greece, who lived at the time of the Greek revolution. And this is what he says, devoting one full stanza to America:

Heartily with joy salutes thee
The free land of Washington;
Mindful of the bonds that fettered
Her own limbs, not long agone.

I heartily congratulate the Greeks of Pittsburgh and Allegheny County upon this, the one hundred and seventeenth anniversary of the independence of Greece.

Attacks Upon Organized Labor

EXTENSION OF REMARKS
OF
HON. ALBEN W. BARKLEY
OF KENTUCKY
IN THE SENATE OF THE UNITED STATES
Thursday, March 31 (legislative day of Wednesday, January 5), 1938

LETTER FROM A. F. WHITNEY, PRESIDENT OF THE GRAND LODGE, BROTHERHOOD OF RAILROAD TRAINMEN

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter which I received from Mr. A. F. Whitney, president of the grand lodge, Brotherhood of Railroad Trainmen, with respect to the attacks made on organized labor, and also an accompanying editorial from the Cleveland (Ohio) Press.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

GRAND LODGE, BROTHERHOOD OF RAILROAD TRAINMEN,
Cleveland, Ohio, August 7, 1937.

The Honorable ALBEN W. BARKLEY,
United States Senator, Senate Office Building, Washington, D. C.

MY DEAR SIR: I am writing to you about a matter which I regard as of serious importance to the country. You are familiar with the vicious and unwarranted attacks made upon organized labor in the Congress of the United States. The corporate-minded press of this Nation naturally uses these attacks for purposes of attempting to build a public opinion prejudiced against the American labor movement. When men like Congressman CLARE E. HOFFMAN, of Michigan, openly boast that they will assemble a strike-breaking private arsenal and private army to

march against workers in this country, it seems to me that lovers of democracy and friends of workingmen must no longer remain silent.

I have been following the press and the CONGRESSIONAL RECORD and I note with regret that there have been few in the Congress who have stood up and courageously defended labor against the unjust attacks of such labor baiters as Congressman HOFFMAN, Cox, and some others. I am glad to recognize that labor has been ably defended by such statesmen as Congressmen MAURY MAVERICK, of Texas, JERRY O'CONNELL, of Montana, BYRON N. SCOTT, of California, and some others. However, there are a host of Senators and Congressmen who have had the loyal support of labor, but who have remained silent. Labor has spent generously of its time and energy in defending their reputations and their public records. I think it is fair to say that many today are in Congress who would not be there had it not been for labor's energetic support. Do you not feel that labor has a right to expect your vigorous defense of its reputation when villainous and false attacks are made against it for the purpose of publicly discrediting those who have defended you? It is not sufficient merely to support bills favored by labor. The labor movement should be defended against these malicious attacks upon the integrity of these lawful organizations that are generally recognized as a bulwark of democracy, a necessary part of our social body and a protection against that Fascist dictatorship by finance and industry which nearly wrecked the Nation prior to March 1933. We must ever realize the awful alternative if the labor movement is crushed, as it has been in Italy and Germany.

Recently Wall Street proselytists held a conference with farmers, in Ames, Iowa, the primary purpose of which was to persuade farmers that industrial labor is the farmers' enemy. Yet such labor-baiters accuse the President of the United States and organized labor of attempting to stir up class hatred. A Nation-wide strike-breaking agency under the hypocritical name of the "Citizens National Committee" has recently been formed. If this is a true citizens committee, why is it that leaders of legitimate labor organizations were not included among the more than 5,000 who received invitations to their convention held at Johnstown, Pa., July 15, 1937? This group would not even recognize a workers' representative as being an American citizen. It was this group that cheered wildly when God was thanked for giving us a Tom Girdler and President Roosevelt was called a Communist.

The bigotry and hypocrisy that is prevalent in the Nation today is a threat to the peace and security of our form of government. When President Roosevelt received his impressive victory on November 3, 1936, many of those who had fought him declared that the American people had spoken and it was now the duty of all good Americans to comply with the people's mandate. But, today, the President is being attacked viciously even by a few who have heretofore masqueraded as liberals and progressives and who have won their public positions by staunch defense of the President's principles. The President is now required to appeal to Congress to carry out the objectives for which the people have so overwhelmingly voted. The next time the American people go to the polls they will record effective resentment for the double-crossing a few are giving the people's mandate of 1936.

Effort is being made to taint the President's victory at the polls by reference to the fact that more than half a million workingmen in one labor organization contributed less than an average of $1 each, while a few wealthy individuals contributed millions of dollars to the discredited Landon and Hamilton campaign. Is it not time for the friends of labor in Congress to speak out when effort is being made to discredit labor's democratic right to support, financially and otherwise, candidates for public office, while historically the wealthy of our Nation have contributed heavily to both major political parties? For years workingmen were denied the freedom enjoyed by other citizens, of belonging to any lawful organization of their choice. Now that labor has won a measure of legal protection for this freedom, effort is being made to destroy, not only this just right of free men, but also to destroy their right to engage in the democratic processes of free men.

This brings me to another consideration. The campaign for destruction of labor unions is now being carried on under the capricious slogan of making labor unions legally responsible, thus giving the false implication that they are now irresponsible. The bigoted haters of labor are vainglioriously contending that a stricter accounting of all moneys received and expended by workingmen's organizations should be required. The Brotherhood of Railroad Trainmen spends thousands of dollars yearly in printing detailed reports setting forth every penny that is received and expended. Other labor organizations do likewise. Cases of misuse of union funds are so rare that American industrialists and financiers should blush with shame to mention them in the light of their reputations as trustees of other people's money.

Now that labor unions have won a belated legal status, the extraordinary proposal to compel incorporation of labor unions is being solemnly presented to the country. Why this discrimination against organizations of workingmen? Why compel any group to incorporate? If the Fascist philosophy of compulsory incorporation is desirable, then why not compel all organizations, including the manufacturers' associations, chambers of commerce, Rotary Clubs, the Liberty League, the citizens' committees, the vigilante committees, and the Jeffersonian Democrats to incorporate?

Primarily incorporation serves the purpose of enabling individuals to pool funds for profit making while escaping personal responsibility. Recently it has been used by the wealthy as a means to avoid income taxes. Labor unions have no yachts to incorporate. Organized labor and its leaders have no desire to avoid just and lawful social responsibilities in search of selfish profits. It is most hypocritical and ironical to compel labor unions to incorporate under a theory of making them more responsible. No responsibility not now prevalent will be achieved by compulsory incorporation of labor unions. Labor unions and their leaders are today, and always have been, subject to the same laws, criminal and civil, as other individuals and other bodies of citizens.

Those who refuse to comply with laws and public opinion which have decreed that workers shall have the right to organize and bargain collectively are trying to destroy labor unions by another Fascist philosophy of compulsory licensing of all labor unions. A dictionary definition of the word "license" is as follows:

"Authority or liberty given to do or forbear an act; an expression of consent; an allowable deviation from an established rule; a written or printed certificate of a legal permit or license to do anything that would be otherwise unlawful or forbidden."

Thus, it may be observed that those who would compel workers to obtain a license in order to exercise the natural freedom and just right to belong to their class organizations, really have the concept that fundamentally workers, as distinguished from other groups of citizens, are not free to belong to whatever lawful organizations they may desire to associate themselves with. The very concept of licensing labor organizations is born out of the Fascist philosophy that workingmen should not be free to organize.

In such manner and by such false appeals to public passions and prejudices instead of reason the rights of free workingmen are being attacked. Even the friends of labor refer to "the labor problem," which suggests that labor is at fault. The real "problem" of modern society is that selfish, tyrannical employer who not only refuses to recognize the lawful rights of workingmen but who brazenly defies workers to organize, while these despotic employers proudly contribute stockholders' money to the manufacturers' associations, chambers of commerce, "committees to save the Constitution," "citizens' committees," etc. The responsibility for industrial strife is clearly revealed when we consider that most of the recent strikes have been called for the purpose of obtaining recognition of workers' organizations, which recognition the law requires, public opinion favors, and simple justice demands.

How long would the public press be considerate and the American people tolerant of a labor leader who would be so fickle, so trifling, and so defiant of law and public opinion as to contend that a law which requires employers to recognize unions and bargain collectively with them does not require the consummation of a fundamental purpose of collective bargaining—a signed agreement between the parties? Yet steel magnates indulge in such toying with the law, and murder is committed in pursuance of this unlawful principle, as was the case in South Chicago on Memorial Day of this year. So long as employers doggedly refuse to settle disputes by peaceful negotiation and the execution of lawful contracts, they must assume full responsibility for strife, for such employers have chosen anarchy in place of peaceful settlement by written agreement, which latter procedure is the essence of government and order in the relationships between men.

In Cleveland, Ohio, on July 12, 1937, five guards of the Republic Steel Corporation were arrested in an automobile displaying a phony license plate, bearing guns, ammunition, and gas pipes. Notwithstanding this red-handed capture of company vandals, the Cleveland police refused to place even so moderate a charge as that of operating an automobile with an illegal license plate. (I attach hereto copy of an editorial appearing in the Cleveland Press under date of July 14, 1937.)

Does not such bigotry and injustice as is now being perpetrated against the working men and women of America inspire you to raise your voice against those vandals and murderers of industry who purposefully commit crime with the knowledge that a favorable press and a gullible public will charge labor unions with the crimes of industry? It is high time the American public was being told the truth about the tyranny of financial and industrial despots. Will you raise your voice in effective protest? I am not asking that any public official be partial toward labor, or any other group or groups of responsible and respectable citizens. I am only requesting that conscientious public servants show their resentment of this campaign of slander and falsity against labor by counteracting it with a campaign of truth and decency which will expose those who condone murder and other unlawful efforts to destroy workers' moral and legal rights to organize. I shall appreciate hearing from you.

Sincerely yours,

A. F. WHITNEY, *President.*

[Editorial from the Cleveland (Ohio) Press, July 14, 1937]

UNPUNISHED

Any ordinary citizen found touring the streets in an automobile carrying phony license plates and an assortment of deadly weapons would speedily find himself in trouble with the police.

But what would be a serious offense for any one of us does not bring even a word of censure to five members of Republic Steel's police force caught in precisely such circumstances.

Instead, four of the five are released and the fifth is being held in connection with some entirely different offense. That no

concealed-weapon charges were placed against these men is understandable, for numerous court decisions have been handed down to the effect that prosecution is impossible unless the weapon was actually found on a man's person. It is an absurd interpretation, of course, for a thug can reach a weapon in a compartment of his car just as readily as he can in a shoulder holster. But he can't be prosecuted if he sticks the gun under a seat or in the side pocket of his car.

The failure to prosecute anyone, however, for putting on a false license plate for the express purpose of preventing identification seems to us an entirely different matter. Yet we find Capt. John E. Savage, head of the vandal squad, taking this sympathetic view:

"He seemed perfectly sincere and I don't blame him in the least. We won't prosecute simply because the license plates did not match."

But suppose one of the five had shot someone, or run down a pedestrian and fled the scene, how then could the guilty be identified? They couldn't have been identified, of course, and that's what makes the police attitude in this case so completely mystifying.

Group Health Association

EXTENSION OF REMARKS

OF

HON. BYRON N. SCOTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 31, 1938

RADIO ADDRESS OF HON. BYRON N. SCOTT, OF CALIFORNIA

Mr. SCOTT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech which I made recently over the radio:

A fight between certain leaders of organized medicine and cooperative groups of employees seeking to budget sickness bills has been suddenly focused in the District of Columbia. Fires which have been smoldering throughout the Nation have suddenly burst into flame in connection with the attempt of a group of 2,700 Federal employees to organize a voluntary nonprofit association to provide medical and hospital care.

As stated in the resolution which I introduced in Congress yesterday, and as indicated by the President in a recent press conference, similar efforts have been carried on in this country for more than a quarter of a century with highly beneficial results. Large numbers of wage earners are hard hit when sickness strikes. Members of the Railway Brotherhoods and employees in mines and factories have learned that a small monthly payment is adequate to provide the best of medical service, and excellent hospital care. Best of all, these employees are going to the doctor while they are still well and the doctors are being paid to practice preventive medicine.

A small dominant group of the American Medical Association has sought for years to obstruct the spread of cooperative prepayment medical service plans. Their hostility reached white heat when it became known that Federal employees were seeking to budget sickness bills for themselves and their dependents in the Nation's Capital.

In 1936 the Credit Union serving the Federal Home Loan Bank Board and its agencies noticed that a large percentage of loans were granted to pay bills for hospital expenses and physician's services. Another aspect of the question, exceedingly important to taxpayers, was brought to light. Under Federal legislation, civil employees of the Government are granted 15 days' sick leave each year. Sick leave in the Home Owners' Loan Corporation alone costs nearly half a million dollars annually. The records of scores of oil companies, railroads, and other business firms show that adequate hospital and medical care is the first effective step in reducing pay-roll costs due to sickness. It was on this basis that the organization of Federal employees known as Group Health Association, Inc., received aid from the Federal Home Loan Bank Board.

From the time its charter was issued in 1937, officials of Group Health Association, Inc., have tried patiently to secure the cooperation of the Medical Society of the District of Columbia and of the local hospitals. The utmost forebearance has been shown by the trustees and the members of Group Health Association, Inc., in the face of constant rebuffs, and professional ostracism of the physicians employed by the association. These Federal employees soon realized that they were the object of special attack because of the mistaken notion that a movement was on foot to bring about socialized medicine under Federal control. This idea was far from the minds of these employees. They were merely trying to gain certain desirable benefits for themselves and their families through voluntary cooperative action.

In an article published in the Washington Post Sunday, March 27, 1938, Mrs. Agnes E. Meyer quotes some of the leading medical authorities of the Nation who heartily approved of the cooperative health movement, disagreeing with the leaders of the American Medical Association. In concluding her article, Mrs. Meyer says:

"The skeptical attitude toward the medical profession * * * has been fanned into a flame in Washington, even among those people who heretofore have been indifferent or unaware of the problems involved. Since the scientific problems of medicine are so largely solved, why should the profession continue to oppose their widespread social application? To the objective onlooker it seems a false and reactionary fear, as harmful to the doctors as to the general public."

There has been placed in my hands ample evidence to show that the hospitals of the District of Columbia, in denying admission to members of Group Health Association, have been forced by the controlling group of the local medical society to take a position which is diametrically opposed to their previous splendid record of public service. The trustees of these hospitals are caught in the net of a conspiracy to give the doctors of the District Medical Society a monopoly of surgical practice on their own terms. On the basis of the evidence before me, I am moved to charge that members of the courtesy medical staffs of the hospitals and others permitted to practice in the hospitals are not being approved because of merit or professional competence. Licensed physicians, of good character and fully qualified professionally, are barred from practice in the hospitals for the sole reason that they are on the wrong side of the dispute as to how our hospital and doctors' bills may be paid.

This is not a District fight; it is a serious national issue. It involves millions of men, women, and children financially unable, under the present method of compensating doctors and paying for hospital service, to purchase adequate medical care. Millions of dollars invested in railroad and industrial hospitals are at stake.

I am interested in this fight because it is very obvious that Congress ought to protect the rights of millions of American citizens who, through tradition and usage, are now at the mercy of a small group of physicians. Are you willing to permit these doctors to dictate your choice of a physician, your choice of a hospital, and the way you shall pay your hospital and doctors' bills?

I most certainly am not.

Reorganization Bill

EXTENSION OF REMARKS

OF

HON. RICHARD B. WIGGLESWORTH

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 31, 1938

LETTERS AND TELEGRAMS IN OPPOSITION TO THE PROPOSED REORGANIZATION BILL

Mr. WIGGLESWORTH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include several letters and telegrams from the many received in almost unanimous opposition to the proposed reorganization bill:

WASHINGTON, D. C., *March 30, 1938.*

Hon. R. B. WIGGLESWORTH,
House Office Building, Washington, D. C.

DEAR SIR: I wish to call your attention to S. 3331, which was passed in the Senate last Monday in a form very objectionable to the American Federation of Labor and its entire membership.

During the present Congress the American Federation of Labor and its affiliated organizations have consistently been denied the opportunity of being heard on any of the reorganization bills by the House committee. We are therefore calling upon the Members of the House of Representatives to insist that full and complete debate, with every opportunity for amendments, be provided on the floor.

In our opinion the Civil Service Commission and the United States Employees' Compensation Commission should be retained as independent agencies.

We are of the further opinion and request that the House provide that any Executive order issued by the President under this bill which consolidates, abolishes, or transfers any bureau or department, or any of their functions, should not be effective until aproved by a majority of both Houses.

We object most seriously to the sweeping delegation of congressional authority to the executive branch of the Government, and we cannot understand how anyone interested in maintaining our form of government can propose or vote for it, as, in our opinion, the Congress ought to retain all its constitutional authority in conformity with principles of democratic procedure and democratic government, and that said power ought to be broadened and extended instead of being curtailed or surrendered.

The American Federation of Labor, its affiliated organizations, and its entire membership are greatly alarmed over the serious implications involved in this legislation.

I sincerely and earnestly appeal to you to incorporate in the bill amendments along the lines above suggested. If this is not done, we will be compelled to request recommittal.

Yours very truly,

FRANK MORRISON,
Secretary-Treasurer, American Federation of Labor.

BOSTON, MASS., *March 29, 1938.*

Hon. RICHARD B. WIGGLESWORTH: Lodge 413, American Federation Government Employees, opposes reorganization bill. Request your support.

GEORGE WELCH, *President.*

THE NATIONAL GRANGE,
Washington, D. C., March 30, 1938.

To the Members of the House:

In our opinion the enactment of the Senate bill for the reorganization of Federal agencies in its present form would be a blow to the cause of popular government. It would vest the Executive with what we conceive to be wholly unwarranted powers and would reduce Congress to the status of a mere spectator in the work of reorganization. This would mean the abandonment of the processes of representative government and would degrade the ideals of American democracy.

While the provision for the creation of a Department of Conservation has been dropped from the Senate bill, the measure, as it now reads, leaves the way open for the transfer of various agricultural agencies to the Department of the Interior. We regard it as significant that Secretary Ickes publicly announced his gratification over the defeat of the attempt to amend the Senate bill so as to forestall the transfer of agricultural agencies to his Department.

We are strongly opposed to the scrapping of the Civil Service Commission by the Senate bill and the substitution therefor of a single Civil Service Administrator, with all that such a move would imply.

We feel strongly that Congress should retain its direct control of public funds and expenditures through the maintenance of an independent Comptroller General. The only way this can be assured is by the preaudit of accounts for expenditures of public funds as at present instead of a postaudit.

Since the advocates of the pending Senate bill themselves say that the reorganization plan under consideration would not effect any economies, and since Congress would be deprived of any reasonable opportunity to pass on Executive orders for regrouping Federal agencies under the Senate bill, we earnestly advocate that this proposed legislation be recommitted to committee for further study and redrafting. We are persuaded that such a move would redound to the public good.

In view of the possibility that the Senate bill may prevail in conference, we believe that recommittal for further consideration at this time is highly desirable. If this is impossible, we ask for the defeat of the reorganization measure.

Yours sincerely,

THE NATIONAL GRANGE,
By FRED BRENCKMAN,
Washington Representative.

WASHINGTON, D. C., *March 30, 1938.*

MY DEAR CONGRESSMAN: Our federation, representing 59 farmer-owned and farmer-controlled cooperative associations engaged in the marketing of dairy products for more than 350,000 dairy farmers, is unalterably opposed to the pending reorganization bill.

Under this legislation, as adopted by the Senate, every agency of the Federal Government dealing with agriculture may be shifted from their present locations in the Department of Agriculture and the Farm Credit Administration and placed under other governmental departments or boards whose executive officers and departmental heads may not be friendly to the interests of agriculture nor familiar with the problems of agriculture.

Our opposition to this measure does not arise out of any quarrel with the present administration. During the past 20 years our federation has always opposed legislation which would permit any interference with the Department of Agriculture or other Government agricultural agencies, except by congressional action.

Congressional action to change any of the agencies of the Government affecting agriculture presupposes:

First. A hearing by congressional committees, both Senate and House, at which all interested parties are permitted to testify.

Second. Committee reports giving the reasons for and against any proposed change, available to farm groups as well as to all members of the Senate and House before the measure is voted upon.

Third. The opportunity for record vote in both Senate and House so that the farmers of this country may be given the opportunity to know where their elected representatives stand on proposals affecting the operations of the Department of Agriculture and the Farm Credit Administration.

In order to preserve for the farmers of this country the benefits they are now receiving through the Department of Agriculture and the Farm Credit Administration and to prevent any change in the operations of these two governmental agencies without express congressional sanction, we earnestly request that the proposed reorganization bill be defeated.

Sincerely yours,

CHAS. W. HOLMAN,
Secretary the National Cooperative Milk Producers' Federation.

THE AMERICAN LEGION,
Washington, D. C., March 30, 1938.

Hon. RICHARD B. WIGGLESWORTH,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: The reorganization bills are now back before the House committee having charge of this legislation, for their consideration, and will shortly be before the House. In this legislation certain agencies of the Government are specifically "excepted" from its provisions. The Veterans' Administration has not been placed in this class, although in an effort to do so, when the bill was before the Senate, the vote was 41 to 41, demonstrating the closely divided opinion on this matter.

All of the difficulties pertaining to the administration of the laws affecting veterans were traceable in the beginning to the fact that responsibility was at first distributed amongst a half dozen different departments of the Government, and then under the Treasury Department. Finally, the Veterans' Administration was created by law, and from then on we knew definitely with whom we were dealing. Repeatedly the statement is made that this is one of the largest and most important departments of the Government. It should be kept separate.

First. If the reorganization bills should be passed and the Veterans' Administration again placed under one of the existing Cabinet officers—or if it should be split up and its work distributed around amongst various departments of the Government—we will have nothing but trouble for years to come. We have gone all through this grief, and as a result we have one agency upon which and to which the Members of Congress can place their finger on all matters dealing with veterans or their dependents, and for this reason alone it should be placed amongst the class of "excepted" agencies.

Second. Over the years with the enactment of laws and the issuance of Executive orders, veterans and their wives or their widows have been granted certain preference in securing employment with the Government. When the bill was before the Senate I requested that the following amendment should be inserted in its proper place:

"*Provided further*, That nothing herein contained shall be construed to prevent the application of the existing veteran preference provisions in civil-service laws, Executive orders, and rulings."

Just before the bill was passed by the Senate, the following amendment was included:

"Nor shall anything in this act be construed to prevent the application of the existing veterans' preference provisions in civil-service laws, Executive orders, and rulings."

When the bill is up for consideration on the floor of the House of Representatives similar action should be taken by the House.

I can assure you that we shall appreciate this very much indeed. Otherwise, unless something is done there will be little or no chance for veterans, so far as Government employment is concerned, if for no other reason than for the age factor alone.

I am sending a copy of this letter to each World War veteran in the House, believing that through their concerted effort these two matters can be properly taken care of.

Sincerely yours,

JOHN THOMAS TAYLOR,
Director, National Legislative Committee.

BOSTON, MASS., *March 29, 1938.*

Hon. RICHARD B. WIGGLESWORTH,
House Office Building, Washington, D. C.:

The Department of Massachusetts Disabled American Veterans of the World War strongly opposes any move to include the Veterans' Administration in reorganization bill. Massachusetts' thousands of World War disabled appeal to you to wage active opposition to any such arrangement. Regards.

JOHN J. LYONS,
Department Commander, Statehouse, Boston.

BOSTON, MASS., *March 30, 1938.*

Hon. RICHARD B. WIGGLESWORTH,
House of Representatives, Washington, D. C.:

Believing many features of reorganization bill demand further careful consideration, Women's Auxiliary of Massachusetts Civil Service Reform Association vigorously protests proposed immediate vote in House.

MARIAN C. NICHOLS,
Secretary.

NEW YORK CITY, N. Y., *March 30, 1938.*

Hon. RICHARD B. WIGGLESWORTH,
House Office Building, Washington, D. C.

DEAR MR. WIGGLESWORTH: Regarding the reorganization bill:

We believe you will be much interested in the attached article appearing on front page of today's New York Evening Journal.

It is not too late for you and other Members of Congress, including even those whose names are mentioned in the attached article, to defeat this dictatorial and un-American bill.

In this critical hour we beg you to do all in your power to defeat the reorganization bill and thus preserve for our children the constitutional form of democracy inherited from our forebears.

We hope you will favor us with an encouraging reply.

Sincerely yours,

AMERICAN COMMITTEE FOR SOCIAL JUSTICE,
By WM. B. FEELEY, *Chairman.*

Opposition to the Reorganization Bill

EXTENSION OF REMARKS
OF
HON. DANIEL A. REED
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 31, 1938

LETTERS IN OPPOSITION TO THE REORGANIZATION BILL

Mr. REED of New York. Mr. Speaker, I am inserting four letters from prominent national organizations vigorously opposed to the reorganization bill. I have been against this legislation from the first.

WASHINGTON, D. C., *March 30, 1938.*

To the Members of the House:

In our opinion the enactment of the Senate bill for the reorganization of Federal agencies in its present form would be a blow to the cause of popular government. It would vest the Executive with what we conceive to be wholly unwarranted powers and would reduce Congress to the status of a mere spectator in the work of reorganization. This would mean the abandonment of the processes of representative government and would degrade the ideals of American democracy.

While the provision for the creation of a Department of Conservation has been dropped from the Senate bill, the measure as it now reads leaves the way open for the transfer of various agricultural agencies to the Department of the Interior. We regard it as significant that Secretary Ickes publicly announced his gratification over the defeat of the attempt to amend the Senate bill so as to forestall the transfer of agricultural agencies to his Department.

We are strongly opposed to the scrapping of the Civil Service Commission by the Senate bill and the substitution therefor of a single civil-service administrator, with all that such a move would imply.

We feel strongly that Congress should retain its direct control of public funds and expenditures through the maintenance of an independent Comptroller General. The only way this can be assured is by the preaudit of accounts for expenditures of public funds, as at present, instead of a postaudit.

Since the advocates of the pending Senate bill themselves say that the reorganization plan under consideration would not effect any economies, and since Congress would be deprived of any reasonable opportunity to pass on Executive orders for regrouping Federal agencies under the Senate bill we earnestly advocate that this proposed legislation be recommitted to committee for further study and redrafting. We are persuaded that such a move would redound to the public good.

In view of the possibility that the Senate bill may prevail in conference we believe that recommittal for further consideration at this time is highly desirable. If this is impossible, we ask for the defeat of the reorganization measure.

Yours sincerely,

THE NATIONAL GRANGE,
By FRED BRENCKMAN,
Washington Representative.

WASHINGTON, D. C., *March 30, 1938.*

Hon. DANIEL A. REED,
House Office Building, Washington, D. C.

DEAR SIR: I wish to call your attention to S. 3331, which was passed in the Senate last Monday, in a form very objectionable to the American Federation of Labor and its entire membership.

During the present Congress the American Federation of Labor and its affiliated organizations have consistently been denied the opportunity of being heard on any of the reorganization bills by the House committee. We are, therefore, calling upon the Members of the House of Representatives to insist that full and complete debate with every opportunity for amendments be provided on the floor.

In our opinion the Civil Service Commission and the United States Employees' Compensation Commission should be retained as independent agencies.

We are of the further opinion and request that the House provide that any Executive order issued by the President under this bill which consolidates, abolishes, or transfers any bureau or department, or any of their functions should not be effective until approved by a majority of both Houses.

We object most seriously to the sweeping delegation of congressional authority to the executive branch of the Government, and we cannot understand how anyone interested in maintaining our form of government can propose or vote for it, as, in our opinion, the Congress ought to retain all its constitutional authority in conformity with principles of democratic procedure and democratic government, and that said power ought to be broadened and extended instead of being curtailed or surrendered.

The American Federation of Labor, its affiliated organizations, and its entire membership are greatly alarmed over the serious implications involved in this legislation.

I sincerely and earnestly appeal to you to incorporate in the bill amendments along the lines above suggested. If this is not done, we will be compelled to request recommittal.

Yours very truly,

FRANK MORRISON,
Secretary-Treasurer, American Federation of Labor.

WASHINGTON, D. C., *March 30, 1938.*

MY DEAR CONGRESSMAN: Our federation, representing 59 farmer-owned and farmer-controlled cooperative associations engaged in the marketing of dairy products for more than 350,000 dairy farmers, is unalterably opposed to the pending reorganization bill.

Under this legislation, as adopted by the Senate, every agency of the Federal Government dealing with agriculture may be shifted from their present locations in the Department of Agriculture and the Farm Credit Administration and placed under other governmental departments or boards whose executive officers and departmental heads may not be friendly to the interests of agriculture nor familiar with the problems of agriculture.

Our opposition to this measure does not arise out of any quarrel with the present administration. During the past 20 years our federation has always opposed legislation which would permit any interference with the Department of Agriculture or other Government agricultural agencies except by congressional action.

Congressional action to change any of the agencies of the Government affecting agriculture presupposes:

First. A hearing by congressional committees, both Senate and House, at which all interested parties are permitted to testify.

Second. Committee reports giving the reasons for and against any proposed change, available to farm groups as well as to all members of the Senate and House before the measure is voted upon.

Third. The opportunity for record vote in both Senate and House so that the farmers of this country may be given the opportunity to know where their elected representatives stand on proposals affecting the operations of the Department of Agriculture and the Farm Credit Administration.

In order to preserve for the farmers of this country the benefits they are now receiving through the Department of Agriculture and the Farm Credit Administration and to prevent any change in the operations of these two governmental agencies without express congressional sanction, we earnestly request that the proposed reorganization bill be defeated.

Sincerely yours,

CHAS. W. HOLMAN,
Secretary, National Cooperative Milk Producers' Federation.

American Philosophy of Government

EXTENSION OF REMARKS
OF
HON. W. R. POAGE
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 31, 1938

SPEECH BY HON. LYLE H. BOREN, OF OKLAHOMA, ON MARCH 26, 1938

Mr. POAGE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech recently delivered by the gentleman from Oklahoma [Mr. BOREN]:

Every American should know that America has a philosophy of Government. He should realize that the American philosophy is clear in its meaning, understandable in its nature, and above all, that it is right.

America's philosophy of government is not only political, but it applies to existing economic and social problems and covers the whole realm of human affairs. In it is found the only dependable solution to the complexities that face our citizenship.

Because we are unlearned in our own tradition, we are on the verge of accepting foreign philosophies, but when America knows

the meaning and application of Americanism it will not make the mistake of adopting any of the false doctrines which are organizing humanity against itself and with sword in hand march at this hour to disrupt the world.

There is an urgent need for every citizen of this Nation to acquaint himself with America's own philosophy of government. When America's philosophy of government is the question, the answer should be ready to the tongue of every American.

America stands alone in that its birth sprang from the parentage of noble ideals and determined resolutions. All other governments of the world owe their origin largely to force or accident. The Americans are the first people that historical circumstance has granted opportunity of choosing the form of government under which they should live. Other nations of the world have developed through a welding process where similarity in race, religion, or geographic position, has bound them into a common interest and welded them into a national existence. Yet in America, with a people unrelated in racial origin, unbound by a unified economic interest, not welded by fear or military invasion, and with every known religious difference our Nation was born.

Without any of the ordinary ties required to bind people together as a nation, the "we" feeling which is the foundation for our eternal nationality is a common philosophy of government. Our common belief in "equal rights of man" is the foundation and motive for our development as a separate nation. The preservation of these rights is the central purpose for our continuation as a nation and is the dynamic philosophy of our purposeful progress.

Today the social and political structure of our Nation is undergoing vast and I fear, too hurried changes. New theories clamor for influence, and in the confusion of the day theories long accepted and institutions long established are being doubted and discarded The American people lack certainty of decision in their determination of what to discard of the old and what to accept of the new.

One of the most sinister elements of new influence derived from our national confusion and individual insecurity is the existence of isms foreign to our tradition, planted in this country by the agents of foreign propaganda and by immigration too rapid since the World War.

With great numbers of our citizens drifting loose from the anchor of American philosophy, the course of events in America has reached the stage where it has become necessary for every American citizen to rise in answer to his sacred duty to anchor this Nation in the purpose for which it was brought into being. Through your hands as individual citizens America must be cleared of all the barnacles and rubbish that threaten to break forever a chain which binds us as individuals and as a nation to that anchor.

No foreign power, no organized minorities, no individuals with reins of leadership, no class, no group, nor section can lead us to the solution of our problems. The application of America's own philosophy is the only answer. America's philosophy both solves our present problems and holds the only opportunity for our future existence.

The immortal Declaration adopted July 4, 1776, declaring the self-evident truth that all men are created equal and endowed by the Creator with certain inalienable rights, endowed every American with a great philosophy of government and concurrently placed in his hand a great responsibility in government. It is our duty as individuals at all times and in all places to maintain the safety and security of these inalienable rights. To keep these rights secure for our posterity, we must rise from the daze of bewilderment which lends heed to every false advice and ignores the wisdom with which this country was born.

It is the primal order of Nature that an individual suffering injustice is incensed to combat with all his strength the evil done to him. On this evident truth, our philosophy says that all laws should be founded, and it is in this instance that our Government assumed to guarantee the individual that his wrongs will be set right. In order to adjudicate conflicting opinions as to the right, we have set up tribunals of law and equity from whence evidence can be mustered to enforce justice and prevent conflict. Thus, it is evident that it is not true to American tradition to organize group against group, class against class, or race against race. So justice based on equality is the tradition of America. It is the philosophy of democracy and, like all great principles which have widened man's horizon, it has not remained confined to the place of its nativity. And yet, the world is faced with a tragic reality that world events show a prevalence of attempts to twist and distort these vital principles.

Foreign dictators have bred within their empty selves, feelings of false superiority. They avoid the philosophy of equality as they would poison. It hurts; it stings; its acid truth cuts through the thin veneer of their affectation and discloses their fraud, and because of the sting of the philosophy of democracy, these blustering bluffers have planted the seeds of blind adherence to their "isms" of inequality in every nation. Even have they raised their heads in the ranks of this great Nation with a pronounced national purpose of equality.

Nazi-ism, facism, and communism, contradicting the avowed determination of our people are twisting their ways into American affairs. Communism works under the most appealing titles known to tongue or pen: "The American League for Peace and Freedom," "American League for Peace and Democracy," "The People's Lobby," "The International Federation for Peace." Yes, my friends, I love peace. There is no more sincere advocate of domestic and international peace in the American Congress than I. I have made it my chief objective to wage battle on the real causes of war, but with all my great devotion to peace, I am not demagog enough to advocate peace at any price. I am honest enough to realize that it is but a question of time until this Nation will be compelled to tell the irresponsible dictatorships that in relation to us they can come thus far and no farther. We should now, and soon will be, compelled to designate the line of our frontiers in both the political and commercial sense and to erect on that line of our frontiers a "No trespassing" sign, that our message to dictatorships will be in not uncertain terms, not a threat, but a clear statement of purpose that we will tolerate none of their trespasses. Our Government has now an arm long enough to chop the head of any foolhardy intruder. The peace and safety of the world will be best served by such a clear and conclusive statement of policy.

We might just as well include in our policy a firm and drastic penalty for the promoters of irritation and strife who are attempting to supplant the American philosophy with the isms of fell foreign powers. This internal pressure and irritation will undoubtedly exhaust the patience of an outraged people and cause them in time to turn the force of their resentment upon the agents of this betrayal, but if we are not ready to say to the world we will not tolerate communism, fascism, or nazi-ism anywhere within the boundaries of Americanism and that we will meet it with the death sentence when it becomes a fruition of a plan from within or without, if we are not thus determined, then the sterner stuff from which America was made has become too thin.

It may be that my expression of this attitude is a faint philosophy byproduct to Americanism, but I hold that it is a definite and persistent truth, struggling against all the cheap and sinister forces of demagoguery and propaganda—struggling for the recognition of American citizenship. Yes, it is a positive and persistent truth that world peace is best guaranteed by decisive, definite, and determined announcement of a policy of Americanism. If we want peace, it is evident we must let the world know exactly what America will and will not do, what America will and will not permit.

Our Nation is dedicated to a philosophy of equality guaranteed to its individual citizens. As a citizen of the world community, Uncle Sam applies this same philosophy as foundation for intercourse with other nations.

In a domestic sense, we are dedicated to the proposition that all men are created equal.

In an international sense, we are dedicated to the proposition that all nations are endowed with certain inalienable rights, and that among these are life and freedom. A small nation, like a physically inferior individual, is endowed with the inalienable right of life and liberty. Yet in these times of world anarchy, security has become the luxury of a few nations. Life for Austria, Czechoslovakia, Spain, Ethiopia, Rumania, and the score and 40 small nations, has become a hazardous venture against overwhelming odds.

The crust of the isms, inimical to democracy thrown on the world's waters, wash even to our shores to leaven the loaf of the bread of unleavened equality, the food for Americans. When and if that yeast shall foment a rise in our dominions is problematical. American diplomatic thought tends to international collective security with the major powers policing the world's borders to guarantee the protection of the inalienable rights of nations, large or small. That nations hold these rights by birth as do individuals, American philosophy holds to be a self-evident truth. But opinion divides on the forceful application of our philosophy of government on the international realm of community of nations.

We entered the World War on the theory of collective security. Woodrow Wilson repeated, analyzed, explained, and applied our fundamental ideals to a world situation where in the course of human events it became apparently necessary to endow the world with that spirit in which America was born. Roosevelt and Hull are attempting to reapply Wilson's method of solution to the world's problem. In similar circumstance of time and condition the doctrine of collective security is now reasserted, not clearly, but ill-defined, as in the systems of "understanding" and "entente cordiales" that were a prelude to the last World War.

Wilson realized, and the world's recent history has shown, that the self-evident doctrine that all nations are created equal and endowed with certain inalienable rights can be applied in an active sense to world affairs only if a world government exists sufficiently strong to protect the weak, to curb the strong, to shield the unlearned, and restrain the cunning.

To make this philosophy the foundation for individual relations in America a compact was formed in weak and irresponsible agreements. The Continental Congress could legislate but was powerless to enforce. Continental courts rendered verdicts, but were held in contempt and their mandates ignored.

To make this philosophy the foundation for relations between nations throughout the world a League of Nations was formed in weak and irresponsible agreements. The League of Nations can legislate, but is powerless to enforce. World courts render verdicts, but are held in contempt and their mandates ignored.

The world has journeyed far toward the possibility of collective security. America's history presents what means have aided the progress and what impediments remain to block the way.

Between nations today, as between individuals of yesteryears, two theories are struggling for acceptance. The one claims superior rights, the other pleads for equal rights. Italy claimed superior rights; Ethiopia plead for equal rights; Germany claimed superior

rights; Austria plead for equal rights; Japan claims superior rights; China pleads for equal rights. Nazi-ism, fascism, communism, and Japanism claim superior rights; democracy asserts equal rights.

In the course of human events it may become necessary for a few nations to reiterate the firm resolve that impregnated the noble mood of a few Americans and produced the bold determination to unite against the forces of oppression. It may be necessary for nations to unite in a struggle to arrest the destructive forces of irresponsible dictatorships.

If this circumstance becomes unavoidable, it is indicative of the philosophy of world democracy (which is the blood brother of the philosophy of American government) that the strong and the weak will fight side by side against the common enemy.

I trust I have shown here the need for America to reawaken to the truth and right of the American philosophy of government. It should be evident that this Nation needs domestic protection from the enemy within our gates.

I trust I have also shown here the need for America to reassert her position with reference to the boundary and frontier of her actions toward the world's security in the exercise of national equality as the self-evident need for international cooperation for the world's common good.

Washington cautioned this country to beware of entangling responsibilities in the affairs of the world's community of nations.

Monroe led this country to accept the responsibility for the affairs of this hemisphere neighborhood of nations.

Woodrow Wilson advised this country to exercise all the duties and accept all the responsibilities of international citizenship in the world's community of nations. We are at the crossroads with these guide posts pointing the three directions. This nation is not irrevocably chained to either of the three courses. In these three policies a definite and logical transition is clearly indicated.

We entered the World War in the faith that the separate nations, like America's individuals of 1776, were adults capable of exercising the right of self-determination. The world's blood and treasure were poured out on the thankless soil of people who quickly forget the very principle of the peace concluding the conflict. National stupidity has again started the struggle for supremacy.

Inequality of rights has been the cause of all the disturbances, insurrections, and wars within or between any countries in any age of mankind. Europe has irrigated its lands with the blood of human conflict over inequalities in the rights of nations.

I do not personally believe that Europe would in this generation accept the true security found only in equality of nations. I do not believe the world is ready for collective security. I do not believe that the world is ready for a League of Nations and a World Court too powerful to be ignored by individual nations and held in contempt by dictators. And yet, our Continental Congress contrasted with our Federal Government—our continental courts contrasted with our Federal courts, clearly show that such a League of Nations and such a World Court are the only possible guarantors of collective security.

No loose compacts between nations will develop collective security. We tried the compact theory with the original Colonies.

I do not personally believe in the theory of complete isolation. Therefore, Monroe's half-and-half policy is the only middle ground. I believe that this half of the world can establish collective security, both political and economic.

Our ideal of equality accounts for the rapid rise and the great strength of our Nation. Though in practice this ideal is imperfect, the philosophy has been protected as our ideal and has made us all shareholders, not alone in the efforts, but also in the profits of our national development.

Carrying this same ideal into a political and economic Monroe Doctrine of collective security for all the nations of this neighborhood, this half of the world so to speak; a collective security that will guarantee to each nation in this hemisphere the protection of life, independence, and all other inalienable rights of democracy's philoscphy as might be included in an international bill of rights; the result would be a rapid rise and the development of a great collective strength. Though in practice the ideal might be imperfect, the philosophy would live as our ideal and would make us all shareholders, not alone in the efforts, but also in the profits of our collective develcpment.

In my concluding remarks, permit me once more to address myself to the domestic application of America's philosophy of government in relation to the threats against its security from within and without our national boundaries.

The enemies of Americanism are artful and insidious. They counterfeit her passports, copy her dress, masquerade her style, imitate her manner, forge her signature, and assume her name. Thoughtful devotion to Americanism will enable you to sense the deception and unmask the fraud.

The proposal to turn our Government over to a dictator sticks its ugly visage into the theater of public events in the periods of economic distress, and when mental and moral forces are at lowest ebb, this sinister threat has been whispered periodically ever since our national birth. Jefferson once wrote: "In December 1776 our circumstances being much distressed, it was proposed in the house of delegates to create a dictator invested with every power—legislative, executive, and judiciary, civil and military, of life and death—over our persons and over our properties; and in June 1781, again under calamity, the same proposition was repeated, and wanted only a few votes of being passed * * *. The very thought alone was treason against the people; was treason against mankind in general."

The foreign isms heretofore mentioned are founded in vicious pursuits for power, not power to do good but power to control the property, the actions, and the very lives of others. This perversion haunts the minds of Stalin, Hitler, Mussolini, the Mikado or Emperor of Japan, and all who envision themselves as the personification of all of a nation. We must not let such influence grow in America to dominate our lives and destroy the American philosophy of government. If we permit these isms to arise in America, the stern stuff of Americanism, I repeat, grows mighty thin.

I charge you to remember that the American philosophy of government is equality. The enemies within our gates exercise as their chief subterfuge the powerful weapon of confusing equality with intimacy, whispering that equality must mean intimate relationship of all kinds between all peoples. This subterfuge is an entering wedge for arraying race against race and class against class. But equal rights do not in any way imply intimacy. It is direct and conclusive to quote Lincoln in his Springfield speech of 1857 on this point. He said: "Now, I protest against the counterfeit logic which concludes that because I do not want a black woman for a slave I must necessarily want her for a wife. I need not have her for either. I can just leave her alone. In some respects she certainly is not my equal; but in her natural right to eat bread she earns with her own hands without asking leave of anyone else she is my equal and equal with all others."

This fallacy is like the one of trying to disprove equality by pointing to biological differences in people, and thus the issue is evaded. Biological differences clearly explain why equality of human rights are essential.

It might be necessary to point out here that equality as an American philosophy necessarily implies equality on parallel lines. The equal rights of the white man, the Indian, the Mexican, the Negro, the Chinaman to eat a loaf of bread does not mean that anyone shall eat the bread of the other. For if the one took part of the bread that was the right of the other, then equal rights do not exist. The lines of equality are parallel and do not cross—parallel as between individuals, groups, or nations

And, finally, I repeat that every American should know that America has a philosophy of government; that Americanism is the antithesis of fascism, nazi-ism, communism, and all the isms contrary to the collective security of individuals and nations; and every American should realize that the American philosophy of government is clear in its meaning, understandable in its nature, and, above all, that it is right.

The Reorganization Bill

EXTENSION OF REMARKS

OF

HON. MICHAEL J. STACK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 31, 1938

TELEGRAM FROM ROBERT EMMETT CALLAHAN TO HON. MICHAEL J. STACK, OF PENNSYLVANIA

Mr. STACK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following telegram received by me today:

DETROIT, MICH., *March 30, 1938.*

HON. MICHAEL J. STACK,
House Office Building, Washington, D. C.:

In a formal press release Mr. Roosevelt stated that the Senate vote on the reorganization bill "proves that the Senate cannot be purchased by organized telegrams based on direct misrepresentation."

In that statement the President has left himself open to severe criticism on two points. The first respects the purchasing of the Senate. The second is concerned with his accusation of direct misrepresentation.

Wherein is there either direct or indirect misrepresentation in criticising the President because the reorganization bill, as passed in the Senate, conferred upon our Chief Executive the control of the purse strings of the Nation? For years he has had this control. He endeavored to spend us into prosperity by borrowing billions of dollars of bankers' credit money. He has succeeded in spending us into a depression which is more severe than the one which characterized the last year of his predecessor's Presidency.

On that basis, and not on the basis of misrepresentation, were telegrams showered upon the Senate.

Time and time again he announced that he would balance the Budget, wherein he has succeeded in unbalancing it by $18,000,-

000,000 of which we know and by $5,000,000,000 more for which he assumed responsibility in establishing 56 governmental corporations.

On that basis, and not on the basis of misrepresentation, were telegrams showered upon the Senate.

To balance the Budget there has been a progressive raise in taxation, but to no avail.

On that basis, and not on the basis of misrepresentation, were telegrams showered upon the Senate.

Openly and avowedly he attempted to gain control over the Supreme Court, as now he and his cohorts are trying to gain control over the spending power vested constitutionally in Congress. His record as a spender during the past 5 years has aroused an outraged people to protest against handing more power to him over the finances of the Nation, because we are suffering more from unemployment from lack of purchasing power than at any other time in the history of this Republic.

On that basis, and not on the basis of misrepresentation, were telegrams showered upon the Senate.

As for his reference to purchasing the Senate, Mr. Roosevelt dare not name one Senator who was approached with a prize by any group of individuals who were responsible for sending the telegrams. This is so true that I maintain that Mr. Roosevelt, in leveling this charge and its heinous implications, is merely endeavoring to hide behind the skirts of fancy to protect from observation his own efforts and the efforts of his advisers in purchasing the senatorial votes which would make of him a constitutional spendthrift and of an emergency a permanent affair.

On that fateful date of Monday, March 28, were not his son James and the honorable Postmaster General campaigning vigorously to persuade Senators to vote for the reorganization bill?

Was it not the senders of telegrams, or the Chief Executive and his agents, who salved the conscience of ELLISON SMITH, of South Carolina, with $130,000,000 of relief funds to be used in that State?

Was it the senders of telegrams or the Chief Executive and his agents who rewarded with $10,000,000 Senator POPE, of Idaho, with a commitment for spending those $10,000,000 in that State?

Was it the senders of telegrams or the Chief Executive and his agents who promised an expenditure of $40,000,000 to Senator CARAWAY, of Arkansas, for a flood-control project in her State?

Was it the senders of telegrams or the Chief Executive and his agents who pressured Senator ELMER THOMAS, of Oklahoma, with a promise of New Deal support for reelection?

It ill-behooves the Chief Executive to voice such grammar as "direct misrepresentation" and to insinuate such charges as "purchased by organized telegrams" when his assertions have not been proven and when the assertions which I have made are well-known facts.

To think of it, the taxpayers' money from New York and Michigan, from Pennsylvania and Ohio, from New England and the Midwest, have been promised and spent so lavishly to pressure votes from the South and the Southwest in order to set up a financial dictator in a chair once graced by Washington, who preached to us the doctrine of "no taxation without representation"; in a chair once hallowed by Jefferson, whose philosophy conceived Congress to be a free legislative body, independent of pressure from the Chief Executive.

I assert that the Senate reorganization bill that was passed on Monday, March 28, was successful only because the President stooped to the degraded level of a ward politician who uses public funds—even social-security funds—to perpetuate an emergency and to deprive Congress of its constitutional right over legislation.

Every honest Member of this House recognizes that some reorganization is necessary. And every intelligent person recognizes that reorganization should begin at the top by the President cleaning from his doorsteps the filth of socialism which has gathered there in the persons of his radical advisers and inefficient agents. Let the President be President, instead of the dictator of the Supreme Court, instead of dictator of Congress, instead of dictator over the purse strings of this Nation, and instead of the instigator of false generic charges which are an insult to the very people who supported him 2 years ago and an insult to the same people's constitutional right of petition.

These telegrams originated from a disillusioned people who have patiently suffered the ravages of depression and who now are ready to revitalize the spirit which animated the patriots of the Boston Tea Party, more than 150 years ago.

Before we can reorganize Government, it is our duty in Congress to reorganize patriotism and place it above partyism; to reorganize the forgotten spirit of our founder in preference to the novel spirit of European dictators, to reorganize our courage instead of pandering to our cowardice.

This can be accomplished, first, by declaring our independence from patronage and our adherence to the people back home whom we represent.

These people are surfeited with the multiplication of bureaucratic agents which have characterized the reorganization of the New Deal up to date. They are not so much interested in the establishment of new secretaries at $10,000 a year each, as they are in a curtailment of expenditure and of taxation and of securing jobs for themselves.

ROBERT EMMETT CALLAHAN.

St. Patrick's Day Address at Boston

EXTENSION OF REMARKS

OF

HON. WILLIAM GIBBS McADOO

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Thursday, March 31 (legislative day of Wednesday, January 5), 1938

ADDRESS BY HON. JOSEPH B. KEENAN, THE ASSISTANT TO THE ATTORNEY GENERAL, AT BOSTON, MASS., ON MARCH 17, 1938

Mr. McADOO. Mr. President, I ask unanimous consent to have printed in the Appendix an address entitled "Liberty Marches Onward With Roosevelt," delivered by Hon. Joseph B. Keenan, the Assistant to the Attorney General, at the two hundred and first annual dinner of the Charitable Irish Society, Boston, Mass., March 17, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Toastmaster, distinguished guests, gentlemen of the Charitable Irish Society of Boston:

I know of no better place for an American of Irish descent on St. Patrick's night than in the city of Boston—and if you add to that, in Boston as a guest speaker at the annual St. Patrick's Day dinner of the Charitable Irish Society, he is doubly honored.

However, I am no stranger in your midst. The common tie of blood makes me kin to you in race and sentiment. For I was born and reared in the small but great neighboring State of Rhode Island and spent some time in your Commonwealth while attending the law school at Cambridge.

So no alien visitor is with you when I rise before this distinguished membership of a most distinguished American society in the city of Hugh O'Brien, P. A. Collins, and Joseph P. Kennedy to respond to the toast "The United States of America," on that day when Irishmen not only here in America but the world over pause to pay tribute to the patron saint of the Emerald Isle and to the blood that is in them.

We as Americans of Irish descent should be doubly proud, for we celebrate in a free land and under a free flag, and because we know that our forebears have contributed to the warp and woof of the priceless fabric that is America.

For they were no late arrivals. This very society, whose membership I have the honor to address tonight on this the occasion of its two hundred and first annual dinner, evidenced their presence in the Colonies long before the outbreak of the American Revolution, while the muster rolls of the Revolutionary regiments record the part played by them in the American struggle for freedom. Pilgrims of freedom they were, who came here seeking it and who proved by their sacrifice and valor the living truth of the from Erin."

When the opening gun at Sumter signaled the beginning of the War of Secession, Irishmen and their descendants sprang to the expression they bore on the old green flag, "No treason we bring defense of the land that had given them a new courage and a new hope, and what their progenitors had fought and died to establish, they fought and died to maintain.

Is this hyperbole and exaggeration? Let us visit together then the field at Gettysburg and behold the shamrocks graven in eternal stone on the monuments of the States, and the upraised arm of Father Corby as he gave absolution to the men of Irish blood and the ancient faith before they leaped to battle at the peach orchard and the round tops.

Stop at Fredericksburg on the road to Richmond where Meagher's Irish brigade earned imperishable glory.

But we need not dwell on the glories of the past. When Dewey sailed into Manila Bay, they were with him, too, as they were at San Juan Hill, while in our day we find their descendants battling at Apremont and Bar Le Duc, and at St. Mihiel and the Argonne—men of our own Yankee Division—of the One Hundred and First and the One Hundred and Fourth, with thousands of others, from every State in this great Union, in whose veins there flowed the fighting blood of the Gael. Battling not only for America but by strange and inexplicable circumstance for the very land and on the very soil on which their sires struggled so gallantly under Sarsfield at Landon.

So when I respond to the toast "The United States of America" I stand here as a citizen and before citizens of a country in which millions of their compatriots in blood and tradition enjoy the blessings of peace and liberty.

A peace and a liberty their forebears and their own generation have fought to establish and maintain and for which they, too, are prepared to do battle in order to preserve.

I say peace and liberty—but I mean true liberty, for not all who carry a torch and who would wear the laurel wreath of freedom do honor to the name.

Speak to the Russian in the moving symphonies of a Beethoven and a Puccini and he will understand you. Talk to the German in the sweeping harmonies of a Tschaikowsky or a Bizet and you may meet on common ground, but talk to them of liberty and to some men, even here in America, and you talk a language they do not understand.

For as Lincoln has truly said, "The world has never had a good definition of the word liberty—we all declare for liberty but in using the same word we do not mean the same thing * * *." For to one man liberty may mean anarchy—the right to do as he pleases subject to no law, human or divine. To the other it may mean no freedom of either tongue or pen or action, save such as is granted by the beneficent act of a state at whose altar every knee must bend

To the American, however, it means something more vital. To him it is not a mere abstraction, a reality devoutly to be wished for but not attained. It is part of his very being. To the Irishman it typifies and is the realization and the reality for which those who preceded him in the land of Saint Patrick, for over 700 long and bitter years, have incessantly striven and today under Divine Providence have in great measure attained.

To him and to every American, no matter of what descent, "liberty" means freedom of opportunity, economically, politically, and religiously, for all, under a government of law—not the liberty to eke out an existence ordained and directed by the fiat of a dictator, whether such dictatorship exists in the person of one man or a dozen men, whether it is a political dictatorship or an economic dictatorship, or a combination of both. Our form of liberty exists under the law as it springs from the aspirations and the desires of a free people in a free country and under a free flag. That is what liberty means to the Irishman. That is the "liberty" he fought to establish and maintain. And that is the "liberty" for whose preservation he is still willing to fight.

It is the liberty upon which the structure of this American Government is founded and which the people of this country are firmly determined to maintain.

But to paraphrase the words of Lincoln—it is not the liberty of the wolf who charges the shepherd with being a tyrant and denounces him as the enemy of freedom—because he drives the wolf from the throat of the sheep "interfering with his business."

Nor does he extol the "liberty" of the few to exploit the many, nor the "liberty" of the privileged to order the fates of the millions of people merely because a beneficent government permits them to acquire and possess great economic wealth and power.

Nor does he fear the destruction of the profit system or the death of the profit motive unless such liberty is restored and the right of retaining all profits is unrestricted.

Five years ago the American people rededicated themselves to the ideal of liberty established by the founding fathers and in a peaceful revolution restored to themselves the authority and the control of their Government. It had been spirited away into unauthorized and unsafe hands.

The man through whose instrumentality all this was accomplished, who revived stricken hope, who drove from the temples of business and finance and out of the halls of Government the abuses which had throttled the liberty of the people, was hailed as a liberator because he had restored their Government to its pristine glory.

Today he is assailed by some of those who so desperately in 1932 cried out to him, "Save us, else we perish."

Having been saved by him in response to their plea, we are now confronted by them with a demand for "confidence." What confidence—and from whom—and for whom? Do they advocate that we should have confidence in the President of the United States? And the people's lawfully chosen representatives in the Congress of the United States? Do they refer to this Government which so recently proved its worth to all in the face of their own deficiency? Not at all.

They have forgotten the bank holiday of 5 years ago and the bread lines.

They indicate they will not pull the oar on their side of the boat unless the President and the Congress manifest "confidence" in them.

What they are meaning to say—when you get at their real meaning—is that unless they are restored to the command of the ship and given full and exclusive authority and control to chart its course they will rest on their oars, no matter what happens to the boat or to the people in it. This despite the fact that they advance no course but the old beaten track that led to disaster and hurled the Ship of State onto the shoals and against the reefs from which they were so recently rescued. Heedless of this lesson, they will proceed along the old track, despite the danger signals, whether the weather be fair or foul.

This Government of ours can give and will give no other answer than an emphatic refusal to their demands. The challenge to democracy and to the adequacy of our form of government was a real one. But the storm is past and, although we perceive a lowering cloud here and there, the sun has begun to peep through and shine once more. Our Ship of State has been victorious over the elements that sought to destroy it. The result has been a victory for democracy and for the President and the people of the United States who are determined that the fruits of the victory that has been won and the liberty that has been preserved shall inure to the benefit of all, and that lopsided privilege, political or economic, shall no longer exist in America.

Because he knew and knows, as you and I know, that if the capitalistic economy is to be preserved it must be liberalized, else it falls and with it our institutions and our liberty.

Because he knew and knows, as you and I know, or ought to know, that human beings are not the pawns of exploitation, but that each man is a man with a man's dignity and a man's destiny before him and that charity, as you members of this great charitable organization are aware, under the Christian revelation, lays that down as a postulate.

Like Lincoln, who could almost hear in the White House the thunder of Confederate cavalry close by the defenses of Washington, while the union of the States lay broken and dissevered about him, in the face of calumny, excoriation, and bitter invective, our Franklin Roosevelt has kept faith with the people who have elected him and like the great Civil War President, has headed the Ship of State into the wind along the course that he has set.

If Lincoln had hesitated in '62 when the Copperheads of the North were begging for peace at any price—if he had faltered for a moment when Lee had hurried past Hooker and rushed forward into Pennsylvania in those fateful days in the latter part of June in '63, Gettysburg might never have been won, and we today might not be enjoying the blessings of peace in a world of chaos in a country united as never before.

And so it is with Roosevelt. The achievements of '32 and '36 must be preserved, but if he would falter now, yielding to invective and calumny, then the victory so dearly won would be lost, and liberty, as we know it and as envisioned by the men who founded this Republic and those who died to maintain it, would become a catch phrase and a shibboleth.

For the United States of America is not merely a union of States, it connotes something more than that—it represents the very basis of nationhood. It means a union of hearts and wills, for every day by his allegiance to his country's flag and the institution of liberty, reared under the protection of its folds, a plebiscite is taken in the heart of every American.

He will not be swayed by the cry of Fascist, because the President of the United States has ever sought and is determined to make this a government of the many and by the many, rather than a government of the many by the few. Nor will he be deterred by the cry of socialism or communism, because our President is endeavoring in a land of plenty to see to it that the great masses of the American people shall have some small share in its benefits.

Nor will the true American, comparing the world of bitterness and hate around him, and the peace and happiness of his own country, lose faith in this man who has restored his faith in the capitalistic system.

Nor will he in the clash of bitter words lose sight of the fact that only in a liberalization of that system can the economy, political and otherwise, which is has generated, survive.

But have no fear of the result. This Nation, which sprang out of the welter of a long and bitter struggle for freedom, and which phoenixlike survived and rose again from the ashes of a bitter fratricidal strife, will survive, and under it, the liberty which is ours.

Men of Irish blood have played their vigorous and compelling part in the achievement of that liberty and on this St. Patrick's Night, I say to you, members of the Charitable Irish Society of Boston, whose beginnings antedate the dawn of liberty in America, that ours is a great heritage, and that, to quote the words of your own Webster, "liberty whether in laurels or in chains knows nothing but victory."

And let us never be unmindful of the fact that it was Patrick who changed his place with the slave boy that he might strike a blow for liberty. And let us as Americans in this hour of weeping and gnashing of teeth in the international darkness about us be ever vigilant so that liberty in this land of peace and happiness shall be forever enshrined, not like the Roman gods of old in cold and impersonal marble in some lone temple on some lone hill, but in the hearts of all of us and of our children.

Federal Aid to Education

EXTENSION OF REMARKS

OF

HON. PAT HARRISON

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Friday, April 1 (legislative day of Wednesday, January 5), 1938

RADIO ADDRESS BY HON. ELBERT D. THOMAS, OF UTAH, ON APRIL 1, 1938

Mr. HARRISON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address

delivered this afternoon by the distinguished Senator from Utah [Mr. THOMAS] on the subject of Federal Aid to Education. The address was delivered over the Columbia Broadcasting System in the weekly program Current Questions Before Congress.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

For over a year there has been on the Senate Calendar the educational bill known as the Harrison-Black-Fletcher bill. This bill provides for Federal aid for education. After the introduction of the bill the President appointed a committee of our leading educators to study the need for educational aid throughout the United States. That committee has made its report and this report is now spoken of as the Reeves Report on Education.

Senator HARRISON and I are now working upon a substitute bill for the Harrison-Black-Fletcher bill, which substitute will be in keeping with the theory and the need of Federal aid to education as shown in the national study. While the substitute is not yet ready for printing, and hardly ready to be talked about in particular, it is not out of place this afternoon to consider the substitute in general terms.

Our first big problem is to work out some sort of formula whereby the Federal Government can justify its action in giving aid where it is needed in the support of general education throughout the United States. That statement means that the money which the Federal Government will give to the States will be based upon the need which the States have for that money or for that assistance. In other words, the scheme of the bill is to equalize educational opportunities for all the citizens of the United States. This seems a rather difficult formula to work out in law, and it is difficult. But it can be done, and I think we are succeeding in working it out by taking into consideration all of the factors which should be thought of in discovering the need in the individual States, that is, the need of the average pupil or person in the various States.

The theory, then, in a sense rests upon the American theory of citizenship. Up until the adoption of the fourteenth amendment to the Constitution of the United States there was not in our Constitution a definition of what constitutes American citizenship. Citizenship was in reality a matter of State concern, and a person became a citizen of the United States just because he was a citizen of one of the States. Since the adoption of the fourteenth amendment the definition of citizenship stands as follows:

"All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside."

Thus we see our Constitution now describes a citizen of the United States and leaves the matter of State citizenship to his residence in a State. If under the democratic system all citizens are equal and entitled to the same opportunities insofar as our Government is able to supply them, an education bill which attempts to equalize those opportunities can be constitutionally justified.

There is no need in the United States of America ever to have to justify governmental aid for education. Our public-school system is part of the fundamentals which go into making our democracy. The theory of education as it relates to the States and the Nation is also well established. I have had before Congress for the last 3 or 4 years a bill which would create a department of education and public welfare, and in this bill there is a definition of the proper relationships which the department of education and public welfare must continue in the development of education in our Nation. In the present reorganization bill which is now before the House of Representatives, and which has passed the Senate of the United States, there is to be set up this department of public welfare, and in it will be established an educational division to administer our Federal educational scheme and maintain proper relationships between Federal and State functions of educational direction.

The basic thought in relation to the theory of education in America is that it should be locally controlled. The educational theory which dominates American thought today revolves around the home, the public school, the private school, and the church-controlled school. Each one of these contributing factors to the education of our boys and girls must be and will be protected in its individual sphere, and the bill will see to it that the distribution of any funds which the Federal Government provides for the States will be administered, decided upon and divided in accordance with State action and State will. Thus, any fear which anyone may have about a Federal control of the system of education is, of course, a baseless fear, because there is no one in the United States who would like to see education dominated from any single center in our country, or by any single will.

The States have solved their individual educational problems as best they can in accordance with the wealth of conditions and ability of the various States. The problems are not the same in all the States. Some States have one problem and some have another. Some States have a large foreign bloc of citizens or residents which they must take care of. Other States have a great racial bloc. Some States have more private schools in proportion to the public schools than do other States. In some States public money is donated and used to help certain endowed and private schools. Thus, a uniformity in administration would be, if not impossible, extremely unwise. Therefore, under the bill the administration will be in the hands of the individual States.

There will be no necessity for the setting up of a new administrative agency in the Federal Government to administer the new law. Everything can be done by the officers who are now functioning in our Government. This, for the most part, can be said for the States also, although if in a given State it should be decided that the superintendent's office, for example, is undermanned and therefore does not properly function, or if it should be decided that some of the money should be used for this purpose or for that purpose, that will be the problem of the given State and the Federal Government will be interested, not in the way it is being administered but only in seeing that it is honestly administered in accordance with the fundamental law. There will be no domination by the Federal Government, as there should not be, and there should be no worry on the part of endowed, private, or church-controlled institutions.

It is not new for the Federal Government to assist education in some way or another, for we have been doing it for nearly three-quarters of a century. The establishment of our great land-grant colleges in President Lincoln's administration is probably the greatest contributing factor to the splendid educational system which America has. Then the various grants for different types of education, such as agricultural education, Bureau of Mines research work, health education, and vocational education, will not be interfered with. They will develop in the way in which they are developing and they will be administered in the same way in which they are now administered. The new act, though, after a formula for division has been worked out, will give over to the States for their use and for their distribution in the way in which the States themselves decide, the Federal aid so that every American boy and girl, no matter where he lives and no matter what the wealth of his given community may be, will have that educational opportunity which every American boy and girl should have.

In administering the act in this way, the States can then use the money to develop those branches of education where there is the greatest need. There will be some aid given to the building of new schoolhouses, the reconstruction of old ones, and the building up of the various school plants to an efficient and proper plane. Throughout the South, where the racial problem in education is a big one, each race will be equally protected in its share of the grant.

Thus, we see that the habits and customs and the theories and the way in which education has developed in the United States will be continued, and the plan will be locally administered, but the aid which is so vitally necessary in the economically backward parts of our country will be forthcoming. If a State wishes to supplement and make larger its educational facilities for adults, the State may do so. If the State wishes to increase its ability to take care of kindergartens, the State may do so. If the State is interested in special aid for handicapped children, in special aid for crippled children, or in special aid for blind children, the State may administer the fund in the way in which it sees fit. However, the Federal grant of money will be made only when it is equally and properly distributed and when the need is proved and justified in accordance with a scientifically worked-out formula for the determination of that need.

If this great educational aim becomes a fact and a law in the United States, we will have done for education something quite as big, quite as great, and quite as fundamental as we did when we established and set up the land-grant institutions. If, too, this bill results in a law which guarantees to every boy and girl an equal opportunity for a fundamental education, American democracy will, of course, be more sure of being preserved and American democracy will be functioning for the good of the individual citizen and resident in our country in a way that it has never functioned before. National citizenship will be on a more equal basis, democracy made more sure, and thus the individual and the Nation both benefited and built up. To benefit one and all at the same time is the essence of democracy. That each and all should contribute to this benefit is also the essence of democracy.

Columbia River and Its Resources

EXTENSION OF REMARKS

OF

HON. AUGUSTINE LONERGAN

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Friday, April 1 (legislative day of Wednesday, January 5), 1938

ARTICLE FROM PORTLAND OREGONIAN

Mr. LONERGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an article on the Columbia River and its Resources, which was published in the special annual edition of the Portland Oregonian.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From special annual edition of Portland Oregonian]

They bent over the map together, the elderly man with the indomitable square jaw and the tall young man with the piercing eyes. An oil lamp threw a phantasmagoria of flickering shadows across the stately furnished colonial room. On the table a map was spread. The older of the two men pointed to it. Then he looked at his companion.

"Meriwether," he said, "practically all our rivers run north to south. But somewhere off there," and he motioned to the map again, "is one that flows from east to west. Whether it is called the Columbia or the Oregon, I know not. I only know it is a river our country should explore and claim."

He paused and put his hand on the young man's shoulder. "Meriwether," he said once more, and his voice was tense, "I want you to get that river for us." He gestured to the vast expanse of white space on the map. It stretched from the Missouri to the Pacific ocean. What lay between no man knew.

"I'll go," Capt. Meriwether Lewis said. He walked out of the room—and into history. From the big desk on which the map was spread Thomas Jefferson watched the erect, soldierly figure until it disappeared at a turn in the hall.

BEAUTY—A FEATURE OF THE NEW COUNTRY

The hardy pioneers who followed Capt. Meriwether Lewis and Capt. William Clark to the Pacific Northwest found an unbelievably lush area of unlimited natural resources. "We chose a broad river bottom, many miles in length, well watered and supplied with timber—oak, fir, cottonwood, white maple and white ash—scattered along the borders of its grassy plains, where hundreds of acres were ready for the plow," wrote one of the missionary argonauts who wandered into the Willamette Valley a century ago.

Scenic grandeur, majestic wilderness, and swift-flowing rivers all combined to make the Northwest seem a promised land to the exhausted wanderers from across the continent. Throughout the century that has passed since Marcus Whitman's blonde wife, Narcissa, established the first home west of the Rocky Mountains, Americans have marveled at the bountifulness and beauty of the Columbia River Basin.

James, Viscount Bryce, the great political scientist and British diplomat, was a famed world traveler. Yet when he visited the States of Oregon, Washington, and Idaho he said: "Neither Europe nor Asia nor South America has a prospect in which sea and wood and snow mountains are so united in a landscape." Another renowned political scientist, Dr. Charles A. Beard, has called the valleys of the Pacific Northwest the garden spot of America.

PREFERRED: RESIDENTS HAPPY IN SURROUNDINGS

For several generations American economists and sociologists have regarded the upper left-hand corner of the United States as this Nation's Garden of Eden. A recent poll taken by Fortune magazine indicated that the general run of Americans share this opinion. Of all the sections of the country, the people who took part in the poll said they would prefer to live on the Pacific seaboard most of all. Three decades ago Theodore Roosevelt declared: "The Mediterranean era died with the discovery of America. The Atlantic era has reached the height of its development. The Pacific era, destined to be the greatest, is just at its dawn."

From the time that the first covered wagon rumbled across the Divide and down into the basin of the Columbia the development of the Pacific Northwest has been regarded as the open sesame to an American promised land. Stuart Chase has referred to the watershed of the Columbia River as "one of the richest and most beautiful areas on earth." Among the invaluable assets that nature has given to the region he lists "hydroelectric power, Douglas fir, wheat lands, Chinook salmon, waterfowl preserves, many mineral deposits, coastal fisheries, fine harbors, and incomparable scenery."

Even long before the Pacific Northwest was ever colonized, the first white man to look upon it regarded it as an area of great potential productivity. The first ship to sail up the Columbia River was Capt. Robert Gray's schooner, the *Columbia*. From this vessel the river got its name. The mate of the *Columbia*, looking at the sweeping slopes of timber, wrote quaintly in his diary: "This river, in my opinion, would be a fine place to set up a factory."

A few statistics show the extent to which the Pacific Northwest dominates the resources of the United States. The region has 13 percent of the country's land. As against this, it has approximately 50 percent of the timber, one-fifth of the wheat, one-fourth of the wool, one-third of the apples, 42 percent of the hydroelectric power, and practically all the Chinook salmon. The fact that this great supply of raw materials is in an area with only 2.8 percent of the country's people has impelled Mr. Chase to point out that the Pacific Northwest could support a much larger population than it now maintains.

For nearly 20 years Franklin D. Roosevelt has insisted that it is toward the Columbia River Basin that economically disenfranchised people in other parts of the country should turn. In 1920 Mr. Roosevelt, then a candidate for the Vice Presidency, rode down the shore of the great river of the West. He saw limitless forests rolling away to the horizon; he saw ranges of mountains tossing their peaks upward like ocean waves; he saw swift tributaries, unchecked by power dams and unfurrowed by freighters; he saw fertile valleys untilled by man. With this spectacle before him, he prophesied at Spokane that some day the greatest westward migration in history would populate the States of Oregon, Washington, Idaho, and Montana.

Today that migration is somewhat of a reality. When he spoke at Bonneville and Grand Coulee Dams recently, President Roosevelt predicted that Horace Greeley's mandate to "Go west, young man, go west!" was living in another day. The President was referring to the 200,000 drought refugees from the dust bowl who have traveled toward the sundown since their farms were shriveled up and blown away.

These twentieth-century nomads are as impressed by the Northwest as were the wanderers who traveled in covered wagons a hundred years ago. The letters that now go back across the country in air-mail pouches and on fast express trains are as enthusiastic as were the tissue-paper messages carried by pony express riders in the early days of the old West.

WAITING: FOR A GREATER MIGRATION

"Did you come the plains over, the Isthmus across, or the Horn around?" was the question asked by those first settlers as newcomers drifted into the Oregon country. That query was voiced many times, but not enough to build up and colonize the Northwest in proportion to the rest of the country. The Columbia River Basin is still waiting for a migration that will settle it with a population commensurate with its resources.

The National Resources Committee has pointed out that the States of Washington, Oregon, Idaho, and Montana are potentially the permanent woodlot, the permanent powerhouse, and the permanent food storehouse of this country. Many of America's foremost economists believe that it is in the Pacific Northwest that occidental civilization will attain its highest degree of development. One of the reasons for this prophecy is the tremendous supply of power available in the region.

Electricity is the motivating force of modern society. Without it industry and commerce would break down. The Pacific Northwest has nearly half of all the hydroelectricity available in the Nation. This power can be used to mechanize farms, light homes, and operate factories. Practically all persons will agree with the President of the United States that the future of the Columbia River Basin is inseparably bound up with the development of the region's 114,000,000,000 latent kilowatt-hours of hydroelectricity.

Conservation of power and other vast resources mentioned is essential to the future progress of the area. Now, the rivers of the Northwest are largely crystal clear and unpolluted. To some extent the timberlands have been destroyed by fire and exploitation, but they still contain enough wood to make them the continent's most important lumber yard. Experts throughout the country agree that sound principles of conservation are more important in the Pacific Northwest than anywhere else in the Nation, because it is in the Northwest that a tremendous supply of raw materials is concentrated.

Not alone for Nature's bountifulness is the Pacific Northwest important. It also has contributed to the political development of the Western Hemisphere. The initiative and referendum and recall in the New World first were adopted in this part of the country. One of the six Senators who opposed America's entrance into the World War was Harry Lane, of Oregon. The dean of the United States Senate and one of the most distinguished Members in all its history is WILLIAM E. BORAH, of Idaho. The leader of the successful opposition to President Roosevelt's Supreme Court bill was Senator BURTON K. WHEELER, of Montana. Many other political leaders of distinction and success have come from the Columbia River Basin. Among this list are such men as Senator CHARLES L. MCNARY, of Oregon, the present Republican minority leader, and Senator LEWIS B. SCHWELLENBACH, of Washington, one of the President's most trusted spokesmen.

EXTREMES IN THE REALM OF POLITICAL IDEAS

The Pacific Northwest is an area of political extremes. Rockwell Kent, the famous artist, has observed that in this area have been born some of the most radical movements in the United States and some of the most reactionary. Production for use, public ownership of hydroelectric power, complete unionization of industry, and similar left-wing advocacies have been nurtured in the political soil of Oregon and Washington. So, too, have been the opposite tendencies, such as the stringent criminal syndicalism laws, the Oregon statute to close religious schools, and various vigilante uprisings.

But although the Northwest has produced statesmen of significance and political innovations of importance, it is as a citadel of natural resources that the region is best known. The National Resources Committee has pointed out that in the Columbia River Basin "there are land, water, mineral, and agricultural raw materials which would readily support a much greater number of people at a high standard of living." This is the region's historic part in the destiny of the Nation. Since Capt. Meriwether Lewis led his frontiersmen westward in 1803 there has been a steady population drift toward the Pacific.

But despite the considerable extent of this migratory trend the Columbia River Basin is still largely an area in which the acreage and richness of the land is out of all proportions to the size of the population. In no other part of the United States does so small a population as 2.8 percent of the people live among such richness in resources as half America's timber, 42 percent of the

hydroelectricity, and from one-fifth to one-half of various important agricultural crops. This is why President Roosevelt has continually emphasized the fact that Americans living in eastern slums or homeless in the dried-out "dust bowl" should move to the Pacific Northwest. With this New Deal advocacy few people disagree. Many of the President's most inveterate newspaper and political critics praised his speeches at Bonneville and Grand Coulee in which he sounded a 1937 version of "Go west! young man, go west!"

IDEAL—THUS DO SOME LABEL THE CLIMATE

The people who are on their way to the Northwest, or will come in the future, will live in what some believe to be America's ideal climate. On a bluff high above the Columbia River stands the abandoned castle of Maryhill. It was built by the scion of a noted railroad family, who had a theory of air drainage which led him to regard the climatic conditions along the Columbia as the best in the world. "Air drainage" has not met the test of science, but many scientists agree with the conclusions that the Pacific Northwest is one of America's best places in which to live.

The time may not be far distant when steel-latticed transmission towers will stretch to all parts of the Northwest in a vast network of electricity. Power is the main resource asset of the region. Next is timber. A large part of the productive area of the Columbia River Basin consists of forest land which contains more than half the remaining lumber supply of the United States. "No attempt to improve the social and economic status of the people of the United States can leave out consideration of this fact," states a report made by the Pacific Northwest Regional Planning Commission.

One only need visit a small part of the Pacific Northwest to realize the importance of timber to the region. Almost any highway or rutted country road leads through stretches of tall timber. Trees that were growing before Columbus discovered America rear their needled tops far above the ground. Many of these woodlands are as primeval and untouched as they were when Lewis and Clark were the first white men to break in upon the scene.

Majestic scenery is another of the Northwest's resources. Some of the continent's most famous beauty spots are in the States of Oregon, Washington, Idaho, and Montana. Included in this list are such places as Crater Lake, the Columbia River Highway, and Mount Hood in Oregon; Mount Rainier, Mount Adams, and the Grand Coulee of the Columbia River in Washington; the Sawtooth Range, Mount Borah, and Hell's Canyon of the Snake River, the deepest chasm in the United States, in Idaho; and Glacier National Park, one of the largest of all the national parks, in Montana.

COLUMBIA—A GREAT AND BEAUTIFUL STREAM

Great regions center around great rivers. The Columbia, surging through the Northwest from the Canadian border to the sea, is second only to the Mississippi among the waterways of the United States. But, although the Mississippi supersedes the Columbia in size, it falls way short of it so far as potential power is concerned.

Some conception of the magnitude of the Columbia River in particular, and of the Pacific Northwest in general, may be gained by a brief discussion of the two vast dams now being built by the Federal Government.

Grand Coulee Dam and Bonneville Dam, the former in the State of Washington and the latter in the State of Oregon, comprise the greatest system for hydroelectric power in the world. When completed, Grand Coulee will be the largest structure ever built by man. Together, these two monumental barriers will produce 14,000,000,000 kilowatt-hours of electricity.

All other resources of the Pacific Northwest are in proportion. Timber, agriculture, mining, livestock, fisheries—these and many other products are found in greater proportionate abundance in the Columbia River Basin than in any other part of the United States.

When the salmon swim up the Columbia or the smelt thrash their way down the Sandy, they also span the river with a pontoon bridge of silvery shapes. Timberlands stretch away to countless horizons in a great quilt of green. Upland slopes and fertile lowland valleys dot practically every vista. Only on the dry plateaus where the Columbia nears the Canadian border is the scene barren and arid.

Despite its wealth in resources and scenic grandeur, the Northwest confronts many problems. These resources must be conserved and not wasted. The rivers must be kept pure and clean; otherwise their fish will die. The great abundance of hydroelectricity available must be used within the Columbia River Basin, because power cannot be transported like other products, and, finally, the complex difficulties of modern economy must be solved to the extent that the population as a whole may enjoy a standard of living in keeping with nature's generosity. Many solutions have been offered for these problems. How they will ultimately be solved is a question still in the future—although that future is far less distant than it was a short time ago.

So here is the Pacific Northwest, America's greatest treasure trove of natural wealth and wonders. A century and a half ago, when he first heard of the great river that foamed through the mountains of the West, Thomas Jefferson predicted that some day it would be the site of "a great, free and independent empire." Millions of Americans believe his prophecy will come true. Already it has been partially fulfilled. There are ample resources to make its realization complete.—RICHARD L. NEUBERGER.

Truth About War In Spain

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Friday, April 1 (legislative day of Wednesday, January 5), 1938

ARTICLE FROM BOSTON POST OF MARCH 27, 1938

Mr. WALSH. Mr. President, I request that an article by John Bantry, published in the Boston Sunday Post of March 27, 1938, entitled "Truth About War in Spain," be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Sunday Post for March 27, 1938]

TRUTH ABOUT WAR IN SPAIN—EXTREMIST MASSACRES OF MEN, WOMEN, AND CHILDREN FAR WORSE THAN INSURGENTS' MILITARY KILLINGS

(By John Bantry)

Secretary Hull has denounced the airplane bombing of Barcelona by the Spanish insurgents as horrible. So it is. But all aspects of war are horrible. The chief object in war is to kill as many persons as possible. It makes little difference which method of killing is used. The idea of "humane warfare" is absurd.

All nations which have good-sized military establishments, including the United States, are constantly experimenting to develop a more deadly poison gas. The plan is to bombard cities and towns of the enemy with fatal gas. This gas will kill women and children just as effectively as it will armed men.

No one has yet suggested that the use of gas be restricted to the front combat lines.

When a city is besieged or blockaded in an attempt to starve or blast out the people, women and children suffer as much as the soldiers.

War is made against the inhabitants of an enemy country, not just against the armed forces. So it is hypocritical to cry out in protest over just one form of death dealing and defend others.

This is not the first slaughter of the innocent in Barcelona, nor the most brutal one. Cold-blooded murder began with the so-called loyalist government in Barcelona shortly after the start of the revolt. This sporadic outburst of rebellion was quickly snuffed out. Barcelona was then in no danger from any rebel army. But the extremists, actually egged on by the government, began a campaign of wholesale murder not equaled in modern times save in Russia.

WHOLESALE MURDER DAILY

The leading authority on Spain, and particularly Catalonia, of which Barcelona is the chief city, Prof. Allison Peers, of the University of Liverpool, estimates that more than 100 persons a day were deliberately slain in Barcelona. For weeks and weeks this terror went on until the victims were in the thousands. Whole families, women and children included, were wiped out. Assassins would descend on a house and even kill visiting friends of families. Streets were littered with dead bodies nightly. Many persons were shot on sight in the streets.

The slaughter of priests and nuns in Catalonia was a horrible example of mass murder. Not a church in the Province escaped. Hundreds of priests were shot and their bodies mutilated. Nuns were led through the streets for radicals to jeer at and then shot and their bodies stripped. Every form of sacrilege that fiendish ingenuity could devise was used in this awful reign of terror and indiscriminate murder.

There were no protests from America then. Secretary Hull evidently deemed it not his business to say how horrible it all was.

When the bombing of towns by airplanes was begun, Barcelona inaugurated it by bombing the towns of Huesca and Saragossa. Women and children were killed there, as they were in Barcelona later. The Loyalist bombs are just as deadly as the Insurgent bombs. It did not seem "horrible" to Madrid sympathizers in America when Loyalist bombs killed women and children. Perhaps they felt that the wives, sons, and daughters of those opposed to them deserved to die.

LOYALIST PROPAGANDA STRONG IN UNITED STATES

Murder has always been a political weapon in Spain. It is the chief weapon in the hands of the extremists. Always an uprising is a signal for wholesale and deliberate murder by the more violent radicals, of which there are many. And one set of extremists would take delight in slaying those of a slightly different brand.

Owing to very skillful propaganda in the United States, the Loyalist faction has been pictured as waging war in knightly fashion, while their opponents were guilty of violating every rule of decency. But the fact remains that in the early days of the war, when the Loyalists were invading rebel territory, the invaders

on capturing a town, promptly executed all the "anti-reds," or supposed "anti-reds," in the place, often murdering their families as well.

Of course, this sort of warfare was no one-sided business. In their turn the insurgents were just as ruthless in murdering the "reds."

The practice of holding wives and children responsible for the political opinions of the husbands and fathers is a peculiarly communistic tactic. Even when the world was far less civilized than today, revenge on women and children because of the errors of the heads of families was never considered; in Russia, this attitude does not prevail. The arrest of a father often dooms the wife and older children, sometimes to death, usually to imprisonment and exile. There never is any pretense that the wife or the children are concerned in the charges against the man prisoner. His family is persecuted in order to accentuate his own punishment.

So it comes with ill grace for Communists to protest against any form of brutality, however horrible, in the world since none could be worse than what is commonplace in Russia.

HOW REVOLT IN SPAIN STARTED

As to the belief here in America that the Loyalists are fighting in the holy cause of democracy, few Americans are in any position to judge. Undoubtedly, the Loyalists were a duly elected government. But is revolt never justified against a government elected to office in a democratic election?

Take the case of Hitler. He was duly elected by an overwhelming vote. The Spanish election was close. There is no doubt that Hitler at the moment is supported by the majority of the German people. Does that mean that no revolt against him could be sanctioned by those who believe in democracy?

Revolutions are not made by majorities. Usually they break out against the will of the majority. Minorities led by determined men (often a small minority) make revolutions. The democratic government in Russia, after the fall of the Czar, was upset and destroyed by a veritable handful of Communists who retain power still. A revolt against Hitler was brewing in the German Army some months ago. If such a revolt had actually broken out, it would have deserved the sympathy of Americans and their hopes for success. The German Army chiefs were strongly opposed to Hitler's intervention in Spain, not because of any love for the Madrid government but because they felt the civil war there was no business of the German Army. The army chiefs also protested Hitler's warlike speeches and threats, not because they were opposed to war but because they felt the German Army was not ready.

Hitler's coup, his dismissal of the high command of the army, and his assumption of personal control broke the back of the revolt. Had it succeeded, the outside world would have hailed the army officers as the heroes who destroyed the greatest menace to democracy in the world today.

CAUSE OF REVOLT IN SPAIN

Would there be any protest in America against a military cabal attacking a government chosen by the deliberate will of the German people? Not a bit of it. We should all be giving three cheers for the German Army.

What led to the revolt in Spain is a long story. But Professor Peers sums it up in a paragraph:

"On February 16, 1936, the elections were held. The popular front won. The moderate left-wing government (a combination of republican left and republican union) came into power—if 'power' is the right name for a position in which it should have controlled the life of the country, but, in fact, did little more than look on at a display of license. The promises contained in its election program were wrested from it by violence. Revolutionary strikes swept the country. Incendiarism, assault, assassination were of daily occurrence. For 4 months the right looked on helplessly at the complete failure of the Government to deal either with the excesses of their extremists or with those of its own. In mid-July the army could stand it no longer. Garrisons, police, and civil guardsmen rose all over Spain; the extremists, responding to the call of the Government and the command of their own leaders, took up arms to resist them. And Spain was plunged into civil war."

That version of the start of the revolution is decidedly different from the stories that Americans have been fed on. The truth of it would seem to be backed up by the fact that at the start of the revolt the Loyalists, instead of fighting the rebels, spent their time in murdering those who they felt might not agree with them, in burning churches and convents, executing priests and nuns, and spreading terror everywhere they went. Is it likely that this sort of a government was a popular government? Does not the very fact that the extremists immediately took possession of the government bear out Professor Peers' declaration that the duly elected government had, before the revolt, surrendered to the extremists, who certainly represented a very small minority of the people? The people voted for a democratic government and soon found they had a "red" government, one which made bloody and murderous war on the church.

TRIBUTE TO CLERGY OF CATALONIA

Professor Peers, whose authority as far as Spain is concerned, is not to be questioned, says of the church in Catalonia, "It is a living church, beloved by the people." He adds, "It is difficult for one who has long known the Catalonian clergy, has grown to respect their piety, devotion to their calling, and high moral and intellectual standards, and has learned to appreciate and admire the manifold services which they have rendered to education and scholarship, to write calmly of the murder of thousands of monks, nuns, priests, and lay workers."

How could such awful slaughter of the innocent go on in a country where the majority of people are faithful to the church?

It is the old story. A hundred men with arms can terrorize 10,000 unarmed. The average citizen has no stomach for revolution. He wants to live in peace. While violence rules he dares not protest. Who is there save a few gallant spirits to protest against Hitler's destruction of religion in Germany? Yet no one will believe that Germany has surrendered in her heart to paganism overnight. Out of every hundred men there is not likely to be more than half a dozen who will willingly join the party of violence. Yet the 94 remaining will stand passive while the handful outrages every moral sentiment in their hearts. That is why the extremists gained such power in Spain.

It seems probable now that a complete victory for Franco is near. The dispatches from correspondents with the Loyalist armies and in Madrid have taken on a hopeless tone, while those from writers with Franco are highly optimistic. It is useless to expect any impartial news from American correspondents in Spain. Almost to a man they show sympathy with the side to which they are assigned. Naturally, both sides censor the news and a correspondent cannot defy the censors. Also constant association with the leaders tends to strong friendship.

OCEANS OF LOYALIST "BUNK"

One correspondent who, in Ethiopia with the Italian Army, was almost lyrical in praise of Italian bravery and military skill and contemptuous of the Ethiopians as bandits, was sent to Madrid by his newspaper. Since his arrival in Madrid he has had nothing but contempt for the Italians as a fighting force and he has roundly assailed those fighting with Franco as far inferior even to raw Spanish troops. In Ethiopia he saw them as heroes, in Spain they are mere amateurs, according to him.

Franco limited the number of correspondents. Madrid welcomed a horde of amateurs—novelist magazine writers, movie stars, and radical propagandists—from America and England. The result was fine publicity for Madrid. It hurt Franco. An example was to charge that Franco bombers reduced the town of Guernica to ashes. This story went all over the world as an atrocity example. Actually the town was burned by the Loyalists in retreat, but the truth was long delayed.

There is no doubt that American press associations and American newspapers have honestly tried to present a true picture of the war. But in great part they have failed because of the violent passions and prejudices which color the whole situation. In particular, Americans have been led to believe that the Madrid Government is fighting to preserve democracy, and every man in the Loyalist armies is convinced he is battling in this holy cause. All this is eye wash. Many in the Loyalist army are conscripts who must fight. It is the same with Franco's forces. There can be no neutrals in Spain. Probably a vast majority of the troops on both sides are praying for the end of the war. Certainly the overwhelming majority of the Spanish people are in the same mood and really do not care so much who wins if only blessed peace comes.

If Franco wins, there will probably be little real opposition save from the extremists, and in a time of even temporary peace they will represent only a small part of the population, not enough to seriously cripple a new government.

This battle in Spain is a war between communism and fascism. If the Loyalists should win, communism will rule Spain. It could not be otherwise, because a victory would be due chiefly to Russian aid. Soviet military men have all along been directing the Loyalist strategy. The Soviet Ambassador is the most powerful individual in Madrid. The volunteers of the international brigade who have proved such valiant fighters are either Communists or Communist-minded foreigners.

FASCIST AID SAVED FRANCO

As for Franco, he never could have gained the successes he has without the strong aid of Germany and Italy. Hitler did not furnish many men, probably less than 1,000, none of whom were combat troops, but engineers and technical advisers. The chief aid from Germany consisted of airplanes, antiaircraft guns, antitank mortars, and machine guns. Such aid was very valuable. Mussolini furnished many thousands of combat troops, probably 35,000 in all, trained bombing pilots, and a large number of airplanes. The Italian troops had a prominent but not a major part in the Franco offenses.

Earlier in the war the Loyalists had the advantage in the air. The Russian planes, American models, were faster and more reliable and the Russian pilots more skillful. But with the tightening of the Franco blockade which made Russian plane shipments difficult and the increasing strength and efficiency of the Insurgent air force that advantage was lost.

With a Franco victory, which can hardly be doubted now, Spain is likely to settle down to years of peace. Nine-tenths of the people will welcome any sort of peace. Few observers had expected so long a war. It was said that Franco must win in 6 months or not at all. But his men have been loyal through

periods of stress and he has received great help from Italy and Germany, without which his victory might have been doubtful.

Whatever else they say of Franco he has proved a most able administrator. Business has flourished in the areas under his control. His money issues have held at par. Insurgent Spain has really had quite a boom. The export trade has been large. Wages have actually increased, the banks are stable, and from surface indications the people of the Insurgent area seem well satisfied.

Spain, with its enormous and valuable resources, should be one of the rich countries of Europe.

WILL END WAR ON RELIGION

Any Franco government will be a dictatorship. So would any government which emerged from a Loyalist victory. It is a choice between a Fascist dictatorship and a Communist dictatorship. Democracy loses in any case. A Loyalist victory would put the extremists in the saddle. In a time of peace the Madrid Government had to surrender all its power to the extremists elements and virtually had to encourage a campaign of murder, rapine, church burnings, and all sorts of horrible excesses in order to prevent the extremists turning on Madrid. An atheist government would have ruled Spain with a Loyalist victory.

On the other hand, a Franco Spain may be an outpost of Fascist Italy. Hitler is not so much interested in Spain. But, to Mussolini, a Fascist Spain is a wonderful asset and a gun pointed at the very heart of Great Britain. If Franco allows Mussolini to exploit the resources of Spain for the profit of Italy then Spain will become a mere satrapy of Fascist Italy. This will be a heavy blow to the democracies of the world—what few of them are left in this age of dictatorships.

If Franco is wise, and he seems a long-headed individual, he will seek to preserve the independence of Spain even though he is under great obligations to Italy and Germany. If Spain settles down to peaceful pursuits, Franco may yield less and less to his present allies. He can easily dispose of the extremists who will be powerless to terrorize his government. He certainly can restore law and order, and that will be a welcome novelty to Spain. His victory will put an end to the vicious war on religion.

Despite the repugnance of the democracies to a government of the Fascist order, a Franco government will be speedily recognized by other nations, including the United States.

DEMOCRACY LOSES ANYWAY

If he can be judged by the economic success of the territory now under his rule, Franco will probably be able to restore some degree of prosperity to all Spain. Save for certain areas, particularly around Madrid, the material damage is not so great as might be expected from the violence of the conflict. Restoration in an atmosphere of peace will not be difficult.

Spain was in a sad economic plight before the war began. The Madrid Government, torn by dissension, was able to do little. A great part of the country was in constant turmoil. The authority of the government was flouted. Weak, unstable men proved feeble heads of state. Spain was rapidly degenerating into a state of mob rule. What democracy there was after the earlier revolution was pretty well destroyed by anarchy.

But, Americans, fed with skillful propaganda, have been led all along to believe that Spain was ruled by a democracy as true to the democratic traditions as the United States. But the sort of "democratic" government Spain had was no credit to democracy.

Those who prefer communism will regret a loyalist defeat. Those who uphold fascism may cheer for Franco. But democracy has lost in both cases.

A Refugee's Prayer

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, April 1 (legislative day of Wednesday, January 5), 1938

ARTICLE IN WASHINGTON HERALD OF MARCH 31, 1938

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a remarkably effective prayer of Martin Marden, a 16-year-old boy refugee from Germany, entitled "A Refugee's Prayer," published in the Washington Herald on March 31, 1938. As one who was born in a foreign land and has come to know the many blessings and privileges of America, I want to express my appreciation of these words, which have been recommended for reading by every American by the superintendent of New York city schools, Harold G. Campbell. We may all be proud that we live in a land where, as this lad says, "the youth of all races have a tomorrow." Despite the unemployment here, the problems of the depression, the difficulties of the stock market, and the war clouds which loom ever closer, who among us does not respond enthusiastically to these radiant words?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the Washington Herald of March 31, 1938]

A REFUGEE'S PRAYER

NEW YORK, March 30.—This is the prayer of Martin Marden, 16-year-old boy refugee from Germany, which today was recommended by Superintendent of Schools Harold G. Campbell for reading by every American:

"One day in the year should be reserved for prayers of thanksgiving in which we give thanks for something that has been granted us; for having been saved from some great destruction caused by nature or man.

"I am thankful that I have been given an opportunity to be educated in the United States of America.

"I am thankful that I live in a land where, regardless of race, everyone may take part in national ceremonies.

"I am thankful that I live in a land where a person may sing the National Anthem without having someone tell him that he may not because of his race.

"I am thankful that I live in a country governed by democracy rather than force.

"I am thankful that I live in a land where one is not persecuted.

"I am thankful that I live in a land where there are people who have real sympathy for refugees from European countries who have gone through horrible experiences.

"I am thankful that I have been given the opportunity to enjoy the many privileges that are unheard of in European countries.

"I am thankful that I shall be able to realize my ambitions, which would have been impossible had I remained in my native land.

"I am thankful that I live in a land where the future seems bright and hopeful rather than dark and hopeless.

"I am thankful that I live in a land where the youth of all races have a tomorrow, rather than in my native land, where the youth of the race is without a tomorrow.

"I am thankful that I have been permitted to tell you of the troubles in European lands in order that you may develop a real sympathy for the oppressed of the earth.

"I am thankful that I am happy and free."

An Erroneous Impression Corrected

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 1, 1938

EDITORIAL IN REGARD TO OLD-AGE RESERVE FUNDS AND A LETTER FROM THE TREASURY DEPARTMENT IN REPLY TO THE EDITORIAL

Mr. LUDLOW. Mr. Speaker, in a letter which I have received, the Treasury Department emphatically denies a charge made editorially by a San Francisco newspaper that the Government is embezzling the money paid into the old-age reserve fund. The editorial printed in San Francisco says in part:

What the Government is doing with the workers' old-age reserve is something for which it would put the officers of an insurance company in the penitentiary. It is not putting a penny of these monthly collections into a reserve fund but is spending the money and putting its I O U's in its place.

For practice precisely like this the Government has put many men in the penitentiary.

A woman once asked a President of the United States to pardon her husband, a postmaster who had been sent to prison for stealing the funds of his postoffice.

"Mr. President," she said, "there never was a more honest man than my husband. He did not steal anything. Whenever he took money out of the postoffice cash drawer he always put in his I O U's."

The Government, in this case, did not agree that the worthless I O U's made up for the stolen cash, and the President did not pardon this so honest postmaster.

In the case of the social-security reserve fund the Government does precisely what this "honest" postmaster did. As it takes the cash it puts its I O U's in the box. And these I O U's are worth nothing unless the taxpayer makes them good. When the workers begin to call for their old-age pensions the taxpayers will have to take up the I O U's. The money which the workers and their employers have jointly contributed to the fund out of which these pensions were supposed to be paid has been spent by its custodian.

In this case the Government embezzles this cash legally. That is the joker in the Social Security Act. The act says the fund shall be invested in obligations of the United States. So it is being invested in a special obligation invented for the purpose, a mere I O U of Uncle Sam to Uncle Sam.

The cash is gone and when it is called for the people will have to be soaked for it a second time.

What this fund really amounts to is a special pay-roll tax for current expenses.

I forwarded the newspaper to Secretary of the Treasury Morgenthau and suggested that a reply should be made to this editorial, which otherwise might be widely quoted and interpreted as indicating that the Government is guilty of embezzlement. The following letter, explaining the method of handling the old-age reserve account has been received from Herbert E. Gaston, assistant to Secretary Morgenthau:

MY DEAR MR. LUDLOW: I have your letter of February 15, 1938, calling attention to an editorial containing an implication that there is something dishonest in connection with the manner in which the Treasury is handling receipts and expenditures under the Social Security Act.

There have been a number of recent newspaper comments which have been given wide circulation concerning the manner in which the administration of the old-age reserve is being carried on by the Treasury. The writers of these articles evidence a complete lack of knowledge of the fundamental operations of the Social Security Act insofar as old-age benefits are concerned. It seems that these writers contend that the Treasury should take the currency that is paid into the Treasury on account of taxes under title VIII of the Social Security Act and store this currency and coin in a vault and keep it there for 10, 20, 30, or more years until it is needed to pay out in benefit payments. Obviously this manner of financing old-age benefit payments is contrary to any sensible administration of fiscal affairs.

The facts in this situation are easily obtainable and appear in the published statements of Treasury operations. The total taxes with respect to employment which are levied on employees and employers under title VIII of the Social Security Act, paid into the Treasury to January 31, 1938, amounted to $539,280,204.58. These taxes are covered into the Treasury as internal-revenue collections (as required by sec. 807 (a) of the Social Security Act), just like all other revenue collections, and are included in the total revenue of the Government. These taxes are not segregated for the purpose of providing for the operations of title II (Federal old-age pensions) of the Social Security Act, or for any other purpose; but are mingled with and become a part of the general fund of the Treasury in the same manner as do the moneys received from taxes generally. Moneys in the general fund of the Treasury are available for meeting the expenditures of the Government, including expenditures under the Social Security Act, but cannot be expended except pursuant to an appropriation by the Congress.

The Congress has appropriated $765,000,000 to the old-age reserve account from which old-age pensions are payable. Interest earned on investments in this account to January 31, 1938, amounting to $2,261,810.97, has also been appropriated for the purposes of the account. Under section 201 (b) of the act it is the duty of the Secretary of the Treasury to invest such portion of the amounts credited to the account as is not, in his judgment, required to meet current withdrawals. It is the policy of the Treasury to invest the amounts available in the account on a monthly basis so as to spread the expenditures charged to the Budget over the year and so as to accord somewhat with the receipts under title VIII. As of January 31, 1938, $554,100,000 in the old-age reserve account was invested in direct public debt obligations of the United States Government, bearing interest at the rate of 3 percent per annum. The Government securities thus held by the old-age reserve account have the same standing and are redeemed from the same sources as securities of the United States held by private investors and will be redeemed at any time by the Treasury. The proceeds of such redemption will be made immediately available to meet benefit payments authorized under the Social Security Act.

The clipping enclosed with your letter is returned herewith.

Very truly yours,

HERBERT E. GASTON,
Assistant to the Secretary.

It is only right and just that the Treasury Department should be relieved of unjust accusations which do not have the slightest foundation in fact.

Income Taxation From a Legislator's Viewpoint

EXTENSION OF REMARKS
OF
HON. ALLEN T. TREADWAY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Friday, April 1, 1938

ADDRESS BY HON. ALLEN T. TREADWAY, OF MASSACHUSETTS, BEFORE A GROUP OF CERTIFIED PUBLIC ACCOUNTANTS

Mr. TREADWAY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address I delivered in Boston last Monday before a group of certified public accountants:

I am delighted to have this opportunity of addressing the Massachusetts Society of Certified Public Accountants.

The subject of my talk, Income Taxation From a Legislator's Viewpoint, is very timely, inasmuch as a new tax bill is now on its way through the legislative mill. Later on in the course of these remarks I shall make further reference to this measure. At the outset, however, I desire to dwell briefly upon the history of taxation in this country.

Doubtless most of you are already familiar with the fact that from the administration of George Washington to that of Abraham Lincoln the Federal Government was sustained almost entirely by the revenues from customs. Those were the happy days when the citizen was not harrassed by nuisance taxes and did not have to sit up nights with a tax expert trying to make out a proper income-tax report.

You gentlemen may not realize it, but you owe a great deal to the man who thought up the income tax. It is your bread and butter and a perfect illustration of the saying, "What is one man's meat is another man's poison." There probably would not be nearly as many accountants as there are today if the income tax were still unheard of.

The first income tax, like the first general system of excise taxes, was developed during the Civil War period. Following the war this tax was repealed. Likewise all the excise taxes, except those on tobacco and spirits, were gradually done away with.

Despite the fact that customs revenues increased to around $200,000,000 annually following the Civil War, as compared with $53,000,000 in 1860, it nevertheless was impossible to abandon all internal taxes because the expenditures of the Government rose during this period from $63,000,000 to between three and four hundred million dollars.

During Cleveland's second administration, the Democrats passed the Wilson-Gorman tariff bill which drastically reduced the duties on foreign imports and put many articles on the free list. It was estimated that this bill would result in a loss of $75,000,000 in revenue. To make up this loss, a tax measure was passed in 1894 imposing a new tax on incomes. This act was subsequently declared unconstitutional by the Supreme Court in the celebrated case of *Pollock* v. *Farmers' Loan & Trust Co.* (157 U. S. 429), the Court holding, among other things, that a tax on the income from property was equivalent to a direct tax on the property itself, which under the Constitution must be apportioned among the States in accordance with the population.

As a consequence of this decision, Congress in 1909 submitted to the States for ratification a proposed constitutional amendment permitting the Federal Government to levy a tax upon incomes "from whatever source derived." This amendment was ratified in February 1913, and Congress immediately thereafter, as a part of the Tariff Act of 1913 then pending, reimposed a tax upon incomes. This was done in order to make up the revenue loss which was expected to follow from the reduction of customs duties. We have had the income tax with us ever since, although it has of course undergone many changes since that time.

The phrase "from whatever source derived," as contained in the income-tax amendment, has given rise to much controversy over whether it extended the Federal taxing power to new or excepted objects. Prior to the amendment, it had been held that the Federal Government could not tax the instrumentalities of the States, such as bonds and State officers and employees, and conversely, that the State governments had no such power respecting Federal instrumentalities. With the adoption of the amendment, many contended that the words "from whatever source derived" gave the Federal Government this power.

However, it was made clear during the period when the ratification of the amendment was under consideration that the Federal Government already had the power to tax incomes, and that the only purpose of the amendment was to obviate the necessity for apportionment.

Perhaps the strongest argument against the broad interpretation of the amendment is the fact that had the States understood that

by its ratification they were giving the Federal Government the power to tax their own bonds and employees, without giving them the same right as regards Federal instrumentalities, they never would have ratified the amendment. In numerous dicta since the adoption of the amendment, the Supreme Court has indicated that it adheres to the narrow interpretation.

Thus it is felt by most taxing authorities, and by a majority of constitutional lawyers, that the only way we can do away with the exemption of State instrumentalities from Federal taxation, and Federal instrumentalities from State taxation, is by another constitutional amendment. For a number of years I have endeavored without success to secure favorable consideration of such a proposed amendment by Congress.

Let us now briefly consider the income-tax law of 1913, upon which our present income-tax structure has been built. That measure, as I have indicated, was not a separate enactment. It was merely an insignificant provision of the Tariff Act of 1913, which was tucked away among the detailed tariff schedules and customs administrative provisions. The whole income-tax section of the bill occupied but 16 printed pages, as compared with the formidable statutes we have today covering a hundred to two hundred pages.

On individuals the act of 1913 levied a normal tax of but 1 percent, with an exemption of $4,000 for married persons and $3,000 for single persons. The surtax began at 1 percent on incomes over $20,000 and ran up to 6 percent on incomes over $500,000. Corporations paid a flat income tax of 1 percent.

The 1913 law was the essence of simplicity. It imposed no great burden, and hence the numerous exemptions, deductions, and relief provisions which we now have were unnecessary. Nor was it necessary to incorporate complex and detailed loophole-plugging provisions, since the rates were not high enough to be conducive to tax avoidance. Investors did not have to consider the tax burden in determining whether it was advisable to sell or exchange capital assets. Corporations were free to do as they pleased with their earnings after payment of the corporate income tax. The matter of taxation was not a factor in their dividend policy. The Government in those days used its taxing power solely for raising revenue. Its use for punitive, coercive, and political purposes was as yet untried.

Much water has gone over the dam since 1913. Our income-tax law has grown from a tiny tributary into a great stream and now pours two and one-half billions of revenue into the Federal Treasury.

While the original act of 1913 was only intended to produce a small amount of revenue to make up a deficit in customs duties, the revision made in connection with the act of 1917 brought the income tax to the front rank as a revenue producer. During and after the World War, it far overshadowed all other sources of taxation.

At the present time, however, the income tax yields only slightly more revenue than is realized from excises. Increased dependence on excise taxes has been made necessary by the rising cost of government. The income tax, in the opinion of many, has already gone beyond the point of diminishing returns, and only by reducing the upper brackets and broadening the base can its productivity be increased.

The preparedness program instituted by this country in 1916 called for additional revenue. An estate tax was imposed and, as was the case with other levies, the income tax on both individuals and corporations was increased to double the 1913 rates. The exemptions, however, were unchanged.

In 1917, following our declaration of war against Germany, all taxes were drastically increased. Individual income-tax exemptions were lowered to $1,000 for single persons and $2,000 for married persons; the normal tax was raised to 2 percent on the first $2,000 and 4 percent on the excess over $2,000. The surtax was made applicable to amounts over $5,000 and the maximum rate was increased to 63 percent. The corporation income tax was increased slightly, and in addition an excess-profits tax was imposed at rates of from 20 to 60 percent. This act gave the country its first taste of real income taxation.

Under the act of 1918 taxes were raised still higher. The normal tax on individuals was increased to 6 percent on the first $4,000 and 12 percent on the balance. The surtax was increased to a maximum of 65 percent. The corporation income tax was raised to 12 percent; the excess-profits tax was increased to a maximum of 65 percent; and an 80-percent levy was imposed on war profits.

The act of 1918 has never been exceeded as a revenue producer. In 1920 collections from income and profits taxes alone amounted to nearly $4,000,000,000. Total collections that year aggregated nearly 7 billions.

In 1921, under the administration of President Harding, the first of a series of tax reduction measures was passed. In this connection, I may say that while there is nothing that a legislator dislikes to do more than to increase taxes, there is, on the other hand, nothing that he takes greater pleasure in than in voting for a tax reduction.

Following the armistice it had become apparent to Federal fiscal authorities that our taxes had passed beyond the point of diminishing returns. Secretaries GLASS and Houston, of the Treasury, in their respective annual reports for 1919 and 1920, both called attention to this fact.

In spite of the reductions made under the Revenue Act of 1921, Congress found itself with a surplus of revenue. A further tax reduction was made under the Revenue Act of 1924, with the same result. In 1926 rates were reduced still further and the individual exemptions increased to $1,500 for single persons and $3,500 for married persons. The normal tax on individuals was fixed at 1½ percent on the first $4,000, 3 percent on the next $4,000, and 5 percent on the excess over $8,000. The surtax was reduced to a maximum of 20 percent. Despite these reductions there was again a surplus, and in 1928 Congress once more reduced taxes, the principal change being the reduction of the corporate rate from 13½ to 12 percent. Another surplus developed, and in December 1929 Congress passed a resolution reducing the individual normal tax rates and the corporation rate by 1 percent for 1929. This, however, was the last of the tax-reduction measures. When the depression set in the Government's revenues from all sources fell off sharply, and since that time every revenue bill which has been enacted has in some way increased the tax burden.

Before proceeding to a discussion of these latter tax measures let me refer briefly to the general results of our tax policy during the twenties. We have seen that there were four general tax-reduction measures, and one measure applicable to a single year, which were enacted during this period. According to the Treasury Department the net reductions under the four general revenue acts were as follows:

Amount of tax reduction

Revenue Act:	
1921	$663,000,000
1924	519,000,000
1926	422,000,000
1928	222,000,000
Total	1,826,000,000

The joint resolution passed in 1929 reduced the tax burden for that year alone by $160,000,000 additional.

From these figures it will be seen that from 1921 to 1928 the general tax burden was reduced by nearly two billions annually. Yet in the same period the national debt was reduced by approximately $1,000,000,000 annually. This record of concurrent tax and debt reductions is quite in contrast with the record of the last few years, when, in spite of ever-increasing taxes, we have had a long, uninterrupted series of staggering deficits running from three to four billions annually.

As you gentlemen are aware, the Federal Government is run on a fiscal-year basis, the year beginning on July 1. Because of this fact income-tax collections from incomes for a particular calendar year are reflected in the receipts of the two succeeding fiscal years. That is to say, collections from 1930 incomes are included in the Government's receipts for the last half of the fiscal year ending June 30, 1931, and the first half of the fiscal year ending June 30, 1932. For this reasAn Treasury receipts did not at once show the full effects of the 1929 depression. The fiscal year 1929 ended before the depression began. The fiscal year 1930 showed a surplus of $184,000,000. It was not until the fiscal year ended June 30, 1931, that the first of a thus-far unbroken line of deficits appeared. The deficit for that year amounted to $902,000,000, or practically the equivalent of the decrease in receipts over the previous year.

When Congress convened in December 1931 the administration then in power made a sincere and determined effort to balance the Budget, and this was the only time since the depression began that such an effort has been made. There was then in office a Republican President, a Democratic House, and a reputedly Republican Senate. Be it said to the credit of the Democratic majority in the House at that time, they cooperated wholeheartedly with the administration in its effort to provide sufficient revenue to balance the Budget 100 percent.

I distinctly recall that several times while the 1932 revenue bill was under consideration the Treasury was forced to revise upward its estimate of the amount of revenue that would be necessary to offset the anticipated deficit. Each time the need for more revenue was shown the necessary taxes were provided. As finally enacted, the Revenue Act of 1932 was estimated to produce an increased revenue of $1,118,000,000.

Prior to the drafting of the 1932 bill by the House Ways and Means Committee, the Treasury Department came before the committee with specific suggestions for raising the required revenue, including increases in the individual and corporate income tax, the estate tax, and certain existing excise taxes, and the imposition of new excises.

In lieu of the Treasury's proposals regarding excise taxes, the committee became interested in the Canadian sales tax, which had been the subject of a study by Prof. Thomas A. Adams and E. C. Alvord, representing the Treasury. A representative of the Canadian inland revenue service was called to testify before the committee concerning the Canadian plan, and the committee was so impressed that it proposed a similar plan to the House of Representatives.

However, because of certain prejudices against sales taxes, many of which did not in any way apply to the Canadian system, the House refused to accept the proposal and it was stricken from the bill. A system of selective sales taxes, which we know as "nuisance taxes," was substituted.

While I favored the sales tax then, I would not vote for it today. I supported it at that time only as an emergency measure, with food, clothing, and medicine exempted. While the fiscal emergency still continues, the States have so thoroughly occupied this field that it is now too late for the Federal Government to get

into it. Moreover, it is possible at this time to raise sufficient revenue for all normal purposes by income and other taxes based on ability to pay, provided business is given the proper encouragement by the Government.

Let me briefly refer to the changes made by the 1932 act in the income-tax structure. The exemptions were reduced to $1,000 for single persons and $2,500 for married persons. The normal rates were made 4 percent on the first $4,000 and 8 percent on the balance. The surtax rates were made applicable to incomes over $6,000, and the maximum rate increased to 55 percent. The rate on corporations was increased from 12 percent to 13¾ percent.

The depression taught us a lesson regarding income taxation which should be kept in mind. This lesson was that in times of economic stress, the income tax cannot be relied upon for revenue purposes. In 1933, receipts from both individual and corporate incomes were but $746,000,000. In 1934, in spite of the sharp increase in rates under the 1932 act, they were but $818,000,000. Of course, there is no mystery about this. The simple fact is that when incomes shrink the receipts from the income tax shrink with them. Even with confiscatory rates, the income tax cannot be made to produce revenue so long as there are no appreciable net incomes to tax.

It is for this reason that in times of economic adversity resort must be had to other forms of taxation to supplement the income tax. Taxes on consumption are one means of producing revenue in such periods, but even this method of taxation does not always assure sufficient revenue, since the tendency of the people is to spend as little as possible when their incomes are reduced or cut off and they are forced to draw upon their savings, if any. I suppose the only sure source of revenue in depression times would be a capital levy, but this type of taxation is open to many serious objections which I hardly need to enumerate.

On March 4, 1933, the New Deal administration was ushered into office under a program calling, among other things, for reduced expenditures, reduced taxation, and a balanced Budget. Although it was apparent early in 1933 that the income-tax revenues would be less than in the previous year, and that there would be a large deficit, no new tax program was suggested. In his economy message of March 10, 1933, President Roosevelt stated that there was "reasonable prospect that within a year the income of the Government will be sufficient to cover expenditures."

While no general revenue bill was enacted in 1933, four so-called recovery taxes were included in the N. R. A. Act in order to amortize the $3,300,000,000 bond issue for public works included therein. These taxes, which were estimated to yield approximately $225,000,000 annually, included a 4-percent tax on dividends, a half-cent increase in the gasoline tax, and a capital-stock and excess-profits tax. It was provided that they should go out of existence with the repeal of prohibition, when there would be a large revenue from liquor.

The following year, it became obvious that the President could not make good on his promise to balance the Budget, and the day of achievement was accordingly postponed for 2 years, or until 1936. No upward revision of taxes was suggested, but Congress itself had initiated a measure to plug certain loopholes in the tax law, which became the Revenue Act of 1934. While ostensibly a bill to prevent tax avoidance, it also made a number of significant changes in the income tax and increased certain rates.

One of the outstanding changes made by the 1934 act was the adoption of a single flat rate of 4 percent for the normal individual income tax. This was done in the interest of simplicity. The loss of revenue occasioned by the elimination of the 8-percent bracket was offset by a 4-percent increase in the surtax rates all along the line. In addition, the 1934 act for the first time allowed the deduction of the personal exemption in computing the surtax, it being felt that there was no logical reason why the exemption should be confined to the normal tax. By reason of this change, the surtax was made applicable to net incomes in excess of $4,000 instead of $6,000.

The 1934 act also restored the earned-income credit, which had been eliminated under the 1932 act in the effort to secure revenue from every possible source. The old credit was, of course, costly from the revenue standpoint, since it amounted to 25 percent of the tax. It was felt that there was much merit to such a credit, and that it should be preserved in the law, even though the amount be slight. Accordingly, a provision was included allowing a deduction of 10 percent of the earned net income in computing the taxable income. This, as you know, amounts to a saving of only 4 percent, and by reason of the $14,000 limitation on what may be considered as earned income, the maximum reduction is but $56 for the largest incomes.

As a result of the foregoing changes, the 1934 act had the effect of increasing the income tax on some taxpayers and decreasing it on others.

Another important change made by the 1934 act was in the treatment of capital gains and losses. Prior to 1934 gains and losses from capital assets held more than 2 years were all treated on the same basis, regardless of the length of time for which held. The 1934 act set up a system which aimed to approximate the tax which would have been payable on capital gains if the gain had been taxed each year as it accrued, rather than in a lump sum in the year in which realized. This was done by discounting the amount of gain or loss to be recognized for tax purposes, the amount of recognized gain or loss decreasing as the length of time for which the asset had been held increased. In the case of assets held more than 10 years, only 30 percent of the gain or loss was taken into account.

The 1934 act for the first time imposed a special tax on personal holding companies as a means of preventing tax avoidance. This tax, as you know, is still with us.

The 1934 act also revived the capital-stock and excess-profits taxes which had been imposed under the N. R. A. Act and which went out of existence with the repeal of prohibition.

In 1935 the Social Security Act was passed, under which a new use was made of the Federal taxing power. Desiring to set up a system of compulsory old-age retirement annuities, but apparently lacking any constitutional power to do so directly, Congress collected the necessary premiums from employers and their employees under the guise of a tax. Likewise, desiring to force the setting up of State unemployment-insurance systems, Congress imposed a tax on pay rolls, against which a credit was allowed for amounts paid to State unemployment-insurance funds up to 90 percent of the Federal tax. This latter device had been used before in connection with the estate tax as a means of forcing the States to set up estate and inheritance taxes.

The fiscal year 1935 saw a continuation of the staggering deficits, but still there was no general tax program and no program for reducing expenditures. Although the President stated in his 1935 Budget message that he had no suggestions for new taxes, yet when Congress was on the verge of adjourning early in the summer he sent up his now famous "share the wealth" tax message, in which he asked for the enactment of an inheritance tax in addition to the two estate taxes then in existence, a graduated tax on corporations according to their size, an increase in the upper surtax brackets, and the taxation of intercorporate dividends. These taxes were not suggested as a means of raising any particular amount of money, nor in an effort to balance the Budget, but simply as a change in what the President termed "our policy of taxation."

One of these suggestions—that for an inheritance tax—was flatly rejected by the Senate, and was not included in the final bill. Instead, the existing estate tax was increased to a maximum of 70 percent, and the exemption reduced to $40,000. Intercorporate dividends were made taxable to the extent of one-tenth of the total amount thereof. The surtax rates on incomes over $50,000 were increased all along the line, and the maximum rate fixed at 75 percent. The rates on personal holding companies were increased in proportion. For the first time, a graduated income tax was imposed on corporations. As finally enacted, the bill was estimated to raise an additional $250,000,000, which was about two and three-quarter billions short of the 1935 deficit.

I joined with my Republican colleagues on the Ways and Means Committee in filing a minority report in opposition to the 1935 measure. Aside from contending that it was merely a political gesture, we stated that we were opposed to increasing the tax burden on either rich or poor until an effort had been made to eliminate unnecessary or wasteful expenditures. However, we also opposed the bill as a matter of principle, particularly the graduated corporation tax provisions.

The most obvious objection to the graduated tax on corporations is that it fails to look beyond the corporate entity to the individual stockholders. In the beginning, the corporate tax was supposed to be in lieu of the normal tax on individuals, and dividends were exempted from the normal tax in the hands of the stockholders. Many of the largest corporations are made up of a great many small shareholders. On the other hand, many of the smaller companies are made up of a few wealthy shareholders. Thus the graduated tax may indirectly impose the highest burden on the stockholders who are least able to pay, and the lowest burden on those who have the greatest taxpaying ability.

There is no question but what the graduated corporate tax was suggested for other than revenue purposes. It was aimed solely at "corporate bigness."

Strangely enough, the President recommended the repeal of the graduated corporate income tax and the substitution of another type of taxation even before the 1935 act had gone into operation. Early in 1936, after the Supreme Court had invalidated the Agricultural Adjustment Act and after Congress had paid the soldiers' bonus, the President called for $620,000,000 of new taxes to take the place of the processing taxes and to increase the amount of the bonus sinking fund necessitated by the payment of the face value of the bonus certificates.

The method of taxation which he proposed for raising this additional amount of money was the repeal of all existing corporate taxes and the enactment of a tax based solely on the undistributed earnings of corporations. The House passed a bill carrying out this recommendation, to which we of the Republican minority were unanimously opposed. Under the House bill the corporate income tax would have been repealed along with the capital-stock and excess-profits taxes and the tax on personal holding companies. In lieu thereof, there would have been imposed a graduated tax on undistributed earnings running up to 42½ percent where no distribution was made. This would have meant that the most any corporation could possibly retain would be 57½ percent of its earnings, since the balance would go for undistributed-profits tax.

Under the House bill, the large, well-financed corporation which could distribute its entire earnings to its stockholders would not have paid a single penny in taxes to the Federal Government. Such revenue as would have been obtained as a result of the corporate earnings would have come from the shareholders alone, many of whom are not subject to individual income tax.

Corporations which were not in a position to distribute their entire earnings, or even the greater portion of them, would have been absolutely crushed under the House bill. Small and growing corporations would have been particularly hard hit.

When the bill reached the Senate, where the Members were not so amenable to the administration's will, the bill was very thoroughly revised. The existing taxes on corporations were restored and the undistributed-profits tax feature was limited to a flat 7 percent. A 3-percent increase was provided in each bracket of the normal corporate income tax. The Senate bill represented a compromise between those who were utterly opposed to the undistributed-profits tax and those who wished to make at least a gesture toward going along with the administration.

When the conferees came to iron out the differences between the House and Senate bills it was inevitable that the final compromise would be a makeshift measure incorporating two conflicting theories of taxation.

In our minority report on the undistributed-profits tax measure of 1936 we Republican members of the Ways and Means Committee set forth a list of 14 specific objections to the proposal. After stating that the measure could not be justified either as a revenue bill or as a desirable tax reform, we warned that administration majority that it would discourage business rehabilitation and expansion and have a retarding effect on recovery; that it constituted a direct threat to the security of all business, employment, and investments; that it would hamper the growth of small corporations and impede the development of new enterprises; that it would foster monopoly; that it would crucify financially weak business concerns and oppress businesses burdened with debt; that it constituted an unwholesome interference with the exercise of sound judgment in the management of business; that it would create new inequities and unfair competitive situations; that it would add untold confusion and bewildering complexities in the computation and administration of the tax, and so on. In the last 2 years we have seen all these predictions come true.

I recall that when Professor Oliphant, of the Treasury, who was the principal author of the undistributed-profits tax proposal, testified before the Ways and Means Committee in 1936, he stated that if the tax were enacted there would be less likelihood of running into another depression. It now appears that the undistributed-profits tax was actually one of the chief factors in bringing on the present Roosevelt depression.

While the undistributed-profits tax measure dealt principally with corporations, that act also made a decided change in the Government's tax policy regarding individuals when it subjected dividends to the normal tax for the first time since the income tax had been in effect. This was a natural step under the House bill, with the corporation income tax eliminated from the law, but it has no justification as long as we continue to impose a corporate income tax.

Before discussing the pending tax revision I shall briefly refer to last year's tax measure, which was strictly a loophole-plugging bill. That measure put the death sentence on personal holding companies by increasing the tax to 65 and 75 percent. With the lower rates previously in existence, the personal holding company provision was an encouragement to individuals in the highest surtax brackets to form such a company. The formation of personal holding companies had been increasing instead of decreasing.

In addition the 1937 act imposed a new tax on foreign personal holding companies. Likewise, it made certain limitations in the list of deductions to prevent abuses, such as the "incorporated yacht." There was very little opposition to the measure, as no one wants to be put in the position of defending tax dodgers. However, there is no question but what the act works hardships in some cases, particularly where legitimate business enterprises find themselves in the personal holding company category.

Among the so-called tax loopholes referred to in the President's 1937 tax message was the matter of community property. In eight southern and western States—Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington—they have what is knowns as the community-property system, under which one-half the income and property of one spouse is deemed by law to be the income and property of the other.

This system of property holding enables taxpayers in these eight States to reduce their income and estate taxes to a considerable extent. For example, take the case of a man in California, which is one of the community-property States. Suppose he has an income of $100,000. He and his wife each report one-half the income, on which they pay a tax of $9,313 on each share, or a total of $18,626. The Federal tax on the same income, in the case of a man living in Massachusetts, New York, or any of the other non-community-property States, would be $32,525. Thus by reason of a fiction of law in the community-property States, there would be a tax saving in this instance of nearly 43 percent. The tax advantage arises, of course, by splitting up the income so that it comes under lower brackets of the surtax. There is a substantial saving even where the income is as low as $7,000.

For a number of years, I have had a bill pending which seeks to correct this favored treatment of residents of the community-property States. However, I have been unable to get favorable consideration of the bill in the Ways and Means Committee due to the opposition of members from the States affected. My bill would require the spouse having dominion and control over the income or property to report the entire income. Numerous constitutional objections have been raised to this method of dealing with the problem, but on the other hand there is a great deal of authority which indicates that the Supreme Court might uphold it. The Treasury is more inclined to deal with the matter by requiring husbands and wives in all States to file joint returns. Objections also have been raised to this method. Unless something is done, the 40 non-community-property States may have to adopt the community-property system for their own protection. At present, they are forced to bear a heavier load by reason of the taxes which residents of community-property States escape.

The present revenue revision was begun last November when a subcommittee of the House Ways and Means Committee, of which I was a member, met pursuant to a resolution adopted by the House at the close of the previous session. The avowed purpose for which the present revision was undertaken was to survey the entire revenue structure with a view to making it more workable and more equitable. It had become apparent, even to the Treasury Department, that the undistributed-profits tax would have to be very thoroughly revised, and also that some changes would have to be made in the treatment of capital gains and losses.

When the subcommittee held its first meeting early in November the country was in the midst of another depression. And although business had been clamoring for a revision of the undistributed-profits and capital-gains taxes for some time the new depression intensified this demand. Nearly everyone blamed the depression, to a large extent, on these two taxes.

The subcommittee at the outset was faced with making a decision as to whether it would go ahead with the original long-range program or would proceed at once to revise the undistributed-profits and capital-gains taxes and pass an emergency bill at the special session of Congress which was to convene on November 15. A majority of the committee agreed to go ahead with the original program and not attempt to prepare a bill in advance of the regular session in January.

Naturally the two subjects to which the subcommittee gave the most consideration were the taxes to which I have just referred. They overshadowed everything else.

The subcommittee began its work by considering various cushions to the undistributed-profits tax. Eventually, it got around to the point where it decided that even though a tax on undistributed profits might be justified, there was no point in applying it to small corporations, since there was no opportunity for surtax avoidance in their case. As a consequence, corporations with net incomes of $25,000 and less, aggregating nearly 90 percent of the corporations of the country, were exempted completely from any undistributed-profits tax. They were the ones who had been hurt the most by the tax, and who had complained the loudest. However, to offset the repeal of the undistributed-profits tax with respect to small concerns, it was determined to increase their normal corporate income tax to a minimum of 12½ percent.

Then came the question of how to deal with the larger corporations. A majority of the subcommittee insisted that the principle of the undistributed-profits tax be retained as to this group of corporations. The three Republican members of the subcommittee, including myself, insisted that the undistributed-profits tax be wiped out completely. However, we were outvoted, and the principle of the tax was retained.

It was decided that instead of penalizing undistributed earnings, it would be better to reverse the process and offer an inducement to distribute. Accordingly, a plan was evolved whereby corporations with more than $25,000 net income would pay a flat tax of 20 percent, with a reduction in the rate of four-tenths of 1 percent for each 10 percent of the earnings distributed to the stockholders, making a minimum rate of 16 percent for complete distribution.

Then it was found that these two plans, or "baskets," as they were called, brought about a rather abrupt increase in the tax in the case of corporations with slightly more than $25,000 income. A "notch" provision was then developed to take care of this situation, which has the effect of smoothing out the tax curve.

The majority members of the subcommittee, although adhering to the soundness of the principle of the undistributed-profits tax, reduced it to a maximum of only 4 percent, as compared with 27 percent under the existing law. They justified their action on the ground that there was no problem of individual surtax avoidance in connection with most corporations, regardless of their size, but only where they were closely held. They then evolved the so-called "third basket" for dealing with the latter class of corporations.

Under the "third basket" provision, a penalty tax was imposed, in addition to other taxes, on the undistributed earnings of closely held operating companies, approximating the undistributed-profits tax payable under the existing law.

The majority claimed that the only way the problem of surtax avoidance could be dealt with in the case of closely held operating companies was by such an arbitrary tax, which, of course, is comparable to the tax on personal holding companies. However, there is this great difference: Operating companies have a legitimate existence, whereas most of the personal holding companies are simply "incorporated pocketbooks" used for tax-avoidance purposes.

Having disposed of the undistributed-profits tax problem, the subcommittee turned its attention to capital gains and losses. A motion was offered on behalf of the Republican members to restore the optional 12½-percent rate on capital gains which was in effect from 1921 to 1934, but this motion was defeated by the administration majority.

The subcommittee agreed that some ceiling should be placed on the taxation of capital gains and fixed an upper limit of 40 percent on the amount of the recognized gain. At the same time, it changed the discount table to a monthly basis instead of a yearly basis, in order that there would not be such an abrupt change in the amount of recognized gain or loss at the end of the yearly periods. It was hoped that this change would withdraw the inducement to hold capital assets for longer periods in order to take advantage of the larger discount. The subcommittee also eliminated the 30-percent bracket, applicable to gains and losses on assets held more than 10 years, for the same reason. This change left the 40-percent bracket applicable to gains or losses from capital assets held more than 5 years.

While a majority of the subcommittee were of the opinion that these changes would speed up and encourage capital transactions, my Republican colleagues and I were afraid that taxpayers would not be so easily convinced. We felt that the rates were still too high to bring about this much-to-be-desired result.

One change made by the subcommittee which I am sure will not find favor among taxpayers is the segregation of short-term and long-term gains and losses. Under this provision, a taxpayer having a short-term loss and a long-term gain cannot set one off against the other. He would be taxed on his gain, but would be denied his loss entirely if he had no short-term gain against which to apply it. The carry-over provision which the subcommittee provided may be of some help, but of course it is of no benefit in the current year.

The subcommittee gave consideration to the demand in some quarters for the entire disregard of capital gains and losses in computing income tax. However, it was concluded that as between the arguments for and against the taxation of such gains, the considerations in favor of their taxation weighed more heavily. I concur in that view.

It would be difficult to justify the exemption of unearned income from taxation when we tax in its entirety income that is earned by the sweat of a man's brow. Of course, there undoubtedly is a theoretical justification for the exemption of capital gains from tax, but from the practical standpoint it would be hard to convince the average taxpayer who has no capital gains of the merit of this argument.

The contention that capital gains and losses more or less equalize themselves over a period of years, and hence do not in the long run yield any net revenue, is not based on fact. The Federal Government has realized a considerable net revenue from this source. This is partly due to the fact that there have been stringent limitations on capital net losses, but it is also due to the fact that over the years there has been a net increase in capital values.

So far as the taxation of capital gains and the disallowance of capital losses is concerned, I would not for one moment contend that this is fair. Not even the Treasury makes this contention. The reason the losses have been limited so much is that in times of a falling market they wipe out other income. This was our experience during the early days of the 1929 depression. I have no doubt that when conditions become normal again, Congress will be more liberal in the allowance of losses, not only capital losses, but operating losses as well.

The subcommittee concluded its work on January 15 of this year, at which time it submitted a report to the full Ways and Means Committee, embodying some 63 recommendations for changes in the law. I have not the time to go into these changes in detail. A number of them were in connection with the revision of the corporate-tax structure and capital gains and losses. As tax practitioners, most of you have doubtless taken the trouble to familiarize yourselves with them.

Beginning January 15, the full Ways and Means Committee began holding hearings on the subcommittee's recommendations. The first witness was the Under Secretary of the Treasury, Dr. Roswell Magill, who supported the recommendations as made. This was not surprising, because he had worked with the subcommittee daily in the preparation of the report, and had practically dictated most of the recommendations. It would naturally be supposed that he would approve of his own handiwork.

Dr. Magill was the only witness during the hearings who gave unqualified approval to the subcommittee's report. Numerous witnesses appeared in opposition to the proposed penalty tax on closely held corporations, and so far as the proposed changes in the corporate-tax structure and in the treatment of capital gains and losses were concerned, the general consensus was that the subcommittee did not go far enough. While members of the majority succeeded in getting witnesses to admit that the latter changes were preferable to the existing law, these same witnesses, in response to further questioning from the Republican side, invariably indicated that they would have much preferred to see the undistributed-profits tax repealed entirely and a flat tax imposed on capital gains. By choosing between the lesser of two evils, one does not thereby commit himself to an endorsement of the lesser evil.

The Ways and Means Committee drafted a bill in general conformity with the subcommittee's recommendations. You who have read the bill will agree, I believe, that it is in many respects more complex than the present complex law.

While there is little we can do toward simplifying the law in its application to our present complex business structure, there is a great deal we can do in avoiding the enactment of an unnecessarily complicated method of taxation. For example, we could write the corporation income-tax provisions in a few simple paragraphs if we would restore the flat tax on net incomes which we used to have. Even a graduated tax on net incomes, without reference to dividend policy, would be much simpler than either the existing law or the proposed law. Either method would eliminate from the House bill the complications involved in determining the tax under the so-called 16–20 plan, with its dividends credit, its consent dividends credit, its involved "notch" provisions, and so forth. Special treatment for certain classes of corporations could also be done away with.

Likewise, the treatment of capital gains and losses could be simplified to a considerable degree. So I say that the complexity of our tax law is not altogether due to the complicated nature of business itself, or to the need for relief and loophole provisions. It is largely the fault of those who think up complex ways of taxing business.

When the tax bill reached the floor of the House, I offered a motion to substitute for the corporate tax plan recommended by the committee a graduated tax of 12½ percent on the first $5,000 of net income, 14 percent on the next $20,000, and 16 percent on all over $25,000. These rates were substantially those applicable to small corporations under the committee plan, except that under my proposal the 16-percent rate applied to everything over $25,000. This motion, of course, contemplated the entire repeal of the undistributed-profits tax. It was rejected by a party vote.

I may say that in offering the motion I would have preferred a flat corporation rate, but I adopted the graduated plan so as to avoid bringing up a separate issue as to whether we should have a flat tax or a graduated tax. I wanted the question before the House to be a clear-cut choice between the undistributed-profits tax principle and the plan which was in effect before this tax was enacted. I make this explanation because I would not want my motion to be construed as an endorsement of the graduated corporate tax.

When the capital-gains provision of the bill was reached I moved to restore the 12½-percent limit, but this motion was defeated by a party vote. I am of the firm belief that an optional flat tax of 12½ percent on capital gains, segregated from other income, would produce far more revenue than the present or proposed systems, since it would definitely encourage capital transactions and the investment of new funds in productive enterprise. The existing high surtaxes applicable to capital gains take away all incentive to enter into the capital market. Along with the undistributed-profits tax, the capital-gains tax has been a major factor in the present Roosevelt depression. A reasonable tax on capital gains would, in my opinion, stimulate business and reemployment, and as a consequence would bring into the Treasury a considerably increased revenue from this source of income. Back in the days when the 12½-percent limit was in effect capital gains accounted for as much as 50 percent of the total individual income-tax collections. Now they are only a small factor.

The outstanding change made in the bill on the floor of the House was the elimination of the so-called third basket—the proposed penalty tax on the undistributed earnings of closely held or family corporations. My colleague from Boston, Representative JOHN W. MCCORMACK, offered the motion. Had he not done so, I would have offered it myself. Of course, there was a little matter of strategy in having the motion come from the Democratic side, since it thereby stood a better chance of getting Democratic support. Many Members on both sides of the aisle have a habit of voting against motions offered from the other side, regardless of their merit. It so happened that the Republican side of the House was 100 percent against the "third basket" provision, but with nearly a 4 to 1 Democratic majority it was necessary to secure considerable support from that side. Under the leadership of Mr. MCCORMACK and Representative LAMNECK, of Ohio, another Democratic member of the committee, a sufficient number of Democratic Members joined with the Republicans to eliminate the provision by an overwhelming majority.

I was very glad to see the "third basket" provision stricken from the bill, as it was absolutely unnecessary for the purpose intended, and would have been arbitrary and discriminatory in its application and oppressive in effect. It would have injured a great many long-established concerns here in Massachusetts.

The revenue bill passed the House on March 1[illegible] and is now pending before the Senate Finance Committee. Indications are that the bill will receive a very thorough overhauling at the hands of the Senate. The Senate Finance Committee has already taken the first steps by completely eliminating the undistributed-profits tax principle and substituting a flat rate of 18 percent on net corporate incomes, with a special credit for companies with less than $25,000 net. At the same time it has eliminated the complicated and burdensome capital-gains provisions of the House bill and substituted a flat tax of 15 percent. Both these changes are along the lines advocated by the Republican minority in the House. There is every reason to believe that the Senate itself will concur in them.

Senator HARRISON has also been quoted as favoring some reduction of the upper surtax brackets on the ground that they have passed beyond the point of diminishing returns. Of course, it is politically popular to "soak the rich," but the fact is that extremely high taxes often defeat their own purpose. No one is going to pay 79 cents out of every dollar to the Government if he can help it. All he has to do is buy tax-exempt securities and he can avoid his tax burden completely.

I recall that a former Democratic Secretary of the Treasury, David F. Houston, once said:

"It seems idle to speculate in the abstract as to whether or not a progressive income-tax schedule rising to rates in excess of 70 percent is justifiable. We are confronted with a condition and not a theory. The fact is that such rates cannot be successfully collected."

Since we now have surtaxes running as high as 79 percent it may be assumed that what Secretary Houston said following the World War is even more applicable at this time. Mr. Bernard Baruch, in his testimony before the Senate Unemployment Committee recently, called attention to the fact that the undistributed-profits tax, the capital-gains tax, and the high surtaxes were outstanding examples of the failure of Congress to apply the law of diminishing returns to our tax problem.

I have every hope and expectation that the Senate, in rewriting the tax bill, is going to keep the law of diminishing returns definitely in mind. I believe that body will consider the question of taxes from the standpoint of getting the most revenue with the least burden on business and other taxpayers. The trouble is that too much attention has been given in the past to the political side of taxation—to "soaking the rich" and striking at business—and not enough to the revenue side. We ought to get back to the principle of "taxation for revenue only."

We have heard a great deal in recent years about the necessity of broadening the income-tax base. Doubtless an amendment along that line will be offered to the pending bill in the Senate. I believe Senator LA FOLLETTE has such an amendment in mind. There is no question but what this is the only way available for raising any considerable amount of new revenue. All other sources have been tapped to the limit, and beyond. There is no question, also, but what this is desirable from the standpoint of making the people "tax conscious." It is the only way we are ever going to bring about a reduction in expenditures. As long as the great majority of the people live under the illusion that the rich are paying, and are going to continue to pay, for present-day extravagances and for our policy of paternalism we will continue to have an unbalanced Budget. This can only lead to printing-press inflation, which is taxation in its most destructive and burdensome form.

Of course the people for the most part do not realize it, but they are now actually paying the major portion of the present tax burden in the form of hidden taxes, or, in other words, in the increased cost of what they buy. All taxes imposed on business—Federal, State, and local—are in the last analysis paid by the consumer, because they are just as much a part of the cost of doing business as any other overhead expense. I recently presented to the House of Representatives some facts concerning hidden taxes gathered by one of the great insurance companies of the country, which showed that a man earning only $80 per month and owning no property paid over $100 a year in hidden taxes. In the case of a man with a monthly income, the annual burden was $229.

At the present time the great masses of the people are actually paying more than their fair share of the tax burden without knowing it; yet because these taxes are hidden from them, they are not "tax conscious." I am convinced that if an income tax were substituted for all other taxes, it would result in a considerable reduction of the actual tax burden on the majority of our people. In the first place, they would pay taxes strictly on the basis of their ability, and by reason of their tax consciousness they would bring pressure to bear on Congress to hold down expenditures and thereby lessen the necessity for such a tax load as would be required at the present time to meet all expenditures. Even the present tax load—heavy as it is, and which already consumes one-fifth of our people's income—is far from being sufficient to cover current expenditures.

You may be wondering what chance there is for the adoption of the proposal to increase the tax base. I should say that there is very little chance, at the present time. This is an election year, and as a practical proposition the administration is not going to be willing to go before the electorate this fall with a record of having increased the tax burden on the "little fellows," who, of course, cast most of the votes. There are now less than 3,000,000 persons paying Federal income tax. By broadening the base, a large number of potential voters would be affected, and their wrath incurred. That is why, in my opinion, the proposal to take this step at the present session of Congress will not get very far. This does not mean that it should not be done, however.

In bringing my somewhat lengthy remarks to a conclusion, I want to leave with you a suggestion for a program of action which I think would be of great benefit to the country. My suggestion is that a tax commission be set up to go over our entire Federal internal revenue system with a view to setting up a permanent, long-range system of taxes, which could be revised upward or downward from time to time to meet changing revenue needs without the necessity of changing their form or incidence. In the revision which I have in mind, proper regard should be given to the realization of the maximum amount of revenue with the least possible burden on business and individual taxpayers; to the law of diminishing returns as applied to taxation; to a statement of the law in as simple terms as possible; to the coordination of Federal taxes with State levies, and the elimination of overlapping or double taxation; to improvement and simplification of the machinery for tax litigation, particularly with regard to making it easier for small taxpayers to settle their differences with the taxing authorities; and to such other matters as would tend to improve our tax structure and make it more equitable, workable, and productive.

If the work of such a commission is to be of any value, it ought to be free from domination by the taxing officials of the legislative and executive branches of the Government. This has been the trouble with all past tax commissions and investigating agencies. If they have not been partisan, they have at least been biased in the sense of viewing the problem almost entirely from the Government's standpoint. It is essential to have a commission with an open, unprejudiced mind.

I should like to see the commission composed of qualified persons from the legislative and executive branches of the Government and from the general public. Inasmuch as Congress must enact, and the Treasury must enforce, any tax system which might result, both should be represented on the commission. I should like to see representatives of the taxpaying public on the commission, but I realize the difficulty of getting Congress or the Treasury to agree to allowing the public to have a majority on the commission, or even to having membership. At least the public could be represented through an advisory council to the commission. As representing the public, I would include on the commission or the advisory council, as the case may be, a representative of industry, of agriculture, and of labor, as well as members representing tax lawyers, tax accountants, taxation authorities, independent research organizations, consumers, and so on.

I am, at present, working on a draft of a resolution proposing such a commission. At an early date, I expect to offer the resolution in the House and endeavor to secure its adoption, or at least the adoption of a resolution along the same general lines.

There is a great need for a determination of sound tax principles to govern our Federal revenue system. There is a great need, also, for a somewhat stable system of taxation. Nothing is more unsettling to business than to have to constantly adjust itself to changing tax policies. In the last 4 years, we have had four different methods of taxing corporate business. In 1934 and prior years, we had a flat corporation tax. In 1935, a graduated corporation tax was adopted. In 1936, we had the undistributed-profits tax, which completely revolutionized the corporate-tax structure. Now it is proposed to have a still different system. Is it any wonder that business cannot face the future with any degree of certainty or confidence?

I have been speaking to you today from the viewpoint of the legislator. As a legislator, anxious to assist in writing an equitable and workable tax system, I am desirous of learning the viewpoint of the taxpayer and those who have to deal with the laws which we legislators write, such as you gentlemen to whom I am now speaking. Therefore, I hope that your organization, and others throughout the country, will join with me in an effort to secure the creation of the tax commission to which I have referred.

Government Reorganization

EXTENSION OF REMARKS

OF

HON. ALFRED F. BEITER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 1, 1938

Mr. BEITER. Mr. Speaker, the reorganization bill proposes to extend to the President the power to eliminate, consolidate, or curtail various Government agencies. I hold that such a proposal just now is badly timed. We need to clean house, yes; but let us first get back on the road to recovery. There is no emergency which requires immediate action on Government reorganization. There is an emergency which requires action now to provide employment and restore purchasing power to hundreds of thousands of American workmen.

Certain features of this bill have been described by hundreds of persons in my district as dangerous. Whether there is ground for such allegations remains to be seen, but since there exists a real distrust of the bill it should not be pressed for immediate consideration. It is probably true that there have been many misleading statements made in regard to the bill, and I believe that undoubtedly some provisions have merit. However, so long as there exists a fear—no matter how unreasonable—in the minds of so many people of its adoption I can see no reason for favorable consideration now.

Senator WAGNER in casting his vote against the bill, said he did so because he objected to abolition of the present three-man bipartisan Commission of the Civil Service in

favor of a single administrator and the transfer of powers from one branch of government to another. These seem to be the main controversial features of the bill. Objections have also arisen from my constituents to the control over the auditing and accounting functions of the Government.

The American Federation of Labor opposes the bill, and in a letter dated March 30 I received from the secretary-treasurer of that organization their objections are outlined in full. The federation states that they have consistently been denied the opportunity of being heard on any of the reorganization bills by the House committee. They called upon the Members of the House to insist that full and complete debate with every opportunity for amendments be provided on the floor. Many groups of Federal employees are affiliated with this organization. Their members are employees of the Government, whom reorganization of Government establishments vitally affects. They should be given an opportunity to be heard. They asked that the Civil Service Commission be retained as an independent agency of the Government and requested the House to provide that any Executive order issued by the President under the bill for consolidating, abolishing, or transferring any bureau or department, or any of their functions, should not be effective until approved by a majority of both Houses.

The federation in its letter to me objected to the sweeping delegation of congressional authority to the executive branch of the Government. They asked that the Congress retain all its constitutional authority in conformity with principles of democratic procedure and democratic government, and advocated that said power be broadened and extended instead of being curtailed or surrendered.

These objections to the bill indicate that labor groups and others who are not identified with any organization are greatly alarmed over the implications involved in the legislation.

The bill asks us to turn over to the President—any President—a job which is too big for one man—any one man.

I do not for one moment believe that President Roosevelt will deliberately abuse any power that is given him, and I might state at this point that there is merit in some provisions of this omnibus reorganization plan, but I believe that no one man should attempt to handle a job of this size, and that reorganization, when it takes place, should have the support of the majority of the citizens of our country. And this bill does not.

I do not feel that the country would lose anything by putting this bill on ice for a while. We have other important things to do now. Let us take up reorganization at a more opportune time. I would suggest that, in the meantime, a committee of the Congress be appointed to make a detailed study of government. I can see no objections to having a detailed study made of the departments and establishments of the Government for the purpose of enabling the President to determine what reforms should be made with a view to effecting greater economy and efficiency in the conduct of public affairs through the executive branch of the Government. I believe the people of the country would support such a movement. I should like to see such a study conducted with open hearings so that all who are interested or concerned may have a chance to state their views. Responsible officers of the Government, employee and labor groups, civic associations, and others should be given an opportunity to be heard.

Following are letters received by me from National Federation of Post Office Clerks' local of Buffalo, N. Y., various churches in my district, Committee for Social Justice, Merchants' Association of New York, American Federation of Labor, member of the Railroad Brotherhood local of Buffalo, and others, all in opposition to the enactment of this reorganization bill:

NATIONAL FEDERATION OF POST OFFICE CLERKS,
Buffalo, N. Y., March 22, 1938.

Hon. ALFRED F. BEITER,
House Office Building, Washington, D. C.

DEAR SIR: The members of Local No. 374, National Federation of Post Office Clerks, at their regular meeting, Sunday, March 20, 1938, have gone on record as being opposed to the single-administrator plan as proposed in the President's new reorganization program.

May we respectfully ask your assistance to help defeat this particular piece of legislation?

Respectfully yours,

EDW. F. HILDENBRAND,
Recording Secretary.

IZAAK WALTON LEAGUE OF AMERICA,
Buffalo, N. Y., March 21, 1938.

Hon. ALFRED F. BEITER,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN BEITER: The organization, which I have the honor of serving as president, is intensely interested in the Government reorganization bill S. 3331.

Notwithstanding the fact a great improvement might be wrought in governmental agencies, we feel that said bill would be a very unwise law to place upon the statute books.

It is placing in the hands of the President entirely too much power. If said measure must be passed, we urge that you support the George amendment, to retain in the Department of Agriculture all activities dealing with native or domestic plant and animal production, or with soil or water conservation.

Thanking you for your sincere effort in behalf of the welfare of the American Nation, which we believe will be best served by supporting the George amendment to S. 3331, I remain,

Sincerely yours,

H. W. LEARNER,
President, New York Division.

WOMEN'S AUXILIARY TO NATIONAL
FEDERATION OF POST OFFICE CLERKS,
Buffalo, N. Y., March 25, 1938.

Hon. ALFRED F. BEITER,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: At the last meeting of our organization, action was taken to oppose the reorganization bill soon to be brought up in the House. We strongly urge you to use your every influence to defeat this issue.

Sincerely yours,

FLORENCE MESMER, *Secretary.*

LONG ISLAND, NEW YORK CITY, N. Y., *March 30, 1938.*

Hon. ALFRED F. BEITER,
House Office Building, Washington, D. C.

DEAR MR. BEITER: Regarding the reorganization bill.

We believe you will be much interested in the attached article appearing on front page of today's New York Evening Journal.

It is not too late for you and other Members of Congress, including even those whose names are mentioned in the attached article, to defeat this dictatorial and un-American bill.

In this critical hour we beg you to do all in your power to defeat the reorganization bill and thus preserve for our children the constitutional form of democracy inherited from our forebears.

We hope you will favor us with an encouraging reply.

Sincerely yours,

AMERICAN COMMITTEE FOR SOCIAL JUSTICE.
By WM. B. FEELEY, *Chairman.*

BUFFALO, N. Y., *April 1, 1938.*

Hon. ALFRED F. BEITER,
Assembly Chamber, Washington, D. C.:

To the honor and glory of America, for the liberty and welfare of our American children, I request you to vote against the reorganization bill.

Rev. B. L. COLAGIOIA,
Pastor of Our Lady of Loretto Church, Buffalo.

BATAVIA, N. Y., *March 31, 1938.*

Hon. ALFRED F. BEITER,
House of Representatives, Washington, D. C.:

In my own behalf and in behalf of the communicants of my church (about 50 families), many of whom will not feel able to telegraph you, may I urge you to throw the full weight of your influence against the Government reorganization bill.

J. E. BEESON,
Pastor, Free Methodist Church.

BUFFALO, N. Y., *April 1, 1938.*

Hon. ALFRED F. BEITER,
Assembly Chamber, Washington, D. C.:

We most urgently request you to vote against the reorganization bill now before the House.

Rt. Rev. Msgr. R. O'BRIEN,
18 Greenwood Place.

CENTRAL PRESBYTERIAN CHURCH,
Buffalo, N. Y., March 22, 1938.

The Honorable ALFRED F. BEITER,
House of Representatives, Washington, D. C.

MY DEAR SIR: The citizens of the northern frontier of western New York are thoroughly indignant over the proposed Government

reorganization bill. I am the pastor of the largest Protestant church in this area, and I think I know the sentiments of a great many of our 2,500 members. Almost 100 percent are absolutely opposed to this change, which would concentrate additional power in the executive branch of the Government, continue a spoils system, and virtually destroy the basic system of checks and balances in government.

We hope you will oppose the measure with all vigor.

Cordially yours,

LEONARD V. BUSCHMAN.

BUFFALO, N. Y., *April 1, 1938.*

Hon. ALFRED F. BEITER,
Assembly Chamber, Washington, D. C.:

In the name of 3,500 families in my parish, I respectfully request you to vote "no" against the reorganization bill.

Rt. Rev. JOSEPH GAMBINO,
Pastor, Holy Cross Church.

TRINITY METHODIST EPISCOPAL CHURCH,
Buffalo, N. Y., March 22, 1938.

Hon. ALFRED F. BEITER,
House of Representatives, Washington, D. C.

DEAR SIR: The thousand members of Trinity Methodist Episcopal Church back me in an unqualified protest against President Roosevelt's reorganization bill. I personally believe in the success of our constitutional government, and we heartily protest any change in the Government that has made ours the greatest Christian nation of the world.

Respectfully yours,

GEORGE W. COOKE.

NEW YORK, *March 30, 1938.*

Hon. ALFRED F. BEITER,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: The Merchants' Association of New York desires to record with you its opposition to the administrative reorganization bill (S. 3331) in the form in which it passed the Senate for the following reasons:

While we recognize that there is real need for a thoroughgoing reorganization of the administrative branch of the Federal Government and that many past attempts to perform this task have failed to overcome the inertia and opposition to change, which are naturally met in such a matter, and while there are some provisions in the bill with which we are in accord, such, for example, as the creation of a national resources planning board, there are other provisions so fundamentally important, with which we disagree, that they outweigh those which we favor.

We particularly object to the provisions of section 4 for making Executive orders effective. We believe that the Executive should initiate reorganization methods, but they should be subject to positive approval by the Congress rather than the negative action, subject presumably to Executive veto, which the bill provides. Section 4 as it stands places far too great power in the hands of the Executive in a matter of vital importance with no effective check by the Congress.

We also object to placing the civil service under the control of a single administrator because we feel that in the long run the policy-determining functions of the head of the civil service outweigh in importance the administrative. We are convinced that policy determination of this nature can more effectively serve the public interest if it is in the hands of a board than if it is vested in an individual. This objection might be met by placing the administration of the civil service in the hands of an individual, subordinate to a multimember commission.

We further object to giving the President final power to determine that any office or position is policy-determining in character, and we suggest that this power be made subject to positive approval by the Congress in the same manner as suggested above for Executive orders.

We also object to the substitution of a post audit for the existing preaudit system because we believe the former would be a less effective check upon improper payments and would, in effect, amount to locking the barn door after the horse had been stolen. Prevention is better than cure. The current delays in auditing can be cured by increasing the staff without sacrificing the sound principles upon which the present system is based.

It has been openly stated that the proposed reorganization is aimed at greater efficiency rather than greater efficiency and economy. While greater efficiency is unquestionably desirable, in the present state of public finances with a crushing tax burden strangling business and industry, economy is equally desirable. We believe that economy should be made an objective of the reorganization on a parity with efficiency rather than treated as a possible incidental byproduct.

For these reasons we urge you to oppose the passage of the bill unless it is amended to meet these objections.

Respectfully yours,

THE MERCHANTS' ASSOCIATION OF NEW YORK,
By LOUIS K. COMSTOCK, *President.*

WASHINGTON, D. C., *March 30, 1938.*

Hon. ALFRED F. BEITER,
House Office Building, Washington, D. C.

DEAR SIR: I wish to call your attention to S. 3331, which was passed in the Senate last Monday, in a form very objectionable to the American Federation of Labor and its entire membership.

During the present Congress, the American Federation of Labor and its affiliated organizations have consistently been denied the opportunity of being heard on any of the reorganization bills by the House committee. We are, therefore, calling upon the Members of the House of Representatives to insist that full and complete debate with every opportunity for amendments be provided on the floor.

In our opinion, the Civil Service Commission and the United States Employees' Compensation Commission should be retained as independent agencies.

We are of the further opinion and request that the House provide that any Executive order issued by the President under this bill which consolidates, abolishes, or transfers any bureau or department, or any of their functions, should not be effective until approved by a majority of both Houses.

We object most seriously to the sweeping delegation of congressional authority to the executive branch of the Government, and we cannot understand how anyone interested in maintaining our form of government can oppose or vote for it, as, in our opinion, the Congress ought to retain all its constitutional authority in conformity with principles of democratic procedure and democratic government, and that said power ought to be broadened and extended instead of being curtailed or surrendered.

The American Federation of Labor, its affiliated organizations, and its entire membership are greatly alarmed over the serious implications involved in this legislation.

I sincerely and earnestly appeal to you to incorporate in the bill amendments along the lines above suggested. If this is not done, we will be compelled to request recommittal.

Yours very truly,

FRANK MORRISON,
Secretary-Treasurer, American Federation of Labor.

BUFFALO, N. Y., *April 1, 1938.*

Hon. ALFRED A. BEITER,
Washington, D. C.:

As chairman of the Jewish Pharmaceutical Association, consisting of over 100 pharamacists, we are vigorously opposed to the reorganization bill. We ask your support in opposing this bill.

N. J. HORWITZ.

BUFFALO, N. Y., *April 1, 1938.*

Hon. ALFRED F. BEITER,
Assembly Chamber, Washington, D. C.:

As a railroad brotherhood man insist you vote against such communistic-fascistic powers as reorganization bill will grant.

Mr. and Mrs. CHARLES M. ANDERSON,
441 Shirley Avenue.

The Making of a Representative

EXTENSION OF REMARKS

OF

HON. GUY L. MOSER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 1, 1938

ADDRESS BY FORMER SPEAKER OF THE HOUSE OF REPRESENTATIVES, HON. CHAMP CLARK, OF MISSOURI, MARCH 16, 1916, AT THE WASHINGTON PRESS CLUB RECEPTION FOR NEWLY ELECTED CONGRESSMEN

Mr. MOSER of Pennsylvania. Mr. Speaker, the Honorable Champ Clark, of Missouri, both as a Member of the House of Representatives and its Speaker, established a record of long and honorable public service that will long live as an example. His address before the Washington Press Club, March 16, 1916, is that abundant in logic, sound argument, and unanswerable reasoning it might well serve as a guiding star to new Members. As one such it has both deeply impressed and greatly inspired me toward my attainment as an objective in service to my constituency, my country, and my relationship with my colleagues in Congress. I submit it for the RECORD, as follows:

THE MAKING OF A REPRESENTATIVE

REMARKS OF HON. CHAMP CLARK AT THE WASHINGTON PRESS CLUB RECEPTION THURSDAY, MARCH 16, 1916

[Printed in CONGRESSIONAL RECORD, March 17, 1916]

It is a high honor to be a Representative in Congress, if for only one term, and with the number of terms the honor increases in geometrical rather than in arithmetical proportion. A Member's usefulness to his country should increase in the same proportion. A man has to learn to be a Representative just as he must learn to

be a blacksmith, a carpenter, a farmer, an engineer, a lawyer, or a doctor.

"Poeta nascitur non fit"—a poet is born, not made—says Horace; but Congressmen—that is, useful and influential Congressmen—are made largely by experience and practice.

The old Charlotte district in Virginia knew this and kept John Randolph, of Roanoke, in the House till he became a great national figure. Then the Old Dominion sent him to the Senate and General Jackson sent him to St. Petersburg. There are sporadic cases of similar action in other districts.

It is an unwise performance for any district to change Representatives at short intervals. A new Congressman must begin at the foot of the class and spell up. Of course, the more brains, tact, energy, courage, and industry he has, the quicker he will get up. If he possesses these qualities, and if his constituents will keep him in the House, he is as certain to rise as the sparks are to fly upward. No human power can keep him down. It is only fair and rational to assume that every Representative's constituents desire to see him among the top-notchers.

Let us take the present House and see how long the men who hold the high places have served. I cannot name all, but will cite a few as samples.

Mr. Speaker Cannon is serving his fortieth year. He holds the record, or, in pugilistic parlance, he holds the belt, for length of service in the House in our entire history. In several Congresses he was chairman of the great Committee on Appropriations and then was Speaker 8 years, only one man, Henry Clay, having been Speaker longer.

I am serving my twenty-second year; Minority Leader Mann is serving his twentieth year; Mr. Kitchin, chairman of Ways and Means, his sixteenth; Mr. Fitzgerald, chairman of Appropriations, his eighteenth; Mr. Moon, chairman of the Post Office and Post Roads, his twentieth; Mr. Jones, chairman of Insular Affairs and "father of the House," his twenty-sixth; Mr. Flood, chairman of Foreign Affairs, his sixteenth; Mr. Hay, chairman of Military Affairs, his twentieth; Mr. Glass, chairman of Banking and Currency, his sixteenth; Mr. Adamson, chairman of Interstate and Foreign Commerce, his twentieth; Mr. Stephens, chairman of Indian Affairs, his twentieth; Mr. Slayden, chairman of the Library, his twentieth; Mr. Henry, chairman of Rules, his twentieth; Mr. Lever, chairman of Agriculture, his sixteenth; Mr. Padgett, chairman of the Navy, his sixteenth; Mr. Lloyd, chairman of Accounts, his twentieth; and Mr. Sparkman, chairman of Rivers and Harbors, his twenty-second. There are other big chairmanships, but these will suffice to show that as a rule the big places go to old and experienced Members, for most of the men who rank close to the chairmen are old-timers. The same thing holds good with reference to members of the minority. As an illustration, Messrs. Gillett and Cooper, who are serving their twenty-fourth year, are the ranking Republicans on Appropriations and Foreign Affairs, almost certain to be chairmen thereof should the Republicans ever again have a majority in the House, as in that event, in all probability, Mr. Mann will be Speaker, unless he is nominated for President next June.

Go through the whole list and you will find, with few exceptions, that the men of long service have the high places.

New England and the cities of Philadelphia and Pittsburgh have understood the value of long service all along, and, having elected a fairly good man to Congress, they keep him in the harness.

The Member of longest consecutive service is called "the father of the House." Five Philadelphians in immediate succession bore that honorable title—Randall, Kelley, O'Neill, Harmer, and Bingham. Then it went to Mr. Dalzell, of Pittsburgh. When General Bingham announced the death of General Harmer, his immediate predecessor as "father of the House," he stated that the five Philadelphia "fathers of the House" had served a total of 147 years, and he served 8 or 10 years after making that interesting statement.

In the second and third Congresses in which I served, Maine, with only four Members, had the speakership and the chairmanship of the great Committees on Ways and Means, Navy, and Public Buildings and Grounds—a most remarkable circumstance, giving the Pine Tree State an influence in the House and the country out of all proportion to her population and wealth. These four men—Reed, Dingley, Boutelle, and Milliken—each served in the House 20 years or more. Other States might profit by her example.

No man should be elected to the House simply to gratify his ambition. All Members should be elected for the good of the country.

The best rule, it seems to me, is for a district to select a man with at least fair capacity, industrious, honest, energetic, sober, and courageous, and keep him here so long as he discharges his duties faithfully and well. Such a man will gradually rise to high position and influence in the House. His wide acquaintance with Members helps him amazingly in doing things.

I can speak freely on this subject without violating the proprieties, for my constituents have kept me here 22 years, and for 20 years have given me nominations without opposition, for all of which favors I thank them from the bottom of my heart. Their generous action and unwavering friendship have enabled me to devote all my time to the public service. I have not been compelled to spend any portion of my time in "mending my fences." My constituents have attended to that. God bless them!

One other thing. I do not know what committee assignments you new Members secured. If they are good, you are to be congratulated. If bad, do not be cast down. No congressional tenderfoot ever had poorer assignments than I had—Claims and Old Pensions—but I never complained or kicked. I went to work as though those committees suited me exactly. Here is an illustration of what may happen and how luck plays an important part. I was next to top Democrat on both Foreign Affairs and Patents for 8 years—never advanced a peg so far as committees went. Just when, at the beginning of the ninth year on those two committees, I was about to become top Democrat on Foreign Affairs, Hon. John Sharp Williams, then minority leader, assigned me to the foot of Ways and Means, and at the end of 4 years through the happenings of politics in five different States I jumped from the foot to the head of the Democratic minority on Ways and Means. So it may be with you. Events over which you have no control may advance you more rapidly than you dream of or hope for. My advice is this: "Whatever your hand finds to do, do it with your might."

Service—Civil or Otherwise

EXTENSION OF REMARKS

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 1, 1938

Mr. DIRKSEN. Mr. Speaker, under that forthright exponent of democracy, Andrew Jackson, the spoils system produced its fairest fruit. "To the victor belongs the spoils" was the motto. There was no civil service. More properly, it was an uncivil service—an uncivil and an unceremonious booting out of office those who were in.

Came that historic and tragic day of July 2, 1881, when a disappointed office seeker shot President Garfield. It was the shot that crystallized sentiment in behalf of a merit system and resulted in the Pendleton Act of 1883.

Members of Congress should read the Pendleton Act. It is refreshing as the furious but scarcely persuasive arguments assail their ears in behalf of reorganizing the civil-service system.

It set up a three-man, bipartisan commission. The salaries were set at $3,500 per annum. The purposes of the act are also refreshing as one scans the argument for reorganization.

Among other things, the act provides for aid and assistance to the President for carrying out its provisions.

It provides for establishing rules to test the fitness of applicants for office in a practical manner.

It provides for the filling of vacancies according to grade.

It provides for apportionment of positions among the States.

It provides probationary periods before appointments become absolute.

It prohibits political contributions as a condition for obtaining a Government position.

It provides for noncompetitive examinations.

It provides for the supervision and control of all examinations by the Commission.

It provides for investigations and reports.

It prohibits recommendations by Senators and Congressmen.

It provides for an annual report to Congress.

It provides for penalties for violations of the act.

Truly, the Brownlow committee in making its report could scarcely have done better than to have recited the broad scope and provisions of the original Civil Service Act which has been on the statute books for 55 years.

Pursuant to that act, the Civil Service Commission promulgated rules for its administration. These, too, are refreshing. Members should take time off to read them.

These rules cover politics and religion, classification of the service, examinations and examiners, qualifications of applicants, ratings and eligibility, certification and temporary appointments, reinstatement and transfers, promotions and removals and everything else necessary to a proper and efficient administration of the act.

Members should then examine the progressive steps by which the civil-service system has been nullified, torpedoed, stymied, dismembered, by the Congress and the Executive. If the civil-service system is not what it should be, it results neither from lack of sympathy or maladministration by the Civil Service Commission nor from lack of basic legislation. It results from nullifying legislation by the Congress and from the operation of Executive orders.

First come the positions which are exempted from examination under rule II, section 3. An examination of the exempted positions in every department of Government will disclose a list as long as the Great Wall of China. This constitutes the first big hole in the merit system, made not by the Commission but by Congress.

Next comes a host of positions that can be filled by noncompetitive examination. This is hole No. 2.

Next comes an incredible number of Executive orders permitting appointments without regard to civil service. Listed here are positions in the Comptroller's office, emergency and temporary positions; War Minerals Relief, Resettlement Administration, Bureau of Navigation and Steamboat Inspection, the National Steel Labor Relations Board, the Textile Labor Relations Board, the Central Statistical Board, the Federal Civil Works Administration, the Commodity Credit Corporation, the Coordinator for Industrial Cooperation, the District of Columbia Alley Dwelling Authority, the Electric Home and Farm Authority, the executive council the National Emergency Committee, the Export-Import Bank, the National Labor Relations Board, the National Resources Committee, the Prison Industries Reorganization Committee, the Puerto Rico Reconstruction Administration, the Rural Electrification Administration, the National Youth Administration and others. That, gentlemen, is some hole in the merit system.

But the Congress was not to be outdone by the Executive. From this body issued legislation containing the too-familiar language about appointments without reference to the Civil Service or Classification Act that might be a source of joy and pride to the veriest destructionist. It would take an interminable time to recite them all. And oddly enough, most of the Executive orders and congressional enactments which make the merit system look like a sieve, date from 1933.

Have we been deliberately perforating the merit system in order to attempt a justification of the reorganization proposal now before us? One would almost be constrained to so believe.

Let us look at the history of the civil-service system.

It got under way in 1884. Only seven persons constituted the Commission. At that time, there were 131,208 persons employed in the executive branch of Government. Of these 13,700, or 10.8 percent, were under civil service. The Commission had the munificent appropriation of $28,828 in that year.

In 1914 its appropriation was $455,740. It had a staff of 263. Of the 435,000 employees in the executive department, 292,460, or 67 percent, were under civil service. We had made some progress.

In 1921 the appropriation was $684,857 and the staff consisted of 426 persons. Of the 562,252 employees in the executive department, 448,112, or 79.9 percent, were under civil service. Not bad.

In 1932 the appropriation was $1,634,275 and the staff consisted of 623 persons. Of the 578,831 persons in the executive departments, 467,161, or 80.8 percent, were under civil service. Here was a record of which to be proud.

Now prepare for disillusionment. In June 1937, with 841,664 persons in the executive departments, 532,073, or only 63 percent, were under civil service. What a loss and why? Ask Congress. Ask the President. They know the answer. The appropriation for 1934 was $2,335,000.

Has the Commission been derelict in its duty in extending the merit system "upward, outward, and downward"? The answer is "no."

Has the Commission been responsible for this decline in the merit lists? The answer is "no."

Could anything which the Commission has done or left undone justify the pending proposal to reorganize the civil-service system? The answer is "no." In fact, let us get the answer from the Brownlow committee which recommends a one-man administrator and an advisory board. On page 24 of the Brownlow Committee report to the President, the committee refers to the Civil Service Commission as follows:

> The extension of the merit system in the Federal Government requires the reorganization of the Civil Service Commission as a central personnel agency. The Civil Service Commission was established over 50 years ago to meet conditions quite different from those of today. The number of Government employees was small and personnel requirements were relatively simple. Set up as an agency to protect the Federal executive establishments against the evils of political patronage, it has made many notable advances. The Civil Service Commission and its staff have devoted themselves assiduously to the public business and have endeavored conscientiously to observe the statutes and orders that have been laid down for their guidance. The Commission has achieved its greatest success in the administration of open competitive examinations for positions in the lower grades of the service. It has pioneered in personnel research and efficiency ratings. Its new series of general-purpose examinations for recent college graduates to fill positions at the bottom of the career ladder was a marked step forward and has resulted in improved recruitment for positions requiring general ability and capacity for development.
>
> Nevertheless, the existing civil-service system is poorly adapted to meet the larger responsibilities of serving as a central personnel agency for a vast and complicated governmental administration in which there are over 800,000 civilian employees. Its organization is unsuited to the present needs. The Civil Service Commission has not been appropriately staffed to do the constructive work which modern personnel management presupposes. The absence of an adequate staff has imposed upon the Commission a negative, protective, and legalistic role, whereas the need today is for a positive, constructive, and active central personnel agency.

The only criticism which the Brownlow committee makes in justifying the pending reorganization proposal is that the present Commission "has not been appropriately staffed." And whose fault is that? It is the fault of those who control the purse. It is the fault of the Congress.

The Civil Service Commission is behind in its work.

There are now pending 1,885 appeals from classification and examination that are 7 months old. Why? Insufficient appropriations and therefore inadequate personnel to handle the job.

Since 1934 the Commission has handled civil-service retirements. They were transferred from the Veterans' Bureau. Three hundred and six of the one thousand and seventy-five members of the Commission staff are occupied with this work.

The Commission is receiving nearly 2,000,000 pieces of mail annually in the central office in Washington which must be opened, read, answered, indexed, and filed. Nearly 40,000 of these are registries and specials.

With its present staff, the Commission could audit only 703,134 of the 900,000 personnel changes which have accumulated in 1936 and 1937. Why? No money and inadequate number of personnel.

This year 300 of the Commission's eligible registers will be 3 years old. Next year most of them will be 4 years old. The President has stated that he wanted renewals on registers that were 3 years old or more. Mr. President, why not have your Budget Bureau recommend a little more money and more help for an already overworked Commission.

Of the 13 field offices of the Commission, the staff is only 9 percent greater than in 1932 and yet the work in various lines has increased from 38 to 881 percent. Is it then so hard to understand why the Commission is behind in its work or why it has been unfairly criticized for inefficiency? The answer is more funds and less tampering with the system, and that answer reposes in the Congress and the Executive.

The Brownlow committee makes much of the fact that there should be greater stress on investigation and personnel management, and hence we should have a one-man administrator with a pseudo watchdog advisory board. Just how much advice can such a board give with a limit of $1,500

on salaries which will permit at least 4 and perhaps not to exceed 12 meetings by the board in any one year. After all, it is the administrator and not the advisory board that will have the authority.

As for personnel management, the present Commission is abreast of personnel studies and of the work being done by university groups and other bodies in that field. In that connection it is interesting to note that a survey of 68 private corporations by a western university discloses that where these corporations expended 1¾ percent of their entire salary roll for personnel service to recruit efficient, trained personnel, we spend one-quarter of 1 percent on the Civil Service Commission for like work.

Do we need reorganization of the Civil Service Commission? We do not. All we need is to supply the Commission with funds and an adequate staff, and they will accomplish every objective that has been so elegantly set forth in the Brownlow report.

The Problems of Agriculture

EXTENSION OF REMARKS

OF

HON. CARL A. HATCH

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Friday, April 1 (legislative day of Wednesday, January 5), 1938

ARTICLE ON THE PROBLEMS OF AGRICULTURE IN THE ISSUE OF KEN OF APRIL 7, 1938

Mr. HATCH. Mr. President, I ask unanimous consent to have printed in the RECORD an article on the problems of agriculture, published in the magazine Ken, of the issue of April 7, 1938.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARMING IS A WAY OF DEATH

(All over the world the sun shines and seeds sprout, but poverty sits in the green fields. International agriculture collapsed along with world trade, and today the farmers' yell for help is universal. Every nation answers with aid, not for love of farmer but for fear of famine in event of war. Regimes hell-bent on national strength and glory enlist the plowshare as a sword, to prepare for the planned blood bath. Thus farming, long a way of life and once a way of profit, becomes in a double sense a way of death, as farmers, at starvation wages, work for war.)

(By Lawrence and Sylvia Martin)

On God's green acres across the world a billion farmers dig themselves graves. White and yellow, brown and black; astride the tractor or harnessed to the ancient wooden plow; whether renters, laborers, or petty proprietors—all are brothers in suffering. Debts mount, mortgages grow, lands are confiscated. Free farmers become peasants, peasants become sharecroppers, tenants, and serfs.

They protest:

Poland: "Seventeen killed in farm strike riots." "Six slain in Yaroslav as troops fire on mob." "Forty-one die in peasant riots."

Philippines: "Bloodshed marks quelling of Sakdal peasant riots. More trouble expected."

Islands of the British Empire: "Four killed, seven wounded, in peasant riots (Mauritius). Violence reported in Trinidad, Barbados, Jamaica.

Japan: Two thousand one hundred and three peasant conflicts registered in 9 months; 51 marked by violence.

Yugoslavia (comic interlude): "Peasants pelt cabinet minister with tomatoes, eggs, when he speaks in defense of government."

United States: Violence marks strike of cotton pickers in Alabama. "Upheaval in the Corn Belt."

On every continent, in every country, the farm problem and agrarian unrest; in Brazil and Egypt, in Turkey and Rumania, in Indian and China, in Mexico, and in the United States. The shacks, the crops, the costumes, the languages are different, but the trouble is all one. It is an international disease, and the cure which the frantic doctors are imposing everywhere will perhaps turn out to be as fatal as the original ailment.

How? Why?

Once upon a time (it seems like a fairy story) the man with the hoe was his own master. He farmed for a living, consumed most of what he raised; his farm and his home were his food and clothing factories. He sold a little surplus in the town market, and bought tin pans, salt, a knife, a Bible. If he had luck as well as thrift, he laid a little by, and added to his farm, but to him corn was corn, oats were oats; they were not money. He was a free man, an individual, and the measure of his freedom was the ability to look any man in the eye and tell him to go to hell.

Commercial capitalism grew, thriving on the increasing specialization of agriculture. The farmer began to go in for marketable crops; now he raised only a little for his own use, and most for the market. And that market was a constantly expanding one. The world population grew, the standard of living throughout the western world went up—this was capitalism in its boom period. The farmer sold his "way of life" for a share in this expansion. He became a capitalist; land values went up; there was always a demand for the "goods" his soil factory raised. He went into debt for machinery, for seed, for stock, for new barns. He needed an automobile, a radio. He became part of a world of gadgets, conveniences, and luxuries.

Not only the American farmer with his handsome labor-saving machinery and his new knowledge, but even the farmer in the backwoods of Europe—in Denmark, say, in Transylvania—the primitive farmer with his little parcel of land, his iron plow, his oxen, was drawn into commercialism. And in the colonies the native populations were torn from their ancient economies to produce for the industrialized mother country. Specialization changed the face of nations. The Danube Basin, for example, became the granary of Europe. Denmark and Holland were factories of milk, butter, and eggs for export. Subsistence farming was gone; farming went international.

The World War, calling feverishly for food for the armies that crawled on their stomachs, and willing to pay well for it, brought capitalism and capitalist farming to their climax. Farmers gave their sons to the armies, but science and machinery performed miracles and the soil produced more than ever it had.

In the meantime (and here the fairy story goes sour) things were happening which neither farmers nor scientists nor statesmen foresaw or understood. Forces were operating which left the farmer, the man with the hoe, the world's pauper.

Depression came to the farm, significantly, in a time of good crops. Competition betrayed the farmer. With the agrarian units of every country specializing, reducing man-hours, and stepping up production through mechanization, the international market was flooded with sugar, wheat, coffee, cotton, corn. Some nations specialized so far that they became vast plantation factories, producing only one or two crops and importing all necessities. Egypt, once exporting grains, now imports her breadstuff, for she is putting everything into cotton for the world market. Japan spells rice and silk. Canada is wheat. Australia is wool. Cuba is sugar. Brazil is coffee.

Only scarcity could keep farm prices from falling. But when States tried the policy of restriction, even going into complicated international deals, new players outside the big leagues came in and played by a different rule book. When Cuba, under the Chadbourne plan, withdrew her surplus sugar from the market, Hawaii, the Philippines, and Puerto Rico began to displace her on the American market. When Brazil burned coffee, Colombia, Nicaragua, Costa Rica, and Africa began to menace her trade.

All over the world what distinguished farming new style from farming old, was this putting the eggs in one basket. Great idea while it worked, but like the pitcher that went to the well, the basket went to market once too often.

In a contracting market the farmer received less for his goods, but the prices of what he had to buy did not fall in proportion. They never do. For the things he had to buy were the finished products of industry. And industry is better organized than agriculture to keep price levels high. Industry responds more quickly to supply and demand. The crop factory is not flexible, adjustable; the product cannot be changed or modified in the middle of the season. And the farmer, now part of the world of autos, electricity, and magazines, can hardly be asked to get out of that world and go back to his primitive economy. So the farmer goes into debt because the less he gets for what he produces does not balance the more he has to pay for what he cannot any longer do without.

In every nation (except Russia which has other problems than farming as a way of death) the farmer has sold himself to city creditors. (Those who could not get credit lost their land.) The crisis came, the creditors clamored for their money, and all over the world farmers lost lands and homes. The sun shone, seeds sprouted, but poverty sat in the green fields.

Finland: 12,116 forced sales of farms, 1931–35.

Sweden: 1,641 farmers bankrupted in 18 months (to June 1934).

Hungary: Nearly 30 percent of cultivated land choked with debt.

Yugoslavia: 40 percent of the farms heavily in debt.

Japan: "Only 25 percent of the rural population have sufficient land * * * and barely 3 percent cultivated land of an area that allows for a prosperous agricultural economy."

China: The average size of a farm is 15.8 mow (a mow is one-sixth of an acre); compare with the average 873.2 mow for the United States.

Puerto Rico: Half the rural population living in shacks of two rooms or less; two-thirds of the houses lack latrines.

Great Britain: "The maximum rent which can be expected of rural workers is 3s. a week; * * * the rates of wages now prevailing in agriculture do not permit the ordinary agricultural worker to pay the economic rent of the type of house he requires."

United States: 1935—farms operated by owners, 3,947,000; farms operated by tenants, 2,865,000, or 42 percent.

Everywhere small farmers squeezed out, large farms (that can command credit) growing larger. Bankers and insurance companies become farm and plantation owners. The uprooted farmer becomes a peasant laborer. But he doesn't take it tamely. He fights with guns, or scythes, with organization, and votes. He cries out for help and gets it.

What is the reason that his demand for help cannot go unheeded? Chiefly this: The war that is coming tomorrow, here, there, and everywhere, needs the farmer. When the cry goes up from the chaotic acres, it is not only the Ministry of Agriculture that heeds, but also the ministries of foreign affairs and war. Armies crawl on their stomachs; the nations now are armies, and the native farm land is their commissary, their canteen.

Brazil could produce the world's coffee. Cuba and the other Caribbean islands could sugar the world. Countries could trade cotton and wheat and machine-made goods, or whatever it is that each is best able to specialize in by reason of geography, climate, skill, tradition, and the accidents of technical invention and development. In a world of peace and free international exchange, run by the sanity of science and engineering, and squaring with the ideals of classical capitalism, every nation would work at what it could do best, and swap with the best of all the others.

This is the international market, the fairyland of the economics textbooks. Actually, outside the nursery of myth and cultural hang-overs, away from the baby blocks and rattles, the world is full of tariffs, subsidies, pacts, and State controls. The "international market" is a wreck (something quaint and historical, like the seven wonders of the ancient world) and it was the international collapse of agriculture that helped to wreck it.

Wars may be blamed—there was a World War. Nations may be blamed—in Germany and Italy agrarian unrest helped bring to power regimes heli-bent on national strength and glory. The countries which industrialism has been late in touching—the "republics" of South and Central America, Japan, Turkey, the Balkans—are awakening to opportunity, and their political rulers to new visions of grandeur. Agrarian discontent in the colonies is breeding nationalisms. The world, fully equipped for peace and plenty, is least ready for either, and every nation strives for isolation and autarchy. Every nation, instead of selling what it can best produce and spending the profits on what it needs, strains its farmers to make it a self-subsistent unit. There must be bumper harvests for the bumper war.

But bumper harvests do not support the farmer. And as the economic system drags the farmer down, the political system must keep him from going under.

So across the world stretches a vast network of farm subsidization measures. The old protective tariff system, designed to maintain good prices for domestic producers, broke down under the unprecedented flood of materials on the international market. Each country tried to keep its home prices high while dumping abroad. As a result, consumers suffered, and whatever farmer and dealer gained in the home market was lost, with interest, abroad.

The relatively simple system of home protection had to be stepped up when depression hit the farmer. Now it is a giant, controlling production and distribution and regulating prices on the agricultural markets of every country.

At first, of course, control measures were emergency steps taken as desperate situations arose. Farm purchasing power was important to the economic health of a nation. Moreover, agrarian discontent menaced the political structure. In spite of themselves even the most democratic nations found themselves in the first-aid business—and regimentation.

Now in the last few years the explosive international setting has fathered a rearmament race of which measures for self-subsistence form no small part. Last year Germany spent 800,000,000 marks to increase farm production of commodities that are already overproduced abroad, such as beet sugars. At considerable trouble and expense other nations are encouraging home industries to produce what can be bought more cheaply abroad. Farming is being carried on at a loss both to the nations and to the farmers, but war is just around the corner and will probably make up for it to everybody.

The world is one-third as international as it was 9 years ago. (Taking world trade, 1929, at 100, in 1936 it was 35.) The situation is even worse than the figures show, because a not inconsiderable item in world trade today is the exchange of goods only among those countries who might be allies in the event of war. The mutual swaps of the Fascist bloc can hardly be classed as international trade.

What does this mean for the farmer?

The farmer is caught between control and starvation. Where the lines of governmental control hem him in, gone is his last vestige of freedom. He must produce what he is told, at a designated quantity. In return he gets a measure of security. His debts are scaled down, postponed. The Government opens credit to him. In some countries the inefficiently administered large landholdings of old families are being broken up and given to the peasants and farmers. The slight increase in agricultural returns in the last 3 years is directly traceable to Government subsidization.

Thus farming is a way of death in a double sense. First, the farmer's standard of living has been frozen at little more than subsistence level. Once he was poor; now he is a pauper. Second, the farmer is working for war. He may be a confirmed pacifist, but every good crop he grows and harvests furnishes another brick in the walls of self-isolation which each nation so frantically builds.

The world has moved swiftly through three phases of capitalism, and nowhere is this seen more clearly than in agriculture. The farmer who produced for use became the farmer who produced for profit; now the farmer who produces for a doubtful security replaces his profit-minded father. Once agriculture meant individualism; it sacrificed some freedom for certain gains; now it is collectivism.

The farmer is not pleased with his position today. Where Government protection fails to cover his particular situation or problem, he continues to lose the land, becomes a tenant or farm laborer, or he gives up and goes to the city to join the unemployed. Where the Government aids him, it gives him returns far below those that were his in the days when profit was his god.

No; the farmer is not pleased. What can he do about it?

1. At the extreme, the farmers can try revolution. They have tried it—in China the "red" districts had a population at one time of 90,000,000. But an agrarian revolution settles nothing. The starving and exploited peasantry kills the rich, burns down the big houses and the land deeds and mortgages, and redivides the land. Then the old process begins all over again, and the next generation is ripe for another revolt.

2. Perhaps they can go back to subsistence, back to a primitive prefeudal economy. The program of the Agrarians, who are mostly esthetes and intellectuals with uncalloused hands, is a modified primitivism. It romanticizes the good earth, poetizes the village, damns the city—mother of hypercivilized evil. The philosopher in the apartment house feels the spiritual call of the soil. He dreams of communities of farmers, a democratic manorial system, with new-fashioned husking and quilting and canning bees, community electric power. And out of this return to nature, the birth of a new folk-art.

It is possible a dictator might bring about such a benevolent throw-back to "good old days." Only iron rule would do it, for the lines of development are not in that direction. Unconsciously the agrarian philosophy has affinities for fascism and its race and soil ideal and its solution of the economic dilemma through freezing technique, progress, and possibility at a low level. (There are hundreds of thousands of subsistence farmers, maybe millions, scattered all over the world. They themselves have removed—or their governments have removed them—from the world of exchange and intercourse. For the return to subsistence means withdrawal from what civilization we have.)

3. A third point of view urges more international cooperation and free trade. The technical substructure for it exists, and rusts. But the facts of power politics reduce this group to the role of haranguers and rhetoricians.

4. A fourth group is for extending regulation and control. With international trade gone, with aspirations to autarchy in the saddle, the world is of necessity in the hands of this program. Yet the control now in force seems everywhere to be bankrupting farmers and national economies. The only possible road is possibly also the road to ruin. Or are all roads only superhighways to collapse in a world suffering from a profit system that can no longer scrape together the old dividends?

Is there, then, no knothole in the fence through which a mangy alley cat can squeeze?

Articles do not solve world problems, which usually require a gigantic blood bath:

Because farming is a way of economic death. It is the road of indebtedness, mortgage, foreclosure, flight to city, and dole.

Because farming is a way of physical death when those who cannot accept dumbly outlawry from land, home, and community receive the unanswerable retort of soldiers and constabulary.

Because farming is a way of social and spiritual death. Tenant, sharecropper, peon, serf, or "psychic income" farmer under the blood and soil banner of fascism—all in different ways have been deprived of their vocation that was a way of life as well as a means of getting a living.

Because farming is becoming the way of death of a civilization. The concern of States, politicos, fuehrers, and duces for agriculture, the main reason the farmer is tolerated and underwritten, is that his activity is a necessary condition of success in the international death dealing that now confronts us all.

Is Syphilis a Problem for the College Editor?

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

ADDRESS BY DR. RAYMOND A. VONDERLEHR, ASSISTANT SURGEON GENERAL OF THE UNITED STATES PUBLIC HEALTH SERVICE

Mr. HOUSTON. Mr. Speaker, by unanimous consent I insert in the RECORD a speech made on April 1, 1938, at the spring convention of the Intercollegiate Newspaper Association, by Dr. Raymond A. Vonderlehr, Assistant Surgeon General of the United States Public Health Service, with whom it was my pleasure to appear on the platform.

Scarcely a day passes that we do not receive in the Public Health Service at least one or two letters from college editors and students asking, "How can we conduct an antisyphilis drive in our school?"

To answer such letters is relatively easy. We simply refer them to the excellent pamphlet which Mr. Ennes has prepared for the Intercollegiate Newspaper Association of the Middle Atlantic States and to the Texas Board of Health which has reprinted the entire editorial campaign of the Daily Texan of the University of Texas.

However, before we talk about the place of the college in fighting syphilis, let us briefly review our present knowledge of the disease as a problem in the United States.

First of all, syphilis is a communicable disease. It is in the same class with smallpox or diphtheria or measles. When a physician treats a case of measles, he reports it immediately to the health officer of his town. The health officer hustles out to the sick person's home and tacks up a sign on the door. The house is under quarantine. The public is warned to avoid the disease.

When a physician treats a patient for syphilis the story is different. Society has identified syphilis with sin. The patient is ashamed to have the disease. He expects the physician not to report his name to the health officer. Anxious to keep his patient, the physician obliges. Nor in this instance can we too freely blame the doctor. Often when a doctor has diagnosed syphilis, the outraged patient stalks out of the office to find himself another doctor, or possibly a quack. That he later is committed to an insane institution or dies of a heart attack brought on by syphilis, is small satisfaction to the physician.

Even when the case is reported to the health officer, he has been able to do nothing about it. The quarantine period for measles lasts 2 weeks. The infectious period for improperly treated syphilis extends for months and years. Syphilis in its early stages is not disabling, and syphilitics must earn a living. They cannot be maintained in isolation wards for the duration of the disease.

Fortunately isolation wards are not necessary. The treatment for syphilis provides its own quarantine. The drugs used in treatment set up a chemical quarantine that prevents contagion. It is impossible for the infected individual under treatment to give the disease to others. This quarantine is so sure that an expectant mother under adequate treatment only very rarely infects the child she carries. The health officer knows this, but until recently he had no public support whatsoever. He still has no funds, no authority with which to compel the individual to have treatment.

Treatment for syphilis has other advantages. Discovered in the early stages, proper treatment will assure the patient of cure in 86 percent of the cases. Percentages may mean little to you, but 86 percent cures is far higher than the proportion of cures for any other serious disease. As the disease advances the percentage of cures decreases, but it is still remarkably high. What is more, adequate treatment in early syphilis or in latent syphilis will nearly always prevent the late, tragic heart and brain involvements.

From the medical point of view, diseases of the heart and the brain and the nervous system due to syphilis are anachronisms. They have no place in 1938. Treatment can prevent them. The worst tragedy of all is congenital syphilis. Treatment can prevent congenital syphilis.

But before a patient with syphilis can be treated, he must know he has syphilis. Here again we are fortunate. We have tests which indicate the disease when there are no external signs whatsoever.

The foundation of any adequate program for syphilis control is a routine blood test. So deceiving are the symptoms of syphilis, so long is its period of latency, that only through making the blood test a part of every routine physical examination, wherever physical examinations are given, will it be possible to find the obscure cases.

The issuing of every marriage license should require a medical certificate showing a negative blood reaction. Every insurance examination should include the blood test—for the life expectancy of the syphilitic is actually 12 to 15 years shorter than of the nonsyphilitic. Physical examinations given to applicants for employment should include the blood test. Not for the purpose of discharging an infected employee—but for the purpose of treating the infected employee. Treatment keeps a man on the job. Treatment enables him to keep on earning a living. Treatment saves a valued employee for the factory.

Hence, to fulfill his duty as a public official, the health officer must find infected persons and keep them under treatment until the danger of contagion is past. His job demands public support. For the first time it appears that he is going to get public support.

Now, for a moment let us look into the college situation. What can the colleges do? There are very few actual cases of syphilis on American campuses today. The University of Minnesota has been testing students from 1927 to date. In that time nearly 25,000 students have been tested. The incidence of syphilis has been tabulated for 19,000 of those cases. Only 39 cases were persistently postive—one-fifth of of 1 percent.

To many people 39 out of 19,000 may seem to be very small pickings. The cost of taking so many tests may seem out of all proportion to the results. The medical directors of many colleges have told us so. At Minnesota the officials who have favored blood tests still believe they are useful. They insist that the money was well spent.

There is no question that the 39 cases of syphilis located through the blood test appreciated the test. It enabled them to learn of their infection in time to prevent later disaster.

But the great value of the blood test in universities is its educational value. It is one more step in making blood testing routine. Colleges have long been leaders in progressive steps of this kind. Adoption of the Wassermann test as part of college physical examinations makes a great and influential group of our citizens aware of the test. They begin to expect it and respect it.

Syphilis in its very real sense is a problem of youth. Fifty percent of all new infections of syphilis are acquired before the age of 25 years. More than one-fifth of all infections are acquired before the age of 20. It is fitting, therefore, that students should take the initiative in this effort.

To the extent that young people understand the problem, to the extent that they can take part in educating their elders, they can aid in bringing about the adoption of an adequate syphilis-control program in every community.

Before we have won this battle, every State must have laboratories which can perform the blood test free of charge for physicians and clinics and hospitals. Wherever the program has been solidly established, antisyphilitic drugs have been distributed free to physicians and clinics for all cases, regardless of economic status.

Every community must have a trained public-health staff that knows how to deal with syphilis. A full-time medical officer should be in charge. Staff physicians in clinics must know modern methods for diagnosis and treatment. Public-health nurses must be employed. Field workers are required to find new cases and to follow up cases that have lapsed from treatment.

All patients must be assured of good treatment even if they cannot afford to pay. Syphilis pays no attention to economic, class, or racial differences. It passes over the boundaries from one class to another. Every person, rich or poor, white or black, office workers, college students, laborers, and the unemployed, must have diagnostic and treatment services. For people of adequate income this means well-trained private physicians. For people of low income, it means free public clinics.

Public education is the crux of syphilis control in every locality. Recent Nation-wide surveys proved that 9 out of 10 citizens in the United States will cooperate in stamping out syphilis. But genuine public cooperation cannot be secured until the mass of people understand the problem. People must know the truth about syphilis.

They must learn to consult a doctor or clinic at the sign of external symptoms. They must know that drug-store remedies and the nostrums of quack doctors are worthless. They must know that treatment begun in the early stages will cure syphilis in nearly every case.

And, finally, the public must realize the tremendous annual cost of syphilis—cost of care for the disabled and dependent, cost in lives wasted, cost in sorrow and suffering, and cost in dollars. All this is preventable if adequate control programs can be started and continued in every part of the country. And it will be cheaper, too. The cheapest thing any town can do with its syphilis is to cure it.

The task of the college, as I see it, is to develop its raw material—youth—into decent, responsible citizens. As citizens they must tackle the big and distateful problems that face the country. They must understand the facts first and then turn them into workable rules of government. Right now syphilis is a great public-health problem. The citizens of this country are beginning to tackle it. The colleges must give their great group of citizens the facts upon which to work. The implication for you, as college editors, is clear.

Reciprocal Trade Treaties

EXTENSION OF REMARKS

OF

HON. JOSEPH W. MARTIN, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

LETTER FROM HON. FRANK CROWTHER, OF NEW YORK

Mr. MARTIN of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter written by the gentleman from New York [Mr. CROWTHER]:

MARCH 24, 1938.

The EDITOR,

The Christian Science Monitor, Boston, Mass.

MY DEAR SIR: Referring to your editorial of March 22 entitled "World Trade and New England," I am obliged to differ with you regarding certain conclusions drawn therein.

You indicate that the opposition to the trade-treaty program is not directed so much against the basic idea or its probable results as against its application to particular industries, evidenced by the protests of New England manufacturers against the proposed British treaty.

Of course, it is natural that protests should come from industries which would be adversely affected; also that these protests should be confined to the inclusion in the trade treaty of the particular commodity which each industry produces. However, when we put all these protests together, we find that they are directed to the underlying purpose of the whole trade-treaty program and to the methods being pursued.

Without exception, the industries which have protested against particular treaties have done so because of the fear that the tariff duties on which they depend would be reduced below the differential necessary to equalize production costs at home and abroad. This fear has not been unfounded, since the trade-treaty legislation permits complete disregard of production costs in granting concessions to foreign countries. Moreover, the State Department has refused to be bound by the cost-of-production formula, as indicated by Secretary Hull's recent letter to 15 New England Congressmen who protested against the negotiation of any further treaties until foreign production costs could be ascertained. Secretary Hull stated that adherence to this formula would wreck the whole treaty program. What does this mean except that Mr. Hull wants to be free to reduce our tariffs below the foreign cost-of-production differential whenever he chooses?

During the hearings before the House Ways and Means Committee last year on the resolution to extend the trade-treaty program for another 3 years, Secretary Hull stated that the treaty program was only concerned with the reduction of "excessively high" tariff duties which constituted a barrier to international trade. Certainly no one would contend that a duty which merely equalized the foreign-cost-of-production advantage was excessive.

In this connection, it will be recalled that President Roosevelt stated that he knew of no excessively high duties on farm products, yet he reduced the duties on many agricultural commodities under the Canadian and other treaties. New England manufacturers have been contending in connection with the British negotiations that there are no excessively high duties on their products. In many instances, particularly in the case of textiles and shoes, existing duties have been proven inadequate. Yet there is no assurance that under the British treaty these duties will not be reduced below present levels.

Of course, it is not alone increased British competition that our manufacturers and workingmen have to fear as a result of the proposed treaty with that country, but the increased competition of the rest of the world, including such low-wage countries as Japan and Czechoslovakia, which will get the benefit of the reductions which we make under the British treaty by reason of the most-favored-nation clause. These countries, moreover, will give us nothing in return.

You state that the desire of the businessmen who have protested against the proposed British treaty "is that the negotiations be made by men having sound knowledge of the industries affected, as well as some sympathy for the already complicated path of the producer." Then you continue: "They will find just such men under Mr. Henry F. Grady, chairman of the Committee on Reciprocity Information." I wonder if you realize that Dr. Grady is an internationally minded college professor who has had no practical business experience. I wonder if you realize that he has publicly stated that the objective of the trade-treaty program is "the general amelioration of the world situation," indicating that the protection of home industries is not in the picture. I wonder if you realize that Dr. Sayre, who has had much to do with the treaty negotiations, is another internationally minded professor, a son-in-law of President Wilson, who has stated that the purpose of the trade-treaty program "must be broader than mere horse trading," and that "what matters is not selfish trade advantages gained by individual nations over their competitors, but the gradual liberalization of world trade through the adoption of similar programs by other nations." Do these statements indicate that the gentlemen in direct charge of the treaty program are practical men who have the interest of our industries primarily at heart?

In the concluding paragraph of your editorial, you state:

"If there are any in New England who oppose the trade-treaty program merely because it is under Democratic auspices, they may be interested to learn that the policy was originated by New England Congressmen under President McKinley, who negotiated (but could not get Congress to ratify) no less than 13 just such treaties as Mr. Hull is now writing."

There is actually no comparison between the McKinley type of reciprocity and the so-called Hull reciprocal tariff program. You make the common mistake of thinking that because we had reciprocity under McKinley it must therefore be the same type of reciprocity as is now being carried on by the present administration.

I call your attention to McKinley's definition of reciprocity, as found in his inaugural address of March 4, 1897. "The end in view," he said, was "always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves, and which do not involve any loss of labor to our own people, but tend to increase their employment."

Note that the concessions which we were to make should be on foreign products "that we need and cannot produce ourselves and which do not involve any loss of labor to our own people." The fact that the present administration has reduced the duties on competitive products is the one great objection to the Hull program and constitutes the principal difference between McKinley reciprocity and Hull reciprocity.

Very truly yours,

FRANK CROWTHER.

The Enemy Within Our House

EXTENSION OF REMARKS

OF

CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

ADDRESS GIVEN AT THE FIFTH ANNUAL NATIONAL DEFENSE MEETING HELD AT PHILADELPHIA, PA., ON MARCH 29, 1938, AND PARTICIPATED IN BY 73 PATRIOTIC ORGANIZATIONS

Mr. HOFFMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert herein a talk given by me at the fifth annual national defense meeting held at Philadelphia, Pa., on March 29, 1938, under the auspices of the Women's National Defense Committee of Philadelphia (Mrs. David D. Good, chairman), in which 73 patriotic organizations participated:

Because eternal vigilance is the price of liberty, it is well for our country that organizations similar to those represented here maintain unceasing guard against those who would destroy the freedom so dearly won, through the hardships, the suffering and, at times, the death of those who have gone before.

Strange as it may seem, in this land where the average woman and man, where those who toil with their hands, where he who earns his bread in the sweat of his face, enjoy more material prosperity, more intellectual and religious freedom, a greater degree of liberty, than elsewhere in all the world, those who would destroy our Government, our Nation, receive not only a respectful, but a tolerant and often a sympathetic hearing.

In no other country in all the wide world can man rise, criticize and denounce so freely, so unfairly, and with so little heed of consequences sure to follow, the government which rules him as here in America.

America, the land which, in days gone by, has ever beckoned to and been the haven of the downtrodden and the oppressed, has become the port which harbors and encourages the dissatisfied, the intolerant, those who have fled from tyrants abroad and here preach the destruction of the only existing land of refuge.

The toilers in this land of ours under our form of government, for years, have enjoyed as necessities those things denied to many of the wealthy in other lands.

Lulled to sleep by material prosperity, by the blessings which we have all accepted as a matter of course, without thought as to the source from which they came, whether they had been earned or how earned, our people dream on in a false security while traitors bore from within.

Workingmen, riding to their daily tasks in automobiles, a luxury undreamed of by foreign prince or potentate, now led astray by false leaders, by preachers of envy, hate, and malice, lend their assistance to those who would destroy not only our Government but the security of the worker himself.

They lend their assistance to those who, for the first time in the history of our country, would make of labor a commodity, selling the toiler's time, his sweat, and his blood, not through those who represent him, but through those who impose their will upon him.

Not long ago our President said:

"In 34 months we have built up new instruments of public power. In the hands of a people's government this power is wholesome and proper. But in the hands of political puppets of an economic autocracy, such power would provide shackles for the liberties of the people."

True did he speak and the time has now come when that power rests in the hands of a designing, ambitious man, who already has placed shackles upon the liberties of the citizen.

America's danger lies not in any assault which may be made upon her shores by a foreign power. No American with knowledge of the world situation thinks for one moment that any foreign power, or any combination of foreign powers which can be made, can by force of arms overrun our land, destroy us as a nation.

It is well that we should at all times be adequately armed; at all times prepared, on land, in the air, and at sea, to meet and overpower in the quickest possible interval any who might seek to wage war against us.

Our land forces should be more than adequate. Our air forces should command the air. Our Navy should control the adjacent seas. All these things—all of these—it is comparatively easy for us to accomplish. The real danger to our land, to our Government, to our individual liberty, comes from another direction, from another source.

Today imported revolution is knocking at the door, seeking the overthrow of American institutions. Men from foreign lands, men born and reared in America but owing allegiance to red Moscow, join church and patriotic organizations and there spread their doctrine of destruction.

Charming men, cunning men, men of ability, of pleasing personality, holding high place in Washington, apparently, despite the President's statement that there were no "supermen," no "master minds," capable of governing our people, conceive themselves to be such and are well on the road which leads to the destruction of your liberty and of mine.

Tugwell, one of the President's advisers, it was who not so long ago said:

"Business will logically be required to disappear. * * * The future is becoming visible in Russia."

I continue to quote:

"Perhaps our statesmen will give way or be more or less gently removed from duty. Perhaps our vested interests will submit to control without violent resistance."

Note this final quotation:

"We have no reason to believe that the disestablishment of our plutocracy would be pleasant. These historical changes never are. We have, however, the duty of avoiding violence as the process goes on."

Yes, those who would destroy our Government know that, if they resort to force and violence, the process would not be pleasant, and equally well do they know that, if they resorted to force and violence in the first instance, they would be met and quickly defeated by an aroused American citizenry.

So they pursue here, as in other places where dictatorship has been established, the milder, more insidious, course of boring from within; of asking for enactment of laws, under the guise of helping those less favored than others; those less prosperous than others; those who, because of less ability, of more unfortunate circumstances, of less energy, of less willingness to undergo privation in order to reach the desired goal, have less than others.

Posing as being those, and those only, who have the welfare of the people as a whole at heart, claiming for themselves sole possession of kindliness, generosity, and charity, they loudly denounce, and condemn all who oppose their extreme demands that they be permitted to decide what is good for the country and to carry into execution their plans.

Expressions of good will, statements of sympathy, promises to aid those who have been described as the "under-privileged," are pleasing to the ear, but, when followed by acts which bring hardship, suffering, depression, and a destruction of freedom, demonstrate that those uttering them either know not whereof they speak or are deliberately attempting the overthrow of our institutions and of our Government.

Experience has demonstrated that our form of government brings greater good to a larger number of people than any yet devised.

Casting aside the lessons of experience, pointing with apparent contempt to the "horse and buggy" days, which were the days during which the foundation stones of industry, thrift, and patriotism upon which we have erected this Government of ours were laid, the present administration has attempted, and in large measure succeeded, in blasting that solid foundation from under us.

Early in this administration the President turned his back upon the lessons of the past, repudiated the promises by means of which he had obtained his election, and charted a course at the end of which lay dictatorship.

Bainbridge Colby, Wilson's Secretary of State, it was who in 1934 said of the President's advisers:

"The overturn of our institutions, including the Constitution, is their avowed goal."

Hugh Johnson, the President's personal friend and a new dealer, told us in July of last year that the President's course was "murderously wrong" and tended toward a dictatorship.

In furtherance of his plan, the President demanded and received from Congress grant after grant of additional executive power, imposed his will upon the legislative branch, until the situation became such that, on March 4, 1938, even a New Deal Democratic Representative from Texas, MAURY MAVERICK, on the floor of the House said:

"We of the House of Representatives * * * are constantly the doormat of every other branch of the Government."

This and preceding Congresses so completely became the servant of the Executive rather than the representative of the people that it is known the world over as the rubber-stamp Congress.

Within a month two Democratic Senators have confessed on the floor of the Senate that the executive departments are their masters.

So vigorously and so frequently during the past few weeks has the President applied the whip to the Charlie McCarthys in the Senate—and the allusion is an insult to Charlie—that no later than yesterday, against their convictions, they did his bidding and became, as the President desired the Supreme Court to be, but participants in a Punch and Judy show.

Not satisfied with usurping the functions of Congress, the President sought to lay hands on the Supreme Court, and was unsuccessful only because of an aroused public sentiment.

By means of the Senate Civil Liberties Committee, which has come to be known in many sections as the mouthpiece of Communists—which, if judged by its acts, could truthfully be described as a committee for the suppression of civil liberties—the President has created fear, dread, and apprehension in the minds of businessmen, big and little.

Through the Wagner law, as interpreted and enforced by the N. L. R. B., the President has brought about the fulfillment of Tugwell's prophecy that business will cease to exist. Employer after employer has been compelled either to go into bankruptcy or close his doors to the workers because of the arbitrary, the unjust, and the unenforceable orders of the N. L. R. B.

Employers who are more than willing to adopt collective bargaining—who endeavor to do so—are involved, in some instances, by a conflict between rival organizations. Bargaining with one they are told by the N. L. R. B. that they must bargain with the other. Willing to bargain with either, they are forced into a situation by the order of the Board and the demands of the rival labor organization, where they can bargain with neither.

The employer frequently finds himself confronted by an order of the Board requiring him to reinstate former employees belonging to the C. I. O. and threatened by the A. F. of L. or some other union organization that, if he does comply, his plant will be closed by a strike of the rival organization. The result is that factory after factory has been compelled to close its doors, that unemployment is ever increasing.

The President himself stated that from November down to the beginning of March more than 3,000,000 have been added to the ranks of the unemployed.

Has it not been demonstrated that the statement of Brainbridge Colby, Wilson's Secretary of State, made in 1934, that "So completely has the administration turned its interest and its energies away from business recovery that it is openly charged, and indeed admitted, that a substantial number of the President's immediate advisers are not desirous of business revival", was true?

Is it not now apparent that, as he then said, "The overturn of our institutions, including the Constitution, is their avowed goal"?

Is the President seeking to bring about a condition like unto that which prevailed in Italy; which is now confronting France, where industry, unable to meet the demands of the strikers, is taken over and operated by the Government?

There is not one individual in Congress, but who, if he thinks at all, knows that the Wagner law, as interpreted and enforced by the N. L. R. B., promotes industrial strife, and that, if not amended, will force a dictatorship, either of Lewis or of the President, upon industry and labor alike.

Prepare for defense? Rather might we say tonight that the battle is on, has been raging for months, and that, unless the enemy is now met and defeated, we are lost.

The forces which would destroy our Government are entrenched in positions of power in Washington. Their poison gas is the propaganda printed and broadcast with the taxpayer's money. They undermine; they bore from within; they grant subsidies; they use money appropriated for relief for political advancement.

The fort held by Congress has been taken; not by direct assault, but by bribery through patronage.

The attack on the Supreme Court was but half repulsed. The control of the Federal Government has been returned not only to Washington but it has been given into the hands of the Chief Executive, who is using it with the ruthlessness of a Simon Legree to force through Congress the enactments which will give him more, and still more, power.

His latest move is his reorganization bill which, if passed in the form which he desires, will make him in truth and in fact the master of the American people.

Beguiled by soft words and extravagant promises, despite the fact that, after 5 years of unlimited power and the expenditure of more than $18,000,000,000, the President confesses that one-third of our people are ill-clad, ill-housed, and ill-fed, there is still a disposition in Congress to grant him further power, to pass his reorganization bill, which can only be defeated by an outpouring of public sentiment similar to that which brought about the defeat of the court-packing plan.

Citizens throughout the country should realize the situation, ask the help of the Almighty, and express their disapproval in no uncertain terms to those who should represent them and do their will in the Halls of Congress.

Government Reorganization

EXTENSION OF REMARKS
OF
HON. BERTRAND W. GEARHART
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Saturday, April 2, 1938

LETTER FROM JOHN THOMAS TAYLOR, DIRECTOR OF THE NATIONAL LEGISLATIVE COMMITTEE OF THE AMERICAN LEGION

Mr. GEARHART. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from Mr. John Thomas Taylor, director of the national legislative committee of the American Legion:

THE AMERICAN LEGION,
Washington, D. C., March 30, 1938.

Hon. BERTRAND W. GEARHART,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: The reorganization bill is now back before the House committee having charge of this legislation, for their consideration, and will shortly be before the House. In this legislation certain agencies of the Government are specifically "excepted" from its provisions. The Veterans' Administration has not been placed in this class, although in an effort to do so, when the bill was before the Senate, the vote was 41 to 41, demonstrating the closely divided opinion on this matter.

All of the difficulties pertaining to the administration of the laws affecting veterans were traceable in the beginning to the fact that responsibility was at first distributed amongst a half dozen different departments of the Government, and then under the Treasury Department. Finally the Veterans' Administration was created by law and from then on we knew definitely with whom we were dealing. Repeatedly the statement is made that this is one of the largest and most important departments of the Government. It should be kept separate.

1. If the reorganization bill should be passed and the Veterans' Administration again placed under one of the existing Cabinet officers—or if it should be split up and its work distributed around amongst various departments of the Government—we will have nothing but trouble for years to come. We have gone all through this grief and as a result we have one agency upon which and to which the Members of Congress can place their finger on all matters dealing with veterans or their dependents, and for this reason alone it should be placed amongst the class of "excepted" agencies.

2. Over the years with the enactment of laws and the issuance of Executive orders, veterans and their wives or their widows have been granted certain preference in securing employment with the Government. When the bill was before the Senate I requested that the following amendment should be inserted in its proper place:

"*Provided further*, That nothing herein contained shall be construed to prevent the application of the existing veteran-preference provisions in civil-service laws, Executive orders and rulings."

Just before the bill was passed by the Senate, the following amendment was included:

"Nor shall anything in this act be construed to prevent the application of the existing veterans' preference provisions in civil-service laws, Executive orders, and rulings."

When the bill is up for consideration on the floor of the House of Representatives similar action should be taken by the House.

I can assure you that we shall appreciate this very much indeed. Otherwise, unless something is done there will be little or no chance for veterans so far as Government employment is concerned if for no other reason than for the age factor alone.

I am sending a copy of this letter to each World War veteran in the House believing that through their concerted effort these two matters can be properly taken care of.

Sincerely yours,

JOHN THOMAS TAYLOR,
Director, National Legislative Committee.

I Strenuously Object to President Roosevelt's Reorganization Plan

EXTENSION OF REMARKS
OF
HON. AUGUST H. ANDRESEN
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Saturday, April 2, 1938

Mr. ANDRESEN of Minnesota. Mr. Speaker, bureaucracy and eventual dictatorship can easily be compared to the noxious weed commonly known as "Creeping Jenny." This destructive weed starts from a small root, grows rapidly in every kind of weather, and in a short space of time one plant has spread thousands of tentacles over the entire field, destroying every other kind of vegetation. Thus, one little plant with an idea for more power, and in its effort to secure it, has completely destroyed all other independent vegetation, as well as the opportunity for the same to exist. The one plant then becomes the supreme dictator over the entire area, and no opportunity for independent plant life will again occur until the destruction of the dictator plant.

The illustration which I have given with reference to the destructive characteristics of "Creeping Jenny" is very apt and timely in connection with the picture as it is presented to us today in the President's reorganization bill. Bureaucracy and dictatorship is very much like "Creeping Jenny" or creeping paralysis. It starts on a small scale, and then grows rapidly so as to eventually spread its power and control over the entire country.

Five years ago the Federal Government had less than 50 bureaus and agencies with a little more than 500,000 civil-service and other employees. Today, we find more than 134 Federal agencies with a Government personnel of more than one million employees on the public pay roll. This paid personnel extends into every nook and corner of the Union, and now it is proposed that a large percentage of this new personnel shall be blanketed into the permanent civil service by simply conducting a partisan noncompetitive examination to reward each faithful employee properly imbued with the philosophies of the New Deal.

The popularity and rapid expanse of the New Deal bureaucracy has been brought about largely by the benevolent distribution of the taxpayers' money on the part of the Chief Executive. More than $15,000,000,000 have been spent for this purpose. This is a staggering sum. While I favor the spending of public money to take care of our citizens in need, I am unalterably opposed to the squandering of public funds for the building up of a huge political machine.

The American Federation of Labor and its affiliated organizations have so concisely expressed my views as to the merits of the President's reorganization bill that I want to quote to the House a portion of a statement given out by Mr. Frank Morrison, one of its national officers. He said:

> We object most seriously to the sweeping delegation of congressional authority to the executive branch of the Government, and we cannot understand how anyone interested in maintaining our form of government can propose or vote for it, as in our opinion the Congress ought to retain all its constitutional authority, in conformity with principles of democratic procedure and democratic government, and that said power ought to be broadened and extended instead of being curtailed or surrendered.

Protests against the passage of the reorganization bill have been received from scores of organized groups and

associations as well as from millions of patriotic American citizens. Their objections to the President's plan can be summarized in the splendid statement made by the officers of the National Grange, which I quote herewith:

> In our opinion, the enactment of the Senate bill for the reorganization of Federal agencies in its present form would be a blow to the cause of popular government. It would vest the Executive with what we conceive to be wholly unwarranted powers and would reduce Congress to the status of a mere spectator in the work of reorganization. This would mean the abandonment of the processes of representative government and would degrade the ideals of American democracy.

A careful study of both House and Senate reorganization bills, can only lead one to the conclusion that in this legislation a final attempt is being made by the Executive to secure complete control and domination over all governmental agencies and personnel. Its provisions will completely destroy the civil-service system based upon merit, for the President may, by the stroke of his pen, completely eliminate or transfer any bureau or department to another branch of the Government service, thereby doing away with the civil-service employees now engaged in the agency upon which the operation is performed. Further than that, the President may also transfer the duties of both legislative and constitutional courts to other courts or agencies more friendly to his unusual philosophy of American democracy.

The Members of the House should not fool themselves by the pledges made by representatives of the President, to the effect that if they vote for this bill certain agencies of the Government will not be touched in the President's execution of the reorganization bill. The President and his leaders are only interested in securing sufficient votes to pass the bill. After it becomes a law, there will be no need for a Congress. To be frank about it, I would not be surprised if the President would find sufficient authority in the legislation to either abolish Congress or transfer its duties to the new Secretariat provided in the bill.

Should the bill, now before the House, finally pass this body, you may be sure that the legislation will be entirely rewritten by the conference committee. This committee will draft a bill in accordance with every wish of the President, and the final draft to be forced through the House and Senate under a gag rule and coercion of the worst kind will contain every dictatorial provision so much desired by our Chief Executive.

The speed with which this legislation is being rushed through the House of Representatives plainly indicates the subterfuge engaged in by its sponsors. They want to pass it before the American people realize what has happened. This legislation must be defeated. As the chosen representatives of the people it is our sacred duty to definitely defeat this or any other legislation which seeks to destroy our American institutions. The vote on this bill will make history, and therefore I urge all of my colleagues to answer a resounding "no" without hesitation or equivocation when the roll is called.

Economics of the Small City

EXTENSION OF REMARKS

OF

HON. EDWARD C. EICHER

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

Mr. EICHER. Mr. Speaker, the April number of Fortune magazine contains an exhaustive study of the basic economics of the small American city. It is of especial interest to me because the guinea pig that was chosen for the research was Oskaloosa, Iowa, a city of about 10,000 people, located in southeastern Iowa and close to the borders of the First Congressional District.

The article treats the town as if it were a little nation, measuring its net inflow and outflow of money, and thus getting its balance of trade for the calendar year 1937. Almost 20 pages are devoted to a statistical review and discussion of the trade relationships between such an average small city in the agricultural heart of the continent and the Nation as a whole. The dollars-and-cents conclusion arrived at is that in 1937 the little city did very well; it ended the year with a net favorable balance—a net profit, to speak loosely—of $329,000.

One of the most pointed and thought-provocative deductions in the article is the following:

> Assuming that the volume of agricultural sales remains constant, Oskaloosa will be able to buy a greater physical volume of goods from the industrial sections when crop prices are high, relative to the prices of manufactured goods, than when they are relatively low.

The foregoing conclusion points so convincingly to industrial dependence, and therefore employment dependence, upon agricultural buying power that it carries a lesson Congress should no longer ignore if we want to restore national prosperity and reduce unemployment permanently. We have simply got to begin at the source of our national wealth and see to it, by governmental fiat, that the producer of agricultural raw materials is provided a minimum compensatory return in dollars for his labor and on his investment. Then, and not until then, will our Nation start to rebuild a healthy economy in the same way as it builded the one that we formerly enjoyed, to wit, out of the increment from agricultural returns.

The editors of Fortune magazine are to be congratulated upon their pioneering essay into such an uncharted economic field. Their study is earnestly commended to the attention of all Members of Congress who, like myself, are diligently endeavoring to find a national policy shelter in this time of economic uncertainty and storm.

H. R. 10128—To Provide Parity Prices for Cotton Farmers

EXTENSION OF REMARKS

OF

HON. MORGAN G. SANDERS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

Mr. SANDERS. Mr. Speaker, the purpose of my proposed bill to provide for tariff equalization on the manufacturing of cotton and synthetic fibers is simply this:

To put into actual effect the original and provedly effective administration farm program to establish the American cotton farmer on a sound economic foundation.

The Agricultural Adjustment Act of 1938 provides:

> SEC. 303. If and when appropriations are made therefor, the Secretary is authorized and is directed to make payments to producers of corn, wheat, cotton, rice, or tobacco on their normal production of such commodities in amounts which, together with the proceeds thereof, will provide a return to such producers which is as nearly equal to parity price as the funds so made available will permit. All funds available for such payments with respect to these commodities shall, unless otherwise provided by law, be apportioned to these commodities in proportion to the amount by which each falls to reach the parity income. Such payments shall be in addition to and not in substitution for any other payments authorized by law.

President Roosevelt has said that there can be no more payments until Congress provides the necessary funds through taxation.

Congress itself has gone on record in section 303. It has spoken very clearly and unmistakably.

My proposed bill is the way to accomplish the purpose of Congress and the whole administration so far as the cotton farmer is concerned, without imposing an undue burden upon anybody or clogging up already segregated sources of tax income.

Cotton at the present time is selling for about 8 cents a pound. Parity price is 17 cents. While this bill will not

raise as much as will be necessary to guarantee parity income to producers, it will provide a step toward it—a good, solid, substantial step.

This bill imposes a graduated scale of processing taxes upon the manufacture of cotton goods and synthetic-fiber goods—a slight tax, but enough to produce in revenue about $100,000,000. It is estimated that the cotton-goods tax will produce $75,000,000 in revenue and the synthetic-fiber tax about $20,000,000.

Here is what we can do with the $100,000,000 or so this bill will provide. We can give the struggling, staggering cotton farmers from $10 to $15 a bale on his cotton toward the parity price which means to him the difference between peonage and free American living. Every cent collected under this bill will be distributed to cotton farmers all over the South. The revitalizing force of their recovery will be felt, as they recover step by step, by every industry and business which looks to them for a market. And this revitalization will come from a tax only upon the domestically consumed cotton.

During the last 5 years this administration has driven steadily toward a farm-security goal.

We have suffered many reverses and many misfortunes in our striving toward that goal.

As long ago as March 16, 1933, in his message to Congress, the President said:

> At the same time that you and I are joining in emergency action to bring order to our banks. * * * I deem it of equal importance to take other and simultaneous steps without waiting for a later meeting of Congress. One of these is of definite constructive importance to our economic recovery.
>
> It relates to agriculture and seeks to increase the purchasing power of our farmers and the consumption of articles manufactured in our industrial communities; and at the same time greatly to relieve the pressure of farm mortgages and to increase the asset value of farm loans made by our banking institutions.
>
> * * * I tell you frankly that it is a new and untrod path, but I tell you with equal frankness that an unprecedented condition calls for the trial of new means to rescue agriculture.

In the CONGRESSIONAL RECORD for March 20, 1933, page 642, a radio address by Hon. Henry A. Wallace, Secretary of Agriculture, is published. Mr. Wallace, discussing the new farm program planned by the administration at the direction of the President, said:

> Now for the thing the new farm bill proposes to do.
>
> Its basic purpose first of all is to increase the purchasing power of farmers. It is, by that token, farm relief; but it is also by the same token national relief, for it is true that millions of urban employed will have a better chance of going back to work when farm purchasing power rises enough to buy the products of city factories.
>
> The goal of the bill, in terms of price, is prewar parity between the things the farmer sells and the things the farmer buys. Let me explain that. In the prewar years, 1909 to 1914, wheat brought around 88 or 90 cents a bushel on the farm, cotton better than 12 cents a pound, and hogs better than 7 cents a pound. But at the same time the prices of things the farmer had to buy—his fertilizer, farm machinery, and the like—were on a comparable level. In general, these items bought by the farmer were a little lower than they are right now. But the prices the farmer got for his wheat and cotton and hogs were in those prewar days more than twice as high as they are now. It is that gap we want to bridge. And this bill provides that bridge.

You will remember that when the original Agricultural Adjustment Act was passed by that Congress it provided for the accomplishment of those very aims:

(a) Control of production to prevent unwarranted oversupply and surplus.

(b) Increase of farm purchasing power through an approach toward parity income.

(c) The payment of equalization funds to producers in order to sustain a sensible American economy.

We had, for a long time, an opportunity to study the progress of this new farm legislation under that bill. We saw streams of new blood flowing through our southern rural areas. We saw production and consumption nearing a saner and more equitable mark. Everywhere we could see signs of advancement, progress away from the slough of social decay into which our people were falling with the depression.

Then, because it could not countenance methods and technicalities by which this salutary program was being put into effect, the Supreme Court overthrew the whole A. A. A. during the October 1935 term.

We were tossed right back where we started.

This present session of Congress, at its job of setting the house in order again, last fall passed the Agricultural Adjustment Act of 1938, providing for the ever-normal granary, the gaging of production to within reach of consumption. That our normal domestic consumption of cotton is 8,000,000 bales, although in 1937 we produced 13,500,000 bales and had a left-over surplus on our hands besides, was a condition it was determined to avoid.

We are now about the business in the cotton-producing sections of the United States of making allotments of acreage. We are planning the crop which we will harvest next fall. The farmers who grow that crop must have as near the parity price for it as it is in our power to reach. We have pledged them that all the way through, and we know it is economically and socially right that they should have it because it will bring all our various economic forces—farming, business, industry, and what not—into closer harmony and cooperation.

This bill provides the way to accomplish that purpose.

Reorganization Bill

EXTENSION OF REMARKS
OF
HON. RICHARD B. WIGGLESWORTH
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

ARTICLE BY DAVID LAWRENCE

Mr. WIGGLESWORTH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article by David Lawrence:

ACHIEVEMENTS ON ROAD TO DICTATOR—ROOSEVELT REGARDED AS BELITTLING OWN QUALIFICATIONS

(By David Lawrence)

President Roosevelt was very careful to get his statement about not wanting to be a dictator published in the morning papers of Thursday rather than Friday, for if he had waited a day he might have run up against the skeptics who would have taken his remarks as just another April-fool joke.

For when Mr. Roosevelt said he had no "inclination" to be a dictator, and that anyway he didn't think he had the qualifications to be a "successful" dictator, the newspaper correspondents who were awakened at midnight at Warm Springs, Ga., to be told that sensational confession, must have rubbed their eyes and poked their ears to find out if they were dreaming.

To announce solemnly that the President of the United States does not want to be a dictator is an almost incredible procedure, but these are strange times and it may be that Mr. Roosevelt's saying so makes him think he can make it so.

Certainly, the fight on the reorganization bill in the House has raised the dictatorship issue and the Chief Executive must have been much worried about the fate of the measure in the House to issue a statement denying the dictatorship aim, which, of course, has been the principal charge leveled against him for wanting the bill passed.

NO "SUCCESSFUL" DICTATOR

As dictators come and go, there is probably no such thing as a "successful" dictator over a course of time, because, as Mr. Roosevelt, who says he knows his "historical background," must admit, sooner or later all dictators are overthrown and turned out of power.

Looking back 5 years, however, Mr. Roosevelt somewhat belittles and underestimates his own qualifications when he says he could not become a successful dictator. Opinions will vary, to be sure, but there are those who will contend with a bit of vehemence that Mr. Roosevelt has made a pretty good start and has at least paved the way by concentration of power in the executive branch for someone to come along and run the Government by Executive decree instead of by law. After all, the German Republic in pre-Hitler days witnessed a gradual relinquishment by the legislative body of all powers to the executive for supposedly "emergency" purposes, so that, when Mr. Hitler came in, everything was arranged for him in supposedly constitutional fashion.

ROOSEVELT ACHIEVEMENTS

Mr. Roosevelt's record, looked at from the standpoint of whether or not he can qualify as a "successful" dictator, might well be examined anew. Here are some of his achievements in that direction:

1. Mr. Roosevelt removed Mr. Humphreys as a member of the Federal Trade Commission because his mind and the Commissioner's didn't "go along together." The Supreme Court, by a vote of 9 to 0, said this was unconstitutional; but Mr. Roosevelt turned around and did the same thing last week when he held a public trial and removed Chairman Morgan, of the T. V. A. Refusal to heed a Supreme Court is one of the principal things the more or less successful dictators do.

2. Mr. Roosevelt ordered a confiscation of everybody's gold and buried it all in Kentucky and dictated that only paper money—not redeemable in gold—could be used. He dictated that the dollar should be 59 cents instead of 100 cents in gold value.

DICTATED $4,800,000,000 USE

3. Mr. Roosevelt dictated the expenditure of $4,800,000,000 for whatever purposes he chose and set up the system whereby Federal beneficiaries of funds and his own political party were able to carry the 1934 and 1936 elections.

4. Mr. Roosevelt dictates how much the farmer shall plant and what he shall not plant or produce on the farm.

5. Mr. Roosevelt didn't like the independence of the Supreme Court of the United States, so he began a public campaign of coercion and intimidation and has never stopped dictating to the highest court in the land. Control of the judiciary and making courts responsive, not to legal principles but "public sentiment," is one of Mr. Hitler's favorite devices.

6. Mr. Roosevelt dictates a "death sentence" to a $12,000,000,000 public-utility industry and sanctions loans to cities together with subsidies so that he can drive privately owned companies out of business. This is not so unsuccessful a piece of dictatorship as some timid souls might imagine. It is working.

PAY-ROLL TAX DICTATED

7. Mr. Roosevelt has dictated that a pay-roll tax be paid out of every pay envelope. This is one of the things Germany started out early to achieve. It helps to destroy business by forcing prices and costs up and it helps also to produce that economic chaos in which dictatorship is most often accepted by the people as the desperate but inevitable alternative to anarchy.

8. Mr. Roosevelt dictated that there should be no surpluses saved up in business to take care of rainy days and unemployment, or at least that surpluses might be accumulated only under a heavy penalty tax. This is one devastating way to destroy the capitalistic system and is good dictatorship technique.

There are a lot of things Mr. Roosevelt has not accomplished as yet toward the dictatorship goal, but which he has had very much in mind. He wants, for instance, to dictate the number of hours that workers shall work and the minimum pay they should get, knowing that this is one way to acquire vast political power over the electorate and to maintain himself in power.

Finally, Mr. Roosevelt has not yet said publicly that, under no circumstances, would he accept a third term for the Presidency.

Also, Mr. Roosevelt may deny his dictatorship aim and one need not discount his statement to recognize that he thinks a dictator is only a malevolent person and that benevolent autocracy is eminently proper.

To become a "successful" dictator—is there such a thing—Mr. Roosevelt may not realize it is necessary constantly to emphasize benevolence, one's heartache for the one-third of the population who are "ill-clad, ill-housed, and ill-nourished." And above all, one must stir up class hatred and array group against group so that friction is intense and passions are aroused.

Mr. Roosevelt is modest when he says he hasn't the qualifications. He has done a pretty good job thus far, and it would be unfair to deprive him of the credit or discredit, as the case may be, of having changed the form of government without amending the Constitution, of having put into bureaus and commissions a group of class-conscious bureaucrats whose idea of justice is warped by the revolutionary doctrine that the word of the man in the White House and not of the Congress or of the Supreme Court is the true law of the land.

The Townsend Recovery Plan

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

Mr. BURDICK. Mr. Speaker, the Congress has, since the Seventy-third Congress, appropriated—and there has been spent—$20,000,000,000 to lift us out of the 1929 depression, but instead of lifting us out, we have sunk further in and have lost every last dime of our $20,000,000,000. The worst of all is that we did not have the $20,000,000,000—or thought we did not—and borrowed it by interest-bearing bonds. We may have lost the $20,000,000,000, but the bonds have not been lost; they are still here, and every year we must pay $600,000,000 in interest and still pay the $20,000,000,000 principal. If this debt continues for 50 years, and there is no doubt about that now, the interest will amount to $30,000,000,000. Adding the principal then, the total debt will be $50,000,000,000.

When the Townsend recovery plan was proposed, those who were instrumental in borrowing this money to experiment with, brought up the argument that the Townsend recovery program is "economically unsound." I submit that those who make this argument and are responsible for the loss of this $20,000,000,000 are completely foreclosed from making the slightest objection to any plan of action no matter how "economically unsound" it may appear to them. As a matter of fact, any statement they make will not now be accepted by the people back home. They have presumed to have all knowledge and foresight and have excluded the Townsend people from their councils; they have played their hands and have been ignominiously defeated. What further can they say on any plan?

In the United States there are approximately 10,500,000 persons over 60 years of age. Not all would agee to accept this income and it is calculated that approximately 8,000,000 will accept.

The maximum payments under the 2-percent transaction tax would yield the first year about $18,000,000,000, as the gross transactions for the present would be about $900,000,000,000. The gross transaction in 1929 approached twelve hundred billion, and the low point in 1932 was $600,000,000,000.

Tax income, $18,000,000,000.

Payments per month (at the maximum), $1,600,000,000.

Twelve payments, $19,200,000,000.

The next question that arises is what about the deficiency of $1,200,000,000? That would be quite an item in the ordinary running process of the Government. We can answer that there will be no deficiency of $1,200,000,000, or any amount, for the reason that the income of $18,000,000,000 is based upon conditions remaining as they were when the recovery plan was instituted. Each month will see a rise in general business for the reason that $1,600,000,000 has been spent which was not spent before. It will be spent by those at the bottom who have heretofore not only been unable to spend but in the main have been living on charity either of the Government or of their own people.

The next month will still be better for the same reason and at the end of the twelfth month the general business turn-over will not only be noticeable but will no doubt show a national business turn-over of 20 percent above the starting point. In dollars this increase would amount to $180,000,000,000.

Two percent on this one hundred and eighty billion would yield a tax of $3,600,000,000. This income will not only wash out the deficiency but a clear balance will be shown on the books.

Now what authority have we for saying that business will increase 20 percent at the end of the year? Robert R. Doane, special economist, and Government consultant, stated that a monthly increase of 20 to 25 percent might be expected. His statement was given before the Committee on Ways and Means.

I have made the estimate purposely very much less for the reason that we are on the downgrade now in this new depression, while at the time Mr. Doane was speaking we were on the upgrade. It takes more power to stop a thing than it does to hold it where it is, or to move it in another direction.

As a matter of common knowledge, which we all know (and after all this is the best information), that when we spend over a billion dollars of money per month right down at the grass roots that all business surrounding the spending will revive. When that local business finds demands for goods, they in turn will buy of factories to supply the new demands and thus the entire wheels of industry will move.

At the end of the journey—the factory—labor will find employment, which they do not now have, and all along the line from the factory to the ultimate consumer, labor will be demanded. As labor is employed, it will satisfy its wants and increase consumption. There is no doubt in this world, and no one will dispute it, that as far as wants go, we have enough. The real trouble is to satisfy these wants. Not until the last want is satisfied will we be overdoing this program of circulating money at the grass roots.

From the year 1930 to 1934 the national income was on the average thirty-four billion below normal. This startling and continuous decline does not tell half the story in loss and ruin. As this decline continued, it wiped thousands, and finally millions, out of their property and life savings. In the farm section alone, which is approximately 25 percent of the Nation's business, farm values shrunk $48,000,000,000.

If we had adopted the Townsend recovery program and held our Nation's business normal and did not increase the income at all, we could have paid out the money to the aged and still have had a balance. Besides this, the buying power generated by the spending would have increased the income.

There are several monetary bills now before Congress sponsored by some of the leading and best-informed men in Congress on the subject, and it is a curious fact that you may examine any one of them and in it somewhere will be a plan to put money into circulation from the bottom. All recognize that the supreme essence of any recovery plan is buying power. It is the loss of this that has stagnated business. The wants are just as many as they ever were—in fact, the wants for the mere necessities of life, like food, clothing, housing, medical attention, and hygienic conditions, are more acute than ever—and at least 50,000,000 people in the United States are not able to supply themselves with these necessities. Beyond that, and assuming that we were pursuing a normal course, there are wants enough, real valuable wants, that cannot be satisfied, because there is no buying power. The real essence of any recovery program, therefore, is to put in motion the buying power in the hands of people who want these things.

In the Binderup money-reform bill it boldly provides a way to put money into circulation by paying a pension to the aged every month in a sufficient amount to start business. It makes no difference that we do not agree on the amount; the fact remains that the Binderup bill recognized the heart of the Townsend plan.

The Goldsborough monetary-reform bill recognizes the need of putting the buying power back in the hands of those who inhabit the grass-root areas by providing that every local purchaser of goods shall, at the time of purchase, receive from the seller a coupon of money equal to 15 percent of the purchase which can be put back in circulation to be recognized among banks as money. It is the creation of this extra money that is presumed to add more buying power.

In this short speech I shall be unable to discuss the same features in the other bills, but will do so in a future speech. It is enough now to say that the loss of this buying power, according to all, must be supplied by "putting money or coupons, or what not, to be used as money 'into circulation,'" and that it must start among the people at the bottom of the social heap.

Under any of these monetary bills the spending is provided for and eventually the money will have to be raised by taxation. The Binderup old-age pensions and the Goldsborough coupons circulating among banks will have to be retired finally through taxation. In fundamentals, therefore, these bills suggest a spending through taxation. The methods proposed in these bills will have to fall back upon the present method, while the Townsend recovery plan will come right out in the open and collect a transaction tax and everyone will know what it is and what it will be spent for. Those who complain of the tax will cease complaining when the benefits of increased business, employment, and economic recovery follow.

The fact that Dr. Townsend was pounced upon by the committee of the House, that he was found guilty of contempt of the House, means very little to the people of North Dakota who have had the experience of seeing leaders of movements arrested and their characters assailed. That is always the method employed to kill a movement that has ever been started in the interest of the people at the bottom of the heap. The funny thing about this method is that to pounce upon the leaders never stops the movement. At this moment Dr. Townsend could not stop the idea that he himself set in motion. It is an idea that the people are determined to try, and no one can stop it. To make a further martyr of Dr. Townsend will only add fuel to the flame of this idea of recovery, and those who are wise enough to read the history of the past know that this will be the result. The opponents of the Townsend recovery plan could spend their time to better advantage in fighting the plan instead of trying to jail an old man who brought forth this idea.

If the sponsors of the $20,000,000,000 spending scheme, which money we have now lost, had thought out their program logically they would have at least saved the American people the interest that will accrue on the huge debt during the next 50 years. As stated before, this interest debt will amount to $35,000,000,000 in 50 years. This could have been all avoided and we would have been just $20,000,000,000 out in this experiment. We did not have to borrow money; we did not need to issue interest-bearing, tax-exempt bonds; we did not need to become obligated to anyone for this money. We could have issued the currency, without drawing any interest, spent it, lost it, and closed the books; the people would be just $20,000,000,000 out, which they would have to pay in taxation. As these economically sound advisers handled the matter, we are out, at the end of the 50 years, just $55,000,000,000.

We are in such shape financially now and so many millions are destitute that it seems to me we can drop the economically sound things and begin to use a little common sense in its place.

To show what the circulation of $1 will do in business, let me quote from a monetary authority that cannot be said to be an organ of the fanatical money reformers. This information comes from the enemy of all monetary reform, the Wall Street Journal. In discussing the situation in the slump of 1929 this paper said:

[From the Wall Street Journal, Pacific coast edition, December 5, 1934]

DEPOSIT TURN-OVER LOWEST SINCE WAR—IDLE MONEY ACCUMULATING IN BANKS AS ACCOUNTS INCREASE FASTER THAN AVERAGE DEBITS

(Dow-Jones News Service)

NEW YORK.—In October 1929 a deposit of $1 in a New York bank was being used fast enough to do $132.70 worth of work in a year. Last October the same dollar was being called upon to do annual work of only $22.50. Although total deposits were approximately the same in the 2 months, bank funds today are simply lying idle.

Net demand deposits in New York district member banks in October 1929 were working at the peak rate of over $818,000,000,000 a year, but deposits in October this year, approximately the same total, were being called upon to do annual work of only slightly over $153,000,000,000. For the rest of the country the figure has dropped to a little over $143,000,000,000 from something in excess of $347,000,000,000.

Deposits in New York district member banks during October 1934 averaged $6,816,000,000, compared with $6,165,000,000 in October 1929, while the rest of the country showed $6,694,000,000 against $7,468,000,000 in 1929. The total this year was $13,500,000,000, compared with $13,633,000,000.

FUNDS HELD IDLE

But the employment of bank deposit credit is lower today than for any time since the close of the World War.

This is evidenced by figures of debits to deposit accounts, chiefly checks against these accounts, in 141 leading centers in the United States, which show the actual number of times that a dollar of deposit credit is used or turned over.

It indicates that there is a potential volume of idle funds tied up in these "inert" deposits awaiting an opportune time for use.

While the volume of bank debits to individual accounts this year has been increasing, and probably will approximate $320,000,000,000 for the 141 cities in the country, the turn-over has not been affected because of the greater proportionate gain in deposits, more than offsetting the larger bank debits.

At their estimated total of 1934 of $320,000,000,000, incidentally there is a decline of more than $600,000,000 compared with 1929, the year in which deposit accounts experienced their largest turnover.

These bank debits represent payments for salaries, wages, services, profits, and other items of net income, as well as payments made at each stage in the manufacture and merchandising of commodities, as well as payments involved in all other money transactions, such as transfers of securities and the purchase of real estate.

DECLINE BEGAN IN 1930

The rapid decline in the turn-over of demand deposit accounts, through which pass 98 percent of the debits, began in the closing months of 1930. For New York City the average annual turn-over in 1930 was 69.5 times, and in the succeeding year it dropped to 42.2; in 1932 to 33.1, and for 11 months in 1933 (March, the banking holiday excluded) it dropped to 30.3.

For 140 cities in the interior the average turn-over in 1930 was 34.9 times, followed by 28.8 times, 25.4 times, and 24.9 times, respectively, in 1931, 1932, and 11 months of 1933.

That the decline in the volume of business activity and in the price level between 1929 and 1932 has been accompanied by a corresponding decrease in the volume of money payments is indicated in the chart attached. Subsequently, however, there is a disparity, with prices higher and turn-over lower.

The great bulk of bank deposit money is lying idle, as is shown by the drop in the velocity of turn-over as total deposits rise. In this condition the huge bank deposits are exerting no more influence upon the price level than does currency if it is issued and hoarded. Hoarded currency or bank deposits are worthless, as far as their effect on general business conditions is concerned.

With this as a background, it requires little imagination to discover what would happen were the huge volume of bank deposits put to active work. In this case the rate of turn-over or velocity would increase, which would provide the same means of exchange as the pouring into effective circulation of a great additional quantity of currency.

The chart shows something else besides the weight of idle deposit funds. In previous years stock-market activity was responsible for the tremendous rate of turn-over in New York deposits as compared with out-of-town centers where security transactions are a factor on a considerably smaller scale.

Since October 1929 the two lines have come together, reflecting the drying up of credit employed in security transactions, until the two lines, New York City and interior centers, are moving closer together than at any period for which data are available. The stock-market rally in the spring and early summer of 1933 brought quick response in the velocity, but this has since died down.

It seems that some have acquired the impression that the Townsend recovery program is merely to help the aged. That would be a worthy cause, of course, and I can see that it would be economically sound to do so, but that is only one phase of the plan. The aged of the country are to become the operators of the distribution of buying power, which will not only satisfy their necessary wants, but those of their relatives; beyond that, and of still more importance, is the fact that their spending will help every man, woman, and child in the community and the entire Nation. This continued depression with its waves of betterment only to be closely followed by waves of deeper depression must stop. It can never stop unless the great mass of the people of the United States can have at least their necessary wants satisfied.

I suggest now, as I have suggested on several occasions in this House, a remedy that cannot be refuted by anything that has been accomplished since 1929:

First. Take over the possession and operation of the Nation's credit for the benefit of all the people, and eliminate interest—the dragon that threatens to eat out the vitals of our Republic.

Second. Circulate this money by and through the agency of those who need to spend and who will spend the money.

Third. Provide work for all who want it—if private business cannot do the job, then the Government must take on a new obligation of providing useful work.

What About Mexico?

EXTENSION OF REMARKS

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

Mr. DIRKSEN. Mr. Speaker, on March 24 the New York Times carried an article under the caption, Mexico-Japan Deal on Oil Held Likely. On March 25 the Washington Star carried a front-page article, under the caption Tokyo Would Give Help in Pipe Lines and Harbor Work, in which it is pointed out that private Japanese companies are preparing to offer Mexico a contract for 500,000 barrels of oil annually. These items, coming as they do at a moment when President Cardenas has announced the expropriation of foreign-owned oil and mineral properties in Mexico, makes it quite timely to inquire at this moment whether we must intervene in Mexico.

Perhaps I should first make my own position clear, since those with retentive memories will remember my efforts in behalf of the Ludlow amendment. I am thoroughly opposed to any embroilment of this Nation in foreign affairs outside of our own hemisphere. I am emphatically opposed to permitting our armed forces, particularly the Navy, to play in the back yard of other nations and develop hostility and friction. But, by the same token, I am equally emphatic in my feeling that other nations develop no interests in this hemisphere, and particularly on our own continent, that may cause future trouble. The time to pull a noxious weed is before it strikes too large a root.

It is common knowledge that Mexico has issued its order to appropriate the lands and properties of foreign owned and controlled oil companies. The State Department is now wrestling with the problem. Some will say that the State Department should not be disturbed in its activities. On the other hand, in a matter involving the future welfare of this country and its people, I deem it most proper that the Congress take cognizance of this situation and let the light shine in.

Without disclosing the source of the information, it appears that Japanese capital is now financing the building of surfaced roads in Mexico and that Japanese are actually in charge of the work. Thus is Mexico placed in debt to Japan and through this leverage, Japan is flooding Mexico with Japanese-made goods. It appears also that Japanese industrialists have made a 3-year contract with Senor Rodriguez, the former President of Mexico, to take the entire output of fish from the industries controlled by him and that concessions have been made to the Japanese in certain Mexican waters. It appears also that Japan is making a strong bid for special tariff concessions from Mexico, which if consummated will go far toward destroying the Mexican market for American goods. These incidents coupled with the recent display of hissing of American citizens in Jaurez give color to the belief that President Cardenas in his program of expropriating American, British, and Dutch oil properties, is in reality developing a scheme for the complete alienation of the control of Mexican oil properties to Japan.

Oddly enough, the recent silver agreement made by the United States Treasury with Mexico and the furnishing of an outlet for Mexican silver at a profitable price places us in the awkward position of letting the profits made from American purchases of silver assist in financing the Mexican scheme of expropriating the property of our own citizens and permitting the Japanese to obtain a well-entrenched foothold in the country which immediately adjoins us on the south.

There is another aspect to this whole relationship with Mexico. Trotsky has found safe haven there. There he is permitted to write and disseminate his articles on communism to the Mexican and American press, and apparently the only restriction on his propaganda activities is that he must not assail the President of the United States. His presence in Mexico has made it something of a haven for other Communists. Mexico enjoys a nonquota status with respect to migrations into the United States, and thus without regard to the quota law many of these advocates of communism can infiltrate into the United States and add to whatever subversive element is already here.

It is sheer nonsense to talk of a 500,000-barrel contract for oil as the one and only consideration for the Japanese interest in the oil resources of Mexico. The Poza Rica field, whence it is proposed to build this pipe line to a deep-water

port on the Pacific, is capable of producing 250,000 barrels daily; and any pipe line, when augmented with additional pumping facilities, could carry from 40,000 to 50,000 barrels daily to a Pacific port. The proposed contract would therefore call for only 10 days' production and transportation from this field, and it is too much to believe that for such a consideration the Japanese would offer assistance to Mexico to construct such a pipe line. The interest must be deeper than that.

With Japanese domination developing in a nation which is right under our nose; with a safe haven for Trotsky and his apostles at our very doorstep; with a powerful radio station in Mexico to pour propaganda into this country; with the expropriation of the oil properties of our own citizens so that Japan might control the oil supply of Mexico; with the prospect of Japanese engineers streamlining and speeding up industrial production in Mexico, with Japanese capital and Japanese labor to overwhelm our own markets; with the prospect of the expropriation of American interests in Mexican railroads and mineral properties, also with Japanese assistance, there has developed an acute situation that requires immediate and vigorous action.

Diplomats might work it out, but I am willing to hear from the American people on this subject.

Reorganization of Government Departments

EXTENSION OF REMARKS

OF

HON. PATRICK J. BOLAND

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

RADIO ADDRESS BY HON. PATRICK J. BOLAND, OF PENNSYLVANIA, ON APRIL 1, 1938

Mr. BOLAND of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following radio address made by me over a Columbia Broadcasting Co. network Friday night, April 1, 1938:

I shall discuss the need of reorganization of governmental departments as recommended by President Roosevelt which is causing considerable comment, and will also refer to unwarranted propaganda against this pending legislation.

One unpleasant phenomenon that hampers Congress in its consideration of large questions is the organized effort by interested groups to influence the vote. The right of petition is, of course, a sacred thing in our American system and nobody on earth objects to a constituent advising his Congressman of his views on any stated subject.

In this reorganization bill, however, we are confronted with a perversion of this right of petition. I am told that 150,000 telegrams have reached the members of the House of Representatives. It would strain credulity to assume that any great number of these have been paid for by the senders. I know of no Congressman who has the time to read all of these messages. The idea is simply to overwhelm them with their number. They are the output of one or several organizations whose only policy is to oppose President Roosevelt in everything he does. We know there is little new in the President's recommendation for the correction of the cumbersome barnacles that have been granted through the years onto the governmental machine. Every President, I think, for 40 years has called attention to the duplication of effort among the departments, to the incongruity of certain activities being attached to a branch with entirely different functions, and to other outgrowths that cause delay, expense and confusion in the administration of our national affairs.

President Hoover offered recommendations of a similar and, in many instances, an identical character with those presented in the pending bill. It is notable that the same elements that are now fighting against the measure fought for it when it was proposed by a Republican President. This circumstance alone indicates the insincerity of the campaign against the present reorganization bill.

I do not anticipate that this deluge of messages will have any effect, for the Congressmen are now accustomed to these telegraphic deluges. We had a sample storm of this nature when the utilities bill was up. It was revealed by a Senate investigation that the utility companies had filed thousands of messages signed either with fictitious names or names taken from telephone directories without the knowledge of the bearers of those names. Men in charge of the telegraph offices, subpenaed before the investigating committee, testified that messages in bulk bundles of 100 or more were filed and paid for by a single individual, a stranger in the community from which the messages proceeded, and of which the apparent signers were resident.

I am not, of course, accusing my colleagues who have indicated their opposition to the bill of knowledge of or connivance in any such scheme, but the similarity of the present wire blizzard to that investigated 2 years ago indicates that somebody or somebodies, are up to the same old scheme to influence the votes of Members of Congress. The same kind of people who paid out several hundred thousand dollars to send the utility telegrams would cheerfully repeat that expedient if they thought they could accomplish their purpose.

The Government of the United States is the largest enterprise in this country and the conduct of its affairs is the most important matter before the American people today. What it does, and how it does it, is your concern and mine and, in the time allotted to me tonight, I shall discuss the business of running the United States and its reorganization as proposed by the President.

What a long way the duties of the President and of the American Government have traveled since the adoption of the Constitution. Picture Washington, our capital—1800—a small village on the banks of the Potomac, more famed as a trading center for the neighboring farmers than it was as the headquarters of a new nation. Picture the days when there were only four Cabinet officers, the Secretaries of State, Treasury, and War, and the Attorney General. The duties of government were few, the number of people comprising the administrative branch of that Government numbered less than a thousand. The population of the entire country was only 4,000,000. The problem and the relationship of the Government to the people were simple. But then the Nation began to grow and with the momentum of an avalanche rushing down the side of a mountain, industrialism, empire building, and the American spirit of expansion, step by step, developed the vast, far-reaching glorious Nation that we know today. And to me it is material to inquire, "Has the American Government and the conduct of its affairs kept pace with its growth in population and wealth?"

Naturally, as the population, business life, and territorial limits of this Nation expanded, the governmental duties likewise increased. With these duties new agencies, bureaus, and Cabinet Departments were created, until today we find that here in Washington is a Government lacking in coordination, overlapping, and composed of small independent bureaus. This condition—never intentional—has been the result of a long development and expansion of the duties of Uncle Sam. For 50 years after George Washington there were only six departments, then came the Interior Department in 1849, Agriculture in 1889, Commerce and Labor in 1903. In addition, after the Civil War, agencies and commissions began to arise, all under different Presidents and for various reasons. The public nature of various industries caused in rapid succession the creation of separate independent agencies regulating railroads, telephone, telegraph, radio, power, stock exchanges, stockyards, food producers, and whisky manufacturers.

The multiplicity of arms in our present governmental anatomy makes it impossible for one hand to know what the others are doing. As a result it has often been the case for two or three different agencies to conduct identical investigations, perform similar functions, and use twice or three times the amount of money required to achieve the ends sought to be attained. Consolidation will certainly reduce such waste and duplication to an appreciable minimum.

It is very likely that some method will also be discovered to place all Government credit agencies, such as Federal Housing, Reconstruction Finance Corporation, and Home Owners' Loan Corporation, under one department. This step would clearly simplify the process of negotiating Government loans. It would then be no longer necessary to send applications and requests for information to four or five places before locating the appropriate bureau.

And, what is more important, by centralizing the credit agencies of the Government the responsibility for all Government loans could be more easily identified and ascertained.

If you walked into your bank you would not be shunted from department to department, or sent to a branch two blocks away. No; the banks' activities are consolidated, and to me a suggestion that the Government's lending activities be likewise consolidated is not politics or dictatorial, but good business and common sense.

Imagine a letter being forwarded by you or your next-door neighbor inquiring as to whether or not the Government would grant a seed loan and that letter passing through four or five or six bureaus or agencies before it reaches the one most fitted to handle your particular case. Such a situation like that occurs every day in Washington, not once or twice, but hundreds and hundreds of times. As a result, an answer to your letter is delayed and time and money are wasted in the handling of it.

As I stated at the outset of my talk this evening, the conduct of the American Government is your business and you, as American citizens, are entitled to efficient and capable administration of that business, but, in all fairness, remember—it is a big business—700,000 employees—branches and agents all over the face of the earth. Why—the Treasury Department alone cashes over 500,000 checks every day.

The duplication, overlapping, and inefficient management in administration of Government in the United States has been recognized for more than 20 years. A few attempts, mostly nonpartisan, have been made to correct it. Some minor changes have been effected, but no real headway has been made.

Now, however, the time has arrived for honest, sincere reorganization. Realizing this, the President, with courage so typical and with his usual consideration of the interests of the American people, in a message to Congress, recommended the drastic reorganization of the governmental machinery. The report of an expert committee, appointed by the President, suggests a complete overhauling by the consolidation of 100 Federal executive agencies into 12 departments with a Cabinet officer in charge of each.

This plan would continue the present Cabinet Departments of the Government and create two additional departments, namely, the department of public works and the department of social welfare. This bill, however, creates only one additional Cabinet officer, namely, secretary of welfare. The relief work in the Ohio Valley floods is indicative of what good can be done by centralizing all relief agencies. In short, the simplification of governmental functions results in savings in money, savings in time, and savings in energy. The extent of this reorganization and the soundness of the suggestions show that the President wants to give you the best administration of your governmental affairs in a coordinate and efficient manner. He desires that waste be eliminated, that government cost less, he envisions a smooth functioning governmental organization operating under and reporting to the President, who, under the Constitution, is the only one charged with the administration of governmental affairs.

Yes; the President, Franklin D. Roosevelt, is supporting this proposed reorganization but there are many obstacles and impediments to its successful enactment. We, as Members of Congress, day after day, are met with declarations of small groups, entrenched minorities, and sinecures of this overlapping situation, who are jealous of and greedy for the continuance of various bureaus and agencies. Yes; agencies which neither report to the President nor the Congress—a situation never contemplated by the Constitution—and these minorities even go so far as to call the President a dictator when they themselves are clothed in dictatorial robes.

Ladies and gentlemen, this Government can be likened to a great corporation with 130,000,000 stockholders. The President of that corporation has recommended that certain measures be adopted for the sake of economy and efficiency. He has suggested that certain loose ends in the managament be either tied together or eliminated entirely. The President and the Members of Congress need your support. And I as a Member of Congress most earnestly and sincerely convey to you my conviction that the proposed reorganization of the administrative branch of the Government is both timely and necessary. I am sure that its adoption will give the American people a 1938 model of a real up-to-date government administration. All the telegrams and insidious propaganda against this legislation to Members of Congress should have no effect upon their vote concerning the administration of governmental affairs.

The Reorganization Bill

EXTENSION OF REMARKS

OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

Mr. WOLVERTON. Mr. Speaker, today the House of Representatives is face to face with one of the most serious decisions it has been called upon to make in its entire history. It is so recognized by the people of the country. This is plainly evident by the tremendous flood of telegrams and letters that have reached the membership of this House during the last few days. They have come from every portion of the Nation. From the smallest community to the largest city these messages have come protesting against the enactment of the administration's so-called reorganization bill. They likewise represent every type of our citizenship. The rich and the poor. The industrialist and the humble worker. The farmer and the city worker. Big and little businessmen. Teachers and students. Every class, color, and creed have raised their voice in opposition. I confess that, with one exception, every message that I have received has been a protest against the enactment of this bill. Never before in my legislative service have I experienced anything like the present attitude of the public. In other instances there has usually been some substantial sentiment for proposed legislation, even though the general opinion might be otherwise, but in this case there has been a lack of any real favorable sentiment if I am to judge by the messages received.

BASIS OF OPPOSITION

What is there in this proposed legislation that has created such universal opposition to it? There must be a reason for such an unusual situation. Certainly public opinion could not be aroused to such an extent without some substantial reason to justify it.

It cannot be explained on the basis of partisanship, because the opposition comes from the membership of all political parties. It cannot be laid to "economic royalists" for the humble worker on farm and in shop is likewise aroused. Nor can it be charged that any base or ignoble purpose actuates those who oppose it, for we find civic, fraternal, patriotic, religious, veterans, labor, and farm groups standing together in voicing their opposition. These cannot all be wrong. Their interests are too diversified, and include too many different types and characters of citizenship, to be unified or molded into a common purpose with like mind, except on a basis or for a reason that is considered fundamental to our welfare as a nation.

When we give careful analysis to the opposition that has been expressed in such unmistakable terms to this House we find a common thought running through all the numerous and varied messages that have been received. You may find it to be expressed differently, according to the varying background of those who express their opposition, but fundamentally the reason is in each case the same; namely, a fear that the enactment of this bill will strip Congress of certain legislative functions and duties that are entrusted to it, as the legislative branch of our Government, by the Constitution. These individuals who are thinking in terms of the national welfare do not believe that it was ever intended that Congress should divest itself in any particular of the right and duty to function as the lawmaking body of the Nation, or that there should be any delegation of its powers to the executive branch of the Government.

During our entire existence as a Nation under the Constitution our people have been taught and do believe that this Nation can function most effectively and wisely by a division of the powers of government with three distinct branches, namely, the executive, legislative, and judicial; and, that it was a wise provision in the Constitution to give each branch certain clearly defined rights, duties, powers, and functions and subject each to certain restrictions or limitations. For a century and a half the people of the Nation have observed and respected these checks and balances of government set up by the Constitution. They have likewise seen the Nation prosper and grow until it has reached a commanding position of influence among the nations of the world. It is not strange therefore that the people of the Nation should become aroused at evidence of an intention to shift, curtail, or delegate to any considerable extent these powers of government that have been so delicately balanced by the provisions of the Constitution. Nor, is it strange that they should resist any and every effort to increase the power of one branch above the other contrary to the provisions set forth in the Constitution. It is this spirit of reverence for a system of government that has stood the test of time, amid changing conditions, that makes any change in the basic law a matter of such grave concern to every class of our citizenship.

EVENTS OF PAST CREATE PRESENT FEAR

Certain events that have preceded the introduction of this bill have had a large part in creating the existence of the present fear and have made the opposition militant and aggressive.

The first event that deserves consideration as an explanation of the present adverse state of mind is the effort that was made 1 year ago by the President to gain control of the Supreme Court by a devious method of circumventing the provisions of the Constitution, and, at variance with what

had been the intent of the framers of the Constitution and the established practice during our entire existence as a nation. The opposition to the President's Supreme Court proposal was based upon the apprehension that the real objective was to make the judiciary subservient to the Executive. It was this violent dislocation of the respective spheres of action, as between the executive and judicial branches, as had been purposely fixed and carefully defined by those who framed the Constitution, that caused the people to arise and demand the defeat of that proposal. They were unwilling to have the executive branch of the Government build up at the expense of the judicial branch. Consequently, the plan was definitely and emphatically defeated. The effort, however, to increase Presidential power in that instance has made the people of the Nation peculiarly sensitive since that time, to every possible change that might lead to increased power in the executive branch of Government.

Thus, it can be readily seen that when the original administration bill to accomplish the purposes sought by the present bill, and, many in addition thereto, was offered it was immediately scrutinized to ascertain the possibilities it contained of increasing the powers of the executive branch at the expense of the legislative branch of the Government. A study of that original bill, known as the Brownlow bill, and to which the President gave his approval in submitting the same to Congress, will show that it was just as far reaching in its effort to build up the executive branch at the expense of the legislative branch as the President's Supreme Court proposal had been in seeking to build up the executive at the expense of the judicial branch. Therefore, the President's Court proposal and this reorganization bill taken together naturally created a sense of fear and concern because of an evident intent or desire upon the part of the President to increase the executive power to the detriment of both the judicial and legislative branches of our Government.

PROVISIONS OF BILL INCREASE FEAR

What are the provisions of the bill that have caused such widespread fear among our citizenship and such intense earnestness in the effort to defeat the pending bill? The answer may be found in the possibilities that were inherent under the terms of the original bill.

It has been stated by one who has made a close study of the original bill to reorganize the departments of government that it authorized the President not merely to reorganize, but, by Executive order, to abolish or to change the name and functions of every agency and office in the entire executive branch of the Government without consulting Congress, including those agencies and offices which have been created by Congress during the last 149 years to do the country's business. It permitted the President to decide the method of appointment of all heads, officers, and employees of all reorganized agencies, which means that, if the bill were enacted, Presidential appointments would require no confirmation by the Senate.

Thus, every executive department, independent establishment, commission, legislative court, board, bureau, service, administration, authority, federally owned and controlled corporation, agency, division, or activity of the United States, including every right, privilege, power, or duty attaching thereto, would be subject to abolition, alteration, or transfer by the President at his sole discretion and without reference to Congress.

Frequently reference is made by proponents of this type of legislation to efforts that have been previously made to clothe other Presidents with authority to reorganize departments of government. In the past, various bills have been offered in Congress for that purpose, but in each instance the proposed authority was limited and restricted. No such bill has ever sought or even suggested giving a President such unbounded power as was conferred by the act to which President Roosevelt gave his approval. A reading of the act of 1932, which was submitted during the term of President Hoover, will substantiate this fact. It specifically provided that any Executive order issued under the act was required to be submitted to the Congress and might be set aside by resolution of either branch of the Congress. But no such provision was in the Reorganization Act offered by President Roosevelt. Under the terms of the latter bill the President could exercise all the powers enumerated therein with finality and with no accountability to anyone, not even to Congress.

In other words, the bill was so drawn that, through the power given to the President to abolish, or transfer, or change all Federal agencies, their officers, and their functions, the President could control the policies, decisions, and actions of these agencies. And the President could control the immensely important independent commissions and boards, which are primarily the instruments of Congress and not of the President.

There are certain regulatory agencies in our Government, some purely executive and others semijudicial, upon whose policies and actions depends, in large measure, the welfare of every section of the country. These agencies intimately affect the Nation's economic life, the life of every class of our people, of all consumers, of labor, of business, and agriculture. I have in mind such agencies as the Interstate Commerce Commission, with jurisdiction over railroads and motortrucks and busses—the Federal Power Commission, with power to regulate and control the interstate distribution of electric energy—the National Labor Relations Board, for settlement of labor difficulties—the Railroad Mediation Board, to promote settlement of railroad labor problems—the Social Security Commission with its widespread jurisdiction over social welfare—the Securities and Exchange Commission, to regulate and control sale of securities—the Communications Commission, with regulatory power over telephone, telegraph, and radio communications—the Federal Reserve Board, with direct control over banking—the Federal Trade Commission, to prohibit unfair trade practices—the Civil Service Commission, to provide merit and efficiency in government, and others to which reference might be made. In addition to these quasi-judicial or quasi-legislative agencies of government there are numerous and varied administrative agencies, such as the Railroad Retirement Board, Farm Credit Administration, Veterans' Administration, and similar boards directly affecting the welfare of millions of our people. To enumerate all and sundry the numerous and varied activities of government would require a length of time not warranted. It is sufficient to indicate by the illustrations already given how broad and widespread was the scope of the original bill offered by the President to enable him to reorganize the departments of government.

It has been well said that any President, armed with the powers granted in that bill, could shape with an iron hand the policies and decisions and action of all these agencies. For if their policies, decisions, or action did not suit him, he could discontinue the agencies themselves, remove or discipline their officers, or change the functions of the agencies, as he pleased, in accordance with his own will, or his bias, or his political advantage.

DIFFICULT TO REPEAL LAWS SURRENDERING CONGRESSIONAL POWER

It may be said that if the powers granted to the President were misused at any time in the future then Congress could repeal the law. Such a suggestion does not contemplate the practical difficulty that would be encountered before such a plan could be carried out. In fact, repeal would be practically impossible when it is considered that such a repeal, if vetoed by the President, could only be overridden by a two-thirds vote of both Houses. The difficulty of accomplishing such a purpose is greatly enhanced by the fact that a President would have at his disposal such extensive patronage and power that it would be an easy matter for him to defeat any effort at repeal. Furthermore, it would only be necessary for him to have one-third of either Senate or House favorable to him to effectively block any effort to repeal. It can be readily seen that under such circumstances the effort to repeal could be easily defeated. Thus power once surrendered by Congress and given to the President would in all probability never be recovered.

SPECIFIC OBJECTIONS TO PENDING BILL

I have referred at some length to the original bill because it serves as a background to the bill recently passed by the Senate and the amended bill now before this House, and, enables us to more clearly understand the purpose and intent that underlies this present bill. While some of the objectionable features of the original bill have been eliminated as the result of the intense and widespread opposition raised against it, yet there is sufficient that remains in the present bill to fully justify the continued opposition that has been apparent since its presentation to the House.

In addition to the opposition that has been raised to the bill as a result of the general powers granted to the President to change, alter, transfer, and abolish departments of government without proper reservation for congressional approval, there is also definite and positive objection to the provisions of the bill that specifically abolish the Civil Service Commission and the office of the Comptroller General, as it has existed for the last 15 or more years, and the setting up of a new department of welfare with a secretary in the President's Cabinet.

CIVIL SERVICE COMMISSION ABOLISHED

Under the terms of the bill now before the House, the Civil Service Commission will cease to exist as a nonpartisan and nonpolitical board. In its place there will be set up a single administrator, appointed by the President, and to serve only at the will of the President. Thus at once the administration of the civil service in the Federal Government would be changed into a partisan political machine.

In addition to this fundamentally objectionable feature, the bill will also provide that Federal employees not now under civil service can be "blanketed" into a civil-service status without taking any competitive examination. This enables the present administration to take nearly 300,000 of its so-called emergency employees that have been added to the Federal pay roll since March of 1933 and give each of them the protection of civil-service status without requiring a competitive examination to be taken by any one of them. Thus political appointees with no other recommendation for the positions they now hold other than political activity, certified to by the proper political leader, become equal to and entitled to the same benefits as the employees who under previous administrations received appointment to their positions on the basis of competence demonstrated by competitive examinations, and without regard to political affiliations. The sole purpose of this provision is to give security of position, for the years ahead, to those who were fortunate enough to be favored by the present administration.

In this connection it is appropriate to emphasize the fact that the present administration has had less respect for civil service than any administration that has preceded it since the inauguration of the merit system in our Federal Government more than 50 years ago. In each administration up to the present there has been a continual increase in the number of positions and individuals made subject to its provisions. Immediately before the advent of the present administration civil service had reached its highest peak of recognition and efficiency. Under the present administration, however, not only have civil-service requirements been openly disregarded in many of the regular established branches of the Government service but all of the 300,000 so-called emergency employees appointed since the present administration came into power have been appointed without regard to merit or efficiency and solely upon a political basis. Thus civil service has become a mockery under this administration, and the present bill, by making possible a civil-service status for all of these 300,000 political appointees, adds to the mockery and creates a direct injustice to capable persons who, if given an opportunity, could establish their worthiness for appointment by competitive examinations.

CHANGE OF COMPTROLLER GENERAL'S OFFICE

The efficient and faithful service rendered by the Comptroller General since the office was first established a little more than 15 years ago is known throughout the Nation. Time and again, as an agent of Congress, he has stopped executive departments of the Government from expending public funds in a different manner or for different purpose than authorized by Congress. Frequently he has incurred the displeasure of those high in Government service whose plans were frustrated by his action as Comptroller General. It may be remembered that a few years ago the President's plan to plant a belt of trees from north to south across the country was stopped by the refusal of the Comptroller General to approve the project. His objection was based upon the fact that the project had not been authorized by Congress.

Now comes this bill to abolish the powers and duties of the Comptroller General as an agent of Congress and to place him under the President with power in the President to remove him at any time. There could be no more flagrant disregard of the rights of Congress than this proposal. But, beyond the denial of congressional right or authority is a complete disregard of the best interests of the taxpayers who have a right to see that public moneys are not expended for any purpose not previously approved by Congress, the only agency under the Constitution with power to appropriate public moneys. The practical effect of this provision in the bill would be to place the purse strings in the hands of the executive departments and enable them to entirely disregard the intent and purpose of Congress by spending moneys for purposes not appropriated by Congress.

CREATION OF DEPARTMENT OF WELFARE

The objection that has been voiced with reference to creating a department of welfare, with a Secretary in the President's Cabinet, arises not entirely from the standpoint that it is intended to gather together under one secretary all the welfare activities of the Government, with complete charge over the spending of the vast sums now being expended for relief purposes and the consequent power to be wielded by one man, but because of the provision in the bill that the secretary of welfare shall promote public health, education, and welfare activities. The provision that is particularly objectionable, if I can judge by the protests received, relates to education. Fear is constantly expressed that such power to promote education may in some manner be utilized to direct or curtail existing educational freedom. This objection has been presented by those who speak for religious colleges and schools.

Assurances have been given that the word "education" will be removed from the bill. This attitude upon the part of those in charge of the bill clearly indicates the aroused public sentiment that is opposed to the bill. Effort is being made in the House, as in the Senate, to promise anything to get the bill through in some form.

EFFICIENCY WITHOUT DESTRUCTION DESIRED

Public sentiment is seldom aroused to the extent that it has been as a result of the provisions of this bill. It is all the more remarkable because most of our people are anxious to have efficiency in the operation of government, and it is generally recognized that the departments of government are in need of reorganization before genuine efficiency can be attained. The desire for such, however, is not sufficiently great as to want it at any price. We find opposition to the present bill because the price exacted is too great, namely, surrender by Congress to the Executive control over functions of government that are inherently a part of the legislative branch of our system of government.

Much of the criticism against the present bill could be eliminated if the objectional features should be taken out of the bill, or, at least, if suitable provision is made to preserve the right, authority, and functions of Congress. If such is done then we could have a reorganization of departments of government that would provide us with the benefits without destruction of established customs. To pass the bill in its present form without such amendments would be to surrender many of our established principles of government. Already those in charge of the bill have given some indication of a willingness to recognize the deep-seated and sincere basis for the opposition to the bill, and the result may be that some amendments will be made that will leave Congress supreme in its authority to pass upon changes to

be made by the President instead of being subservient to him. If this change is accomplished it will be a great victory for constitutional government. Without it, however, there can be no justification for giving support to the bill.

I am likewise convinced that if real efficiency in the operation of government is to be attained we must maintain the administration of our civil service on a nonpartisan basis and not permit it to be placed under political control as contemplated by the provisions of the bill as presented to Congress. For the same reason the office of Comptroller General should be preserved in a manner that will permit it to function with the same honesty of purpose in the interest of the taxpayers of the Nation as has characterized its operation under Comptroller General McCarl for 15 years. The only objection that has been raised against him was that he has operated his office clear of political control; and the only persons who have made this complaint are those who have been thwarted in their effort to override the will of Congress. Honest, clean, and efficient administration of government demands its retention. The universal protest that has arisen from all over the country against its abolition is the finest tribute that could be offered for the faithful and conscientious manner in which its arduous duties have been fulfilled. Without it political management of Government affairs would run uncontrolled. The fight must be kept up until this great institution of our Government is made safe and secure, and placed beyond the attack of those who are thinking in terms of political power.

If comparison is made between the bill as it is now and as it was originally introduced by the President's Commission, it will be found to be vastly different. Many of the quasi-judicial independent agencies of government have been eliminated from its provisions. While this accomplishment is very gratifying yet there is much more to be done before the bill will be entirely satisfactory. The National Grange, the American Federation of Labor, veterans' organizations, church, civic, fraternal, and patriotic organizations who have joined their protests with those of thousands of individuals from all over the Nation and communicated their opposition to their Representatives in Congress demand a real and not a hollow victory on the fundamental questions involved.

The issue is plain. Unless the bill is amended to eliminate all the objectionable features then it should be defeated.

The South and the New Deal Cotton Policy

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

RADIO ADDRESS BY HON. HAMILTON FISH, OF NEW YORK, ON MARCH 30, 1938

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a speech which I made over the Dixie hook-up of the National Broadcasting Co. from the Chicago studios on Wednesday, March 30, 1938, as follows:

I am grateful to the National Broadcasting Co. for an opportunity to speak over their Dixie network from Chicago and thereby reach the ears of invisible audiences in the cotton and textile States of the South. It is seldom that the voice of a Republican Member of Congress, and an outspoken opponent of the unsound experiments, the economic fallacies, and collectivism of the New Deal, is heard in certain sections of the southland.

At the outset, let me say that I have served continuously for 18 years in the Congress from President Roosevelt's home district in New York State—although I want to make very clear that I do not represent him or his views over the radio this evening. I put my country above my party and want above everything to have a happy, contented, and prosperous America and that applies equally to all sections of our country for if the agricultural South is not prosperous then its purchasing power is reduced and it buys less from the industrial North and East. I am as interested in the welfare and prosperity of the South as I am in my own State of New York.

However, I believe that the New Deal fallacies and panaceas are steadily driving the southern textile and cotton States into an economic crisis more serious than the Civil War. Already the cotton States have lost over 50 percent of their export trade to foreign nations and a continuation of the New Deal program of destruction and scarcity will bring desolation to the South and great financial losses to the entire Nation. The loss of the world markets for the surplus cotton crops of the South means inevitable economic disaster and financial ruin. For the sake of temporary profit to the cotton growers and in order to pursue nebulous mirages under an Alice in Wonderland theory that the more reduction the more wealth, the whole economic future of the South is being sacrificed on an altar of New Deal experiments and expedients. The situation is far too serious to ignore any longer, as the New Deal policies have increased unemployment in the South and brought ruin and misery to the tenant farmers and sharecroppers. There is less cotton being exported than at any time since the Civil War due to the kiss of death from the Wallaces and other New Deal wand-wavers and crystal-gazers. I believe the passage of the new farm bill will cause over a million southerners engaged in planting, harvesting, ginning, compressing, transporting, and shipping cotton, and in warehouses and mills to lose their jobs this year.

Under Republican administrations, from 1920 to 1930, cotton was selling at an average of 17 cents a pound. Today, after 5 years of unsound New Deal policies, cotton is selling at 8½ cents per pound—a loss of 100 percent.

It might not be fair to make this criticism if the New Deal had been in power for only 1 or 2 years, but it has been in power for 5 years, and has been experimenting with cotton all that time. As the result of 5 years' New Deal fallacies, cotton is now selling at 8½ cents. No one can blame the Republican Party for that, or blame a Republican tariff. The New Deal has had control of the tariff for 5 years in both Houses of Congress as well as through the State Department.

The Commodity Credit Corporation already owns, through loans, 5,000,000 bales of cotton and will probably acquire a million more at a total cost of $300,000,000. In addition, there will be about 4,000,000 more bales of last year's crop carried over this year in private warehouses. A truly tragic situation.

The answer is that something is wrong with these costly experiments. I want to see the American people employed and the farmers prosperous. Let the Congress work out a practical scheme so the farmer can produce cotton at a profit, employ labor, and send our surplus abroad to foreign markets and thus restore to America the foreign markets for the surplus cotton crop and give the cotton farmers the profit from selling cotton in the world markets instead of surrendering these markets day by day and month by month. The administration has no policy whatever. We are merely drifting each year from farm bill to farm bill that does not protect the farmers and does not enable us to sell our surplus crops. Everybody knows, whether he comes from the North or South, that Brazil, Egypt, Abyssinia, China, India, and Soviet Russia are producing more cotton every year. We used to sell 8,000,000 bales of cotton abroad annually. This year we will be lucky if we sell 4,000,000 bales, and next year we may sell only 3,000,000, and so on. The time has come to try to work out some sound and workable solution of this cotton problem.

I would be willing to favor a domestic-allotment plan and provide for a minimum price of 10 cents for cotton in the domestic market, selling the entire surplus abroad at the world price and bringing back hundreds of millions of dollars to this country to be distributed among the cotton farmers along the lines of the McNary-Haugen bill.

There are a number of workable proposals to regain the cotton markets of the world, but unless constructive action is taken by the Federal Government soon our remaining markets will dwindle away and vanish and we will never regain them.

The South is facing an economic crisis, and the longer it permits the New Deal to dole out a few cents a pound benefit to lull the cotton growers into a false sense of security the greater will be the disaster when they wake up and find all of the world markets for their cotton surplus gone, and Japanese cotton goods swamping our American markets made from cotton produced in India, China, and Brazil.

The southern shipping ports of Charleston, Savannah, Norfolk, Memphis, New Orleans, and Galveston are all suffering from the decline in our cotton exports. What does it profit the cotton States to lose the world markets and at the same time get half the price for their cotton that they did under the Harding and Coolidge administrations?

In the limited time at my disposal let me discuss briefly another phase of the cotton situation.

The textile mills of North and South Carolina, Virginia, Tennessee, Georgia, and Alabama are all being seriously handicapped by the competition from Japanese cotton goods in the Philippines and in South and Central America. The actual importation of Japanese cotton goods into the United States is taking on alarming proportions, and if continued will force many cotton mills in both the North and South to shut down and thereby increase the ranks of the unemployed. Last year 140,000,000 square yards of Japanese cotton goods were imported into the United States, as against only 1,000,000 yards in 1933.

I charge the administration, through the visionary free-trade policies of Secretary of State Hull, and particularly as a result of the unconditional most-favored-nation clause, with being responsible for

helping to undermine and destroy the textile industry of the South, one of its greatest sources of wealth and employment, for the benefit of Japanese labor, paid 20 cents a day.

The time has come to tell the truth and place the responsibility just where it belongs—on the shoulders of President Roosevelt and his free-trade Secretary of State, Cordell Hull. It must be self-evident that American labor cannot compete with skilled Japanese labor paid 20 cents a day and operating modern textile plants equipped for mass production. However, Secretary Hull is deaf, dumb, and blind to the welfare and interests of the American textile industry, which employs 400,000 industrious and loyal American citizens, and permits his free-trade obsession to bring ruin and chaos to the South.

What does it avail the American wage earners and farmers if the cheap products of Europe and Asia are permitted to enter our American markets and close our factories and lose our own farm markets? President Roosevelt speaks one day of higher wages and prices and the next forces American labor to compete with the low wage scales of foreign countries.

I happen to believe in a uniform wage and hour bill, starting at 25 cents an hour and gradually increasing until in 3 years it reaches 40 cents an hour. President Roosevelt, however, attacked the mill and factory owners of the South and called them feudalists and Fascists for not increasing the wage scale. But, in all fairness, how can the wages in the southern textile mills be increased unless adequate tariff protection be provided against the importation of Japanese cotton goods increasing rapidly as a result of the unconditional most-favored-nation clause in the Hull trade agreements? It must be self-evident that American labor in the South as well as the North cannot compete with the mass production from the modernly equipped textile mills of Japan where labor is $2 a week.

The New Deal merry-go-round has been going around and around, and coming out nowhere. The truth is that the merry-go-round broke down, and we are in the midst of a Roosevelt depression.

It was inevitable from the beginning, as no nation could long endure the unsound experiments, collectivism, and vast squandering of the people's money without destroying business confidence. It was just a question of time when the collapse would occur, and how serious it would be.

There should be no surprise that the constant hounding, hampering, and harassing of business, backed by repeated abuse and attacks, has not only destroyed confidence but caused an economic depression—a Government-made, or Roosevelt depression—of alarming magnitude with 13,000,000 unemployed and 5,000,000 on part time.

The time has come to stop the silly raving, ranting, and villifying of business, either big or little, and trying to blame it for the present depression. It accomplishes nothing, except to further destroy confidence, promote class hatred, and bring misery and unemployment to American labor and farmers.

President Roosevelt, less than 2 years ago, when the economic outlook showed temporary improvement, took full political advantage of the situation and claimed credit for it by saying, "We planned it that way; let no one tell you differently." Today, with about 13,000,000 American unemployed and millions working but 3 days a week, the President cannot escape the responsibility of his own planning by trying to place the blame on business, wealth, the Congress, the veterans, the press, or the Republican Party. In my opinion, President Roosevelt is solely responsible for the depression. Let us stop calling it a recession, but what it really is—a Government-made Roosevelt depression. No Chief Executive ever had one-half the power that President Roosevelt has had for the past 5 years.

If the President wants to help, let him stop attacking business and give proper protection to our cotton farmers and textile employees from ruinous foreign competition. Let him try to restore confidence, stimulate private industry, and thereby revive employment for our loyal and industrious wage earners now walking the streets looking for jobs in both the North and in the South and on the farms and in the factories.

Curb Mexico

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

EDITORIAL IN THE BURLINGTON (VT.) DAILY NEWS OF MARCH 31, 1938

Mr. PLUMLEY. Mr. Speaker, my attention has been called to an editorial recently appearing in the Burlington Daily News, of Burlington, Vt., in relation to the Mexican trouble currently being given considerable publicity in the Nation's press.

The Daily News is a newspaper owned and published by Col. H. Nelson Jackson, known to many in this House and elsewhere as one of the founders of the American Legion. There are many people scattered all over this country of ours who will be interested to read what "Jack" thinks about the situation in Mexico, and I am sure that he either wrote or inspired the editorial utterance which I ask leave to file as an extension of my remarks in the RECORD.

The editorial follows:

[From the Burlington (Vt.) Daily News of March 31, 1938]

CURB MEXICO

The churlish, insufferable attitude of Mexico toward our vested interests in that country, our principles, and our nationals, must be curbed before our Nation is made to look too ridiculous.

Through years of controversial relations, today at breaking point, the United States has countered Mexican impudence with forbearance, arrogance with indulgence, swaggering insolence with ill-diplomatic dignity.

It is time to call a halt; time for resolute action.

Several years ago one of our statesmen, apprised of Mexican ravages of women, circumscription of ecclesiastical authority, and depredation of American property in the country across the Rio Grande, gave pious utterance:

"God never used a sword."

Josephus Daniels, our present Ambassador to Mexico, today is embroiled in the bitter turmoil of Mexican duplicity and arrogance.

Just how much longer is Mexico to be permitted to thumb her nose at Uncle Sam?

The late President Theodore Roosevelt, Teddy of Bull Moose and Big Stick memory, was wont to say:

"Hit the line hard."

Placating phrases dribbled from the mouths of Milquetoastian statesmen found no favor with him.

In succinct, emphatic declaration, "T. R.," in conversation with a prominent Vermont academician, presented his solution of the Mexican problem:

"We must own or control that ground which lies between our country and the Panama Canal, or we will be in trouble."

Well, we don't and we are.

The Burlington Daily News quotes from a current Associated Press dispatch:

"Relations between Mexico and the United States took the gravest turn of the past decade today when Ambassador Josephus Daniels presented a stiff American protest against expropriation of the $400,000,000 foreign-owned oil industry."

Let us sound the depths of Mexican intractibility over that period including the Madero-Diaz-Villa regimes during which Diaz alone displayed any constructive policy. Millions of dollars have been invested by Americans in Mexico's mining and other industries. These interests have been snarled at by a preponderantly illiterate people; commandeered, rifled, and pillaged by banditti, seized by refractory and tyrannical governments.

Is this to continue?

During the World War, with world democracy at stake, Germany used Mexico as a cat's-paw for numerous and overt acts of propaganda. Now we have the red menace in Mexico—a reflection of the corroding influence of the Soviet—communism in its most vitriolic form.

American millions, American lives, are threatened in Mexico. The checkrein must be pulled taut if disaster, as predicted by President Theodore Roosevelt, is to be averted. His is the logical course:

"Own or control that territory."

Our Navy and Army departments, apprehensive about the strength of our Pacific defenses, might well study the Mexican border menace—with Japan hand in glove with the land of the tortilla and frijole on the oil question. That border is a vulnerable and vital crevice in our national armor.

President Franklin D. Roosevelt and Secretary of State Cordell Hull have moved in the right direction by refusing to trade in Mexico's silver mart. Commendable but insufficient. Mexico needs a lesson in discipline. Firmly diplomatic, if possible; martial if not.

The United States must protect her interests in Mexico. If it cannot be done through ambassadorial channels (and apparently this is too much to hope for), then we must go there and do it. We are dealing with a country without honor, without ethics—a country which harbors a majority of vicious, sulky, treacherous people who will never comprehend other than drastic treatment.

"Teddy" had the right idea:

"Own or control that territory."

Curb Mexico.

May it not mean battle strife, but, war or no war:

"America, curb Mexico—now."

Comparison of T. V. A. and Power Company Rates

EXTENSION OF REMARKS

OF

HON. A. L. FORD

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

Mr. FORD of Mississippi. Mr. Speaker, since January 3, 1935, the beginning of my first term in Congress, I have assisted the people of Okolona, Bruce, Ecru, Toccopola, and other communities in Calhoun, Chickasaw, and Pontotoc Counties in securing cheap electric power from the Tennessee Valley Authority. This has resulted in substantial financial savings to the consumers of electricity at those places and has made it possible for a great many farmers to enjoy the benefits of rural electrification that they could not have otherwise obtained.

I am extremely anxious to see all of the people of my district receiving the same benefits.

I have constantly kept up my efforts to get the Tennessee Valley Authority to expand its operations so as to include the entire Fourth Congressional District. Heretofore contract restrictions have prevented the Authority from moving into areas served by the power companies. These restrictions no longer exist, because the contracts have expired.

In order that the people who are not now receiving power through the Tennessee Valley Authority may see what a financial saving would be brought to them if they were able to get T. V. A. power, I herewith present the following tables, compiled to show the difference between rates charged by the T. V. A. and the power companies. Every community in the Fourth Congressional District with a population of 250 or more at the 1930 census is included in this table. The towns which have T. V. A. rates are Bruce, Ecru, Okolona, Pontotoc, Sherman, and Toccopola. Any citizen who is interested in more reasonable electric-power rates can compare the T. V. A. rates with the utility rates, as shown in these tables, and he will readily understand why I have been so active in my efforts to secure the T. V. A. service.

TABLE 1.—*Net monthly electric power bills for residential service, Jan. 1, 1937, in towns and cities in Fourth Congressional District of Mississippi with 250 population or more*

[Source of figures: Federal Power Commission, Washington, D. C.]

[Asterisk (*) denotes community served by publicly operated utility; dagger (†) denotes bills for residential service in this community have been changed since Jan. 1, 1935; number (#) denotes that monthly bills have been computed under utility's standard rate schedule; superior figure [4] indicates "objective rate", which is available in whole or in part according to the conditions of the utility's rate plan to those customers who increase their consumption over that of the corresponding month of a previous year]

Community	Population, 1930 census	Name of utility serving community	Lighting and small appliances					Lighting, small appliances, and refrigeration	Lighting, etc., refrigeration, and cooking	Lighting, etc., refrigeration, cooking, and water-heating	Average charge in cents per kilowatt-hour for—			
			Minimum bill		15 kilowatt-hours	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours	25 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
			Amount	Kilowatt-hours, inclusive										
Ackerman#	1,169	Mississippi Power Co.	$1.00	11	$1.28	$2.13	$2.95	$5.35	$8.60	(1)	8.52	5.35	3.44	
Ackerman	1,169	Mississippi Power Co.† [4]	1.00	12	1.17	1.72	2.54	4.62	7.24	[2] $10.37	6.88	4.62	2.90	2.07
Bruce*	946	Pontotoc Electric Power Association † [4]	1.00	25	1.00	1.00	1.60	3.50	6.00	7.90	4.00	3.50	2.40	1.58
Calhoun City #	1,012	Mississippi Power Co.	1.00	11	1.28	2.13	2.95	5.35	8.60	(1)	8.52	5.35	3.44	
Calhoun City	1,012	Mississippi Power Co.† [4]	1.00	12	1.17	1.72	2.54	4.62	7.24	[2] 10.37	6.88	4.62	2.90	2.07
Carrollton	523	Mississippi Power & Light Co.†	1.00	6	1.80	2.40	3.30	5.90	8.90	[2] 12.90	9.60	5.90	3.56	2.58
Derma #	456	Mississippi Power Co.	1.00	11	1.28	2.13	2.95	5.35	8.60	(1)	8.52	5.35	3.44	
Derma	456	Mississippi Power Co.† [4]	1.00	12	1.17	1.72	2.54	4.62	7.24	[2] 10.37	6.88	4.62	2.90	2.07
Duck Hill	553	Mississippi Power & Light Co.†	1.00	6	1.80	2.40	3.30	5.90	8.90	[2] 12.90	9.60	5.90	3.56	2.58
Ecru*	560	Pontotoc Electric Power Association † [4]	1.00	25	1.00	1.00	1.60	3.50	6.00	7.90	4.00	3.50	2.40	1.58
Ethel	571	Mississippi Power & Light Co.†	1.00	6	1.80	2.40	3.30	5.90	8.90	[2] 12.90	9.60	5.90	3.56	2.58
Eupora#	1,092	Mississippi Power Co.	1.00	11	1.28	2.13	2.95	5.35	8.60	(1)	8.52	5.35	3.44	
Eupora	1,092	Mississippi Power Co.† [4]	1.00	12	1.17	1.72	2.54	4.62	7.24	[2] 10.37	6.88	4.62	2.90	2.07
Grenada	4,349	Mississippi Power & Light Co.†	1.00	8	1.42	2.02	2.92	5.52	8.52	[2] 12.52	8.08	5.52	3.41	2.50
Houlka#	579	Mississippi Power Co.	1.00	11	1.28	2.13	2.95	5.35	8.60	(1)	8.52	5.35	3.44	
Houlka	579	Mississippi Power Co.† [4]	1.00	12	1.17	1.72	2.54	4.62	7.24	[2] 10.37	6.88	4.62	2.90	2.07
Houston#	1,477	Mississippi Power Co.	1.00	11	1.28	2.13	2.95	5.35	8.60	(1)	8.52	5.35	3.44	
Houston	1,477	Mississippi Power Co.† [4]	1.00	12	1.17	1.72	2.54	4.62	7.24	[2] 10.37	6.88	4.62	2.90	2.07
Kilmichael	577	Mississippi Power & Light Co.	1.00	6	1.80	2.40	3.30	5.90	8.90	[2] 12.90	9.60	5.90	3.56	2.58
Kosciusko*	3,237	Kosciusko, City Water and Light Plant.	1.00	11	1.35	2.25	3.60	4.90	8.95	15.70	9.00	4.90	3.58	3.14
Louisville#	3,013	Mississippi Power Co.	1.00	11	1.28	2.13	2.95	5.35	8.60	(1)	8.52	5.35	3.44	
Louisville	3,013	Mississippi Power Co.† [4]	1.00	12	1.17	1.72	2.54	4.62	7.24	[2] 10.37	6.88	4.62	2.90	2.07
McCool	562	Mississippi Power & Light Co.†	1.50	12	1.88	3.13	4.85	7.08	10.75	18.25	12.52	7.08	4.30	3.65
Mathiston#	484	Mississippi Power Co.	1.00	11	1.28	2.13	2.95	5.35	8.60	(1)	8.52	5.35	3.44	
Mathiston	484	Mississippi Power Co.† [4]	1.00	12	1.17	1.72	2.54	4.62	7.24	[2] 10.37	6.88	4.62	2.90	2.07
North Carrollton.	394	Mississippi Power & Light Co.†	1.00	6	1.80	2.40	3.30	5.90	8.90	[2] 12.90	9.60	5.90	3.56	2.58
Noxapater#	526	Mississippi Power Co.	1.00	11	1.28	2.13	2.95	5.35	8.60	(1)	8.52	5.35	3.44	
Noxapater	526	Mississippi Power Co.† [4]	1.00	12	1.17	1.72	2.54	4.62	7.36	[2] 10.37	6.88	4.66	2.90	2.07
Okolona*	2,235	Okolona, Municipal Water & Light Plant. † [4]	1.00	25	1.00	1.00	1.60	3.50	6.00	7.90	4.00	3.50	2.40	1.58
Pontotoc*	2,018	Pontotoc: Electric Power Association † [4]	1.00	25	1.00	1.00	1.60	3.50	6.00	7.90	4.00	3.50	2.40	1.58
Sherman*	464	Tombigbee Electric Power Association † [4].	1.00	25	1.00	1.00	1.60	3.50	6.00	7.90	4.00	3.50	2.40	1.58
Sallis	364	do.†	2.00	18	2.00	2.48	3.30	5.90	8.90	[2] 12.90	9.60	5.90	3.56	2.58
Toccopola*	288	Pontotoc Electric Power Association † [4].	1.00	25	1.00	1.00	1.60	3.50	6.00	7.90	4.00	3.50	2.40	1.58
Valden	648	Mississippi Power & Light Co.†	1.00	6	1.80	2.40	3.30	5.90	8.90	[2] 12.90	9.60	5.90	3.56	2.58
Vardaman #	627	Mississippi Power Co.	1.00	11	1.28	2.13	2.95	5.35	8.60	(1)	8.52	5.35	3.44	
Vardaman	627	Mississippi Power Co.† [4]	1.00	12	1.17	1.72	2.54	4.62	7.24	[2] 10.37	6.88	4.62	2.90	2.07
Weir #	570	Mississippi Power Co.	1.00	11	1.28	2.13	2.95	5.35	8.60	(1)	8.52	5.35	3.44	
Weir	570	Mississippi Power Co.† [4]	1.00	12	1.17	1.72	2.54	4.62	7.24	[2] 10.37	6.88	4.62	2.90	2.07
Winona	2,607	Mississippi Power & Light Co.†	1.00	7	1.60	2.20	3.10	5.70	8.70	[2] 12.70	8.80	5.70	3.48	2.54

[1] Base bills under this rate are limited to an amount of $10.

[2] Bill for 500 kilowatt-hours has been computed using 2 kilowatts as the specification for water-heating services. This results in a bill that is $1 lower than would have resulted from the use of the standard specification of a 30-gallon tank with 3,000-watts connected load.

[3] Bill for 500 kilowatt-hours has been computed using 2.5 kilowatts as the specification for water-heating services. This results in a bill that is $0.50 lower than would have resulted from the use of the standard specification of a 30-gallon tank with 3,000-watts connected load.

[4] Utility purchases energy from Tennessee Valley Authority.

[5] Bills shown include 1 cent per kilowatt-hour amortization charge (25 cents minimum) on the first 100 kilowatt-hours used per month.

TABLE 2.—*Net monthly bills for commercial service, Jan. 1, 1937, communities of 250 population or more (Fourth Congressional District of Mississippi)*

[Asterisk (*) denotes community served by publicly operated utility; number (#) denotes that monthly bills have been computed under utility's standard rate schedules, MC-P in column headed "Schedule designation" indicates "objective rate," which is available in whole or in part according to the conditions of the utility's rate plan to those customers who increase their consumption over that of the corresponding month of a previous year. In the column headed "Type of service," the letter "M" denotes that the schedule is applicable to motive power; the letter "H," to heating; and the letter "L," to lighting, restricted or unrestricted]

Community	Population 1930	Name of utility serving community	Commercial light service (service supplied to commercial and business establishments, such as stores, offices, restaurants, rooming houses, and apartment houses where the service is principally for lighting)							Commercial power service (service supplied to commercial or small industrial users where the principal consumption of energy is by motors or heating appliances)						
			Schedule designation	Billing demands (kilowatts) and monthly consumptions (kilowatt-hours)						Schedule designation	Type of service	Billing demands (kilowatts) and monthly consumptions (kilowatt-hours)				
				0.75 kilowatt (50 kilowatt-hours)	1.5 kilowatts (150 kilowatt-hours)	3 kilowatts (375 kilowatt-hours)	6 kilowatts (750 kilowatt-hours)	12 kilowatts (1,500 kilowatt-hours)				1.5 kilowatts (150 kilowatt-hours)	3 kilowatts (375 kilowatt-hours)	6 kilowatts (750 kilowatt-hours)	12 kilowatts (1,500 kilowatt-hours)	30 kilowatts (6,000 kilowatt-hours)
Ackerman	1,169	Mississippi Power Co.	MB-2#	5.15	12.40	28.15	50.90	91.40		MH [1]	MH	6.60	15.45	30.90	59.20	174.00
			MC-R#	4.25	10.63	24.13	44.13	81.63								
			MC-P	2.90	7.90	19.15	37.90	75.40								
Bruce*	946	Pontotoc Electric Power Association [1]	B-2 [2]	2.15	5.95	12.00	20.25	31.25		B-2 [2]	MHL	5.95	12.00	20.25	31.25	(3)
										B-3 [2 4]	MHL				(3)	100.00
Calhoun City	1,012	Mississippi Power Co.	MB-2#	5.15	12.40	28.15	50.90	91.40		MH [1]	MH	6.60	15.45	30.90	59.20	174.00
			MC-R#	4.25	10.63	24.13	44.13	81.63								
			MC-P	2.90	7.90	19.15	37.90	75.40								
Carrollton	523	Mississippi Power & Light Co.	CS-5A	4.80	11.70	24.60	46.20	89.40		SP-2 [1]	MH	11.40	24.60	43.20	77.30	220.25
			OC-6A	6.30	15.80	36.05	71.30	141.80		LP-3	ML				(3)	170.00
Derma	456	Mississippi Power Co.	MB-2#	5.15	12.40	28.15	50.90	91.40		MH [1]	MH	6.60	15.45	30.90	59.20	174.00
			MC-R#	4.25	10.63	24.13	44.13	81.63								
			MC-P	2.90	7.90	19.15	37.90	75.40								
Duck Hill	553	Mississippi Power & Light Co.	CS-5A	4.80	11.70	24.60	46.20	89.40		SP-2 [1]	MH	11.40	24.60	43.20	77.30	220.25
			OC-6A	6.30	15.80	36.05	71.30	141.80		LP-3	ML				(3)	170.00
Ecru*	560	Pontotoc Electric Power Association [1]	B-2 [2]	2.15	5.95	12.00	20.25	31.25		B-2 [2]	MHL	5.95	12.00	20.25	31.25	(3)
										B-3 [2 4]	MHL				(3)	100.00
Ethel	571	Mississippi Power & Light Co.	CS-5A	4.80	11.70	24.60	46.20	89.40		SP-2 [1]	MH	11.40	24.60	43.20	77.30	220.25
			OC-6A	6.30	15.80	36.05	71.30	141.80		LP-3	ML				(3)	170.00
Europa	1,092	Mississippi Power Co.	MB-2#	5.15	12.40	28.15	50.90	91.40		MH [1]	MH	6.60	15.45	30.90	59.20	174.00
			MC-R#	4.25	10.63	24.13	44.13	81.63								
			MC-P	2.90	7.90	19.15	37.90	75.40								
Grenada	4,349	Mississippi Power & Light Co.	CS-5C	3.80	10.20	21.60	40.20	77.40		SP-5 [1]	MH	9.96	21.88	39.76	63.36	176.40
			OC-3C	5.25	13.75	32.20	63.85	127.15		LP-3	ML				(3)	170.00
Houlka	579	Mississippi Power Co.	MB-2#	5.15	12.40	28.15	50.90	91.40		MH [1]	MH	6.60	15.45	30.90	59.20	174.00
			MC-R#	4.25	10.63	24.13	44.13	81.63								
			MC-P	2.90	7.90	19.15	37.90	75.40								
Houston	1,477	do	MB-2#	5.15	12.40	28.15	50.90	91.40		MH [1]	MH	6.60	15.45	30.90	59.20	174.00
			MC-R#	4.25	10.63	24.13	44.13	81.63								
			MC-P	2.90	7.90	19.15	37.90	75.40								
Kilmichael	577	Mississippi Power & Light Co.	(5)	(6)	(6)	(6)	(6)	(6)		(6)	(6)	(6)	(6)	(6)	(6)	(6)
Kosciusko *	3,237	Kosciusko, city water and light plant	Lights	4.50	12.60	23.18	33.30	53.55		Power	MH	7.50	18.75	31.20	52.80	154.40
Louisville	3,013	Mississippi Power Co.	MB-2#	5.15	12.40	28.15	50.90	91.40		MH [1]	MH	6.60	15.45	30.90	59.20	174.00
			MC-R#	4.25	10.63	24.13	44.13	81.63								
			MC-P	2.90	7.90	19.15	37.90	75.40								
Mathiston	484	do	MB-2#	5.15	12.40	28.15	50.90	91.40		MH [1]	MH	6.60	15.45	30.90	59.20	174.00
			MC-R#	4.25	10.63	24.13	44.13	81.63								
			MC-P	2.90	7.90	19.15	37.90	75.40								
McCool	562	Mississippi Power & Light Co.	(5)	(6)	(6)	(6)	(6)	(6)		(6)	(6)	(6)	(6)	(6)	(6)	(6)
North Carrollton	394	do	CS-5A	4.80	11.70	24.60	46.20	89.40		SP-2 [1]	MH	11.40	24.60	43.20	77.30	220.25
			OC-6A	6.30	15.80	36.05	71.30	141.80		LP-3	ML				(3)	170.00
Noxapater	526	Mississippi Power Co.	MB-2#	5.15	12.40	28.15	50.90	91.40		MH [1]	MH	6.60	15.45	30.90	59.20	174.00
			MC-R#	4.25	10.63	24.13	44.13	81.63								
			MC-P	2.90	7.90	19.15	37.90	75.40								
Okolona*	2,235	Okolona, municipal water and light plant [1]	B-2 [2]	2.15	5.95	12.00	20.25	31.25		B-2 [2]	MHL	5.95	12.00	20.25	31.25	(3)
										B-3 [2 4]	MHL				(3)	100.00
Pontotoc*	2,018	Pontotoc Electric Power Association [1]	B-2 [2]	2.15	5.95	12.00	20.25	31.25		B-2 [2]	MHL	5.95	12.00	20.25	31.25	(3)
										B-3 [2 4]	MHL				(3)	100.00
Sallis	364	Mississippi Power & Light Co.	CS-5A	4.80	11.70	24.60	46.20	89.40		SP-2 [1]	MH	11.40	24.60	43.20	77.30	220.25
			OC-6A	6.30	15.80	36.05	71.30	141.80		LP-3	ML				(3)	170.00
Sherman*	464	Tombigbee Electric Power Association [1]	B-2 [2]	2.15	5.95	12.00	20.25	31.25		B-2 [2]	MHL	5.95	12.00	20.25	31.25	(3)
										B-3 [2 4]	MHL				(3)	100.00
Toccopola*	288	Pontotoc Electric Power Association [1]	B-2 [2]	2.15	5.95	12.00	20.25	31.25		B-2 [2]	MHL	5.95	12.00	20.25	31.25	(3)
										B-3 [2 4]	MHL				(3)	100.00
Valden	648	Mississippi Power & Light Co.	CS-5A	4.80	11.70	24.60	46.20	89.40		SP-2 [1]	MH	11.40	24.60	43.20	77.30	220.25
			OC-6A	6.30	15.80	36.05	71.30	141.80		LP-3	ML				(3)	170.00
Vardaman	627	Mississippi Power Co.	MB-2#	5.15	12.40	28.15	50.90	91.40		MH [1]	MH	6.60	15.45	30.90	59.20	174.00
			MC-R#	4.25	10.63	24.13	44.13	81.63								
			MC-P	2.90	7.90	19.15	37.90	75.40								
Weir	570	do	MB-2#	5.15	12.40	28.15	50.90	91.40		MH [1]	MH	6.60	15.45	30.90	59.20	174.00
			MC-R#	4.25	10.63	24.13	44.13	81.63								
			MC-P	2.90	7.90	19.15	37.90	75.40								
Winona	2,607	Mississippi Power & Light Co.	CS-5B	4.30	10.95	23.10	43.20	83.40		SP-2 [1]	MH	11.40	24.60	43.20	77.30	220.25
			OC-3C	5.25	13.75	32.20	63.85	127.15		SP-3 [1]	M		(3)	39.76	63.36	176.40
										LP-3	ML				(3)	170.00

[1] Billing demand is based on connected load.
[2] Bills shown include 10 percent surcharge and 1 cent per kilowatt-hour amortization charge (25 cents minimum) on the first 100 kilowatt-hours used per month.
[3] Requirements for billing demand under this class of service limit the application of this rate schedule.
[4] The demand used is the average of the instantaneous demands over a 30-minute interval.
[5] Utility purchases energy from Tennessee Valley Authority.
[6] Data are not available.

American Citizenship and Its Supreme Challenge

EXTENSION OF REMARKS

OF

HON. HATTON W. SUMNERS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1938

ADDRESS OF HON. HATTON W. SUMNERS BEFORE THE MEETING OF THE JUNIOR BAR CONFERENCE FROM THE FOURTH JUDICIAL CIRCUIT AND THE DISTRICT OF COLUMBIA, APRIL 2, 1938

Mr. SUMNERS of Texas. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit my address before the Junior Bar Conference from the fourth judicial circuit and the District of Columbia:

May I congratulate the Junior Bar Conference for its patriotic service in conducting a campaign to impress upon our people a greater consciousness of the privileges and duties of American citizenship. This is a great work in which you are engaged. The subject assigned to me is American Citizenship and Its Supreme Challenge.

There is nothing more important in this tragic hour in the history of nations than that every American citizen recognize the supreme challenge which confronts him, individually, as a part of the body of our citizenship.

We have no king; we are our own governors. If we, the people, fail, representative free government falls.

When we look across on the other side of the earth we see free governments disappearing. It is difficult to realize that we—you and I—live in an age when free governments are disappearing from the face of the earth—Germany, Spain, Italy, Russia, Austria, possibly some other tomorrow. That shows that the people have fallen down on the job of self-government. Free governments do not disappear where there is no conquest except when the people fail in their duty, except when the problems of government become greater than the applied governmental capacity of the people. There is no mystery as to why dictatorial governments are increasing. Governments have to operate. There has to be government. If the people fail, government resorts to some other agency to do the work.

We have a mistaken notion that men have made our Government and can determine as they choose its basic policies. That is not true. No human being, in a creative sense, ever wrote the constitution of a living free government. Whenever you see that a dictator has taken charge of a government, except by conquest, you may know that the people have failed, that its problems have become greater than their governmental capacity. Whenever the people fail, we may know that some form of dictatorial government will take charge. There is no other alternative. When people fail to provide in themselves an instrumentality through which government can function, government lays its hand on some strong individual who will operate its machinery. There is nothing strange or surprising about it. It follows under the operation of the laws of cause and effect. We have the best chance to escape because Anglo-Saxon systems of government are most calculated to preserve governmental capacity because they place upon the individual the greatest necessity to work at the job of governing, and through the smaller units of government afford him the facility through which individual responsibility may be discharged and individual capacity developed. Only by use does capacity grow. By nonuse it shrivels up. But let the greatest athlete be tied for a while and his muscles become flabby.

We must understand the facts with regard to our Government and Constitution, which is our heritage as American citizens. We must rid ourselves of the mythological tales as to its origin. We must get rid of the notion that the Fathers, as an act of creative genius, gave us a foolproof, self-operating, perpetual-motion sort of government. We must get rid also of the notion that our Government is immune from the epidemic which is affecting other nations now. We have a real job; a supreme challenge. Our Government has endured a long time.

About the time of the birth of Christ, a famous Roman historian, Tacitus, observed the functioning of our Constitution among certain tribes in the German forest, of which the Angles, Saxons, and Jutes were a part. He tells us that when they had an important governmental matter to determine, the tribes gathered for that purpose. When they assembled they sat down armed. A leader presented the matter to them for their consideration. If the people were persuaded they brandished their weapons, which was a vote of approval. If they did not favor the proposition they murmured, and that settled it. That was a negative vote. Tacitus completes the picture by telling us that these leaders were influential as they had the power to persuade as distinguished from the power to command. Thus we see the place of the leaders and the place of the people in an Anglo-Saxon system of government, we see our Constitution when the machinery of government was simple enough to come definitely within our clear vision and comprehension.

Fundamentally, our Constitution has not changed from that day to this. Our Constitution, our Government, has always depended and must always depend upon the governmental capacity of its citizens. It can never fail while that capacity endures. It cannot survive when that capacity fails.

During all the vicissitudes of English history, popular government, in varying states of development, existed, while tribes blended into principalities; principalities into petty kingdoms; and petty kingdoms into one kingdom. Even during the period of the Norman conquest these local popular governments continued to exist and function. The power and capacity and authority of the people developed through the exercise of governmental responsibility.

In 1295 King Edward I summoned what was clearly a Parliament in the making as we understand a parliamentary body today. It would be interesting to trace the long, fascinating history of our constitutional development but that is impossible now.

We may note, however, that for more than a thousand years of their recorded history, before that Parliament assembled, when the great struggle began between the King and nobles on one side and the people on the other, our ancestors had been in training and developed in the lesser units of government. They not only had been instructed by experience, but they had been sobered by responsibility. They were not unacquainted with the difficulties to be met with in the discharge of the natural and proper duties of government and of the inherent limitations upon what should and can be achieved through the agencies of government.

They sometimes tired of governmental responsibility; they sometimes came under oppression; but their capacity for government increased as their conception of popular rights developed through the unrest and meditation stimulated by the tyranny of king and nobles. The roots of the English constitution went deeper and deeper into constantly enriching soil and drew into itself the elements of enduring strength which the people acquired through the struggles against that tyranny. Not from the King or his councils, not from a Parliament, but from that people grew up the great body of the common law and the basic principles and policies known as the English constitution.

The Magna Carta, the petition of right, the Bill of Rights, the act of settlement, the fundamental acts of the long parliament, and the various lesser and local charters were the formal recognition of and consent to that which had already gone forth from the consciences of the people, supported by a purpose and a strength which could not be resisted. There must be capable leaders, but in every great age during the many centuries of our Government the people, in the final analysis, have spoken the voice of government. There never has been, never will be, never can be any safe guide for a free government other than that which an advised public opinion, coming up from the body of a citizenship fit to govern and conscious of its duty to govern, can give.

When the colonists came to America there was granted to them in the various colonial charters that they and their posterity should enjoy the same rights and liberties which Englishmen were entitled to at home.

From the beginning there was resident in the colonists an inherited and acquired governmental capacity, developed through the centuries of participation in governmental affairs, and in sharing governmental responsibility, which qualified and made them able to share in the responsibility and solution of the governmental difficulties of the colony. They were able to insist upon their rights as freemen and able to discharge the duties incident to those rights.

Not a single untried principle was incorporated into our Federal Constitution. When the Convention met, the form of our Government had already become fixed.

There is a straight road which runs from Runnymede to Philadelphia. We did not "borrow" provisions from the British Constitution, which had come from the people; those provisions were ours, paid for with the lives of our ancestors on many a battlefield. I have examined the matter. I tell you our Constitution came up from the body of a self-governing people. But we can lose our capacity to govern by its nonexercise.

When men cease to love their government, cease to be willing to sacrifice to preserve it, cease to be willing to sacrifice to serve it, cease to be willing to die physically or politically that it may endure; when men come to look upon their government only as an instrument through which to promote some selfish interest or ambition, they end the possibility of remaining free.

When they no longer agree upon fundamental principles, when they no longer are guided by the great natural laws which fix the nature of free government, which limit human discretion and determine sound governmental policy, they no longer can remain free. Human beings are not wise enough to govern with freedom when they lose the solidifying and the protective guidance of a common acceptance of these basic principles.

In the days when our first Constitutional Conventions were being held men talked much about the plan of Nature and the laws of Nature operating in the field of government. They knew that governments are not accidents. They knew that they are provided for in the big economy; that they originate, develop, and operate under natural law.

In the whole world that is not true now. I am not criticizing ourselves in particular. It is world-wide. The present is almost

the only period in many centuries in which no substantial evidence exists among the nations of any knowledge even of the fact that there are fundamental natural laws which goven governments. It is even more remarkable that this attitude as to government should occur in this particular time, the most highly developed scientific age in all history. Busy millions everywhere are seeking diligently to acquire a more exact knowledge of natural law and how the more obedient to it they may do their work.

In every field except that of economic and political government that is true. That is the only field in which we fail. We fly through the air, we talk through the air, we do all the remarkable things which make this the greatest of all scientific ages because we know and respect these natural laws which govern. We fail only in government, and it is the only field where we are guided only by the theories and unaided wisdom of men.

Politicians have so long mystified government that a befuddled people have largely abandoned that field of thought, but there is nothing about government to baffle the person who can observe and can sense the same fundamental laws which the average person may observe at work governing everywhere. The same fundamental proposition out of which popular governments grow is to be observed everywhere. It is clearly the policy of Nature—the plan of Nature—to put upon people the necessity to govern.

The love for independence is the inducement for people to strive to be free; the lash of the tyrant is the whip driving men toward self-government. There is development of human beings from the discharge of the duties and responsibilities incident to self-government. That is why Nature requires them to do that work. Nature gives the choice between self-government and tyranny. No people who have lost the ability to govern have ever been able to remain free. The child learns how to walk by walking; he learns how to think by thinking; we learn how to do things by doing them. People learn to govern by governing. Whatever or whoever takes from the individual the necessity to do that which is not beyond his capacity is in conflict with the central purpose and plan of Nature, which is the development of people. They develop only through using the strength—the capacity—they possess. It is a law. Nature will not waste its energies. It will not permit strength to remain where it is not used. Quit thinking and the ability to think is taken away. Quit governing and the ability to govern is taken away.

In this connection it must be borne in mind that, generally speaking, we are not disposed to do that which we are not compelled to do. Going a little deeper, and looking into the why of things, what it is all about, this living on this earth for a period of time measured by the sweep of the centuries no longer than a flash of light, we see that it is not for the development of business or government or science per se but for the development of people. Upon that objective all the forces of Nature are focused.

Nature's plan is to make things possible but difficult. Difficulties constitute the gymnastic paraphernalia provided for the development of people. A people who will not be instructed by the experience of others, Nature sends to the school of their own experience and compels them to pay for their tuition. It has no other alternative.

The earth could have been so created that houses and roads and everything else the people are now required to think and work to get would have been already provided. We could have been so created that government would not have been necessary or would have been a self-operating, foolproof thing. But we would have been as a field of cabbage. That is not the plan of God, and there is nothing we can do about it except to fall in line with the infinite plan and purpose or to suffer the penalty for our rebellion.

We either go forward to our duty freely as natural law directs, working toward the great objective, human development, or we are driven by the lash. I am not talking about some theory. I am not speaking academically. I am talking now about the most important, the most practical, the most clearly to be observed, and the most certainly demonstrated fact to be discovered in the record of man's actual experience. It is the law, the universal law.

It is the fundamental business of statesmen and of people, as far as possible, first, to adopt those governmental policies which hold the problems of government within the governmental capacity of the people; and, second, to adopt those governmental policies which hold the people to the necessity to govern, and thereby lift the governmental capacity of the people to the level of their ever-increasing difficulties.

Of course, we must preserve a democracy in opportunity if we are to preserve a democracy in government. It is the supreme law. We must preserve a democracy in responsibility if we are to preserve a people to whom we can appeal for protection of person and property when agitators would make vicious the unstable. Nature has fixed it so that nothing sobers judgment like responsibility.

In this fundamental arrangement is found the philosophy not of States' rights as it was once expressed, not the right of the State to govern, but the necessity of the States to govern in matters within their governmental capacity, because in the States, which function largely through relatively small governmental subdivisions, the average private citizen can find a governmental organization sufficiently small, sufficiently close to him, sufficiently compelling in its responsibility and its appeal, to give to him the challenge, the necessity, and the agency through which he may exercise his governmental capacity and keep alive his sense of governmental duty and his governmental power. We recognize that the great Federal organization is essential, of course, but it is too far away for the voice of the average citizen to be heard in its councils and too great for his influence to be felt there. It can be the agent of popular government but never the agency for popular government.

I am not unmindful of the difficulties. They seem insurmountable now. But the presence of a great difficulty across our path does not even indicate that we should change our direction. We go forward meeting that difficulty or we turn back on the course of history. We cannot preserve this a free National Government resting upon a structure of State governments constantly weakening themselves by pursuing the policy of shifting their responsibilities to a great Federal organization in whose executive personnel of nearly a million people only one person—the President—is elected by the people. Every governmental duty shifted by the States weakens them in efficiency for the discharge of their remaining duties. Just as it is true with the individual it is true with the State, power will not remain where it is not properly exercised. Nonuse is the road to destruction.

What I am saying is not in criticism of any current policies. I hope I will not be misunderstood. I realize that we confront now, and have confronted for several years, unusual problems compelling unusual policies of government to meet unusual emergencies. Unfortunately, the public feeling is so tense now that it is almost impossible to have the most fundamental detached thing considered fundamentally, and yet I know that we must soon agree upon some fundamental principles by which we measure and judge the wisdom of governmental policies and the conduct of public officials. We cannot maintain and operate a complex system of modern government judging policies by the test as to whether they propose a present benefit to the class or group of which we happen to be a part.

The German people tried that. They were divided into many groups, each with its own little party striving for group advantage, dividing on the issues of group advantage, with no commonly accepted, guiding fundamental principles of government to hold them in solidarity and to a fixed basic policy, with the result when the great test came they failed to provide in themselves an agency able to do the governmental job for Germany, and that government laid its hands on Hitler. It had no other alternative.

I do not believe we will fail to meet this challenge, this supreme challenge. As a people there is much to indicate that we are emerging from the jazzy, irresponsible attitude of the last two decades. I am not trying to entertain you. You are becoming interested, because you are becoming a regenerated people, conscious of our danger, yet unafraid, conscious of our responsibility, and willing to meet it, interested in serious things, and ready to do your part in their solution. In that fact lies our hope of being able to win through our difficulties.

You are in responsibility at the highest peak in the history of all times. It is a fascinatingly interesting period. They do not come often. It is a terrible time, but a great time in which to live. The balance sheet is being struck. The nations, the civilizations, and the races of men are being brought to judgment. The philosophy of the parable of the talents is being applied. If we have had ours buried, we had better dig it out and put it to work. We haven't got much time. We were given the opportunity and the capacity to govern. If when this check-up, this accounting reaches us—it is going on now—if it is found we have despised that opportunity and squandered that capacity, is anybody fool enough to believe we will escape?

No longer can the complex governments of the world be operated as free governments, guided by policies which find their origin in the expediencies of the next election. Nations which have made this great material progress by the discovery and obedience to natural law must bring up their governmental progress by the same discovery and obedience until it presents an even front with the other lines of progress. I am certain of that. It can be done in no other way than by following the plan which made progress along the other lines possible and that is by discovery of and obedience to the natural laws which govern governments, which limit human discretion and fix sound governmental policy.

I am not theorizing. I have never been interested in theories except as they may systematize investigation and the discoveries of how things work. Imperative necessity takes this matter we are considering from the field of academic discussion and brings it to the forefront among the most practical everyday problems challenging the earnest thought of every people interested in preserving popular government on this earth. In order to preserve it we must preserve the governmental capacity of the people. In order to preserve that capacity they must govern. In that fundamental natural arrangement is found the imperative necessity of preserving the responsibility and the vigor of our smaller units of government wherein the governmental capacity of the individual citizen is developed, however difficult that may be.

Otherwise, forgetting fundamental principles, following the speculations of the theorist, guided by the ambitions and selfish desires of men, we move away from the foundation of these principles, the only foundation which can sustain popular government. We organize ourselves into groups armed with the ballot and fight among ourselves for self-advantage; we break in two at the points of group cleavage; we fail to provide in ourselves an instrumentality of sufficient strength and solidarity to carry forward the work of government. There is but one inevitable result. We will be cast aside and government will lay its hand on some individual or organization strong enough

to do its work. I am not trying to be a prophet. I am merely stating the inescapable judgment fixed in the nature of things against all peoples who thus offend.

It is inevitable that if free people do not provide in themselves a fit instrumentality of government, they come under the lash of a dictator until they become willing to bear the burdens incident to free government.

The issue of freedom of speech, freedom of religion, freedom of life, whether or not peoples will be assigned to some job and forced to work when and where some voice from above shall direct, are the issues which are involved. Only a great generation can do this job, however efficient the President, the Congress, the Governors, and the legislatures. I venture my life that it is not written in the Book that only a handful of public officials shall share in the development which shall come from the struggle with our present difficulties, which are as great as those which have ever challenged human genius. They have come to make us a great generation or to chastise us for our failure.

I have not tried to make a comprehensive address. I have tried only to emphasize the one point—the supreme question challenging the American people: Will we by governing, by doing our duty as private citizens, preserve in ourselves a fit instrumentality for free government, or, failing, compel government to resort to some other?

In Praise of Jesse H. Jones and Others

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1938

Mr. CELLER. Mr. Speaker, I take this opportunity of saying some kind words concerning Jesse H. Jones, C. B. Merriam, Charles B. Henderson, and their colleagues, constituting the Board of Directors of the Reconstruction Finance Corporation.

Too often men in public life and in positions of public trust are criticized severely and are even at times held up to extreme obliquity for slightest mistakes or errors of judgment. Too infrequently they are praised for doing their work effectively and efficiently. "They are expected to do that," is the rejoinder of the ordinary citizen. "They are paid to do their work well," is another remark often heard.

That is not my credo. Public officials need a word of cheer and encouragement. They should know when their good work is appreciated.

The Reconstruction Finance Corporation, through the exemplary work of its officials, has won the admiration of the Nation. I say this despite some dissentient criticism heard upon this floor. I will defend Jones and his men any time.

I know of no bureau or department that is freer from criticism. It is the department that has won the greatest praise, and rightfully so. Although we have given the R. F. C. and its officials staggering power, Jesse Jones and his colleagues have used that power sparingly and judiciously. The R. F. C. has been a lifesaver to many businesses. It will continue to be a place of refuge and rescue to which the sorely perplexed businessman in need of funds might repair.

The instant bill, known as the Glass-Steagall bill, H. R. 10055, permits the R. F. C., among other things, to purchase the securities and obligations of any business enterprise when capital or credit are not otherwise available. This in effect puts the R. F. C. in the underwriting business. It puts them in competition with investment bankers. This is excellent. Rest assured that the R. F. C., under the good guidance of Jesse Jones, will not abuse these privileges. Investment bankers and banks have nothing to fear. Assuredly, there have been no investments to speak of. Scan the newspapers and you find no advertisements of new issues. Such new capital represented by new issues must be supplied, otherwise business will take a deeper plunge into the doldrums. Plot the curve of new investments and you plot the curve of reemployment. They run parallel.

No new investments—no reemployment.

Investment bankers are frightened out of their wits—on good grounds or "coffee" grounds. New money must be supplied. New securities must be floated. The R. F. C. will make the beginning, with or without the aid of investment bankers. The R. F. C. will head the movement. It is hoped investment bankers will join the ranks. There is need for their encouragement and the dispelling of their fears, which the R. F. C., through this bill, should supply.

No one need worry concerning the vast powers given the R. F. C. under this bill. Jesse Jones will not hesitate to put thumbs down on a bad proposition. He has never taken chances, he will not take any in the future. If anyone has a sound, good proposition, he and his colleagues will see it; they will readily help. Loans and new issues will be accepted only where there is sound value and sound security and with ability to assure repayment.

Examine any bank statement. You will notice they are either bursting with funds, all idle, or most of the deposits are invested in tax-exempt securities. These banks have not supplied essential capital or credit to business either by way of short-term, intermediate-term, or long-term loans. They have been afraid to give short-term credit and refused to tie up their resources over a long period.

This bill is a complete answer, and should help business materially get back on its feet. The R. F. C. will be able to make direct loans and to buy bonds and stocks. In all likelihood the R. F. C. will turn around and sell their bond and stock acquisitions to investors. I would not be surprised if the R. F. C. did not end its career with a huge profit—eloquent testimony to the sound judgment, wisdom, and proficiency of Messrs. Jones, Merriam, Henderson, et al.

Furthermore, the agents of the R. F. C. in the various branch offices are entitled to their guerdon of praise. Mr. Ahern, Mr. Farthing, Mr. Callahan, and their colleagues of the New York office, are likewise worthy of high commendation for the splendid work they have done there. It is one of the largest of the branches of the R. F. C., and transacts a tremendous amount of business. The New York business world has naught but praise for this office.

The Future Expansion of Our Air-Mail Service

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1938

Mr. MEAD. Mr. Speaker, yesterday, it was months of slow, tortuous travel from New York to Los Angeles; then it was weeks, and finally days. But today, it is merely a matter of hours if you use the air lanes—dine in New York if you like, and breakfast in Los Angeles the following morning.

Tomorrow? It may be luncheon in New York and breakfast in Europe; on to the Orient, arriving in Hong Kong a week later, transacting your business there, and hopping a plane for home across the Pacific. Two weeks in all. That schedule is almost within our grasp right now. The Pacific is spanned; the Atlantic crossing is almost an actuality.

While Admiral Byrd and others are expanding the world map, the international air transport lines are contracting it. Passenger liners cross the Pacific from San Francisco to Shanghai in 17 days, but the huge Pan American clippers unfold their wings over San Francisco's Golden Gate and beat at the doors of China 5 days later, with overnight stops at the Hawaiian Islands, Wake Island, and Manila.

For three centuries following the discovery of America the trading nations of the world used sailing vessels. But within 10 years after Lindbergh's epic-making flight over the Atlantic the world is completely encircled by commercial

air lines. And we are on the threshold right now of new trade relations, for with the opening of passenger service across the Atlantic and the establishing of a shorter ocean crossing, international trade will flow over these modern arteries and rearrange trade centers.

PROPOSED TRANSATLANTIC AIR MAIL SERVICE

For more than 2 years negotiations have been carried on between the United States and the British Government looking to the establishment of a route from the United States to Europe, with the European terminal in England. This Government has issued permits to the British Imperial Airways for landing rights in the United States so it may operate such a service, and the British Government has issued permits to Pan American Airways for landing rights in England as well as Newfoundland, Ireland, and Bermuda.

These two companies both made experimental test trips last summer, but there has been a delay in the establishment of regular scheduled service due, according to unofficial reports, to the fact that neither company has been able to obtain delivery of the planes required as soon as had been anticipated. It is understood that the Pan American planes will probably be out of the factory within the next 3 or 4 months, but it is unofficially learned that some further time will be required for the British to obtain delivery of their planes, as their building program has been slowed up due to the military-aviation program of Great Britain.

Until there appears assurance that service can be begun and operated on regular schedules, the Post Office Department has hesitated to advertise this route, although appropriations have been made for it. The possibility of the enactment of aviation legislation pending in Congress has also influenced the Department in deferring the advertisement, as there appears to be a strong possibility that such legislation might be enacted and that under its terms no bids would be called for, but certificates of public convenience and necessity would be granted by some agency set up by the legislation.

In addition to the interest which Pan American Airways has long evidenced in flying the Atlantic, the American Export Lines, which has for many years maintained steamship service to a number of European ports, particularly to the Mediterranean countries, has become interested in flying the Atlantic. This company, so far as is known, has not let contracts for the building of its planes, although it has had this matter up with the manufacturers and reports that it can obtain satisfactory equipment.

Recently air-mail service was established between the United States and Bermuda on a very low poundage rate. Mail on this route is being transported by both Pan American Airways and British Imperial Airways, which two companies have been flying the route since last summer.

AIR TRANSPORT SERVICES IN ALASKA

We are reaching out and expanding our air-mail service in Alaska.

At present the Post Office Department has several star-route airplane services in Alaska, and these have been in operation for several years. The two principal routes run out of Fairbanks, in the middle northwestern section—one to Nome, something over 500 miles northwest of Fairbanks; the other to Bethel, around 500 miles to the southeast of Fairbanks. Both of these routes serve several intermediate points.

Recently the Post Office Department advertised routes from Juneau, the capital of Alaska, on the southeastern coast, via White Horse, Yukon Territory (Canada), to Fairbanks. This route would connect with the steamer services from Seattle at Juneau, and provide quick transportation from Juneau to Fairbanks, the principal distribution point in interior Alaska. At present, mail, passengers, and express destined for Fairbanks, or points reached through Fairbanks, move by steamer from Juneau to Seward, which requires 3 days, and thence by the Alaska Railroad to Fairbanks, which requires 2 additional days, making 5 days in all. The proposed air services from Juneau to Fairbanks would provide service to Juneau in about 5 or 6 hours as compared with the 5 days.

Because of the question of reciprocity with Canada, the contract on this route has not been let, although bids were received several weeks ago, and the Pacific Alaska Airways, a subsidiary of Pan American Airways, which performs service from Fairbanks to Nome, and from Fairbanks to Bethel, was the only bidder.

It has long been the desire of the businessmen and the public in Seattle, and the businessmen and the public in Alaska, that a coastal route be established between Seattle and Juneau. This route is very strongly favored by the Post Office Department, but up until now no appropriation has been sought for such a route because there were some difficulties in the way of flying it.

British Columbia, which is a Province of Canada, separates the United States mainland from Alaska for a distance of about 700 miles, and runs right out to the Pacific Ocean. It has been the judgment of all Government departments interested in the situation that, if possible, the route from Seattle to Juneau should be laid out so that it will run outside the 3-mile limit, thus enabling the service to be performed without flying over Canadian territory. With the improvement in planes peculiarly adapted for overseas flying, it is now believed that all difficulties can be overcome, and the Post Office Department favors establishing this route as early as possible.

PROPOSED NEW ZEALAND-AUSTRALIAN SERVICE

For several years Pan American Airways has had an arrangement with the New Zealand Government for flying from the United States or Hawaii to Auckland, New Zealand, and under the terms of this agreement it began some service on this route several weeks ago, but due to the loss of one of its clipper ships near Samoa, this service has not been resumed.

The Post Office Department has never sought an appropriation for this service, for the reason that the small volume of mail moving between the United States and Australasia would not justify the cost. However, as a trade lane, this route may prove justifiable.

And so the conquest of the sky goes on. What new fields will we prospect when our present endeavors reach fulfillment? Will we look to the Arctic, as the Russians are doing, or will it be stratosphere flying, high above the clouds?

Just a day or two ago there was placed on the Senate calendar a bill (H. R. 7448) which had come over from the House, after having been approved by our Post Office Committee, to permit the Post Office Department to branch out in experimental aviation work. It seeks to promote blind flying, night flying, stratosphere flying, autogiro shuttle service, and automatic pick-up and delivery service. Will experiments conducted as a result of this bill project our flying into the rarefied atmosphere, where our planes, meeting with less wind resistance, can double their speed? Who knows what these experiments will bring forth. Only time will tell.

With the exception of a single gap between Juneau, Alaska, and Seattle, scheduled air services now span the Western Hemisphere from within 200 miles of the North Magetic Pole to Magallanes at the tip of South America.

And what about the Arctic route? Is it true that it will save hundreds of miles, that it will provide better weather conditions, that it will furnish more natural landing places, that smaller and more economical planes can be used because of comparatively short overwater flights?

The adherents of the Arctic route point out that Magellan taught us to sail around the earth, but that the Arctic explorers have demonstrated we can go east or west by flying north. They remind us that the center of civilization has moved up from the Equator; that it is the Northern Hemisphere, with its large masses of land and the concentrated commercial and military power of the world, that holds sway now; and that it will not be long before great cities grow up closer to the Arctic.

That remains to be seen, but it is startling to realize that instead of a land-and-water trip of 11,000 miles from London to Tokyo it would mean just half that distance; and who can foretell how such a foreshortening would affect Seattle and Vancouver.

Our pioneering days are not ended. Man conquers one field only to sight fresh tracts and obstacles against which to hurl himself. And as man conquers, behind him come colonization and trade. So it is in our air conquests: First, the experimental flights to prove that it can be done, and in this our military and naval heroes take their place with Lindbergh and Post, and then comes the Post Office Department with its air-mail contracts with which to encourage the air lines to branch out into the new territory; and, finally, the opening of commercial air lanes with the establishment of passenger and express service.

The unknown of today becomes the backwoods of tomorrow, and you and I have enjoyed a wonderful privilege in being a part of the era which opened up the conquest of the air. We have come far in 20 years; we will go still further in the next two decades.

Announcement was made Wednesday, March 30, by Postmaster General James A. Farley, of the award of air-mail contracts to the Pacific Alaska Airways for service from Juneau, Alaska, to White Horse, Yukon Territory, and also from White Horse to Fairbanks, Alaska, and return. The frequency of service will be once a week, with requirement that if the company voluntarily operates planes more frequently mails shall be carried thereon.

Juneau is the capital of Alaska and Fairbanks is the principal commercial city of middle northern Alaska from which distribution is made to many points.

The beginning of service is tentatively fixed to leave Juneau north-bound April 26 and to leave Fairbanks south-bound May 1. The domestic air-mail postage rate of 6 cents per ounce will apply to articles to be carried over this route.

The service is scheduled to leave Juneau north-bound Tuesday upon arrival of the steamship due to leave Seattle each Saturday morning. Returning, the plane is due to leave Fairbanks Sunday, which is in time to connect at Juneau with south-bound steamship due to arrive at Seattle each Thursday. The flying time each way between Juneau and Fairbanks is about 4½ hours. This air service will advance mails to the interior of Alaska about 5 days.

Arrangements are being worked out as quickly as possible for the sending of covers by the first flight with the use of special cachets. Announcement of these arrangements will be made within a few days.

Protests Against Reorganization Bill

EXTENSION OF REMARKS

OF

HON. ROBERT L. BACON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1938

Mr. BACON. Mr. Speaker, the earnest protests of hundreds and hundreds of people against this reorganization bill have come to me. I am glad to get them. A great many of these people I personally know; some are Democrats, some Republicans, some independent voters—but Americans all.

I want to take this opportunity, on their behalf, to call to the attention of this House their feelings on this proposal. And I shall read their letter—it is a composite letter, every word of it their own, and taken from among the multitude of pleas that have come to me. It reads:

I strongly urge that you vote against the thoroughly un-American and undemocratic reorganization bill. This measure does not call for reorganization but for alteration in our form of government. The bill in its present form contains no constructive changes, but, instead, will only enable an already overpowerful Executive to take more power away from Congress and the people.

The Congress should jealously guard its own prerogatives and duties, and delegate none of them. And rather than yield further powers and duties to any President it should get back the powers it has lost. Experience teaches that powers once surrendered are regained only with much difficulty, if at all.

The country has grown great under the present form of government and will continue to do so if kept from the clutches of a dictatorial President.

We must retain the threefold balance which defends democracy.

It is up to Congress to set the minds of the people at ease and give them confidence in the future.

I resent, as every true American does, the implication made by the President, that our petitions are propaganda fostered by interests inimicable to the Government. They are the honest expression of an outraged public who have had more than enough of the kind of talk that has followed each protest by the public against each additional grab for power.

That we, the American people, cannot write to our Representatives what we please on legislative matters without being accused by a power-hungry semidictator of being organized, or of not knowing our own minds, or of trying to buy votes is an outrageous insult and injustice to the American people and to you.

There are many thousands of literate persons in the country who can read the "writing on the wall" without assistance.

THE AVERAGE AMERICAN.

Mr. Speaker, the common sense, good judgment, and patriotism of the citizens of my congressional district is reflected in this composite letter. Each sentence in this letter is taken verbatim from a different letter that I have received. This composite letter that I have reconstructed fairly represents the views of the many, many hundreds who have exercised their constitutional right of petition and have written me. More power to them! They still believe that Congress should not abdicate its powers. They still believe in the Constitution.

The Reorganization Bill

EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1938

RADIO ADDRESS OF HON. EDITH NOURSE ROGERS, OF MASSACHUSETTS, APRIL 3, 1938

Mrs. ROGERS of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address delivered by me over the radio yesterday:

Never in the history of our country have so many telegrams and letters been received by Members of Congress protesting against legislation as are being received at the present time against the reorganization bill, which is now being considered. All of these letters and telegrams are in the same vein; all ask for the defeat of the bill. I am extremely glad that these messages are coming to us as the chosen Representatives of the people of the United States. Through the courtesy of the Columbia Broadcasting system I am able to talk to you and to give you just a few reasons I, too, am so strongly against the reorganization bill.

That is one of the affirmative rights of the citizens of the United States, granted them by the Constitution—the right to petition Congress to do their will. A telegram or letter is a petition. President Roosevelt's statement, recently made, that "He was glad the Senate could not be purchased," was nothing but an implication that those who voted against the reorganization bill could be purchased. Strong language he used—and unjust.

Under the Constitution the people of the United States have a right to petition and to write to the Members of Congress upon any matter upon which they wish to express their opinion. In the President's statement there was a direct threat against their lawful actions. If Members of Congress, in their deliberations, listen and pay heed to the President alone and not to the citizens of the country, then, indeed, will the United States be further along the road to a dictatorship or central government.

Today the countries of the world are upset. New forms of government, some very unwelcome, have been adopted in many countries. The people of our country are living in fear today. They want their present form of government maintained. I speak not as a Republican, not as a Democrat, not as a New Dealer; I speak

as a Member of Congress, the Representative of 300,000 people, the second largest district in the State of Massachusetts. We in Congress are going to be judged by our vote. We are responsible to our constituents, to the citizens of the United States.

We are not responsible to the President of the United States. Personally I have a high regard for him. He was a classmate of my husband and a friend of long standing. But I owe a duty to the people of my district and the people of America.

I have not received one single letter endorsing this reorganization bill. The telegrams and the letters that have come to me and other Members of the House show the state of terror that exists in the minds of everyone today. We are in a state of panic, financially and mentally. I believe the passage of the pending bill would tremendously increase this panic.

If this bill is passed and the country continues in this state of despair, financial and otherwise, our constituents will blame us for the condition. They will blame us for wrecking the country. They will not blame the President so much as us, their Representatives. If we give up our power, they will have every right to blame us, because they warned us ahead of time.

The President stated in a letter to the Congress that he did not want to be a dictator. I wonder if America today realizes how much power the President already has. The farmers of Texas and of the West are beginning to realize that he now has control of the farmer by legislation. Workers in the factories realize only too well that he has the power under the reciprocal-trade agreements to lower the tariff on similar goods that they are making, thereby allowing floods of low-priced merchandise made by coolie labor from Japan, Czechoslovakia, and other countries to compete with their product. That policy is putting more and more of our people out of work every day.

With the greatest business panic we have ever had, with more people unemployed than ever before in the history of our country, with relief rolls jammed and overcrowded, it is no time to start other experiments, other reorganizations. Under laws which were passed, and which gave him untold power, President Roosevelt had the right to make reorganizations, but he has not made wise ones. Instead he has created many overlapping bureaus. No President in all our history was ever given so much power. Of course the President wanted the people of the country to prosper, but he has not made prosperity. His promise to increase employment has been a dismal failure. Why give him more power to cause further fear and apprehension? This reorganization bill is a companion bill to the Supreme Court packing bill in its importance and far-reaching effect. It has aroused even greater interest, and it deserves the same fate of its predecessor.

I shall have time to mention only three of the many objectionable features of the reorganization bill.

Under the provisions of this bill the Civil Service Commission is doomed to die after 55 years of splendid work done often under the most trying and difficult conditions. It was started under the administration of the Democratic President Grover Cleveland. Other administrations have realized the value of it and have furthered its work, but to date this administration has done more to wreck it than to help it. To abolish the Civil Service Commission would work a great hardship upon thousands of workers. We should not do away with the present three-man, bipartisan board of commissioners. No matter which party is in power a minority member on a board serves to act as a check upon abuses and unjust discrimination against workers in the Federal Government. It protects the workers against a man or woman who may have racial, religious, or sectional prejudice. Before writing this ill-considered bill, the Committee on Reorganization did not see fit to consult any member of the Civil Service Committee of the House of Representatives, of which Mr. RAMSPECK, of Georgia, is the chairman, and of which I am the ranking Republican member. The committee is made up of fine Members from all over the country. Why were not the people who had served for years on this committee and who had made a great study of civil-service laws consulted before the bill was drawn?

Instead of this, the plan was suggested by those who had little or no practical experience in civil-service matters. I am a strong believer in the merit system, and it should make no difference whether a person be a Republican or a Democrat who is entering or who is already in the service of our Government. No man or woman can do good work when he or she is living in fear that he or she may be discharged at any minute, and today the Federal workers all over the country know only too well that their pay may be cut or their jobs may be taken from them under this reorganization plan. It is not American to give such tremendous powers over the daily work and lives of hundreds of thousands of employees. We want fair, unbiased control. Take politics out of our civil service; make it a career service from top to bottom, where ability counts, and political pull does not.

With an expense of $8,000,000,000 a year of the Government's money—and this means your money—and with no one claiming that this reorganization bill will save money for the people of America, why should it be undertaken at this time? The first duty of the President and of the Congress is to try to get business back upon its feet, to try to put the people back to work, to try to put confidence instead of fear into their minds.

Many persons have believed that consolidation and reorganization in Government might take place, but certainly no drastic measure such as this, which gives so much power, should go through.

It should not be forgotten that Members of Congress are responsible to their districts and not to the President of the United States. Our form of government provided that Members of Congress should be elected for only 2 years, undoubtedly for the reason that those Congressmen could be removed after 2 years if they were going against the will of the people. That is a very healthy thing, because if our form of government should be changed it should be only changed by the express will and consent of the people of the country. In every way possible the people are showing us that they do not want this added power given to President Roosevelt, and I must remind the many admirers and believers in President Roosevelt that the powers given to him under this bill would be given to any succeeding President.

Under one provision of the bill there will be created a department of public welfare. Under that department, as the bill is now written, it would be perfectly possible for the control of the schools to be taken over by the Federal Government. Religion might be barred from the schools, religious schools wiped out, a very unfair, a very unjust thing might be done. Under that department the Veterans' Administration might be placed and much of the freedom of action that the Veterans' Administration now has might be taken away. I am the ranking Republican Member of the Committee on World War Veterans' Legislation of the House of Representatives. I have served on that committee for 14 years. I have worked on veterans' matters ever since the beginning of the World War. I know the chaos which existed in the early days when various veterans' activities were under the charge of different Government departments. I know of the time it took to adjust claims, to get hospitalization, and do other routine matters. Now that all veterans' activities are under the Veterans' Administration, while far from perfect, certainly the veterans' problems are handled by veterans in the main and by men and women who for years have worked upon veterans' laws. I believe every veteran in the country would be sorry to have the Veterans' Administration swallowed up in a huge welfare department.

In this short time I have spoken of only one or two provisions of the bill. There are many other dangerous features upon which I have not touched. Yesterday it was made plain upon the floor of Congress by the administration leaders that the President would yield and this is interesting, because it is so obvious that he is yielding because of the thousands upon thousands of telegrams and letters which have come to us. In other words, that which he said so emphatically would not have effect is most effective. Congress cannot be purchased, but it will listen to the will of the people in preference to the orders of the Chief Executive.

It is important that we remember that even if the House bill is a great deal improved when passed it must then go to conference with the Senate and very dangerous provisions may be placed back in the bill. The bill must be defeated in the House in order to prevent further chaotic conditions in our country—in order to prevent further encroachment upon our freedom.

What the people of the United States are interested in today is getting the wheels of industry turning again in order that they may go back to work at good and regular wages. As one man wrote me, "Today the country is living in fear of the future. This is no time to give the President the power to reorganize the Government. It is more than one man can do in these trying days." This letter is typical of very many that come to me.

"Progress" by Purges—True Liberty and Fake Patriots—Harrowing Persecution of Jews—Arrogance of Totalitarianism—Preservation of Civil Rights

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EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1938

Mr. MAVERICK. Mr. Speaker, by unanimous consent, I include an address by Secretary of the Interior Harold L. Ickes, which was delivered at a dinner in Chicago, on April 3, commemorating the fiftieth anniversary of the founding of the Jewish Daily Courier of that city.

The Secretary's address, entitled "Progress" by Purges, was carried over a Nation-wide hook-up of the Columbia Broadcasting System. It is as follows:

"PROGRESS" BY PURGES!

A golden jubilee is always an occasion for rejoicing. Fifty years is a good round period in the life of any individual or institution. Measured against the 100 years that our city boasts, the half century during which the Jewish Daily Courier has advanced the cause of its own people and made its contribution to the development of Chicago, stands out in bold relief.

It is a matter of congratulation that M. Ph. Ginzburg, the publisher of the Jewish Daily Courier, has been spared for so many fruitful years to guide the destinies of his paper. There has been nothing transitory or ephemeral about the Jewish Daily Courier. Its character has been as outstanding as that of its publisher. Its achievements as an institution have been the measure of its leadership and its able staff. It is always a pleasure to me to pay tribute to any man who, having come to this land, whether earlier or later than some of the rest of us, has joined in the task of building up a civilization firmly grounded upon democratic institutions.

LIBERTY IS THE CORNERSTONE OF AMERICAN FREEDOM

America was founded on the theory of liberty; liberty for every man to live his own life in his own way, subject only to the right of others to live their own lives in their own way; political liberty; liberty of religion; liberty of conscience. It was natural that the oppressed of other countries, those reaching out for that liberty which always has been the aspiration of human beings, should have come to this land of freedom by the millions; come to fuse together into a new race; come to mold a higher and better civilization.

One of the proudest traditions of our America is that its gates have always stood wide open to the politically oppressed from all parts of the world. The Pilgrims and the Puritans sought a haven here, as did the French royalists in 1789, the exiles from the Napoleonic pressures of 1811, and vast numbers of Germans in the middle of the nineteenth century. Our land is richer in humanity for the thousands of Irish who have become a part of us. Protestants and Catholics and Jews have come and have found a welcome. These are historic indications of our unwavering attitude. The rededication by President Roosevelt and Secretary Hull of America as a refuge for those who can no longer endure the heavy hand of a tyrannical dictator at home or of a ruthless invader from beyond the border, is as fine and noble as it is typically American.

THE INCIDENT OF MARTIN KOSZTA, HUNGARIAN PATRIOT

Many have forgotten the incident involving Martin Koszta, the Hungarian patriot, who was one of the leaders in the revolt in 1848 led by Louis Kossuth. Although he escaped after the failure of the revolution, Koszta was found in Turkey and imprisoned by Austrian agents aboard the Austrian brig *Hussar*, to be taken back to prison or death. Capt. Duncan N. Ingraham, commander of the American sloop *St. Louis* who was in the Smyrna harbor with his vessel at the time, learned of the situation. He demanded the surrender of the prisoner. The Austrian captain refused. Captain Ingraham, despite the fact that a 12-gun ship and two others supported the *Hussar*, anchored a cable's length away and announced that he would use his guns if necessary to protect Koszta. Reluctantly, the Austrians released their political prisoner. When Captain Ingraham returned to this country, the State Department apologized in proper fashion to the representatives of Austria-Hungary, while Congress voted our intrepid captain a gold medal to the acclaims of the people.

It is only necessary to recall the names of some of the outstanding heroes of the Revolutionary War to realize what a melting pot this America of ours has been from the beginning—Washington, the man of English descent; La Fayette, the Frenchman; Kosciusko, the Pole; Kossuth, the Hungarian; Von Steuben, the German; Haym Salomon, the Jew; and many others of various nationalities. Through our harbors has flowed a constant stream of humanity seeking surcease from intolerable inequities inflicted by despots and tyrants, seeking a land where they could breathe the air of freedom and find security and peace for themselves and their children.

With few exceptions, all of these immigrants were persons of character hopeful of improving their lot, while at the same time, willing to help others to obtain that same measure of freedom that they so desperately wanted for themselves. They brought with them the language of their homeland. They brought with them the culture that they had inherited from their ancestors, as a free offering to the American culture that was to be. All of these eager comers from foreign lands became integrated into this great Nation which is consecrated to the maintenance of fundamental principles of freedom.

As far back as 1793 there is a record of a Jewish citizen who settled in the State of Illinois. Not long thereafter one of this faith came to Chicago, to be quickly followed by others. The Jewish community in this city grew rapidly and soon became a valued segment of our metropolitan population. Here Jews who had been persecuted in other lands soon learned that they could live in peace and amity with other immigrants from Europe who were animated by the same desire for freedom and opportunity, although in Europe the strains and stresses of tyranny had made neighborliness difficult if not impossible. They found that here, despite his origin, "a man's a man for a' that."

The America that we have known is the America that we want to continue far into the indefinite future. But if this is to be we must take measures to maintain our institutions. We must be prepared to guard them not only from assaults from without but from insidious sappings from within. If it was worth while for our forefathers to fight to acquire freedom, it is no less worth while for us to fight, if need be, to maintain freedom.

THOMAS JEFFERSON'S OATH AGAINST TYRANNY

Well might every one of us declare with Thomas Jefferson, that great Democrat whose birthday we will celebrate in a few days, "I have sworn upon the altar of God eternal hostility against every form of tyranny over the mind of man."

There would be no suggestion of mock heroics if there were such an affirmation in challenging tones by all of us today, for our times are fraught with a serious threat to democracy as we have known it. When we look in one direction we see the leering visage of communism; in another the threatening countenance of fascism. Countries that today enjoy the blessings of liberty under democratic forms of government tomorrow may find themselves deprived of those liberties by a totalitarian dictatorship. Purges, concentration camps, liquidations have become common expressions on the tongues of supposedly humanitarian and liberty-loving peoples. Men and women whose unfortunate lot it is to live under a modern despotism are not permitted to seek happiness as individuals. They are pawns of a totalitarian state, cannon fodder, political robots, sterilized intelligences who may not live their own lives in their own way; who may not express their thoughts freely; who may not worship God according to their own consciences; who may not vote unless they are prepared to vote "yes"; who may not even determine the size of their own families.

FASCISM THUNDERS AT THE GATES OF OUR LIBERTY

May I say that if communism constituted the threat to this country today that fascism does I would be as unsparing in my denunciation of this equally obnoxious and un-American system. But if we are realists, if we are taking note of what is happening in other parts of the world, we cannot escape the conviction that, so far at least as the present is concerned, fascism is the deadly and insidious foe that we must prepare to combat without loss of time. For this reason I suspect either the motives or the intelligence of those who would have us marshal our forces against a barely imaginary danger of communism while fascism thunders at the gates of our citadel of liberty.

Let us make no mistake. Totalitarianism is a real threat to our institutions. More and more people are coming to recognize the danger even to America of this ruthless political monster that hunts by day and prowls by night. They are coming to realize that unless we are luckier than we are likely to be, our concern for the safety of our democratic institutions will increase rather than diminish. For totalitarianism—arrogant, devoid of conscience and knowing no mercy for man, woman, or child—is on the march.

Let us make no mistake. Totalitarianism is insidiously boring today from within the temple of our liberties and assaulting it from without. It rides the radio waves, spews from the presses, soars through the air in bombing planes, slinks under the sea in submarines, and crosses the surface of the earth to a chorus of clanking tanks. Never has any foe of civilization moved so mysteriously, so unerringly, with such deadly swiftness, or over so wide a territory. The urgent and the unpostponable duty of every American who loves liberty is not only to let the light of reason guard him from within against this treacherous foe, but to join with his fellow citizens in resisting it from without.

Those who have bravely carried on a continuing tradition of civilized living through many dark periods are now in a position to help democracy maintain such a tradition at a critical period of social and economic change. It is not always easy to guide ourselves by the light of reason through the dark night. Subtle pressures upon minority groups are constantly exerted by those whose special economic interests appear at the time to be similar, to array themselves, not with, but against those who are struggling to preserve democracy.

FOES OF DEMOCRACY FINANCED BY ECONOMIC GROUPS

It should be remembered that the foes of democracy in other lands were financed by economic groups that professedly were only attempting to protect their property from political incompetence. We have only to look abroad to discover that while, in theory, fascism is controlled capitalism, before long there is always someone ready and able to seize control of controlled capitalism.

It should be remembered that many now suffering in other lands from the oppressions of dictators foolishly believed that they could protect themselves by giving financial support to the foes of democracy. They persuaded themselves to the self-deception that the intolerance of tyrannical power was really not aimed at, and certainly would not be directed against, them but only against so-called enemies of law and order.

It should be remembered that the only tolerance that is not illusory is tolerance, not of ourselves, but of others. The only freedom of thought that is worth while is freedom for the thoughts of others, even for the expression of opinions which we loathe, even for the opinions of people whom we despise.

A TWO-CYLINDER ENGINE—ILLUSION AND HATE

Members of any minority group should be particularly alert to the danger implicit in fascism. It seems that fascism is an engine of two cylinders. One cylinder is powered by the illusion, that will prove to be transitory, of greater economic security, of a higher degree of social justice, of more widespread personal happiness. The other cylinder runs on hate—racial hate, religious hate, hate of a minority group.

It happens that in practically all of the nations in Europe that have gone Fascist the Jews constitute the racial minority against which bitter hate is fanned into a searing flame. It seems that the false god of fascism must have its devil upon which it can pour out its objurations, wreak its bloody vengeance. But do not forget that in America the Jews are not the only minority group. One has only to turn his mind from the international Ku Kluxism of fascism to the Ku Kluxism that is natively American in order to discover here a rich field for oppressions and terrorisms.

Against this background it is not difficult to foresee that fascism, if it should ever become established in this country, would have not only its Jewish devil, it would have its Negro devil, its Catholic devil, to say nothing of an assorted variety of other devils, fashioned out of different nationalities or religious groups that had come to our shores to seek peace and freedom.

IT IS DEMOCRACY VERSUS ABSOLUTISM

If I were a Jew, remembering the harrowing persecutions, the valleys of the shadow of death through which my people had passed for well nigh 2,000 years, I would lose no time in making my position clear on the issue of democracy versus absolutism. I would do my utmost to purify and keep clear the sources of democratic power in this country so that no one, because of corruption and fraud in our civil processes, could find any justification for choosing another political system as superior to our own.

If I were a Jew I would not add to the power or the wealth of any institution or any man that in his heart cherished fascism. And right here in Chicago there are men as well as institutions that are doing their Machiavellian best to tear down democracy, to make a mockery of our institutions under the pretense of protecting and defending those very liberties which they are insidiously undermining. And what I would do if I were a Jew I would do if I were a member of any other racial, nationalistic, or religious minority. And what I would do if I were a Jew I propose to continue to do as an American who belongs to the majority group.

After all, regardless of the place whence we came or the time of our coming, regardless of our race, religion, or creed, we are American citizens and as such we are all entitled to the rights, privileges, and immunities that go with American citizenship. To the degree that we recognize these principles, to the degree that we are willing to stand together as American citizens in defense of our institutions will we be secure from either communism or fascism.

COMPLETE LOYALTY DEMANDED—NO HALF AMERICANS

The citizenship that I am talking about is the citizenship of complete loyalty to our institutions. Such a citizenship gives the lie to those who traitorously entertain the belief that the forswearing of allegiance to a foreign ruler still leaves them subject to the tyrannical demands of an alien government. An American cannot consistently parade in the uniform of a foreign power. He cannot consistently adhere to a secret nationalistic organization whose political eyes are turned back longingly to an alien land.

America does not want this kind of citizens. It wants men who, when they take the oath of allegience to the American flag really mean what they say; men who will not forswear themselves; men who will not conspire or combine to betray the hospitality of the country that they have chosen for their new home; men who would scorn to undermine the institutions of their adopted land.

America wants no man who is half American and half something else. America cannot spare even a square foot of its precious soil for the military training of aliens who have not yet cut the umbilical cord that unites them to the land of their birth. America cannot spare even a square foot of its precious soil for the regimentation of hyphenated feet. Tolerant though we be, we will not brook practices that are a threat to our liberties. Liberties buried in the graveyard of a despotism are no longer liberties. Liberties must be kept alive if they are to be worth anything. He who would uphold the right to destroy our liberties in the mistaken belief that he is thereby preserving our liberties is a fit subject for a psychoanalyist.

OUR CIVIL RIGHTS MUST BE PRESERVED

Liberty is not merely a thing of today; it is a boon as well for tomorrow and the day after. All my life I have fought for the civil liberties that are guaranteed to us in the Bill of Rights of our Constitution, but I believe in the substance of liberty and not merely in the shadow. What every American who loves liberty should strive for is a continuing and enduring liberty. The civil rights that we enjoy are intended to buttress and support our liberty. We would not be preserving our cherished civil rights if we interpreted them in such a way that they would destroy not only themselves but liberty.

There is another danger against which I would warn you. In the clash and clamor of political strivings we often indulge in exaggerated statements. In ordinary times this does not matter. But since I am speaking to an audience gathered to celebrate the golden anniversary of a newspaper I may be permitted to sound a word of caution. At a time when new dictators are appearing in different parts of the world, at a time when dictators are extending their power, those who cry out in tones of simulated anguish that at this moment in the United States there is an existing dictatorship, are doing a distinct disservice to their country.

THE DANGER IN FALSE CRIES OF DICTATORSHIP

There is danger in crying "wolf" too often or at the wrong time. There is danger in creating fears of dictatorship when there is no dictatorship. If the brave efforts of a great democratic leader to improve conditions of the oppressed and underprivileged by means of democratic processes are continually balked by false cries of dictatorship, there is the danger that our people may come to feel that economic security can be had only through a dictatorship. There is the danger that our people, deprived of economic security by false cries of dictatorship, may accept a real dictatorship that beguiles them by false promises of economic security.

If there were a dictatorship here I would be one of the first to raise my voice against it, no matter who might be involved, but so long as our institutions are preserved, as they have been preserved; so long as men and women may freely vote and express their opinions as they now do; so long as people may live together in peace and freedom; so long as all may worship according to the dictates of their conscience, there need be no fear of dictatorship. But it is worse than folly, it is in fact disloyalty and treachery to our institutions, merely for an unworthy political advantage to try to instill in the minds of the unthinking the thought that a dictatorship exists in these United States.

It is obvious that people who are made to believe that they are living under a dictatorship might be willing to exchange one dictator for another. It is unthinkable that people living under a democratic form of government would willingly shift to a dictatorship if they knew what they were doing. We do need to guard against facism, as does every democratic country that is left in the world. But to shout dictatorship when none exists is only to cause confusion. It plays into the hands of the enemy. It detracts attention from the danger that threatens. It weakens our resistance. The simple and conclusive answer to the false and insincere clamor of present dictatorship in America is that if the President were the dictator that certain people and interests say that he is, he would quickly put an effective silencer upon such clamor.

GROSS MISREPRESENTATION IS A NATIONAL DANGER

There never was a time when it was so necessary for Americans to stand together against a danger that threatens all of us; that threatens the very core and substance of our America. Let us criticize our public officials vigorously, trenchantly, when criticism is due. But let us guard against the danger that is inherent in the gross misrepresentation in mischarging a dictatorship when none exists. It is a poor way to prepare people to resist a threatened dictatorship by cultivating in their minds the belief that a dictatorship already controls us. Regardless of factional strife, of political maneuverings, of personal ambitions, let us serve notice on all the world that when our democracy is threatened, the only vying between Americans will be to determine who shall first spring to the defense of democracy.

CULTURE IMPOSED BY FORCE NOT WANTED HERE

Let us also serve notice that America wants no culture that is imposed by armed forces from a foreign land. America wants no culture which is so enlightened and so beneficent that to escape it people of cultivation and learning will choose to take their own lives rather than submit to it.

On this occasion that is so significant of what the Jews of America have contributed to the civilization of America, I want to urge your cooperation in a democratic solution of the grave problems confronting democracy in the modern world. Men may differ as to how these grave problems may be solved. You will differ among yourselves, not as Jews, but as Americans. But what I am asking you to agree upon, and all Americans to agree upon, is that these problems shall be solved in a democratic way; solved not by physical or economic forces, but by reason and fair play.

The world may not listen to our preachments, but the world cannot ignore our example. There is nothing so much that we in the United States can do to promote peace, good will, and tolerance throughout the world as to show to the world an example of the kind of government that peace-loving, liberty-loving people can have, if they will; a government without dictators; a government which can assist its citizens who want to work to find work and to maintain a standard of living limited only by their capacity to produce; a government which recognizes the dignity and worth of the humblest of humanity and which values freedom of thought and speech of all men regardless of their race or religion.

The flame of liberty must be kept burning even as the everlasting fire lights up the Ark of the Law in the temple.

In conclusion, may I paraphrase Jeremiah xxix, 7:

"Seek ye the welfare of this land in which you are, and pray unto the Lord for it, for in the welfare thereof shall ye fare well."

Government Reorganization

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1938

Mr. MEAD. Mr. Speaker, legislation authorizing administrative reorganization under the policies and limitations set forth by the Congress has been enacted previously on a number of occasions. The Overman Act of May 20, 1918, is a notable example. Similar authority was granted to the President in connection with the creation of the Department of

Commerce and Labor in 1903 and the Veterans' Administration in 1930. In 1932 authority to reorganize was granted to President Hoover by the act of June 30, 1932. This act, which was extended and amended on March 3, 1933, and again on March 20, 1933, is reenacted by this bill.

It is well recognized that administrative reorganization can be brought about only by authorizing the Chief Executive to make the detailed investigations required, and under policies and limitations set forth by the Congress, to carry into effect reorganization in the interest of economy, efficiency, and the orderly conduct of the work of the Government. The constitutional functions of the Congress are exercised in the determination of the policies and limitations of such reorganization, and the consideration of Executive orders before they become effective. The detailed provisions are properly left to the Executive.

The need for administrative reorganization and a reduction of the administrative agencies of the Government is apparent to all. The President's Committee on Administrative Management has testified that there are at present in the Government 133 separate departments, commissions, boards, authorities, and other agencies. This multiplication of independent agencies defeats the ends of efficient and economical administration of the affairs of Government. A thorough-going reorganization has been needed for years, and is more imperative now than ever before. Repeated efforts during the last 17 years by the Congress to enact the detailed reorganization have proved to be futile. A considerable amount of reorganization was accomplished by the President under the authority of the act of June 30, 1932, before it expired, through the issuance of a number of Executive orders, but the attention of the administration during this period was necessarily turned to the urgent problems created by the disastrous depression, and the real task of administrative reorganization had to be postponed until a more favorable time. That time has now come.

The authority granted to the President by this bill is considerably less than that granted to him in previous legislation. His power to make transfers affecting independent commissions and boards charged by law with regulatory functions is strictly limited, though no such limitation was provided in the 1932 act. The only authority granted to the President with respect to the independent regulatory commissions and boards is that which will enable him to exercise a salutary budgetary supervision over such agencies. This is necessary if we are to have a sound budget applicable to all agencies of the Government. Within recent years there has been a tendency of some independent commissions and boards to regard themselves as above any budgetary review by the President. This is contrary to the intent of the Budget and Accounting Act of 1921; it is contrary to the principle of Executive responsibility to the Congress.

The bill also creates a new department of welfare, which is charged with the promotion of public health, education, and welfare activities of the Government. The creation of this executive department is essential to an effective administrative reorganization. It has been advocated and considered for years. There are numerous permanent agencies of the Government in this general field which do not belong within any of the 10 existing executive departments. Unless a welfare department is created, most of these agencies would have to remain independent. The most urgently needed reorganizations would thus be defeated.

Administrative reorganization of the Government is a difficult and complicated task. It cannot be accomplished without painstaking investigation and careful deliberation. A thorough reorganization will involve the consolidation and merging of similar or related activities to bring about greater economy of operation, more effective planning and responsibility, and the avoidance of unnecessary duplication. It will require time. If it is to be done during this administration, the President should be granted the necessary authority at this session of the Congress.

Mr. Speaker, in conclusion I would like to insert some messages in the RECORD coming from those who favor the reorganization bill. We have been hearing a great deal from those who are in opposition to the bill, and I think it only fair that we should have the views of the other side as well.

BUFFALO, N. Y., *March 30, 1938.*

Hon. JAMES M. MEAD,
House of Representatives:
The Roosevelt Democratic Club of Orchard Park heartily endorses the reorganization bill as it stands. No compromise.
HARRY KERR, *President.*

BUFFALO, N. Y., *March 30, 1938.*

Hon. JAMES M. MEAD,
House of Representatives:
Buffalo Lodge, No. 391, American Federation of Government Employees this day in formal meeting unanimously adopted resolution in favor of the passage of the administration's reorganization bill. We compliment you on your activities in behalf of this measure and we urge you to do everything in your power to secure its successful passage.
JEAN O'CONNELL, *Secretary.*

WASHINGTON, D. C., *March 31, 1938.*

Hon. JAMES M. MEAD,
House Office Building:
The United National Association of Post Office Clerks unqualifiedly endorses S. 3331, the reorganization bill. We believe the section of the bill referring to civil service * * * is a step in the right direction, that it will promote efficiency, reward merit, and make the civil service a career.
JOHN J. BARRETT, *President.*

WASHINGTON, D. C., *March 31, 1938.*

Hon. JAMES M. MEAD,
House Office Building:
National Association of Postal Supervisors unqualifiedly endorse provisions of S. 3331. * * * We believe provisions embodied in act will promote efficiency, reward merit, and reduce expenditures.
M. F. FITZPATRICK, *President.*

NATIONAL FEDERATION OF FEDERAL EMPLOYEES,
10 INDEPENDENCE AVENUE SW.,
Washington, D. C., March 31, 1938.

Hon. JAMES M. MEAD,
House Office Building, Washington, D. C.
DEAR CONGRESSMAN MEAD: The National Federation of Federal Employees at its last national convention unanimously endorsed the personnel provisions of the reorganization bill.
S. 3331, which is now before the House of Representatives for consideration, contains proposals for the improvement of Federal personnel conditions that are of the utmost importance to all Federal employees. * * *
The above-mentioned proposals (extension of the civil-service, establishment of boards of review, civil-service administrator, with an independent civil-service board of seven members) represent objectives for which the National Federation of Federal Employees has striven for many years. Their accomplishment at this time means much in the lives of hundreds of thousands of men and women. Failure to enact these provisions into law at the present time would undoubtedly delay their accomplishment indefinitely. * * *
LUTHER C. STEWARD, *President.*

BUFFALO, N. Y., *March 31, 1938.*

Hon. JAMES M. MEAD,
House of Representatives:
Entire membership of the Blackthorne Club heartily support reorganization program.
DANIEL MCGURR,
President, Blackthorne Club.

BUFFALO, N. Y., *March 31, 1938.*

HON. JAMES M. MEAD,
House of Representatives:
I request your support of the reorganization bill.
FRANCES FITZGERALD,
President of Junior Democratic League.

BUFFALO, N. Y., *March 31, 1938.*

Hon. JAMES M. MEAD,
House of Representatives:
Our membership earnestly request your support of the administration reorganization bill.
SOUTH BUFFALO CLUB.
ERNEST MARQUARDT.

BUFFALO, N. Y., *March 31, 1938.*

HON. JAMES M. MEAD,
House of Representatives:
Get back of the reorganization bill 100 percent. We are heartily in accord with bill as presented by Senate.
THE WOMEN'S DEMOCRATIC CLUB, TWENTY-FIRST WARD,
MRS. DANIEL P. MURPHY, *President.*

BUFFALO, N. Y., *March 31, 1938.*

Hon. JAMES M. MEAD,
House of Representatives:

Our club supporting your stand for President's reorganization bill.

SOUTH BUFFALO WOMEN'S DEMOCRATIC CLUB,
MRS. JOHN A. STANTON, *President.*
MRS. HOWARD J. THOMAS, *Secretary.*

NEW YORK LEAGUE OF WOMEN VOTERS,
151 East Fiftieth Street, New York City, March 31, 1938.

Hon. JAMES M. MEAD,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN MEAD: The New York League of Women Voters is tremendously interested in the civil-service features of the reorganization bills. We are taking no position on the rest of the reorganization program because we have not sufficiently studied it, but we strongly believe that the single administrator, with the lay advisory board and the extension of civil service, will strengthen our civil-service system in the United States, and we hope that these provisions will receive your favorable consideration.

Very sincerely yours,

MRS. CHARLES POLETTI,
State President.

UNITED FEDERAL WORKERS OF AMERICA,
532 SEVENTEENTH ST., NW.,
Washington, D. C., April 1, 1938.

Hon. JAMES M. MEAD,
House of Representatives.

DEAR MR. MEAD: We wish you to know that the United Federal Workers of America, the C. I. O. affiliate in the Government service, strongly supports the reorganization bill before the House.

The passage of this bill will enable the President to expand the merit system upward, outward, and downward, and we believe that he will do that promptly. We strongly urge its passage.

JACOB BAKER, *President.*

ASSOCIATION OF NONCLASSIFIED FEDERAL
EMPLOYEES OF AMERICA,
Washington, D. C., April 1, 1938.

Hon. JAMES M. MEAD,
House of Representatives.

DEAR SIR: As president of the Association of Nonclassified Federal Employees of America, I have been requested to extend our organization's appreciation to the Joint Committee on Government Organization.

We believe this appreciation is due your committee because the reorganization and extension of the civil-service provisions of both the Senate and House bills are the finest gesture, in our opinion, ever made toward a true career system in our Federal service. * * *

The need for replanning and reorganizing of our personnel system along vigorous career lines, we maintain, is obvious and we believe enactment of this title of the proposed Government reorganization plan will definitely treat the cause of this problem. * * *

HAROLD P. THORESON,
President, Association of Nonclassified Federal Employees of America.

WASHINGTON, D. C., *April 1, 1938.*

Hon. JAMES M. MEAD,
House of Representatives:

Local No. 1 of the United Federal Workers of America, representing 2,000 public servants, urges immediate passage of the reorganization bill.

EXECUTIVE COMMITTEE, W. P. A., LOCAL NO. 1,
United Federal Workers of America.

FOURTH ASSEMBLY DEMOCRATIC CLUB,
Buffalo, N. Y., April 1, 1938.

Hon. JAMES M. MEAD,
Washington, D. C.

MY DEAR MR. MEAD: At the regular meeting of the Fourth Democratic Club, held at Sparfield's Hall, Thursday evening, March 31, 1938, a resolution was adopted endorsing the reorganization bill.

I was authorized to write you of the action of the club regarding this bill.

Very truly yours,

SARA T. MOLLOY,
Corresponding Secretary.

WASHINGTON, D. C., *April 1, 1938.*

Hon. JAMES M. MEAD,
House of Representatives:

Local 29, United Federal Workers, urges passage of reorganization bill.

WM. PARKER, *President.*

[From Labor, March 31, 1938]

RAILROAD UNIONS SUPPORT REORGANIZATION BILL

RAIL UNIONS NOT AGAINST REVAMP

Assurances from President Roosevelt that he has no intention of transferring the Railroad Retirement Board or the National Mediation Board to other departments resulted Thursday in the Railway Labor Executives' Association withdrawing its opposition, announced in Labor last week, to the President's reorganization bill.

Formal action recalling their resolution asking Congress to sidetrack the measure was taken by the union chieftains at a meeting in Washington after the President assured railroad workers they had absolutely no occasion to worry about interference with the independent status of the two boards.

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48 LINWOOD AVENUE,
Buffalo, N. Y., April 3, 1938.

Hon. JAMES M. MEAD,
House of Representatives, Washington, D. C.

DEAR SIR: As secretary of the American League for Peace and Democracy, representing over a thousand members locally, I wish to report that at a general meeting we have unanimously endorsed your support of the reorganization bill. Your support of this bill at this critical time reflects the attitude of your constituents. We, as an organization, wish to offer our wholehearted support of your stand on this issue.

Sincerely yours,

WALLACE JOHNS, JR.,
Organizational Secretary.

F. B. I. National Police Academy Graduation

EXTENSION OF REMARKS
OF
HON. FRED L. CRAWFORD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, April 4, 1938

ADDRESS OF DIRECTOR J. EDGAR HOOVER, FEDERAL BUREAU OF INVESTIGATION, UNITED STATES DEPARTMENT OF JUSTICE, AT THE GRADUATION EXERCISES OF THE SEVENTH SESSION OF THE F. B. I. NATIONAL POLICE ACADEMY, APRIL 2, 1938, AT THE GREAT HALL, DEPARTMENT OF JUSTICE BUILDING

Mr. CRAWFORD. Mr. Speaker, the Federal Bureau of Investigation of the Department of Justice, through its successes in the last few years in breaking the backbone of the crime racket in the United States, has caused the spotlight of international attention to be focused upon that efficient Department of our Government headed by the Attorney General, Mr. Cummings, and directed by the Nation's ace G-man, J. Edgar Hoover.

There has just recently been established within that department the Federal Bureau of Investigation National Police Academy, and this, too, is attracting international attention. So valuable do many foreign countries consider this training offered to State and local law-enforcing agencies by the F. B. I. under the able direction of Mr. Hoover and his aides that they are filing requests that they be permitted to send representatives here for training. Beginning with this year, the officials of the Federal Bureau of Investigation adopted a policy of permitting one foreign police officer to attend the school each term, and in the class just graduating a member of the Royal Canadian Mounted Police received a diploma of the National Police Academy.

When it was so conclusively proven that the intensive training given the carefully selected personnel of the F. B. I. was an economical practice, enabling the agents to become an efficient and producing factor in coping with hirelings of the underworld crime barons many cities began to inquire about training courses for their own officers.

The F. B. I. National Police Academy was established in July 1935 for the purpose of training executives and instructors of municipal, county, and State law-enforcement organizations. The facilities of the F. B. I. are afforded these men without cost. They are given training over a period of 12 weeks at the F. B. I. headquarters here in Washington, and their study includes such subjects as scientific and technical usages, statistics, firearms, training, investigations, enforcement, administration and organization of police agencies, and other special subjects.

These officers are selected by their local departments and granted admission to the academy under the stipulation that upon completion of the training here the officers return to their respective departments and give the benefit of their training to their own organizations. To date 223 men have graduated from the academy, which means that the advanced scientific training of the F. B. I. has been spread to over 70,000 police officers. The value of this great increased efficiency in our law-enforcement agencies accruing from this cooperation of the Federal Bureau of Investigation will eventually be reflected in a reduction in the annual loot drained from the purse of American families by the slimy hand of crime.

Last Saturday graduation exercises were held for the seventh session of the F. B. I. National Police Academy, and at that time 37 United States and one Canadian law-enforcement officers received diplomas indicating successful completion of their course of study.

Under unanimous consent extended me I desire to insert the address delivered to the graduates by J. Edgar Hoover, Director of the Federal Bureau of Investigation. His address follows:

Mr. Keenan, Mr. Reynolds, Representative Connery, graduates, and friends, we always look forward to an occasion of this kind, I believe, with some anticipation; yet I also feel a note of sadness. These gentlemen who have been with us for 3 months become really a part of our organization, and certainly have stolen a part of our heart and our affections. As they leave today there naturally must be that note of sadness of their departure and of their separation from daily contact with us. But I think it is gratifying for you gentlemen to realize the fact that in going back to your home communities today, while the physical contact with us will be terminated, there has been that bond of friendship and comradeship which will endure through the years, and which I hope will not only lend support to you, but I know that it will lend support to those of us in the F. B. I. and in the field of Federal law enforcement.

You have been here for some months, applying yourselves to the study of the fundamentals of instructions in law-enforcement work. They have not been easy months; they have been hard months, and you have sacrificed many things. As we bring to a termination the seventh session of our National Police Academy, I think that you can go back feeling proud of the fact that you are now one of that group of 223 graduates who have been graduated since 1935 as pioneers in the field of scientific law enforcement and training. With the graduation of this class there will be represented throughout this country, in advanced scientific training, 70,000 police officers, representing a total population of our citizens of a little over 82,000,000 persons, and that has been accomplished in a little less than 3 years. That carries with it a tremendous responsibility because the purpose of our National Police Academy was not for the intention of training a man to be a police officer. All of you gentlemen who are here this morning, graduating, came here as officers of your departments. Many of you had served some years and some of you had attained the highest rank in those organizations. But you go back today, carrying with you the elementary foundation for the instruction and training of the men in your departments, and that primarily was the purpose for which the National Police Academy of the F. B. I. was inaugurated—to train men to go back and to instruct in their local communities in scientific law enforcement and crime detection.

FOUNDED UPON COOPERATION

The reason for that, I think, is very evident. The Attorney General, in inaugurating the National Police Academy in 1935, had very definitely in mind that the United States was not a place for a national police organization. There have been many individuals, many groups, which have advocated the establishment of a national police. Those of us in the United States Department of Justice have always vigorously opposed such a program, because we have recognized and realized that the matter of law enforcement was a purely local problem in many respects, and that the Federal Government could only aid and assist and coordinate in general matters and in those crimes which are national in scope, and it was with that idea in mind that we decided to lend aid and to lend assistance to the local authorities of the country who were anxious and desirous of trying to improve their activities in the field of scientific crime detection. And so the National Police Academy was called into being in July of 1935. It has been built upon that fundamental principle of cooperation, and that is the best technique that can apply in any effort, certainly in the field of law enforcement.

The Federal Bureau of Investigation had proven, through its Identification Division, now totaling eight and a half million fingerprints, that cooperation could be secured and maintained; and then again came the crime laboratory and the crime statistics, and the fourth great project, the establishment of the National Police Academy, all of them predicated upon that basic principle of cooperation—a thing upon which only a man can advance by giving all that is in his heart and soul to cooperate with the other fellow, and that has been the keynote of the program of the United States Department of Justice in its efforts to aid local law-enforcement agencies; and therefore, you gentlemen can feel very proud that you were selected by your communities to be among the first to act as pioneers in that new field, and carry back with you that great responsibility which is so necessary for you to enable and to make a success in the work which you are about to enter on in those communities.

PRACTICAL PROGRAM ESSENTIAL

Now, I do want to say a few words relative to the matter of the problems and the difficulties—some of the things that you are going to face when you return to take up this work. The qualities of an investigator or law-enforcement officer seem to me to be very simple and very few. They are observation, common sense, and hard work. There is no Sherlock Holmes to law-enforcement work. There are no false whiskers to the accomplishment of success in the field of law enforcement, and you gentlemen, as you go back to your respective communities, know that you carry back with you the basic foundational training to enable you to instruct in the new field now of police training, emphasizing the effect of brain more than brawn in the carrying forth of your work.

We want to be practical in carrying on this program. You want to be practical when you initiate your local training schools. We have tried to organize the training school of this Bureau, which you have just attended, upon practical lines, bringing before you not theorists, not men steeped solely in academic training, but men who have been able to combine both—the academic training with practical experience. Keep your own training courses free from those academic pitfalls and from those academic chiselers who too often try to attach themselves as barnacles to any popular movement. You have fought along the battlefront of law enforcement and you know what it means to face a gun and to take a dangerous criminal. Combine that experience with the academic training that you have now received, with the study that you must carry forth in all the years to come, and you will succeed in your local projects.

PIONEERS OF NEW PROFESSION

You are in a new profession. I have said that you are pioneers. That is actually true. You are pioneers, carrying forth new ideas and new standards, and those ideas and standards should be upon a very high plane. The unethical tactics that so often attach themselves to law-enforcement work should be at once discounted and discouraged by you gentlemen who are now going back to initiate training programs. I think it is basically the theory, and certainly the idea of the Sherlock Holmes type of detective, that there are three things that an investigator must always do: Wear a disguise, tap a telephone, and shadow somebody; and yet we know in the field of law enforcement that those three things are seldom if ever resorted to. It requires brains, tenacity of purpose, application, and plan. It is not merely resort to something that Sir Arthur Conan Doyle has written into Sherlock Holmes' life that is used by the intelligent and progressive mind in law enforcement today.

Take up your leadership in the field of crime prevention. That is a most important field and a most important element in enabling those of us in law enforcement to make a success of our work. The youth of the country today is going to be that voting generation of tomorrow, and when we stop to consider the fact that over 18 percent of all the crime committed in the United States today is committed by persons under 21 years of age, we can truly see what a real problem we have in the youth situation of today. And, therefore, I appeal to the officers of law enforcement to take leadership in crime prevention; to be a friend of the youth; to realize the fact that that boy of today is committing 13 percent of all the murders committed in this country annually; that he is committing 51 percent of the auto thefts each year; that he is committing 24 percent of the rapes that occur every year in the United States. Those are staggering facts. They are not theories. They are the things that you and I face in our everyday problem of dealing with law enforcement; and so I say that the officers of law enforcement should today take leadership in initiating movements of crime prevention and keep them from being submerged again by the chiselers and the theorists who have learned their facts of life sometimes from behind mahogany desks in academic halls. The boy of today is a virile boy and he needs virile leadership, and you gentlemen have that opportunity of giving that to him and making him your friend, becoming his hero, so that he may be a better citizen tomorrow.

MORE QUALIFIED THAN SENTIMENTALISTS

Now I do want to touch upon some of the obstacles that you are going to face, because I think it is best for a man to be prepared for the brickbats rather than for the bouquets that may come to him. Success always brings brickbats from jealous individuals. Green eyes often create bitter tastes, and as you go back and take up your work, there are going to be officers in your department, there are going to be citizens in your city who will resent that leadership which you are going to start; and as success comes to you, you are going to be the victim of those little minds and little men. But again, I think if a man realizes that he is doing the right thing and that he is carrying forth a real crusade, he is going to win out, because the decent people of this country, while slow sometimes to express their approbation and support, are fundamentally sound, and you can count upon the fact that the great mass of American people believe in the things which you are going to do in bettering local conditions and making the American family at home safe for the children

as well as for the adults. It will require you to develop some intestinal fortitude because the venal politician is going to make efforts to interfere with what you are going to try to do. He lives upon graft and corruption and inefficiency, and it will be your job to fight that influence—and it is a real fight. Some of you gentlemen have already passed through experiences of that before you came here, and others will experience it when you return.

The odds are always in favor of the criminal. Why when you stop to consider that 55 percent of all the persons arrested in this country each year have previous police records, and 29 percent of those records have been previously convicted, we can certainly realize the tremendous volume of repeaters that occur in crime today; and when we stop to consider that of all the 3,731 persons convicted of homicide last year, only 149 were given the death penalty and were executed. I cite those figures to prove to you that your job is going to be something more than that which is glamorous. You are going to have to give everything that is in you to make headway and to make success in the projects that you want to carry forth.

And there is another obstacle that you will face, and that is the matter of parole. You will be misrepresented, as I have been misrepresented on many occasions, of being an opponent to parole, of belonging to the machine-gun school of criminology, and a lot of other choice phrases and epithets will be hurled at you by the ostrich-like attitude of some of these fiddle-faced reformers. It is your place and your duty to speak on parole. You will be told, as I have been told, that it is not your place and not your function to say what you think about the parole system in this country. Well, I think that a man who goes out and faces a dangerous criminal and effects that criminal's apprehension; that a man who faces the machine-gun fire of the underworld, or the man who risks his life day in and day out under many handicaps to carry fourth efficient law enforcement, is far better qualified to speak upon the subject of parole than these educational royalists who talk much, say little, and do less.

PROTECTION OF SOCIETY FIRST

The ultimate goal of criminal justice in this country, I think, was in the minds of our forefathers predicated upon the fundamental principles of the protection of society; and so far as I am concerned, I think that the life of a little child to be protected from the hands of some vile kidnaper is far more important than the rather wishy-washy moo-cowish efforts of sentimentalists to save some misguided, deficient, gland-infected boy and make him into a better citizen. But you are going to be faced with that situation, and you should speak about the principles and what the parole situation of law enforcement is in its views on parole. We believe in parole. We believe that it is an integral part of the system of penology in this country, but we also believe that men should not be paroled 2, 3, 4, 5, 8, and 10 times, and that sex criminals should not be turned loose to again carry on their depredations against the youth of this country 2, 3, 4, and 5 times. Those are not isolated instances. They all too commonly occur in every community of this country today.

And so, as you have occasion to meet with your citizens in your local communities, resist the effort to gag you from speaking your mind upon those things about which you know more than some individual who has acquired his knowledge of such activities in a swivel chair behind some mahogany desk in an academic stratosphere.

F. B. I. MOTTO—FIDELITY, BRAVERY, INTEGRITY

Now, in closing, I do want to say to you gentlemen that you go back to your communities with the 100-percent support of every facility and every energy that we can give you in enabling you to make a success in the carrying forth of your work. The Federal Bureau of Investigation, itself personally, and all of its facilities, are available to you. We want to help you, as we want you to help us. You are now a part of a great organization, embarked upon the goal, embarked upon reaching the goal of making this country a safer place in which to live, and as I close my remarks, I want to give to you the motto which is the motto of the F. B. I.—fidelity, bravery, and integrity. Those three qualities will enable a man to succeed in any profession, and we know that it will enable him to succeed in law enforcement. I give that to you, knowing that you will not let us down, nor let the people down to whom you are sworn to be a humble servant. I thank you.

The Reorganization Bill

EXTENSION OF REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1938

Mr. THOMAS of New Jersey. Mr. Speaker, Senate bill No. 3331, the so-called reorganization bill, introduced and sponsored by the majority party in the Seventy-fifth Congress, is probably one of the most vicious and undemocratic bills ever advocated by any national administration.

Like President Roosevelt's Supreme Court packing measure, the reorganization bill, another favorite of the President's, has ramifications, which if enacted into law, might very easily turn out to be a prelude to a dictatorship in this country. But aside from any hidden possibilities which the bill may possess, it obviously contains many features which are not only contrary to sound governmental policies, but which are also inimical to American policies.

Yet as bad as the bill appears, the present New Deal administration is literally turning heaven and earth to rush it through to a conclusion under what is clearly the worst gag procedure that I have witnessed since I have been in Congress. The administration has repeatedly attempted within the past few days to shut off debate, has flatly refused to consider or recognize the flood of protests against the bill which have been pouring in to all Members of Congress from the people, and has even gone so far as to characterize these protests as "paid propaganda" in a "vile and malicious campaign to destroy the President of the United States."

Let me at this point, before continuing the discussion of the demerits of the particular legislation, say a few words on the question of the protests which have been coming to me from the people in my congressional district and from the people throughout the entire State of New Jersey.

These protests have been communicated by wire, telephone, postal card, and letter. They have come by the thousands, from rich and poor, on engraved and on the simplest kind of stationery, both typed and in longhand; and they have come from almost every municipality, from the largest to the smallest, and almost to a message they say that we, the people, do not want the President's reorganization bill; so how any sane person can call such an outpouring of expression of feeling as being "a vile, malicious, and damnable whispering campaign," as it was termed last Saturday on the floor of the House by one of the administration leaders, is something beyond almost the realm of understanding.

It is indeed a travesty on the American right to petition that the voice of our people should be vilified in such fashion, but it is even worse—in fact, both pitiful and shocking—that a President of the United States should stoop so low that he must portray to the world that this recent popular protest in America is nothing more than a cheap method by which to buy negative votes on legislation.

I only hope, however, that the millions of people throughout the Nation who have protested to us and who have been so rudely shocked by the characterizations of their protests, will not become unduly disturbed to the point of losing interest in their right to petition. I am quite certain that it is only through expression of our people that we may hope to obtain for ourselves the benefits of true democracy. Our people must continue to express and at all times feel free to express themselves on matters of state, for such an expression is the factor which molds the course of popular government.

But to get back to the legislation, the reorganization bill, whether this House debates the Senate provisions or the House provisions makes little difference, for whatever is passed in the House this week may be altered in the conference of Senate and House conferees, and then, as we all know, based on the custom laid down over many years, the report which will come back to the House from the hand-picked conferees of the New Deal administration would likely be accepted, even without further consideration by both branches of the Legislature.

Under the circumstances, therefore, it is important that we not be lulled to sleep by the rosy promises now being made to us in the House, that we not be tricked into believing that the leopard has changed his spots, but that we at all times keep the intent and purpose of the original bill as well as the intent and purpose of the House bill before us. After all, it is the Senate bill which is so dearly desired by the President and we may therefore be certain that if there is any way possible to reinstate the Senate provisions, and we

know that under our parliamentary procedure such a way is possible, we may be sure then that they will be inserted.

Under the Senate bill, and to a less degree even under the House bill, vast powers heretofore delegated to the Congress are usurped by the Chief Executive. This, undoubtedly, is the most harmful feature of the entire legislation, for by it moneys appropriated by Congress might be used for purposes other than those for which they were appropriated, and there would be no redress. The report of the minority members of the Select Committee on Government Organization of the House of Representatives had this to say relative to this feature of the bill, that is, relative to the Comptroller General's section, and I quote:

> The liberties of the American people and of the English-speaking people have been dependent upon the power of the Congress over appropriations. When that power is given up, either voluntarily by Congress or without providing an independent auditor who can be depended upon to protect the interests of the people and see that money is spent for what it is appropriated, the power of the Congress is gone and the liberties of the American people are gone.

The Senate bill brazenly abolished the office of Comptroller General, the one sure check on illegal expenditures of our Federal Government, but the House bill goes about it in a more delicate manner. It only retains the office of Comptroller General, but it provides he shall only hold office during the pleasure of the President, while by present statute he is continued as an independent official. At the present time the Comptroller General is appointed for a term of 15 years, and his removal can only be brought about by a joint resolution of Congress approved by the President, which has permitted his independent refusal of violations of law by the departments of the Government in the matter of expenditures—even by the President himself.

So you see, even under the sugar-coated House bill the chief powers of the Comptroller General are, to all intents and purposes, eliminated. The administration leaders do us the great honor, however, of retaining the title of Comptroller General, though he be made but a figurehead, but they take away his power to protect the taxpayers' purse until after the money has been spent and we may be certain that once the Federal funds are spent they may be practically disregarded.

This provision of the bill is but another instance of the tremendous hold which our bureaucrats, the Government agency heads, have on our national administration today. Apparently the present Comptroller General has been stepping on the toes of the royal princes of political blood so they intend to have his head by abolishing his office even though the legislation which is necessary for the deed aggravates the peace of mind of 120,000,000 people.

I would like to discuss some of the other bad features of the bill, especially the section which also eliminates the bipartisan Civil Service Commission and which will tend to provide political control over the appointment and retention of all governmental employees, but time will not permit me to do so today.

I want to say in conclusion, however, that when a reorganization is ordered in private business, it is generally done to bring about both more efficiency and more economy. I assume that it is ordinarily done in government for the same reasons, and while I have heard some statements made in the debate on the bill relative to efficiency, I have not yet heard one single sentence uttered by any of the proponents that a dollar of the taxpayers' money could be saved if we enacted this reorganization legislation. I have gotten the impression, however, that instead of its being an economy measure it may turn out to be but another Government frill, for instead of consolidating departments, eliminating sinecures, and lopping off extravagances and waste, it really adds to all of these things which we have so much of today. We know it will increase pay rolls and set up new agencies, so what the purpose of it all is, is beyond me. I am really at a loss to know just why we are asked to vote for it. The people do not want it; labor does not want it; the farmers do not want it; the veterans do not want it; Government employees do not want it; business certainly does not want it; so outside of Mr. Roosevelt and a few bureaucrats and their rubber stamps, who does want it?

I certainly do not want it, and I sincerely hope that a majority of Members of the House of Representatives do not want it. In fact, I hope that it will be snowed under by an overwhelming vote to show that we as representatives of the people firmly believe in responding to popular appeal and that we intend to retain for our people the kind of government they have set up and have cherished for over 150 years.

Imports and Trade Agreements

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1938

RADIO ADDRESS BY HON. DANIEL A. REED OF NEW YORK, APRIL 3, 1938

Mr. REED of New York. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address made by me on April 3 over station WFBL, Syracuse, N. Y.:

I wonder if it is generally known that imported goods are being sold here at prices so low that even our State prisons cannot compete. Officials of four States have so advised Congress.

If prison labor, housed, clothed, and fed by the taxpayers, cannot produce goods at a cost low enough to successfully compete with the prices at which foreign-made goods are sold here, I ask what about the ability of free American labor to compete with these foreign products? Think of it for a moment: Free, law-abiding American workingmen are asked to meet the competition of foreign products in our market which undersell the goods made in our State prisons.

I realize that this is a striking and startling statement, but it is true, nevertheless. Naturally, you ask, how can such a condition be possible? I shall tell you; but, before I do so, I want you to fix in your mind one all-important fact, which is this: That 150 years ago this Nation established and until now has maintained an American standard of living. To be more specific, the average wage paid to the American workingman has always been higher than the average wage paid in any other country in the world.

Now, then, you have the right to inquire how can any foreign country undersell goods produced in our State prisons and at prices so low as to provoke a protest from the officials of four sovereign States? The reason that foreign importers now offer to sell at a price 15 to 20 percent lower than any price that an American manufacturer of the same product might establish is because of the difference in the wage scale here and abroad and because of subsidized exports.

I ask in all candor, is it not time for the workingman and the manufacturer who employs him to take counsel and unite in a common cause as a matter of self-preservation? I say that when a product that is a national necessity, whether in time of peace or war, is offered for sale on our market at a price guaranteed to be 15 to 20 percent below that fixed for the same product by any American manufacturer it is time for united action on the part of American industry and labor.

This is a problem that will not and cannot be solved by Executive appeals to raise wages and lower prices. It is no answer to promise doles and urge pump priming. A policy that permits foreign goods to enter our market at prices so low as to threaten prison-made products means fewer jobs here and more jobs abroad. This policy has been pursued and pushed by President Roosevelt until more than 14,000,000 men are now idle. Unemployment has been increased by more than 3,000,000 men in 4 months, and the number of the unemployed is increasing day by day.

Why is this? It is because of the tremendous differential in foreign and domestic wage scales. In the industry to which I have referred the foreign wage scale is from 8 to 11 cents an hour as compared with our American wage scale of 55 cents an hour in the same line of industry. The inmates of State prisons have a higher standard of living than the foreign workmen; so much higher that the officials of four States have protested against the foreign competition, which they claim cannot be met even with prison-made goods. By the way, let me say right here and now that I am opposed to prison-made goods and I am opposed to foreign imports being put in competition with free American labor. American law-abiding labor should not be obliged to compete with either.

I am aware that the citizens of this country generally are not permitted to know many facts that under a free government should be made available to them. We hear much about foreign ministers of propaganda and public enlightenment equipped with all the agencies of publicity, such as hundreds of publicity writers, radio broadcasts, film releases, lectures, exhibitions, economic conferences, and the distribution of tons and tons of literature, the purpose of which is to exercise control over the eyes, the ears, and the mind of the people. Yet there is just such a set-up in our Federal Government under the New Deal. Its object is to bend, mold, and control the public mind and to wear down all resistance to the New Deal regimentation program. The powerful Federal propaganda agency is ceaseless in grinding out news releases favorable to New Deal policies. After a thorough investigation of the operation of the publicity bureau, Dr. E. Pendleton, a member of the government faculty at Harvard, concludes:

"Never before has the Federal Government undertaken on so vast a scale, and with such deliberate intent, the task of building a favorable public opinion toward its policies."

Publicity is a dangerous weapon in unscrupulous hands. It has been the instrument by which representative governments have been weakened, subdued, and finally transferred from the people into the hands of one man. The propaganda department of the New Deal, financed by the taxpayers, is just now directing its energies to the promotion of trade agreements. The citizen or Representative who offers any criticism of the trade-agreement program is met with a rebuke not unlike that of Dr. Goebbels of Germany who warned:

"The right to criticize belongs to the National Socialist Party. I deny anybody else the right."

I invite attention to the methods employed to deceive and mislead the people. The public, for instance, sees in a headline, "Demand for United States Products Soars," followed by figures indicating increased exports. Is this increase the result of the so-called reciprocal-trade agreement? It is not. The increase in exports when analyzed resolves itself into war materials. Here is where you find the increase in exports:

Comparing the month of January 1938 with the same month a year ago we find that pig iron exports increased 2½ times; iron and steel scrap increased 5.2 times; steel ingots increased 21 times.

Let us carry the examination a step further. The fact is that by comparing the month of January 1937 with January 1938, our exports to nonagreement countries increased 17 percent more than did our exports to countries with which we have trade agreements; that is, our exports to countries with which we have no trade agreements increased by 35 percent, while our exports to countries with which we have trade agreements increased only 18 percent.

It is interesting to note, also, that our imports from nonagreement countries decreased by 8.2 percent more than the decrease in imports from countries with which we have trade agreements.

I want every person to realize now that, aside from the increase in exports of war materials, our exports are at the lowest ebb in peacetimes in our history. The only factor that has slowed up imports is the Roosevelt depression—the unemployment of millions of men whose purchasing power for either domestic or foreign goods has been curtailed.

The President and his spokesmen have surrendered the finest, the best cash market to nation after nation, until at present 16 nations have been granted the right to pour their cheap foreign-made goods into our ports in such volume that it has brought disaster to industry and unemployment and suffering to labor.

The trade agreement now being negotiated with Great Britain will bring still greater disaster.

I ask any fair-minded citizen if he believes that this Nation with a higher cost of production can compete successfully with countries where the cost of production is many times lower? Is it possible for industry in the United States to pay from 70 to 90 cents an hour to its workingmen and to continue to do so when confronted with competition from a country where for the same work the workman receives only 37 cents a day? It cannot be done. Yet the President says raise wages, lower prices, and then makes it impossible of accomplishment by permitting foreign goods to displace the products of American industry and labor in our market.

There is not a foreign nation that is not preparing to take advantage of the opportunity to capture our market. Foreign workmen, according to their standard of living, are busy and prosperous, supplying our market with the goods that should be produced here and sold here. The answer to this Roosevelt policy is idleness, misery, loss of homes, destroyed hopes and aspirations of millions of fine American workingmen and their families.

There is hardly a Democratic Congressman who did not vote to give President Roosevelt the very power by which, through Secretary of State Hull, the right of American industry and American labor to produce and to prosper has been destroyed. The talk that trade agreements will insure peace and good will is unadulterated hypocrisy. There has never been a more fruitful source of international friction than trade agreements. If trade agreements are insurance against war, then why the demand for battleships, planes, and implements of war? Is it not the height of hypocrisy and impertinence to urge peace through trade agreements, when at the same time our chief exports for months have been war materials to enable war-mad dictators and aggressive nations to slaughter "our good neighbors"?

I urge every patriotic citizen within the range of my voice to forget party and stand steadfast in allegiance to the principles of representative government. This is no time to enter into foreign entangling alliances, whether through trade agreements or war commitments.

The beginning of all our present trouble was when in a moment of hysteria this Nation failed to mind its own business and instead of doing so sacrificed both men and treasure in violation of the advice of the wisest and noblest statesman—George Washington.

There can be no return to a condition of sustained prosperity in the United States until public confidence is restored. Confidence cannot be restored with a radical element in control of government, a majority insistent upon destroying the principles upon which this Nation was founded and under which it has prospered for a century and a half.

There is no more effective method to destroy confidence in representative government than to force our people into competition with the poorly clothed, undernourished, and ill-housed and regimented working men and women of backward nations. The fulfillment of the New Deal program will logically and inevitably lead to this disastrous end and to no other.

The Sugar Situation

EXTENSION OF REMARKS

OF

HON. J. W. ROBINSON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1938

LETTERS RELATIVE TO THE SUGAR SITUATION

Mr. ROBINSON of Utah. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letters with reference to the sugar situation:

THE AMALGAMATED SUGAR CO.,
Ogden, Utah, March 29, 1938.

Hon. J. WILL ROBINSON,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN ROBINSON: On March 1, 1938, the Secretary of Agriculture released to the press a copy of a letter addressed to Senator ROBERT J. BULKLEY, of Ohio. The Secretary's letter was in reply to a memorandum from Mr. Clarence J. Bourg, Washington representative of the Farmers and Manufacturers Association, this memorandum having been addressed to Senator BULKLEY.

The release of the above correspondence has been followed by public statements from Members of Congress and representatives of the sugar industry. In particular, Senator PRENTISS M. BROWN addressed a letter to the Secretary on the subject. Mr. Edward C. Bostock, president of the Michigan Sugar Co., addressed Senators BROWN and VANDENBERG. Copies of the correspondence are attached.

Since principles are involved that have a serious bearing on the welfare and even the continued existence of the domestic sugar industry this statement is made in an effort to clarify some of the issues raised, but before dealing with specific issues it is necessary to give the background of the problems involved.

The continental United States sugar market has customarily been supplied by both beet and cane sugars. The beet sugar has practically all been grown in the continental area. Cane sugar has been produced in the tropical or semitropical offshore areas of Cuba, Puerto Rico, Hawaiian Islands, Philippines, Virgin Islands, and to a considerably lesser extent, foreign sources other than Cuba. A small part of the cane sugar is produced in Louisiana and Florida. The Florida area has come into production only in very recent years.

No one of these areas can be relied upon as the sole source of supply. Cuba alone could probably supply for a time the full requirements, but prudent national policy, both political and economic, would discourage giving to a foreign country a monopoly on the marketing of an essential food product. Consequently the market will continue to be supplied from all or most of the present sources except as economic or legislative forces disturb the existing situation.

The fact that our national supply of sugar is drawn from sources so varied results in the serious problems presented by the sugar industry. No two of the areas are on a parity with respect to cost of production. The argument has been advanced that we should purchase our supply at the lowest possible cost. To follow such a policy would result in elimination of all areas except Cuba and perhaps Puerto Rico and a few isolated individual producers operating under specially favorable circumstances. Restriction of supply to one or two producing areas would give in the long run, no assurance of reasonable prices to consumers. Under the Smoot-Hawley tariff, free competition existed between the continental and offshore United States producing areas. The price steadily declined behind this tariff barrier showing no minimum except that determined by the minimum-wage level on which peon labor in tropical countries could subsist.

Only once in United States history has the national policy wavered toward unrestricted competition in the sugar market. Early in the Wilson administration it was decided to place sugar on the free list, but the advent of the World War forced the abandonment of the plan.

As long as national policy requires the maintenance of several sources of supply it is necessary to resort to some means to assure a portion of the market to the higher-cost producers. In the absence of legislative controls, with free reign given to unrestricted competition, the production would quickly limit itself to the low-cost areas. Various means have been applied to equalize the opportunity of low- and high-cost producers. These have consisted of quotas, tariffs, subsidies, bounties, bonuses, benefit payments, etc.

The present administration has repeatedly confirmed the traditional national policy of assuring to the various sources of supply a share in the domestic sugar market. This confirmation has been expressed in the Jones-Costigan Act and the Sugar Act of 1937. Each of these laws was initiated by a letter to Congress from the President. In the letter which brought about passage of the Jones-Costigan Act the President announced the purposes of the legislation to be to "increase returns to our own farmers, contribute to the economic rehabilitation of Cuba, provide adequate quotas for the Philippines, Hawaii, Puerto Rico, and the Virgin Islands, and at the same time prevent higher prices to our own consumers." In his letter initiating the Sugar Act of 1937 he said in part: "The Jones-Costigan Act has been useful and effective and it is my belief that its principles should again be made effective. I therefore recommend to the Congress the enactment of the sugar-quota system and its necessary complements, which will restore the operation of the principles on which the Jones-Costigan Act was based. In order to accomplish this purpose adequate safeguards would be required to protect the interests of each group concerned."

In these letters the President has reiterated the traditional national policy of maintaining the various sugar-producing areas and assuring to each a share in the domestic market. Congress under this administration has endorsed the policy by enacting the Jones-Costigan Act and the Sugar Act of 1937.

The questions now under discussion are not questions of the national policy, these have been answered by the President and Congress, but they are questions with regard to the policy of administration of the Sugar Act of 1937 by the Secretary of Agriculture.

The Sugar Act contains specific instructions to the Secretary and he may comply strictly with the letter of these provisions and yet exercise sufficient discretion in policy to injure or aid the various interests, including the consumer.

Referring to the Secretary's letter of March 1, to Senator BULKLEY, the first point at issue is the amount of protection now afforded the domestic-sugar industry. He has added together a $0.90 Cuban tariff, $1.15 as indirect result of quota system and $0.60 conditional payments to sugar beet and cane producers to arrive at a total subsidy of $2.65 per hundred pounds of sugar, raw value. This figure is represented to be equivalent to $8.40 per ton of beets and is further stated to represent an ad valorem rate of 240 percent of the world price of raw sugar, $1.10. The Secretary has evidently been poorly advised in including the item $0.60 conditional payment to growers, since the major portion, $0.50 of this amount is collected direct from the industry in the form of a processing tax. It might be argued that this tax is passed on to the consumer, but such an argument is answered in the negative by the Secretary himself. He shows that for the calendar year preceding March 1, 1937, the net cash wholesale price of sugar was $4.69 under the quota system in the absence of a processing tax. Under the quota system now in effect and with a $0.535 tax—on refined—the price is $4.66. In other words, the industry has been compelled to absorb a $0.535 tax out of a $0.03 lower sugar price. From this tax on the industry comes most of the funds to meet conditional payments to producers and hence the payments do not in any way constitute a burden on the Treasury or public to the full amount, nor can they be considered to that extent as a subsidy. Also the $0.90 duty is a revenue-producing agency, and if eliminated, some compensating tax would need to be found to produce funds to meet Federal expenditures.

The statement that the beet processor is in effect being provided with free raw materials and a substantial subsidy in addition is hard to reconcile with the fact that processors are paying to growers about 50 percent of their net sales return from sugar, and that processors are compelled to pay in cash a substantial portion of the processing tax to the Government. From the fund so produced will be paid the greater part of the purported subsidy of $0.60 per hundred pounds of sugar, raw value.

The next issue in the Secretary's letter is the fairness to consumers in continental United States of current sugar prices. Several measures of fairness might be employed, such as the relative food value per unit of cost between sugar and other food products. Relative costs of production and distribution, and relative processing investments in different areas might have been used. The Secretary has chosen to make the comparison of our prices with prices in foreign countries.

The Secretary quotes from a publication of the United States Department of Commerce, issued in January 1938, entitled "Retail and Wholesale Prices of Refined Sugar in Twenty-seven Selected Countries of the World." The Secretary states that among the 27 countries, 13 had retail prices which were above and 13 had retail prices which were below those that prevailed here. The Secretary's statement is correct, but the implication is misleading. In his summary no distinction was made between sugar exporting, self-supplying, and importing countries. No significance is attributed by the Secretary to the fact that self-supplying and importing countries in general tend to pay higher prices than exporting. The following prices in United States cents at current exchange values are quoted from the same publication:

Retail price per pound

Italy	14.57
Netherlands	12.06
Germany	13.67
France	8.83
Norway	7.20
Irish Free State	7.20
United Kingdom	5.14
Canada	5.90
United States	5.70

The extreme low in retail sugar price in the selected countries is $2.42 for the Netherlands Indies a country suffering from a large, unmarketable surplus and compelled to institute drastic curtailment of production.

No allowance is made in the Secretary's statement nor in the above-quoted tabulation for depreciation or appreciation of exchange rates. The original report quoted warns of the distorted comparisons which may result from change in the exchange rate. For example: The price in Italy was unchanged at 2.77 lire per pound on May 1, 1937, as against May 1, 1936, but when converted to American currency the retail price per pound declined from 21.80 cents to 14.57, owing entirely to the devaluation of their currency during the latter part of 1936. Conversion of a price in one country to equivalent price expressed in terms of the currency of another country is no measure of relative cost to consumer.

In the same publication from which the Secretary took his comparison, a table is shown giving the ratio of import duties and excise taxes to retail price. In the case of the United States apparently the full foreign duty, not the lower effective preferential Cuban duty, is used. Even with this full duty included the ratio of taxes to retail price for the United States is given as 35 percent. Only 7 of the 17 self-supplying and importing countries show a lower rate of tax and duty. The maximum shown is 67 for Holland. In this connection it is interesting to note that in the case of three exporting countries the ratio of tax to retail price is higher than in the United States. These facts tend to invalidate the implication in the Secretary's letter that the protection of the industry as an ad valorem tax on sugar in the United States is unduly high.

In a paragraph on page 3 of the official press release of the Secretary's letter are contained figures which imply wholly unsupportable implications. The issue here is whether the United States consumers are paying an exorbitant price for sugar in order to support a relatively small number of beet farmers. It is implied that under present conditions the consumers of sugar are compelled to pay $350,000,000 in excess of a price that would be paid were it not for the protection afforded 65,000 beet farmers. And of this $350,000,000, one-third is borne by ill-nourished families, who are thus deprived of 50 quarts of milk and 50 loaves of bread per year. Such implications can only result in harm to all interested.

I take exception, first, to the use of the figure $350,000,000 as being a measure of the protection afforded the sugar industry; second, to the argument that beet farmers are the only beneficiaries of protection; and, third, to the measurement of protection in terms of food for undernourished families.

Previously in his letter the Secretary has used the figure $2.65 per hundred pounds, raw value, as the protection enjoyed by the sugar industry, and apparently this is the basis for the $350,000,000 figure. Applying the sugar section conversion factor, $2.65 per hundred pounds, raw value, is equivalent to $2.80 per hundred pounds, refined value. The Secretary has given us a wholesale net cash price of $4.66 New York for refined as of March 1, 1938. Deducting the alleged protection of $2.80 from this $4.66 would leave $1.86 as the price for sugar if no protection were in effect. Can anyone believe that prices in an importing country could ever drop to $1.86 with present world prices? Compare $1.86 with $2.42, the actual price existing in an exporting country suffering from an unmarketable surplus.

The Secretary has chosen to pass over parenthetically as of no consequence the fact that $47,000,000 is collected in net revenue by the Government, which revenue must be replaced by other taxes if not levied on sugar.

I believe the Secretary is misinformed on the terms of beet-purchase contracts covering most of the beets grown in the domestic area. Prevailing contracts for the 1937 crop gave the grower not half of any increase in the price of sugar but 75 percent, the processor retaining only one-fourth.

The implication that 65,000 beet farmers are the sole recipients of the benefits of protection is wholly unwarranted and misleading. The same benefits and protection are afforded the sugar producers of Louisiana, Florida, Hawaii, Virgin Islands, Puerto Rico, and the Philippines. Even the sugar producers of a foreign

country, Cuba, are given by Congress, at the request of the President, the protection in our market of a preferential duty lower than the world duty by 60 percent. Sugar-beet producers are only one group of producers. But tariff or other legislative protection to agriculture and industry should not be an issue here. That question has been decided by the President and Congress in accord with national policy.

The Secretary has seen fit to express the protection afforded beet farmers in terms of bottles of milk and loaves of bread for the ill-nourished one-third of our population. This is indeed an unfortunate argument. The Secretary has administered program after program to raise the price of farm products. These programs have called for the plowing under of growing food crops, the destruction of livestock, and the expenditure of many millions of dollars raised largely through processing taxes on foods. I sincerely believe that the Secretary deeply deplores the necessity of this drastic program of destruction and artificial restriction on production of human food and the tremendous expenditure of money, but I would deem it unfair to the Secretary and irrelevant to convert these values into bread and milk for our undernourished people.

At this point attention is called to the difference between the sugar program and other agricultural programs. In programs covering other agricultural commodities the tax may be added to the retail price of the product. In the case of sugar, according to the Secretary's own statement, the price of sugar to the consumer is lower now with the full tax in effect than it was in 1936 and early 1937, when there was no tax. The price of sugar is controlled not by production costs or tax levies but by the amount of sugar made available to the market under the quota system as administered by the Secretary.

At the bottom of page 4 of the Secretary's letter he points to the fact that "each additional acre of sugarcane and sugar beets impairs our foreign export market in an amount equal to the normal production of either 3 acres of corn, 3 acres of cotton, or 6 acres of wheat, and normally American agriculture exports half its cotton, one-fifth its wheat, and one-third its lard. The force of this argument is a little difficult to find. Let us consider an acre of sugarcane grown in Hawaii by a United States citizen residing there. If the growing of that acre of sugarcane is discontinued and a compensating acre thrown into sugarcane production in Cuba what will be the effect on our citizenry as a whole? Certainly with the current income per acre the Cuban grower will not buy more American corn, cotton, or wheat than the Hawaiian producer would from the income from his acre had he been allowed to grow it. It is doubtful if the Secretary had in mind sugarcane and sugar-beet growers in our off-shore areas in making the statement. If he restricts the illustration to continental sugar acreage he is saying indirectly that through the medium of foreign trade we can replace each acre of sugar beets with 3 acres of corn, 3 acres of cotton, or 6 acres of wheat. What would be gained by such replacement? Is it preferable for example to grow 6 acres of wheat or 1 acre of sugar beets? In our present situation, the 1 acre of sugar beets undoubtedly furnishes greater employment and greater return than the 6 acres of wheat, and also furnishes greater buying power in our markets.

The beet-sugar industry was called a necessarily expensive industry by the President in his letter to Congress initiating the Jones-Costigan Act. Other officials of the present administration have voiced the opinion that it is an inefficient industry. No explanation of the term "inefficient" as applied in this case has been made. If it refers merely to high costs per pound of the finished product, it is probably true. However, these high costs reflect the high wages, prices of raw materials, and high land values and rentals in continental United States. Sugar can be produced in Cuba, for instance, more efficiently, if efficiency means a lower cost, merely because wages in cane fields are 75 cents per day compared to labor in continental beet fields of from $5 to $7 per day, and land rentals in Cuba of not to exceed $1 per acre compared to rentals in the irrigated section of the United States of from $20 to $75 per acre. As near as I can determine, refined beet sugar is placed in the hands of consumers with less total man-hours of labor than refined Cuban-produced sugar, and it seems to me that this should be the factor used as a standard in measuring efficiency.

When quotas are administered to depress the price of sugar there is imposed on the domestic beet industry an economic limitation on volume of production as well as the legislative limitation. It would appear that Congress had expressed in the Sugar Act a policy of allowing the marketing of beet sugar to the extent of at least 1,550,000 short tons, raw value. Under present price levels and with current costs it cannot profitably market that volume.

Very little of the domestic beet sugar industry lies in or near the large centers of population. Hence, it is necessary to ship the sugar beyond the geographical limits of the producing area. As the distance necessary to ship in order to market the sugar increases, the absorption of freight increases. At present price levels beet sugar cannot be sold in its normal marketing area without a serious loss being incurred on that portion necessarily shipped to the more distant market borders in which are the largest consuming populations.

If this continues the industry will again face the charge that it cannot produce and market its quota, when, as a matter of fact, the policy of administration of the quota system will be responsible. I fully agree with the Secretary's statement near the close of his letter: "The disruption and contraction of established production entails much expense and hardship." The Secretary has applied this principle to the Cuban industry; we believe it applies with equal force to the domestic industry.

Regardless of issues which may be considered to be controversial, the fact remains that the beet-sugar industry has two causes for requesting a change in the policy governing the administration of the Sugar Act.

First is the present level of sugar prices, which will not "maintain the industry as a whole," with the prevailing upward trend of wages and supply costs.

Second is the delay in making conditional payments on the 1937 crop. The Sugar Act was signed by the President on September 1, 1937. Processors immediately began paying the excise tax, contributing to the funds from which growers are to receive conditional payments. This tax payment has reduced the payments to beet growers on the 1937 crop under the terms of the beet-purchase contracts. Congress has authorized the payments and appropriated the necessary funds. Seven months have passed since the act was passed and not one beet grower has received a cent of this so-called subsidy. Growers are now planting the 1938 crop and the acreage will be substantially curtailed by the failure of the grower to receive payments on the previous crop. In order to stem the ebbing tide of business in the sugar-producing areas the money already paid into the United States Treasury should be distributed in accord with the provisions of the Sugar Act.

I am sending you this letter with the hope that it may help to clarify the general sugar situation. As you are aware, the beet-sugar industry is an important part of the economic system in this intermountain area, and I am sure that it is the intent of the President and Congress to maintain it.

Respectfully yours,

H. A. BENNING, *Vice President.*

FARMERS AND MANUFACTURERS BEET SUGAR ASSOCIATION,
Saginaw, Mich., March 17, 1938.

MEMORANDUM

Following is a copy of letter written to Secretary Wallace on March 12, 1938, by Senator PRENTISS M. BROWN:

"I have been much interested in the correspondence between yourself and Senator BULKLEY. I did not know of Senator BULKLEY's letter until your reply of March 1. I am in receipt of a letter dated March 7 from Mr. Edward C. Bostock, president of the Michigan Sugar Co., which I think is worthy of your serious consideration.

"I think you will recall that I have made no requests of you nor have I urged my views upon you. I make bold, therefore, to make one personal request of you, that you look into this matter yourself. I think if you do, you will come to a conclusion that the sugar industry in the United States is in serious danger. If you are of the opinion that the industry should not be here as has often been intimated (I have always denied this), then I will say that the policy of your sugar section is bringing that result about. I know something about sugar and I know that the Michigan Sugar Co., the Great Lakes Sugar Co., the two large concerns, and many of the small concerns in the Middle West lost heavily this year, and the price was a material factor in those losses. This situation occasions this letter.

"There is no need for either you or me to discuss the law. I was on the conference committee on the last bill and know what it is, and I assume that you also are familiar with it. Certainly the statute was designed to stabilize the sugar business and not to ruin it.

"As Mr. Bostock points out, the return to the sugar processor today is about $4 per hundred. On March 4 it was $4.02 exclusive of the processing tax. In 1926, the year generally looked to as a fair average, the price was $5.47 per hundred. Unquestionably, the Department's control over imports through the quota system is the material factor in this price. I think that you should give serious consideration to it.

"I sometimes wonder if one entirely familiar with the agricultural economy of Iowa and the Mississippi Valley understands the agricultural economy of a diversified State like Michigan, where we have many rather than one or two crops to bring returns to the farmers. Michigan agriculture could probably exist without sugar, but it is a material factor in our agricultural life, particularly in the highly developed agricultural areas. It is by no means as important to Michigan as corn is to Iowa, but it is just as important in certain areas such as Bay City, Mount Pleasant, Saginaw, and other places as corn is to similar localities in Iowa. Certainly if the processors cannot make money, there will be no sugar raised by the farmers.

"Mr. Secretary, I believe this situation is serious enough to enlist your personal examination of it. With the price at $4.02 the industry in the Middle West cannot continue. I hope that we will not be diverted by a consideration of many factors entering into the sugar situation, all of which are disposed of in the sugar bill. I hope you will endeavor to bring yourself to the conclusion that your authority can be exercised to bring about a price that will maintain the sugar industry in the United States. Certainly no one thought in the conference committee or in the Congress that you were given power to destroy it."

Relief for Oppressed and Persecuted Peoples

EXTENSION OF REMARKS
OF
HON. CHARLES A. BUCKLEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, April 4, 1938

Mr. BUCKLEY of New York. Mr. Speaker, on March 15th, I appealed to the Honorable Cordell Hull, Secretary of State, in behalf of the oppressed and persecuted people of Austria, urging him, in view of the hardships and suffering inflicted upon people because of their race or religion, that he instruct the consulate office at Vienna to exercise leniency in construing applications for visas in order to alleviate such suffering. I also stated that the successful applicants would merit the opportunity afforded them to live in this country, where freedom prevails.

On March 11 I read with astonishment that Hitler and his Nazis invaded and seized Austria. We are all acquainted with what took place in Germany under Hitler, how the people suffered, minorities were oppressed, people were denied the right to earn a living, students were barred from their schools, men were denied the right to practice their professions, governmental employees were summarily dismissed, and unspeakable outrages and humiliations were heaped upon innocent people without justification or provocation of any kind.

I was shocked when I read that Austria had now become a victim to this menace. And what did we soon hear about Austria? That suicides had increased the death rate, that persons were being taken into "protective custody," that people were being deprived of an opportunity of their livelihood, that entry into the professions was closed, students barred from the schools, the beating of innocent people, dismissal of governmental employees, physicians ousted from the hospitals, professors removed from seats of learning, journalists imprisoned, unspeakable outrages and humiliations thrust upon the people. No class, no religious denomination, nor walk of life is spared.

Men and women of every race and religion protest such violations of human rights and liberties. On March 22d there was made public a manifesto of protest against "oppressive legislation and Government-inspired propaganda of hatred" in Austria under Nazi rule, signed by 99 Catholic, Protestant, and Jewish religious leaders. The protest in part stated:

> The present crisis makes us vividly aware that although there are historical differences between Catholics, Protestants, and Jews which we would not obscure or minimize, they stand together on common ground in defending human rights and liberties. We, therefore, join in expressing our profound abhorrence of the course of oppression and incitation, the denial of the rights of minorities, the restrictions on freedom of conscience, and the arbitrary suppression of political and civic equality already instituted in Germany and now being extended into Austria.

Among the signatories, some leaders of their respective religious faiths are:

The Reverend Robert I. Gannon, president of Fordham University, New York.

The Reverend Harry Emerson Fosdick, minister of Riverside Church, New York.

Dr. Cyrus Adler, president, American Jewish Committee, New York.

The Very Reverend Edward J. Walsh, C. M., president, St. John's University, Brooklyn.

The Reverend Stephen J. Corey, president, United Christian Missionary Society, Indianapolis.

Dr. Stephen S. Wise, president, American Jewish Congress, New York.

The Reverend James H. Gillis, C. S. P., editor, Catholic World, New York City.

The Reverend Samuel McCrea Cavert, general secretary, Federal Council of the Churches of Christ in America, New York.

Irving Lehman, president, Jewish Welfare Board, New York.

Gerard L. Carroll, vice president, National Catholic Alumni Federation, New York.

The Reverend Allan K. Chalmers, minister of Broadway Tabernacle, New York.

Samuel Goldstein, president, International Order B'rith Abraham, New York.

The Reverend John LaFarge, S. J., associate editor, America, New York.

The Reverend Henry Smith Leiper, executive secretary, Universal Christian Council for Life and Work, New York.

Rabbi J. Konvitz, president, Union of Orthodox Rabbis, New York.

Former Mayor John P. O'Brien, New York.

The Reverend Guy Emery Shipler, editor, The Churchman, New York.

Harry H. Schaffer, commander in chief, Jewish War Veterans, New York.

The Right Reverend Monsignor John L. Belford, Nativity Church, Brooklyn.

Dr. Ralph W. Sockman, Christ Church, New York.

The Reverend Dr. Herbert S. Goldstein, president, Rabbinical Council of America.

America, still the greatest and most liberal country in the world, will never permit communism or fascism to submerge the democracy that here exists. The advocates of all the crack "isms" may extol their so-called respective virtues, but, thanks to Almighty God, this is still the land where we have respect for all religious faiths and where liberty still prevails.

On March 17th the Honorable Cordell Hull, Secretary of State, informed me that steps had been taken to give prompt aid to applications for immigration visas in Vienna. The office staff had been increased to take care of these many requests. Mr. Hull stated, in part:

> It is believed that these arrangements will permit the consular officers at Vienna to extend every possible assistance to visa applications within the framework of our immigration laws and regulations.

But, the great statesman that he is, the Secretary of State was not content with this, and we were happy to read that Mr. Hull issued invitations to 33 nations, including 9 European governments, to set up a special international committee to facilitate emigration of political refugees from Austria and Germany, to be financed by private organizations within the countries, and to be carried out within the limits of existing legislation. It is encouraging to see that a favorable response was given to this plan by 18 nations. I also hope that our private organizations, and relatives who have kin abroad, come to the aid of these people, as they are not permitted to take any possessions or money with them. The following from my telegram to the Secretary of State expresses my admiration of his humane policy:

> Thank you for your kind letter of March 17 in reply to my telegram of March 15. I wish to commend you for the fine step you have taken in behalf of the oppressed and hope that the countries asked to join your plan cooperate with you. Your humaneness is characteristic of a real American.

Several days thereafter we were again happy to see that the President of the United States, whose leadership I have always been proud to follow, extended the plan to the oppressed people of all lands, a position taken by this country on many previous occasions. To President Franklin D. Roosevelt I wired the following:

> It made me happy to read the humane stand you have taken in behalf of the oppressed of all lands. It is characteristic of the

United States, where freedom prevails, to help others in other lands who do not enjoy this privilege. You have indelibly stamped yourself as the true humanitarian that you are. Accept my heartiest thanks.

I represent a district where we have people of all religions, coming from many foreign countries—Ireland, England, Germany, Italy, Poland, Hungary, Russia, Scandinavia, France, and many other nationalities. We all live peacefully and are tolerant of each other's rights. That is America.

For 300 years America has been a refuge for the oppressed. There came here the Pilgrims, the Huguenots, the Irish, the Germans, the Italians, the Jews, and many others. It was their love of liberty and the knowledge that America believes in free speech, free press, free assemblage, free religion, that brought them here. All these qualities, summed up, symbolize democracy, and no one can deny that many fine, high-type people came to America, and that their descendants now do them honor. Here they could work, here they could conduct their businesses, here they could till the soil, they could send their children to school, they could go to their respective places of worship unmolested, and hold honorable public office without restriction. Here was a glorious country, and these people in turn made good. They worked hard and long in the factory, in building the railroads, in the mines, in business, in the fields of education, in science, in the professions, in the arts. And, when our country called, they fought valiantly in every war. They became recognized as a definite contribution to America and to its growth.

Again, America offers this opportunity to a limited number. Those who come here will not put to shame the splendid heritage that other immigrants of the past have handed down. They will also make good.

May I now quote a touching prayer made by a 16-year-old immigrant school boy, Martin Marden, who lives at 1604 University Avenue, in my congressional district, and who came to the United States from Germany 2½ years ago. He mastered the English language and graduated from the Macombs Junior High School, and he will always be, I am sure, an upright and worthy citizen. The text of his prayer is as follows:

One day in the year should be reserved for prayers of thanksgiving in which we give thanks for something that has been granted us; for having been saved from some great destruction caused by Nature or by man.

I am thankful that I have been given an opportunity to be educated in the United States of America.

I am thankful that I live in a land where everyone may salute the same flag.

I am thankful that I live in a land where, regardless of race, everyone may take part in national ceremonies.

I am thankful that I live in a land where a person may sing the national anthem without having someone tell him that he may not because of his race.

I am thankful that I live in a country governed by democracy rather than by force.

I am thankful that I live in a land where one is not persecuted.

I am thankful that I live in a land where there are people who have real sympathy for refugees from European countries who have gone through horrible experiences.

I am thankful that I have been given the opportunity to enjoy the many privileges that are unheard of in European countries.

I am thankful that I shall be able to realize my ambitions, which would have been impossible had I remained in my native land.

I am thankful that I live in a land where the future seems bright and hopeful rather than dark and hopeless.

I am thankful that I live in a land where the youth of all races have a tomorrow, rather than in my native land, where the youth of a race is without a tomorrow.

I am thankful that I am permitted to tell you of the troubles in European lands in order that you may develop a real sympathy for the oppressed of the earth.

I am thankful that I am happy and free.

And so, in conclusion, let me state that when nazi-ism, communism, and all the other undemocratic "isms" and their so-called heroes, famous for their brutality and intolerance, will all long have been forgotten, this world of ours will still shine with the resplendent reflection of the virtues of tolerance and liberty of this our great United States of America.

"The Farmer-Labor Party Appeals to the Common People of the Nation—the Workers, Farmers, and Business People—to Join Hands in This Common Cause in Order That We May Have System of Distribution of the Good Things of Life That Is Adjusted to Our Ability to Produce Them"

EXTENSION OF REMARKS

OF

HON. HENRY G. TEIGAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1938

RADIO ADDRESS OF HON. HENRY G. TEIGAN, OF MINNESOTA, APRIL 2, 1938

Mr. TEIGAN. Mr. Speaker, under leave to extend my remarks, I include the following address which I delivered over the radio on April 2:

At the outset I want to express to the Columbia network my appreciation for granting me the use of its facilities in presenting to its vast radio audience a discussion on "the Farmer-Labor program for Congress."

In these troublous times we often hear questions like these: "What is going to be the outcome?" "Are these conditions now causing world chaos, creating unemployment, depressions, etc., going to be solved?" "Is there a way out?"

These questions are uppermost in the minds of most persons, whether they are in distress or not. The fact that our legislators in State and in Nation seem to be groping in the dark for a remedy, makes consideration of these issues all the more important. While I don't intend to explain the remedy proposed by the Farmer-Labor Party in detail, I hope to present its general program for the solution of these problems and compare it with that of the other political parties.

FUNDAMENTAL CHANGES NECESSARY

Before doing so, I submit that certain fundamental changes must be made in our economic system in order to eliminate the evils that confront us. The wars now going on in Europe and Asia have an economic basis. The Japanese are not making war upon the Chinese because of any personal dislike for their Mongolian brethren. Unemployment is not here because certain gentlemen of big business are desirous of throwing the workers out of their jobs. The farmers are not being paid less than the cost of production for their products merely because the men in control of the marketing machinery, the railroads, and the banks enjoy seeing the tillers of the soil in misery. Not at all. The causes lie within the system itself. Unfortunately, time will not permit me to go into a discussion of the causes. The best I can do is to make certain observations concerning them.

OLD PARTIES WITHOUT PROGRAM

Since coming to Washington a little more than a year ago, I have become impressed with the utter lack of program on the part of the leaders of both major political parties for a solution of these problems. The fact is, very few Members of Congress have any idea that poverty can ever be eliminated from the earth. This is a most amazing attitude in view of the fact that for the first time in the history of the world, it is possible to produce plenty for all.

Aristotle, famous Greek philosopher of the ancient world, justified slavery as a necessity in order to give freedom to the intellectuals of that time, that they might devote themselves to science, history, music, and the arts. The masses had to be enslaved to provide leisure and plenty for the few. Aristotle, however, admitted that should machines be invented to take the place of men, slavery could be done away with. Today we have the machines, labor-saving devices, processes, and methods that would enable our people to produce a superabundance of the good things of life. It has been estimated by reputable economists that we Americans are capable of producing upward of $150,000,000,000 of income annually. I do not doubt that this figure is an understatement of the fact, and yet the best estimates of our 1937 national income would place it at less than half of our potential productive capacity. The figures for the national income in 1937 are approximately $67,000,000,000.

The old party politicians here in Congress and in other official positions, I repeat, do not have any hope that poverty can be eliminated. They are definitely committed to the present economic order. And this observation is fully sustained by the actions of Congress in reference to recent legislation for the workers and farmers.

CONGRESS FOLLOWS FALSE PHILOSOPHY

During the special session last fall the so-called wage and hour bill was defeated. This bill would have provided a minimum wage of 40 cents per hour and a maximum workweek of 40 hours. Defeat of the measure was in harmony with the view that poverty cannot be done away with and that wages and hours cannot be materially altered under the present scheme of things. "Why better the conditions of the masses anyway, since their lot is one of permanent poverty," is the capitalist politician's view.

The same attitude was manifested when the farm bill came up for consideration. Those who felt that the farmers were at least entitled to the cost of production for their products were frowned upon and their proposals denied. This again proves rather conclusively, I should say, that the majority of the members of our national law-making body have little faith in the possibility of eliminating unemployment, low wages, depressions, and general hardship for the toiling masses, whether on the farm or in industry.

Moreover, the same gentlemen in the House and Senate who have voted "no" on measures in the interests of the workers and farmers have been out in front, as it were, in attempting to relieve the employing classes of their just share of taxes. In the tax bill now before Congress big business is relieved very materially of its obligation to help carry the cost of Government and to provide money for relief of the masses whose suffering is in large measure caused by its plundering operations.

F. L. OFFERS PROGRAM FOR SOLUTION

The Farmer-Labor Party has a program of reform that strikes at the root of the difficulty. Our people do not believe for a moment that any part of America's population need be ill-fed, ill-clad, and ill-housed. We have faith in man's ability to free himself from the shackles that now bind him and prevent him from enjoying a fuller life.

Let me quote here from the 1936 platform of the Minnesota Farmer-Labor Party:

"The Farmer-Labor Association of Minnesota recognizes that the United States has the most wonderful resources, great factories, and machinery of production and power, with millions of capable workers and farmers ready and able to produce food, clothing, and shelter in great abundance for all. At this time, when all could live in prosperity and happiness, we find that there are millions of working men and women in poverty, want, and degradation, and hundreds of thousands of farmers, businessmen, and professional people who have become poverty-stricken and bankrupt.

"We favor reforms in taxation and finance in order that the cost of government may be borne by those best able to pay. Production control and work relief can do but little in alleviating present distress and are only justified as temporary expedients to meet an emergency. The program of the present system constitutes a planned poverty; we advocate and demand a system of planned plenty. To effect a cure for economic ills changes must be fundamental.

"Natural resources and monopolized industries essential to our national life and well-being must ultimately be collectively owned and democratically controlled and operated, to the end that democracy shall prevail in our industrial as well as in our political life.

"No lasting recovery from the depression and no permanent prosperity can be achieved unless the homes and property of the farmers, the wage earners, the professional people, and small-business men are fully protected, and the opportunity to own homes and property is restored to the masses by production of plenty."

A PRACTICAL PLAN FOR RELIEF

It is, of course, obvious that the complete elimination of poverty cannot be accomplished in a single year. The fact is, considerable time will have to elapse before the necessary changes in our economic structure can be brought about.

But for the period of transition, as it were, the Farmer-Labor Party advocates certain sound reforms and ameliorative measures. Among these are the following:

1. As aid to agriculture, we advocate the enactment of the so-called Frazier-Lemke farm-refinancing bill, and the extension of Government credit to farmer, worker, and consumer cooperatives for the purchase of plants for the processing and sales of their products at a fair price, based upon their cost of production.

2. We favor the governmental operation of idle productive units by the unemployed for the production of goods for the use of the unemployed.

3. For the benefit of our youth, who today are so much in need, we advocate funds for an active youth program designed to give our young men and women an opportunity for education and work.

4. We advocate Government ownership and operation of all plants for the manufacture of armaments and munitions of war, and we demand the conscription of wealth in the event of war, not, however, in accordance with the so-called May-Sheppard bill which, in practical effect, is a guaranty of profits to the munitions manufacturers and other industrialists.

5. We advocate Government ownership of our Federal Reserve System and also favor the restoration to Congress of "the exclusive and constitutional power to coin money and regulate the value thereof."

FAVORS ABILITY TO PAY AS TAX BASIS

I have just briefly sketched the program of the Farmer-Labor party as it applies nationally. There are other parts of our program that apply as well to the States as to the Nation. Among these is the guaranty of civil rights, conservation of our natural resources, and a system of taxation based upon the ability to pay. We are unalterably opposed to the sales tax which in the words of Secretary Harold L. Ickes, is "the income tax in reverse." We object to the transfer of the entire tax burden to the backs of the small-income classes which must and does result under the sales tax.

We favor pensions and other aid for the aged and unemployed, for mothers, and for the youth of the land.

In harmony with this program, Floyd B. Olson, first Farmer-Labor Governor of Minnesota, astounded the country by his refusal to use the political machinery of the State for the special use of the employing class. The same policy has been followed by his illustrious successor, Gov. Elmer A. Benson. Governor Benson has used the power of his office to aid in the settlement of strikes and has in no instance given sanction to the sacrifice of workers' rights in these conflicts. In his recent Lincoln Day address at Minneapolis, he said:

"The worker in Minnesota under a Farmer-Labor administration need never fear that State troops will ever be used, either directly or indirectly, as strikebreakers."

Under Farmer-Labor administrations in Minnesota our citizens have been protected in their civil rights. In this connection it is interesting to compare the present Farmer-Labor administration with Republican administrations in power in Minnesota in previous years. Farmers, workers, and businessmen who doubted the wisdom of America's entry into the World War were regarded by the officialdom of that day as common criminals. To be a member of a farmers' organization or of a trades union was to invite persecution. To have a German name was sufficient to arouse suspicion as to loyalty and patriotism. Liberals who voiced a protest against these outrages often found themselves divorced from their jobs and positions, and in some instances were prosecuted and placed behind the bars.

NATIONAL FARMER-LABOR PARTY NEEDED

We are living in the most wonderful period of the world's history. It is not only the most interesting, but it is the most possible of creating for man a life of true happiness. The automobile, the radio, the airplane, are symbolic of this era. They have made possible in actual fact what those of ancient and even more recent times only dreamed of. And yet, in the face of our technological progress, the masses are in want and poverty.

The Farmer-Labor Party appeals to the common people of the Nation—the workers, farmers, and business people—to join hands in this common cause in order that we may have a system of distribution of the good things of life that is adjusted to our ability to produce them. This, I believe, can only be achieved through governmental action. To place government, including the Congress of the United States, in the hands of the friends of the masses is our big objective in the farmer-labor movement. I appeal to all who hear my voice to come into the Farmer-Labor Party and help make it a national organization. Only by so doing can we achieve the objectives that I have suggested and preserve our democratic institutions against the onslaught of fascism and autocracy.

The Reorganization Bill

EXTENSION OF REMARKS

OF

HON. FRANK W. FRIES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1938

EDITORIALS IN REFERENCE TO THE REORGANIZATION BILL

Mr. FRIES of Illinois. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorials:

[From the St. Louis Star-Times, April 1, 1938]

DICTATORSHIP AGAIN

It may not have been discreet for President Roosevelt to attack the opponents of the Government reorganization bill while it is still before the House. But it is easy to understand the resentment that moved him. He used a mild word when he said that the antiadministration forces had "misrepresented" the bill.

The overlapping and duplication of Federal services is common knowledge. Every President in the last 40 years has recommended reorganization. Nearly every Congress in that period has acknowledged the need. No Congress has been able to do the job itself. One Congress gave Herbert Hoover permission to reshuffle bureaus, subject to its approval, and then rejected his recommendations.

Yet his enemies seek to give the public the impression that the reorganization bill is an iniquity conceived in the brain of Franklin D. Roosevelt alone. The President is right in saying that the campaign against the measure was deliberately manufactured out of whole cloth. It is thoroughly shoddy cloth.

It would not be so bad if the wrecking crew could find fresher names to hurl. They seem to suffer from exhausted imaginations. They drag out the tottering old dictatorship humbug.

The far-fetched phrases which certain Senators have used in this debate may be partly a hang-over from last summer. Some of the foes of the reorganization bill were leaders in the fight against the Court enlargement bill. As their speeches indicate, they worked themselves into a venomous antagonism to the President. Since then they have had cause to become still more enraged, because the Court which they "saved" has been ruling for the New Deal, just when Congress is turning openly against the New Deal. Possibly some of the disappointed lawmakers are opposing the administration's reorganization bill from the malice of frustration.

Should the House reject the bill, it will be because the Members know the public is not greatly interested. Several thousand voters have sent telegrams urging their Senators and Representatives to vote against the measure. They were told to do this by organizations that profit from the present arrangement of bureaus. But the majority of citizens are indifferent, and Representatives with pet bureaus are tempted to take advantage of this fact.

[From the St. Louis Post-Dispatch, Friday, April 1, 1938]

BOGIES UNDER THE BED

Mr. Roosevelt makes a proper and, as we think, a conclusive reply to the silly twaddle that the reorganization bill which has just passed the Senate and is now under debate in the House would set him up as a dictator.

It is understandable, in view of the way in which this bill has been misrepresented, that the President should seize the occasion to deny that he wants to be a dictator. To anyone, however, who knows the background of the reorganization fight and who has taken the trouble to inform himself about the measure, the disclaimer in this connection is wholly unnecessary.

In itself the bill answers the dictatorship charge. There is nothing in it that would let the President become a dictator, even if he wanted to be one—which we are convinced that he doesn't. If any further evidence is desired, there is the word of Herbert Hoover, which we quoted the other day, to the effect that the bill—of which he has been critical on some counts—does not propose a dictatorship. Mr. Hoover is a partisan, but he has a sense of fairness.

That sense of fairness has been notably absent in a great share of the opposition to the bill. The other day, for example, one of the syndicated columnists wrote that "the fight against the reorganization bill has become a fight against possible Hitlerism in America." Buncombe! The bill no more tends to establish Hitlerism, or anything remotely resembling it, in America than it tends to promote Shintoism. Even the correspondent in question has to admit, after he has got his startling flight of fancy off his chest, that, "as a matter of fact, the reorganization bill itself is not as bad as it has been painted."

Mr. Roosevelt's letter correctly describes the bill as the culmination of a 40-year effort, carried on alike by Republican and Democratic Presidents, to make the executive branch of the Government more efficient. For years it has been a sprawling assortment of boards and bureaus, filled with duplicated and overlapping functions. Like Topsy, it has "just growed." There is no rhyme or reason in the way hundreds of the powers of the executive arm are allocated among the departments. Mr. Hoover once described the governmental set-up as a "morass" of waste and inefficiency. With the Government engaged in more activities now than ever before—and whether or not one likes that condition is beside the point—reorganization in the interest of greater efficiency is every day more imperative.

Now, the only way to reorganize is to reorganize, and the only way under high heaven to get the job done is to let the President do it. Congress is so constituted that it will never do it. Every Congressman is for reorganization in the abstract, just as he is for economy, but watch the average Member when some proposal is made to cut down the personnel or decrease the powers of some bureau in which his political henchmen or friends are interested. Backscratching and logrolling are ancient arts in Congress, and they are practiced with deadly effect when any proposal involving a curtailment or regrouping of the Government bureaus is brought forward. Mr. Roosevelt is undoubtedly right when he says that "every responsible Member of the Senate or the House is in agreement that detailed reorganization by the Congress is a practical impossibility."

This matter of reorganization is not, or should not be, a partisan question, and certainly it involves no real question of public policy. In the fight over the President's Court plan, a vital issue was at stake. There is no such issue here. The issue that has been created is purely synthetic. The only reason that we have it is that "bogies," in the language of Mr. Roosevelt, "have been planted under every bed" by an organized opposition—bogies of the kind we have cited.

The pending bill sets up a safeguard against the misuse of the reorganizing power by providing that Congress shall have the right to disapprove any proposed change within 60 days. It is true that the President could veto a resolution of disapproval and that the veto could be overridden only by a two-thirds vote. If any genuine alarm was felt that such a mildly self-denying ordinance on the part of Congress would result in Presidential abuses—and we doubt if there were any such real alarm—the ground for it was certainly diminished by the explicit pledge of the President, in all foreseeable cases, to abide by the will of Congress. We are convinced that the chance of Presidential action in defiance of "a clear expression of congressional opinion," in any important reorganization matter, is extremely remote.

The bill, as we have said, is not perfect. The House can, and we believe, will improve it. But the essential aim of it is sound, and there is no part of it that warrants the charge that it opens the way to dictatorship.

We make the prediction—for any who may be frightened by the dictatorship bug-a-boo to paste in their hats—that anybody who has occasion a year from now to recall the present fight will wonder what all the shooting was about.

[From the St. Louis Star-Times of Saturday evening, April 2, 1938]

THE TELEGRAPH LOBBY

The telegraph companies are swamped, the Congressmen are well nigh suffocated by the deluge of messages against the Government reorganization bill. You would suppose the people were frantic with fear, but they are not. Behind the uproar is a Washington lobby. Just a plain lobby, of the kind Congress has to investigate every once in a while, which is merely using the telegraph to exert pressure on the legislature.

The reorganization bill is the fourth administration measure subjected to this kind of fight. The other three were the World Court proposal, the Supreme Court bill, and the public utility holding company bill. Apparently the telegraph lobby is more than an isolated phenomenon; it will be used whenever the time seems ripe and as long as it pays dividends.

No one can argue that the people who are telegraphing their Congressmen are doing wrong personally. The Constitution guarantees them the right to petition the legislature.

But Congress, and the people at large, must recognize the fundamental sham in these messages against the reorganization bill. No doubt they are sent by the persons whose names are signed to them. Nevertheless, they are a spurious representation of public opinion. They are artificially provoked by a little group of professional Roosevelt haters and their hired hands.

Frank E. Gannett, New York publisher is one, who calls himself the National Committee to Uphold Constitutional Government. Dr. Edward A. Rumely is another—the same Dr. Rumely who was sent to prison for failing to reveal that funds with which he bought the New York Mail in 1915 were advanced by the German Government. Charles G. Dunwoody, high-pressure expert from California, is a third—the self-admitted "coordinator" of the lobby.

Father Coughlin has joined the anti-reorganization forces and is responsible for a large proportion of the telegrams. But the National Catholic Welfare Conference has significantly stated that "in evaluating any protests from Catholic sources, it would be well to investigate whether these protests have been provoked by misinformation about the bill."

President Roosevelt pointed out in his statement Thursday that he himself had received comparatively few messages about the reorganization bill. The pros and cons were about equally divided. Yet suddenly Congress is overwhelmed by antagonistic messages. Can it be supposed that this represents a spontaneous expression of public opinion? It obviously does not.

The reorganization bill is a sound and constructive proposal. It is not a dictatorship bill; it is not even primarily a Roosevelt measure. Enactment of it should serve two desirable purposes. It should give Mr. Roosevelt the power to bring order out of the present executive anarchy in the Government. And it should discourage the lobbyists of the future from attempting the telegram racket to bulldoze Congress.

[From the St. Louis Post-Dispatch, Saturday, April 2, 1938]

STUPID TACTICS

The stupidity of much of the opposition to the Roosevelt administration passes belief. At no time has it been manifested so glaringly as in the fight against the pending reorganization bill.

Here is a bill which has been represented as inimical to business, yet there is nothing whatsoever in it that bears upon the relations of the Government to business. It has been represented as increasing the centralization of authority in Washington, when it does nothing of the sort. All that it does is to permit the President to rearrange, in the interest of greater efficiency, the powers that are already there.

The goal of reorganization is one that was sought by Herbert Hoover and half a dozen other Presidents before him. Every attempt to reach it heretofore has come up against a stone wall of active antagonism on the part of the bureaus affected and of inertia or antagonism in Congress. If the present promising movement should be wrecked by the misleading propaganda which has been turned loose against it, there would seem to be no chance of ever effecting any worth-while changes in the chaotic governmental set-up.

By creating an entirely false issue in the reorganization fight the opposition to the President weakens itself for those battles in which a genuine issue of public policy is involved. It plays directly into the hands of Mr. Roosevelt on all issues. It helps to discount in advance every argument that may hereafter be urged

against a real attempt to centralize power unduly at Washington. That is what we mean when we say that those, who for whatever cause, are trying to work the country into a fury against Mr. Roosevelt over a fake issue are doing, both from their own point of view and that of the country's welfare, an incredibly stupid thing.

We recommend to our readers the realistic appraisal of the situation printed today under the cartoon.

The Individual in a Free Society

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1938

ADDRESS BY HON. SAMUEL B. PETTENGILL, OF INDIANA, AT THE MIDWINTER MEETING OF THE CHICAGO DENTAL SOCIETY, ON FEBRUARY 14, 1938

Mr. WOODRUFF. Mr. Speaker, under permission to extend my remarks, I include an address by the Honorable SAMUEL B. PETTENGILL, of Indiana, delivered at the midwinter meeting of the general session of the Chicago Dental Society, on February 14, 1938, as follows:

Since I arrived, about 2 o'clock this afternoon, I have been promoted. The waitresses in the restaurant, the boys running the elevator, and everybody else has been calling me doctor all day long. [Laughter.] And that is a promotion, because it has been well said that, speaking of the doctors of the medical profession perhaps more than the dental profession, the medical profession is the only profession to which humanity erects monuments to their mistakes. [Laughter.]

I was very happy to accept this invitation to speak on this general subject, both with reference to your position as members of a great, useful, and honorable profession and also in your capacity as citizens.

FREE CHOICE

There are few, if any, relationships in life more individualistic than that between doctor and patient. In the ordinary case the selection of the doctor is a free choice, and, on the other hand, the doctor serves without compulsion. Both are free agents. The relationship is one of mutual confidence. It may be terminated by the will of either at any time. For these reasons it is natural to believe that in the medical and dental professions individualism will continue to find stout champions, both as doctors and as citizens.

And the more you champion individualism in dentistry, the better citizen you will be.

Outside of the home, school, and church life does not afford a finer relationship than the one I have described—the relationship between doctor and patient. Nevertheless, one cannot be blind to the facts of our times. The fact is that, from birth to death, the relationship of the privately employed doctor on any scale really adequate to health is beyond the financial reach of many of our people. The fact is, too, that the resulting deficit in health is a social loss of great magnitude. Health is wealth to the individual, the family, the community, the Nation. It is by all odds our greatest natural resource. The armed defense of the Nation even is powerless without it.

And God knows how soon we are going to be tried in another war.

NO DOGMATISM

There are countless situations which can be reached, if at all, only by methods that go beyond patient and doctor privately employed. We cannot be dogmatic in these matters. Nor have the professions been dogmatic. Every group has a right to fight for its soup bone, but I do not know of any class whatever which more wholeheartedly admits that the group, the profession, has no right to advance its own interests at the expense of the rest of society. If bankers, tariff lobbyists, labor organizations, veterans' groups, etc., always correlated their claims with the rights of society as a whole as completely as is done by the practitioners of the healing art, this would be a better world—a far better world. [Applause.]

It is my belief that the code of the doctor—and when I use the word "doctor" I mean both the medicial and dental professions—it is my belief that the code of the doctor is nearly as good as that of the politician!

Too many people see life in only two colors—black or white. But life is infinitely colored, infinitely complex. It can be lived successfully only by the greatly tolerant.

TWILIGHT ZONE

So let us avoid dogmatism. Between absolute socialization of medicine and dentistry and absolute individualism, no dividing lines, mutually exclusive, can be drawn. Life overruns the boundary. Between the two there is a middle zone, as certain but as indefinite as twilight, which neither the State nor the individual can or should neglect.

What should be our approach to this twilight zone?

Part of it can be dealt with adequately only by the state, and by "state" I mean township, city, county, State, or Nation, the general rule being the governmental unit closest to the problem. Sensible men have recognized this for years—for the Nation, the quarantine of incoming ships, or inspection of meat products that go into interstate commerce, as examples; for the smaller community means and methods to prevent contagious disease, disposal of sewage, inspection of milk, water, and the like.

HEALTH OF THE PUBLIC

In these cases the thing sought to be protected is the health of the public rather than the individual patient. And, in general, for reasons that seem adequate and compelling, State medicine, supported by public taxation, ought not often to go beyond this boundary. There are further exceptions where the State, as such, ought to step in. One is a time of widespread financial distress; and, even in good times, there is always the case of the very poor, who will go without necessary treatment unless the publicly employed doctor or dentist supplies it. These exceptions are well recognized.

Institutional care for the feeble-minded, crippled, deaf, dumb, blind, epileptic, consumptive, mentally ill, and like groups is another exception which society and the professions accept as a matter of course.

But having granted these and similar cases where the common sense of mankind approves the intervention of the state, financed by taxes, we now enter fighting terrain, the field of compulsory health insurance, or state medicine, including dentistry.

SENATOR LEWIS

This has been debated for years, but was precipitated afresh by Senator JAMES HAMILTON LEWIS, of Illinois, at a meeting of the American Medical Association at Atlantic City, June 26, 1937.

I quote briefly from his address of that date:

"I would like to deliver from the President of the United States a message coming direct with his authority. * * * If I use his exact words, he hoped that you would find a way to cooperate with him in such method as you would jointly find would be to the service of the helpless and the afflicted within such province as you felt the Government should undertake."

And then without pretending to speak further for the President, Senator LEWIS said:

"Do you know what is going to happen to you? We are compelled to tell you that we have got to treat you as an officer of the Federal Government and turn you into being such and ask you to consider the subject of yourself as an official of the Federal Government taking care of the citizen * * * the suggestion is that you are to be placed in the position of complete obedience to whatever the law may enforce * * *."

The Senator went on to express his personal, pious hope that "mere political appointees" named for their skill "in stuffing some ballot box" would not constitute the board which "shall sit in judgment on your fees, the method of your payment, and, if you please, sometimes the quantity and quality of it."

SENATE RESOLUTION

The following month, July 28, 1937, Senator LEWIS introduced Senate Joint Resolution 188, providing for the following:

It shall be compulsory for physicians to render any medical aid requested of them by the indigent.

It shall be compulsory.

Bills for such services shall be paid by the Social Security Board.

Jail sentences of 3 months and fines of not over $1,000, or both, for doctors who decline their services, make excessive charges, or try to collect from the patient.

I do not know what sort of a Hamiltonian Senator LEWIS now labels himself, but I approach this subject as a Jeffersonian who thanked God the day Tugwell left Washington for molasses. I hope I approached this subject as an American. * * * [Shouts and applause.]

One of the great difficulties from which we suffer is that we do not read history enough. And programs often offered to us for our approval or disapproval, if we had read history, we would be better able to judge. I suppose Senator LEWIS may have thought he was offering the world something new.

DE TOCQUEVILLE

A few days ago I was reading one of the great books, written by one of the great commentators, on the American political scene, de Tocqueville. This great Frenchman who wrote before the Civil War, in a book published in 1856, not many years after the gold strike in California, quoted the words of a former Frenchman who wrote in 1755—21 years before the Declaration of Independence and about 35 years before the French Revolution. De Tocqueville, quoting this economist of a century before him, used these words:

"A man who urged the absorption of the individual in the body politic. This man held that nothing belongs wholly to anyone. Property is detestable, and anyone who attempts to reestablish it shall be imprisoned for life"—not for 3 months but for life—"as a dangerous madman and an enemy of humanity."

That was the economic royalist of 1755.

Then he goes on to say:

"Every citizen shall be kept and maintained and supplied with work at public expense. All production shall be gathered into the

public granaries to be distributed to citizens for their subsistence. All cities shall be built on the same plan; all private residences shall be alike. All children shall be taken from their families at 5 years of age and educated together on a uniform plan."

De Tocqueville, writing in 1856, some 82 years ago, commented that this sounds as if it were written only yesterday, and it had been written 101 years before he then wrote, or 183 years ago.

SENATOR LEWIS AGAIN

Now Senator LEWIS comes back with this old theme, and it is the theme which caused, in part, the American Revolution of 1776 and the French Revolution of the 1790's, a rebellion against restrictions imposed from some central point.

Senator LEWIS says, with what authority beyond himself I cannot say, that we are to have, not State medicine but Federal medicine; that every doctor must take out a Federal license in addition to his present qualifications; that the profession is to be "placed in the position of complete obedience" to Federal law; that doctors must serve the citizen; that their compensation is to be fixed by some board, which he piously hopes will not be political; that this board shall also have power to pass on the "quantity and quality" of professional services, the number of patients you shall care for daily, as an example.

STREAMLINED

Well, there you have the streamlined state medicine. If that is it, I am against it! [Loud applause.]

If the Federal Government can fix the wage of the doctor, it can fix the wage of the manual worker or the compensation of the farmer. That is something for union labor and the farmer to think about. And how about fixing wages and salaries and prices for the butcher, the grocer, the coal dealer, the milkman, the lawyer, the editor, the clergyman? Yes; the editor and the clergyman. With all due respect to your great profession, I apprehend the growing of food, the movement of trains, the manufacture of clothing, the publishing of newspapers are as indispensable to society as the treatment of teeth.

STATE SOCIALISM

How can you distinguish state socialism in medicine from state socialism in any other vocation? The doctors may be more vulnerable politically as not having a large bloc of voters to be used in their defense. But the principle is the same. And the principle is wrong.

If it is applied to you, it will be applied in a widening circle to all other professions and trades. As Thomas Jefferson said, "The legal denial of the rights of a single individual jeopardizes the rights of all."

That the principle obtains in other lands does not commend itself to me.

Making all allowance for sympathy, as I have tried to do, for the plight of the unfortunate, and as we all must do, nevertheless, before plunging headlong into universal serfdom to the state (and that is what it would be), if your fees and compensation are fixed by political agencies of the Government, before plunging headlong into individual serfdom to the state, we should be realistic enough to recognize two things: First, that the need for state medicine is more apparent than actual; and second, that the results of practicing medicine at public expense by political bureaus, even among the very poor, is nothing to brag about.

ECONOMIC WASTE

The fact is that most people could pay their doctor if they placed their obligations ahead of their pleasures. [Applause.] The average American family pays more for tobacco alone, more for candy alone, more for booze alone, to say nothing in the toll of gambling, extravagance, and laziness, than it pays to its family physician, and many times more than it pays to its family dentist. [Applause.]

We might as well look the fact squarely in the face that the drive for state medicine finds its chief motive power in the desire to shift the economic burden involved from the shirker to the worker; the shiftless to the thrifty; the waster to the saver; the unfortunate to the fortunate; the drunkard to the sober; in short, to reap where others have sown. [Applause.]

It may be, and apparently in these days it is, political heresy to say so, but I cast my vote for the sober, industrious, thrifty, law-abiding, self-supporting, and self-respecting middle class of America. [Applause.] The time has come to say plainly that they ought not to be taxed to a point where they go without children or where their families go without, in order to support those "who sow not." The Bible tells us that "the husbandman"—not the sluggard—"is entitled to the first fruits of the harvest."

BILL OF EXTRAVAGANCE

This drive for state medicine today is largely to get the medical and dental and the other professions to pay the bill of the extravagances of the people who would be the beneficiaries.

The greatest hope of the unfortunate, the submerged tenth or third of our people is a Government which, in Jefferson's famous phrase, takes not "from the mouth of labor the bread that it has earned." Government today, by taxes, takes 20 percent of the average income, to support the Government—State, local, and Federal. That is one day of five that all of us are working to support government. How much more is it to take?

How much more are political bureaucrats to extract from the pockets of the thrifty, industrious, sober, God-fearing middle class of America?

When you destroy the reward of honest toil, the incentive to sacrifice, the spur to ambition, you are not doing anything permanently good for those at the lower rung of the ladder. All history, ancient and modern, proves that excessive taxation on the creators of honest wealth spells ruin and degradation for all.

The fact is that it is only the competent who can ever take care of the incompetent. We saw that very plainly 50 years ago, in the average American family, where the aged or the crippled, somebody who had lost an arm in an accident, or the blind or the little child, the incompetent—who was it took care of the incompetent? It was always the competent members of the family, and so today, it is only the competent that can take care of the incompetent. We must recognize this fact: That government cannot take care of anybody. [Applause.] All that government can do is to reach its hand, through the taxing power, into the pocket of the man who creates wealth, and give it to somebody else. That is all that government can do.

RESULTS OF STATE MEDICINE

Nor do the actual results of State medicine, even among the poorest classes, warrant its extension beyond those exceptional cases I mentioned earlier. In the 10 years 1923–33, contrasting Germany and England with the United States, we find the greatest advance, not only in the science but in the actual results to human beings of the practice of medicine in our own country. Diphtheria, for example, increased in both Germany and England under state medicine in that 10-year period and decreased in the United States by 65 percent. Consumption, a disease which walks hand in hand with poverty, in England, with state medicine, decreased 28 percent, and 45 percent in the United States without State medicine. The poor, by the fact of the record, have not been neglected by the doctors of America as much as they have been neglected by the political medical bureaus of Europe. [Applause.]

The fact that there has not been some decrease in the death rate in Europe is due, as I understand, in part at least to the fact that the German doctor, under state medicine, is not permitted by the state to charge more than 8 cents per patient treated. Eight cents! How much service does the patient get?

Why should we, my good friends, have so little pride in our own country, and such great admiration for Russia, Germany, and other so-called social-minded nations? It has never been explained to me how we became the greatest and richest Nation in the world by doing everything wrong. [Applause.]

ILLNESS DECREASES

The bulletin of the Metropolitan Life Insurance Co. for January 1938 ought to be read by these shame-faced Americans. It is a factual record of actual results right here in America, without State medicine, among that company's 18,000,000 industrial policyholders—a group composed almost entirely of wage earners and their families. It shows the following for the year of our Lord 1937:

For all causes of death combined, the lowest in all time; for typhoid, scarlet fever, tuberculosis, nephritis, pregnancy, and childbirth, homicides, burns, and railroad accidents, new lows in the entire history of the company; increase in average length of life, one-third of a year, to a new world record maximum of 60.7 years; deaths from alcoholism, lowest since 1921, 17 years ago; and a decrease in death rate since 1911 among its insured wage earners of 38 percent, or the equivalent of saving, among its policy holders, of 98,000 lives in a single year, as against the loss which would have occurred under the 1911 death rate.

The cold fact of the record is that a child born today into the family of the average American wage earner, without State medicine, has the highest life expectancy in the world. [Applause.]

NO APOLOGY NEEDED

Now, that is the record among those at the base of the economic pyramid right here in America! It is a great record. No American need apologize for it to anyone in the whole wide world, not even to a German or a Russian!

At the turn of the century we sent over doctors to Germany; today, German doctors and dentists come to America to study.

They are smart people. They know where the best schools are—here in the United States of America, your country and mine. The people who condemn our country most are the hardest to deport! [Laughter.] Yet some of our callow-headed intelligentsia swallow their stuff. When, in God's name, are Americans going to get up on their hind legs and fight for their native land?

But United States Senator JAMES HAMILTON LEWIS, in the warm glow of his great heart, is going about doing good—with "other people's money," the taxpayers'—and says that the Federal Government is going to place the doctor in a "position of complete obedience" to Washington, D. C.

At a meeting of the American Bar Association in St. Louis, the early part of last fall, there was one member in attendance who had apparently had a good year, and he bought some of that which comes in bottles that refreshes the inner man, and one evening he was feeling good and generous, and from the fourth story window of a hotel he was tossing $5 bills down to the crowd below. Do you know what happened to him? He was arrested for impersonating a Federal official. [Laughter and applause.]

A humanitarian is a man who goes about doing good with other people's money. That is the new definition.

HUMANITARIANISM

Now, let me make this perfectly plain. We must distinguish between the true and the false humanitarianism of today. The hu-

manitarianism that was taught us in the Old Testament and the New, that must always prevail in this world or something very precious goes out of the hearts of all of us.

But I am talking about humanitarianism financed by public taxes, which is a forced levy, which the person cannot escape paying.

Now, before adopting this program offered to us by our genial Senator, before lumping this down, just because a lawyer suggests that politicians know more about medicine than doctors, let us ask the preliminary question.

What is Washington, D. C., anyway, and what is its record? You go there and see the huge public buildings, bought, by the way, with money taken from your pockets which you could have spent in painting your own homes, and you are lost in awe and reverence.

But what are the facts of Washington aside from the spending of your money there?

Washington is the Nation's Capital. The District of Columbia is Federal territory. Since the Government was established on the banks of the Potomac 137 years ago, it has been and is now under the complete control of the Federal Government—the all-wise, all-good, and all-powerful Great White Father. The President is ex officio a sort of mayor of the city. It is the home of the G-men, the masters of crime.

That is what you see on the surface. Let us look beneath the surface. Let us see how the Federal Government runs Washington. Here are the facts.

CRIME CENTER

Attorney General Cummings recently said that it is a "crime center." He pointed to the statistics of crime and said that last year, out of 93 cities with a population of 100,000 or more, your National Capital was fifth in burglaries, seventh in robberies, third in petty larceny, sixth in grand larceny, seventh in automobile thefts, eighth in assaults, tenth in murders, and for all crime lumped together in the upper 10 percent of these 93 American cities.

Yet it is the same Government that runs Washington that proposes to run you. That is what Senator Lewis proposes. It is this same Government running Washington, with crime, gambling, and racketeering galore, that undertakes to tell every State, city, county, business, industry, railroad, bank, bus line, farm, profession, and peanut patch in America how to run its affairs!

If it were not so tragic, it would be laughable. And yet well-meaning people, believe it or not, want the Great White Father at Washington to take over every function of government and business in the Nation.

Why, the slums of Washington are about the worst in America. I have here a page torn from the Washington Post of last week, showing some of the slums of Washington, the Nation's Capital, under the complete domination and control of the Federal Government, and you would be shocked to see them. This article says there are 9,000 homes in Washington which have no inside running water, toilet or bath, and yet the Government that runs Washington proposes to run you.

MORE SOCIALIZATION?

How much further are we to progress in this gradual socialization of all the energies of America. Are we to have political tribute levied on your profession, and on my profession, the legal profession, the same kind of tribute that is levied in the lesser affairs of the dispensing of liquor, licenses to dance halls, the construction of public highways, the erection of municipal buildings? Why, you know and I know, that it is with the greatest difficulty that we struggle to keep these political racketeers from levying tribute upon our courts of justice and our public schools. And yet some people in the goodness of their hearts are now saying that free enterprise has broken down, and that there is nothing left except for Uncle Sam to run the show.

This organization I see was founded in 1864, during the great War between the States. When Abraham Lincoln was on his way to Washington to assume the heavy responsibilities of the Presidency in the spring of 1861, he passed through Indianapolis, and there he made a little speech, and there is a tablet erected on the Claypool Hotel, which now stands where Lincoln spoke, which quotes the words that he used upon that occasion:

"I appeal to you to constantly bear in mind, that not with politicians, not with Presidents, not with office seekers, but with you rests the question—shall the Union and the liberties of this country be preserved to the latest generation?"

When we speak of the individual of a free society, we do not mean a wholly free society. Of course not. Everyone recognizes that it is a proper function of the state to require dentists, physicians, and lawyers to pass examinations to qualify for service to their country; and many other illustrations of that kind can be made. And whenever it is necessary to prevent men from injuring one another, then the state, as I see it, always has, and always should, attempt a correction, but the function of the state should be essentially negative in telling men what they may not do rather than in telling them what they must do, as Senator LEWIS proposes.

If you can do this to the dental and medical profession you are going to do it everywhere.

The other day the House concurred in a conference report on the agricultural bill, and it will probably be adopted and signed by the President. For the first time in the history of this country compulsion is to be exercised upon the farmer of America, and if he produces a bushel of potatoes, a bushel of corn, a bale of cotton, a pound of tobacco beyond what some political bureaucrat says he may do, he suffers a penalty. The thing means, my good friends, that it does not affect you and you alone, or agriculture alone, or the railroads alone, or the public utilities alone, or any other sector of our great American enterprise. It affects us all.

ALLOCATING PRODUCTION

You may be interested to know that the last Congress passed for the first time in the history of this country, a bill allocating industrial production, in the refining of sugar; a bill which said that certain refineries might produce so much sugar and no more, and other refineries might refine the rest of the sugar. Industrial allocation has happened here in America for the first time. If this is to happen generally in industry, what happens?

Let us take the automobile industry. Down at my good home town in South Bend, the Studebaker car is made. It, of course, competes with every other car made in America. How does it compete? How do all the rest of them compete with it? They compete by constantly offering a better and better car, for fewer and fewer dollars, in the ceaseless competition for the consumer's dollar. And everybody benefits by that action. That is the way it is determined how many Studebaker cars may be sold. That is what determines how many General Motors or how many Chrysler cars or how many Nash cars may be sold—by the constant struggle of offering most and best for least.

That is free enterprise; that is the way we built this Nation. But it is now proposed that we are going to say from Washington, if this program continues, Washington will tell Studebaker how many cars it may produce in this coming year; it will tell Nash how many cars of the national quota it may produce, and so on all the way down the line.

What does that mean? That means that Government, very soon, will be fixing the wages of the wage earner, because if it says to Studebaker they produce only so many cars this coming year, when the factory might produce and might sell more, it means that the workingmen of South Bend go on the dole, at a time when they might go to work.

And then you come to this thing—you come to political favoritism, and the same slimy fingers of politics will determine the allocation, and you go back to the old story of the king and his courtiers and favorites right here in America; and the automobile factory that makes the largest contribution to the campaign fund or buys the most of the campaign books [laughter] will get the order, and the struggling little firm will go to the wall, because the little man does not have much voice in Washington, now or at any time in the past.

SURVIVAL OF ENTERPRISE

Consequently, when I speak in behalf of the survivial of free enterprise, I am not talking about the big and the great and the powerful. I am talking about the little man, who wants his chance in the sun, without having to pay political tribute to have a place in the sun. [Applause.]

I wonder what happens when you get political allocation of physicians and dentists and lawyers and automobiles and everything else that is offered to the public—and that program is on the way, as the Triple A bill demonstrates, as the bill with reference to sugar refining demonstrates? What happens? You get to the time when political bureaucrats will hold the umbrella over senility and inefficiency, and the big enterprise that has a big investment in factory and plant will see to it that the little competitor is not permitted to enter the competitive field.

You are going to have a constantly reduced standard of living for everybody concerned.

And so in arguing against this drift toward socialization of American industry and the professions, I am not here to argue the case of the haves against the have nots, of property against poverty. I do not worry about those at the peak of the pyramid. The fact that they are there demonstrates that they need little help or protection from Government. I would be just to those at the peak, to those whose courage, enterprise, invention, and business genius have helped to make the prosperity not only for themselves but for the Nation as a whole. Nevertheless, I do not worry about them.

My concern is for those at the base of the economic pyramid. I know when there is a demand for used cars, the new-car market booms, and when the people stop buying used cars, dealers are no longer able to sell new cars, and the damming up of buying at the base of the pyramid very rapidly moves upward to the very peak of the pyramid.

In arguing for constitutional government, competitive enterprise, and a humanized capitalism, I do so because of my deep conviction that under a system which preserves these three things, a larger percentage of the have nots have climbed into the ranks of the haves than under any other system since time began.

REDUCED STANDARDS

Contrarywise, it is my belief that the destruction of these principles will mean the same reduced standard of living in America as we have seen abroad, where politicians run business to serve their political ends.

If the history of mankind proves anything, it teaches us that men prosper only so long as they are free; and I quote from what was put on the program. Your committee asked me a few days ago to send them a paragraph.

"The laboratories have done more for mankind than the legislatures. In the professions nearly every improvement can be

traced back to the individual rather than the organization. Louis Pasteur did not emerge from a government bureau. Where we regiment personality we shackle prosperity. Man must be free if men progress."

Political and economic freedom releases tens of millions of mainsprings of initiative, enterprise, and inventions and new ideas.

As I have gone around this hotel today, seen these exhibits used by your profession in the service of mankind, see how they are coming to the front here in America, new and better equipment, devices, methods of treatment—where do they come from? Do they come from Government bureaus? No! They come from the breast of some man who has a spark plug and an idea and elbow grease to make the thing work. Under Government bureaus these forces are not released.

I must come to a close quickly.

SUPREME COURT

I wonder if you ladies and gentlemen took part in supporting the Constitution of the United States and the independence of the courts in the great struggle of a year ago. Let me say to you it concerns us. If any such program as outlined by Senator LEWIS is ever passed by the National Legislature, the only escape you will have from serfdom to the State will be a free and independent Supreme Court that will say that legislation trespasses upon your constitutional right, in the property that is represented by your skill. [Applause.]

What is this legacy of free enterprise and constitutional government which we have received from our fathers? Even with its failures and shortcomings, it is the best in the world. We have 6 percent of the world's land area, 7 percent of its people; but that little 7 percent of the world's population has 32 percent of the world's railway mileage, 58 percent of the telephones, 76 percent of the automobiles, enough so that every man, woman, and child under the flag, 130,000,000 Americans, could climb into these cars if they wanted to, and all ride on rubber at the same instant of time, a nation on wheels, a miracle of achievement, in which bureaucrats played no part.

The rubber that goes into the tires would go around the world and 6,000 miles to spare, a rubber-tired planet, if you please.

When Stalin or Hitler or Mussolini do half as much it will be twice as much as they have done.

AMERICAN PRODUCTION

America produces 60 percent of the world's petroleum, 48 percent of the copper, 43 percent of the pig iron, 47 percent of the steel, 58 percent of the corn, 56 percent of the cotton, 33 percent of the coal.

Of the commodities that we do not produce here in America, this little 7 percent of the world's population under constitutional government and free enterprise goes out into the world's markets and buys 50 percent of the world's rubber, 50 percent of the world's coffee, 75 percent of the world's silk.

In the worst year of the worst depression of our history, 30,000,000 of our 32,000,000 American boys and girls of school age stayed in public school. And on the point of security for old age, this little 7 percent of the world's population has not done so badly, because it has $108,000,000,000 of protection on the lives of 64,000,000 Americans, and that is more security for old age and for widows and dependents than is had by all of the rest of the world put together. [Applause.]

Now, my friends, of the system that has done this thing, with all its faults, follies, crimes, and shortcomings, all of which we should diligently struggle to ameliorate as rapidly as we can, the fact of the record is that this free society has produced and has distributed more of the goods and comforts of living, to more people, over a greater territory, and for a longer period of time than any other system in any other country since Adam walked out of the Garden of Eden. Neither the princes of Babylon, the pharaohs of Egypt, the emperors of Rome, or the dictators of today ever served the common man half so well.

Now I must close.

CONCERNS ALL

This problem concerns you all. It concerns physicians, dentists, everybody in America. One of the great failures of our social organization today is that we do not have any over-all organization to protect every group in America from this incoming tide of state socialism. The doctors have their group, the lawyers have their group, the railroads have their group, the manufacturers have their group, and every group stands by. One after the other as it reaches them are driven closer and closer to the precipice.

Somebody once said that the chief difference between men and horses is that horses have horse sense. [Laughter.]

It is rather plain to me that we do not have as much sense as the bisons on the prairie of years ago. When they were under attack the bull buffaloes formed their ring, with their fighting tools forward, their cows and calves inside the ring, and they presented a united front.

I think the time has come for those of you who believe with me that the question confronting us and for our children is whether we are going back to the same system of restriction and court favoritism, that we had to fight the Revolution and the French Revolution to rid ourselves from; I think the time has come that we who think alike have got to vote alike. [Applause.]

We are right up against the gun. One of the greatest struggles in the history of mankind is here. * * *

[From the Bulletin of the Chicago Dental Society, Mar. 10, 1938]

THE INDIVIDUAL IN A FREE SOCIETY

One of the outstanding events of the recent midwinter meeting was the address at the opening general session by the Honorable SAMUEL B. PETTENGILL, Member of the United States House of Representatives from the State of Indiana. With one or two minor omissions, this address is published in full in this issue of the Bulletin.

We think that this address can be read with profit by every dentist who is interested in the economic trends that influence the practice of a profession. Congressman PETTENGILL has succeeded in crystallizing the arguments against an encroaching socialism into an effective pattern that outlines definite action for those who think as he does. He has marshaled a large amount of evidence, statistical and otherwise, against socialization by Federal or State legislation. And it is evidence that cannot be overthrown by the humanitarian platitudes of those who agitate the social reform without giving proper attention either to the recipients or to those who must perform the services.

It is refreshing, also, to note that Congressman PETTENGILL, who has a distinguished record of service in the lower House and who has been active in political enterprise for the past 12 years, recognizes the fact that there do exist politicians who are not above advancing themselves and their ideas at high cost to the Nation at large. It is from the latter that the professions must protect themselves. This can best be done by the development of available facilities for bringing more and better care to the people of the country. Definite planning and experimentation on the part of the profession are indicated to build up undeniable evidence that certain changes, such as federalization and socialization, are not in the best interests of the public.

Those who advocate a system of compulsory health insurance would do well to examine the figures presented by Mr. PETTENGILL. In foreign countries which have had compulsory insurance for some years, the statistical proof does not reveal any large measure of progress in the fight against disease and death. On the contrary, there is ample room for an opinion that medical and dental services in those countries have not kept pace with the development of the professions in this country. Certainly there is reason to doubt that the glowing promises of the proponents of socialization will be any easier of fulfillment here than they have been abroad. Sickness insurance is not a panacea for the social and professional difficulties attendant upon the present system. It has not proved itself to be such abroad, and, to the reasonable person, it has less opportunity for success here because of conditions unique to this country.

Mr. PETTENGILL makes an earnest plea for the individual in a free society. In the work of a profession, there is no substitute for individual initiative and individual progress. No bureaucracy, Federal or otherwise, can administer the health services of this country as efficiently and as competently as they are discharged here. If Senator LEWIS really believes that his bill is advantageous either to the public or the profession we must insist that, as usual, he is talking through his hat.

HAROLD HILLENBRAND.

Final Touches to the Farm Bill

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

Mr. MURDOCK of Arizona. Mr. Speaker, the assurance given me a while ago by Chairman JONES is very heartening. I want to get this word to cotton growers in Arizona at the earliest possible moment. The delay occasioned them by the necessity for the passage of this amendatory act has caused some confusion, uneasiness, and loss of time among the cotton farmers in my State. I do believe that this supplemental legislation, on the whole, will benefit the farmers in my State, but, coming as late as it does, its benefits will be largely offset this year by the delay. I do trust, now that we are accepting the conferees' report, that everything can be definitely planned within the next few days.

As I see it, the limitation placed upon the so-called Cooley amendment, whereby one may not grow more than 40 percent of his tilled acres, will work a definite hardship upon some of the large cotton growers who had been growing nothing, or little, but cotton. I take it from the chairman's reassuring words that that will not apply to very many, and I take it also that this last provision will react to the benefit of the

smaller farmers, especially those who have been diversifying and more especially those who have been cooperating. It distresses me that any farmer must suffer reduction. I wish we did not have to have any reduction program, but I assume that through reduction we may be able to maintain reasonably fair farm prices for the country generally, and by the same token the individual farmer who must suffer a reduction stands to profit by such reduction to the degree which he is reduced.

Mr. Speaker, I have said some pretty hard things about this farm legislation. If I had understood fully the loss which my farmers have to undergo, I might have said worse things. I have no personal pecuniary interests in cotton farming. I want to thank Chairman JONES and members of his committee for their uniformly courteous treatment of me when I have gone to them to plead the case of Arizona cotton farmers. Theirs has been a difficult task, and I hope it will prove far more satisfactory than any of us have predicted.

The letter which I was given permission on April 2 to include in my remarks is as follows:

APRIL 2, 1938.

Mr. NAT DYSART,
President State Farm Bureau, Phoenix, Ariz.

DEAR MR. DYSART: After an exchange of telegrams between us during the last few days I do feel that I should explain my telegrams and try through you to explain to the cotton farmers of Arizona just what we have been endeavoring to do in connection with the farm bill.

You seemed pleased with the results of my efforts in connection with the original Farm Act for 1938. I take full credit, whether it be for praise or blame, for getting long-fiber cotton exempted. I tried my best to get a maximum of benefits and a maximum acreage allotment, even going so far in the latter case as to ask the impossible—that is, to ask MARVIN JONES and his committee, on November 15 last, to write the law so that the farmers of Arizona might have a 1938 acreage allotment based on their 1937 acreage—of course, I got the good old farm "horse laugh" in regard to some of these requests, excepting in regard to long-fiber cotton. You know the long story of the efforts to get the best we could get, several of us from the irrigated West, THOMASON of Texas, DEMPSEY, of New Mexico, ELLIOTT, of California, myself, and several others working together.

Prior to the 23d of March, and since the passage of the first Farm Act of 1938, the rush of other matters forced farm legislation away from first place in my thinking. Late in the day, March 23, Chairman JONES brought up the amendatory act, and asked for immediate action, which was taken after some strong language on the part of the Republicans and others on the opposition. ELLIOTT, of California, offered an amendment, which he had shown me, and on which he had asked my support 15 minutes earlier. What little phoning I could do in a quarter of an hour convinced me that his amendment, coupled with two others, would be a good thing for the Southwest. (I want to impress upon you that no one in Arizona had prompted me regarding my support of the Elliott amendment. You know that I am not tied to any group of farmers and that I want to do the best thing for all growers, large and small, without any attempt at favoritism. My real interest and sympathy, however, is with the small farmer.) Several Members of the House, in a hurried consultation, said to me, "The Elliott amendment will help the small farmer."

To make a long story short, I gave my support that afternoon to three proposals (two of which, not including COOLEY's amendment, would have passed if I'd been absent). The first of these was to increase the available allotment from 2 to 4 percent, thereby giving the State a possible increase, then the Elliott amendment, which I thought would favor the man who had grown cotton, both in 1936 and 1937, consistently, and then the Cooley amendment, proposed a few minutes later, but not adopted, to give all farmers at least 50 percent of the 1937 acreage, plus the diverted acres. The RECORD for that day was wrong on the Cooley amendment.

It looked to me in that hurried moment of consideration that we would be lucky in the Southwest if we could get those three amendments incorporated and thus have some special consideration for our expensive new lands in Arizona.

I know you criticized me for not doing better thinking and not getting more, but I want to remind you of what you already know, that the interests of the Arizona cotton growers are very conflicting; the angel Gabriel himself couldn't do justice by all of them—and, please remember, I'm only one in this body of 435—everything considered, I believe Arizona has fared reasonably well.

I want to assure you that upon getting your wire regarding the Elliott amendment I hounded the conferees day and night. I spoke to one of the Senators and to MARVIN JONES a dozen times. You already know the result of the conference, so I will close by saying that I am sorry for this extra delay, but hope that the little extra consideration the second bill gives us will more than offset the disadvantages of the delay.

Yours in the interest of our agricultural prosperity.

Very sincerely,

JOHN R. MURDOCK,
Member of Congress.

Fair Trade and Reemployment

EXTENSION OF REMARKS
OF
HON. ARTHUR CAPPER
OF KANSAS
IN THE SENATE OF THE UNITED STATES

Tuesday, April 5 (legislative day of Wednesday, January 5), 1938

ADDRESS OF HON. ROBERT J. BULKLEY, OF OHIO, BEFORE THE AMERICAN FAIR TRADE LEAGUE, NEW YORK CITY, APRIL 4, 1938

Mr. CAPPER. Mr. President, it was my privilege to listen to an interesting address on Fair Trade and Reemployment delivered by the Senator from Ohio [Mr. BULKLEY] at the dinner of the American Fair Trade League held at the Astor Hotel, New York City, Monday evening, April 4, 1938, celebrating the twenty-fifth anniversary of the league.

Senator BULKLEY's discussion of the fair-trade movement was one of the most constructive I have heard in a long time, and I ask unanimous consent to have it printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Toastmaster, if we could permanently solve our problem of unemployment we would be well on the way toward solving practically every other serious national problem.

The conventional approach to the question of unemployment is to examine productive industry and consumer purchasing power. We jump over the intervening step of how the products of industry are distributed and how this affects production and unemployment. We overlook the important fact that two-thirds of everything grown by all our farms and made by the workers in all our factories finds its way to the consumer across the counters of retail distributors. We sometimes forget that anything that impairs or restricts this flow of goods tends also to reduce activity on the farm and in the factory.

Retailing itself, apart from its function as the bottle neck through which the bulk of our products are poured to users, is an important furnisher of employment. Indeed, retailing provides about one-eighth of all the gainful employment in the country.

But more important than its own direct contribution to employment is the influence of the purchases of this great body of distributors upon employment in the factories, which are run only on their purchases. If these stores do not buy and sell the products of our factories and farms, then there is hardship for wage earners in productive enterprises. They cannot buy unless they can sell, and they cannot sell except to the extent that consumers can buy, so that their activities are interrelated with those of industry. Distribution is most certainly not an automatic process entirely subordinate to production and consumption. It has its own vital influence upon the whole economic structure.

There was sound purpose behind the President's conference of small-business men. In their aggregate they constitute a major national interest. These million and more merchants and citizens, whose capital normally carries two-thirds of our national production from the time of physical completion to the time of consumer purchase, are too large an economic factor to be ignored.

If there are conditions in the channels of wholesale and retail distribution which stifle their operation, and harass, confuse, and discourage our merchants in their efforts to do business, then the entire country suffers, because retailers do not confidently invest in new merchandise, do not engage more employees, and do not put forth the constructive effort necessary to stimulate industry when they are disheartened by unfair competitive conditions within their own ranks.

All too long we have shown a public indifference to the welfare of our distributing group. Solicitude for labor and solicitude for agriculture are rightly accorded. But it is time also to show solicitude for that body of men, mostly small-business men, whose capital and enterprise take the load of goods out of the factory warehouse and renew the factories' funds for further production. It is high time that we ceased treating the dealer as a parasite and stepchild in the social system, unworthy of reward for his contribution to the scheme of things.

It is because your fair-trade movement is in the interest of honest business and fair competition among traders that it won the support of Congress in enacting the Miller-Tydings Fair Trade Act, and of the legislatures of 42 States, including my own State of Ohio, in passing fair-trade laws.

It is 25 years since I stood before you at your meeting in 1913. As a Member of the House of Representatives I had then had occasion to study the question of price cutting on well-known brands

of merchandise. At that time I became convinced of the misleading character of such competition. I saw how it was used to deceive consumers and how it brought hardship upon the great majority of dealers, the small dealers and dealers of moderate size, for the benefit of a few large dealers. Time has confirmed that conviction. We have seen tens of thousands of independent dealers driven out of business and retailing becoming concentrated more and more into large units. If this were accomplished by methods that meant reduction of prices to the public and better values, it might be tolerated, even though it brought distress to large numbers of merchants. But when it is not accompanied by any public advantage and is achieved by selfish disregard of the principles of fair competition, it could not be permitted to go unrestrained.

The costs of distribution have not been reduced in the quarter century since your initial meeting was held. On the contrary, the increasing complexity and intensity of competition has tended to raise the operating costs of all classes of merchants. Back in 1890, for example, the typical department store paid out for operating expenses only 15 cents of each dollar it took in. At the time of your 1913 meeting this had grown from 15 cents to 25 cents. For 1936, according to the Harvard Bureau of Business Research, it had increased to more than 33 cents. In other words, in 1890, a department store had 85 cents out of each dollar of sales with which to buy goods and pay its owner a profit and required only 15 cents for expenses, while now its expenses are over 33 cents per dollar of sales, leaving only 66 cents to buy goods for its customers and cover its owner's profits, which is to say that it must add about 50 percent to the cost of what it buys just to pay its operating expenses. This indicates that growth in size of distributing units and increase of volume has not reduced the expenses of selling. Statistics also disclose that small stores, contrary to popular impression, have a smaller ratio of expenses than large ones, and that, though they must pay more for goods bought in smaller quantities, their cost of doing business is sufficiently below that of the large ones to permit them to compete and to give, on the average, equal values to their customers.

It is evident, therefore, that the fair-trade laws which protect smaller merchants from price-cutting raids on the popular, nationally known articles of merchandise are not measures designed to bolster inefficient dealers and raise consumer prices. Their purpose and effect is to stabilize prices and to protect fair merchandising, all in the interest of the consuming public.

Retailers do not want unreasonable price increases. They know that high prices curtail sales. They are the ones who have to face the public. Retailers want the lowest possible prices to consumers, but they want those prices stabilized and standardized. They believe in low price levels for all merchandise, not in cut prices involving losses on a few well-known items which must be made up by unnecessarily high prices on other goods. Indeed, the very fact that the fair-trade laws permit the manufacturer of a branded article to set its retail price, means that when he sets it he does so at his peril. He must make it as low as possible or else he offers an opening to his competitor to come out with a lower price and take his business away. As long as we have competition the public is protected, and by their own terms these laws are available only to the makers of goods which are in free and open competition with other goods of similar character. Price stabilization is the purpose of the fair-trade laws, not price raising. When prices are stabilized, merchants can buy and sell with confidence. They do not have to restrict their buying for fear the goods bought will have to be sold at a loss occasioned by fictitious competition.

Unrestrained price competition on standard products concentrates trade in the hands of a few large operators. It curtails general business. Such a force tending toward private monopoly does not work to the public advantage. Our objective must be the widespread independent ownership and operation of the outlets of distribution.

The productive facilities of the country have trebled since the turn of the century. We can produce much more and it requires more merchants to move this increase. It is sometimes contended that there are too many stores and that they constitute an excessive expense burden on what people buy. In the same way it could be said that there are too many farmers and that we have to restrict their production. Whether or not there are too many stores, one thing is clear: It is no solution to permit their elimination by oppressive methods of competition or cutthroat tactics which favor mere size.

Your fair-trade movement represents an important saving force among the influences of the times. The survival of community life, the retention of the ownership and management of local enterprises by local residents who have their home interests, their families, and their futures in their towns is essential for the preservation of the precious flavor of American life. It makes for that independence of the individual which has contributed so vitally to the growth and culture of our Nation.

It is because I recognize the increasing importance of the distribution of the things produced, and of keeping the channels free from obstruction, that I have been glad to leave pressing duties in Washington to testify to the value of what you are doing.

For more than a quarter century I have been aware of the need of these fair-trade laws that you are interested in. I witnessed the beginning of your effort. I have helped it whenever I could. I rejoice in your success. I offer my tribute to your leaders, and especially to my colleagues who are here this evening, to Senator CAPPER for his long devotion to this cause, which was so important in keeping the issue in the public mind, and to Senator MILLER for his leading part in accomplishing the final achievement.

The fair-trade laws do not coddle the weak and inefficient. They equalize opportunity and offer uniform treatment to all consumers. These laws do not raise prices but merely level out some of the peaks and valleys, and, in the long run, if loyally applied by the business community, will make the price level lower for all.

The Government has done its part in providing you with the needed legislation. The courts have done theirs in upholding the laws. Now the test comes to determine whether the manufacturers concerned will give their distributors and dealers the protection which is within their power, and whether the dealers will have the wisdom to support those who do.

Congress and the State legislatures have served the country well in enacting the fair-trade laws. Surely the businessmen will not fail in showing equal wisdom in enlightened devotion to the cause of free and fair competition in retail distribution.

Labor Relations

EXTENSION OF REMARKS

OF

HON. EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 5 (legislative day of Wednesday, January 5), 1938

RADIO ADDRESS OF HON. EDWARD R. BURKE, OF NEBRASKA

Mr. BURKE. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address I delivered over the radio on March 31, 1938, on the subject Labor Relations.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There is not a single person in the entire country, whether or not he is fully conscious of the fact, who does not have a vital interest in the establishment and maintenance of satisfactory labor relations. In recent months, I have been giving special study to the National Labor Relations Act, commonly called the Wagner Act, and its administration by the National Labor Relations Board. I became convinced that this is a duty which I owe to the public because of the widespread feeling that there is something fundamentally wrong with the act and with its administration by the Labor Board. To a consideration of this serious problem, I invite your attention tonight.

It seemed to me that the facts could best be developed, and the basis for a correct solution arrived at, by a thorough and impartial congressional investigation of the National Labor Relations Board, known alphabetically as the N. L. R. B. Accordingly, I introduced a Senate resolution for such an investigation. I requested that it be referred to the Committee on the Judiciary. The reason for doing so was that this Board, created by Congress, exercises judicial functions. A subcommittee was designated by the chairman to study the resolution. Almost immediately it became evident that a majority of the members felt that, despite this exercise of judicial power by the Board, if an investigation were to be conducted it should be by the Committee on Education and Labor which reported the Labor Relations Act to the Senate. Influenced by this, and other considerations, I determined not to press the pending resolution at the present time.

Let no one draw the conclusion that the demand for an investigation has been abandoned. Far from it. The situation cries to high heaven for action of some kind. Convinced as I am that the glaring defects of the Labor Act, and particularly the character of its administration by the Labor Board, constitute a potent cause of the depression which has engulfed the country, it is my firm intention to move straight on until a satisfactory remedy has been found. In this cause I earnestly solicit the active support of labor, management, and the general public.

It is not probable that Congress at this session will take action. There is a compelling desire for early adjournment. Other matters of great importance demand attention—tax relief, executive department reorganization, armament, to mention a few only of the questions. Moreover, public sentiment has not yet crystallized on this subject. In aid of that I speak to you at this hour. I propose to outline some of the chief defects of the act and of its administration and suggest for your consideration a definite plan of amendment. If you agree with my conclusions or have suggestions of your own, possibly based upon your bitter personal experience, I urge you to promptly and definitely communicate the facts to your Senators and Congressman. Only by so doing will you bring home to them how you feel about the matter and how imperative you consider that a remedy be found for the situation created by the Labor Relations Act and its method of administration.

The Wagner Act was placed on the statute books July 5, 1935. Its constitutionality was in question, but it was upheld by the Supreme Court on April 12, 1937. Its operation has been adequately financed by Congress. There has been ample time for a fair test of the legislation. Enacted to diminish the causes of labor disputes, it has apparently provoked rather than prevented industrial strife. No unctious claim by Board members that a large number of employers have been beaten into submission can offset the fact that the country has been subjected to an epidemic—yes, a very plague—of industrial disturbances. Cure the defects in the act and its administration, and a long step will have been taken toward ending the depression.

May I now briefly analyze the Wagner Act for you? It should be noted at once that it differs basically from other Federal laws. These commonly deal with the general public and are enacted to protect the public interest. The Wagner Act does not do so, except in a very indirect sense, and it was not so intended. It is legislation for the benefit of a class. Very well. But it must be fair to all other classes.

The act is based upon the proposition that employers, as a group and habitually, impose on their employees and keep them in economic and social bondage. You and I know that this simply is not so. Are some employers guilty of this condemnation? Yes, indeed, and they should be curbed. But that is far from sustaining the premise of this act that strikes and other forms of industrial strife are due exclusively to the attempt of employers to subjugate their workers.

How does the act propose to cure the situation? It declares that employees shall enjoy certain rights. With this general statement no one should be heard to complain. Employees should have entire freedom to manage their own affairs in respect to self-organizing and bargaining collectively through representatives of their own choice, free from interference, coercion, or intimidation by their employers. But if the intent of the act is really to grant employees entire freedom in these matters, it must go further and provide that workers shall be free from interference, coercion, or intimidation from all persons, including other employees and labor organizations.

All that the act does in this respect is to enumerate certain things that employers must not do. These are called unfair labor practices on the part of employers. As far as they go, and if properly interpreted and administered, no one should quarrel with them. As a matter of fact, they have been so construed by the Board as to make it wholly impossible, in countless cases, for an employer to perform his ordinary managerial function of preserving discipline and enforcing efficiency on the part of his employees. This has resulted in many plants in a complete break-down of discipline and a tremendous set-back to efficiency in production. This should be corrected. In addition, if the act is really to serve its purpose, it should not be one-sided. It should also list, and forbid, unfair labor practices by employees—unfair either to employers or to other employees.

We pass next to one of the most fundamentally vicious aspects of the whole situation. I make this sweeping assertion because the evil results I am about to describe are not confined to the field of labor relations but are poisoning our whole body politic. Any practice that serves to breed disrespect in the mind of the public toward those charged with the exercise of judicial power is dangerous in the extreme. I ask you to consider what is going on in this respect in the administration of the Labor Act.

As you know, there is a Board consisting of three men. It is in a sense a court, yet the act lays down no qualifications for its members. The three who now serve all have a strong prolabor bias. The mechanics of the exercise of the Board's most important function are these: A disgruntled employee or labor organization complains to the Board that employees' rights under the act have been violated by an employer, or that an employer has engaged in an unfair labor practice as specified in the statute. Bear in mind that no complaint can be filed with the Board by an employer against anybody because under the act the employer has no rights and cannot appeal to the Board for protection under any circumstances.

The Board, through its agents, then investigates the basis of the complaint to see whether a case can be made out against the employer. In doing so, it is clothed by the act with the most drastic powers of investigation. If its dragnet brings in anything that contains the barest possibility of forming the basis for an action, a formal complaint is filed against the employer charging him with every possible violation of the act. The luckless employer is required to answer this complaint within 5 days. The case is then tried. The Board, through its employees, acts as prosecuting attorney. Also as judge. It has investigated the case. It prosecutes the cause. It sits in solemn judgment thereon. Investigator, prosecutor, judge, and jury, all wrapped up in one. And on top of that a strong bias in favor of one side, and plenty of malice toward the other. Moreover, with respect to the admission of evidence at the trial, the act provides that the ordinary rules of evidence, which obtain in courts of law, shall not govern. This rule has been so flagrantly abused in the majority of cases that it is commonly understood that anything directed at the employer will be admitted, no matter how doubtful in authenticity or how lacking in probative value.

When this so-called trial has been completed, the case is ready for the making of the "findings of fact." Here follows an interesting procedure. The findings as to what facts have been proved at the trial are commonly drawn up, not by the person who actually presided at the trial and saw and heard the witnesses, but by a group of young, radical lawyers with headquarters in Washington, called the review section, who have never been near the actual trial room and have not seen nor heard a single witness. By ferreting out of this loosely prepared record every item that throws any suspicion upon the employer, weaving all of these separate bits together, and putting the worst possible construction on anything that might tend to a different conclusion, findings can nearly always be made against the employer and in favor of the complaining employee or labor organization. Very few of the decisions issued in the name of the Board, are ever written by the Board members themselves. They are prepared for Board signature by the same individuals who combed the record to pick out items of the testimony to support a decision, the tenor of which was scarcely a matter of doubt from the moment the complaint against the employer was filed.

In a recent decision by a United States Circuit Court of Appeals, the court commented on the fact that the case had been taken from the hands of the trial examiner without an intermediate report filed by him, and that the petitioners had been thus deprived of the opportunity to file exceptions to an examiner's report, and were denied, also, the right of oral argument before the Board. The court used the following language:

"This procedure is not likely to inspire confidence in the impartiality of the proceedings. It results in the findings of fact made by persons who did not see the witnesses, a matter which may have far-reaching consequences in view of the very limited power conferred upon the courts to review the Board's findings of fact."

Since the supporters of the act in its present form contend that any danger of harm or unfairness is removed by the right of appeal, it will be well to consider that subject. The employer against whom an order is issued may appeal to the circuit court of appeals of the United States. Appellate courts, as you know, do not take testimony or see any witnesses. They accept the facts found by the trial body if competent evidence of sufficient weight supports the conclusions and then examine whether the law has been properly applied to those facts. But in the Labor Relations Act the circuit court of appeals is bound by the facts found by the Board under the circumstances already set forth "if sustained by evidence." The act does not say by the preponderance of the evidence or the weight of the evidence, but simply by evidence—any evidence. So in practical effect the hands of the court are tied as to the facts, and it can afford relief only if the law has been improperly applied. Little wonder that the Board can boast that it is usually upheld in the courts. Let me write the findings of fact and make my conclusions binding and I will guarantee never to be reversed on appeal. There is here no support for the claim that the Board has done a fair and capable job in trying cases. What is really proved is that the Wagner Act as drawn sets up a quasi-judicial system which is open to the grossest abuses against employers. Every employer who has been through the mill knows that in actual practice the abuses do exist.

Those who have not had the experience of witnessing the procedure at some of these so-called trials would be inexpressibly shocked at what goes on under the form of judicial process. Almost every employer, and great numbers of loyal employees, who have been dragged into these trials either as party defendant or as witness have come out embittered and astounded that such things could happen in the name of the United States Government. Even the complaining employees, and the more or less disinterested spectators, cannot fail to lose a large measure of their respect for law and judicial procedure. This is the testimony that has been flooding in upon me from all classes of people in every section of the country. As a typical example, that upstanding and fearless Governor of Oregon, Clarence H. Martin, with whom I had the privilege of serving one term in the House of Representatives, felt called upon, as the result of things that have happened in his State, to declare that he wished he could kick the Labor Board into the middle of the Pacific Ocean. That was merely a blunt man's method of expressing the thought, which I believe is in the mind of vast numbers of our people who have been outraged by the biased conduct of this Government agency. They want a change, and they want it without unnecessary delay.

Here are some of the changes which I propose to urge in the act itself and in the Board which administers the law. There are, no doubt, other things that ought to be done, and I shall be glad to receive your suggestions.

The preamble of the act should be revised. Strikes and labor troubles have not been due exclusively to the greed and selfish domination of employers. To proceed on that unsound basis, as we are required to do under the preamble to the Wagner Act, is merely to invite that increase in industrial strife which has followed the enforcement of this law. Let it be clearly stated that the policy of the law is to further the development of friendly and mutually fair labor relations and that the part of government will be to prevent and stamp out any practices that interfere with that declared policy.

There should be no relaxation of the statutory prohibition against coercion or intimidation by employers in interference with the freedom of employees to organize and bargain collectively through representatives of their own choosing. But there is equal need for protection of the employee from attempted intimidation from other sources, whether it be from workers, union organizers, or from any other quarter. Every employee should have the right to decide of his own free will and without any coercion whatever, whether he wants to join a union, and if so what particular union,

and whether he wants to continue at his job. These are the priceless attributes of freedom, and no democratic government, worthy of the name, can countenance their deprivation. Let the act be amended to give that complete protection. Let it denounce unfair labor practices on the part of employees as well as employers. There is no reason why labor organizations should not be as strictly amenable to the law as any other groups of citizens.

The philosophy of the Labor Act as it is written appears to be that employers and employees are natural enemies, that what is good for the one must of necessity be bad for the other. This is fundamentally wrong, because it ignores the mutuality of interest between those who contribute their labor, their capital, and the service of management, in the effort to make industry a success. Such a philosophy ignores the essential facts of our industrial life and is doomed to ultimate failure. It must be corrected before irreparable harm is done. Workers must be free to seek advice and counsel in their daily problems from their employers, and no employer should be pilloried as an offender because he offers that assistance.

The Labor Board should be reconstituted. Of the three members, one should be chosen primarily because of his deep insight into the problems of the workers. Another should with clear vision understand the particular difficulties that confront management. The third should approach the task from the standpoint of the general public. No man should be eligible for appointment if he has a bias so strong that he cannot see all sides of the question and be quick to mete out even-handed justice.

With a board composed of members who measure up to these qualifications, there would be an immediate clearing of the atmosphere. Their task would be simplified if the statute itself made certain that the rules of evidence applicable in courts of law were to be enforced; that there was to be no discrimination in the granting of subpenas to secure the presence of witnesses and the production of evidence; and that the findings of fact would be binding on appellate courts only when sustained by the preponderance of the evidence. There is one other change that goes to the very heart of the matter. As already indicated, the chief iniquity of the present system arises from the fact that the same body, the Labor Board, is the investigator of the complaint against the employer, it is the actual plaintiff in the action, it prosecutes the case and is the judge as well. I know that it will be said that this is true also of the Interstate Commerce Commission, the Federal Trade Commission, and other agencies. The fundamental difference lies in the character of the act that is being administered. These other statutes deal primarily with public rights and interests. For instance, before the Federal Trade Commission files a complaint it must find that it is in the public interest so to do. The correctness of its decision on this question is open to attack on appeal to the courts. Not so with the Wagner Labor Relations Act. Here we have a statute that aims to protect and benefit not the general public, but a certain class of citizens, the industrial workers, in their relations with another class, their employers. In such a contest it is essential that the facts be submitted to, and the decision made by, a thoroughly impartial tribunal.

Here is my proposal to remedy the trouble. Under the Wagner Act the Labor Board has exclusive jurisdiction. Not until final action by that Board does anyone have the right to submit his cause to a court, and then there is merely a very limited and restricted review. I am considering the question of amendments that will confer concurrent jurisdiction upon the Federal district courts that will permit the filing of a complaint before the Board or before the appropriate district court. If complaint is filed before the Board, there shall be the right, at any time before hearings start, to have the case removed and tried in the appropriate Federal district court. Every person accused of violating the act will be assured an opportunity for a fair and impartial trial. The mere existence of such a right will go a long way toward insuring fair trials before the Board.

In closing I wish to call to your attention two developments in the Labor Board's program of activities, both of which seem to me extremely significant.

The act applies to industrial workers. Those engaged in agricultural pursuits are exempt. Apparently the Board has now concluded that it is too bad to deprive agricultural workers of the benefit of coming under its benign influence. Possibly there is not enough strife in that field to satisfy its requirements. I am advised that in two cases on the West coast the Board has indicated its determination to consider as exempt only such agricultural workers as actually toil with their hands in the fields. All that great group who are engaged in the modern processes of agriculture will be considered as industrial workers and hence subject to the act. I do not believe that the agricultural sections of the country will look with much favor upon being brought within the statute, at least not until the act has been amended in some such way as I have indicated tonight.

The other feature of the Board's program to which I desire to call attention has to do with the now established practice of restoring striking workers to the pay roll. No matter how serious may be the offenses committed by workmen who have left their jobs and gone on strike, they can rest safe in the assurance that when the Board has completed its investigation their former employer will be ordered to put them back on the job, and, in all likelihood, with back pay for the entire period of their absence. Recently the Board has ordered the restoration of sit-down strikers who were guilty of trespass and the destruction of property.

One phase of this matter is so serious as to require attention. When the strikers are returned, the men who filled the jobs must be discharged. This means that if an employer tries to keep his plant running, he must be ready to arbitrarily dismiss his force as soon as the Board gets around to decide the case. The result will necessarily be that soon no employer will be able to operate at all during a strike. He must meet the strikers' terms or face an indefinite shut-down. This may well occur, even though the strikers constitute a small minority, if the work upon which they were engaged had to do with some essential feature of operation. Industry cannot long survive under such a system.

I close as I began with emphasis upon the importance to all classes of satisfactory labor relations. The National Labor Relations Act is on the statute books to stay. It can be amended so that it will operate as a powerful aid, instead of a serious menace as at present, toward peace and prosperity in industry. When that has been done, we will have removed one of the prime causes of the present depression. The sentiment of the country must be crystallized in favor of this necessary reform. Make your views known to those who represent you in Washington. Do it now! Do it emphatically!

The Philosophy of the Fair Trade Acts

EXTENSION OF REMARKS

OF

HON. ROBERT J. BULKLEY

OF OHIO

IN THE SENATE OF THE UNITED STATES

Tuesday, April 5 (legislative day of Wednesday, January 5), 1938

ADDRESS OF HON. JOHN E. MILLER, OF ARKANSAS, BEFORE THE FAIR TRADE LEAGUE, NEW YORK CITY, APRIL 4, 1938

Mr. BULKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the junior Senator from Arkansas [Mr. MILLER] on the subject, The Philosophy of the Fair Trade Acts. The address was delivered at a dinner given by the American Fair Trade League at the Astor Hotel in New York City on Monday evening, April 4, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The various State fair-trade acts, as well as the Federal enabling act, are based upon the recognition that good will is a property right. Good will might be defined as collective friendliness toward a person or an article.

America has grown great because of the American way of doing things. The founders of our Nation fought to establish the principles of individual liberty and freedom, and in an effort to preserve the American way and the liberty and freedom that we inherited, fair-trade legislation has been enacted in 42 States of the American Union, supplemented by the National Fair Trade Enabling Act.

President Wilson, with his unusual ability to analyze conditions, many years ago urged the regulation of competition in America instead of sanctioning and regulating private monopoly.

Fair-trade laws seek to safeguard and regulate competition and in so doing afford justice to the consumer, the producer, and the retailer. No law can be justified that does not seek to promote the general welfare of the people. Private monopolies do not add to the welfare of our people. In their very nature they restrict freedom of choice, and there is no way of effectively regulating a private monopoly except to destroy it. The American people are determined to restrict the existence of such monopolies, but it is clear to anyone that the fair-trade laws are directly opposed to monopoly. They promote competition and stimulate trade. They give appropriate rewards to the men who create. They guarantee the freedom of individual development and leave untrammeled individual effort.

The antitrust laws seek to protect persons in the right to freely compete and in that manner to preserve to the individual the opportunity and the incentive to create or produce things. It is only when men combine to form a monopoly and control a particular commodity or product that the antitrust laws apply. Even though the monopoly may not be complete in itself, still a condition is created that makes it difficult for others to enter the field and to provide competition.

Hon. Robert H. Jackson, recently appointed Solicitor General of the United States, in testifying before a subcommittee of the Committee on the Judiciary of the United States Senate, said:

"I have never conceived it to be my business nor the business of the Department of Justice to maintain a given price level. Our business is to let it be fixed by competition. As I have said, that theory is perhaps misinterpreted, in view of the antitrust laws. The

purpose is to regulate business by letting it alone, but to see that the process of competition is not interfered with. It is our duty, as I conceive it, under the antitrust laws, not to fix a particular price level but to see that those levels are fixed by open, free competition, open and free opportunity to businessmen to bid against each other, where they cannot seek to openly combine and defeat the fixing of those prices by the ordinary economic processes of competition."

That principle is a fair statement of the American plan of economics and is the underlying philosophy of the fair-trade movement.

It has been argued that the Fair Trade Acts are contrary to our antitrust statutes, but anyone familiar with the Sherman Act and the Clayton Act, as amended, must agree that those acts are strengthened by the various State Fair Trade Acts and the National Enabling Fair Trade Act. It will be remembered that the Tydings-Miller Act specifically provides that nothing therein "shall make lawful any contract or agreement providing for the establishment or maintenance of minimum resale prices on any commodity herein involved between manufacturers or between producers or between wholesalers or between brokers or between factors or between retailers or between persons, firms, or corporations in competition with each other."

It is also provided in all of these acts that the articles or products to which the acts may apply must be, "in free and open competition with commodities of the same general class produced or distributed by others."

At the time Governor Lehman approved the Feld-Crawford bill, he said:

"The purpose of this bill, as expressed in its title, is to protect trade-mark owners, distributors, and the general public against injurious and uneconomic practices in the distribution of articles of standard quality under a trade-mark brand or name. The bill is in no sense a general price fixing act. Under no condition does it authorize a contract or agreement between manufacturers and producers or between wholesalers or between retailers as to the sale or resale of any commodity.

"It is important to note that this bill applies only to commodities which are in fair and open competition with commodities of the same general class produced by others. If this essential factor is not applicable to a certain commodity then the bill has no force or effect whatsoever with respect to it.

"This bill in no way sanctions monopoly, monopoly prices, or combinations in restraint of free competition between commodities.

"It seems to me to be sound economy to devise a method whereby a manufacturer or producer may protect himself against undue slashing of the price of his product with the consequent destruction of the value of his trade-mark and goodwill and with unnecessary loss to others.

"Moreover, I believe this bill will protect the small independent merchant, retailer, and businessman. It should offer some protection against devastating cut-price practices such as the ruthless method of loss leader articles."

The enemies of fair-trade practices and the friends of private monopoly have within the last few months, through the press and otherwise, released an enormous amount of misinformation in an effort to prejudice the consumers against the fair-trade acts. They have asserted and are continuing to assert that the fair-trade acts are price-fixing laws and that they create a monopoly. These assertions and statements are made in the face of the plain provisions of the statutes and contrary to what everyone must know to be the facts. Any person operating as an independent producer or manufacturer under competitive conditions which must exist before the fair-trade laws apply fixes the price of his commodity at his peril. If he fixes it too high the consumer will not buy, or will buy some other competing article.

The public should know and this organization must undertake the task of educating the public to the fact that those who assail the fair-trade acts are the ones who are seeking a monopoly. They must be unmasked and revealed to the people in their true light and if this is done the consuming public will approve these acts because they are based upon the American principle of competition in business.

By far the great majority of people are honest and fair. They only demand, as they have a right to do, fair treatment, and as long as prices are not fixed by a combination of producers, distributors, or retailers, but are fixed by free and open competition, the public will support this movement. The public is aware of the destruction that has been wrought upon the independent businessmen of this country and is anxious for them to survive. When America ceases to be a land of opportunity, of independence of thought and action, where only a small minority can take personal ownership of the wealth of the Nation, on that day the America as dreamed by those who established this Government will cease to exist.

When it is realized that the fair-trade movement is only a weapon against monopoly, the thing that has done more to create unemployment and poverty in this Nation than anything else, Americans will support the movement.

The average American is yet an individualist. He wants individual goods and merchandise. Imagine, if you can, what this world would be like if no person could be identified, if everybody looked so like everybody else you couldn't distinguish one from another. Imagine, if you can, the state of morals, if one individual was unable to differentiate himself from another. Visualize humanity in the bulk where no one could be held responsible for his acts; where crime could not be punished and virtue could not be rewarded. Everyone would soon be on the level of the worst, and that condition will exist sooner or later in the merchandising field if you cannot distinguish one article from another by trade-mark or brand. What incentive would there be to produce anything of a superior quality? A man who creates an article is entitled to the protection of the quality that he puts in the article, and the trade-mark or brand is the insignia that distinguishes it from other articles. Destroy this property right and then try to determine the good from the bad. Competition would then be in an effort to make the worst goods and not the best, and the one who made the worst and sold the worst would profit the most.

Does anyone believe that our America would approve of such a state of affairs? Yet there are those who say that individual initiative and effort to create superior articles should not be recognized and that the public is not interested in protecting the quality of the goods that they are forced to buy and consume.

This individuality and this superior quality cannot be protected if the predatory price cutter is permitted to operate unrestrained. If the price cutter has sufficient financial backing he can destroy any producer of any article, no matter how superior the article may be. Predatory price cutting and loss-leader selling are the biggest weapons of monopoly today, and those who are opposing the fair-trade movement are, in my opinion, either willfully seeking to create a monopoly by destroying competition between producers, distributors, and retailers, or are seeking to impose upon the public merchandise of a doubtful value.

No businessman will sell an article below cost unless he knows by so doing he can recoup that loss by a sale of other goods at exorbitant prices. The average man engaged in business must obtain a profit on the goods that he sells or the goods that he manufactures, and leave him unprotected and let him be destroyed by the predatory price cutter and you will see monopoly operating as never before in this country. The independent businessmen are now and have always been the bulwark, the first line of defense against the operations of private monopoly in this country. Their ranks are thinning because heretofore they have had no weapons to use against the predatory price cutter, but under the Fair Trade Practices Act that weapon is now available, and as stated by Mr. Justice Holmes, in a dissenting opinion in the Miles case:

"I cannot believe that in the long run the public will profit by this Court permitting knaves to cut reasonable prices for some ulterior purpose of their own and thus to impair if not to destroy the production and sale of articles which it is assumed to be desirable that the public should be able to get."

It is fundamental that a democracy must not only protect the lives and property of its citizens but must secure and protect for the individual citizen an equal opportunity to succeed with his fellows and thus obtain a reasonable degree of independence and happiness. I believe if the American businessmen will direct their efforts toward making clear in the minds of our people these facts that you will thereby greatly add to the prosperity of this country. Make clear to them the distinction between the monopolies that the Sherman Act and the Clayton Act seek to prevent and punish and the price fixing which is a mere incident to the individual efforts of the citizens themselves. Your enemies are seeking to destroy you by persuading the people to think that prices are being raised and that the fair-trade laws are devices to create monopolies instead of instruments to destroy monopoly. The public is being told that these acts are revolutionary and un-American and are schemes to legalize contracts for higher prices. This propaganda being released in this Nation is a challenge to every patriotic man and woman who wants to see the American ideals preserved. Through these acts business has an opportunity to give to the people a practical demonstration of the golden rule. The independent businessmen must either suppress monopoly through the operation of fair-trade-practice acts or the Government must take over the task of regulating the manufacture, sale, and distribution of merchandise, because a just government will not permit its people to be exploited. The citizens of this Nation do not desire regimentation of business nor stifling of individual initiative. They still believe in the Jeffersonian doctrine that the best governed are the least governed, and if you bring these facts to the consuming public and they once understand that the basic philosophy of the fair-trade movement is that of honest, free, and open competition, the movement will grow and will be supported by them. You can only combat the propaganda that has been released against you by taking the people into your full confidence and by revealing to them the fundamental principles upon which the fair-trade acts are based.

There is not a father nor a mother in our land today who is not disturbed over the future of his or her offspring. They are wondering whether the opportunity to become independent and happy still exists for their boy or their girl. That opportunity does exist, but it cannot long endure if competition in business is destroyed. If we permit a further concentration of ownership of industry and of property in a few hands and fail in our duty as citizens to curb the monopolistic trends, we are not only depriving the youth of this country of an opportunity to live, we are, in fact, undermining our governmental structure. We cannot preserve a democracy in government unless we preserve a democracy in opportunity, and notwithstanding our proud boasts that America is a land of freedom and of opportunity we must realize that a people lose the power to

govern by failing to exercise that power, and likewise business will lose the power by failing to properly exercise the power. That is your task and every American can well dedicate himself to the perpetuation of these ideals in order that this democracy may survive.

Adequate National Defense

EXTENSION OF REMARKS
OF
HON. DAVID I. WALSH
OF MASSACHUSETTS
IN THE SENATE OF THE UNITED STATES

Tuesday, April 5 (legislative day of Wednesday, January 5), 1938

ADDRESS OF HON. AUGUSTINE LONERGAN, OF CONNECTICUT, AT MEETING OF THE NEWMAN CLUB, UNITED STATES NAVAL ACADEMY, ANNAPOLIS, APRIL 3, 1938

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the senior Senator from Connecticut [Mr. LONERGAN] at the meeting of the Newman Club, United States Naval Academy, Annapolis, Md., April 3, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am grateful for this opportunity to visit the United States Naval Academy, and am inspired by the presence here today of so many young men who, I sincerely believe, are destined to play a far more important part in national affairs than any group of students that has been graduated from this academy in several decades.

Whatever may have been done by our great naval men of the past is likely to be overshadowed by what those of the future are likely to be called upon to do. Among those of you before me today are some, no doubt, who are to make an indelible record upon the pages of history. And I do not refer to the glory of war, but to the responsibilities of a national-defense program whose objective is to preserve peace for the people of our country, by providing them with an adequate defense against war.

Early last autumn, because of increasing tension in world affairs, it became known that President Roosevelt was considering the recommendation to Congress of increased appropriations for naval construction. Therefore, when, on January 28, this year, the President sent to Congress a special message calling for increases in appropriations for national defense, it did not cause surprise.

Nevertheless the President's message, added to current developments in other countries, precipitated a sharp discussion in both Houses of Congress. That discussion is continuing, and to those of us who are in Congress there attaches a special significance to this legislation with respect to the maintenance of world peace and the preservation of our democratic principles of government.

The prevailing opinion of the American people is in favor of peace and opposed to war. There can be no doubt about that. And the controversies that we confront in Congress in these important days are concerned with the problem of how we can best preserve our peaceful relationship with the world without sacrificing the principles upon which this Nation has been developed.

Those who have intelligently applied themselves to this problem cannot escape the conclusion that an adequate defense is the best means of preserving our peace with other nations. A study of all past wars reveals that a series of incidents has usually inflamed the people into an emotional, if not an hysterical, demand for war. A people entirely peaceful at heart and determined to prevent war at almost any cost can be inflamed overnight by perhaps a single incident. Obviously, if these incidents can be prevented the public will not be aroused to a desire for war.

And what is the best way to prevent these incidents that lead to war?

My answer is a simple one: An adequate national defense.

A defense that will caution other nations at war with each other that they cannot wantonly, or even carelessly, take a life or sink a ship of our neutral nation and get away with it.

Since such incidents are likely to occur abroad or at sea, the maintenance of an adequate naval defense is the best assurance that they will not occur and that the minds of the people will not be inflamed into a desire for war.

Whatever the cost may be for building battleships and cruisers and other naval craft, the cost will be slight, indeed, if their existence will prevent a war that will cost many times as much in money and untold loss of life.

I can think of no stronger words to enunciate the need of a strong navy than those of your own Chief of Naval Operations, Admiral William D. Leahy, who said, in explanation of the pending naval program:

"The Navy of the United States is maintained for two general reasons. One is the prevention of war. The other is readiness to wage war effectively so that, if forced upon us, war may be brought to a close as quickly as possible with a minimum loss of men and economic resources.

"The Navy insures our national integrity, supports our national policies, guards the continental United States and our overseas possessions, and gives protection to our citizens abroad. The Navy can do this effectively only if it is maintained at a strength which will prevent a serious challenge by any nation or nations to any of America's vital national policies, which will insure respect by foreign states and their people for our citizens abroad, and which will make an attack on any part of our territory too costly and too hazardous for any foreign nation or nations to attempt.

"The Navy does not have in mind any particular possible enemy, but does consider all foreign navies in its study of the sea defense needed by the United States.

"The Navy has no thought of obtaining assistance from any other nation.

"It has no thought of giving assistance in the solution of the problem of any other nation.

"It has no foreign commitments.

"There has been no talk of giving or receiving assistance.

"The Navy expects to solve naval defense problems that may confront the United States in the Navy's traditional way without alliances.

"It expects to stand on its own feet in providing protection to the United States and it expects to succeed."

These are the cardinal principles that guide those of us in Congress who favor for the Navy an increased appropriation for naval expansion. You may be assured that such appropriations will be authorized. That will be the decision of those of us who happen to be Members of Congress; but upon the shoulders of you young men who are here before me today will fall the responsibility of using those instrumentalities of war that we place at your command, and using them wisely, in accordance with the best traditions of the Navy, and with an objective that may be slightly different from the objectives which seem to have dominated many military and naval establishments of the world in past decades. Let me impress upon you that the Nation is giving you these new armaments for the first purpose of maintaining peace. Your Navy, and mine, can grow larger in size, and in the estimation of our people, by following that objective than it ever could by inviting war. In other parts of the world, where the military organization has gotten out of control of civil authorities, there has been disaster.

Being an officer in the Navy during the next few decades will be a rich and interesting experience. But it calls for responsibility and sacrifice to great ideals and great objectives. Whether you are happy and successful in the work depends on whether or not you are prepared to play the game. The naval profession is somewhat like the ministry or priesthood. You dedicate your life to a purpose. You wear the garb of an organized profession. Your life must be governed by rules laid down by the organization. You renounce the pursuit of wealth. In a large measure you surrender your citizenship; renounce politics; and work for the highest good of the organization, and of mankind. In the final analysis your aims and objects are quite as moral as those of any churchman, because morality consists in the conservation of the best interests of civilization, and you are not seeking your own good, but the ultimate good of your country.

The Domestic-Allotment Plan for Cotton

EXTENSION OF REMARKS
OF
HON. JOSH LEE
OF OKLAHOMA
IN THE SENATE OF THE UNITED STATES

Tuesday, April 5 (legislative day of Wednesday, January 5), 1938

EXCERPTS FROM SPEECH BY HON. JOSH LEE, OF OKLAHOMA, DECEMBER 9, 1937

Mr. LEE. Mr. President, I ask unanimous consent to have printed in the RECORD some excerpts from a speech I delivered on the floor of the Senate on December 9, 1937, with relation to the domestic-allotment plan for cotton.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Mr. LEE. Mr. President, I have never been one to object to something proposed unless I could offer something else that I thought was better.

The substitute I intend to offer I wish to explain as briefly and as clearly as possible. It is based on the domestic-allotment plan, of allotting to each farmer his fair share of the American market. It provides that the Secretary of Agriculture shall issue to each farmer tags for his part of the cotton, which will be used for the domestic use.

This plan does not contemplate any appropriation from the Treasury. The plan is based upon a pegged price, which I will explain. That price is 20 cents a pound, a 20-cent bottom for cotton. It is provided that the farmer can either get a loan from the Commodity Credit Corporation at parity, if parity is above 20 cents, or at 20 cents a pound for cotton seven-eighths of an inch in length, Middling grade.

The loan method of pegging the price has been used before, so that is not unusual. The cotton that is tagged is the amount that is meant for domestic use, and it shall be unlawful for any processor to process cotton that is not tagged, except for export trade. In that case he may process untagged cotton if he can satisfy the Secretary that he exports that amount. The farmer will receive 20 cents a pound for all tagged cotton but untagged cotton will sell at the world-market price. That, in brief, is the plan.

Some raised their eyebrows at 20-cents-a-pound cotton, but I adopted that figure after a consideration of all the figures to which I have had access. I quote in particular Colonel Westbrook, formerly of the W. P. A., who is accustomed to figuring man-hour labor. His statement is that for every pound of cotton produced it takes 1 man-hour of labor, and exactly the number of cents a pound we allow for cotton is the number of cents we are allowing for an hour of labor. If cotton is 7½ cents per pound that means that the labor that produced cotton received 7½ cents per hour, and if cotton is pegged at 20 cents per pound that means that the labor that produced it receives 20 cents per pound.

In our provision for hourly wages under the wage-hour bill we have fixed a minimum of 40 cents an hour, and we pay the relief labor 40 cents an hour; then surely we are not being extravagant when we peg the price of labor for those who bend their backs in the cottonfields and pick the cotton, the most drudgerylike farming there is—we are not beyond reason when we allow them 20 cents an hour for that labor.

VOLUNTARY CONTROL

Some argue that this proposal would encourage an unlimited production. I argue that it will not. Let me show how it will work. The farmer will be allotted his fair share of the home market, let us say 10 bales. I have provided a 10-bale ceiling, which is graduated above that in a fair ratio, so that each family will have a chance. The ceiling will be 10 bales, and graduated above that as follows: The next 4 bales would be reduced 25 percent, the next 4 bales reduced 50 percent, and all above that reduced 25 percent.

But let us say that a farmer's allotment is 10 bales. He will know that for the 10 bales he will receive at least 20 cents a pound.

The other day I made the statement on the floor of the Senate that under this plan the farmer will be confronted with producing part of his crop at a profit, the part allotted to him for domestic use; and part at a loss, the part he produces above his allotment, which must be sold abroad, and the junior Senator from Texas [Mr. CONNALLY] asked, "Why raise part of it at a profit and the other part at a loss?" Exactly. I thank the Senator for that contribution. Is not that the same question the farmer will ask himself, Why raise this other at a loss? Will not that be the effect of causing him to curtail his production? He will plant just enough to allow for a lean year, a bad year, so that he can get his full allotment, and thus this plan will not result in unlimited production, but will result in an automatic voluntary limitation on the part of the farmer.

The proposal I intend to submit will also allow him to carry over his unallotted bales from year to year and use them for his allotted quota in case of crop failure, so that if there is a condition, as we have had in Oklahoma, where the boll weevil ate up everything but the mortgage, the farmer can take the stored cotton and use it for his allotment next year, and in that way there will be an ever-normal supply of cotton, without all the procedure provided in the committee bill.

Mr. President, that will mean that the farmer will say, "The more I put in the more it lowers my average." Would not the farmer say that? Will he not say, "I dare not plow up the face of the earth and raise an unlimited amount, because it will lower my income"?

The farmer has never had a chance to choose as between profitable cotton and unprofitable cotton. He has had only unprofitable cotton at 4½ or 5 cents a pound at the worst. He said, "I have a fixed obligation in the way of taxes, I have a fixed obligation in the way of interest. It will take so many bales of cotton to meet those obligations." So he expanded, by force of sheer necessity, whereas under my proposal it will not be necessary for him to increase his production in order to make up for its decreased value, but he will receive a fair price for enough that he will not be forced to so increase his crop.

Mr. President, the greatest law of life is the law of self-preservation. The farmer is not going to dissipate the income he gets for his profitable cotton and use it to produce unprofitable cotton. But he will plant only enough to allow a margin of production sufficient to insure him his full quota of allotment.

PROTECT FOREIGN MARKETS

I now come to the question of foreign trade. What chance have we to trade with the world? Can we sell our commodities on the world market if we raise the price of export cotton to 16½ cents a pound? If the plan of Senators who are proposing the committee bill would work out smoothly, which I doubt very seriously, and they could raise cotton to 16½ cents a pound today, what would happen to the over 5,000,000 bales of cotton we export? Do Senators think we could sell those 5,000,000 bales in competition with 6½-cent cotton from the Orient, from Egypt, from Africa, and from India? Do they think we could compete with cotton from those areas if we raised the price of American cotton?

I agree with Senators who say that people prefer American cotton because of its quality, but they will not prefer it to the tune of 9 cents a pound difference. We like American goods; we can swell out our chests with a certain national egotism and say that American cotton is so good that no matter what price we fix people will buy it. But how can the Senators answer the figures which show that from 1934 to 1937 the decline in our foreign trade has been over 2,000,000 bales, at the same time the world consumption has increased 5,000,000 bales? Will Senators argue that off?

Let me ask Senators something else. How are we accounting for the fact that for the year of 1936–37 the importation of cotton into the United States increased more than 100 percent over the year 1934–35, the exact figures being 116,000 bales imported in 1934–35 and 266,000 bales imported in 1936–37? It is said that is only a small amount. But it was an increase of more than 100 percent over the year before. If the bill under consideration goes into effect, in a short time we shall be coming in here asking for a tariff to protect the American growers from the importation of cotton.

I have a telegram from the bookkeeper of the Texas Department of Agriculture which reads:

"One Texas certified seed grower has received order from Italian Government for shipment of 33,000 bushels cottonseed to Ethiopia. In addition, 10 metric tons of other varieties to be shipped. At least one-third Texas certified seed sold to foreign countries. Thought you might want this information."

That amount, according to the commissioner of agriculture of the State of Texas, Mr. McDonald, will plant 100,000 acres of cotton.

Since beginning acreage reduction we have cut 12,000,000 acres off of American production and the world production increased 15,000,000 acres. How are we going to hold our market in the face of these cold-blooded facts? How can we sell our commodities unless we contemplate in legislation here a two-market system or some other sort of device that involves guaranteeing the farmer his share of the home market at a fair price and then let the surplus seek its level in the world market? It is not material to me whose plan it is or how it is arranged. Our standard of living in America is higher than that of other competing countries, and unless we give our farmers some kind of advantage in the home market we are forcing them to compete with pauper labor, making them come in competition with the Hottentots, with the coolies, Hindus, and all of those lowest types of labor. We cannot compete with that kind of labor unless we give our farmers the American market at a profitable price for his commodities. But if we give the American farmer the economic advantage of a fair price on what we wear in this country, he can whip those foreign markets in his competition because of that economic advantage, and he will do it. We could sell our surplus today, we could have sold it yesterday, if we put the price down to the point where the world will buy, but we cannot do that and sell it to the advantage of the American farmer today, because that would also lower the price he gets for what we use in this country.

Mr. LEE. The Senator is exactly right. That is why I say that the American farmer should not have to depend on the world price; and that is what the committee bill before us provides, that he must depend on the world price. That we must cut American production enough to raise the whole world price. We must make the sacrifice in America large enough to raise the whole world price level to give the farmer a fair price is the principle upon which the committee bill is based. Unless we contemplate a two-price system we cannot buck foreign competition, and we are faced with the situation of building a Chinese wall around America and producing for America only. I am not willing to do that. I am not willing to teach other countries to farm on a great scale; I am not willing to furnish them certified seed and power machinery and then bow out of the picture, and give them the world market. If our farmers want the liberty of competing with them I am willing to give the American farmers that liberty by letting them produce as much cotton as they want; if they want to do it, why not allow them that privilege? Let them produce a margin over the amount used in this country, if they desire, and that will give them an exportable surplus for foreign trade, but let them get an economic advantage by giving them a decent price on what we wear in this country—that is what I am arguing for—and giving them the liberty of producing what they want.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. SCHWELLENBACH. The Senator said that his substitute will not cause the expenditure of any money from the Treasury, and he has said that it would peg the price. Will the Senator explain in detail the mechanism that we would use in pegging the price?

Mr. LEE. Yes; by a loan from the Commodity Credit Corporation to the farmer at not less than 20 cents a pound. What does that mean? That means that the manufacturer would know that the amount of cotton we are using in this country is all that the loan is made on, and that all of that amount would be used. He knows that he will have to go to the Commodity Credit Corporation and buy that cotton if the farmer has gotten a loan on it, but he knows that when the Commodity Credit Corporation buys it there will be the interest charges, carrying charges, warehouse charges, and other charges added onto it. So he will go on the market and buy

directly from the farmer. Therefore it will be necessary to make very few loans, and they will be repaid, because the manufacturer cannot use any cotton that is not tagged for domestic use and since all that is tagged will be needed for domestic use the Commodity Credit Corporation will be sure to sell all it lends on. Thus there will be no cost to be paid from the Treasury; that is the answer.

INCREASE EMPLOYMENT

Last year we voted one and one-half billion dollars for relief. The year before that we voted $4,800,000,000 for relief, and yet we are sponsoring a program here under the present committee bill that will take men away from work and will put them on relief.

There are 3,000,000 people employed in the transportation of cotton; the handling, the transporting, the ginning, and compressing after it leaves the farmer before it gets to the mill. And thus with curtailed production, many of them will lose their jobs. How many of the tenants of the South will be turning to relief? We will have to come back here and we will have to pass legislation appropriating money to take care of them. I do not doubt at all, knowing cotton as I do, that the figures of Colonel Westbrook are correct. For every pound of cotton we are cutting off we will have to pay for a man-hour of labor somewhere in relief. Which would you prefer to do? Give them a decent price for the cotton they raise or appropriate for outright relief, which all of us agree is undesirable?

Mr. President, the program I am sponsoring is of real benefit to the farmer and of real aid to the farmer. It gives him something. The bill I propose will give him aid. The committee bill will give him a law, an empty sack, an empty purse, and an empty stomach. My program will give him aid. This will give him absolute money in his hands. It will increase his gross income. Even from that which he sells, which is not allotted to him, there will be a certain income, which added to what he receives for his allotted quota will increase his gross income just that much. Give the farmer 20-cent cotton and you can fold up the relief agencies of the South.

PRESERVE THE FARMER'S INDEPENDENCE

I say the program I am sponsoring will restore to the farmer his independence. He is the last individualist left. The merchant kowtows to different factions; the professional man tries to please every side; but the farmer stands on his two legs and looks the world in the face, and if you protect him he will tell them to go to a place that is hotter than this one. There is an independence, there is a spirit of independence that I believe is worth preserving in America.

Thomas Jefferson said—I wish he had said it louder, but he said:

"It is not by the concentration of powers that good government is attained, but by their dissemination."

"If we are told from Washington," he said, "when to sow and when to reap, we shall soon want bread."

Did the founder of the Democratic faith look down through the years and see this very situation? He could not have drawn a better picture of it if he had done so. If we are told from Washington when to sow and when to reap, we shall soon want bread.

Senators, I ask you, in the name of the cotton farmer, who is on his knees, literally and economically, to give consideration to a bill of the kind I have introduced. It will not raid the Treasury. It will give the farmer a chance—the first decent chance he has had since the tariff was put on this country.

Reorganization of Executive Departments

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 5 (legislative day of Wednesday, January 5), 1938

LETTER FROM HON. RUSH D. HOLT, OF WEST VIRGINIA

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the RECORD a letter which I wrote to a West Virginia citizen on the subject of the executive reorganization bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Committee on Naval Affairs.

LETTER OF SENATOR RUSH D. HOLT IN REPLY TO A WEST VIRGINIA CITIZEN WHO OPPOSED THE EXECUTIVE REORGANIZATION BILL

DEAR MRS. ———: I am in receipt of your letter in which you object to the statement made by the President of the United States about the protests against the passage of the Executive reorganization bill.

I know that you supported the President in 1932 and in 1936. I know that you are a Democrat. I know that you have been a supporter of most of the administration policies.

I do not blame you for objecting to the President's statement that your telegram, as well as other wires, were sent through misrepresentation and were inspired by some sinister influence.

The attitude of those in control of the administration program that the individual citizens of America have no right to protest is a dangerous "straw in the wind." It was so important to the men who founded this Government that they wrote into the Constitution that right.

The fear that has been instilled is bad for democracy. Individuals write and call me in opposition to the legislation and then caution me not to mention their names for fear of punishment. This is true of other Senators. Has it come to the place in this country that has always been the pride of those who believed in freedom that citizens fear to exercise their constitutional rights?

As you state, there seems to be no objection to the pressure from those who favor legislation sponsored by the administration. The point that you make that the committees ignore investigating pressure from the White House is well taken.

I know that your telegram as many other telegrams came from individuals who have the greatest love for our country. I know that the inspiration for those telegrams was the desire to protect our Government and to do something that you believed to be for the best interest of the people.

You paid for your telegram. The pressure for the passage of the bill was paid for out of the Public Treasury, and you will have to pay part of that. You will have to pay for the needless expenditure of money that has been spent to please administration supporters.

The right to petition is yours. Use it. Nothing will do more to carry out the wishes of the people than constantly keeping in touch with the action of your Government and expressing your approval or disapproval of the action. A man who fears the right of petition is not a believer in the principle of democracy. By writing your representatives in Washington, you will contribute your share to making this a better Government.

Don't fear the attack upon your constitutional right. Exercise it more freely. The pressure here is to take the power away from the people. It is your duty and the duty of all other good American citizens to exert your influence to see that the power that is yours will not be further removed from your control through usurpation and delegation.

I believe in your right to petition. I believe in the right of all others to petition. Any man who will try to take that right away from you is opposing democracy.

This is your country. This is your Government. It is not just the Government of those elected or appointed to office. Your right is just as sacred as their right.

Sincerely,

RUSH D. HOLT.

Merchant-Marine Problems

EXTENSION OF REMARKS

OF

HON. ROYAL S. COPELAND

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, April 5 (legislative day of Wednesday, January 5), 1938

SPEECH OF EMORY S. LAND, CHAIRMAN OF THE UNITED STATES MARITIME COMMISSION, BEFORE THE PORT OF PHILADELPHIA MARITIME SOCIETY, MARCH 31, 1938

Mr. COPELAND. Mr. President, we all felt regret when Mr. Kennedy, our present Ambassador to Great Britain, left the Maritime Commission, but I have no doubt all agree that we are to be congratulated that we have an efficient Chairman of that Commission, who is going forward vigorously in the work. In proof of his sane promotion of maritime affairs I present for printing in the RECORD a speech by Admiral Emory S. Land before the Port of Philadelphia Maritime Society on Thursday, March 31, 1938.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

When I reflect on the present condition of the American merchant marine, I am somehow reminded of the story of the young prize fighter who was having his first fight.

He was poorly matched and in the first round his opponent punched him all over the ring. So he was somewhat surprised when has manager told him between rounds:

"Kid, you looked great. Why, he didn't lay a glove on you."

In the second round the youngster took worse punishment. One eye was closed when he returned to his corner, but his manager was still full of encouragement.

"Your style is fine, boy," he told him. "He hasn't been able to lay a glove on you yet."

The gong was the only thing that saved the lad from a knockout in the third round and his other eye was closed.

"Say," he gasped to his manager, "did you tell me that that fellow hasn't laid a glove on me?"

"Sure. Sure," said his manager.

"Well, if that is true," replied the boxer, "you better keep an eye on the referee because someone in this ring is knocking hell out of me."

Although this illustration may be more amusing than apt, it serves to describe the condition of the merchant marine today.

Since the World War, from which it sprang full-grown, it has suffered a succession of blows from all sides which has left it sick and bewildered.

It has suffered from financial troubles, labor troubles, vacillating and vague governmental policies, the depression, mismanagement, extravagance, and a scandal which held the whole shipping industry up to public obloquy.

Prior to 1914, and dating back to the Clipper era, the history of the American merchant marine is one of neglect which found it decadent and prostrate when the World War broke out.

Mindful of the lessons of the war when ocean rates went sky high and American goods piled up on the seaboard rotting and rusting because there were no ships, and the other difficulties that were encountered, we resolved that we would never be caught in the same predicament again.

So it was with pardonable pride that we embarked after the war with a great armada of 2,500 war-built merchant ships on an aggressive program to regain and retain our once high place among the maritime powers of the world.

We have come to the end of that sad venture.

Today we are making a fresh start.

Since the Maritime Commission has been in existence it has been busy clearing away the wreckage of this shattered venture, evaluating the assets we have salvaged and initiating the program of rehabilitation envisaged by the Merchant Marine Act of 1936.

Despite the failures of the past, our determination to have a strong American merchant marine has not wavered.

In 21 years, from 1917 to 1937, the Government's shipping bill amounted to $3,575,736,398. The statement has been made so often that it is now widely accepted as fact that this staggering sum represents what the American people have spent on a merchant marine in that period. That is not true.

Over $3,000,000,000 of this money was spent under the goad of national necessity to build the merchant ships we needed to fight the war.

These were to be the "bridge of ships" over which our soldiers were to move to France and our munitions transported to our Allies. They were built on the basis that a single successful voyage through the war zone would justify their construction.

Their cost was part of the war bill and should be so debited, although included in it was the price we paid for our previous neglect of a merchant marine.

Even so, the bill is still excessive, considering what we have to show for it, although one or two encouraging items, which have been more or less overlooked, are to be found on the credit side of the ledger.

One is that some new ships have been built, although they represent but a fraction of replacements required or contemplated under the various laws to aid shipping which Congress has passed in the last 18 years. These vessels were the combination passenger and cargo liners built for the North Atlantic, the South and Central American trades, the Pacific, and intercoastal routes. There are few finer or safer ships afloat, and they have been able to meet foreign competition, which has demonstrated that, given fast and modern ships and placed on anywhere near the same parity, our merchant marine can hold its own.

The other is that the volume of our foreign commerce which is carried on American-flag ships is now about 35 percent as compared with 10 percent in 1914.

In the light of the vast sums we have spent on the merchant marine, these accomplishments may appear insignificant, but they are the source of some small satisfaction and some hope for the future.

In undertaking its assignment the Maritime Commission inherited many of the problems which have beset American shipping for years. In addition, it has been confronted by a number of new ones.

The whole subject of shipping consists of a multitude of these problems, most of them complex, and many of them baffling in their contradictions. An effective illustration can be found in the first paragraph of the Merchant Marine Act.

That paragraph, which is a declaration of national policy, states—I quote briefly—that "it is necessary for the national defense and development of its foreign and domestic commerce that the United States shall have a merchant marine. * * *"

This is a great policy, and these are splendid objectives, but the practical approach to them is strewn with complications. Building merchant ships with the required national-defense features which at the same time will be capable of economical operation commercially is not simple because these very features tend to reduce a vessel's earning capacity.

Time does not permit me to explore the many other problems.

The major task before the Commission is the long-neglected replacement program. Our merchant marine, built largely as a unit, is about to expire in the same way.

Replacement requirements, in both domestic and foreign trade, are enormous. Our total seagoing fleet comprises some 1,422 vessels of 2,000 tons and over, aggregating 8,407,000 tons. Of this fleet, a total of 1,305 vessels of 7,402,000 tons will be 20 years old or more by 1942. To replace all ships now approaching obsolescence would require the construction of an average of 261 vessels of about 1,500,000 tons per year. This staggering program would cost in the neighborhood of $2,500,000,000.

The subsidized fleet, with which the Commission is directly concerned, consists of 158 vessels. Of this fleet, 134 vessels will become 20 years old within the next 5 years. Their excessive operating and repair costs now are a drain alike upon the companies and upon the Federal Treasury. They must be replaced within the next few years.

To meet this imperative need for new ships the Commission already has initiated a construction program which includes 12 cargo ships, which it plans to build itself; 12 high-speed tankers for use as naval auxiliaries, which will be built by the Standard Oil Co. of New Jersey in cooperation with the Commission; the model safety liner which will replace the *Leviathan* in the North Atlantic service; and 30 to 53 vessels which the subsidized lines are committed to build in the next 5 years.

Considering that there are only 158 vessels in the subsidized fleet, this construction program represents a substantial beginning, but considering the merchant marine as a whole, it is apparent that we have only scratched the surface. We have become accustomed to thinking about the merchant marine principally in terms of our foreign-trade fleet, but our domestic fleets are an equally essential part of it. In numbers, our domestic fleet actually exceeds the foreign-trade fleet and its tonnage is about the same. Like the foreign fleet, the domestic fleet is in poor condition. Its ships are as old, if not older, and many of its operators are in a precarious financial condition. How are they going to make replacements? Under the law, the Maritime Commission cannot help them except to loan them money for new construction at a low rate of interest. This is just another problem.

The Commission received a shock when it opened the bids for the construction of the 12 cargo ships which it is contemplating building for its own account. To build ships at the prices quoted by the larger yards and to attempt to operate them at a profit with this high capital cost, even with the most liberal Government subsidies permitted under our act, would be virtually impossible. The Commission estimated that these ships should cost about $23,000,000. Our estimates were based not only on prevailing prices of material and labor but also on the savings that were expected to accrue from duplicated production, a form of standardization, if you choose to call it so.

Shipyards were invited to bid on a standard ship designed by the Commission after long study and tests, during which time we had the finest cooperation and assistance from those interested in cargo-ship design in private industry. These ships really represent an assembly job. The Commission has been criticized for its policy in trying to build ships on this basis. There is no valid reason why it cannot be done. There are many valid reasons why it should be done. There are some ships which must be tailor-made to fit the class of traffic they carry, but, generally speaking, a cargo vessel can operate anywhere. This is not a new idea. The Government tried it on an unprecedented scale at Hog Island during the war and the record of the best designs of these ships, many of which are still in operation, is an impressive answer to all skeptics.

The Commission is convinced that the C–2 cargo ships can be built within the range of its own estimates. The bid of a comparatively small yard at Tampa, Fla., for four vessels was within this range. The Commission found upon investigation that this yard can do this work and approved the company's bid, subject to certain conditions. If these conditions are met—and we expect them to be—the Commission will sign a contract with this company for the construction of these four vessels. Meanwhile, the Commission has been negotiating with the next highest bidders with the object of prevailing upon them to reduce their prices in line with the Commission's estimates. If these negotiations are unsuccessful, the Commission will readvertise for bids.

In the opinion of the Commission, this is a practical approach to the problem of high shipbuilding prices. Merely challenging these prices as to high cost does not lead anywhere. Of course, we are conscious of the risk we are taking in giving a contract for four ships to a yard which has not built a vessel since the war, although it did build some fine ones during that time, but we believe that the results will vindicate our judgment. An analysis of the bids for these ships served to strengthen the Commission's confidence in its own estimates. This analysis reveals the cost of labor and materials to be about the same in all of the bids. The differences occur principally in the allowances for overhead and profit.

Of late, the labor conditions in the merchant marine have been receiving a lot of unfavorable publicity. Some of it has been justified. Some has been exaggerated. But all of it has had a damaging effect from which it will take years to recover. The Merchant Marine Act contains certain direct guaranties for the seamen who man our subsidized vessels which I believe are not accorded labor in any other industry. The law directs the Maritime Commission to fix minimum wage and manning scales, reasonable working conditions, and standards of living aboard these ships. Long hours of work, low pay, and poor living conditions have been a constant source of unrest on our ships. The Commission earnestly is striving to correct these conditions. It has fixed minimum-wage scales and it is preparing to promulgate minimum manning scales. Living standards have been promulgated and as a result of an individual survey of each ship in the Government owned and subsidized fleet, the Commission has ordered improvements made in crews' quarters and accommodations, which will eventually cost nearly $2,000,000. Much of this

work already has been done. As most of the ships are old, there is naturally a limit to the improvements which can be made economically, but on all new ships which are built under the direction of the Commission, quarters for the officers and crew will be unsurpassed.

As a means of preventing strikes and other major labor disturbances in the merchant marine, the Commission has recommended to Congress the establishment of a maritime mediation board, fashioned after the Railway Mediation Board which has functioned so satisfactorily in the railroad industry. A ship's strike is a three-way loss—the employee's loss, the employer's loss, and the public's loss. Is it asking too much to expect maritime labor to adjust their grievances through collective bargaining, mediation, and other means of conciliation and at the same time continue their work until all peaceful efforts to reach a settlement have been exhausted?

Various criticisms have been directed at the Commission with regard to its plans for training both licensed and unlicensed personnel, and particularly with regard to its cadet system, all of which have the purpose of improving conditions on our ships. Many of the arguments and much of the objection are based on the fact that there is an oversupply of both licensed and unlicensed personnel at the present time, and that, therefore, no new men should be trained. This is a specious argument. If it were tenable we might just as well stop educating our citizens in high schools and universities because there is an oversupply of educated personnel in the country today so far as jobs are concerned. The analogy might readily be carried on to the technical trades and skilled artisans. Our critics overlook the fact that any education at any time is not only of value to the individual concerned but it also is an asset to the citizenship of the Nation.

Yesterday the New York offices of the Maritime Commission were picketed by a maritime labor organization which charged that the Commission was discriminating against its members in favor of the members of a rival union. The Commission has heard this complaint before.

On Monday of last week representatives of the Committee for Industrial Organization were discussing matters with me and as one of their grievances they stated that the Maritime Commission was not neutral but was prejudiced and indicated that it favored the American Federation of Labor by about 100 percent. The next day a representative of the American Federation of Labor was sitting in the same chair in the same office and definitely announced that the Maritime Commission was not neutral but that it favored 100 percent the Committee for Industrial Organization. This remark so amused me that I was put to task as to my humor, whereupon I explained the incident of the day before and said that 100 percent American Federation of Labor minus 100 percent of Committee for Industrial Organization left zero which I termed neutrality, that being the exact position of the Maritime Commission.

The Commission is being guided, in its approach to the various merchant-marine problems, by a single objective—the national welfare. The Commission will decline to expend public money without careful scrutiny of the objectives to be attained. Ship subsidies are more than payments designed to insure the building and operation of ships. They must be viewed as an investment in national security. For that reason every dollar expended by the Commission must be made to provide the fullest possible return. The Commission is mindful of the need for haste in rebuilding our merchant fleet. It is also mindful of the necessity for vigilance in the disbursement of public funds.

Democracies Versus Dictatorships

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1938

RADIO ADDRESS OF HON. JOHN W. McCORMACK, OF MASSACHUSETTS, APRIL 5, 1938

Mr. McCORMACK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my radio address over the Columbia Broadcasting System, Tuesday, April 5, 1938, at 4:45 p. m. My topic was Democracies Versus Dictatorships. I spoke during the Current Questions Before the House series, which is broadcast every Tuesday, through the facilities of WJSV.

The conditions that exist throughout the world today, with the rise of dictatorships, their disregard of treaty obligations and the right of small nations to exist, with the persecution against minorities among their own people, bring more forcibly than anything else could the meaning of democratic institutions of government. Now, more than ever during the life of any living American, should we appreciate the preciousness of our form of government. During the past several years democracy has been on the defensive throughout the world. An awakening to the meaning and dangers of communism, nazi-ism, and fascism has taken place in the minds of our people.

When we view the conditions of the individual in Communist Russia, the dictatorship of the "left," rapidly developing now under Stalin into a Russian fascism; of the conditions of the people in Nazi Germany and in Italy, dictatorships of the "right," surely we can gratefully appreciate the proud and enviable position that we occupy as citizens of the United States. In our country personal liberty, the cornerstones upon which freedom of religious conscience, freedom of speech, and freedom of the press are recognized, as God intended and decreed, as a natural right of the individual. The recognition by that great body of men who drafted the Constitution that the rights of the individual contained therein are natural rights as coming from God himself was evidenced by their incorporation into the Constitution itself, guaranteeing liberty to us and protecting us in their possession and exercise.

Therefore under our Bill of Rights, the first 10 amendments to the Constitution, personal liberty was guaranteed to us as a natural right. A democracy is the only form of government wherein human or natural liberties exist as of a right. In dictatorships they exist, if at all, through mere sufferance.

In the overthrow of the czaristic rule in Russia and the later overthrow of the Kerensky regime, communism in its present form took control of that country and its people. It has been in control for about 20 years. In the beginning it was heralded by its adherents with great promise; today it stands before the world with all of its hyprocrisy, in all of its viciousness, a failure. As we view what has happened and is happening in Communistic Russia we cannot fail to observe that Stalin is developing a Russian form of fascism, retaining all the viciousness and cruelties of communism. I wonder how the Communists of the rest of the world (and we have some in this country) and their allies, the chaotic liberals, who are not necessarily political but economic Communists, and, in my opinion, more dangerous in this country than an actual Communist, now think when they witness, not only the failure of Russian communism but of Stalin, their idol, turning the Soviet Union into a Fascist state. Ladies and gentlemen, a few weeks ago a prominent intellectual of our country, who had for years been pro-Communist renounced his past affiliations, condemned communism, and admitted in a public interview that the only form of government that was for the best interests of the people and which could serve their best interests was democracy. I never could understand why a person of his ability could have been sympathetic to communism. His return to the principles of democracy should be followed by others who now think as he formerly believed.

In Russia, during the past 20 years, the world has not only seen the destruction of personal liberty but witnesses also its anti-God governmental policy—its determination to destroy all religion. This is easily understood. Communism is oriental in its origin. It is of the East. It cannot impress itself definitely and successfully upon the western mind until religion is destroyed. Hence the underlying reason for its vicious and destructive anti-God policy.

During the past 20 years priest, nun, minister, and rabbi have been imprisoned and killed solely because of their belief in God and because they were performing His work on earth. And yet, strange to say, in this country there are some who invite leaders of communism to speak in their churches and from their pulpits. There are some who also appear and speak with Communist leaders at meetings influenced and controlled by Communists. They are playing with fire. Where would they stand under communistic government? Why its first act would be, like that which occurred in unfortunate Russia, to destroy religion, to imprison or liquidate—which is the polite Communist word for "murder"—all priests, nuns, ministers, and rabbis. Sorrowfully I mention the case of the good Sisters of love and mercy which happened in Russia and Spain: They would first desecrate before taking their lives. But a vigilant American public will never let that happen here.

What is the lot of the workingman under communism? It is worse than slavery.

The family life under communism is practically nonexistent and is in a deplorable state. Fear and terror stalk in that unfortunate country. That Government has persistently, despite its promises of 1928, through propaganda and otherwise, attempted to overthrow other governments. It came near success in Italy, China, Germany, is still working in Mexico, and nearly succeeded in Spain. Communism is responsible for the unfortunate conditions that exist in Spain and for the civil war that appears to be coming to an end. It is not only the negation of but is also the enemy of democracy. It is ruthless and vicious in its operation. It was born of violence, it lives by violence, and it will die by violence. Communism is the avowed enemy of our form of government. No matter how much he might assert otherwise, a Communist cannot be a good Communist and at the same time be a good American.

Out of communism has grown nazi-ism and fascism. They are the nationalistic dictatorial reaction to communism. These forms of dictatorships are the unacknowledged and disavowed offspring of communism. They are its ill-begotten child. While the methods that both types of dictatorships adopt are different, their objectives in expediency are the same. Personal liberty is destroyed. The individual is a ward of the state. The state is all powerful. It is supreme. Both are the negative of democracy. When necessity requires, in the hands of a harsh dictator, so far as the individual is concerned, the ultimate results under nazi-ism and fascism are the same as under communism. The difference is merely one of degree.

We witness in Nazi Germany the attempt by the state to control religion, the determination to paganize religion. We witness the persecution of Catholic and Protestant alike fighting the pagan policy, and for religious freedom. We see the Jew persecuted for both religious and racial reasons. We see government as such, in Russia and Germany, different types of dictatorships, but both engaging in persecution and oppression. Minority groups of America, and members thereof, I know, recognize the fact that history and present-day experience teaches that it is only under democratic processes of government that the rights of minorities are and can be preserved. It is only under a democracy that no possibility of governmental persecution can exist. Ladies and gentlemen, it is interesting to observe that nazi-ism and fascism developed only in countries that have been seriously threatened with communism. Italy and Germany were threatened with communism, and they turned to the dictatorship of the "right." They accepted the lesser of two evils.

I believe it's fair to say the greater part of the people of those countries want neither. But, unable to have the form of government they desired, and faced with communism, and having no other choice, they complacently accepted what they considered to be the lesser of two evils. That situation exists in Spain today. So, I repeat, it is only in countries faced with the probability of communism that nazi-ism and fascism have taken root and control of government. Nazi-ism and fascism is the reaction to communism. In any country where communism is weak so, too, fascism and nazi-ism are also weak.

In passing, it is interesting to note that in no nation of the world that was a democracy in fact before the World War has either communism, nazi-ism, or fascism taken control. These movements have taken control only in countries whose people have had very little, if any, experience in the science of democratic processes of government.

As a suggestion, and as a caution to my listeners, do not confuse my talk of today in connection with any pending legislation before the Congress. Such charges that we hear and read about are a part of the politics of our country. They are a part of the game of politics on the part of some, and on the part of others, to try and instill fear into your minds to bring about a hoped-for and desired result—to influence your vote. It is a healthy condition to have exist in a country, but it could only exist in a democracy. Fair criticism always produces constructive results. Unfair criticism is ultimately detected and hurts those who make it. In any event, all kinds of criticism not repugnant to public morals, or libelous, or slanderous, must be permitted and tolerated where democratic processes of government exist.

We, of the United States, believe in the fundamentals of our Government. The fathers of our country fought that they and succeeding generations of Americans might enjoy the blessings of liberty, not by the sufferance of a king or a dictator, but as a matter of natural right. It is our duty to preserve that which they created and which we inherited, and to pass our Government on to the next and succeeding generations of Americans. The founding fathers realized that democracy was the only form of government under which personal liberty as a right could live; under which the rights of minorities could be protected even against the Government itself. The best evidence of the vision of the framers of the Constitution is the conditions that exist in other countries today. Civil liberties have been destroyed wherever dictatorial government exists. In this troubled world of today it is our duty militantly to combat all subversive activities in our country, to preserve for ourselves and for future generations the God-given natural rights of mankind that can be safe only in a democracy. With faith in God, faith in our country, faith and confidence in ourselves and in our ability to solve the problems that confront us, with respect for the constitutional rights of all, with an affirmative determination to preserve our form of government and all that it stands for, we need have no fear of our future.

In conclusion, I express my thanks to the Columbia Broadcasting System for permitting me the use of its facilities.

Taxation of a Connecticut Industry

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Tuesday, April 5 (legislative day of Wednesday, January 5), 1938

ARTICLE IN THE HARTFORD (CONN.) COURANT, MARCH 18, 1938

Mr. MALONEY. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an article appearing in the Hartford (Conn.) Courant on March 18, 1938, with reference to the tax on an industry of Connecticut.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Hartford (Conn.) Courant, March 18, 1938]

HARTFORD SPECIAL MACHINERY PAYS $70,947 IN TAXES—1937 LEVY ON COMPANY $451 PER EMPLOYEE AND $14.18 PER SHARE

(By A. E. Magnell)

The Hartford Special Machinery Co., manufacturers of machinery, tools, gears, and cams at its plant on Homestead Avenue, paid $70,947 in taxes in 1937, a sum which, if levied against each of the 157 average number of employees at the plant, would make an annual charge to each and every one of them a sum of $451.09. Further broken down into number of man-hours employed represented a sum equal to 24 cents per hour.

The amount of tax dollars each share of stock carried was equal to $14.18. The taxes paid amounted to one and three-quarters times the amount received by stockholders in dividends, based on the par value of company shares.

The taxes paid were equivalent to 35.1 percent of the company's total income, which was approximately $202,000. Taxes paid in 1936 amounted to $34,954, or 29.2 percent of the total income. Taxes in 1935 were equal to 18.8 percent of the income and 14.5 percent of the 1934 income.

The Hartford Special Machinery Co.'s capital consists of 5,000 shares; the taxes apportioned on a per-share basis were as follows: 1933, $1.72; 1934, $3.18; 1935, $3.79; 1936, $6.99; 1937, $14.18.

Taxes of various kinds paid in 1937 were as follows: City of Hartford, $6,198; old-age pension, $3,360; State unemployment, $7,086; Federal unemployment, $788; State income, $2,966; capital stock, $1,487; Federal income, $47,125; compensation insurance, $1,936.

Award of Nieman Fellowships to Alabamians

EXTENSION OF REMARKS

OF

HON. JOHN H. BANKHEAD, 2D

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 5 (legislative day of Wednesday, January 5), 1938

NEWS ITEMS AND EDITORIALS FROM ALABAMA NEWSPAPERS

Mr. BANKHEAD. Mr. President, the widow of Lucius W. Nieman, founder and publisher of the Milwaukee Journal, bequeathed to Harvard University $1,000,000 to promote and elevate the standards of journalism in the United States and educate persons deemed specially qualified for journalism. Scholarships have been established, and are known as Nieman Scholarships, at Harvard University.

Recently nine fellowships were awarded for the academic year beginning next September. There were 312 candidates, representing 195 newspapers in 44 States. Two of the fellowships were awarded to Alabamians. Mr. Osburn Zuber, chief editorial writer of the Birmingham News, and Herbert Lyons, Jr., who holds a similar position with the Mobile Press-Register, were included in the successful list. Mr. Lyons is a close relative of the junior Senator from Alabama [Mr. HILL]. Mr. Zuber and Mr. Lyons are versatile, brilliant, and able young men.

I ask unanimous consent to have printed in the Appendix of the RECORD a news account of the recent award of the Nieman fellowships, and also editorials on the subject from the Montgomery Advertiser, the Talladega Daily Home, and the Selma Times-Journal.

There being no objection, the news items and editorials were ordered to be printed in the RECORD, as follows:

Osburn Zuber, 34, chief editorial writer of the Birmingham News, and Herbert Lyons, Jr., 29, who holds a similar position on the Mobile Press-Register, are among 9 newspapermen selected from among 312 candidates for the Nieman fellowships for study at Harvard University. The two Alabamians and the other successful candidates will study during the academic year beginning next September.

The 312 men applying for fellowships represented 195 newspapers in 44 States. They were selected on the basis of the ability and promise indicated in required written statements from the candidates, samples of their newspaper writings, and letters of recommendation.

Four years ago Mr. Zuber received first honorable mention in the Pulitzer prize awards for the excellence of an editorial, Why We Still Have Lynching in the South. The editorial appeared in the News 5 years ago.

NATIVE OF COLUMBUS, GA.

Mr. Zuber has been an editorial writer for the News since 1930. He was born in Columbus, Ga., but was reared in Montgomery. He has been in newspaper work 16 years. Prior to his coming to Birmingham he was a member of the staff of the Montgomery Journal, the Montgomery Advertiser, the Augusta (Ga.) Herald, the Charlotte Observer, and the Philadelphia Public Ledger as reporter and rewrite man, then going, as associate editor, back to the Advertiser.

He attended Montgomery public schools and later was a special student at Birmingham-Southern College here.

On the News he has specialized in editorials on political, economic, and agricultural subjects. At Harvard he will study economics and government.

He is married, and the Zubers have a young daughter, Jane.

Mr. Lyons studied at Columbia University and has been in newspaper work 7 years, specializing recently in editorials on southern agricultural and industrial problems. At Harvard he will study economics.

He is a nephew of Dr. and Mrs. E. W. Rucker, Birmingham. His full name is Hilary Herbert Lyons, Jr., but is generally known by associates as Herbert Lyons, Jr.

The nine successful Nieman candidates, including five editorial writers and four reporters, were named Sunday night. Those selected, in addition to Mr. Zuber and Mr. Lyons, are Edwin A. Lahey, 36, reporter on the Chicago Daily News; Frank S. Hopkins, reporter on the Baltimore Sun; Irving Dillard, 33, editorial writer on the St. Louis Post-Dispatch; Louis M. Lyons, 40, reporter on the Boston Globe; John McL. Clark, 27, editorial writer on the Washington (D. C.) Post; Wesley Fuller, 25, reporter on the Boston Herald; and Edwin J. Paxton, Jr., 25, chief editorial writer and associate editor on the Paducah (Ky.) Sun-Democrat.

MANY COMPETED FOR HONORS

Competing for the fellowships were 160 reporters, 22 editorial writers, and 130 newspaper executives and special writers from many of the best known newspapers in the United States. Applicants included 111 from the Midwest, 70 from the Middle Atlantic States, 46 from the South, 35 from New England, 29 from the far West, and 20 from the Southwest. Only Vermont, Rhode Island, Nevada, and Louisiana were not represented.

The fellowships were established under the Lucius W. Nieman and Agnes Wahl Nieman Fund of approximately $1,000,000, which was bequeathed to Harvard to promote and elevate the standards of journalism in the United States and educate persons deemed specially qualified for journalism.

Mr. Nieman was the founder and publisher of the Milwaukee Journal. The bequest to the university was made in his widow's will.

Under a broad plan adopted by Harvard the fellows will select courses from the regular university curriculum. They were permitted to choose the fields in which they will study. They will not be permitted to engage in journalism during their period of residence at Harvard, nor can they be candidates for any degree.

The awards were made on the recommendations of the committee on Nieman fellowships. The university announced that in future years the number of fellowships probably will be from 12 to 15 annually and that only 9 were given this year because less than the expected income from the fund was available this first year. The amount of each fellowship was adjusted to the needs of the fellows suggested.

MEMBER OF COMMITTEE

The members of the committee were John Stewart Bryan, publisher of the Richmond News Leader and president of the College of William and Mary, chairman; Ellery Sedgwick, Boston, editor of the Atlantic Monthly Magazine; and Walter Lippmann, New York, special writer for the New York Herald Tribune and other newspapers. All three are members of the Harvard board of overseers.

In addition to a full program of study, the men will be brought together from time to time for discussions of the various problems confronting journalism in the United States. Outstanding men will meet with the fellows from time to time, presenting their points of view on these problems.

An advisory committee will assist the fellows in mapping their courses and offer any advice which will enable them to take the fullest advantage of the opportunity offered by the awards.

Members of the advisory committee are Jerome D. Greene, secretary to the Harvard Corporation, chairman; Alvin H. Hansen, Littauer professor of political economy in the graduate school of public administration; Carl J. Friedrich, professor of government and tutor in the division of history, government, and economics; Howard Jones, professor of English; and Arthur Wild, director of the Harvard University news office.

[Montgomery Advertiser]

TWO ALABAMA EDITORS HONORED

Distinction has again come to Alabama editors, one of these (of course) being an alumnus of the Advertiser. The Nieman Foundation named nine American newspaper writers to take a year's study at Harvard, and two of these are Alabamians. That, we think, is a distinct honor to a State whose people are half blind because of the stars that fell on them that time and gave them concussion of the brain, or something.

You have to be good to get a Nieman fellowship. The Niemans owned the Milwaukee Journal. They loved their country, they loved daily journalism. They wanted to make it possible to broaden the intellectual scope of the men and women who write for our newspapers, and so they set aside approximately $1,000,000 to provide fellowships at Harvard, where these men and women could have 1 year of intensive study of basic American problems, including particularly economics and politics. They specifically provided that no journalist was eligible who could not get a leave of absence from his paper and be assured of his job upon the completion of his course of study.

And so it is highly creditable to the Birmingham News and the Mobile Press-Register that they should have encouraged men on their staffs to seek these fellowships.

It is even more creditable to Mr. Osburn Zuber, chief editorial writer of the Birmingham News, and Mr. Hilary Herbert Lyons, an editorial writer for the Mobile Press-Register, that they should have been chosen by the Nieman committee, for, after all, they were in competition with all the editors of the United States for the few favors that the Nieman Foundation had to bestow. Out of the nine, Alabamians won two. Pass the orange juice, please.

Zuber never before went to college except as a lecturer, although we believe he claims that he did do some special work at Birmingham-Southern. He is a graduate of Sidney Lanier High School in Montgomery. He knows much more about a cow pasture than he does about a university campus, and when he and his telescope arrive at Cambridge next fall we hope to have a staff photographer on hand to take his picture as he seeks a modest boarding house.

You see, we knew Zuber in the old country. In his green cub days he was associate editor of the Advertiser. At that time he thought Harvard was a correspondence school located in Boston. Now he knows that it is something else and is located in Cambridge, wherever that town may be. We'll have to look it up.

Lyons is not an Advertiser alumnus, but he might as well have been. He is named for Hilary Herbert, Confederate colonel, Alabama Congressman, and member of Cleveland's Cabinet, all of which means something to the Advertiser. He is a Lyons of Mobile and a kinsman of the Hills of Montgomery. Plainly, he belongs. Lyons and Zuber are forceful and gifted editorial writers. They love their State and expect to spend the rest of their lives serving it. In order to serve it with greater effectiveness and distinction they wish to spend a year at Harvard the better to prepare themselves for their mission as leaders. After they have taken their barrel of apples to their teachers and read the heavy tomes they must read and been questioned about them, they will return to their home State and begin the performance of a great service to their people.

The Advertiser congratulates Mr. Zuber and Mr. Lyons and it congratulates also their newspapers and their State. They have been appropriately honored.

[Talladega Daily Home]

NIEMAN AWARDS TO ALABAMIANS—EDITORS HONORED

Two Alabama editorial writers have been selected out of nine who were chosen over the country for Harvard fellowships for the academic year beginning in September. They are Osburn Zuber, chief editorial writer of the Birmingham News, and Herbert Lyons, Jr., who occupies a similar position with the Mobile Press-Register. The selections were made from a list of 312 men on 195 papers in 44 States. This is high recognition for the two Alabama editors and their ability to benefit by study and research at Harvard. They also serve as an illustration to the public that the newspaper business and news gathering and editorial writing are not the happy-go-lucky affairs that are so often depicted in the movies and in stories, but constitute a serious career in which the workers are constantly endeavoring to improve themselves to be able to turn out a better class of work. We congratulate the News and the Press-Register in having two such outstanding men on their staffs.

[Selma Times-Journal]

A TRIUMPH FOR ALABAMA'S PRESS

The entire press of Alabama shares in the natural gratification of the Birmingham News and the Mobile Press over selection of Associate Editors Osburn Zuber and Hilary Herbert Lyons, Jr., among the first nine journalists of the Nation for Nieman fellowships at Harvard University.

Mr. Zuber, of the News, and Mr. Lyons, of the Press, have made enviable records as editorial writers of their papers, and both are widely quoted and consulted by their colleagues in other States as well as Alabama.

We have long been of the belief that Alabama stands high in the South for the general excellence of her newspapers, and the choice of Editors Zuber and Lyons confirms this belief in impressive degree.

The smaller newspapers of the State, because of their limited staffs, cannot hope for much competition for such opportunities as have fallen to the lot of these fortunate gentlemen, so perhaps they will permit us, too, to look upon them as our representatives in the select journalistic company at Harvard.

The Only Voluntary Code

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, April 4, 1938

Mr. CELLER. Mr. Speaker, when wise heads get together, well-nigh unanswerable questions can be answered, and well-nigh insuperable obstacles can be overcome. Wise heads have gotten together in the national coat and suit industry. In that industry the employers and employees have set up the National Coat and Suit Industry Recovery Board. It was set up for the solution of labor problems and labor disputes. It has a unique record. Both the national coat and suit manufacturers and the International Ladies' Garment Workers' Union are to be congratulated in setting up this board. A board which President David Dubinsky of the union has properly called the parliament of the coat and suit industry. This board has made a record in its 2½ years of existence in the field of industrial self-government. The board is administered by representatives of the workers and of the employers. It functions in a highly important industry, an industry that affords a livelihood to 50,000 manufacturing workers, with an annual pay roll of more than $50,000,000, with annual sales of upward of $260,000,000.

Seventeen hundred firms are affiliated, comprising 95 percent of all coat and suit concerns and 98 percent of the total production of women's coats and suits in the country. These concerns are located in 13 States and 71 cities. In the New York metropolitan area there are 1,390 firms embracing 620 manufacturers and jobbers, and 770 contractors.

At this juncture I am pleased to give the views of F. Nathan Wolf, executive secretary of the National Coat and Suit Recovery Board:

HEALTHY INDUSTRY NECESSARY

As one looks back over the history of our industry one sees two principles struggling for acceptance.

The first was the idea that workers and employers should establish collective relations and periodically enter into agreements specifying wages, hours, and working conditions, and establishing machinery for the settlement of disputes.

The second was the idea that industrial regulations must be promoted to develop a sound and healthy economic structure for the industry.

The first idea came to fruition as far back as 1910 with the signing of the protocol, the first collective agreement ever negotiated in the industry. The second principle, that industrial regulation is necessary to promote a healthy industrial structure, has had a harder struggle to gain acceptance.

It took foresight and vision and statesmanship of the highest order on the part of labor and industry to see that although one might write the finest collective agreement, it would not bring the benefits expected of it if the industry were in a state of demoralization brought about by internal weaknesses.

This principle received its greatest impetus under the N. R. A., when minimum wages and maximum hours and limitation and designation of contractors and fair-trade practices, backed by the force of Government, brought a degree of stability to the industry never before attained.

VOIDING OF N. R. A. PRESENTED PROBLEM

However, with the voiding of the N. R. A. by the Supreme Court on May 27, 1935, the coat and suit industry was confronted with the alternative of helplessly resigning itself to a return to the period of cutthroat competition and chaos that prevailed prior to the adoption of the code or of devising some instrumentality by which the gains that had been achieved could be maintained.

Fortunately, there were farsighted leaders in industry and labor who voiced their faith that the civilized labor and commercial standards which had been built up under the N. R. A. could be continued.

Established on July 15, 1935, the Recovery Board has now passed the 2½-year mark. Its work during this period has constituted a unique experiment in industrial self-government.

The major task that faced the Recovery Board when it was launched in July 1935 was to weld together the various markets into a national organization representative of all factors of the industry in every section of the country. Notwithstanding the many difficulties encountered, this has been achieved.

The National Executive Board, the governing body of the organization, consists of representatives of the employers' associations and of the International Ladies' Garment Workers' Union in the metropolitan area and the eastern, central, and Pacific coast regions. Offices are maintained and regional boards function in all the important markets.

The maintenance of fair labor and trade practice standards and the creation of an agency for the consideration of industry-wide problems was foremost in the minds of those who conceived the idea of the Recovery Board. To salvage the standards laboriously built up under the N. R. A. was their hope. Today the facts bear eloquent witness that this has been accomplished.

Where a collective agreement exists in a locality the labor standards therein set up are binding on all members of the Recovery Board in that locality. Investigations are regularly conducted by a staff of trained and experienced accountants to determine whether violations have occurred.

Limitation and designation of contractors, one of the reforms in the industry inaugurated under the code, has been continued and strengthened under the Recovery Board. Now, as under the N. R. A., jobbers and manufacturers must designate the contractors actually required and must limit their production to those designated, divide the work equitably among them, and pay them an amount sufficient to cover the required scale of wages plus a reasonable amount for overhead.

CONSUMERS' PROTECTION LABEL SUCCESSFUL

From the very beginning, the Recovery Board was determined to continue the use of a label similar to the one in operation under the N. R. A. which should symbolize to the consuming public production under fair labor and commercial standards. Thus, it launched the Consumers' Protective Label and enlisted the support of consumers and retailers.

A campaign publicizing the label is being constantly carried on by the Consumers' Education Division of the Recovery Board among women's organizations throughout the country. Scores of organizations, representing millions of women, have not only endorsed the label but are actively publicizing it in a number of ways among their membership, through distribution of literature, conferences, and resolutions, etc.

The women of the country are becoming label minded. Groups have been formed in every part of the country composed of women from all walks of life who have mobilized their power as consumers to induce retailers to purchase only garments upon which have been affixed the consumers' protection label, the best guarantee that such garments have been produced under fair labor and commercial standards. Surveys conducted by shoppers in various parts of the country indicate that 90 percent of the garments on display in retail establishments bear the label.

The label has received the unqualified support of the Government which through its various publications has called upon the women of the country to support this movement.

In this connection, a word of tribute must be paid to the workers in the industry who have materially aided in this work by exercising vigilance in seeing to it that garments are produced with the label.

Of equal importance with the maintenance of fair labor standards is the Recovery Board's work in connection with the enforcement of fair-trade practices. It is obvious that an impoverished industry cannot uphold fair labor standards. When employers, for instance, are harassed by unjustified returns, excessive discounts, or direct or indirect forms of price pressure from large retail combinations, chain stores, and mail-order houses, so that they are prevented from earning a fair return, decent labor standards are soon discarded, as past experience has shown.

TACKLING ATTACKS ON FAIR PRICES

The recovery board has come to grips with the problem of laying the foundation of a healthy price structure in the industry.

An energetic campaign is carried on to counteract the destructive effect of so-called sales by retailers which induce premature and excessive mark-downs, with disastrous results to the industry.

This is done through periodic investigations made by the Board of alleged sensational sales. The actual facts are ascertained and members are advised of exaggerations contained in advertisements and are thus encouraged to maintain their price levels.

The present recession in business activity has of course had its repercussions in our industry during the past season. However, there is no doubt that our stabilization machinery has to a considerable degree cushioned us against the economic impacts of the current recession.

Notwithstanding the advances that have been made, we are far from solving the many baffling problems that confront our industry and press for solution.

For example, the dollar sales volume of the industry has been declining partly due to decreased purchasing power generally and, to some extent, to inroads made by overlapping trades.

SUPPORTS WAGE-HOUR LEGISLATION

In the final analysis the prosperity of our industry depends upon a continuous increase in the buying power of the population. Only thus can our declining volume of production be arrested. This view was endorsed at the recent convention of the recovery board, which adopted a resolution supporting Federal wage and hour legislation in behalf of the poorer-paid section of the population to stimulate purchasing power and expand the market for clothing.

In a memorandum submitted to the convention on this question by Isidore Nagler, general manager of the New York Joint Board of Cloakmakers, he pointed out that in 1929, 21,000,000

families, or nearly 80 percent of the total, each spent on the average $300 or less per year for clothing, while, according to experts, they should have spent $530 to $590 to provide themselves with adequate clothing. To do this, however, such families would require an income of between $2,000 and $3,000 a year.

Altogether, the accomplishments of the recovery board during the 2½ years of its existence have more than justified the hopes of those who believed that intelligent cooperation could triumph over individual selfishness; that the oldest of all the needle trades could develop unity of purpose and action and a flexible and fresh approach toward vexing problems and changing conditions.

THE ONLY VOLUNTARY INDUSTRIAL CODE

This code is a going concern and has met with eminent success. All the manufacturers, members of the many thousands of workers involved in this code, are heartily satisfied with its functioning. They have substituted the conference table for strife; they have substituted discussion for distrust; they have substituted mutual agreement as a remedy for labor difficulties.

The example of this group can readily be followed by many other industries. An example that points the way to industrial peace and security.

Employers and employees have herein a striking demonstration of the fact that men can use rational, peaceful methods to solve their difficulties. This code is built on mutual confidence and mutual willingness to meet responsibility. It spells greater certainty of healthy working conditions, of a more adequate wage income, better living standards, and greater certainty that management can realize a reasonable profit.

In this connection I pay tribute not only to the manufacturers involved but also to the following: David Dubinsky, president-general secretary; Isidore Nagles, joint board manager of the coat and suit industry; Luigi Antonni, first vice president; Frederick F. Umhey, executive secretary; and Merele D. Vincent, legislative counsel of the International Ladies' Garment Workers' Union.

Common Sense About the Reorganization Bill

EXTENSION OF REMARKS

OF

HON. MELVIN J. MAAS

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1938

RADIO ADDRESS OF HON. BRUCE BARTON, OF NEW YORK, APRIL 4, 1938

Mr. MAAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered over the radio yesterday by the gentleman from New York [Mr. BARTON]:

As the guest of the Columbia Broadcasting Co. I am privileged to talk to you a few minutes in a common-sense way about the highly controversial reorganization bill. I hope what I say will be reasonably free from partisanship. There are men equally patriotic and conscientious on both sides. For example, I know that a little later my good friend the majority leader, Mr. SAM RAYBURN, is to address you over this same network.

I should like to talk as the observer and the reporter which I have been most of my life, and not just as a Congressman, which I have been for only a little more than 4 months.

The talk of dictatorship does not greatly disturb me. This bill does not mean dictatorhip. The love of freedom in our people is too firm and deep. As my Democratic friend, Congressman JOHN O'CONNOR, said in his able speech opposing the bill, there will be no dictatorship in this country so long as we keep our voices and our two hands. All that can be truthfully said is that this bill makes for greater concentration of power in the Executive and that the difference between concentration of power and dictatorship is only one of degree.

NO ECONOMY OR EFFICIENCY

The bill will not produce any economies; even its proponents have ceased to argue that it will. They do insist that by the rearrangement of overlapping bureaus and departments it will promote efficiency. But what is the record? For 5 years the President of the United States has had greater powers than any of his predecessors; he has enjoyed overwhelming majorities of cooperative and complacent Members in both Houses of the Congress. If at any time he had wanted to make a move in the direction of economy or efficiency all it needed was a nod to his leaders on the hill. Yet no bureau has been abolished, no department reorganized, no expense reduced. On the contrary, the whole drive has been for more bureaus, more complexities, greater appropriations. If with such tremendous power to reorganize the President has brought about no reorganizations, why should we now assume that the wresting of additional powers from Congress will suddenly produce a different result?

DEFEAT WOULD SAVE JOBS

The proponents of the bill are not being frank with us when they maintain that it is merely a routine measure of no special consequence. It has large consequences, both practical and psychological. In a democracy, where public opinion is the supreme power, psychological factors are often more important than the purely practical. The plain and unassailable fact is that public opinion in this country today is in a highly nervous state. Men are stunned by business troubles, broken-spirited by the loss of jobs or the fear that they may lose them. The other night a manufacturer called me on the telephone from the Middle West. Said he, "A delegation of our workmen has just left my office—every one of them a supporter of the President in the last election. The spokesman explained, 'What can we do to stop this vicious reorganization bill?'" My friend said that in all his years of business experience he had never seen his workers so deadly serious or so disturbed. He added that the decline in his orders during the past few days had been sharper than at any time since the depression began, and that he could attribute it to no other cause than the adoption by the Senate of the reorganization bill.

He may be right or he may be wrong, but when public opinion is hysterical, it is only a short step to panic. And panic means bad business and the loss of jobs. I personally have no doubt that if this bill can be defeated or postponed until a calmer period it will do more than any other one thing to promote business improvement and immediate employment. Such action may save many jobs.

BEWARE OF GIFT BEARERS

Some suspicion must always attach to a measure that is thrust upon the Congress by the methods used in this case. What promises were made, what threats were hinted to force the passage through the Senate we can only guess. The air is full of rumors. But with all the pressure and patronage the issue was so close that a change of three votes would have meant defeat. In the House the program of the administration was to jam the bill through with practically no debate. This plan was wrecked by Democratic revolt. Now the strategy is to buy off important elements of opposition by spacious amendments, private promises, and secret understandings. The veterans are to be placated by exempting the Veterans' Administration. The railroad brotherhoods and the labor forces are promised that the departments and bureaus in which they are most interested will be passed over. The church is to be given assurance that the education of our youth will not be regimented. I have forgotten most of my Latin, but I remember one sentence—Timeo Danaos et dona ferentes—I fear the Greeks bearing gifts. To the veterans, the labor unions, the church, and all other groups one might say: "Beware of a bill that can only be passed by gifts and promises such as are now being made. If it is so bad for you that you must be promised exemption, then the strong suspicion is that it must be bad for the rest of us as well."

BLOW AT CIVIL SERVICE

My chief criticism is that the bill does take away from Congress and give to the President powers which are guaranteed to Congress by the Constitution and should never be surrendered to any President at any time. It takes away the power of Congress to protect and defend the civil service. As the distinguished Congressman from Georgia [Mr. RAMSPECK], chairman of the Committee on the Civil Service, said, we would not think of reducing the Supreme Court from nine judges to one judge and making that one subject to the will of the President. Yet this bill will abolish the bipartisan Civil Service Commission and put the job of every employee of the United States at the mercy of one administrator, a Presidential appointee.

CONTROL OF PURSE STRINGS

Most important of all to me is the fact that the bill by abolishing the Comptroller General takes away from Congress the power over the purse strings. To be sure, we are given a high-sounding substitute in the creation of the new office of auditor general. But this merely means that the Congress, instead of having control over the money before it is spent, will only have an auditor's report after it has been spent. You know in your own business or your own family that control before the cash is gone is all that really counts.

Seven hundred years ago nearly all the nobility of England, 2,000 knights in armor, gathered at Runnymede to extort from King John the Magna Carta—the foundation of the liberties of England and our own. One of the great objectives which they there attained was the control of the purse strings by Parliament. That power of Parliament over the purse strings made and has kept England a free country. It has made our Congress an independent and effective department of our Government. Whenever that power is surrendered, even in the slightest degree, the independence of Congress begins to be gone.

WOULD DISTURB BALANCE

In conclusion let me say with all charity, but in all earnestness, that the advocates of this measure are too partisan when they seek to make the common people of this Nation believe that they have only one powerful friend, the President. The poor, the weak, the unorganized, the religious, and the racial minorities have three powerful friends. These are the President, the Congress, and the Federal courts. So long as these three are kept in balance the rights and privileges of the common man are secure. Disturb that balance, however little, and security is diminished.

Always those who seek to disturb the balance are reactionaries. They believe in their hearts that they are liberals, but history proves them to be reactionaries. Always those who seek to maintain the balance are liberals. They may be accused of being reactionaries, but history proves them to be liberals.

So long as I am a Member of Congress, if ever a proposal is made to take away or diminish the powers granted to the President by the Constitution I shall vote "no."

So long as I am a Member of Congress, if ever a proposal is made to take away or diminish the powers granted to the Supreme Court by the Constitution I shall vote "no."

So long as I am a Member of Congress, if ever a proposal is made to surrender or abridge the powers granted to the Congress by the Constitution I shall vote "no."

When all the shouting and tumult is over the real issue presented by this bill is just exactly as simple as that.

False and Misleading Propaganda by the Big Interests Against Reorganization Bill Transcends Anything Ever Known Before in the History of the United States

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1938

Mr. SABATH. Mr. Speaker, the extent to which some Republican leaders and others will go in their efforts to weaken the deserved confidence of the American people in President Roosevelt is indeed amazing.

During the last 3 weeks, according to the public press, 150,000 telegrams and hundreds of thousands of letters have been sent to Members of Congress in connection with the reorganization bill now before the House. I myself have received a large number of telegrams and hundreds of letters upon this subject, but very few from my district, as those in my district have the utmost confidence in President Roosevelt, knowing full well that he would not advocate or approve any proposed legislation that is not in the best interest of the Nation, and especially the masses.

I am pleased to say that within the last 3 days I have received many letters and telegrams from those who at first urged me to vote against the reorganization bill, explaining that they had been misled as to the real purpose of this bill but urging me now to support it.

While I have observed throughout many years an ever-increasing effort on the part of professional lobbyists and propagandists, yet I had not dreamed that their efforts would reach such gigantic proportions and sink to such abysmal depths as they have regarding this bill. The abuses, misinformation, and falsehoods employed on this occasion have not in my day been equaled in intensity and scope, not even on the public-utility control bill, the Supreme Court bill, or the wage and hour bill.

REPUBLICANS DESTITUTE FOR AN ISSUE

Mr. Speaker, to a limited extent I can make allowances and adopt a forgiving attitude toward the destitute Republican leaders in connection with their stand in this connection, but I cannot be so liberal with Democrats who permit themselves to be used in the furtherance of these Republican tactics; nor can I excuse the shameful activities of the professional lobbying institutes and organizations that are fostered and financed by Wall Street interests to frustrate President Roosevelt's worthy and altruistic efforts to obtain speedy and early legislation to halt the Wall Street-manufactured recession, which has for its purpose the repeal of the capital-gains tax, a modification or a repeal of the undivided-surplus tax, so that they may avoid their just contribution to the support of government, and the killing of the wage and hour bill, so that they may rehire their dismissed employees at lower wages and longer hours.

Mr. Speaker, I fully realize that even the founder of the Republic, George Washington, whose unselfish aim and achievement was the independence of our great country; that the immortal Jefferson, whose unselfish aim and achievement was the establishing of a popular democratic form of government; that Andrew Jackson, who sought to and did wrench the Nation from the crucifying clutches of the financial barons; that Lincoln, emancipator of humans and exemplar of magnanimity and the preserver of the internal unity of our country; that Teddy Roosevelt, whose unsuccessful aim was the emancipation of legitimate business from the demoralization of trusts and monopolies, each in his day was the objective of violent, unmerited, insane abuse, the same as is our matchless President Franklin D. Roosevelt, who somehow personifies the splendid attributes of all these Presidents, and labors unstintedly with the hope of righting the major wrongs of the day, making this country a better place for worthy, willing men and women, and to enthrone and perpetuate the Jeffersonian doctrine of equal rights to all and special favors to none.

PROPAGANDA AGAINST BILL IS SUCH AS WAS NEVER KNOWN BEFORE

During the last 3 weeks, as we all know, there has been waged a relentlessly savage tirade against the President, it being charged that the reorganization bill before us is wanted by him for the purpose of gaining dictatorial power. The entire Republican press of the country has disseminated column after column of misleading, yes, false statements about this reorganization bill, and this notwithstanding the fact that a stronger reorganization bill was recommended by Presidents Taft, Wilson, and Hoover and that the Economy Commission created by President Hoover also recommended a much stronger measure to enable the President to cope with the ever-increasing bureaus and needless Government personnel.

Although the senior Senator from Michigan [Mr. VANDENBERG] introduced only a few years ago a reorganization bill giving the President greater power than does the present bill, yet the Senator today is, for political purposes, opposing the present bill.

I have received during the last few days many telegrams and letters from both Democrats and Republicans favoring this bill. I shall not place all of them in the RECORD, but I will insert one as a specimen. It says:

WINNETKA, ILL., *April 2, 1938.*

Hon. ADOLPH SABATH,
House of Representatives, Washington, D. C.

MY DEAR MR. SABATH: I hope our Representatives will not be deterred from passing the reorganization bill by the manufactured, partisan, and hysterical onslaught of foes of the administration who are trying to make it appear that the question of dictatorship is involved. It is well known that the method of reorganization proposed is the only method that can be successful. Congress is on trial in this matter, not the President. I am convinced that those who really wish economy and efficiency and "to make democracy work" will vote for the measure.

Very truly yours,

S. R. LOGAN.

UNBIASED CHICAGO DAILY TIMES SHOWS UNFAIRNESS OF OPPOSITION

As giving the views of a respectable section of the public press I shall insert in the RECORD at this point an editorial from the Chicago Daily Times, which editorial in crystal-clear language answers the attacks of the other big Chicago newspapers and shows beyond successful contradiction that the opposition to this bill for economy and efficiency is not founded upon truth or fact. The Chicago Daily Times is one of the most editorially fair of the really great newspapers of the Middle West, and that it has the approval of the public is indicated by the fact, or as I believe it to be the fact, that it has had a larger increase in circulation in the last 18 months than any other newspaper in the United States. The editorial reads:

[From the New York Times for March 12, 1932]

BLOCK MOVE TO GIVE HOOVER WIDE POWER—HARRISON'S SHIFT BREAKS TIE VOTE IN SENATE ON BUREAU MERGER PLAN—VANDENBERG PROPOSED IT—OFFERED AS AMENDMENT TO PENDING BILL—SOME DEMOCRATS FAVORED THE PROPOSAL

THE "DICTATOR" BILL

If we were to believe the headlines in Chicago's anti-Roosevelt newspapers, the Senate Monday abandoned the democratic system, betrayed the American people, and created of the President a sort of super-Benito Hitler.

The Daily News, the Hearst papers and the Tribune were unanimous in headlining the executive reorganization bill as the "dictator" bill. If one were to judge by their editorials and the stories of their special correspondents, Congress can just shut up shop now (when the House passes the bill) and the dictator will run everything by decree. As Marc Antony said of Caesar's ambition, "If it were so, it was a grievous fault." So let's take a look at the record.

Yesterday's Herald-Examiner contained a summary of what the "dictator" bill actually provides. We're content to use the Examiner's report as accurately summarizing the bill, and to let the bill's justification stand on that report. Here is what the Examiner says are the bill's provisions:

"1. Empowers the President to reorganize, abolish, and consolidate Federal bureaus, exempting so-called quasi-judicial agencies such as the Power, Trade, Communications and Interstate Commerce Commissions and the Federal Reserve System."

Every President since Woodrow Wilson's time has sought to abolish overlapping bureaus, to rationalize their activities so that greater efficiency could be obtained. President Hoover sought this power, as shown in the clipping from the New York Times reproduced in this column. Does this make the President a dictator?

"2. Abolishes the bipartisan Civil Service Commission in favor of a single administrator who would be authorized to develop, expand, and revamp the merit system. The President also would be authorized to extend the civil service to cover 200,000 Federal workers not now under the merit system."

What the above report fails to mention is the fact that this single administrator will have a 10-year term and will be removable only for cause. The present Commission can be changed by the President at will. Note that the President is authorized only to extend the merit system. Does that make him a dictator?

"3. Abolish the General Accounting Office and the post of Comptroller General, transferring their functions to the Director of the Budget in the executive department. A system of post-audit would be established under an auditor general."

Heretofore the Comptroller General not only approved expenditures in advance but audited them afterward. There was no check upon him at all. If he disagreed with the objectives of any bill he could, and did, dictatorially refuse to allow any expenditures for its purposes. The new auditor general would be responsible only to Congress and would make periodic reports upon the legality of Government expenditures. Does this make the President a dictator?

"4. Creates a department of welfare, into which approximately a score of Federal welfare agencies would be incorporated. The department head will become a member of the President's Cabinet."

Is there anything in the creation of a new Cabinet post, in combining a score of disorganized bureaus into a single department, that makes the President a dictator?

"5. Creates six administrative assistants to the President, who is authorized to make rules and regulations for their cooperation with the various departments and agencies of government."

Will anyone contend that providing the busiest executive in the world with six assistants makes of him a dictator?

"6. Establishes a national resources planning board for conservation and development of national resources."

For generations we have squandered our natural heritage. Vast timbered areas have been slashed over and left waste. Oil, coal, and other mineral resources have been wasted. Will planning for their conservation make the President a dictator?

"7. Sets June 30, 1940, as the deadline for the President to carry out the program.

"8. Permits Congress to reject any reorganization proposal within 60 days after it is submitted, subject, of course, to the usual Presidential veto. No reorganization proposal can become effective until it has been before the Congress for 60 calendar days."

Do Hitler, Mussolini, or Stalin have to obtain approval of a democratically elected legislature for anything they do?

Even Mr. Hoover, who can scarcely be said to be a warm Roosevelt admirer, said, regarding the bill's passage, "I do not share the belief that it is equivalent or nearly equivalent to dictatorship." Whom do the News, the American, Examiner, and Tribune think they're kidding, anyway?

REORGANIZATION OPPOSITION JUST A FIGHT TO SMEAR ROOSEVELT

And only a few moments ago I read with a great deal of satisfaction another editorial from the New York Daily News, reprinted in today's Washington Times, which also squarely hits the nail on the head regarding this unprecedented opposition to the pending reorganization bill, and I take pleasure in inserting the same for the benefit of some of my colleagues.

Enemies of the Roosevelt Government reorganization bill have shown by their acts and tactics of the last few days that they know this is a good bill and are fighting it solely because they hope its defeat will discredit the President.

Among the more odoriferous of these tactics was the whispering campaign designed to convince leading Catholics that freedom of religious education was menaced by the proposal to transfer the Federal Office of Education from the Interior Department to the projected new Department of Welfare. Representative JOHN W. MCCORMACK, Democrat, of Massachusetts, told this one off correctly when he described it, in an eloquent House address, as malicious misrepresentation circulated to stir up hatred against the Chief Executive of the United States.

The President has accepted an amendment taking this Education Office transfer out of the bill—which ought to remove the last shadow of bona fide objection to the bill. It is a bill to make the Government of the United States more efficient; it is not a bill to set up a dictatorship or change our form of government. We do not see how the insurgent Democratic Congressmen, fighting the bill along with the smear-Roosevelt Republicans, can explain their fight to their consciences—or to their constituents.

I am pleased that, for the purpose of expediting the passage of this bill, two provisions will be eliminated.

It is very regrettable that when reorganization is effected under the provisions of this bill several thousand unnecessary employees will be dispensed with.

It might be well to investigate, and I shall demand that a thorough investigation be had, to determine who is defraying the heavy cost of these lobbying institutes in opposing this bill and whether the money of the stockholders of these corporations is being used for this unlawful, malicious lobby every time a bill of any importance is pending. I feel certain that such an investigation would disclose amazing revelations.

PRESIDENT'S LETTER ONE OF THE GREATEST STATE PAPERS OF HISTORY

Mr. Speaker, I desire to close my remarks by inserting in the RECORD the now-famous letter written by the President himself on March 29, from Warm Springs, Ga. The President in this letter reveals the feelings of his innermost heart on this overplayed and ridiculous charge that he wants to be any dictator in more direct and convincing language than anyone in all this unending debate has been able to state them for him. This letter, in my opinion, will go down in history as one of the most important state papers of his administration and of any President of this era.

This history-making letter of the President to which I am alluding reads as follows:

WARM SPRINGS, GA., *March 29, 1938.*

MY DEAR ———: Many thanks for your letter telling me that you are concerned over the charges in several newspapers that the reoganization bill now before the Congress would make me a dictator.

1. As you well know, I am as much opposed to American dictatorship as you are, for three simple reasons:

A. I have no inclination to be a dictator.

B. I have none of the qualifications which would make me a successful dictator.

C. I have too much historical background and too much knowledge of existing dictatorships to make me desire any form of dictatorship for a democracy like the United States of America.

2. The reorganization bill now before the Congress is the culmination of an effort starting over 40 years ago to make the business end—i. e., the executive branch—of the Federal Government more businesslike and more efficient. Seven or eight of my immediate predecessors in the Presidency have recommended similar reorganization measures.

There are two methods of effecting a businesslike reorganization. It can be done by complex and detailed legislation by the Congress going into every one of the hundreds of bureaus in the executive departments and other agencies.

Or it can be done by giving to the President as Chief Executive authority to make certain adjustments and reorganizations by Executive order, subject to overriding of these Executive orders by the Congress itself.

I would have been wholly willing to go along with the first method, but attempts at detailed reorganization by the Congress itself have failed many times in the past, and every responsible Member of the Senate or the House is in agreement that detailed reorganization by the Congress is a practical impossibility.

We come, then, to the second alternative—reorganization by Executive order subject to overriding by the Congress.

3. In any reorganization you will realize, I am sure, that if it changes existing administrative set-ups, consolidates jobs, or makes other kinds of savings, either from the point of view of cost or from the point of view of bureaucratic authority, such changes are bitterly fought by those who stand to lose some authority and by those who are so wedded to existing practices that they go to any length to prevent the slightest change which seeks greater efficiency.

"Several States have put into effect reorganizations of their departments. The changes have resulted in some economy. But chiefly these reorganizations in State governments have increased the efficiency of these State governments to a very marked extent. That result is what we seek in the bill now before the Congress.

"4. You know that when over a year ago I recommended a reorganization to the Congress all parties and all factions agreed on the need for such a measure. You know, too, that a year later a carefully manufactured partisan and political opposition to any reorganization has created a political issue—created it deliberately of whole cloth.

"5. The opposition has planted bogies under every bed. It was said, for example, that the work of the Army engineers was to be abolished in spite of the fact that the Congress, and the Congress alone, can determine who will do river and harbor dredging and build flood-control levees. It is charged that the splendid work of the Forestry Service is to be hamstrung—hamstrung, I suppose, by the best friend forestry ever had in the United States. It is charged that the extremely efficient Veterans' Bureau or the excellent Railroad Mediation Board is to be damaged beyond repair. I cite these merely as example of a score of equally silly nightmares conjured up at the instigation either of those who would restore the Government to those who owned it between 1921 and 1933 or those who for one reason or another seek deliberately to wreck the present administration of the Government of the United States.

6. One point remains:

There are those who honestly believe that every minor change, every minor detail of conducting the business of the administrative branch of the Government, should receive in effect a positive Congressional approval before such changes go into effect. The bill in its present form makes the Executive orders relating to such changes—and most of them are minor—subject to disapproval by the Congress within 60 days by joint resolution. Let me state to you categorically that if such a joint resolution were passed by the Congress disapproving an order, I would, in the overwhelming majority of cases, go along with carefully considered congressional action.

I can think of no cases where the President would not gladly yield to a clear expression of congressional opinion.

But there are two cogent reasons why the bill should go through as it is now drawn. The first is the constitutional question involved in the passage of a concurrent resolution, which is only an expression of Congressional sentiment. Such a resolution cannot repeal Executive action taken in pursuance of a law. The second is the very remote possibility that some legislative situation might possibly arise in the future where the President would feel obligated to veto a joint resolution of the Congress and properly require a two-thirds vote to override his veto. I repeat that I visualize no such possibility between now and 1940, when the authority given is to end. Thus you will see that charges of dictatorship are made out of whole cloth—even if I wanted to be a dictator, which Heaven knows, I do not.

With every good wish, always sincerely,

FRANKLIN D. ROOSEVELT.

Urging Completion of the Wallkill River Flood Control Project

EXTENSION OF REMARKS
OF
HON. HAMILTON FISH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1938

STATEMENT OF HON. HAMILTON FISH BEFORE SENATE COMMITTEE ON COMMERCE ON JANUARY 28, 1937

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following statement made by me before the Senate Committee on Commerce on January 28, 1937:

Mr. FISH. Mr. Chairman, I would like to make a brief statement. I do not propose to speak on the engineering and technical points involving the improvement of Wallkill River, the deepening of the channel, and the cutting off of the different curves for the purpose of preventing the overflow in the rainy season, which has been very destructive to crops of our farmers within the vicinity of the Wallkill River. I do want to take this occasion, Mr. Chairman, in the presence of many of my constituents, to pay a deserved tribute to Senator ROYAL COPELAND of my State, who has shown great interest in this project from the very beginning.

Senator COPELAND. That is the reason I wanted him to speak, Mr. Chairman, you see. [Laughter.]

Senator BILBO. Speak on.

Mr. FISH. In fact, Mr. Chairman, this largely is his child, and I think he has a right to be proud of it. He has given of his time, of his energy, and of his ability to put this project through. I naturally cooperated with him, just being a humble member of the minority party, and we visited the War Department, Mr. Hopkins, the C. C. C. headquarters, and many other agencies of the present administration to get favorable action.

This, as I see it, Mr. Chairman, is a unique experiment. I am inclined to believe that this is one of the few projects of its kind that the C. C. C. is undertaking. It is only about half completed and a considerable amount of money has been put into it, and it would be a shame if it were given up before it was completed according to its original plans.

The country today is faced with great floods. Throughout the Nation that is one of the most important issues confronting the American people. This is just a small project and a small experiment, but I am not so sure, as a believer in the C. C. C. camps, from the very beginning, but what this particular experiment has not been about one of the best features of the C. C. C. I say that as a friend; I have seen many C. C. C. camps and there are many in my district, and none of them are doing work that is comparable in usefulness to this Wallkill River flood-control project.

Therefore, having started this small experiment, I do not see why the C. C. C. camps should not be continued, and urge that this one not be stopped when it is half completed and failing to serve its original purpose. I believe they should go on and call for additional funds and put other C. C. C. camps to work on this kind of project which is in the interest of the people and is useful and beneficial to all instead of, in many cases, merely raking leaves.

I say this at a time when the flood situation is paramount, and I believe under the able guidance of Senator COPELAND and your committee that the C. C. C. camps can be put to work all over the country on major flood-control projects, not merely in the Wallkill Valley but on major projects in cooperation with the Army engineers to build reservoirs on the Ohio River and dams on flood-control projects wherever needed.

I think it would be a tragedy if, through false economy, we should fail to appropriate sufficient funds to the C. C. C. organization to carry out and finish this project, at least as an experiment; and if it works as I believe it will work, and accomplishes the results and saves millions of dollars to the farmers of my district and the Senator's district, then we should carry on, inasmuch as I assume these C. C. C. camps will be continued, and should be, for useful, constructive purposes in the future.

Mr. Hopkins has said we are going to have a static situation of unemployment of 7,000,000 people from now on. If that is so, it follows logically that the C. C. C. camps must be continued. If they are to be continued, I submit, without any sort of partisanship whatever, that they must be used for work that is in the interest and for the benefit of the American people, that they must not be used simply on made-to-order work of picking up stones and laying them down somewhere else, or raking leaves, whatever you want to call it, and I say that without any reflection on the C. C. C. camps.

I hope this committee will unanimously recommend sufficient funds, whether a half million or whatever it is, to finish this experiment, and see if this is not just the kind of work that ought to be carried on by the C. C. C. camps. The Wallkill River flood-control project ought to be completed and serve as a test and an example for constructive and useful employment by the C. C. C. camps.

I want to thank you for the opportunity of appearing before you, and trust that you will provide the funds necessary to complete the actual flood control of the Wallkill River, in order to protect the farm lands in its vicinity and for the benefit of industrious and hard-working farmers whose labor and investments have been repeatedly wiped out by recurring floods.

Senator BILBO. I am sure we all enjoyed your observations, Mr. FISH.

Senator COPELAND. Mr. FISH, you recall that Mr. Fechner the other day stated they had 350,000 applications more than they had places for in the C. C. C. camps? Now, as had been stated here, if these men could be used to carry on useful projects of this sort, it would add to the national wealth and would be money well expended?

Mr. FISH. Yes; and to protect the interests of the people and not be wasted.

R. F. C. Loans to Industry

EXTENSION OF REMARKS
OF
HON. H. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1938

Mr. VOORHIS. Mr. Speaker, I voted in favor of H. R. 10055 in the hope that it will be effective in enabling small-business men to obtain credit on more nearly equal terms with the gigantic corporations of the country. The bill itself, as explained by members of the committee, undoubtedly makes this possible.

My earnest hope is that the R. F. C. will carry out in practice the evident intention of Congress with regard to these loans to small business. To do so will, I fear, require not only a change in its authority but also a change in its attitude. The first we have provided by legislation. The

latter we can, unfortunately, only hope for. The record of the past is not particularly encouraging.

My own belief is that if real equality is to be established for the small-business man it will have to be done through the setting up of regional industrial finance banks throughout the country whose reason for existence will be to make credit and capital available to small- and moderate-sized businesses. I think the control of the large capital resources in this Nation is so highly concentrated that only the Government itself can break it by some such method as this.

I hope H. R. 10055 will do the job we have intended it to do. If it does not we should be ready to proceed with some such plan as I have suggested above.

We will wait and see. But let us not wait too long.

Newsprint, Pulpwood, the Fishing Industry, and Broom and Mop Handles

EXTENSION OF REMARKS

OF

HON. JOHN LUECKE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1938

STATEMENT OF REPRESENTATIVE JOHN LUECKE OF MICHIGAN BEFORE THE COMMITTEE FOR RECIPROCITY INFORMATION

Mr. LUECKE of Michigan. Mr. Speaker, under leave to extend my remarks, I insert my statement before the Committee on Reciprocity Information:

NEWSPRINT AND PULPWOOD

Since the World War there has been a world-wide trend toward industrialization, and as an aftermath the world markets have become smaller. That industrialization was due to the fact that war and food supplies were short and the logical way to have it was to produce it. After the war the machines which had been used for war purposes were turned to manufacturing, and thus we have a world in which the nations are becoming self-sufficient.

Russia prior to 1914 was a vast market of 160,000,000 consumers. That country is now rapidly becoming industrialized. Czechoslovakia has become a world competitor in shoes. Japan is not only a buyer of raw materials but sends its manufactured articles to every corner of the world. Their modern methods of production have become so efficient that the Japanese can transport raw materials 7,000 miles, turn around and reship the finished articles back to the nation which supplied the raw material at a competitive price. The Japanese are the world's most competitive sellers.

Germany is probably one of the outstanding world powers which is on the road to self-sufficiency. The trend in that country was certainly the result of the war. It is the plan of the present government to make Germany self-sufficient by 1940. Having always led the world in science, that is not an impossibility.

For the time being China is out of the world market. But as soon as things quiet down it is safe to say that her textile mills will start up again.

India, South America, South Africa, Australia, and New Zealand are becoming industrialized, which cannot be disregarded in the trend of modern industrialization.

Coming closer to home we find that Canada is not to be forgotten and is making good use of her sources of raw material and cheap power.

Now whether or not the trend of industrialization was brought on by the World War I am not able to say. But I do know that since then it has made rapid strides forward. And another thing of which I am certain is the headway being made by science in mechanization and synthetic raw materials.

The latest report we have on unemployment is around 12,000,000. We don't seem to be able to find work for these millions of workers.

In 1937 we had a production record which in many instances was above the 1929 figure. The latest reports I have had access to showed that we produced 92 percent of the goods which were produced in 1929, but still had an unemployment figure at around 7,000,000.

Now I believe that due to the trend of world events in production of basic goods we have come to a time when tariffs alone are no longer of any avail. I believe that trade agreements are a step in the right direction. If it shall come to pass, and it looks as though it will, that every nation shall become a competitor and be able to produce that which we have to sell, it strikes me that we have come to the time when nations must get together and come to some conclusion on international trade through agreements.

I should like to point out to the committee that the slump in industrial production hit the United States the hardest last year. Just why that should be so I am unable to say unless it is because we are more highly industrialized than other nations. And I think we are.

The United States Chamber of Commerce points out that United States production fell to 75.6 from 1929 level from August to November of last year. Canada maintained her production and gained 5 points. The United Kingdom maintained production at 122 which was the 1937 level for the year; France fell to 72; Germany rose from 119 to 124; Italy from 93 to 107; Sweden from 151 to 154; and Norway from 132 to 142.

Now from these figures it is apparent that our industrial machine has greatly slowed up.

Taking into consideration the fact that all nations are fast becoming industrialized, which is a trend no one can stop and must be faced, in my opinion, the time has come to make it possible for American paper mills to operate at capacity. What I mean by that is that quotas must be placed which will first take care of domestic production.

At the present time the paper industry in the United States is operating on short time. Newsprint mills in my district have gone down to 3 days a week for the first time in many years. With the constant flow of duty-free newsprint across the border from Canada and other countries our newsprint mills are being hard pressed to continue in business.

When a newsprint mill no longer finds it profitable to manufacture newsprint, the machines are made over and some other grade of paper is manufactured. From the latest figures which I have been able to see we have equipment to produce approximately 1,500,000 tons of newsprint annually, while actual production is only 900,000 tons.

There are other factors which will soon harrass the newsprint manufacturer and will soon become a very decided problem. In the South methods are being perfected to produce newsprint out of slash pine. When the time comes for those southern newsprint mills to start up, a real problem will face the newsprint manufacturer. The mills which are now still producing newsprint will be forced to go into other fields, and thus mills making other grades will be affected. Because of the fact that not only newsprint but other grades of mills are running on part time now, it may be that the situation described above is already with us.

I believe the time has come when a quota should be established on newsprint import. That quota should be prorated so that each exporting country would not be discriminated against.

A check up should be made of the domestic newsprint mills and their capacity determined. After that has been done our objective would be known.

In the foregoing paragraph I have stated that the present capacity of newsprint manufacture is 1,500,000 tons annually. But only 900,000 tons are being produced. In order that no great disturbance be created in the industry, I am asking at this time that a quota of 300,000 tons be set on imports, which I am certain would have a stimulating effect on business at home.

After a reasonable length of time the quota on imports should be increased to 600,000 tons, which would mean that our American newsprint mills could operate at capacity.

In my opinion there is nothing far-fetched about a program of this nature. It is in line with the trend of world events in industry.

Another reason why we should be thinking of producing our own newsprint is the fact that the timber in Canada and other countries is not going to last forever. It is commonly regarded that Canada has an unlimited amount of timber. The contrary is true. In fact the Canadian authorities are becoming alarmed. An official Canadian report issued as far back as 1930 said:

"The supply of readily accessible virgin timber is being rapidly depleted in Canada, as is evidenced by the greatly increased distances to which the raw material is being transported to the manufacturing centers and by the extension of operations into territory which a few years ago was considered economically inaccessible."

Senate Document No. 115, Seventy-fourth Congress, first session, on page 7 we read: "Canada is cutting far in excess of annual growth and operations are becoming more remote and costly." The same document continues as follows:

"Newfoundland is also cutting in excess of annual growth * * * Russia is rapidly dissipating its easily accessible timber and although exporting pulpwood under pressure will probably require its own pulp and paper output for many decades. Forest management in Sweden and Finland is on a sustained yield basis and any increase in pulp and paper will have to be at the expense of other forest products such as lumber and fuel * * *."

Quoting further from the same document in regard to the pulp and paper industry we find this:

"There are indications that the American pulp and paper industry, especially in the South and Pacific Northwest, will probably greatly enlarge its plant capacity in the next decade or two, regardless of Government aid or encouragement. It would, therefore, seem to be wise public policy to develop at once a farsighted program of forestry and land use to supply such additional pulpwood as this development would require * * *."

Turning back to page 2 of the same report I find this statement:

"The forests of the United States could supply present pulp and paper requirements and this could be done with pulp and paper processes now in commercial use."

I further believe that a quota of 300,000 tons set on imported newsprint would not only help domestic mills but would be a boon to the producer of pulpwood. With unemployment at its height in the Upper Peninsula of Michigan, men have gone into the woods in an effort to make a living. From letters which have come to me it has not been a very successful winter for them. I should like to quote from a letter which I received yesterday on the subject:

"I am going to tell you something which is felt here very keenly. It looks bad when there is a trainload of pulpwood going through here nearly every day all winter from Canada and we with a large supply here in the Upper Peninsula and cannot dispose of it. There are many men needing work and hardly a camp running and still timber coming in from Canada."

I have numerous letters of that nature and, furthermore, it apparently bears out the statement that the forests of the United States could supply present pulp and paper requirements.

Now, I wish to state again that I believe in international trade. The world is getting smaller every day and certainly no nation, no matter how small, can pull itself into its shell and thereby solve its problems. There will always be international trade, in my opinion, to a certain extent. But we can't get away from the fact that world markets are becoming smaller due to industrial development the world over.

Ninety percent of our newsprint imports come from Canada and that being true I am asking at this time that the quota be placed at 270,000 tons for Canada.

I want to state again that unemployment at home should be considered when drawing up these agreements and whenever possible to put a man back to work by such consideration it should be done.

It has been said that quotas lead to estrangement between nations. Well, we have that anyway, and perhaps always will, unless the mind of man becomes broad enough to cast aside prejudice and thus wipe out international boundaries. As for me, I can only see in quotas a clear-cut business proposition. Here we have so much equipment to manufacture newsprint, and we have men out of work. What wrong is there in saying that we will give this business to our own mills and after they have been taken care of to a certain extent we will go out into the world market for the remainder of our needs?

It was the reciprocal-trade agreement that sent the newsprint manufacturers out of the country in the first place, and now the time has come when the reciprocal-trade agreement must return them to the United States.

Some time ago I made the remark on the floor of the House that for every man put back to work in industry two others would be returned to work indirectly. Since making that statement several persons have come to me and said that I was wrong, the figure is three; three men go back to work indirectly to keep one man employed in the factory. That being true, if we make it possible for, let us say, 50,000 workers to return to their jobs in the newsprint industry, it seems that, to be conservative, 100,000 workers will be returned to work indirectly. Now, 150,000 jobs is something to think about these days.

BROOM AND MOP HANDLES

There are several small concerns in my district engaged in manufacturing woodenware and particularly broom and mop handles. During the past few years they have been hard pressed to keep going due to economic conditions in general. If there is proposed in this reciprocal agreement the revision of tariff rates on such articles, I wish to protest strongly against the lowering of present rates.

The competition of broom and mop handles from Canada is on a par with that of pulp and paper which I have covered in the preceding paragraphs. Canada can supply her mills with cheaper raw materials than domestic mills and labor in that country is cheaper.

A comparison of wages shows that the average wage in Canadian mills is 35 cents per hour against 47 cents per hour in the United States.

During the past year domestic mills operated at one-half their capacity, and even during so-called good times these mills do not operate above 75 percent of capacity.

Should there be any reduction in present tariff rates the same thing is going to happen to that small industry which happened to the newsprint industry. It is going to pack up its bag and go to Canada. That is the only way out. And when that happens it will mean still more unemployed and an increase in the relief rolls.

For that reason I wish to protest strongly against any reduction in present tariff rates. Don't place a greater burden on this struggling industry which is only operating at 50-percent capacity. The economic barriers in the way of unsettled conditions are enough for them to shoulder at this time without opening the doors and letting in foreign-made broom and mop handles with which they would have to compete.

FISH

It so happens that I represent a district having more coast line than any other Representative in Congress. The Eleventh Congressional District of Michigan comprises seven counties in the Upper Peninsula and nine counties in the Lower Peninsula, which has a coast line on four of the Great Lakes. For that reason I receive many letters from fishermen in regard to that industry.

All the letters which I receive complain about Canadian competition. They state that Canadian fishermen have the advantage and protest strenuously. From the information which comes to me, there is good reason to believe their protests are justified, and I wish at this time to place in the hearing some of their complaints.

I should like to quote the following letter from a fisherman in my district ad verbatim, for the reason that it can't be improved upon:

"I am taking the liberty of stating what would help the fishermen. As you know fish run in cycles, and we are producing good quantities of whites, but were offered 15 cents per pound Monday (the letter is dated January 19, 1938), about 50 percent under the value due to a flooding of the market with Canadian fish. As you know, the duty of 1 cent a pound is inadequate. New York fish market gets eight and nine carloads of Canadian fish in 1 day. A 5- or 6-cent duty would put an end to that and give us a price in line with other foodstuffs. Hoping you will see fit to look into this also."

That is a sample of the letters which come to me in regard to increased tariff protection. However, the Canadian fish imports are objectionable in another way, such as the following letter so clearly shows:

"Being a producer and handler of fresh-water fish, I have come in contact with practically all of the larger fresh-water-fish wholesalers and also a number of retail fish handlers. In very rare instances have I ever noticed a retailer of Canadian fresh-water fish displaying these fish so that the purchaser could tell that they were Canadian fish. In many instances, with very few exceptions, they advertise and sell such fish as American-caught fish. It is a recognized fact that Canadian fish are not to be compared in any way with American-caught fresh-water fish. It is unfortunate for the American producer that Canadian fish resemble American fish of like species. You cannot blame the retailer for hiding the identity of these fish, they being in most cases an inferior quality, and therefore should sell at a much cheaper price. The principal reason that these fish are inferior and not palatable is because the majority of these fish are caught in inland muddy-bottom lakes and lakes in some cases infested with grubs."

Now, if that is the situation in regard to Canadian fish, there certainly is room for improvement. The fact that these inferior fish are sold on the American market with American-caught fish is reason enough for some sort of action to be taken.

As the writer states in his letter, only an expert can distinguish between Canadian caught and American caught fish. It is therefore, plain to me that the American producer should be given some protection against such competition.

It is also true that Canada does not have any closed season in any of the Great Lakes waters. There are times of the year when the American fishermen must pull their nets and observe the closed season for spawning purposes. No such restrictions are placed on Canadian fishermen.

On the face of it that doesn't look very serious until we find out what happens. While the American fishermen are restricted from fishing the Canadian interests redouble their efforts and the imports of Canadian fish are increased. The result is a flooded market and when the seasons open on the American side and the American fishermen can go to work again they find there isn't any market.

The above statements are true in regard to the fishing industry. At this time the only recourse left is protection through increased tariff rates. And with conditions as they are in the country I wish again to make a plea for domestic industry, be it pulp or paper, or handles, or fish. I want to add my voice for increased protection for home industry, and I believe you gentlemen will take these statements seriously and consider them accordingly.

To Keep United States Out of War

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, April 6 (legislative day of Wednesday, January 5), 1938

RADIO ADDRESS BY NELSON A. MASON

Mr. NYE. Mr. President, 21 years ago today considerable embarrassment and considerable injury were being inflicted upon a great many spirits.

A few weeks ago in my State there was delivered a very interesting address dating back to those days. It was delivered over the air by Nelson A. Mason. The title of his address was To Keep United States Out of War. Its element of historical value is such that I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Congress, the greatest deliberative body in the world, has its tense moments. The climax undoubtedly was reached April 4–6, 1917, when the resolution for declaration of war was pending before Senate and House. The war spirit had been aroused, and the tide was all going one way. Flaming oratory echoed through the legislative halls. Only a handful of 6 in the Senate and 50 in the House of Representatives formed a minority bloc in opposition. What tremendous power minorities wield. Apparently not then, but we turn to them now. The Christian Church is the greatest example of what right minorities ultimately achieve.

On the majority side was what its sponsors deemed the unanswerable slogan or catch phrase, "Make the world safe for democracy." Now, 21 years later, we know the world today is still unsafe for democracy, and unsafe for almost everything else.

Seeking guidance in the crisis of today, we turn back the pages of history to refresh our memories as to what at that time were the views of the minority. When war clouds hover, repetition of the best counsel helps us to steer a straight course. Then let's not forget we owe a lot to the officials who stand unawed and unswayed by the caprice of the hour. Crusaders do not always win, but the equalizing wheel of destiny is ever turning, and they or theirs win out gloriously in time. Commendation is due their courageous action, for all knew they would be criticized severely and that many of their number would not be returned to Capitol Hill.

Observations and striking assertions made in that crisis may well be recalled to keep our vision clear in another. Let us note statements made before the vote on the Senate joint resolution.

Senator Stone (Missouri), chairman of the Foreign Relations Committee, uttered these memorable words: "I shall vote against this mistake, to prevent which, God helping me, I gladly would lay down my life." He was not spared to see the end of the armed conflict he from his important post had opposed. Even earlier Senator Lane (Oregon) gave his life for peace.

Senator Vardaman (Mississippi) said: "Mr. President, the elements of genuine greatness in the statesman show themselves in the hour of stress, when, through the mists of passion, he is able to see clearly the path of duty and, in 'spite of the stare of the wise and the world's derision,' dares to follow it undismayed. I am overwhelmed with a sense of anxiety, not for myself, not for any individual, but for the welfare of all the people, and especially the great toiling masses of America, upon whom will fall the greater part of the burden."

Senator NORRIS (Nebraska) impressively said: "I would like to say to this war god, 'You shall not coin into gold the lifeblood of my brethren.' I have no sympathy with the military spirit that dominates the Kaiser and his advisers, but the working out of that problem is not an American burden. We ought to remember the advice of the Father of our Country and keep out of entangling alliances."

Senator La Follette (Wisconsin) made caustic comment on what led up to the momentous decision then being made. In the course of his remarks he said: "If it is important for us to speak and vote our convictions in matters of internal policy, though we may unfortunately be in disagreement with the President, it is infinitely more important for us to speak and vote our convictions when the question is one of peace or war." The Senator also read a letter from a farm mother, sent to him by Congressman Helgesen (North Dakota), ill on a hospital bed, from which he never arose. It read: "I protest in the name of humanity against the taking away of husbands, fathers, sons, and brothers, to be butchered, from the American women and children, leaving the latter to meet financial ruin, misery, and in some cases death from broken hearts."

Congressman Keating (Colorado), following that channel of righteous thought, observed: "When Congress declares war it means that the boys of the country have been ordered to the front. I say the boys, because the boys always have and always will fight the battle of this land. General Sherwood will tell you that in the Grand Army of the Union of more than 3,000,000 men perhaps 75 percent were boys under 21 years of age." Congressman Sherwood (Ohio) amplified the statement by adding that "the average age was between 18 and 19 years throughout the whole Army." Mr. Keating then quoted an English general who said the thing that shattered his nerves was when night closed down on the battlefield and "We could not reach our wounded and the Germans did not dare attempt to reach their wounded, and we had to stand there in the trenches during the long hours of the night and listen to those boys crying for their mothers, and we realized that cry would never be answered."

Congressman LUNDEEN (Minnesota), now a Senator, said: "I have placed the ballot in the hands of 54,000 voters in my district. A preliminary count discloses nearly 8,000 against declaring war and less than 800 for war. On Good Friday about to break, you are proceeding to add to the agony of a world already crucified by war. Here in this hour I stand strong for peace with honor—the same honor that Sweden and Norway, Denmark and Holland, Switzerland and the South American Republics regard as an honorable peace. Mr. Speaker, I vote 'no' upon this resolution. God helping me, I cannot do otherwise."

Senator Gronna (North Dakota) sought to stem the tide with this prophetic observation: "The Members of this Congress and the President are holding in their hands the destiny of 100,000,000 people. Mr. President, I am opposed to war because war means destruction, misery, and poverty to the toiling millions of our country for generations to come."

Congressman Dill, of Washington, who later came back for two terms in the Senate, frankly stated: "I have no illusions as to the consequences of my action. If I must leave public life because of my action today, I shall go; but it shall be with head erect because I have kept the faith. I do not know what the future holds for me, and I do not care. I refuse to do a thing my conscience revolts against. I believe more fully than ever before in the powerful truth expressed in that old couplet:

> "'To thine own self be true,
> And it must follow as the night the day,
> Thou canst not then be false to any man.'"

Representative La Follette, of Washington, doubtless with vision of a referendum on war, stated: "Ours is the greatest Nation on the face of the globe. We have had a chance, had we maintained a strict neutrality, to have bound up the wounds of the oppressed and to have upheld the tenets of the highest civilization throughout the world. The President's message of the 2d of April said that the European war was brought on by Germany's rulers, without the sanction or will of the people. What are we doing now?"

The text of the President's message on that point was: "We have no quarrel with the German people. It was not upon their impulse that their Government acted in entering this war. It was not with their previous knowledge or approval. It was a war determined upon as wars used to be determined upon in the old, unhappy days when peoples were nowhere consulted by their rulers and wars were provoked and waged in the interest of dynasties or of little groups of ambitious men who were accustomed to use their fellow men as pawns and tools."

Congressman Hull, of Iowa, expressed this sentiment: "I believe that when I vote against this resolution I will vote the sentiments of the great majority of the common people." Representative Dillon, of South Dakota, enunciated the following doctrine: "Mr. Chairman, Congress alone has the power to declare war. This responsibility rests upon this membership and not upon the President." Congressman Browne, of Wisconsin, with prophetic vision of Versailles, asked: "How will peace come about? Will the United States have a commanding voice in such a peace?"

House Majority Floor Leader Kitchin, of North Carolina, in a masterly address expressed his views as to why the United States should remain neutral. This elicited a glowing tribute from Congressman Reavis, of Nebraska, who stated: "Coming as it did after a day of almost hysterical flag waving and lip service to the Republic, its calm dignity and poise was like 'someone opening a window in a close and stifling room.'"

Congressman at Large Mason, of Illinois, a former Senator, concluded with this thought: "Let us go back to the foundation of our Government, a Christian Government. Let us not declare war in the hour they crucified the Prince of Peace. Take your mother's old Bible and read the story of the coming—the heralded message of peace. 'On earth peace, good will toward men.'"

Dramatically and earnestly Representative Rankin, of Montana, expressed the final protest. At the roll call, which took place at 3 o'clock in the morning of April 6, she said: "I want to stand by my country—but I cannot vote for war."

All these faithful Members of Congress merit our deep appreciation, and the memory of what they did in those stormy April days of 1917 is an inspiration to us today. Long may their names be emblazoned on the honor rolls of our Nation.

It was not alone in the National Capital the fires of hate were kindled and persecution raged. In Nebraska an aggressive, earnest young fellow was attacked and beaten by a mob for not subscribing to their particular brand of patriotism. To his credit, be it said he left his brand on some of them. Ten years later the electorate chose this same C. A. Sorenson as their attorney general.

In 1918 a tall, middle-aged man of stately bearing, former Congressman Carl Lindbergh, of Little Falls, Minn., was campaigning for the governorship. One of his meetings was broken up by an armed mob. Leaving in an auto with his press representative, C. K. Gummerson, at the wheel, buckshot rattled on the tonneau of the car. "Don't drive so fast," murmured the solon, "they might think we're running away from them." Bearing down hard on the accelerator, "Gummy" emphasized that he, at least, was. A few years later I stood with Gummerson on the Capitol steps as we watched the notable procession go by, honoring the son, Charles Lindbergh, on his return from the celebrated flight to Paris.

During those same hectic years a slender young man also was campaigning for the governorship, out in western Montana. In one city his reception was so decidedly cool that he refused longer to honor the burg with his presence. In the next election he went to Washington as United States Senator BURTON K. WHEELER. Years later when citizens of the town attempted to admonish him for lack of political regularity, and accused him of siding with those who once had tried to mob him, the Senator caustically commented: "When I was driven out of your town, you did not have backbone or nerve enough to stand up and protest."

Returning to the final act of the grim drama being enacted under the Capitol dome, we find that there were many more of the 531 Members of Congress who did much up to that point to keep the United States out of the Old World conflict. Some were listed as being absent and not voting. Others doubtless felt there was no other way. Many of these have performed outstanding public service along other lines. Still we always admire these who under

great pressure, waive aside expediency and take their political lives in their hands to support or oppose measures according to the dictates of their conscience. Many Members at the time said, "If it were a secret vote, it wouldn't carry," meaning they did not want to vote for war, but were carried into it by the wave of public opinion. Congress therefore should in future be easily persuaded to vote against war if there is early and strong pressure from the home folks.

The Australian ballot system affords protection of the public vote, and in the interest of the public, but there is no such shelter for the Members of Congress. Being human they too should be shielded to that extent from the waves of prejudice and misunderstanding that jeopardize clear thinking and right voting.

We will make a brief study of the background, vocations, and later activities of those who at the roll call stood the gaff and grimly voted "no." Some remarkable deductions may be drawn. As this continues one conclusion is obvious. These 56 Senators and Representatives, facing the greatest test of their congressional careers, were inspired only by their sense of what as they saw it was right and for the best interests of their country. Let us summarize:

Nine had had previous military experience or training. One of these had served as a brigadier general in the Civil War and was breveted for gallantry by President Lincoln. Five had served in the Spanish-American War; three as officers, one of whom had been awarded the Congressional Medal of Honor. One served with the United States Signal Corps and two had been officers in the National Guard. In the succeeding World War one was wounded in action and decorated for bravery. So their vote can hardly be dismissed as that of a bloc of idealistic dreamers but must be accepted as that of serious-minded representatives who knew just what war would mean.

Vocationally there were 42 lawyers, 3 of whom had been Governors, and 6 judges. Five were newspapermen of prominence, and several of the attorneys had publishing interests or training. Three may be classed as bankers, and six other occupations are included, as follows: A social worker, a farmer, a telegraph operator, a grain dealer, and a builder. Quite a representative group, we would say.

From a partisan standpoint, 35 were Republicans, 19 Democrats, 1 a Prohibitionist, and 1 Socialist. Party lines were lost in the earnest effort to follow a wise and judicious course, unhampered by any political consideration.

Nationally the great majority were of earlier American stock, with several of Scandinavian or other antecedents. One was of German parentage; another left Germany for America when 10 years of age. By no stretch of vain imagining could nationalism be said to have been an element in the registering of the "nay" vote.

The States contributed to this group as follows: Alabama, 2; California, 3; Colorado, 2; Illinois, 6; Iowa, 3; Kansas, 2; Michigan, 1; Nevada, 1; New York, 1; North Carolina, 1; North Dakota, 1; Ohio, 1; Oregon, 1; South Carolina, 1; South Dakota, 2; Texas, 1; Washington, 2; and Wisconsin, 10. Thus from practically every corner of our great land there were those willing to go on record against a holocaust involving every State. The overworked term of "sectionalism" just wasn't applicable.

In point of service in one or both Houses, we find that one had served 24 years, one 20 years, three 18 years, two 17 years, two 16 years, four 14 years, four 12 years, three 10 years, one 8 years, five 6 years, eleven 4 years, twelve 2 years, and seven were in their first term. In this latter classification will be found the first lady to grace the Halls of Congress, Miss Jeannette Rankin, now legislative secretary of the National Council for the Prevention of War. The substantial majority of those with long tenure of office or other wide public experience conclusively establishes their mature judgment.

In the aftermath, 16 Representatives were direct casualties of the 1918 elections. Five of these, however, came back in the 1920 election, and two others later became Senators. It is, of course, inevitable that by the law of averages a large number of changes occur in every election. Two sought senatorial togas. Four did not stand for reelection. More would have come back had they again sought public favor. Some having given their best to their country's service, were content to retire. Several became judges or held other positions of trust through the years. That many chose to turn their splendid talents into other commendable channels, still conserved and utilized their abilities for the public weal. Two Senators were retired at the close of their terms. Now Senator Gronna's talented sons occupy places high in North Dakota officialdom, James being secretary of state, and A. J., Jr., a district judge. Senator La Follette's brilliant sons have made names for themselves. Robert M., Jr., followed his father in the Senate, and Philip graces the Wisconsin gubernatorial chair his noble father dignified.

Hon. GEORGE NORRIS has remained in the Senate continuously since. Hon. HAROLD KNUTSON has represented his district and the State of Minnesota through the years. Hon. ERNEST LUNDEEN came back to the House and is now in his first term in the Senate. These three, with Senators WHEELER and LA FOLLETTE—no two of the same party—with others like them, make the world safer for democracy.

Shall we now hear the vote on the resolution of April 5, 1917?

"The Clerk will call the roll."

Present and voting "no":

Senate: Gronna (N. Dak.), La Follette (Wis.), Lane (Oreg.), Norris (Nebr.), Stone (Mo.), Vardaman (Miss.).

House: Almon (Ala.), Bacon (Mich.), Britten (Ill.), Browne (Wis.), Burnett (Ala.), Cary (Wis.), Church (Calif.), Connelly (Kans.), Cooper (Wis.), Davidson (Wis.), Davis (Minn.), Decker (Mo.), Dill (Wash.), Dillon (S. Dak.), Dominick (S. C.), Esch (Wis.), Frear (Wis.), Fuller (Ill.), Haugen (Iowa), Hayes (Calif.), Hensley (Mo.), Hilliard (Colo.), Hull (Iowa), Igoe (Mo.), Johnson (S. Dak.), Keating (Colo.), King (Ill.), Kinkaid (Nebr.), Kitchin (N. C.), Knutson (Minn.), La Follette (Wash.), Little (Kans.), London (N. Y.), Lundeen (Minn.), McLemore (Tex.), Mason (Ill.), Nelson (Wis.), Randall (Calif.), Rankin (Mont.), Reavis (Nebr.), Roberts (Nev.), Rodenberg (Ill.), Shackelford (Mo.), Sherwood (Ohio), Sloan (Nebr.), Stafford (Wis.), Van Dyke (Minn.), Voigt (Wis.), Wheeler (Ill.), Woods (Iowa).

History records that as the renowned English general, Wolf, moved down the majestic St. Lawrence to the capture of Quebec, he said to his comrades, "I would rather be the author of 'Gray's Elegy ritten in a Country Churchyard' than to take Quebec tonight." What inspired the general on the last night of his life and on the eve of victory, to voice such a sentiment? The lines themselves—which run:

"And all that beauty, all that wealth e'er gave
Alike await the inevitable hour;
The paths of glory lead but to the grave."

War—what for?

Foreign Trade Agreements

EXTENSION OF REMARKS

OF

HON. ROBERT J. BULKLEY

OF OHIO

IN THE SENATE OF THE UNITED STATES

Wednesday, April 6 (legislative day of Wednesday, January 5), 1938

QUESTIONS OF HEARST NEWSPAPERS AND ANSWERS OF THE STATE DEPARTMENT

Mr. BULKLEY. Mr. President, some weeks ago the Hearst newspapers sent to Senators a series of 12 questions bearing generally on the subject of foreign-trade agreements. I submitted those questions to the Department of State and received a series of answers. I ask unanimous consent to have printed in the RECORD the questions of the Hearst newspapers, followed by the answers submitted by the State Department.

There being no objection, the questions and answers were ordered to be printed in the RECORD, as follows:

1. As a factor in dispelling depression, how do you value American industry and its capital to employ labor and produce national wealth?
2. Do you think industry should be encouraged to expand and take American workers off the charity lists of the dole?
3. Do you think American industry is overburdened with taxation?
4. Do you think American industry can pay high taxes and also pay higher wages and also produce at low prices to compete with foreign products?
5. Do you believe in tariff protection of American industry and labor?
6. Do you believe in free trade?
7. Do you think that reciprocal-tariff concessions entered into with one nation should be automatically extended to practically all nations under most-favored-nations principle?
8. Will that policy eventually result in opening American markets to practically all foreign products?
9. Do you think American markets should be mainly preserved for American industry and the American employees of industry?
10. How do you account for the continual decline in American exports and the continual increase in American imports?
11. Do you think that closed factories and jobless workers are all connected with the invasion of American markets by cheap foreign products?
12. How can we change depression or recession into prosperity?

QUESTIONS 1 AND 2

An expansion of production and employment in private industry is clearly the only permanently satisfactory way to dispel the depression. While the most important measures for encouraging such an expansion lie in the field of domestic policy, the significance of an expansion of foreign trade should not be overlooked. (See answer to last question.)

QUESTIONS 3 AND 4

These questions are evidently intended to imply that high wages and high taxes make it impossible for American industry to compete with foreign industry. This is a fallacy for the following reasons:

(a) Foreign industry is, on the whole, taxed more heavily than American industry.

(b) Higher wages do not necessarily mean higher costs of production. American labor generally commands higher wages than foreign labor because it is more productive. Typically high-wage American industries, such as the automobile industry, are able to hold their own in competition with foreign products not only in the domestic market but even in foreign markets where the American product is handicapped by high tariffs.

QUESTION 5

No responsible Government official is advocating "free trade." It must be recognized, however, that prosperity in this country vitally depends upon the welfare of our export industries, which have been and are being injured by excessive and unnecessarily high tariff duties imposed under the Tariff Act of 1930.

QUESTION 6

It is not necessary to believe in free trade in order to recognize that an expansion of our foreign trade through reductions of excessive trade barriers is of the utmost importance for the expansion of employment and for the maintenance of peace at the present time. (See answer to last question.)

QUESTION 7

It is the policy of this Government not to discriminate against those countries which do not discriminate substantially against American trade. In order to avoid discriminating against the trade of any particular foreign country, it is necessary to extend to that country the concessions which we make in our trade agreements with other countries. It has been alleged that such extension of our concessions means "giving away something for nothing." This allegation is entirely erroneous. Nondiscriminatory treatment is accorded by this Government to the trade of other countries in return for similar treatment of our trade. Reciprocal undertakings providing for nondiscriminatory treatment are included in executive agreements and commercial treaties with 53 countries. Such undertakings are embodied primarily in the most-favored-nation clause. As a result of the extension to the United States of concessions made by foreign countries to each other, American exports have benefited by actual reductions of trade barriers and further benefits may be anticipated. Failure to generalize our tariff concessions in accordance with the unconditional most-favored-nation clause would, in practice, make it impossible to secure general reduction of tariffs and other trade barriers affecting American exports. In addition, discrimination against the trade of foreign countries, which would necessarily be involved in any departure from the policy of unconditional most-favored-nation treatment, would inevitably be followed by international friction and ill will. Not only would this result in severe retaliation against our trade by foreign countries but it would also increase the danger of war.

QUESTION 8

The generalization of trade-agreement concessions would obviously not result in opening American markets to practically all foreign products. A very large part of the products of American agriculture and industry are produced with greater efficiency and at lower cost in the United States than in foreign countries. Obviously, no amount of tariff reductions or generalization of these reductions would open American markets to foreign automobiles or raw cotton (except possibly for a few minor specialties). In addition, there are many products which, although not on an export basis, American industry can produce at low enough cost to hold its own against foreign competition. Finally, as regards those products which are now receiving effective tariff protection, duty reductions in our trade agreements are made after the most careful consideration of the probable effects of such reductions upon American industry. No reductions are made which could possibly cause severe dislocation of American industry.

QUESTION 9

There are many American industries whose markets obviously cannot be preserved by embargo tariffs against imports, since their markets are so largely in foreign countries.

Even in respect of those imported products which are not on the free list, there are many opportunities for an expansion of imports which will not injure American industry or agriculture, but which on the contrary will materially benefit American industry and agriculture by making it possible to open up foreign markets for our export products.

QUESTION 10

One cannot "account for the continual decline in American exports" because American exports have not in fact continually declined. The total amount of American exports and American imports during the past 6 years is shown below in millions of dollars:

Year	Imports	Exports
1932	$1,323,000,000	$1,611,000,000
1933	1,450,000,000	1,675,000,000
1934	1,655,000,000	2,133,000,000
1935	2,047,000,000	2,283,000,000
1936	2,423,000,000	2,456,000,000
1937	3,084,000,000	3,345,000,000

(1) The trade-agreements program has been an important contributing factor in the revival of exports which has occurred. Although it is not possible to obtain an exact statistical measurement of the contribution made by trade agreements, there is ample evidence that the contribution has been important. Up to the present time 16 trade agreements have been made with countries which took 40 percent of our exports in 1937 and which supplied 38 percent of our imports in the same year. Furthermore, exports to the trade-agreement countries have increased more than exports to other countries during the period in which the agreements have been in effect. In 1936 exports to trade-agreement countries had increased 14.1 percent over 1935, compared with an increase of only 4 percent in exports to all other countries. In 1937 exports to trade-agreement countries increased by 40.6 percent over 1936, compared with an increase of 33.7 percent in exports to other countries.

(2) The increase of imports has been primarily due to the revival of economic activity in the United States from 1932 to 1937. A very large proportion of our imports consist of raw materials. The expansion of industrial activity has greatly increased this part of our import trade in quantity, and at the same time the increased demand for raw materials, both by American industries and by industries in foreign countries, has raised the world prices of these materials, thus greatly contributing to the increase in the value of our imports. Thus, through the increase in American industrial activity, to which the trade-agreements program contributed, foreign countries have been able to increase their sales of noncompetitive products to the United States and have thereby secured increased capacity to purchase American products.

After the general economic revival the second most important cause of the increase in our imports has been the drought, which was almost entirely responsible for the considerable increase in our imports of certain agricultural products.

Tariff reductions in our trade agreements have, no doubt, contributed to the increase of imports, but there is evidence that this contribution has been greatly overshadowed by the other two factors mentioned above. Particularly is this true of the year 1937, when imports from countries with which we had no trade agreements increased by 34.1 percent as compared with an increase of only 18.1 percent in imports from trade-agreement countries. This difference was largely due to the fact that certain important raw materials used by American industry are imported in large part from countries with which we have not yet made trade agreements.

Further evidence that domestic business activity is the major controlling factor in our import trade is provided by the fact that, in recent months, the business recession has been accompanied by a marked reduction of imports.

QUESTION 11

It is not true that closed factories and jobless workers are, as stated in the questionaire, "all connected with the invasion of American markets by cheap foreign products." Among the industries which have suffered most severely in the recent recession are steel and automobiles. These industries have not suffered from any gigantic flood of imported steel and imported automobiles. Even in the case of those industries which have been affected by duty reductions in trade agreements, it can easily be shown that the principal immediate cause of the decline in sales has not been the competition of imported products, but a general reduction of buying similar to that which has affected the automobile and steel industries.

QUESTION 12

Among the various measures which might be proposed for reviving prosperity only those relating to foreign trade will be mentioned here. Although foreign trade is not the only important factor or even the most important factor in the revival of prosperity, nevertheless a significant contribution can be made through the reopening of foreign markets. About seven to ten million persons in this country are normally engaged in producing goods of the kinds which we export. Obviously, an expansion of the foreign markets for such products will add materially to the employment and incomes of Americans. In order that we may reopen our foreign markets it is necessary for us to recognize that foreign trade cannot be a one-way trade, but must be a two-way trade. We cannot export if we do not import. We cannot induce foreign countries to lower their trade barriers against our goods unless we lower our trade barriers against their goods. Reciprocal reduction of trade barriers has already resulted in the significant expansion of our export trade as indicated in the answer to question 10. It has been found by experience that it is possible to increase our imports of foreign products very considerably without inflicting material injury upon American industry. Since we have many tariff duties which are excessive and many tariff duties which affect products only remotely competitive with the products of American industry and agriculture, a further expansion of our foreign trade along these lines, which is now being prepared by negotiations in progress with several foreign countries, is an essential element in a sound program for promoting the recovery of business.

Finally, an expansion of trade is a prerequisite for a lasting peace, which is, in turn, a prerequisite for a lasting prosperity. Only through international trade can the industrial nations of the world secure the access to foreign markets and raw materials which is necessary for their very existence. Without an expansion of the opportunities for international trade the menace of war must inevitably become even more severe.

Reorganization of Executive Departments

EXTENSION OF REMARKS

OF

HON. JAMES F. BYRNES

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, April 6 (legislative day of Wednesday, January 5), 1938

ARTICLE BY WALTER LIPPMAN, APRIL 5, 1938

Mr. BYRNES. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Walter Lippmann, published on April 5, 1938, on the reorganization bill.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ENDS AND MEANS—THE REORGANIZATION BILL

The intensity of the opposition to the Byrnes reorganization bill is clearly out of all proportion to the substance of the bill itself. Under any interpretation, however strained, it is not possible, I think, to find in the measure as passed by the Senate any grant of new powers to the President which gives support to the charge that it would aggrandize his power or diminish that of Congress. On the contrary, a very strong case can be made out for arguing that the most important part of the measure is the reform of the accounting system and that this reform offers Congress a better means than it has ever had before to find out what the Executive has done, and then to hold the Executive responsible.

There is room, of course, for honest difference of opinion on all these points, but under ordinary circumstances the bill itself would never provoke such passionate resistance. The debate does not turn upon whether the President of the United States should be authorized to do these things, but upon whether more authority of any kind should be entrusted to this particular President—to the man who tried to pack the Supreme Court and to purge the Federal judiciary; to the man who has had the spending of such immense sums of money; to the man who tried in his original proposal to obtain control of the quasi-judicial commissions and independent agencies; to the man who already exercises more personal power than any President in the history of the country. The resistance is not to the Byrnes bill but to the excessive personal power of Franklin D. Roosevelt, and the object of the opposition is not to prevent reorganization of the executive branch but to put a spectacular and decisive check upon this President's authority.

Using Mr. Philip Guedalla's maxim that any stigma is good enough to beat a dogma with, the opponents of the bill are meeting the President's cry that he is beset by reactionaries with the charge that this bill gives him dictatorial powers. Yet, except that the bill provides a convenient way of challenging and perhaps defeating Mr. Roosevelt, it is impossible, I think, to sustain the main argument against it.

There is much discussion, for example, about the provision which authorizes him to regroup executive agencies without abolishing any of their functions, subject to the right of Congress to disapprove within 60 days. This has been described as being in some way like the judiciary bill. But is it? Is there not a radical difference between giving the Chief Executive authority to reorganize his own branch of the Government and giving him authority to reorganize a coordinate branch of the Government? Who has a better right than the President to say how the agencies under him can be most efficiently organized? And is it any extension of executive power to let the Chief Executive take the initiative in deciding how agencies, already under his control, shall be grouped? The opposition is demanding that the bill be amended so that instead of letting the President reorganize these agencies unless Congress disapproves, he may reorganize them only if Congress affirmatively approves. The amendment is intended to defeat the whole proposal. For the President already has the power to ask Congress to approve administrative reorganization, and no new legislation is needed to confirm it.

This part of the bill is, it seems to me, of only minor importance. It does not add anything substantial to the President's power to let him move the bureaus around from one department to another. He had this power for 2 years and he used it hardly at all. If he wishes to use it for a sinister purpose it is hard to see how he could do anything very sinister by taking a bureau away from, say, Secretary Wallace and giving it to Secretary Ickes. He controls all the bureaus, anyway, and whether he controls them through one of his subordinates or through another does not seem to me to matter very much. To see in this an advance toward dictatorship is, I think, to strain at a gnat. The truth is, I believe, that this power will not be used much for good or for evil, and that both the administration and the opposition are exaggerating its importance.

The important feature of the bill is the proposal to have Congress appoint an auditor general who will report to a joint committee of Congress. The opponents of the bill argue that the effect of this reform will be to abolish the power of the independent Comptroller to prevent illegal expenditures. But, for my own part, I am persuaded of two things—first, that the existing Comptroller is unable to do what he is supposed to do and that he has never done it, and that an audit of the relief and recovery expenditures in the past 5 years would prove this contention up to the hilt; and, second, I am persuaded that the auditor general under the Byrnes bill will for the first time in our history enable Congress to see clearly how the money has been spent and whether the Executive has obeyed the will of Congress.

To have Congress learn promptly and from its own agent how money has been spent is, it seems to me, the most effective check that Congress can set up against the Executive. Does anyone suppose that the President or a Cabinet officer or a bureau head would dare to spend money for some purpose not authorized by Congress if he knew for certain that within a short time the transaction would be audited, that it would be reported to Congress, and that he would have to explain his acts? This is the system by which Parliament holds the British executive accountable, and there can be little doubt that it is the most effective system of accountability in the world.

So the question for me is whether an essentially good bill ought to be defeated, not on its merits but on the general ground that it is a good moment to clip the personal authority of Franklin D. Roosevelt. It is the question of whether the end justifies the means. For the end is, I think, desirable; it is clear to me that Mr. Roosevelt has more personal power than is good for him or for the country, and that to restore a more constitutional spirit in the Government and to reduce his excessive personal authority would make for national confidence and would tend to restore social peace.

But to reach this end by defeating an essentially good measure, and to defeat this measure by an agitation that disregards the intrinsic merits of the issue is a most undesirable procedure in a democracy. To do that is to stoop to conquer and to make the end justify the means. That is something that the champions of liberty in the world today cannot afford to indulge in. For the essence of popular government depends upon the conviction that issues will be determined by a debate that seeks the truth. And in the long run I cannot believe that any good can come from anything which undermines this conviction.

Settlement of American Negroes in Africa

EXTENSION OF REMARKS

OF

HON. THEODORE G. BILBO

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Wednesday, April 6 (legislative day of Wednesday, January 5), 1938

ARTICLE FROM THE DETROIT NEWS

Mr. BILBO. Mr. President, I ask unanimous consent to have printed in the RECORD a well-written article on a very important subject.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Detroit News]

PLAN TO SETTLE UNITED STATES NEGROES IN AFRICA LINKED WITH WAR DEBTS—DETROITER WOULD "BUY" COLONIES OF FRANCE AND BRITAIN AND ORGANIZE GREATER LIBERIA

(By Russell Gore)

Payment of the European war debt, in whole or in part, is linked by Ramon A. Martinez, Detroit Negro attorney and moving spirit in the Negro nationalist movement, with a plan for the voluntary emigration of the 12,000,000 American Negroes in the United States to the Republic of Greater Liberia that he hopes may be built by consolidation of French and British West African territory with the present Republic of Liberia.

The plan as conceived by Mr. Martinez, law graduate of the University of Puerto Rico, and elaborated by him in many platform speeches, would be for the United States to acquire from Great Britain and France, in lieu of war-debt principal, the colonies of Sierra Leone, French Guinea, the Ivory Coast, and the Gold Coast, add them to Liberia, for 10 years administer this land (totaling an area larger than the State of Texas), as an American territory and then grant it independence. This would bring into being a Negro republic of a total area of 376,718 square miles and a population of 22,252,580. Its natural tendency, says Mr. Martinez, would be to trade with its foster parent across the sea, the United States.

"We would thus, at one stroke, meet the war-debt situation, solve our domestic race problem, create overseas a vast source of supply for rubber and other raw materials of the tropics, and bring into being a market for American manufactured goods," summarizes the Negro nationalist president.

Thrice in the history of the United States, American Negroes have turned their faces toward Africa.

Liberia, today a member of the League of Nations, was founded more than a century ago by the American Colonization Society, a private organization, partly as a philanthropic enterprise, but also as a means of meeting the delicate situation created in what was then a slave country by the presence of many Negroes liberated by their masters.

SHADOWY BACKING

Liberia, while in a broad sense an American experiment in Negro colonization, had only the shadow of government backing. Diplomatic and other trade relations today between the United States and Liberia are on no different basis than between Liberia and other nations of the world. In fact, prominent American Negroes brand American policy toward Liberia as one of neglect and indifference. The expatriated Negroes, they say, were left "on their own" to fight hostile native tribes, resist constant encroachments of white powers with contiguous territories and to rear in the jungle the slow beginnings of a civilized state. Today Liberia is the chief source of supply for the rubber used by one of the largest automobile tire manufacturers in America. This company in 1927 negotiated a loan of $5,000,000 to the Liberian Government.

The second turning of the American Negro toward the ancestral home of his race ended some few years ago in the sentencing of Marcus Garvey, leader of the so-called Back to Africa movement, to the Federal penitentiary at Atlanta for fradulent use of the United States mails. But those interested in the present movement contend that the Marcus Garvey peculations were made possible only by the widespread desire on the part of the Negroes of America for a land and a flag they could call their own.

BORN IN DETROIT

The Negro nationalist movement, born in Detroit and widely publicized in this city by speeches and literature, represents the third phase of this turning to Africa as the possible site of an independent Negro nation, with an army, a navy, and a complete governmental system of its own. This time, however, the active aid and cooperation of the United States Government and the white population of America is desired, not only in the necessary negotiations with Great Britain and France for the territory needed to create the new state (tentatively known as Greater Liberia), but also to build roads, hospitals, schools, factories, and in general to develop the country to a degree sufficient to attract immigration from the United States. The expenditure of this money, it is contended, would be amply justified by the trade that would rise in later years between two nations bound together, in spite of color differences, by the strong tie of their common inheritance of the American ideal of government and the high standard of American living.

"Negro nationalism," says Mr. Martinez, president of the Negro Nationalist Society, "is a new school of thought in American race relations. It is based on the principle of territorial separation of the races as the only rational solution of the American Negro problem.

"We face the fact that the white man has a practical monopoly of this country by right of numbers and by development. The 12,000,000 Negroes within continental United States—10,000,000 of whom live below the Mason and Dixon's line—are but 10 percent of the total population. We take the position that the fourteenth amendment was not only a social blunder but also worked an injustice to the Negro. It was not passed, whatever the idealists may contend, permanently to nationalize the Negro in America, but only to prevent the former Confederate States from reenslaving them. Emancipation itself was a war measure, approached with reluctance by President Lincoln and proclaimed by him only as a means toward his great end of saving the Union. Emancipation threw the Negro into the whirlpool of American competitive life without the equipment to survive it creditably.

FORMING A NATION

"Scientifically a nation cannot be formed by the mere grouping of heterogeneous elements. Its basis must be as that of a large family, of which the clan or tribe are expansions. The essential characteristic of the family, or its extension, the clan, is homogeneity—produced by one common blood either through evolution or synthesis.

"The situation of the Negro in America is that of a nation within a nation, with the white people bearing the greater cost and the Negro the greater moral and material suffering. The endeavor to form an American national unit out of heterogeneous individuals who are originally dissimilar in all essentials is not only an absurdity but an impossibility. This is the core of the difficulty in the United States.

TWO COURSES OPEN

"Two courses are open. One is the complete and absolute amalgamation of blood through legitimization of racial intermarriage. This is desired neither by whites nor the better class of Negroes. Everybody knows how the majority of white people stand on the question and, speaking for the Negro Nationalists, I can say that our position is exactly the same. We are proud of our racial strain. We do not wish to be obliterated. Amalgamation would only produce a mulatto race—neither white nor black.

"The other course open is colonization of the Negro in a land he can call his own, where he can build a free state from the basis of American civilization as he knows it. The colonization solution frankly recognizes the fact that robins do not fly with ducks nor sheep flock with horses. Even in geological formations Nature preserves the integrity of masses. Coal is not found mixed with gypsum nor gold with limestone. In human society the presence within an otherwise homogeneous mass of a racial element which the majority deem inadvisable to assimilate constitutes a source of serious friction. The one way to remove this is for whites and blacks to cooperate in establishing us in a national home of our own.

"Wherever the Negro has had a chance he has made good. In a land where he was master of his own soil, of his own government and could control the conditions under which he lived he would raise the whole standard of his race to an extent that would make him a worth-while customer of his white friends in America. The whole cause of Christian civilization in Africa would be furthered by the building up on the west coast of a Negro republic largely settled and developed by Americans."

The spirit of the movement, Mr. Martinez says, is intended to be as different as possible from the Liberian adventure of more than a century ago. Also, it should be of a more substantial nature and on a larger scope.

THE LIBERIA ENTERPRISE

"Liberia was a white man's enterprise," he points out, "and its failure is the white man's failure. We feel that if purchase of the land had been followed with the proper moral and economic aid to help build a firm foundation Liberia today would be on a far higher footing. Instead, the American Colonization Society dumped a few American Negroes there and left them to their fate in a disease-infested jungle, with few resources, few facilities for economic development, and not even the protection of the American flag during the infancy of the settlement.

"The present colonization, so far as whites are concerned, should not be in the spirit of getting rid of the Negroes nor, on the part of the Negroes, in the spirit of leaving the United States because they cannot get along here. It should be a mutual recognition on the part of both races that assimilation is inadvisable and that therefore colonization is the best all-round solution. It should be financed by both races. The working out of the details should be divided between both races."

Mr. Martinez draws attention to the fact that the Communist Party in America makes a powerful bid for Negro support by promising him social and economic equality in a Soviet state. The nomination of a Negro for Vice President of the United States on the Communist ticket was part of this strategy of Negro appeal.

SEEK SOCIAL JUSTICE

"The Negro race is not particularly interested in communism for what it is or what it means," he says. "It yearns only for social justice and for salvation from a policy that has throttled its aspirations, devitalized its ambitions, and emasculated its potentialities. But no one rejects one approaching with words of friendship. The American Negro, like any other human, smarting under what he feels to be an injustice, may be tempted to embrace an idea, no matter how foreign, that promises him relief.

"The Communists have been clever enough to follow up their words with acts. The determined defense of the Scottsboro boys of Alabama before the United States Supreme Court is an instance. Very important to me is the united front presented by white and Negro workers during the strike at the textile mills at Gastonia, N. C. Right here in Michigan we have the recent defense of Jesse Crawford, sought by Georgia in extradition proceedings as a fugitive from a chain gang. These incidents, small as they may seem to you, become significantly magnified to every Negro following the course of events in the United States."

Mr. Martinez feels that whatever discrimination against the Negro exists is based on economic rather than on personal or even racial grounds.

COMPETING FOR JOBS

"Put a group of 12,000,000 alien whites in Japan or China and see what would happen when they began to compete with the Japanese or Chinese for jobs," he says. "The Negro is wanted here only as a servant or day laborer. That is why the education preached to us as a panacea for all our ills hinders rather than helps us. With education we become more able to compete and, to just that degree, we become suspected and feared by white men seeking the same employment."

It is fortunate, he thinks, that the war-debt situation makes feasible what probably would turn out to be the largest real-estate deal in history.

"Five main plans have been advanced and are under discussion for the settlement of war debts," he says. "These five are:

"Payment in gold.

"Cancelation.

"Payment in merchandise.

"Concession or exchange of markets, tariff concessions, and trade balance benefits.

"Refunding and conversion into private debts to be absorbed through bond issues by the public of the nations involved.

"Payment in gold, the first course, is not only a practical impossibility but we doubt if it is the most advisable. It would

upset the gold balance of the world still further than it is already upset, drain gold from European trade centers, and further complicate our own domestic economic situation.

"Cancelation, the second suggestion, strikes too deeply at the root of international credit reliability, and sets a dangerous precedent to all European nations with relation to debtor and creditor relationships.

"Payment in merchandise is also open to question. The objection of American merchants and manufacturers to the flooding of this country with low-cost European production or surpluses is well founded. With our own economic situation as it is, it would be insane to invite the competition of Europe in our domestice markets.

"SOLUTION OFFERED

"Changing the debt from a public to a private status does not alter the essentials of the situation. What does it matter whether we hold an American Liberty bond or a British or French bond for the same amount and for the same debt? Conversion does not alter the capacity of the debtor to pay.

"The Negro nationalist movement offers the country a solution that eliminates the objections inherent in each one of these five suggested courses, and at the same time maintains the dignity and integrity of international credit."

Areas and populations of the lands involved in the suggested negotiations with Great Britain and France are:

	Square miles	Population
French Guinea	95,218	2,095,088
French Ivory Coast	121,976	1,724,545
British Gold Coast	91,690	3,163,568
Sierra Leone (British)	31,000	1,768,479
Total	339,884	8,752,580

This, added to Liberia's area of 36,834 square miles and population of 1,500,000 would make of Greater Liberia a state of 376,718 square miles and a population (with the 12,000,000 American Negroes) of 22,252,580.

TWICE GERMANY'S SIZE

This is an area one-third larger than the State of Texas (262,398 square miles), larger than Chile (286,322 square miles), Egypt (347,840), Abyssinia (350,000), the Japanese Empire (263,359), the new state of Manchukuo (363,700), France (212,659), and more than twice as large as Germany (180,976). It is larger by 8,498 square miles than the total area of the States of Alabama, Mississippi, Florida, Georgia, the two Carolinas, and Virginia.

Grave difficulties, the sponsors of the plan admit, stand in the way. Details of the opening and carrying on of the negotiations with the debtor European nations, they say, may be left to the National Government. The three essentials for the establishment of the new state are: First, acquiring the necessary territory; second, developing the new land to provide an economic opportunity for the American Negro; third, persuading the American Negro that his best future lies in the new land.

"During the period of American administration as a territory of the United States," says Mr. Martinez, "the new commonwealth should be made ready for advanced civilized habitation by the construction of roads, harbors, public and private buildings and the like. The territorial status should last, say for 10 years, and be followed by complete independence and recognition as the United Republic of Greater Liberia."

ENLARGING OLD IDEA

The present Liberia would be invited to join the new state. The project, in fact, is a continuation and enlargement of the original Liberian project of 1821.

"But," adds Mr. Martinez, "with more thoroughness, more good faith, better guarantees for the Negroes, and with a more ample and solid foundation of government cooperation."

Ramon A. Martinez, moving spirit in this rather titanic plan, was born in San Juan, P. R., August 31, 1890. As a boy he saw from the walls back of the market place between Morro and San Christobal Castles the naval battle between the U. S. S. *Yosemite* and the Spanish warship *Antonio Lopez*. He came to this country in 1904, attended the Swift Memorial College at Rogersville, Tenn., 2 years. Here though speaking only Spanish when he arrived, he won the medal for oratory. In 1911 he was graduated as bachelor of science from the Johnson C. Smith University at Charlotte, N. C.

TAUGHT IN PUERTO RICO

Mr. Martinez then taught physics in the Puerto Rican schools, entered the law department of the University of Puerto Rico, but left during the war to serve as first lieutenant with the Thirty-seventh Infantry, of the First Puerto Rican Brigade. On the close of the war he became special disbursing officer of the bureau of labor, department of agriculture, in Puerto Rico, and was called in 1919 before the congressional committee investigating conditions in the island. He next reentered the University of Puerto Rico, was graduated as bachelor of laws in 1922, and in 1926 came to Detroit to practice. In 1928 he was temporary chairman of the local committee formed to aid the victims of the Puerto Rican hurricane. His home is at 5207 Vinewood Avenue.

FRIENDLY SPIRIT

"In spite of the fact that I may be said to represent the Negro intelligentsia I do not expect my major support to come from members of this class," Mr. Martinez admits. "The average Negro lawyer, doctor, dentist, preacher, artist, or musician is comparatively contented in America. Why shouldn't he be? While the Nationalist Negro movement expects and is getting the cooperation of some of the more fortunately placed Negroes, its chief appeal naturally will be those hopelessly marooned in the servant or day laboring class. Naturally, too, its largest support will come from south of the Mason and Dixon's line, where 10,000,000 of our race live under varying degrees of racial handicap.

"But I cannot emphasize too earnestly that the whole spirit of our movement is one of friendly cooperation with the whites. Whenever we speak of racial discrimination it is merely to emphasize the inescapable fact that the two races would be better off apart and that the Negro, in a land and under a flag of his own, would enter into a national development that he never can attain as a submerged minority in what is practically a white man's country.

"We have no patience with those of our race who are trying to be everything else but Negroes. We are for race individualism, race unity, race integrity, and consequently join the more thoughtful and far-seeing whites in their opposition to everything tending toward amalgamation of the two races into one mixed type.

We want to maintain our race intact. We feel we have in it talents of all kinds—men and women capable of organizing and administering a commonwealth of our own. We have statesmen, lawyers, judges, doctors, pharmacists, dentists, optometrists, writers, ministers, engineers, musicians, merchants, bankers, farmers, teachers, and skilled and unskilled laborers. We have served, by observation and participation, an apprenticeship in the art and science of self-government during our sojourn in America.

ALL THAT'S NEEDED

All we need is a piece of land of our own where we can put all our potentialities to work for our own benefit and the benefit of the world.

We have chosen Africa, because Africa is the richest continent, and its land has an all-the-year-around productivity.

Africa is the only continent with abundant virgin land where we can build to suit our peculiar needs from the foundation up.

It gives the American Negro his greatest and most logical opportunity for missionary work, giving to our race in Africa the benefits on a large scale of greater contact with the Christian civilization we would take to them. Negro nationalism feels that it is the duty of all civilized Negroes to help their more unfortunate brothers and lead them to the light of modern civilization.

The Republic of Liberia constitutes the beginning of a noble enterprise, and with her either as a neighbor or as an integral part of the new commonwealth, we have the raw materials of a great Negro nation.

Our race can more easily adapt itself to the climate of the Tropics and suffer less than in the bitterly cold climates of the North.

Africa is our birthright and our heritage. It is up to us to develop its wealth and vast natural resources.

Negro nationalism has no patience with Negro snobs who feel that they are too good to go to Africa, or who have adopted a white man's psychology about Africa and its inhabitants. Regardless of how savage or ignorant some of the Negro races in Africa may be, they are members of our race and represent the stock from which we and our forefathers came.

Not all of the native African races are savage. Some members have been educated in the best universities of Europe. In general, the natives have everything to gain and nothing to lose by the change. From being an exploited subject people, they ultimately will become free citizens of a free republic.

As to their attitude toward the American Negro, much will depend on the attitude of the American Negro toward them. Tact, fairness, Christian kindness, and sympathy will go further in winning their friendship than a policy of haughtiness, terrorism, and cruelty. They are humans just like we are.

FOUR ORGANIZATIONS

The Negro nationalist movement consists of four main organizations:

The Negro Nationalist Society, composed exclusively of Negroes. This is the parent organization charged with carrying out the greater Liberia plan.

The American Association for the Advancement of Negro Nationalism. This is open to both blacks and whites, and its object is to consolidate the opinion of both races in realization of the greater Liberia plan.

The Negro Nationalist Union is composed of Negro churches, schools, and other institutions that have endorsed and identified themselves with the Negro nationalist movement.

The Grand United Order of Knights of the Golden Lions and Daughters of the Ethiopian Redemption. This is a secret fraternal order with a semireligious ritual and a semimilitary organization. It is open to Negroes only and, in fact, only to Negroes belonging to the parent organization, the Negro Nationalist Society.

The Tennessee Valley Authority

EXTENSION OF REMARKS

OF

HON. EMMET O'NEAL

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1938

RADIO ADDRESS OF HON. ANDREW J. MAY, OF KENTUCKY, MONDAY, APRIL 4, 1938

Mr. O'NEAL of Kentucky. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. ANDREW J. MAY, of Kentucky, made during the national radio forum arranged by the Washington Star and broadcast over a National Broadcasting Co. network, Monday night, April 4:

Good evening ladies and gentlemen. By invitation of the Washington Star, and through the courtesy of the National Broadcasting Co., I am privileged to speak at this time to the American people and tell my constituents and the public at large why I have opposed the program of the Tennessee Valley Authority and my reason for still opposing many of its activities under the authority of the Federal Government.

I have been a member of the House Military Affairs Committee since I first came to Congress in 1931 and was a member of that committee at the time the basic act creating the Tennessee Valley Authority was written and framed by the committee. It was written and reported to the House after many weeks of extended hearings, and after the corporation had been set up the directors appointed, and the work was well under way, it came back to the House Military Affairs Committee in 1935 for an enlargement and wide extension of its powers and authority. The original act was the answer to an agitation which began with the construction of the Wilson Dam and the nitrate plants for national-defense purposes during and following the World War, and the authority of the Federal Congress to enact such legislation was upon the constitutional theory that the Federal Government had, and has no power to engage in business within the States except and only in furtherance of the war powers of the Congress under authority of the commerce clause of the Constitution which authorizes the Federal Government to develop for navigation purposes interstate streams, thus to regulate commerce between the several States. It was upon this idea and with this view that the Congress felt that the activities of the T. V. A. should be limited to these constitutional functions of national defense and commerce between the States.

It was upon that theory that the bill was reported and enacted into law. There was no idea, thought, or intent that the corporation thereby created would go out and engage with Federal funds in direct and destructive competition with two—and indirectly a third—of the great basic job-giving, pay-roll building, tax-paying industries. It was not with any idea, thought, or intent that this Federal corporation would engage unnecessarily in spending many millions of taxpayers' dollars in a deliberate and carefully planned effort to annihilate those very industries which form an important segment in the economic backbone of the Nation, creating hundreds of thousands of jobs and earning revenues from which the Federal and State Governments assess many hundreds of millions of dollars in taxes. It was with no thought that T. V. A. would create jobless, workless hydroelectric power, to the destruction of many thousands of jobs.

To all that I have been and shall continue to be opposed. It is nothing short of dishonesty for any government, in the exercise of the power to tax, which is the power to destroy, to lay the drastic hand of taxation upon the burdened backs of the workingman and taxpayer and extract blood money from them and turn around and blight and destroy the jobs and the business from which the tax money is gathered. Later I shall point out how this is being done.

Every man in public life and hundreds of thousands of private citizens know that during and immediately following the World War, the Government constructed the Wilson Dam at Muscle Shoals, in northern Alabama, and also the large Sheffield steam plant for the production of electricity to run the mammoth nitrate plants constructed and now standing silently by, and which were constructed under the war power of the Congress for the production and manufacture of war munitions. The Sheffield steam plant was intended as a stand-by auxiliary to the hydro plant installed in Wilson Dam because it was recognized by Congress and the Wilson administration that the flow of the Tennessee River was not sufficient to operate the Wilson Dam hydro plant full time, and that the river was subject to the certainties of droughts and resultant inadequate stream flow, while the steam plant could be relied upon not only to meet the shortages sure to occur at the dam, but to operate with regularity and certainty as long as the coal producers of Alabama, Tennessee, and Kentucky could produce from the inexhaustible and unlimited coal deposits of those States, coal with which to run the steam plant. For 15 years following the World War, the question was debated from time to time in both Houses of Congress and the argument always was that these great investments, the Wilson Dam, Sheffield steam plant and the nitrate plants that cost more than $150,000,000 were a waste and an utter loss to the Government unless rehabilitated and operated for the production of fertilizer for farmers in peacetime and for war munitions in wartime.

Is it not strange that nothwithstanding more than $250,000,000 of tax money the Tennessee Valley Authority has already expended in the Tennessee Valley, that this great steam plant and the nitrate plants still stand as silent as the tomb while their voiceless presence points to more than 2,000 miles of transmission lines constructed by the T. V. A. reaching across mountains and along the fertile valley of the Tennessee River, paralleling the lines and systems of five great southern power companies to destroy them by subsidized Federal competition, while thousands of coal miners in my district and adjoining coal fields, beg alms at the scrip office of the coal company or go upon relief either from their own union or from the public relief organization to ward off starvation from their loved ones? I am intensely interested in the economic welfare and general prosperity of the people of my district and while I am on this phase of the subject, I desire to show how vitally and seriously the T. V. A. program is affecting and will affect the coal industry, and therefore my constituents whose economic life is almost wholly dependent upon the production of bituminous coal.

Some may ask how can the T. V. A. affect the market for coal from the Seventh Congressional District of Kentucky, when it operates in another State or area. Do I have to tell my constituents that less than 5 percent of all of the 20,000,000 tons of coal produced in my district annually is sold within the community? I think not. The coal from my district finds its market and is sold in other States and in the Dominion of Canada. Every time a coal-consuming plant that produces steam generated electricity is shut down and replaced by hydroelectricity, to that exent the market for coal is destroyed and every time the Federal Government or any local municipality constructs a dam for the production and distribution of electricity, they not only reduce the consumption of coal as a producer of power, but make available a greater supply of electricity subsidized by Federal taxes to compete with coal as a fuel. This is all the more alarming and even distressing, when we realize that hydrodams, such as the Government has constructed and is constructing in the Tennessee and other rivers are not labor employing projects.

To illustrate, the Norris Dam on Clinch River, now complete and in operation, cost the taxpayers of the United States $38,000,000 and employs less than 20 men in its operation. With the same money you can construct 38 $1,000,000 coal plants with housing facilities and equipment for the employment for an average of 240 days per year of approximately 20,000 men, whose wages would run into multiplied millions of dollars per year, and produce a product that would provide additional millions of dollars for the empty pay envelopes of the thousands of railroad employees who would otherwise be on the list of unemployed and maybe some of them on Harry Hopkins' relief rolls. The coal they would produce would bring back to the communities where produced other millions of dollars to go around and around in the marts of trade and commerce and make happy the wives and children of the men who work in and around the mines; to create business, to produce taxes with which to construct and maintain churches, schools, roads, and homes in the communities that have not yet surrendered to the beneficent influence of the central Government in Washington. All this time the placid waters that flow through Norris Dam roll on to the sea without the aid of a single human being. During all this time the railroads, our greatest transportation facility, would be engaged in transporting these millions of tons of coal that will produce millions of dollars in revenue to their needy treasuries and perhaps save the Government from having to take them over.

And Norris Dam is but one and far from the largest of 11 gigantic dams now planned by the T. V. A.

The only possible justification for spending this money is that hydropower will be cheaper—so much cheaper, in fact, as to justify the enormous social and economic waste involved in the injury to the coal, railroad, and private utility industries. But that is not the fact. By the testimony of the administration's own experts, coal is so much more economical and efficient as to render obsolete most of the hydroelectric plants in this country today.

Thus our Federal Government proposes a subsidized power policy in competition with a $5,000,000,000 coal industry, a $14,000,000,000 power industry, and a $30,000,000,000 railroad industry, each of which are rich sources of revenue to Federal, State, and local government, and without the revenue from which our tax basket would be a minor affair. These great industries, every one of which are vital to our economic freedom, are built out of the earnings of millions of our people of the common class, whose industry, thrift, and frugality has made it possible for them to furnish the capital with which to promote and create these great business concerns. I shall never cease in my efforts to protect them.

The activities of the Tennessee Valley Authority have been carried by the members of the Board to such wide extent and so far-reaching as to become the most stupendous wasting and spending institution in all history, and it has become so notorious that the Chairman of the Board from within has publicly in the press and elsewhere denounced the majority of the Board for their wasteful extravagance and for their vicious policies, which has resulted in the enactment by the Congress of a resolution for its investigation. As evidence of their reckless expenditure of the people's money, I call attention to the fact that last year alone they expended for gasoline for the operation of passenger cars for their employees $190,379, which, figured at 10 cents per gallon, the price they claim to have paid, and probably did pay, meant 1,903,790 gallons of gasoline. If used in a Ford or Chevrolet car, they ought to get 15 miles per gallon as a minimum, and that would mean they traveled on that quantity of gasoline 28,556,850 miles; and if they used the gasoline, and none of it is on hand, that means that they have traveled 95,189 miles per day for 300 days in the year; and if, as we have always been taught, it is approximately 25,000 miles around the world, it means they traveled each day as much as four times around the entire world, and at that rate for 300 days you bet they have been going some.

As evidence of the fact that the directors of the T. V. A. have not only engaged in many wild and unauthorized expenditures of money, but they have ignored and ficuted the will of the Congress in refusing to report to the Congress, as directed by the legislation which created the Authority in the original act, and at the time of the enactment of the original legislation, it was believed that $50,000,000 would be sufficient to accomplish the purposes for which the Authority was organized, and the act itself contains a provision authorizing the Authority to issue $50,000,000 in 3½-percent bonds, both principal and interest of which is fully guaranteed by the Federal Government under the provisions of the act, and yet they have kept coming to the Congress and demanding and receiving vast appropriations of money, now far beyond $200,000,000, and have begun the construction of seven dams, several of which are already completed, which will, as admitted by the corporation, cost more than $500,000,000, and in the face of such reckless and wanton waste of money, they have had the audacity recently to come before the House Appropriations Committee with a request for an appropriation of $112,000,000 additional for the commencement of the construction of what is known as the Gilbertsville Dam in western Kentucky. What does it all mean? It means that when all these dams have been completed, and Gilbertsville, if ever built, they will have submerged and put out of use forever more than a million acres of the most fertile and productive lands in the Tennessee Valley. They will have taken out of taxation in over 40 counties all this valuable, taxable property and will have left only the adjacent hillsides and mountains along the Tennessee River, subject to wash, waste, and erosion of soil to fill up and destroy in the next 30 to 50 years, every one of these dams in order that a few dreamers of dreams and Socialists may show the world what they can do with unlimited amounts of money expended at their own will and pleasure.

The House of Representatives refused to authorize the construction of Gilbertsville Dam, but it went to another body and was there inserted in the legislation, which admittedly would require not only the expenditure of a minimum sum of $112,000,000, but in all probability from one hundred and fifty to two hundred million dollars. If this dam is constructed, it will be nearly 9,000 feet long and will submerge and destroy five towns and cities and require the relocation of 3,500 families, aggregating a population of approximately 25,000 people, and will require the relocation and removal of 2,500 dead bodies. A worse performance than the action of all the ghouls of all history in order that 190,000 additional kilowatts of electricity may be produced to suit the fancy of David E. Lilienthal, the power director of the T. V. A.

The United Mine Workers' newspapers assert that this dam alone, with its workless, jobless power, will displace and permanently throw on the relief rolls of the State of Kentucky 4,000 coal miners and railroad workers—which proportionally means 1,600 heads of families from my own district alone. At this point I might add that with the ultimate production of 10,000,000,000 kilowatt-hours of workless energy, T. V. A. will displace the jobs of 38,750 miners and railroad workers within the blighting area of transmission.

What else does it do? It will submerge and destroy 166 miles of hard-surfaced highway for which the taxpayers' money has been expended, and with it three major highway bridges. It will submerge and destroy 38 miles of railroad and three major railroad bridges, and when full of water will have a shore line 2,000 miles long and will submerge, cover up, and put out of production forever 500,000 acres of the best land in the Tennessee Valley. It creates a reservoir of water 184.5 miles long, an average width of 2½ miles, and a maximum width of, in many places, 8 to 10 miles, and will have a shore line upward of 2,000 miles, which is 300 miles longer than the entire American Pacific coast line.

What is the answer to this foolish venture? These facts are taken from the records of the Tennessee Valley Authority, as submitted by its general manager to the House Appropriations Committee, when seeking money for the construction of the Gilbertsville Dam, and the answer to it all is to be found in the House Document No. 328, Seventy-first Congress, first session, which embraces a complete study by the Corps of Engineers of the United States Army of the entire Tennessee River and its tributaries, governing flood control, navigation, power, and irrigation.

The dam would be located 22 miles from the mouth of the Tennessee River and 184.6 miles below the Guntersville Dam and, of course, to produce hydroelectricity as planned, and this seems to be the only excuse for it, would have to remain full of water perpetually, and even though it is claimed that it is a flood-control proposition, common sense tells us all that in time of flood, the Tennessee River, as all other lateral streams, will run out into the Ohio River before the Ohio River reaches its crest, otherwise the Ohio would never reach a flood stage, and thus the Tennessee River would fill the Gilbertsville Dam long before the crest of the Ohio was reached, and would then constitute a seawall against the flowage of surplus water of the Ohio River into this great area of 184 miles up the Tennessee Valley and leave only 22 miles below the dam to contain the overflow of water from the Ohio River, thus destroying completely the use of the dam as a flood-control proposition and force the raging waters of the Ohio on to Cairo instead of up the Tennessee Valley. The other answer to it is that complete plans now on file in the Congress of the United States, made over a century of study by the War Department, show that the entire Tennessee River could be made navigable from Knoxville to its mouth by a system of low dams that would cost, not billions of dollars as the Tennessee Valley Authority contemplates, but $76,000,000, and the area from the mouth of the river to Guntersville, two hundred and six and six-tenths miles could be made navigable by five low dams, costing less than $10,000,000.

With a public debt of now actually more than $40,000,000,000, and the Federal Budget continually unbalanced and operating on a deficit with borrowed money, can it be said to be the part of wisdom on the part of statesmen trusted with the lawmaking power to continue such wild and fantastic schemes as the Gilbertsville Dam? And I have related only a part of the things of a destructive nature it will bring about. We are spending hundreds of millions of dollars every year to provide for the conservation of our soils that our population may have the opportunity of living in a land of plenty, and at the same time we proceed to cover up and destroy the rich alluvial lands of one of the greatest river valleys in all America, winding its way from the hills of eastern Tennessee across that State into Alabama, northern Mississippi, and western Kentucky to the Ohio River, taking out of cultivation and production approximately one million and a half acres of rich land and out of taxation by the affected counties and States more than $300,000,000 worth of taxable property, resulting not in the conservation, but leaving us the rapidly depleting rolling lands, with the task of perpetual soil-erosion prevention, and at the same time some 40 counties whose taxable values are practically destroyed are now knocking at the doors of the Congress demanding legislation requiring the Federal Government to provide the revenue thus lost to their treasuries. The truth is, several bills are now pending before my committee asking that the Government recoup the losses of some of these counties, and they, of course, will continue agitation, and, with present inclinations on the part of the Federal Government, may cause vast expenditures of Federal funds, so that nobody knows, or ever will know, how much this wild, reckless, and socialistic venture may cost the American taxpayers.

During the long hearings before the Military Affairs Committee on the amendments of 1935 the evidence disclosed many discrepencies in the accounts of the Authority amounting to thousands of dollars, and the explanation made by the directors was that "children had been playing with the cash register." Now, the Comptroller General's annual report for the fiscal year ending June 30, 1937, has this to say about the T. V. A.'s financial policies:

"During the fiscal years of 1936 and 1937 exceptions were made and the Authority regularly notified on a total of 7,964 transactions involving $15,542,459.70. Of such number and amount there was released, after proper explanations or recovery, a total of 3,077 exceptions amounting to $4,814,950, leaving 4,887 still pending in the amount of $10,727,509.70."

I suppose the children are still playing with the cash register!

Now it is proposed to abolish outright the Comptroller General's Office or, at the best, audit all Government spending after the expenditures and not before. Another case of locking the door after the horse is stolen.

All remember the written pledge of the Democratic platform of 1932, to reduce Government expenditures by 25 percent and abolish useless and unnecessary bureaus, and yet in the last 5 years there has been such wide expansion of Government agencies and activities both in and out of Washington that the Government now occupies in the States outside of Washington more office space than would be provided by 53 buildings of the size and capacity of the Empire State Building in New York. Let's speed the investigation of the T. V. A. to its fullest extent!

Good night.

Reorganization Bill a Complement of What the Exploded Court Bill Was To Be

EXTENSION OF REMARKS

OF

HON. U. S. GUYER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1938

RADIO ADDRESS OF HON. U. S. GUYER, OF KANSAS, OCTOBER 22, 1937

Mr. GUYER. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert a radio address delivered by me at Topeka, Kans., October 22, 1937:

Ladies and gentlemen of the radio audience, permit me to thank WIBW Broadcasting Co. and the Republican State committee for offering to me their facilities for the purpose of speaking to my Kansas friends concerning the late lamented session of the Seventy-fifth Congress and some of the ramifications of its alleged work.

First, I think I can say without fear of successful contradiction that if there was anything great about its work it consisted of what it did not do. It just packed a little corner of the Supreme Court—just enough to give the country a taste of what a complete packing would have meant.

But the real work of distinction was, when at last Congress gave notice that hereafter it intended to do its own thinking, which was a long-looked for innovation. It kicked out the good old well-worn rubber stamp, and gave notice that from now on the Senate and the House of Representatives, composing the legislative department of the Government, would do business at the old stand as an independent coordinate branch of the Federal Government; that after this, bills that came all nicely typed with the brand of the "brain trust," would go out the window; and that if the executive department had any suggestion about legislation it must come by way of the door of the Constitution, in the form of recommendations to Congress and not full grown like Minerva from the brow of Jove and out of the froth of the New Deal sea.

That was a great achievement, my countrymen! It was not an easy task. Put yourself in the place of a Democratic Senator or Representative. A President had been elected by almost a unanimous electoral vote of the 48 States. In that President's hands were all the 800,000 political jobs, including those in the Senator's State and in the Representative's district. To oppose the President's plans meant the loss of that patronage, the politician's lifeblood. Opposition was heralded as meaning certain defeat, for with such a powerful leverage the President can by either withdrawing favors from the district or permitting an opponent to distribute it, effect defeat. But against all that brutal power enough patriotic Democrats defied their President to, in my opinion, forever doom any packing of the Supreme Court. In my humble opinion, this first of three major must bills, written somewhere in the domains of the "brain trust," has its final epitaph written, notwithstanding it is reported that the President will still seek to pass the Court bill. It may be like the turtle that walks around after its head is cut off: dead but doesn't know it.

The bill to pack the Supreme Court is not the only outrageous measure which has the President's approval and sanction. The next most pernicious bill was the executive reorganization bill. This bill, if possible, is worse than the Court-packing bill. It lodges in the President's hands the power to abolish, transfer, and centralize all agencies of the Government in the executive branch of the Government without the consent of Congress, and particularly the commissions and boards created by Congress to regulate industry and the relations between capital and labor.

This bill is not quite in the form it was when it came from the White House; some of the more objectionable features having been eliminated, but it still retains enough of the original to make it a most pernicious law, and would put the whole executive branch of the Government under the absolute domination of one man. The original form of the bill is important only as showing just what kind of a government the President wanted to impose upon the country.

With the reorganization bill a law and with a packed Supreme Court, along with the wage and hour law, we would have had a Fascist government in all but name. It would at one fell blow have transformed our whole economic life into collectivism under a bureaucratic government dominated absolutely by the President. As I say, these original bills only show what sort of government was planned by the group of "brain trusters" who work behind the screens in Washington. The whole effect of such outrageous laws would be to wholly change the character of our Government and give us a personal government dominated by the President. That is a bad form of government, no matter how good a President we might have, and with a rubber-stamp Supreme Court anything he did under such law would be constitutional. Even the very attempt to accomplish such a malevolent object is a crime against our American system of government.

Just consider what this reorganization bill does. It puts all the 10 executive Departments, War, State, Treasury, etc., including the Federal Reserve Board, the Power Commission, the Interstate Commerce Commission, the Federal Trade Commission, the Wagner Labor Board, every one of which now reports to Congress, absolutely under the thumb of the President.

He can tell the heads of every one of the these departments and commissions just what to do and what not to do, because he has the power to abolish every one of them if they do not perform his will. Tell me what power of government a Stalin, a Mussolini, or a Hitler has that these laws would not authorize. There was a great, heroic fight made to preserve the Supreme Court as an independent judiciary, and there were lots of fireworks, but in my opinion that fight was tame to what we will see if and when the attempt is made to railroad such a legislative monstrosity through an American Congress as this reorganization bill. It seems incredible that a President would sanction such a bill. In placing this bill before the Congress along with what he called his program he said: "In placing this program before you I realize that it will be said that I am recommending the increase of the powers of the President. This is not true."

Now, permit me to quote from title I, section 2, of the original bill, subtitle headed:

"POWER OF THE PRESIDENT

"Whenever the President, after investigation, shall find and declare that any transfer, retransfer, regrouping, coordination, consolidation, reorganization, segregation, or abolition of the whole or any part of any agency, or the functions thereof, is necessary to accomplish any of the purposes set forth in section 1 of this title, he may by Executive order:

"(a) Transfer or retransfer the whole or any part of any agency, or the functions thereof, to the jurisdiction and control of any other agency.

"(b) Establish any agency to receive the whole or any part of any other agency, or the functions thereof, and this shall include the power to establish Federal corporations and direct that such action be taken as may be necessary to effect the transfer to any such corporation or corporations of the assets and liabilities of any federally owned and controlled corporation or corporations, and empower any such Federal corporation to exercise such functions as may be necessary to effectuate the purposes for which the federally owned and controlled corporation or corporations were established;

"(c) Regroup, coordinate, consolidate, reorganize, or segregate the whole or any part of any agency, or the functions thereof; or

"(d) Abolish the whole or any part of any agency, or the functions thereof, and this shall include the liquidation and dissolution of any federally owned or controlled corporation in accordance with the laws of the United States, or of any State, Territory, or possession of the United States (including the Philippine Islands), or the District of Columbia, under which such corporation was organized; and

"(e) Prescribe the name and functions of any such agency transferred, retransferred, established, regrouped, coordinated, consolidated, reorganized, or segregated under this title, and the title, functions, tenure, and method of the appointment of its head, or any of its officers or employees."

This gives you some idea of the power given to the President, yet he glibly told us on January 12, 1937, that his program provided no increase in the power of the President. Why, under this bill by just writing his name under a brief Executive order he could abolish the Interstate Commerce Commission which was established by Congress just 50 years ago. He could do the same with the Federal Trade Commission, the Civil Service Commission, or the Wagner Labor Board, or any other agency established by Congress for the public good, if its work happened to displease the President or its head refused to render the kind of decisions he wanted.

Under this bill he could discontinue any part or any function of any of these agencies or remove at will any official by such discontinuance. Under this bill the President could place the War Department under the Bureau of Fisheries or the Wagner Labor Board under the Navy Department. Under this bill, like Mussolini, the President could hold a half dozen Cabinet portfolios and take personal command of the whole executive branch of the Government.

Under this bill with a packed Court every agency of the Government would be under the thumb of the President just as truly as Hitler has Germany under his thumb. I said if he had a packed Court and this bill became a law. Neither will ever happen in my candid opinion however much he wishes it. The importance of this bill, as I have said before, is to show us just what kind of a government he wanted us to have with the adoption of his plan. That plan, as originally introduced, died on July 13, the day Congressman HATTON W. SUMNERS delivered his great speech on the Court. Judge SUMNERS is chairman of the Committee on the Judiciary in the House and his speech doomed that bill in the House, for when he finished that speech every informed person knew it was impossible for the Court bill to reach the floor of the House because Mr. SUMNERS spoke the overwhelming sentiment of the Committee on the Judiciary of the House of Representatives.

In conclusion I ask: What was the great purpose concealed in these three major "must" bills—the Court bill, the reorganization bill, and the wage and hour bill? It was a great all-encompassing scheme of supercentralization of power in the Executive, under which the President could not only control Court decisions and dominate industry and labor, but by which anyone who was Presi-

dent could also control elections in spite of anything except some volcanic eruption and revolution of public sentiment.

The Court matter has monopolized public attention so completely that scant notice has been attracted to the reorganization bill, which is even more menacing than the Court bill. Men appointed to the Supreme Court soon catch the contagion of independent thinking, which has characterized that great tribunal, so that in that rarefied atmosphere a Justice of this greatest Court in Christendom realizes that his place in history will not depend upon or be fixed by the White House but in the white light that beats upon his record as an impartial, incorruptible, and independent judge, a judgment that will be recorded in the mind and purpose of the people of a free nation. But the reorganization bill would give the whip hand over every department, commission, and bureau and over some 800,000 political retainers, whose very life depended upon subservient obedience to the will of the autocrat in the White House, into whose hands this bill would place despotic power to control the destiny of 130,000,000 people. That bill would give too much power into the hands of the best and noblest of men, and it would be a national crime to place it in the hands of a man whose mind and heart happened to be poisoned by hatred, revenge, or ambition. Lincoln truly said that it was never safe to put arbitrary power into the hands of any man, however wise and good. How much more dangerous to place it in the hands of one whose soul thirsts for revenge, whose heart is poisoned by hatred, and whose mind is intoxicated by ambition.

Return of Negroes to Their Fatherland

EXTENSION OF REMARKS

OF

HON. THEODORE G. BILBO

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Wednesday, April 6 (legislative day of Wednesday, January 5), 1938

EDITORIAL FROM THE PANAMA CITY (FLA.) NEWS HERALD

Mr. BILBO. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Panama City (Fla.) News-Herald entitled "Negroes and Whites Will Approve."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NEGROES AND WHITES WILL APPROVE

In the News-Herald of Panama City, Fla., of May 5, 1937, we commented editorially as follows:

"This writer has a hope that some day the segregation of Negroes and whites may be brought about. Both the white man and the black would be happier if they lived in separate parts of the country; that is, if the Negroes had an autonomous state.

"It is admitted this is only a distant vision, but segregation of races has been accomplished before, many times, and always with happier results in the long run. The most recent instance occurred since the World War when the entire Greek population in Asia Minor was forcefully moved back into Europe and the entire Turk population living in Europe was removed into Asia, thus removing a source of constant friction between those two great Nations."

Since then there have been incidents which have indicated that this vision may not be as distant as we then thought. A Negro society was organized recently in Chicago to accomplish that very thing.

And further proof as to the wisdom of segregation is furnished in the plan, said to be brewing between Hitler and Mussolini, for the removal of Germans in the South Tyrol northward into Austria. So if two friendly rulers think it an unhealthy condition that nationals of one should live in a country controlled by the other, particularly when both are members of the same white race, then how much more of an unhealthy condition ought it to be considered that millions of members of one race (the black) should live in a country controlled by another race (the white)?

In that connection a speech by Senator THEODORE G. BILBO, of Mississippi, in the Senate January 21, 1938, is particularly appropriate. While it is too lengthy to be quoted in full here, we quote excerpts as follows:

"The Negro must be returned to his fatherland in Liberia, Africa, where the black man will be happy in his own native land, where he can work out his own salvation, free from the discriminations about which he complains so much in this white man's country, and where he will have an opportunity to pass on to his own race the imposed culture, education, civilization, and training that the creative genius of the Anglo-Saxon civilization has given him during his sojourn in this country.

"Mr. President, in advocating this solution for the troubles that now confront us and troubles yet to come as a result of the presence of the Negro race in America, I verily believe that the great majority of the Negroes of this country will gladly accept my suggestion. It is the thing that they want to do, for be it remembered that at the beginning of this depression, when the first appropriation was made for the relief of unemployed, 1,000,000 Negroes filed a petition with President Roosevelt, which petition is on file in the White House today, pleading with President Roosevelt to use a part of this fund—that is, relief money—in meeting directly such initial expenditures as the launching of whatever plans might be involved in being transported back and colonized upon the public lands of Liberia, which lands are held in trust for just such a colonization.

"In other words, in advocating the deportation of the Negro back to Africa I already have a million names on a petition filed during the past few months in the White House in which the signers are now asking to be sent back to Africa.

"In thus solving this great racial and national problem the Government would not be pursuing a new policy, because we all remember that in the early settlement of America the Indians were segregated and whole tribes were moved from one section of the country to another section in order that they might have a country all their own, where they could live unmolested by the advancement and development of the white man's civilization.

"We moved the Indians. We moved them by tribes, by tens and hundreds of thousands, from one part of the country to the other. Then why can we not move the Negro in the same way? Of course we can.

"It may be of interest to you to know that just recently a great many Negroes of Chicago, Ill., organized a society for the purpose of creating the forty-ninth State, whereby all the Negroes of the United States could be carried to some chosen section, somewhere out in the West, where fertile lands are plentiful and opportunities are unexcelled, and there form a Negro State, where none but the Negro would be permitted to live, where they would have a government all their own, with a Negro Governor, Negro Senators, Negro Representatives, Negro schools, Negro society, Negro everything.

"That society was organized not long ago in Chicago. They are anxious to segregate themselves. The thinkers among the Negroes realize it, because they know they are not getting a square deal. They know they are not going to get a square deal until a few hundred years from now; but I will tell you in a minute when they will get a square deal.

"Of course there would be some objectors, but I believe I am speaking the dream and the hope of the great majority of the Negro race in this country. Whether or not the Negro admits it, you know he is not happy. He is not satisfied. He is not contented. He knows that in no State or section, as long as he is compelled to live side by side with the white man, will he enjoy equal opportunities in all things.

"The politicians may cajole the Negro, they may make nice speeches to him, they may promise him a great deal, especially in campaign years, but the Negro is getting wise. He knows he is not getting a square deal. He knows he is being discriminated against; and if he has enough sense to get out of the rain, he is ready to move.

"The 12,000,000 Negroes of America could be deported at once, and I verily believe with their consent, without disturbing the economic conditions of the country—if at all, only temporarily—and without any danger of creating a shortage of labor in this country such as would prevent us from carrying on.

"Of course, in advancing the suggestion of repatriation of the colored man, it is understood that in carrying out this suggestion, there would be no such thing as an immediate and wholesale exodus; but the removal would be gradual and there would be plenty of time for the adjustment of the economic and labor conditions which such a removal would bring about.

"Some of the labor racketeers and corporations of the South that have been profiteering on the low wages paid to the black man in the South might object, as they have objected to the wage and hour bill, as is evidenced by the tens of thousands of dollars that have been spent and the trainloads of propaganda they have disseminated to create a sentiment against such legislation, and to influence this Congress.

"Oh, yes; some of the racketeers and profiteers of Harlem, New York, and Black Belt, Chicago, and other large centers that have preyed upon the weaknesses and duplicity of the colored race for their own profit, may object; but I am sure I voice the real sentiment, feeling, heart, and mind not only of the great majority of the Negro race, but of all the white men and women—South, North, East and West—when I suggest such a solution of this ever-perplexing problem."

The Statute Nobody Understands

EXTENSION OF REMARKS

OF

HON. DUDLEY A. WHITE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

Mr. WHITE of Ohio. Mr. Speaker, among many other notable attainments, BRUCE BARTON is known as the author

of the book entitled "The Man Nobody Knows." In recent months Secretary Wallace is becoming known as the author of a piece of legislation which is being called "The Statute Nobody Understands."

When this statute, the farm bill of 1938, was under debate in the House and Senate, both Democrats and Republicans repeatedly charged that not a single person had given a clear description of what it meant and how it would operate. Many did not hesitate to confess that it was too complicated for them to understand and to declare they would not vote to make it a law under those circumstances. Someone remarked that it would take a dozen Philadelphia lawyers to figure it out—and that the entire Congress did not contain that many.

The compulsory features of the measure were denounced by the Farm Bureau, and opposed by the National Grange from start to finish; likewise, the Farm Union and virtually every other organization of practical farmers in the country.

No partisan can claim that opposition to the bill was political. It is true that it was an administration measure, but it is true also that the administration has a 3-to-1 majority in the House, and yet a switch of only five more votes on the motion to recommit would have defeated the measure. This clearly shows the weakness of the legislation and the widespread opposition to objectionable features despite party labels.

Seventeen members of the Ohio delegation voted to recommit the bill and only four voted against recommittal; and two were absent out of the 23 seats now occupied. Of this number, only two are Republicans. All the other votes came from Democrats.

Senators DONAHEY and BULKLEY both voted against it, and this is an almost unheard-of move for the latter.

When it came to the conference report, only a few changes were made in the original proposal, and in this connection Senator DONAHEY said:

> It had plenty of bureaucratic features when it was before the Senate the first time, and now the Senate and House conferees have just added a few more to make it worse.

Senator MCADOO predicted its enforcement would bring such a hubbub that the legislation would be repealed at the next session.

Senator MCNARY asserted:

> Secretary Wallace's pet "ever-normal granary" plan and the theory of parity prices have been "completely stricken from the legislation" and that the benefit payments and loans provided by the legislation were available under present laws.

As a whole the measure is a lollapaloosa. The next thing we know the cows, the chickens, and all the farmers will have to be saluting Wallace every time they turn around. There will come a day when this measure will rise up and haunt the dreams of some people who now have the idea that it is a beautiful fairy tale.

The Veto Power in the Reorganization Bill

EXTENSION OF REMARKS

OF

HON. GLENN GRISWOLD

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1938

Mr. GRISWOLD. Mr. Speaker, I am one who voted for the reorganization bill under Mr. Hoover. I am also one of those who, as a member of the Committee on Expenditures, under the leadership of my friend the distinguished gentleman from Missouri [Mr. COCHRAN], reported the resolution that rejected Mr. Hoover's plan of transferring the functions of the Army engineers to the Department of the Interior.

I am interested in reorganization to avoid duplication, to produce economy, and prevent waste. Such reorganization is vitally necessary. I am also interested in a principle of government more important. That being the proper functioning of the legislative branch.

I was, up until a few days ago, content with the theory embodied in the Kniffin amendment. As a small-town lawyer I would still be content with it had not my faith in my own legal conclusions, a doubt of my legal reasoning, been injected into me by the statements of those brilliant legal minds of this House—the gentleman from North Carolina [Mr. WARREN] and the gentleman from Kentucky [Mr. VINSON]. They contend that the Kniffin amendment would be a mere gesture signifying nothing, and by inference agree to accept it with their tongues in their cheeks. My mind is clouded too by the midnight statement of no less a man than the President of the United States who says in effect that if a concurrent resolution of disapproval were passed by both Houses he would in the majority of cases gladly yield to congressional opinion, but the President then suggests that cases could, and may arise, where he would not yield and would feel called upon to veto such resolution, and, further, that a concurrent resolution that endeavored to bind the Executive without power of veto vested in him would be unconstitutional. Prior to the statement of the President I had reached the conclusion that a concurrent resolution was a proper, just, right, and legal way to handle the matter and retain in the Congress the right to hold a check on the Executive in the exercise of the broad and far-reaching power given him by the act.

I argued that since the grant of power to the President was contingent upon the holding in abeyance for 60 days the exercise of the power and that the grant of power was further contingent upon a prior and vested right of the Congress to disapprove of the exercise of the power granted, that it must logically follow that in the event the contingencies set up in the act were invalid and unconstitutional, then it must follow that a power based on the contingencies and that did not begin to flow or vest until the contingencies had been met must also be invalid and unconstitutional. I had argued to myself that these two propositions were as inseparable as a man and his skin—that if you separated them, both died.

Who am I to say that my opinion on a legal matter is better than that of the legal advisers of the President of the United States? I have learned in the trial of many lawsuits that the true and false in the law is divided by an almost invisible line, and that even this microscopic line wavers and angles when it is disturbed by the emotions, prejudice, and bias of judges who are possessed of all the human frailties that are concealed in other humans such as you and I.

I want to be sure. And because I want to be sure I go back to the beginning of things, to a new democracy just emerging from a monarchy.

One of the first steps toward clarifying the mind is to obtain a clear view of past events and experiences. This is true of nations as well as of individuals. Let us see what happened in the beginning.

Originally the King of England actually possessed veto power over the acts of Parliament, but with the growth of free ideas and institutions and the aggressive attitude of the House of Commons the veto power of the Crown lost its vitality until today it exists only in theory, but in the days of the American Colonies it was a very active and vicious thing—so much so that when the Declaration of Independence was drawn the first charge in the indictment against King George, the first in all the list of grievances against the Crown, the greatest and first complaint that came to the minds of the colonists transcending all other wrongs was this: "He has refused his assent to laws most wholesome and necessary for the public good."

The King had vetoed time and again laws passed by the legislative bodies of the Colonies. Laws that they considered necessary to the very existence of the Colonies. Had he not exercised his power of veto, it is reasonable to believe that there would have been no Boston Tea Party, Patrick Henry's speech, Battle of Concord, or Revolutionary War. We can reasonably assume that if there had been no exer-

cise of the veto power there would be no United States Congress today to sit here and discuss in a democracy a method to preserve for itself a protection from that veto power.

That is what is in my mind today. I thought we had a way planned to take care of a much-needed reorganization. A reorganization that Democratic Presidents and Republican Presidents alike have desired. I have little patience with those who favored and voted for a reorganization under Mr. Hoover and are enemies to all reorganization when Mr. Roosevelt is in the White House. I have less patience with those who cloak their prejudice against granting the power to Mr. Roosevelt under the guise of patriotism. I am not worried over a dictatorship by the President. I am more worried over the attitude of the American people. Our forefathers fought for liberty, and the people today seem to be afraid of it. I am not afraid of it. That is one reason I want to be sure this act protects us from the veto power. I am jealous of the powers granted in the Constitution to the Congress. The veto was originally intended as a protection to the Executive from encroachments of the legislative branch.

In this bill we are granting to the President a right or power that he does not have inherently under the Constitution. If the framers of the Constitution had intended for him to have that power without a loan of it from Congress, they would have given him the power in the Constitution as they did the right of veto. The power was withheld from him. The only way he can obtain it is by a loan or grant of it from Congress. Congress is asked to loan its power to the President for 2 years. I want to be sure we get our property back in as good condition as it was when we loaned it to him. It was Ruskin who said that "a gracious God has lent us our Nation for and during our natural life." It is not an estate in fee simple. It is an estate for life only. To use, improve, and pass on to our children in as good or better condition than when we received it.

Under the Kniffin amendment, we give to the President a grant of power by a majority vote to be exercised only in case we do not disapprove it. According to the President's statement, if we disapprove it by a majority vote and he is not in accord with our disapproval, he will veto the act of disapproval and thereby require a two-thirds vote to prevent his exercise of a power that was not his in the beginning and was granted him by a majority vote only. This seems to me to be an encroachment upon the legislative branch of the Government. By his very act he controls two-thirds of the legislative power of the Nation. He becomes a part of the lawmaking body and is engaged in the performance of a legislative and not an executive duty.

I am anxious to see a good bill that will accomplish the purpose intended. I am anxious, at the same time, to maintain the status quo of both executive and legislative power and prerogatives.

The able gentleman from Ohio [Mr. KNIFFIN] has given much thought and study to his amendment. He is as anxious as I, or any other man in this House, to protect the House in its rights. He has, by his amendment, brought the question squarely before the House, and full credit is due him. In my opinion, his theory is right and his conclusions as to the law correct, but because of statements that have been made, because of the doubt that has arisen I would suggest a change in his amendment. I would suggest that he provide that any plans or orders promulgated by the President shall not become operative unless Congress shall within 60 days by concurrent resolution approve them. This eliminates entirely the exercise of the veto power. In such cases if the plan as presented was good Congress could approve it, and it would go into operation. If Congress did not consider it good, it would destroy it by the very simple method of not acting at all. And where there is no action there can be no veto. The plan would lie dormant in that place where it is hoped all bad legislation will forever remain.

This bill is a stone in the national building. It may be a very important stone on which rests the security of the whole building. It is well for us to consider carefully the character of the stone. Again it was Ruskin who said:

Therefore, when we build, let us think that we build forever. Let it not be for present delight nor for present use alone; let it be such work as our descendants will thank us for and let us think as we lay stone on stone, that a time will come when these stones will be held sacred because our hands have touched them, and that men will say, as they look upon the labor and wrought substance of them: "See! This our fathers did for us."

Labor, Wages, and Hours

EXTENSION OF REMARKS
OF
HON. JOHN F. DOCKWEILER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1938

Mr. DOCKWEILER. Mr. Speaker, a few weeks ago Roger W. Babson, known as one of the outstanding business economists of the United States, published a lengthy statement in connection with business conditions for the first quarter of 1938. In his statement he said:

The sharp drop in purchasing power is a danger signal. Depressions are nothing more than a continuous downward spiral in buying power. Prosperity is the opposite process.

We all recognize that the most powerful influence on the buying power of the country is the rise and fall of employment. In other words, when there are jobs and the workingman is earning a living, buying power goes up and the spiral of prosperity begins. During the first quarter of this year we have seen considerable increase in unemployment, and there has been a consequent slowing up of business generally due to the decreasing amounts which the workers have had to spend.

For some time now this Congress has been considering legislation in connection with wages and hours of employment. It was my privilege and pleasure to introduce before this House a wage and hour bill which had the support of the American Federation of Labor. This bill was an exceedingly simple measure and, I consider, by far the best wage and hour legislation yet considered by Congress.

In simple language the purpose of wage and hour legislation is to set a minimum below which the wages of workers may not go and a maximum on the number of hours they will be called upon to work.

Obviously there are two advantages to this kind of legislation—one is the definite raising of the standards of living in some sections of our country, with the corresponding increase in the buying power of the workers, and the other is the automatic creation of more jobs through the definite limitation of the number of hours which any one man devotes to his work.

I said this bill had the support of organized labor, and I believe that its value extends to all those who work for a living.

Now, this bill has met with opposition from certain sections of the country due to the fact that the economic and business structure in these sections is such that there is a balance already arrived at on the basis of a lower wage scale than the minimum proposed in the bill which I introduced.

I am, of course, more closely familiar with conditions in my own State than with those elsewhere, and I know that organized labor in the West is far less concerned with the minimum wage than with the maximum hours of employment.

I do not believe I can think of a single trade or industry in California where the prevailing minimum wage is not considerably higher than the proposals which have been made on the floor of this House as a minimum to be set in this bill. What my constituents want and what labor generally wants is a definite limit to be set by Federal enactment upon the number of hours of employment.

President Green of the American Federation of Labor has agreed to the proposed reduction as from 40 to 30 cents an hour in this bill.

I do not believe in differentials between sections of the Nation, and I am unalterably opposed to the idea of empowering a board to fix varying minimum wages throughout the country. It is my opinion that sentiment in the South, where opposition to the minimum wage scale has been found, has changed a great deal since the last wage-hour legislation was introduced, and it will receive more favorable consideration in that section of the country now.

It is not honest, it is not fair, it is not even good business to take advantage of the laboring man and the industrial worker during times of depression because there exists a large supply of labor in the market. Such exploitation of human beings results in a greater tearing down of our standand of living built up during better days and gives impetus to the downward spiral of purchasing power and business.

Every laboring man and industrial worker should receive enough pay to provide himself and his family with nourishing food, warm clothing, and comfortable shelter, and enough to set aside a little for the rainy day of sickness and emergency in the family. Needless to say, this is wishing for an ideal situation. I believe that we in Congress are trying to reach and further that goal. We must be patient in the attainment of it. To provide this sufficient and necessary buying power helps not only the worker but the employer of labor, who must sell his goods to them and to a consuming public. Millions of industrial workers receive pay so low that they have little buying power. Aside from the undoubted fact that they thereby suffer great human hardship they are unable to buy adequate food and shelter to maintain health or to buy their share of manufactured goods.

We have not only seen minimum-wage and maximum-hour provisions prove their worth economically and socially under Government auspices in 1933, 1934, and 1935, but the people of this country by an overwhelming vote are in favor of having Congress put a floor below which industrial wages shall not fall and a ceiling beyond which the hours of industrial labor shall not rise.

I have always supported every bill which had for a purpose this sort of thing. Labor has risen to its dignified heights today, which has brought about Federal and State recognition by law and the courts and in which the courts have approved its practices and methods of procedure because labor has been organized and represented by its leaders, in the legislative halls, through its attorneys in the courts, and through executive offices in the executive mansions of the several States. I have always favored organized labor because it is good for the worker from a social standpoint as well as an economic standpoint, and good for the country.

The Social Security Act

EXTENSION OF REMARKS

OF

HON. ALBERT G. RUTHERFORD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1938

Mr. RUTHERFORD. Mr. Speaker, during the campaign of 1936 I stated that in many respects the Social Security Act was a delusion and a snare. That it was simply a New Deal scheme to take money from industry and from the workingman to pay the running expenses of the Government. That the money collected would be a great deal more than would be necessary to pay the claims arising under the act. That it was actually an income tax imposed upon industry and upon a large portion of the workingmen of the country, and that the New Dealers were collecting money by this indirect method which they were afraid to collect by a direct method. This is exactly what has happened. These taxes are collected and are paid directly into the Treasury, and have been used to pay the ordinary running expenses of the Government. Already $600,000,000 have been paid in and have been spent by the New Dealers. The great New York economist, John T. Flynn, in a recent syndicated article, gives a real insight into how the new dealers do the trick, and his article is as follows:

FLYNN TELLS WHY UNITED STATES NEVER WILL PAY BACK MILLIONS "BORROWED" FROM PENSION FUNDS

NEW YORK, April 2.—In a recent article referring to the money paid into the old-age security fund, I said: "The Government has not the slightest intention ever of using any of this money to pay old-age pensions."

Some readers found that hard to swallow. It is. But here are the facts. For old-age benefit payments the Government imposes a tax on workers and employers alike—1 percent each until 1939, then increasing at the rate of half a percent each 3 years until after 1948 workers and employers alike will be paying 3 percent of the pay rolls for old-age security.

Each year the taxes are collected and paid into the Treasury. Congress then is expected to appropriate these funds for old-age security purposes. Out of this money old-age benefits for the current year must be paid. The balance must be invested by the Secretary of the Treasury in Government bonds. And these constitute the old-age security fund, called in the law "the old-age reserve account."

In effect, this is what happens: The taxes are paid into the Treasury. The Treasury then uses whatever is necessary to pay old-age pensions that year. And as the amount collected each year is enormously in excess of what is needed to pay benefits, the Treasury then borrows the excess from the "account" and gives the "account" its bonds—its I O U's. The Treasury then uses this money to pay the current expenses of the Government. When all is done the "account" has the Government's I O U's and the Treasury has the money, which is soon gone.

This is repeated each year. Pensions in each year are paid out of taxes collected that year. The balance is put in the "account" and borrowed by the Government. Up to now this balance amounts to nearly $600,000,000. The Government has borrowed and spent it.

Now, it is plain that for the next 40 years the Government does not plan to spend any part of the funds in this "account" to pay old-age pensions. I say it is plain because, according to its own estimates, the old-age security taxes collected each year will be far in excess of what is needed to pay benefits.

Instead of having to take any part of this fund to pay benefits, the Social Security Administration actually will be adding each year to the "account." Government estimates are that in several decades this account will have grown to about $47,000,000,000. All of this will have been borrowed by the Government and spent. It will be gone.

Not only that, but each year the Government will be paying interest on its I O U's. That interest will go into the account and in turn will be borrowed by the Government on current expenses. If the plan is persisted in at the end of about 40 years the Government will have borrowed and spent all of the principal and interest. So for 40 years no part of this fund will be used to pay pensions.

Now what will happen after 40 years? The hearings in Congress made it plain that the Government proposed that once it borrowed these funds it never would repay them. The Government's I O U's or bonds were intended to be permanent investments. The theory of it is that by building so huge a fund the interest on it would be large enough to supplement the taxes after 40 years to meet the immense requirements of pensions at that time. Therefore, while the Government plans to pay interest on these accumulated funds, it has no intention of repaying the principal. And for the first 40 years it plans to pay the interest and then promptly reborrow that. Thereafter it will pay the interest to the fund and this may be used for paying benefits.

But there is a catch in this. Where did the money in the account come from in the first place? From taxes paid by employers and employees. Where does the money go? To the Treasury which spends it and not on pensions. When the interest is to be paid where does it come from? The Government has no money. It can get money to pay interest only by taxation. And who will it tax? The only ones there are to tax—employers and employees. In other words, having taken the money from these people for old-age pensions, blown it in under the guise of borrowing it, and desiring to pay interest on it, the Government will get the interest by a second dose of taxation upon the very people to whom the interest is due.

That's why I say the Government has no intention of paying any part of the moneys in this "account" to the aged.

Mr. Speaker, Mr. Flynn's article should be read by every workingman in the country. They would then find out how the new dealers have been fooling them. They would see

that they are actually being taxed to pay the ordinary running expenses of the Government instead of building up an old-age fund as they expected. The workingmen will not only pay in their 1- to 3-percent tax but they will be compelled to pay their proportion of the tax which must be raised to pay the interest on these Government I O U's. Lincoln well said:

You can fool all of the people some of the time and some of the people all of the time, but you can't fool all of the people all of the time.

The new dealers from the President down have been fooling the people for the past 5 years. They have promised and promised and promised, but have failed to make good a single promise. After 5 years of spending and experiments we are worse off than we were in 1933. Under the Social Security Act they have been taking from industry and the workingmen of the country an undue amount to pay for the spending and experimenting. The working people of the country are beginning to wake up to this fact, and it will not be long before they will be demanding that the Social Security Act be amended so that only the amount needed to pay the yearly claims will be assessed each year. This is as it should be. It is absolutely unfair for the new dealers to assess a part of the workers of the country only to pay for the ordinary running expenses of the Government.

Property

EXTENSION OF REMARKS

OF

HON. EDWARD L. O'NEILL

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 22, 1938

SPEECH OF RT. REV. MSGR. FULTON J. SHEEN, OF THE CATHOLIC UNIVERSITY OF AMERICA

Mr. O'NEILL of New Jersey. Mr. Speaker, under leave to extend my remarks, I include the following address recently delivered by Rt. Rev. Msgr. Fulton J. Sheen, of the Catholic University of America, on Property. The notations R. N. and Q. A. appearing several places in the text refer to Rerum Novarum and Quadrigesimo Anno—Encyclicals of Leo XIII and Pius XI on capital and labor.

Is it permitted to a man to possess property as his own, and to be so much the master of it that he can freely dispose of that property? And if ownership of private property is a legitimate right, is it absolute, or is it subject to some limitation, either legal or moral? These two questions are both to be answered in the affirmative.

First, man has a natural right to own private property, either for the purposes of production or consumption. This right flows from the dignity of the human person. A person is the master not only of his own being, but also of his acts and the fruits and products of his acts. Because work is inseparable from the worker, the salary which is the fruit of the work belongs to the worker. Now, if the worker has a strict right to his salary, he also has a right to exchange that salary for a house or a field for the purpose of future security. He, therefore, has the same right to that house or field as he has a right to his salary, namely, because the salary and the work belong to himself. As Leo XIII so clearly put it, "For every man has by nature the right to possess property as his own. This is one of the chief points of distinction between man and the animal creation. For the brute has no power of self-direction, but is governed by two chief instincts, which keep his powers alert, move him to use his strength, and determine him to action without the power of choice. These instincts are self-preservation and the propagation of the species. Both can attain their purpose by means of things which are close at hand. Beyond their surroundings the brute creation cannot go, for they are moved to action by sensibility alone, and by the things which sense perceives.

"But with man it is different, indeed. He possesses, on the one hand, the full perfection of animal nature, and therefore he enjoys, at least as much as the rest of the animal race, the fruition of the things of the body. But animality, however perfect, is far from being the whole of humanity, and is indeed humanity's humble handmaid, made to serve and obey. It is the mind, or the reason, which is the chief thing in us who are human beings: it is this which makes a human being human, and distinguishes him essentially and completely from the brute. And on this account—namely, that man alone among animals possesses reason—it must be within his right to have things not merely for temporary and momentary use, as other living beings have them, but in stable and permanent possession. He must have not only things which perish in the using, but also those which, though used, remain for use in the future" (R. N., 5).

There is a very close relation between freedom and property for property is the economic guaranty of liberty. I say the economic guaranty of human liberty, because the spiritual guaranty of liberty is the fact that man has a soul. The soul is the inward and invisible source and center of freedom. But man not only has a soul, he also has a body; he therefore should have some external and visible sign of that internal freedom. Our Blessed Lord, in each of His sacraments, has accompanied His invisible grace with a visible sign, in order that we might know we were receiving the sacraments. If we were pure spirits without bodies, there would be no need of water as a sign of baptismal grace, nor bread as a sign of divine life. But being material as well as spiritual, God has willed to give us an external sign of the invisible grace which we are receiving. Oil, for example, is the material sign that we are receiving the sacrament of holy orders; bread is the external sign that we are receiving the divine life of the Eucharist; water is the visible sign that we are receiving the inward grace of spiritual regeneration.

In like manner, man needs an external sign of his inward freedom; something he can call his own on the outside, as he calls his soul his own on the inside. As a proof that he has responsibility on the inside he should have something that will manifest his responsibility on the outside. In other words, he should have property which he can call his own. Just as the artist is most free to express his ideas on canvas when he owns both the canvas and the brush; just as the sculptor is most free to leave the imprint of his ideas on marble, on condition that he owns the marble, so, too, a man is most free on the inside when he owns something on the outside to which he can give the imprint of his personality, and on which he can leave his own image and likeness as God has made him to His own image and likeness. That is why we say private property is the economic guaranty of human liberty. A being that cannot call its will its own can call nothing its own.

Man, then, has a right to own property either for productive or consumptive purposes, and this right derives primarily from the fact that he is a person, responsible, autonomous, and master of his acts, as such property is the external security of that freedom. This brings us to our second problem. Is a man's right to private property absolute? No. Only God has an absolute right to property. From the Christian point of view the principle of absolute, unlimited ownership of material things and economic goods is wrong and inadmissible. The official teaching of the church, to quote the encyclical of Pius XI, is: "That the right of property must be distinguished from its use" (Q. A.).

For example, you may own as private property the carpets on your floor; but you may not dust them out your apartment windows; and why not? Because your right to property is socially conditioned, that is, by the use you make of it in relationship to your fellow man. You may have a right to your own automobile as private property, but you may not use it to drive on sidewalks. You may own a wine cellar, but you may not use it to intoxicate either yourself or your neighbor; you may own a piece of property, but you may not build a bar upon it directly adjoining a school. The question then of how one uses one's possessions is quite distinct from whether or not one has a right to them. The right to own may be personal, but the use may be common. As a matter of fact, there may be certain conditions upon which stealing is justified. But stealing would not be justified if the right to private property were absolute. Now, what are the conditions that would justify stealing? First, there would have to be extreme need for preserving the good of a higher order than the property which was taken, e. g., your life, in contrast to another's luxury. Second, all legitimate means of satisfying that need should have been exhausted, and thirdly, one should not take more than that which is absolutely needed. This distinction between right and use has been completely forgotten by modern society because it has been suffering from two extreme errors. As Pius XI put it, "It is idle to contend that the right of ownership and its proper use are bounded by the same limits; it is even less true that the very misuse or nonuse of ownership forfeits or destroys the right itself" (Q. A.). The error of liberalism or capitalism and the error of socialism or communism.

As Leo XIII pointed out "there is a double danger to be avoided." On the one hand, if the social and public aspect of ownership be denied or minimized, the logical consequence is individualism, as it is called; on the other hand, the rejection or diminution of his private and individual character necessarily leads to some form of collectivism. To disregard these dangers would be to rush headlong into the quicksand.

The error of liberalism, individualism, or capitalism insists on the personal and private rights of property, but forgets its use; socialism and communism, on the other hand, insist on the use and forget the personal rights. Let us first of all show the fallacy of liberalism or individualism. If there is any one aphorism which sums up liberalism, it is this: "I have a right to my property and I may do with it as I please." This is not true. "It is one thing

to have a right to the possession of money and another thing to have a right to use the money as one pleases" (R. N.). The right to use is not the right to abuse. The personal right to property requires social justification. The Gospel reveals that it must be justified by the creative results. One man in the Gospel received 5 talents, and another 2 talents, and another 1 talent. The one who received 5 earned another 5, the one who received 2 earned another 2; but he who received the 1 talent "hid it in the earth," because he did not justify the possession of his wealth socially. Our Blessed Lord took the talent away from him. A man, therefore, is responsible for his property, not to himself but to God and to his neighbor. There is no record in the Gospel that Dives ever did anything dishonest. He dined and feasted lavishly every day and clothed himself in soft garments, but he lost his soul because he refused to recognize the social responsibility of his wealth.

The fallacy of liberalism and capitalism is that because the owner has a legal title to property he therefore feels that he can do with it what he pleases. Both go so far as to think that the Government exists only to protect their legal titles to property. It might be well for them to remember that a legal title is not enough; there is something more than a deed required, namely, a moral right which comes from using that property properly and, if necessary, for the good of all. A legal right is, therefore, to be distinguished from a moral right. A policeman may have a legal right to carry a gun, but that does not give him the moral right to shoot children. A public official may have a legal right to public office because he was elected, but that does not give him the moral right to us his office by dishonesty to the detriment of the common good. There is too much insistence today on the legal, contractual character of private property, and the result is the concentration of wealth in the hands of the few, the impoverishment of the masses, and the creation of economic inequalities which have thrown society into a state of chaos.

Communism and socialism are right in their protests against liberalism and capitalism, which claim that every individual has an absolute right to private property. But, like all extreme reforms, they fall into the opposite error, which happens to be a worse one. Communism argues that if the private ownership of productive property is a basis of inequalities, then the right of personal ownership should be destroyed by violence and all productive wealth should be put into the hands of the state. Thus it is that from the mistake of liberalism which forgot the social character of wealth and property. Communism goes to the extreme of forgetting personal rights and liberties. The solution of communism forgets—

(a) That economic equality will be more difficult and not less difficult to achieve after the revolution than before. This is just like saying you can get a quarreling husband and wife to live in domestic peace if you burn their house and purge their children.

(b) It forgets that there is no magic in the transfer of title to property from the person to the collectivity, for collective selfishness is no remedy for individual selfishness, and that living under a few "red" leaders is certainly not preferable to working for a few capitalists, particularly when the "red" leaders have the power of life and death over the workers.

(c) It forgets that the workers have no assurance that they will be the chief beneficiaries of State property controlled by a few bureaucrats any more than stockholders under capitalism can be assured that the corporation in which they own stock will operate only for their benefit.

(d) It forgets also that common ownership of productive wealth means the destruction of personal interest and initiative, for as Aristotle said, "That which is the care of all is the care of no one." You own the parks in common, but how many of you ever go out on Monday morning and pick up the papers?

(e) It forgets that if the State is the sole owner of productive goods of all descriptions that it can do whatever it likes with the individual, for when you deny man the right to control and own that upon which he works, you make him dependent upon the state for his work, his food, his clothing; but to make him dependent upon the state for these things is to make him dependent upon the state for his thoughts, his resolves, his resolutions, his life, which is the death of all freedom. Then the only way left wherein freedom can manifest itself is by the spirit of martyrdom.

In conclusion, then, there is something right about capitalism and something right about communism. The liberals were right in insisting on the personal ownership of private property. The Communists were right in insisting on using property for the common good, but both were wrong in divorcing them.

The Christian solution is the golden mean. It proposes not to put all the eggs in a few baskets as does capitalism; nor to make an omelet out of them as does communism; but to distribute the eggs as widely as possible. In other words, there are three possible solutions of the problem of property: First, selfish possession (capitalism); enviable dispossession (communism); just distribution (Christianity). As the church officially summarizes the present situation, "the immense number of propertyless wage earners on the one hand, and the superabundant riches of the fortunate few on the other, is an unanswerable argument that the earthly goods so abundantly produced in this age of industrialism, are far from being rightly distributed and equitably shared among the various classes of men." Recognizing the same evil which socialism and communism recognize the church goes on to elaborate her program. "Every effort must be made, at least in the future * * * that the workingmen may by thrift increase their possessions, and by their prudent management of the same, be enabled to bear the family burden with greater ease and security, being free from the hand-to-mouth uncertainty which is the lot of the proletariat. Thus they will not only be in a position to support life's changing fortunes, but will also have the reassuring confidence that when their lives are ended, some little provision will remain for those whom they have left behind" (Q. A.).

* * * "Wealth which is constantly being augmented by social and economic progress, must be so distributed among the various individuals and classes of society that the common good of all * * * be thereby promoted" (Q. A.).

How does the church propose to distribute ownership so that as great a number as possible will become property owners? Firstly, by the paying of a living wage. "This program (private property) cannot, however, be realized unless the propertyless wage earner be placed in circumstances that by skill and thrift he can acquire a certain moderate ownership. But how can he ever save money except from his wages and by living sparingly with nothing but his labor by which to obtain food and the necessities of life?" (Q. A.). Secondly, by modification of the wage contract. "We deem it advisible that the wage contract should, when possible, be modified somewhat by a contract or partnership of wage earners and of employers. In this way wage earners are made sharers in some sort in the ownership or management or the products." Thirdly, by favorable legislation. "The law should favor ownership and its policy should be to induce as many people as possible to become owners" (R. N.). This remedial legislation should apply not only to the workers in industries but also to rural workers. "There is an immense army of hired rural laborers whose condition is depressed to the extreme and who have no hope of ever obtaining a share in the land" (Q. A.). "If work people can be encouraged to look forward to obtaining a share in the land, the result will be that the gulf between vast wealth and deep poverty will be bridged over, and the two orders will be brought nearer together." (R. N.) The church's solution then is not to break up capitalism as would the revolutionists, but to break it down so that there would be more owners of productive wealth and less centralized ownership. And the basic reason why the church advocates greater distribution of ownership is in order to insure independence and liberty, and liberty's greatest guaranty is the ownership of private property.

The founders of our Republic, as Ross Hoffman has pointed out, in his work, Tradition and Progress, page 106, well realized the social-political value of property as the economic basis of liberty and they desired to establish it. The French of 1789 wrote into their declaration of the rights of man and of the citizens "that property is an inviolable and sacred right." The Virginia bill of rights put "the means of acquiring and possessing property" as the "foundation of government." The sociological thought best exemplified in the ideas of Jefferson was what might be called distributive today in that it envisaged a widely diffused origin of the means of production as one of the surest guaranties against all form of human tyranny. Is America presently tending in the direction of a wider diffusion of private property or not? Is the tendency of America more toward the socialist or the Christian solution? The only way to answer this question is by studying the emphasis and the demands of labor. Practically all of the demands of labor today are tending solely in the direction of wage-hour legislation, betterment of working conditions, and the right to organize, all of which are good, and necessary, and indispensable. They must be encouraged and not discouraged. But they indicate that labor today is stressing the means rather than the end. It proves that they are thinking only in terms of that which will satisfy man's material appetite and not that which will satisfy him in all of the dignity of his human being. They are thinking more about material security than they are about liberty in the sense of independence. Independence or liberty can come only from that which guarantees it; namely, private property. By private property here we do not mean principally consumable goods such as a rented house, food, clothing, an automobile, but rather productive wealth, e. g., his own farm, cooperative enterprises or a share in the management, profits, or ownership of industry.

It would seem today that labor is being satisfied with only created wealth, not creative wealth; with consumptive wealth, not productive wealth; while labor must insist upon its rights and upon short hours, just wages, good working conditions, and the right to its own unions, it must at the same time not forget that its real peace and prosperity lie beyond any of these things. For when they are all cared for, man is still not independent. As long as he receives his salary from an employer who pays him, as long as he is dependent upon an organization for a continuation of his just working conditions, he is not independent, though he may be well fed. Liberty means not dependence but independence. It means the liberation of personality. Labor must remember that it is possible to have a country of well-fed slaves. A nation of dependent citizens is not the kind of a nation we set out to be. Our history is grounded on the idea that we ought to be free because we have that which gives us economic guarantee of liberty, namely, private property. There is little manifestation of the spirit of independence when we are ready to belong to someone else as long as they give us the necessities of life. We should have these satisfied, but that is not enough. We are not free as long as we exist by the sufferance of others. It is not enough for labor to be politically free, it must also be economically free. In other words, unless there is a wider plea for that independence which comes from the ownership of private property labor will

degenerate into economic slavery and will have no other security for continued material prosperity than the threat of a revolution. The ideal is not to make the workers dependent on industry, but to make them to some extent independent of it. This means that labor must not forget that it cannot stand on its own unless it has something it owns.

It is not, then, the dictatorship of the proletariat that we want, for history has proven that it means nothing else than dictatorship over the proletariat. Communism wants the continuation of the proletariat. The church wants elimination of the proletariat in the sense of the wage earner and begins to be free because he has some material means of independence. This does not mean that everyone in our Nation must own productive private property, nor that there must not be any great industry. It only means that its greater number must own in order that they may give a tone to our society, as, for example, French society has the tone of a widely distributed property society. According to the statistics of 1931, out of 2,431,000 farms in France, 1,340,000 were owned and farmed by a single man, while 1,042,000 were farmed by less than five men. There are 761,000 industries in France; 560,000 of those employ less than 10 men; there are also 1,168,000 artisans doing their own work in their own shops. In the United States the condition is quite the contrary.

On Manhattan Island, for example, less than 4 percent of the people own their own property. Here in our Nation we are occupied not so much with the idea of possessing things but of passing them on. We are growing into a race of people who prefer the excitement of changing something to the thrill of enjoyment. There is grave need of getting back to the primitive simplicity of remembering that God made apples primarily to eat and not to sell, and that God primarily made labor not to make man dependent on his fellow man but to make him independent. We are getting in the condition of the razor salesman who sold a razor which was returned a short time afterward because it did not function properly. The salesman refused to take it back. The purchaser said, "But did you not make it to shave?" "No," said the salesman, "we made it to sell." Why is the church so insistent on the greater distribution of private property? Because to renounce property is to bind yourself to another.

If I renounce my right to private property, I bind myself either (1) to the State or collectivity, which is communism; and (2) to my fellow man, which is capitalism; or (3) to God, which is the vow of poverty. Under the latter consecration the man who renounces all possesses all, for there is nothing he desires. For practical purposes we can ignore the vow of poverty. Because a renunciation of property is the beginning of slavery, the church is opposed to capitalism which concentrates property in the hands of the few, and to communism, which confiscates it all in the name of the collectivity. Being profoundly interested in the liberty of man, the church takes the practical step of suggesting that which will make him free, namely, something he can call his own. The difference between capitalism and communism is only one of degree; capitalism makes the ownership of private property difficult; communism makes it impossible, because it places all productive property in the hands of a few bureaucrats. We are, therefore, confronted with two incompatible factors: we must either restore property or destroy freedom. Communism is only fooling itself by attacking productive property. It attacks it not because it believes property is intrinsically wrong but because it believes that property has been stolen from them by capitalism. There is, therefore, the strong element of envy in the Communist attack on private property. It really hates property owners because it admires them; it hates capitalism because it wants to become capitalistic itself. If they would only honestly analyze their emotions they would discover that what they were really after was the Christian solution, namely, the doing away with the proletariat as the preponderant element in society, for as long as the proletariat lives at the will of another he is not free.

The church is less interested in material security than she is in liberty by which that material security is attained. A few centuries ago the church had to go out to do battle with Calvinistic determinism which contended that a man was sentenced to heaven or hell irrespective of his merits. This was equivalent to defending the liberty of a man to be a saint. The church today goes out on new battlefields, not to defend the freedom of a man to be a saint but the freedom of a man to be a man, the right to be independent of those who own him because they own that upon which he works. The church which once struggled for independence from that theological fiat of an arbitrary sovereign will now struggle to free man from the economic fiat of arbitrary capitalism.

The church is preaching a freedom which is neither the vague license of the old liberalism nor the vague anarchy of new sociological adventurism, but a freedom which a woman taught—and the most glorious woman who ever trod this planet of ours, the peaceful woman who was the Mother of Christ. Before He was born she sang a hymn called the Magnificat, in which was hidden the true Christian revolution which He taught as a grown man: Deposuit potentes de sede; et exaltavit humiles. It might properly be called the first Declaration of Independence, for it sought to establish a true spiritual balance against the enemies of freedom. That balance she sings in her hymn comes first from removing the mighty from their seats, which is already being accomplished; but the more difficult and supreme task awaits us still, namely, exalting the humble to the status of free men, where they can call their souls their own because they believe in God and can call their property their own because they believe in liberty.

The Reorganization Bill

EXTENSION OF REMARKS
OF
HON. ARTHUR P. LAMNECK
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1938

RADIO ADDRESS OF HON. JOHN O'CONNOR, OF NEW YORK, APRIL 5, 1938

Mr. LAMNECK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered over the radio yesterday by the gentleman from New York [Mr. O'CONNOR]:

So that the public may know the situation as to this bill up to this hour let me review what has happened.

Up to now the opposition to the bill has gained several signal victories.

First. The Senate bill was abandoned by the House committee which substituted its own bill, which was somewhat less objectionable. It is doubtful if the Senate bill could ever again pass the Senate, but whether it will be resuscitated in conference in case the House does pass some kind of a bill bears careful watching.

Second. The opposition won its fight to prevent the proponents jamming a bill through the House last week. The purpose of the rush was admittedly to act before the Members could hear from home.

Third. On last Friday evening the opposition won its most signal victory by voting down a motion to gag the House by shutting off debate.

This defeat disheartened the proponents of the bill so that they offered concessions, "bait" as some call it, in the form of amendments they would accept.

The first concession is that they are willing to eliminate the Bureau of Education from the monster new department of public welfare, the most colossal branch of the Government ever conceived, in power and control, with a possible $3,000,000,000 to expend each year, with the consequent power and control that goes with such funds.

The opposition to yielding the Bureau of Education to such an octopus arose not only from churches of all denominations but from thinking people who still believe the education of our youth is the most precious of all the functions which have been left to the States.

Again, however, if any bill does pass the House, what happens in conference as to this Bureau should be carefully watched. In fact, to preserve this Bureau in the Department of the Interior for the present does not mean it will not be gobbled up by public welfare next year.

The second concession held out to attract the necessary support to a bill was that Congress might disapprove of a reorganization by the President by a concurrent resolution instead of a law. How flimsy this concession is can be evidenced by the fact that the President himself has publicly expressed doubt of the constitutionality of the use of a mere resolution agreed to by both Houses to override his action. Eminent lawyers support the President's view.

Now, if they are right, Congress is back just where it started from, and it would require a two-thirds vote of both Houses to override the action of the President in this matter of reorganizing the Government, which it is now proposed that Congress should surrender to the Executive.

This concession would also bear watching in conference.

But too much attention cannot be called to the fact that there is right now on the statute books a law passed in 1921 which is entirely adequate to afford a reorganization of the Government.

It provides that the President may recommend to Congress such changes as he desires, whereupon Congress can, if it sees fit, approve of those changes in whole or in part. That law has been lost sight of, deliberately or otherwise, in all this discussion over reorganization.

Further "bait" was offered overnight in a suggestion that the proponents of the bill would not violently oppose leaving the great Veterans' Administration as an independent agency, rather than stoking it into the huge caldron, the new Department of Public Welfare.

But if a bill passes the House, watch that concession in conference, and more important than that, especially to the veterans of our wars, if the swallowing of this Bureau does not happen at the moment, another year is coming.

Undoubtedly further concessions will be made—"anything to pass the bill" is the slogan of the proponents. Their pride has been injured at the suggestion of opposition to the measure. That is why they started out to ride the bill roughshod through the House, without adequate debate and before the country realized what was being done.

Furthermore, unless the advocates of the measure will agree, there will be no opportunity for a vote in the House on these separate amendments referred to as "concessions." Under the parliamentary procedure only one vote will be allowed—to vote up or down the entire measure as amended.

The obvious purpose of these "concessions" is twofold. First, to pass some kind of a bill and get it to conference, to be rewritten there as originally intended, and, second, to furnish alibis to some Members for voting for the measure.

Already some of the leaders in the fight for the bill are stating, with their tongues in their cheeks, "Well, of course, I wasn't for the original bill, but now if these amendments are adopted, I'm for it."

That will be a convenient alibi for Members who finally vote for a bill and go back to their people to render an account of their action.

But, in my humble opinion, such an alibi will just not be swallowed by the voters. I think I know what they want. They want no part of this bill. No amendment will dissipate the fears aroused throughout our land—and that, whether such fears are justified or not.

I know that from the countless thousands of letters and telegrams I and other Members have received. Call it emotion if you will, but it exists—and the constant repetition of the word "propaganda" does not make it such, because they are all individual letters—most of them in longhand, and no two telegrams alike.

I know propaganda when I see it. I saw it on the "death sentence." I saw it on the "bonus," and I saw it on the "Supreme Court bill." But these communications come from the individual hearts and the minds of our citizens, irrespective of creed, class, or political party.

So to even leave the title of this bill will still inflame our people. That is why I have continuously asked, "Why further incense our troubled people at this time?" And especially in a matter which is of such relative unimportance.

Who cares?

Who cares whether the Bureau of Entomology and Plant Quarantine is taken out of the Department of Agriculture and put in the Department of State?

What will all that juggling do to solve our problem of unemployment and business depression?

Tonight a great mass meeting is being held in the Hippodrome in my city of New York. There at this moment over 6,000 citizens, representing countless thousands of others, are protesting the passage of this reorganization bill.

You just cannot laugh that off by calling it "propaganda." It's spontaneous, no matter how unjustified the fears may be. That being the case, why push this bill at this time? A new Congress will convene on January 3 next. Cannot this problem of reorganizing our governmental set-up—a problem we have had for 150 years—wait a mere 8 months?

Some of us have been asking these questions for a long time, but have received no answer. It is true that we have succeeded in forcing the issue to some extent.

Last Friday I begged for action on the bill to authorize the Reconstruction Finance Corporation to make more liberal loans to small business. Yesterday that bill was rushed through the House under suspension of the rules. Maybe that was another "concession" to attract votes to the reorganization bill.

There has been a lot of loose talk by the champions of this reorganization bill that the opponents of the bill are "foes" of the President. Nothing could be further from the truth. In the House of Representatives the opponents of this bill have been the most loyal supporters of the President.

That is true of the opposition to the bill back home. In New York City and in every State in the Union there is tremendous opposition to this bill from leaders in the President's political party, from contributors to the party's campaign funds. Many of the vehement advocates of the bill and critics of the opposition connot boast of this record. Many of them were not "for Mr. Roosevelt at Chicago" when some of us were. Many of them were battling the President on prohibition, the economy bill, the bonus, the antilynching bill, and the wage and hour bill. Yes; leading the fight against that program of the President.

Suddenly they stake their all on the expression, "I am for this bill because it is the President's bill—I shall walk with the President."

Well, I have been walking with my friend, Franklin Delano Roosevelt, for a good many years and along many a hazardous road when some others were hiding in the bushes or throwing rocks from the bypaths.

However, I conceive it to be my duty, as a duly elected Representative of the people, to detour with them when an obstacle looms up on the road the President would travel.

If I were ever sure of anything in my life, it is that the people do not want this reorganization bill at this time. It is salt to the wounds they have suffered during the past 8 years of an unparalleled depression. I'm for bandaging those wounds as quickly as possible. To me that is much more important than victory to either side on a manufactured moot question.

And what is this fear which so widely pervades the minds of our people? Just this: That in this proposal they discern the seed of fascism. Just that. Some fear that theory of government, so contrary to our democratic form of a republic, has already gotten a foothold in this country, and in this bill they see the camel pushing his nose further under the tent. That's the answer.

Some of those who attack the opponents of the bill, like the Daily Worker, of New York City, the news organ of the Communists, which is supporting this bill with its characteristic violence and abuse of some of us, have cleverly tried to twist the truth by saying the opponents favor fascism. That trick will not work.

Those who fear this measure think they already see the ominous clouds of fascism hovering over our land. In support of their fear they cite this constant repetition that the huge majorities of 1932 and 1936 were "mandates" to those who received them to carry out the will of the majority, irrespective of the wishes or even the rights of the minority. That's fascism.

They also repeat that word "master." That's fascism.

Our people will know that the fundamental principle which distinguishes a Democracy from a fascist state is the preservation of the rights of a minority, even of one. That's democracy. That's what Jefferson, Jackson, Cleveland, and Wilson handed down to us. That's what was written into the bill of rights, the only part of our Constitution which cannot legally be changed, even by the Congress.

In the fascist state, the independence of the legislative body from the executive is first eliminated. Then the legislative body is done away with. There elections are held only at the will of the head of the government and then the vote can only be cast in the affirmative in support of the leader.

A democracy continues only when the rights of minorities and the American system of frequent and free elections are preserved.

As for me, in my own humble unimportant part in this democratic form of government we were guaranteed, I shall continue to resist any tendency toward that monster fascism and cast my lot with democracy.

Let me now read a quotation, as follows:

"No man thinks more highly than I do of the patriotism, as well as the abilities, of the very worthy gentlemen who have addressed the House But different men often see the same subject in different lights; and, therefore, I hope that it will not be thought disrespectful to those gentlemen if, entertaining as I do opinions of a character very opposite to theirs, I shall speak forth my sentiments freely and without reserve. This is not time for ceremony. The question before the House is one of awful moment to this country. For my own part, I consider it as nothing less than a question of freedom or slavery, and in proportion to the magnitude of the subject ought to be the freedom of the debate. It is only in this way that we can hope to arrive at truth and fulfill the great responsibility which we hold to God and our country. Should I keep back my opinion at such a time through fear of giving offense, I should consider myself as guilty of treason toward my country and of an act of disloyalty toward the Majesty of Heaven, which I revere above all earthly kings.

"It is natural to man to indulge in the illusions of hope. We are apt to shut our eyes against a painful truth and listen to the song of that siren till she transform us into beasts. Is this the part of wise men, engaged in a great and arudous struggle for liberty? Are we disposed to be of the number of those who, having eyes, see not, and, having ears, hear not, the things which so nearly concern their temporal salvation? For my part, whatever anguish of spirit it may cost, I am willing to know the whole truth; to know the worst and to provide for it.

"I have but one lamp by which my feet are guided, and that is the lamp of experience. I know of no way of judging the future but by the past."

Those are the words of none other than Patrick Henry.

The Reorganization Bill

EXTENSION OF REMARKS
OF
HON. HERMAN P. EBERHARTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1938

RADIO ADDRESS OF HON. HERMAN P. EBERHARTER, SUNDAY, APRIL 3, 1938

Mr. EBERHARTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address made by me over the radio recently:

I had intended to discuss with you today the original purposes and the current difficulties of Tennessee Valley Authority. However, since that announcement was made, a public problem has come before the United States Congress which eclipses all others in general interest, and I thought it appropriate that it be my subject for today. I refer to the bill designed to reorganize the executive branch of the Government.

This proposal has been before this Congress since early in 1937, when the President sent a special message on the subject. It

aroused very little interest on the part of the general public until within a few weeks ago, when it first came up for consideration on the floor of the Senate. During this time I have devoted much attention and made a thorough study of every phase of the subject.

Let me say that in my opinion the furor that has arisen over this bill is entirely out of proportion to its importance. I don't think that in any sense it threatens our democratic processes. I cannot see where any crisis exists. I do not share all the aroused fears of the critics of the bill; neither do I believe that it will accomplish all that its proponents claim it will.

Here is what the reorganization bill is: It is a measure, drafted as the result of a report by the so-called Brownlow committee, which aims to regroup all the various agencies now under the authority of the President, into a more efficient businesslike design.

Since this Government was founded its activities in all directions affecting the citizens have increased many, many fold. Activities have been undertaken which years ago could not even have been imagined. In this broadening process over the years there has occurred in the manifold branches much duplication and overlapping of effort. It is a well-known fact that various agencies perform exactly the same work and exist for the same purposes, without correspondingly relative benefits. This inevitably entails useless expenditure of money and does not contribute to the efficient operation of the Government. Among other things, the reorganization bill seeks to correct this condition.

The report made five major recommendations.

In the session last spring the matter was laid before the House, and two bills embracing two important points of the report were passed: One gave to the President six new assistants; another created the new department of public welfare.

When the Senate tackled the problem, however, in the current session of Congress, it incorporated into one bill all of the points recommended by the so-called Brownlow committee. This was a huge undertaking and it is no wonder that there is violent opposition to many of the provisions of the Senate bill.

What I have been guarding against since this legislation came before Congress is to see that no part of the bill diminished the power of Congress. The balance between the legislative and executive branches of our National Government must be preserved. Congress for several decades has been gradually delegating its powers and its prerogatives to this and that agency under the Executive. This should go no further, and Congress should do its work itself, wherever possible. At this time, with a great humanitarian in the White House, some minor delegation of power might do no harm, but the effect later, under a different Chief Executive, might constitute a serious threat to genuine democratic government.

Not a single opponent of the bill has contended that the executive departments should not be reorganized and regrouped, and it is generally agreed that such a reorganization must be done by a President. In the last 25 years it has been attempted by President Hoover, by a specially appointed commission, and by a special committee of Congress. All failed.

Thus it is high time that the problem be tackled with determination, and that is why I do not deplore the working up of wide public interest. This is a healthy sign for a continuance of democratic processes of government.

In a radio talk last Sunday I discussed one feature of the bill. I announced my unqualified opposition to that portion which would abolish the office of Comptroller General. The Comptroller General, you understand, is the fiscal agent of Congress, charged with the responsibility of seeing that all Government money is spent as directed by Congress in the acts which appropriate funds.

He now has the power to inquire into the purpose of expenditures before they are made and thus stop any that are illegal.

With respect to our fight against the abolishment of the office of Comptroller General, I think I can say that we have been victorious. It has been tentatively, though not formally, agreed that the office of Comptroller General will be retained, with the same powers for all practical purposes. In fact, insofar as preserving the authority of Congress on equality with the executive branch, a further safeguard has been proposed. It is one to which I intend to give my ardent support. I refer to the creation of a new post, that of Auditor General, with a term of 15 years, not removable except by concurrent resolution of the House and Senate, and therefore responsible only to Congress. It will be his duty to report to Congress periodically and upon request on all expenditures of Government money. Thus, in addition to the check which the Comptroller General provides, Congress will, under this proposal, have more complete information on spending and a further safeguard against any possible wrongful expenditure of public funds.

Opponents have objections to the measure as now written above and beyond the one dealing with the Comptroller General. I am one of that group. We have insisted that an amendment be inserted which will give to Congress the power of passing upon the Executive orders of the President in his reorganization of the departments.

It will provide that any plan of the President which shifts, in any manner whatsoever, by Executive order the functions or personnel of any agency must be forwarded to Congress and must lie there for a period of 60 days before taking effect. In that period of 60 days the House and Senate may by a majority vote disapprove the plan. Should Congress do this it would completely nullify the proposed reorganization.

Yesterday assurance was given by administration leaders guiding the bill in the House that they will accept such an amendment. This represents a most important concession. It will definitely keep in the Congress a final decision on the important details of regrouping, consolidating, eliminating, and overhauling of the many executive agencies and their functions. And at this point it should be mentioned that the power given to the President to reorganize the executive branch is not a continuing power. It will expire in 1940, 2 years hence, and therefore cannot be exercised by any successor in the White House.

There are two other serious specific objections which I make. I don't want the proposed new department of welfare to have any authority over the cause of education. An amendment must be adopted specifically keeping education out of this department. There is no justification for the establishment of Federal control over education, as distinguished from local control as it exists at present, and which has been so long vigilantly preserved. In discussions with other Congressmen, I find almost unanimous agreement on the wholesomeness and wisdom of this proposed amendment.

Another objection: At present the Senate bill includes the Veterans' Administration as an agency which may be shuffled about in the eventual reorganizing process. It is feared by veterans that this agency may be placed under the proposed department of welfare as a bureau or division. This would be a serious mistake. The veterans' needs are on a different plane from those of any other group. An amendment preventing any possibility of merging the activities of the veterans with any other agency will be introduced, and should be passed.

Our fight against these objectionable features of the bill will continue. Any others which come to light in my continuing study similarly will receive my vigorous opposition.

When leaving the House Chamber late yesterday afternoon I received the assurance of Mr. COCHRAN, chairman of the special committee in charge, that the leaders will make no attempt to limit debate. This represents a distinct change of attitude, since, on last Thursday, Majority Leader RAYBURN had declared his intention of having general debate close at 2:30 on Friday afternoon.

As I have said, progress has been made toward making this bill a creditable piece of legislation. The new and conciliatory attitude of the leaders strengthens my hopes in this respect.

The fight is not yet completely won, but, if the amendments I have here advocated are adopted, the bill will be as different from the Senate draft as night is from day. My opposition to the original is just as unswerving now as it was on Friday, when I voted against the gag rule and thus helped open wide the door for unlimited debate on the measure in the House.

The changes suggested by me, if made, would represent the removal of all sound objections raised by the public and Members of Congress. But so far no amendment effecting any of these changes has been formally adopted.

I predict the recognition on the part of administration leaders of the need for their adoption.

Thus altered, the bill should win over many of its most determined opponents and will then be almost certain of passage in the House. But the Senate version—never!

Unemployment and Relief

EXTENSION OF REMARKS

OF

HON. CARL A. HATCH

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Wednesday, April 6 (legislative day of Wednesday, January 5), 1938

STATEMENT BY HON. FRANCIS T. MALONEY, OF CONNECTICUT, TO END UNEMPLOYMENT

Mr. HATCH. Mr. President, this week the special committee studying the problems of unemployment and relief was honored with the presence of the Senator from Connecticut [Mr. MALONEY], who made a very comprehensive and intelligent discussion of some of the questions which the committee has been studying. I ask unanimous consent that the testimony before our committee of the Senator from Connecticut be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

The CHAIRMAN: We will come to order. Senator MALONEY, we have invited you this morning to present to us your views with reference to the bill that you have introduced, and we will also be

glad to hear you as to any phase of the resolution under which this committee is acting and with which you are familiar.

Senator MALONEY: I should like to have it appear, Mr. Chairman, that my presence here comes as a result of a conversation that I had on Friday with a member of your committee in which I suggested to him, informally, and not expecting that it would result in my presence, that I thought this was about the most important committee functioning before Congress at this time, and that I thought the matter of unemployment was the paramount problem of Congress. He suggested that I come before the committee at an early meeting to discuss a bill that I introduced in Congress last year.

Senator HATCH: May I interrupt a moment to say that I was the member of the committee with whom you talked. I have been familiar with your bill, to a certain extent, and your interest in this general problem. We have had several discussions about it at different times, and it has been my purpose to ask you to appear before the committee, but, like many other good intentions, it was overlooked. I am very glad to have you discuss it.

Senator MALONEY: I should like to have it appear, as well, Mr. Chairman, that I come without a prepared statement; that there has not been sufficient time, between then and now, with the other things that I have been compelled to do, to put something in written form for the committee, and for that I apologize.

I presume that I ought to say that I feel that there has been too long a delay on the part of Congress in the matter of regulating working hours, and I say that because the bill to which we have just made reference is a bill which provides for the regulation of working hours.

I suggested Government regulation of working hours before the election of 1932 and at that time I prepared and had printed, at a time when I did not expect that I would soon come to Congress, a pamphlet setting forth my idea concerning a regulation of working hours. At that time it was a novel suggestion. I had not before heard it publicly proposed that there be a regulation of working hours on the part of the Federal Government; and it might interest you to know that at that particular time organized labor was opposed to the idea. After coming here the idea seemed to me of even more importance, but between then and the time of my coming, Senator Black and the late Congressman Connery introduced a bill for the regulation of working hours.

I know that you gentlemen recall that during the administration of President Hoover he said, and his associates admitted, that a shorter workweek was necessary if we were going to get out of the serious depression of that time. Since then other proposals have been made. Now labor is about wholeheartedly in favor of the idea. Almost everyone is ready to admit that there is a need for a curtailed workingweek. In my opinion we have waited too long to do it, and it is my opinion that we will probably have to do more drastic now than would have been necessary if we had established a regulated workweek back in 1931 or 1932. But because I think it is vitally necessary, I am very hopeful that this Congress will undertake to regulate working hours. I do not have the idea that we can set a fixed workweek. I do not think anybody has a sufficient knowledge, or sufficient information, to know what the period of working time should be. I think we might penalize industry, and we might just as well penalize working people, by setting a week at 30 hours. There are those people who believe that the way to better times and improved economy is almost by way of an unlimited workweek. That particular school of thought maintains that only by a tremendous mass production can we cut down the cost of goods and thereby give people all the things that they need, or nearly all the things that they need.

I would like to say before I proceed with a discussion of the proposal I have made, and I did not come here for this, and I am not going to trespass any on the time of the committee about it, that I feel that we have waited so long, and that our national economy has so shrunk, and is now so shrinking, that to help in the correction there must be Government spending. I think that once more we have to embark upon some such undertaking as a public works program, or extend the Works Progress Administration in order once more to expand the shrinking national economy.

I do not like to say it here, and I know how reluctant the Members of Congress are to say how bad they think conditions are, but we are approaching a crisis, in my opinion, and unless we do something to stimulate business at once I fear that in a little while we are going to find ourselves in a rather sad situation. I think that that is just as important or, perhaps, at the moment, more important, than the matter of regulating the hours of labor, but I do feel that after we embark upon this spending program that I think is vitally necessary, that we ought then to take steps to immediately bring men back into private industry. I think that probably we will have to continue for a long time with some sort of public-works program, and I believe that public-works program should extend to the point necessary to provide jobs for the people who are willing, able, and anxious to work. I firmly believe after we undertake a spending program we should then take the step that, to me, seems sane and necessary. We should provide a regulation that would quickly get men back into private employment.

You will find much opposition to regulation in any field. I read yesterday in the Herald Tribune, and I think a number of the other Senators did, something in connection with the matter of regulation that interested me very much. It was an article written by Mark Sullivan, and I refer to this because of my own suggestion for further regulation. You gentlemen of the committee will remember the terrific barrage against the proposal in 1933 to regulate in the securities field. You remember the terrific campaign against the passing of the Securities and Exchange Act of 1934. Industry set up a terrific cry. People engaged in the investment field were just as bitterly opposed. It was the first time that I heard the word "regimentation." The campaign raged over the land like a storm. Now at this late day, we find so conservative a man as Mark Sullivan saying this:

"Regulation of the Stock Exchange, and of the issue of securities, is one of the four or five New Deal measures that were desirable; indeed, indispensable. Possibly it might have been better if we could have trusted the Stock Exchange to regulate itself, to prevent and punish derelictions within itself, somewhat as we leave to churches and to some other institutions the responsibility for maintaining high standards and enforcing their own discipline, without interference by Government. But the Stock Exchanges and the issuers of securities did not give us the opportunity to have that confidence in them."

If you gentlemen should recommend, and the Senate should attempt again to write a law regulating the hours of labor, you would run into much the same sort of protest we heard at that time. But the passing of only a little while has satisfied many conservative people, and I think almost all of the people, that regulation was necessary, that it was in the public interest, that it was beneficial to that particular industry, and that it was a necessary protection for the people who invest their money.

I think that the passage of a bill properly regulating the hours of labor would, in just the same little while, only I think in a shorter period of time, bring the applause and the approval of not only the general public, but the people who manage industry.

It seems to me that regulation in this field is a necessary thing on the part of the Government. We are now regulating in so many fields that a good many people are unmindful, as they cry about governmental regulation, of the fact that they are in many instances being necessarily regulated, and that in many instances they approve.

We would not have traffic lights if regulation was not necessary. We have traffic lights to prevent people from doing harm to themselves and to others in a mad and sometimes a selfish rush to get somewhere.

I understand that you have other witnesses here this morning. I do not care to take any more time than is necessary, but I am grateful to you for the chance you give me to get this particular proposal into the record of your very important hearings.

At the outset I should like to say that this proposal of mine is certainly far from perfect, but I think under the study of such a very able group as this committee it could be perfected.

I am hopeful that my proposal will attract your attention and interest to a sufficient extent to get you to give this particular subject some thought. I am fearful that unless we do this we are going to have a so-called wage and hour bill in this session of Congress that will be insufficient. The Senate did pass a bill last year that does proclaim a regulation of working hours, but I think it is very insufficient. While it is maintained that there is a regulation of working hours in that bill, men could, as a matter of fact, work a 60- or 70-hour week under it. Theoretically, it is all right, but we have passed the time when we can write a law that leaves wide open the chance for pressure from any source. I think we ought to be very definite about it. I do not think that we ought to take it unto ourselves, as Members of Congress, to say that there should be a 30-hour week or a 35-hour week or a 40-hour week. We don't know. No one knows. But we do know that there are a great many people out of work, and I think that our first responsibility is to find out how many people are out of work, where they are, what they are equipped to do, and then upon that basis endeavor to write a law that will give those men jobs, and thereafter keep unemployment on so nearly even a keel as is possible.

I think this bill, perhaps in a crude way, does that. But it does point a way. It insists that hours be regulated on the basis of the number of people who are out of work.

I should like to say, Mr. Chairman, at this point, that there is much discussion in connection with other bills about what the minimum wage should be. I have not attempted to touch the wage situation in this proposal of mine because I am generally opposed to price fixing in any form.

I have been fearful that if we attempted to fix wages, we would jeopardize labor; that sometime there might come a conservative Congress that felt it would be proper, in view of the fact that we were putting a floor under wages, to put a ceiling on wages. I have believed that the proper way to get working people a sufficient income was by giving working people an economic force in order that they might bargain for wages. Labor has no economic force now. Labor has no chance now. If misguided or selfish employers choose to exploit labor, with the present vast reservoir of unemployed, they can do just about what they please with that labor.

I do not think that it is fair to say that wages have gone up to considerable extent. I personally do not believe that wages have in fact gone up in very many instances, and neither do I think that it is proper to say that a man should get 30 cents or 40 cents an hour and rest on that fact. I do not think that we ought to consider wages on the basis of hours alone. Men should

be paid for what they do. Men should be paid for their production. Men should be paid for what they know. If we paid men on an hourly basis, it might properly apply to Senators.

A number of years ago a man working in industry and getting 30 or 40 cents an hour might have produced 25 units in a day. That same man today in the same industry, with perhaps a 10- or 15- or 20-percent advance in wages, is probably producing 50 or 100 units, so that on the basis of what he does, he has not had a raise in wages. As a matter of cold fact, he has had a decrease in wages. So I am not very much impressed by those people who would take glory unto themselves by telling us how much they have done for labor.

I think "technological improvement" is the phrase that is commonly used in connection with industrial advancement, but I understand better such language as "inventive genius," and, as a result of inventive genius, spurred on during the war and after the war, industry has been able to produce in much greater quantities.

I do not think it is fair in our day, nor do I think it is economically sound, nor morally honest, that industry should take for itself alone the reward of the inventive genius of man.

I think that labor's stake in industry is just as great as that of capital. I think that labor has as much right to the profits of industry as capital has. Labor takes just as much responsibility as capital.

Under the industrial and economic set-up of this day and age, if there is not enough work, labor is out. Labor has not got a chance. Hours are then regulated by industry for industry. I want the hours regulated by the Government so that labor may share in the profits that come. I think when there is a tremendous speeding up of production and men, as a result thereof, are thrown out of work, that we then might very properly consider the popular subject of sharing the wealth. Proposals to share the wealth, in every sort of form and fashion, have come to the attention of Congress in the last several years. It seems to me that there is only one way to properly share wealth and that is to divide jobs, to give men a chance to work, and their share of the reward and profit of inventive genius, which will continue. The only way we can do it, in my opinion, is by curtailing working hours.

This proposal, and I am not going to take much longer Mr. Chairman, is designed not only to regulate the hours of labor, but it attempts to do several other things. It is a short bill; actually, nine pages long. It is very simple. There is not any part of it that is in any way confusing. There is not a thing about it that labor and industry cannot understand. Now I said just a few moments ago, that it is difficult to attempt to correct the unemployment situation without first finding out where we are; how many people are out of work, what kind of work they are capable of doing, and where they are.

I first introduced this proposal back in February, 1937, and later during a consideration of the so-called Black-Connery bill I revised it to some extent and offered it in the Senate as a substitute for the Black-Connery bill. I might say in parenthesis that it came within eight votes, I think, of replacing the Black-Connery bill. It first provides for setting up of a board originally known as the Federal Unemployment Commission, and it provides thereafter that there be a national census of the unemployed. It sets forth that the board may determine the kind of persons who might be classed as unemployed. It provides for an immediate census, not a long-time-drawn-out thing but such a census as that for the national draft, which was taken back in 1917. We might do it all in one day. And that part of the proposal is not, of course, original with me. After that census we would immediately be able to supply to the Federal Unemployment Commission, and thereafter to the unemployment offices that are now established all over this country, the cards for their area; the complete unemployment picture for that neighborhood. It would result, Mr. Chairman, as I see it, in putting the Federal Government, by way of this commission, in a position of knowing exactly what the unemployment situation was every day without much additional expense, because we have these unemployment offices. I cannot see that it would entail much extra help or extra cost; and I would like to lay emphasis upon the fact that every single day we would know, not only how many unemployed there were, but we would know exactly where they were, and we would know the sort of thing they were equipped to do.

I also had in mind in the drafting of this proposal the large amount of money we are spending, and that I feel we will necessarily continue to spend for a long time, for unemployment relief through the medium of Federal funds for the W. P. A. and the P. W. A., and other similar governmental agencies.

Provision is made in this proposal that if men fail to register, and thus do not take advantage of this opportunity the Government sets up for them, they are denied the chance to work on relief projects. So it seems to me that there can be no honest charge made that men will refuse to register, because, if they do, insofar as the Government is concerned, they are out of the picture. They are considered employed. It would not be difficult to keep up the cards under that system. After this thing got in motion we might assume that if a man failed to register every month, or every two months, or every three months, with the Unemployment Commission, that the Commission, in its wisdom, might determine that that man had gone to work.

After the census, and we know just exactly how many unemployed people there are, this bill provides the number of hours in a workweek. I do not know that these figures fit. I feel rather certain that there is a way for improvement, but it first provides, Mr. Chairman, that if more than 8,000,000 people are found to be unemployed, and that is certainly the situation at this moment—there are varying figures; some people say 13,000,000, and some say 12,000,000, and some say more than 13,000,000—but this bill provides that if more than 8,000,000 people are found to be unemployed there shall become effective a 30-hour week. I am not frightened about it. I should not be frightened if it were a 25-hour work week, while there are more than 8,000,000 people out of work. It provides thereafter that if, as a result of the curtailed workweek, or a 30-hour week, some of them go back to work, at that point where there are no more than 6,000,000 unemployed, we go to a 32-hour work week. It provides again that if more than 4,000,000 but not more than 6,000,000 persons are found to be unemployed, that a 34-hour work week go into effect; that if more than 2,000,000 but not more than 4,000,000 are unemployed, there be a 36-hour working week; or if no more than 2,000,000 are found to be unemployed, there be a 40-hour working week.

The bill definitely provides a ceiling of 40 hours. I, personally, do not believe that men engaged in factories, mines, quarries, and mills should, as a regular thing, work more than 40 hours a week.

It seems to me that with the advances we have made, and with the speeding up in production, that that is a sufficient work week, but I would not tie myself to that. If we came to the day when, to provide a fair share of the necessities of life and some of its luxuries, people should work a 45-hour week, I should bow to that. I do not think a 45-hour working week would hurt anybody. It is not purely social with me. But I think we should be just as willing to go down to a 25-hour working week, if necessary to give jobs to men who are willing and able to work, and who have families to support, and who must, unless they be supported otherwise, be supported by the Government.

I do not believe that the Federal Government can long stand the terrific burden of supplying work for 13,000,000 people, and probably a greater number, and I think that this very able committee should give serious thought to this subject that is of so much importance.

The bill makes other provisions. It strengthens the law in connection with the matter of Federal loans which, again, as a result of the action we took a few days ago, becomes something of great importance. It provides against the unfair competition of exploited labor in foreign countries. The bill is insistent that men who work long, long hours for extremely low wages in other countries cannot impose upon American labor. I think that is fair. I do not think the United States, which has advanced so very much farther than other countries during all the years, should be asked to lower its standards to equalize conditions over the world. I think our responsibility and our moral obligation is to make an effort to bring other countries up to our standard, and in the event of their unwillingness or inability to do it, our responsibility and our moral obligation is to protect the American workman against the importation of cheap foreign labor. The bill also contains child-labor and collective-bargaining clauses.

The bill does provide for proper exemptions. I know, as members of the committee know, that there are certain industries that would be harmfully affected by the imposition of a fixed and rigid working week. I know that there must be a flexibility. I cannot think of many such industries myself, but the Unemployment Commission that would be set up under this bill would be swamped with requests on the part of those who felt that they could not operate under this sort of regulation. Some of the claims, but not many, would be true. Mr. Chairman, necessity is the mother of invention. I remember during the war, as you do, when so many hundreds of thousands, or millions, of young men, many of whom had been engaged in industry, in factories and mills, were called away to the war. The United States did not long worry, and neither did industry worry too much, about finding apprentices to spend two or three or four years to learn certain so-called trades. In some instances—and we are suffering from that now—they took women into the factories, and they taught them, almost overnight, how to do these things. I think—and it is rather apart from the subject we are discussing, but it is a very serious part of the economic situation—that a large part of our unemployment problem is due to the fact that there are so many women in American factories doing things that men should be doing—doing a harsh, hard kind of work. I do not think that we can deny women, nor do I know that we want to deny them, the right to work in factories, but it is a constant reminder to me, Mr. Chairman, that we can adjust ourselves to new conditions. And while, for a little time, there would be a very sincere and loud opposition to the enactment of such a law as this, I think it would finally bring applause, not from the American workmen alone, but from the industrialist, who would have a chance to wipe out unfair competition, and who would have the opportunity to expand his own market, because you know and I know that two men earning $20 a week will provide a greater buying power than one man earning $40 a week.

I should say at this point that I am perfectly willing that there should be a floor for wages. I am perfectly willing, if others insist, that there should be included in this bill a minimum wage. I thought that working people might do well enough without it if

we gave them an economic force—if we created a competition for labor by setting hours at such a point as would give a job to about every able-bodied man who was willing to go to work.

I think that the Government can be trusted with regulation. I am not so much afraid of a centralization of power in the hands of Congress as some other people are. I think that those who think about it realize that the Government wants to be fair. I think that the Congress could be trusted to change this law, already flexible, if a need for it later developed.

I am about to finish, Mr. Chairman. I should like to say that I think this is one of the ways, following a spending program that I have feared—but I think now becomes absolutely necessary—to bring a new confidence to business and to working people. People are not putting money into the capital-investment field now; but if there could be some assurance that men would regularly have jobs, and that the Government was going to take unto itself the almost sacred responsibility that it has to provide jobs for men, we would have a new confidence. Industry would know that it was going to operate regularly. Workmen would know that they were going to have at least a fair chance of a job. I think it would take the dormant funds that there are in this country and encourage them to go back into the investment field.

It seems to me, Mr. Chairman, that I might almost sum it up in just one word. I have endeavored to point out here, in a feeble sort of way, that a large part of our trouble is due to the fact that the inventive genius has been captured by the industrialist, and that he has thoughtlessly tried to reap all the profits himself. He dissipated it by throwing men out of jobs. If he will divide that inventive genius among the people who work for him, and give them their share of the profit by way of shorter hours, jobs, and consequently better wages, then we can get out of this depression. I think we can do it very quickly. I do believe that we are approaching the crisis. I do think that spending is necessary, and, thereafter, definitely and immediately, a rigid regulation of working hours.

I am sincerely hopeful, Mr. Chairman, that your committee, which has tried so hard up to now, will find the time to give serious thought, not only to the matter of regulating working hours, because you have already done that, but give serious thought to the matter of regulating working hours under some such proposal as I have made, which determines the working week by the number of unemployed in the country.

Mr. Chairman, so far as I am concerned, I have finished. I will be pleased to attempt to answer any questions that any members of the committee may care to ask.

The CHAIRMAN: The bill to which Senator MALONEY refers will be included in the record at this point:

[S. 1667, 75th Cong., 1st sess.]

A bill to provide for a census of unemployment, to prohibit the interstate transportation of certain articles and commodities in certain cases, to protect the health and provide for the welfare of the unemployed, to provide for the general economic welfare of the Nation, and for other purposes

Be it enacted, etc., That the act entitled "An act to provide for the fifteenth and subsequent decennial censuses and to provide for apportionment of Representatives in Congress", approved June 18, 1929, as amended, is amended by adding at the end thereof the following new section:

"SEC. 23. That a census of unemployment shall be taken by the Director of the Census for the years 1937, 1940, and every 2 years thereafter, for the purpose of determining the number of unemployed persons in the United States over 18 and under 65 years of age who are physically and mentally employable. Said unemployed persons shall be classified by race, sex, age, customary occupation, and the causes and duration of their unemployment."

SEC. 2. (a) There is hereby established a Federal Unemployment Commission (hereinafter referred to as the Commission) to be composed of the Attorney General, the Secretary of Commerce, the Secretary of Labor, the Chairman of the Federal Trade Commission, and the Chairman of the Social Security Board; which Commission shall serve without additional compensation.

(b) The Commission is authorized to appoint and fix the compensation of such attorneys and experts as may be necessary for carrying out its functions under this act, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, and the Commission may, subject to the civil-service laws, appoint such other officers and employees as are necessary in the execution of its functions and fix their salaries in accordance with the Classification Act of 1923, as amended.

SEC. 3. (a) Upon the completion of each unemployment census provided for in section 1, the Director of the Census shall submit to the Commission a detailed report showing the results of such census.

(b) Upon the receipt of such report the Commission shall establish working weeks as follows: (1) If more than 8,000,000 such persons are found to be unemployed, a 30-hour working week; (2) if more than 6,000,000 but not more than 8,000,000 such persons are found to be unemployed, a 32-hour working week; (3) if more than 4,000,000 but not more than 6,000,000 such persons are found to be unemployed, a 34-hour working week; (4) if more than 2,000,000 but not more than 4,000,000 such persons are found to be unemployed, a 36-hour working week; or (5) if 2,000,000 such persons or less are found to be unemployed, a 40-hour working week.

(c) The working weeks established by the Commission shall continue in force until 2 months after the next succeeding census has been taken and a report submitted. If such subsequent census shows a sufficient change in the number of such persons unemployed, the Commission shall establish a new working week in accordance with subsection (b) of this section. If such change is insufficient for the establishment of a new working week, the Commission shall reestablish the working week then in effect.

SEC. 4. On and after January 1, 1938, no article or commodity shall be shipped, transported, or delivered in interstate or foreign commerce, which was produced or manufactured in any mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment situated in the United States, in which any person, except officers, executives, and superintendents, and their personal and immediate clerical assistants, was employed for a longer period of time than that provided for in the working week established by the Commission: *Provided*, That upon the submission of satisfactory proof of the existence of special conditions in any industry included herein, making it necessary for certain persons to be employed for a longer period of time than that provided for in the established working week, the Commission may issue exemption permits with respect to such persons, relieving the employer from the provisions of this act with reference to such persons.

SEC. 5. (a) No article or commodity shall be purchased by the United States, or any department or organization thereof, from any business enterprise operating contrary to any provision of this act, or if such article or commodity was produced or manufactured in any mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment situated in the United States, in which any person, except officers, executives, and superintendents, and their personal and immediate clerical assistants, was employed on and after January 1, 1938, for a longer period of time than that provided for in the working week established by the Commission.

(b) Each contract made with a contractor for any Federal public work shall contain a provision that the contractor will buy no article or commodity to use on or in any public work from any business enterprise violating any of the terms or provisions of this act, and will buy no article or commodity which was produced in any mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment situated in the United States, in which any person, except officers, executives, and superintendents, and their personal and immediate clerical assistants, was employed on and after January 1, 1938, for a longer period of time than that provided for in the working week established by the Commission.

SEC. 6. (a) No Federal governmental agency shall make or renew any loan to any employer of labor in any mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment situated in the United States, in which any person, except officers, executives, and superintendents, and their personal and immediate clerical assistants, was employed on and after January 1, 1938, for a longer period of time than that provided for in the working week established by the Commission.

(b) On and after January 1, 1938, any such employer of labor who applies for a loan from any such governmental agency shall agree at the time of making application for such loan that so long as he is indebted to the United States he will not permit any person, except officers, executives, and superintendents, and their personal and immediate clerical assistants, to work for a longer period of time than that provided for in the working week established by the Commission. In the event that there is a violation by any such employer of his agreement, the full amount of the unpaid principal of the loan made to such employer shall be immediately payable.

SEC. 7. On and after January 1, 1938, it shall be unlawful to sell, ship, transport, or deliver into any State any goods or commodities produced or manufactured in any mine, quarry, mill, cannery, workshop, or manufacturing establishment situated in the United States, in which any person, except officers, executives, and superintendents and their personal and immediate clerical assistants, was employed for a longer period of time than that provided for in the working week established by the Commission, and where the State into which such goods or commodities are delivered or proposed to be delivered has in effect a staute prohibiting the employment in such business of employees for a longer period of time than that provided for in the working week established by the Commission.

SEC. 8. On and after January 1, 1938, it shall be unlawful for any employer subject to any of the provisions of this act to reduce, directly or indirectly, the daily, weekly, or monthly wage rate in effect on such date (or, in the case of an applicant for a loan from a governmental agency, on the date his application is submitted) with respect to any of his employees until a reasonable opportunity has been afforded to his employees, through representatives of their own choosing by a majority vote, to meet with the employer or his representatives and to discuss and consider fully all questions which may arise in connection with the reduction of such wage rate.

SEC. 9. Any person who violates any of the provisions of this act, or who fails to comply with any of its requirements, shall, upon conviction thereof, be fined not more than $1,000, or be imprisoned for not more than 3 months, or both.

SEC. 10. (a) This act shall not apply to commodities or articles produced or manufactured prior to January 1, 1938.

(b) Nothing in this act shall be construed to apply to agricultural or farm products processed for first sale by the original producer.

SEC. 11. As used in this act—

(a) The term "30-hour working week" means a period of time in any calendar week consisting of not more than 5 days in any 1 of which not more than 6 hours of work is required or permitted.

(b) The term "32-hour working week" means a period of time in any calendar week consisting of not more than 5 days in any 1 of which not more than 6⅖ hours of work is required or permitted.

(c) The term "34-hour working week" means a period of time in any calendar week consisting of not more than 5 days in any 1 of which not more than 6⅘ hours of work is required or permitted.

(d) The term "36-hour working week" means a period of time in any calendar week consisting of not more than 5 days in any 1 of which not more than 7⅕ hours of work is required or permitted.

(e) The term "40-hour working week" means a period of time in any calendar week consisting of not more than 5 days in any 1 of which not more than 8 hours of work is required or permitted.

SEC. 12. If any provision, clause, or paragraph of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision, clause, or paragraph to other persons or circumstances, shall not be affected thereby.

SEC. 13. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

The CHAIRMAN: Have you made any investigation as to the effect of the attempt made in France to provide jobs through their effort to share work?

Senator MALONEY: Mr. Chairman, I am sorry to say that I have not.

The CHAIRMAN: I have not made a very careful study of it myself, but I recall that last summer when I was in Paris I noted that there was considerable complaint that it had not worked out as well as labor thought it would, because in the City of Paris, for instance, in mercantile establishments they simply closed up the stores on Monday. Very few stores would stay open. They closed instead of running a week and giving more jobs. I have not made any inquiry as to subsequent experience to see whether that was merely temporary and whether they had adjusted themselves. I thought possibly you had.

Senator MALONEY: I have not done that, but I would like to point out, Mr. Chairman, that that is not an entirely novel situation. As I understand it, there are some stores in the United States that close up on certain days of the week now. As a matter of fact, I think one of the very large department stores in New York, for at least a part of the year, closes on Saturday. I am not definitely certain of that.

The CHAIRMAN: That is true in a number of places.

Senator MALONEY: Someone behind me says that all of them do.

The CHAIRMAN: All of the stores?

Senator MALONEY: I just heard that remark.

The CHAIRMAN: Does your bill set forth the industries to be exempted, or would that be left——

Senator MALONEY: That is left to the Unemployment Commission.

The CHAIRMAN: For instance, does it include the agricultural situation?

Senator MALONEY: Mr. Chairman, I am just one man, and I am afflicted with all the frailties of human nature. I have not attempted to delve into agriculture.

The CHAIRMAN: Is it exempted by the bill, or would it be left to the Commission?

Senator MALONEY: Agriculture is exempted, so it is not touched under this proposal.

The CHAIRMAN: Is there any other specific exemption besides agriculture?

Senator MALONEY: No, there is not, but you have given me another thought, Mr. Chairman. I would like to say, as one who comes from an industrial neighborhood, one of the most important industrial parts of the country, that it is my opinion that this bill, and I risk criticism when I say this, would do more for agriculture than all the farm bills that Congress could ever pass.

Agriculture is largely dependent upon the buying power of people engaged in industry. People in the industrial neighborhoods cannot get enough milk for their children now. They cannot buy the produce of the farm. They cannot buy some of the farm products that are, in certain parts of the country, considered luxuries. They want those things, and all they need is the buying power to get them. It seems to me that this is in effect an agricultural bill, and that if you return these people to jobs it will so stimulate the buying power of this country that agriculture will, once more, come back into its own.

The CHAIRMAN: Do you base that on the belief that two men receiving $20 a week will spend more than one man making $40 a week?

Senator MALONEY: Yes; but I go beyond that, I make that as an absolute argument, because I think everyone will admit that. Mr. Chairman, there are unlimited possibilities in this country once we get the economic force of the Nation in motion. I am not afraid of high wages.

Senator CLARK: Is it not true that high wages and short hours have always gone together?

Senator MALONEY: I can remember when a pair of shoes cost $1 and bread was 5 cents a loaf, and it was awfully hard too for some people to buy shoes and bread. Then I can remember when shoes were $6 or $7 or $10 a pair and bread was 10 or 15 cents a loaf, and the men working in the mills and factories bought silk shirts.

Senator CLARK: Short hours have inevitably been followed by higher wages, have they not?

Senator MALONEY: Yes; and by good times.

The CHAIRMAN: That is all. Thank you.

Senator MALONEY: Thank you.

Increase in Naval Armaments and the Foreign Policy of the United States

EXTENSION OF REMARKS

OF

HON. MARTIN L. SWEENEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1938

RADIO ADDRESS BY HON. MARTIN L. SWEENEY, CLEVELAND, OHIO, MARCH 12, 1938

Mr. SWEENEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address made by me over Station WHK at Cleveland, Ohio, March 12, 1938:

Ladies and gentlemen, at the outset permit me to express to Mr. Russell Richmond, program director of WHK, and the officials of this broadcasting station my appreciation for the opportunity of discussing this problem.

In considering our foreign policy we should keep in mind the everchanging conditions in our national and international affairs. In his Farewell Address, George Washington in admonishing us to avoid entangling alliances with foreign powers, said:

"Against the insidious wiles of foreign influence (I conjure you to believe me fellow citizens) the jealousy of a free people ought to be constantly awake; since history and experience prove that foreign influence is one of the most baneful foes of republican government."

Despite the fact that as a Nation we do not face the isolation of Washington's day, and that we have assumed the leadership of the world in extending our trade and commerce, it is my opinion that the advice of Washington is just as sound today as when originally uttered. History records that every time we have ignored the counsel of Washington and engaged in secret diplomacy we have found ourselves in serious trouble.

The World War, which cost us up to January 30, 1934, $41,765,000,000, taking the lives of 115,000 of our best manhood, and leaving 206,000 wounded, could have been avoided had we abstained from secret diplomacy and entangling alliances with Great Britain and her allies.

With few exceptions, all wars are commercial wars. The pity is the American people are not informed as to what goes on behind the scenes. Recently I read the Life and Letters of Walter Hines Page, our American Ambassador to Great Britain before and during the World War. Mr. Page, who was characterized as being more British than the British themselves, left to posterity a record of the intrigue, deceit, and almost treasonable conduct practiced by American diplomats who forgot the admonition of George Washington. Read the letters of the late Ambassador Page to get a true picture of our secret diplomacy.

The World War almost destroyed civilization, but was no lesson to the greedy powers nor the international bankers who sponsored it. Today the world engages in a mad race for increased armaments. The President of the United States recommends legislation increasing by 20 percent our naval armaments. After hearings for several weeks before the Naval Affairs Committee the measure is now before Congress for debate and consideration.

By influential witnesses appearing before the Naval Affairs Committee it was repeatedly charged that the United States has some sort of secret agreement with Great Britain in formulating a larger navy. It is often hinted, regardless of the denial by the State Department, that our Navy is to be used as a spearhead to protect financial interests of Great Britain in China. Thank God, we never entered the League of Nations nor the World Court. If we had, there is no doubt in my mind but what we would be compelled to invoke sanctions in the Japanese-Chinese War now raging in the Orient.

A new technique has been developed by many warring nations of the world. Witness conquest of Ethiopia by Italy without a formal declaration of war. Witness conflict between China and Japan without a formal declaration of war by Japan. This new technique is a worry to many countries. Our United States recently redrafted its neutrality policy. Under our present Neutrality Act the President is given exclusive authority to determine if a state of war exists between two or more foreign states, and if the President shall proclaim such fact, it shall thereafter be unlawful to export, or attempt to export, or cause to be exported,

arms, ammunition, or implements of war from any place in the United States to any belligerent state named in such proclamation, or to any neutral state for transshipment to, or for the use of, any such belligerent state.

The President is further empowered to determine whether a state of civil strife exists in a foreign state, and to further determine if such civil strife is of a magnitude or is being conducted under such conditions that the export of arms, ammunition, or implements of war from the United States to such foreign state would threaten or endanger the peace of the United States, then the President is empowered to proclaim such fact, and it shall thereafter be unlawful to export, or attempt to export, or cause to be exported, arms, ammunition, or implements of war from any place in the United States to such foreign state, or to any neutral state for transshipment to, or for the use of such foreign state.

Daily demands by selfish groups are made upon the President to invoke sanctions against the warring nations in the Orient, and against the participants of the civil war in Spain. Wisely has the President refused to yield to such pressure. What the future may bring us, none know.

The proposed naval increase referred to provides for construction of 3 battleships, 2 aircraft carriers, 9 cruisers, 23 destroyers, and 8 submarines. It provides for construction of 22 auxiliary vessels, as follows: Five destroyer tenders, 3 submarine tenders, 4 seaplane tenders (large), 7 seaplane tenders (small), and 3 repair ships. It provides for construction of 950 airplanes and 1 dirigible, approximate size of the *Los Angeles*. It authorizes an extension for equipment and facilities of navy yards.

The total estimate cost of naval increase to United States Government is $1,121,546,000. That is a lot of money. If this vast sum could be utilized to stamp out illiteracy, promote education and culture, prevent disease, lessen scourge of cancer, wipe out unsanitary tenements, and for other activities protecting our high standard of civilization, what a fine thing it would be for the Nation and humanity in general. Though we condemn this lavish expenditure of money for war defense, we must be realistic and practical enough to appreciate it is our only insurance policy in the face of modern-day conditions.

I believe it reasonable for people of the United States to demand the strongest national defense possible. At the same time it is their prerogative to inquire into and insist the United States clarify its foreign policy. An attempt to clarify our foreign policy was defeated a few days ago by the Naval Affairs Committee. However, it is contemplated to offer the Kniffin amendment to the naval bill before the House.

"In order to further effectuate the nonaggressive naval policy of the United States, the naval frontier of the United States is hereby defined as extending from Bering Strait to the western end of the Aleutian Islands, to the Hawaiian Islands, to American Samoa, to Panama, to the Virgin Islands, and to the eastern extremity of the State of Maine.

"The naval forces of the Uinted States shall be employed to maintain said frontier inviolate against any foreign foe, and in their operations shall not go beyond the limits of the western hemisphere, excepting when on friendly visits, except in the event of military attack upon the United States or any of its Territorial possessions and except in case of the violation of the historic policy of the United States as expressed in the Monroe Doctrine."

If this declaration of policy is adopted by the Congress, it will be notice to all foreign powers that the United States is determined to protect her own frontiers and, in substance, will vitiate any secret treaties designed for Uncle Sam to serve as policeman for the British pound and American dollar abroad.

Because of our present foreign policy our people are aroused. Millions of our citizens demand Congress adopt a constitutional amendment permitting the people to decide by referendum vote a declaration of war to engage in wars overseas. It is significant that 218 Congressmen signed the petition to bring the Ludlow war-referendum resolution before the House for consideration on January 10, 1938. It is also significant that 55 of the men who signed the petition repudiated their signatures and voted denying Congress the right to debate the question or vote for the measure on its merits.

A few days before the Ludlow war-referer lum resolution was brought to the attention of Congress I conducted a poll in the Twentieth Congressional District, sending out 5,000 cards to get a cross-section of opinion. The returns indicated the people were 6 to 1 in favor of constitutional amendment giving them the right to declare for or against our entrance into a foreign war.

The opposition to this proposed law is predicated on the fact that the people should trust their Representatives in Congress. I disagree with this opposition, and I give you an instance that took place on Good Friday, April 6, 1917. When the Congress was about to vote on the resolution which precipitated our entrance into the World War, some Members of the present Congress who were part of the war Congress told me Postmaster General Burleson, patronage dispenser for the Wilson administration, came on the floor of the House, a privilege accorded him by reason of the fact he had been a former Congressman. He pleaded with the Members individually that there would be no conscription of manpower, that the war would last only 90 days at best, and no American boy would be forced to serve in France.

Mr. Burleson held the club of patronage over the heads of many Congressmen who were inclined to vote against war. Many who yielded to Mr. Burleson's persuasion and changed their minds have told me with tears in their eyes that they literally put on sackcloth and ashes, and to this day hang their heads in shame for voting to send the flower of our American youth into foreign battlefields.

This I believe is the answer to those who oppose giving the people the right to speak on the most important question in our national life—whether those who fight in war and pay for war with foreign powers on foreign soils should not have something to say about it. The New Deal gave the farmer the right to say by referendum vote whether or not little pigs should be slaughtered in the interest of a controlled production.

Twenty-one times we have amended our Federal Constitution. In our lifetime amendments such as woman suffrage, the direct election of United States Senators, our prohibition amendment, and the repeal of the prohibition amendment have been decided by a plebiscite of the people. It is my contention that the people of a democracy can be trusted to pass upon momentous questions.

Our foreign policy undoubtedly will take a new turn, due to the sudden change of Great Britain in making national contact with the dictators of Germany and Italy. The recall of War Minister Anthony Eden and abandonment of his parallel policy as it affects the United States is indicative, in my opinion, of a strong fascistic movement in Great Britain. These events are of great importance to the people of the United States. They reaffirm our belief the United States is strong enough to stand alone, strong enough to protect its own coast line, and strong enough to safeguard the Monroe Doctrine. That we can do; that we will do, if we are keen enough to detect and courageous enough to destroy the influence of Great Britain and other nations, who under the guise of friendship for democracy seek to advance their own material interests at our expense.

The same pernicious propaganda that preceded our entrance into the World War is circulated today. In the CONGRESSIONAL RECORD of January 14, 1938, under caption, Strike Up the Band—Here Comes a War, you will find my comments anent this evil influence. Upon receipt of a postal card addressed to me at the House Office Building, Washington, D. C., I shall be glad to send you copy of my remarks. To the young men of qualified age to fight in the next war, I especially desire that you have a copy. You were too young to understand what took place in the dark days of 1914 to 1918.

The fight for constitutional amendment declaring for a referendum on war is not over. The measure is before the United States Senate, and I suggest you urge the Senators from Ohio to support this legislation.

I am absolutely opposed to sending our boys into foreign battlefields. If the question comes before Congress while I am a Member, I will emphatically vote "no" against it. The futility of the last war is fresh in my memory, and I will not be a party to the horrible crime of creating a new crop of Chinese or Japanese Gold Star Mothers in America.

Civilian Conservation Corps

EXTENSION OF REMARKS

OF

HON. ALFRED J. ELLIOTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1938

Mr. ELLIOTT. Mr. Speaker, when on March 4, 1933, Franklin D. Roosevelt took office as President of these United States, he immediately turned his attention to the grave problem of saving the hundreds of thousands of youths of our country then drifting over the land, aimless and demoralized, jobless and disheartened.

To remedy these conditions the Seventy-third Congress authorized the organization of the emergency conservation work, which has since become known as the Civilian Conservation Corps, or the C. C. C. The great humanitarian work involved in the C. C. C. far outweighs the monetary value of its achievements and too much emphasis cannot be given here to the importance of the legislation adopted by the Members of this House.

The joint resolution (H. J. Res. 627) of the gentleman from Virginia [Mr. WOODRUM] will provide sufficient funds to prevent the discontinuance of 300 Civilian Conservation Corps camps, that are now scheduled for abandonment on May 31 of this year. In the Tenth District of California, which I represent, Maxon Camp, Tulare County, and Wheeler Springs Camp, Ventura County, were scheduled to be discontinued.

We in the West are particularly proud of the personnel of the camps and their worth-while projects for improving

our forests and parks, they have aided materially in reducing the huge annual losses from forest fires. They have also contributed to the halting of soil wastage of valuable agriculture and timber lands, have developed recreational areas in our parks and forests, and have given invaluable assistance in flood-control operations, and finally, the people of the State of California are deeply appreciative of the splendid work of the C. C. C. boys during the time of the recent floods.

The work of the C. C. C. speaks volumes to the forester, conservationist, and to the millions of citizens interested in preserving, expanding and developing the timbered areas that still remain in this country. This joint problem of conserving, not only our natural resources but in rebuilding and restoring the morale of our youth, will be adjudged one of the most worth-while activities of the Roosevelt administration.

Trends in American Government

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1938

ADDRESS OF OLD-AGE ASSISTANCE DIRECTOR W. ARTHUR SIMPSON, OF LYNDONVILLE, VT., BEFORE THE ROTARY CLUB AT RUTLAND, VT., APRIL 4

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to have printed in the RECORD the address of the Honorable W. Arthur Simpson, old-age assistance director for Vermont, on Government trends, wherein he points out the fact that the American people face the greatest taxation burden in the history of our country and an extension of bureaucracy beyond anything yet devised.

Discussing "Trends in American Government," Old Age Assistance Director W. Arthur Simpson, of Lyndonville, declared in an address before the Rutland Rotary Club today that "the American people face the greatest burden of taxation in the history of this country and an extension of bureaucracy beyond anything yet devised."

He declared that "regulation for the exercise of lawful restraint is a function of government but regulation for class control or group advantage is threatening the financial stability of the Nation because it leads to a vicious circle of ever expanding bureaucracy, economic disorder, and chaos."

He commended "the splendid objectives of the social security program," but warned "that even these policies must be kept within practical and prudent bounds."

He called for a "Nation-wide reaffirmation of our faith in the American system of government, and as a wholesale revival of helping ourselves," and said, "We are secure only through the realization that government is the business of all the people and that true liberalism can best be achieved by evolution along principles established by reason and based on experience."

Continuing, he said: "In this Nation today there is a dependence upon government never imagined by the founding fathers. Some of these developments are logical and meritorious. Some of them are beyond our capacity to develop or our ability to finance. Some of them are worthy of a permanent place in our national program and are dangerous and unworkable only as they exceed the bounds of prudent and practical application. A proper evaluation of what appeared to be emergency measures must be sought from the standpoint of their trend toward permanency and their cost on a pay-as-you-go basis.

"Legislatures in session and those to convene next year face inadequate budgets, increasing debts and the necessity of making greater tax levies and seeking new sources of revenue. They will find their greatest problem in resisting demands for further liberalization of policies and extension of benefits in behalf of militant minority groups encouraged by political promises that run wild.

"The national administration has virtually abandoned all pretense of balancing the Federal Budget. It is also engaged in the unethical practice of using for current expenditures millions of dollars paid into the Federal Treasury for insurance in old age. In 14 months under the old-age insurance provisions of the Social Security Act $1,662,000,000 has been collected in taxes from workers and employers.

"Cost of relief in many cities and States exceeds the total tax-raised revenues of the political subdivision and is being financed by local, State, and Federal borrowing. No more unsound policy could be devised than to continually finance relief on a borrowing basis. A deficit is a tax bill on the installment basis, with carrying charges. The American people face the greatest burden of taxation in the history of our country and an extension of bureaucracy beyond anything yet devised.

"The splendid objectives of the social-security program are entitled to commendation and approval, but we need to remember that even these policies must be kept within practical and prudent bounds. Government cannot assume the sole responsibility for the support of any large class of our population. Liberalization of policies, the extension of bureaucracy, political manipulation, and unsound financial practices will defeat the very purpose of these high humanitarian ideals.

"Centralization of government and an abolishment of States' rights are frankly the objectives of a portion of the political advisers of the Nation. The cloak of Federal payment has seriously weakened the community initiative and financial morality of towns, cities, and States of this country. It has a growing tendency to destroy the self-reliance and moral stability of the individual citizen of these United States.

"It is not a popular admonition, but it is a self-evident truth, that the Federal Government is no stronger financially than the collective ability of the States and their political subdivisions. The Government gets no money that it does not first pick from the pockets of the taxpayers, and the great measurable part of these taxes is paid and always will be paid by all the people, not by the wealthy few.

"Common sense dictates that we cannot continually spend beyond our income. There is a growing comprehension that a return to confidence will not be accomplished through the working of miracles but by a sound and patient approach to our problems through an abolishment of privilege and a reliance on individual initiative, industrious effort, free enterprise, and thrift. We do not need a cyclone, but a gentle breeze to point the weather vane in the direction we should go.

"Regulation for the exercise of lawful restraint is a function of government, but regulation for class control or group advantage is threatening the financial stability of the Nation because it leads to a vicious circle of ever-expanding bureaucracy, economic disorder, and chaos.

"Farm stability is necessary in this country, marketing regulation a worth-while objective, and everyone agrees that the farmer is entitled to his share of the wealth of the country. Honest attempts have been made to solve the farm problem, and during the past 15 years we have adopted one panacea after another. It is an old saying that you can give a patient too much medicine. We pay and compel the farmer to produce less and permit injurious foreign competition in our domestic market which by every right belongs to the American farmer. Reciprocal-trade treaties are totally inconsistent with our present policies regarding labor and agriculture in this country.

"We subsidize the farmer to grow more and better crops through soil conservation and at the same time propose to restrict acreage, control marketing, and produce less.

"The basic principle of soil conservation is entitled to general approval, but it would be unfortunate if the American farmer should barter his free birthright for a ton of limestone or a bushel of clover seed. I am of the opinion that many of the faults of our agricultural system can be attributed to the method of distribution rather than to effects of production. One of the most damaging tendencies in American life today is the trend in agricultural legislation to grind out the family-size and self-sustaining farm between the upper millstone of reduction and the nether stone of regulation. All the civilizations of history came into being and were sustained by this way of life. The thing we seem destined to get for it carries within it the seeds of destruction for the farm life of the Nation and maybe of our civilization.

"An unselfish union of capital and labor is essential to save our Nation from chaos or destruction. The interests of employer and employee are identical. Attempts to divide these two essential units of national well-being into hostile camps is a move toward national suicide.

"The representatives of capital have received so many hard knocks that almost without exception they are anxious and willing to join with workers in any reasonable plan which will save the business principles that have guided and benefited our country from the beginning of our national life.

"Communism and fascism offer nothing but dictatorship, grief, and despair to the great mass of the working people. It is well to realize that some of the policies which are being pursued at the present time will lead to one of these two forms of government.

"There are only two employers in the country, the Government and private business. If all the people work for the Government, where would Government have revenue or means to meet its pay roll? The answer to the problem of balancing the National Budget and decreasing unemployment is for the Government to stimulate business by every means at its command. Otherwise increasing deficits are inevitable.

"If government is to derive any revenue from business, business must be conducted on a profitable basis.

"After the establishment of a fair wage scale, business must be allowed so to conduct itself that substantial profits become available. Profits enable business to lay up reserves for bad times, to conduct research and experimental work looking toward the development of new products and lower consumer prices and,

finally, enable it to pay a return on invested capital sufficient to attract such capital into the field for still greater expansion and development.

"All these forces are at play in business and the satisfaction of each is vital to the success of the whole.

"We need a Nation-wide reaffirmation of our faith in the American system of government and a wholesale revival of helping ourselves. It required 300 years of sacrifice, hard work, careful planning, and prudent saving to build this Nation into the high position it occupies among the countries of the world. There is no justification for an attitude of apology for the system of private initiative and enterprise or for the policy of encouraging industry and thrift which made that position possible. Our past is no skeleton in the family closet. It can be freely admitted that there have been abuses in the past, but it is not necessary to claim perfection because on the record this system and these policies have proven far superior and greatly to be preferred to any other so far devised.

"It is well to remember that under the American system our people have been able to secure for themselves benefits and advantages beyond those enjoyed generally by any other people in this or any other era in world history. Under this system are spiritual advantages which carry the priceless content of liberty, common sense, and the dignity of man.

"On the foundation of fundamental principles embraced in this system we must build our Nation, secure only through the realization that government is the business of all the people and that true liberalism can best be achieved by evolution along principles established by reason and based on experience."

Reciprocal-Trade Agreements

EXTENSION OF REMARKS
OF
HON. WILLIAM M. CITRON
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1938

LETTER FROM THE SECRETARY OF STATE

Mr. CITRON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter received by me from the Secretary of State:

DEPARTMENT OF STATE,
Washington, April 4, 1938.

Hon. WILLIAM M. CITRON,
House of Representatives.

MY DEAR MR. CITRON: Referring to your letters of March 8 and 15, 1938, I wish to reiterate my deep appreciation of your continuous support of the trade-agreements program. I am sure that the people of Connecticut must realize that, in supporting this program, you are serving their best interests.

You note that some of your constituents are concerned regarding the proposed trade agreement with the United Kingdom. Some of the dire predictions being circulated regarding the effect of this proposed agreement on New England industry are doubtless made for partisan purposes. That this should be so is regrettable. It is unfortunate that attempts should be made to mislead people regarding a nonpartisan economic policy which their Government is pursuing in the national interest. It is particularly unfortunate that workers in certain industries should be made to fear that their jobs and their wages are in jeopardy when actually there is no reason for them to be concerned on account of the trade-agreements program. Labor's real interest, like that of all of us, lies in better economic conditions throughout the United States and, therefore, in any constructive program, such as the trade-agreements program, which is helping to bring about such conditions.

The record of the 17 agreements thus far concluded ought to provide any unprejudiced person with adequate assurance that the proposed trade agreement with the United Kingdom will not give the textile or any other New England industry any real cause for complaint. I have noted with gratification that you have laid great stress, in your addresses, upon the careful and deliberate manner which has characterized the negotiation of all of the agreements. Surely this should provide sufficient evidence that future agreements will be based upon the same painstaking study of all of the pertinent facts involved, and that there is no substance to the irresponsible talk that this or that industry is going to be destroyed.

Business and representatives of labor organizations can be of great assistance to the trade-agreement organization in the performance of its task. What we want, of course, is that interested people should present to us the facts as they see and understand them. Such information, I assure you, is always welcomed and is studied with the greatest of care. Businessmen who cooperate with us in this way can have the satisfaction of knowing that they are contributing in an important measure toward making the trade agreements of the greatest possible benefit to the Nation and to themselves. In your contacts with your constituents you may wish to mention this.

Sincerely yours,

CORDELL HULL.

Overcrowded Condition of United States District Court for the Western District of Louisiana

EXTENSION OF REMARKS
OF
HON. OVERTON BROOKS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1938

STATEMENT OF JUDGE BEN C. DAWKINS

Mr. BROOKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a statement from United States District Judge Ben C. Dawkins as to conditions existing in the District Court in and for the Western District of Louisiana.

To the statement I wish to add my own individual experiences. As a member of the bar of the State of Louisiana, practicing in the Shreveport division of that court, I have had occassion to witness the volume of work being handled. As United States commissioner for the Shreveport division of the western district of Louisiana during a period of 10 years immediately prior to my election as Congressman in the year 1936, I have especially had an opportunity to familiarize myself with the volume of criminal work which this judicial district is called upon to handle. My experience has been one of long hours and crowded calendars.

I can readily substantiate a great many, if not all, of the facts given by Judge Dawkins in reference to this work. There is no question but what the volume of business which the district judge is called upon to handle is far in excess of the capacities of one man. The development during the course of the last few years of the oil and gas business, which has occurred almost entirely within the western district of Louisiana, as contrasted to the eastern district of Louisiana, has added a tremendous burden to this court. Many land-title suits, based especially upon diversity of citizenship, find their way into the Federal court. The increasing population of this area and the additional rapid means of communication from one State to the other have also added to the work of this judicial district. The fact that the population of every section of the western judicial district of Louisiana, and especially of the northwestern section of it, continues to increase yearly at a rapid rate indicates that this additional work is not temporary but will continue to increase and multiply in the future.

It is my belief that the present district judge has done the very best that one man could do to keep abreast of the work which has found its way to this court. Nothing short of an additional judge holds out any prospect of relieving a situation which amounts in many cases to a denial of justice.

The statement of Judge Dawkins follows:

The western district of Louisiana embraces 40 of the 65 parishes of the State and has 5 division points, to wit: Shreveport, Monroe, Alexandria, Opelousas, and Lake Charles, at each of which at least the two statutory terms are held each year. In addition, the court has for the past several years held a third term of 2 to 3 weeks each June at the largest division point, Shreveport. Grand and petit juries are summoned and used each time. Besides this several special sittings are had each year in Shreveport and Monroe and occasionally at other points, as the business requires.

Beginning the first Monday in October of each year at Monroe, the term for several years has lasted from 2 to 3 weeks. The court next goes to Shreveport on the third Monday in that month, where it sits from 4 to 6 weeks, running through most of November.

The term at Lake Charles is fixed by the statute for the third Monday in December, but because of the holidays is usually moved up to the second Monday to allow 2 weeks there, the better part of which is consumed.

The first Monday in January is assigned to Opelousas, and we have been running from 1 to 2 weeks there. Next we go to Alexandria on the fourth Monday of that month, which in recent years, has required about 2 weeks. The second statutory terms for the fiscal year begin the third Monday in February in Shreveport, when about the same time is required at all places as in the fall, and there follow in order, sittings at Monroe, starting the first Monday in April; Lake Charles the third Monday in May; Opelousas the first Monday in June; and Alexandria the fourth Monday in June. However, invariably I have had to move the sittings at the last three places up so as to finish around the first of June in order that the third term might be held in that month at Shreveport, before the vacation, beginning in July.

As much time as possible is devoted to preparing opinions and disposing of cases between sittings but for many years I have carried into the vacation months more than enough business to consume the time intervening before the sittings begin in October. This past season I still had about a dozen important cases undecided when we started in Monroe the first Monday in October. Judge McDuffie, of the southern district of Alabama, came to Shreveport and helped me with the criminal docket for 2 weeks last November, which enabled me to work off most of the remaining cases under advisement, as I had a break in the civil business, which was handled by me, because, when the docket was set it was not anticipated two judges would be present.

The following is a statement of the business handled during the fiscal year of 1937 which also shows cases awaiting trial, as furnished to the senior circuit judge of this circuit, upon which he suggested and the judicial conference last fall recommended another judge for this district:

Cases	Pending end of last year	Filed this year	Ended this year	Now pending	Pending more than 1 year
Criminal	195	435	416	214	82
Civil	264	155	201	218	130
Bankruptcy	181	179	154	206	106
Totals	640	769	771	638	318

For the fiscal year 1938, to and including February 11, 1938, as follows:

Cases	Pending July 1, 1937	Filed to Feb. 1, 1938	Closed to Feb. 11, 1938	Pending on Feb. 11, 1938
Criminal	214	174	177	211
Civil:				
Government	48	45	39	48
Non-Government	175	42	73	145
	218	87	112	193
Bankruptcy	206	94	79	221
Total	638	355	368	625

I have also handled some corporation reorganization cases, both in the eastern district of Louisiana and in the southern district of Mississippi, which have required a great deal of time, both of administrative work and time consumed in hearings, studying briefs, records, and masters' reports, as well as preparing opinions. In my own district I have also had a number of such proceedings which have likewise taken much time.

Besides, under the Frazier-Lemke amendment to the bankruptcy law, I have had to appoint some 40 referees or conciliation commissioners to deal with farmers' proceedings, whose rulings I have had to review, and also to consider matters of administration in making arrangements for funds to plant their crops in the spring, and in supervising the gathering and distribution of proceeds in the fall. This takes a considerable amount of time in chambers discussion with the supervising conciliation commissioner, who I was compelled to appoint because of the volume of business under this act alone.

It is hardly necessary to point out that recent legislation of Congress is producing and is calculated to produce much additional work for district judges. No doubt many more cases will arise where three judges will be required, where the constitutionality of Federal statutes is involved, and we will have to respond to classes of that nature in other districts.

Mineral development is going on all over my district; gas and oil fields are being brought in, and whenever this happens more litigation invariably finds its way into the Federal courts.

The population of this district amounts to something in excess of 1,000,000 people—more than half of that of the State—and the growing commerce of the port of Lake Charles is beginning to add much of maritime and admiralty work.

When I was appointed, nearly 14 years ago, I found it possible to keep up with my district fairly well and to sometimes help in other districts, as well as to sit quite often with the court of appeals; but for the past 5 years I have not been able to finish anywhere, and there are many cases waiting on my docket that should have been tried months ago.

For the term beginning at Shreveport February 21, there have been set criminal cases alone over a period of 5 weeks and in some of which I am informed by the district attorney from one to two hundred witnesses have been summoned in a single case from all over the country. If these cases are tried, which seems probable, the district attorney thinks from 1 to 2 weeks will be consumed with some of them and there appears little prospect of trying any civil business before the June term.

It is my sincere belief that the work as it exists now and certainly with the prospect of its continued growth, amply justifies the addition of another judge to this district.

BEN C. DAWKINS, *Judge.*

The Development of Rural New England

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1938

ADDRESS OF HON. GEORGE D. AIKEN, GOVERNOR OF VERMONT, AT BOSTON, MASS.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to have printed in the RECORD the address of the Honorable George D. Aiken, Governor of Vermont, discussing the development of rural New England before the New England Council in Boston recently:

The development of rural New England is and should be consistently coordinated with the industrial and recreational development of our States. Those who live on the farms of northern New England, and particularly the hundreds of thousands of people who spend their summers with us, furnish an immense outlet for the products of the industrial cities to the south. It is also true that the prosperity of New England agriculture depends upon the buying ability of the employees of the city industries.

Originally largely agricultural, New England over a century ago began to see the less profitable farm of the hill towns being abandoned in favor of the more profitable and easily worked areas of the great western agricultural empire. The abandonment of rural areas in New England continued to such a degree that between the years 1880 and 1930 there was a reduction in total production of many crops ranging from 75 to 90 percent.

Improved agricultural methods, such as the general utilization of the silo in dairying and the reduction in the demand for hay as the automobile gradually superseded the horse as a means of travel, resulted in the abandonment of still further vast areas of land which was formerly under cultivation or used as pasturage.

By 1930 thousands of New England farms, which our forefathers had tilled and on which they had raised their families, were in a state of disuse, unsuccessfully resisting the encroachment of the forest upon the open fields and with the buildings in a sad state of neglect or even wholly uninhabitable.

Apparently it was in the early 1920's that a moderate return to the rural areas of New England was begun, but this immigration did not reach appreciable proportions until after the business troubles of 1929 and 1930 brought many people to the realization of the possibility of the old New England farm as the ideal homestead. From 1930 to 1937 there has probably been a greater influx to the hill towns of New England than at any period during the last century, and there are now returning to our rural areas, in ever increasing numbers, the descendants of those people whom, 50 to 100 years ago, New England loaned to the rest of the Nation.

This increase in rural population has not resulted in a general increase in crop production. While we are having many farms purchased for purely agricultural reasons, yet most of the people who are now settling the hillsides and country villages of New England are not primarily interested in growing crops, but are prompted by the realization that a home among our New England hills is the ideal place to live richly, to raise their families and to enjoy the blessings which nature has placed at the disposal of her children.

The tillage land and pastures of an early generation are reverting to forest, and, under such conditions, do not long retain a submarginal rating, for forests are a valuable asset to any nation.

The people who are settling these hill farms and villages are, for the most part, not wholly dependent on the products of the

soil, but secure part of their living from other sources, coming to us from all corners of our country. I have neighbors within 5 minutes' drive of my house, who, 5 years ago, lived in no less than 10 different States of the Union.

They buy their homes; they repair the buildings, providing work for carpenters and other craftsmen. They increase the retail market for milk and other farm produce. Approximately 50 percent of them become legal citizens of the community wherein they locate, and this percentage increases year after year. Instead of being summer people, spending only 2 or 3 or 4 months with us, they come earlier and stay later each year, finally becoming citizens of Vermont or Connecticut or whatever State they locate in, perhaps leaving us for 2 to 4 months during the winter season. Their loyalty is to the place of their adoption rather than to the centers of population from which they came. They improve by example the standard of living in the communities wherein they settle. They take part in community activities. They give of their ways to the people who have always lived in the hills and, in return, many acquire the frankness and naturalness of their neighbors.

To what extent this resettlement of rural New England has taken place we cannot exactly determine. The agricultural census of 1935 indicated that there had been an increase of 51,532 families living on farms during the preceding 5 years. This obviously cannot be taken as an accurate index of the back-to-the-farm movement, for included in this number were undoubtedly thousands of families driven by pride and necessity to take refuge on unoccupied farms rather than seek public relief in the cities where they lived.

It was freely stated that, as industrial conditions improved, these folks would gravitate back to the cities, leaving the farms unoccupied once more. To a certain extent this proved true (although present economic conditions might seem to indicate that the return to the city was premature), and 1935 and 1936 saw many New England families leaving the farm once more to take up their jobs in the larger centers of population.

However, the return to the city of this type of family has, I believe, been greatly offset by the continued immigration to the hills of comparatively well-to-do people to whom the improvement in business conditions brought the opportunity to purchase their home in the country. Hundreds of professional people—writers, actors, teachers, and others—are coming to live among us, until, over a widespread area, especially in western Connecticut and Massachusetts and southern Vermont and New Hampshire, the problem of submarginal land appears to be finding its own solution and the once abandoned farm has become a profitable economic and social asset to the communities.

I have no means of estimating the actual amount of new wealth brought to us by our new class of citizens. In Vermont we have found that the average amount spent by a new family for purchase of home and first year's repairs on the buildings amounts to between four and five thousand dollars, which has meant approximately a million dollars a year of new out-of-State money coming into our State for the purchase and repair of new homes every year. I suppose the average expenditure in western Massachusetts and Connecticut is considerably more than this amount. And, of course, the first year's cost is but the beginning for these new citizens of ours.

It is safe to say that in all New England many millions of dollars are spent each year in purchase and improvement of our hill farms, which immediately become a source of increasing prosperity and increasing population to our communities.

While I believe we can maintain or even reasonably increase our present agricultural activities, yet this residential resettlement is a type of rural development which New England must look forward to and which will doubtless be increasingly important. It brings to us the highest type of citizen, the best of the great middle class. It is not alone the scenic beauty of New England which attracts them. Of course, they love the green hills, the clear waters, and the cool, fresh air of the mountains, but they also look upon New England as a haven and its people's sameness and stability, the soundness of a local self-government, a determination to uphold the individual rights of man, and the sanctity of the home against the encroachment of centralized paternalism which might easily become centralized tyranny, for they know that New England will never recede from the position she has taken.

Although the people who are coming to the New England hills to make their homes need little incentive, yet we, by doing those things which make life richer for ourselves, will make our communities more attractive to the type of people we want for neighbors. We must pay more attention to the upkeep of our back roads, and particularly as regards winter maintenance, if we expect to make year-round citizens of our new families. They rightfully expect the advantages of electricity, which should be brought to all our homes at rates based on honest valuations. We must maintain a high standard for our schools. We must work for the enhancement of scenic values, which may entail public control of roadsides. Recreational facilities, both indoors and out, active community organizations, well-supported churches, granges, and farm bureaus, all strengthen the communities that maintain them.

Let us not for an instant lessen our efforts to maintain a strong New England agriculture, which, after all, is the basic foundation of prosperity; yet, by encouraging the reoccupation of those farms not adapted to present-day methods of crop production, it appears that many a hill town may turn from the faded glory of the past to brighter prospects for the future.

Will Loans Solve the Problems of Railroads and Industry?

EXTENSION OF REMARKS

OF

HON. CHARLES G. BINDERUP

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1938

Mr. BINDERUP. Mr. Speaker, again we are confronted with a proposal for Federal financing for industry. The general impression has been given the country that the primary purpose of this legislation is to enable the Reconstruction Finance Corporation to make loans to the smaller business organizations of the country.

I want to call your attention to our past experience with legislation of this kind. Under previous legislation the R. F. C. was supposed to make loans to smaller business and industrial organizations. Accordingly we formed an industrial bank in our section of the State, taking in several counties. I was director for my county. We had several meetings; we went to great lengths to try to meet the requirements and conform to the regulations of the Reconstruction Finance Corporation, even to the length of having title to real estate examined and reviewed from the date the first patent was received from the Federal Government. Some of the directors came from a great distance, with considerable expense to themselves. Many applications were filed and sent in for loans for business and industrial organizations of the size that exist generally in our section of the country. But not a single loan was made. Always there was some technical provision in the rules and regulations by which the directors of the R. F. C. determined that the application did not meet their requirements.

Of course, they were able to loan Dawes' bank $90,000,000, which was insolvent at the time. Large financial and industrial organizations, including railroads, were able to secure loans. Now, I had no objection to the Federal Government trying to protect depositors who were in danger of losing their life savings, nor do I object to the Government aiding railroads which are greatly in need of assistance, although I believe that what the railroads need more than anything else is freight and passenger business; they need more business rather than loans. What happened when we did make loans to the railroads, which loans were supposed to enable the railroads to make repairs, improve their rights-of-way, and so forth, and to give employment? We loaned the Missouri Pacific Railroad some $40,000,000. Did that railroad use it for repairs, replacements, and so forth? No; Morgan said the bonds were due. The railroad protested, the Government protested, but Morgan still said the bonds were due; and Morgan got the money.

I understand the Baltimore & Ohio Railroad, and no doubt others, are now greatly in need of financial assistance. No doubt it is the purpose of the proposed legislation to make possible loans to these roads, but have we any assurance they will be able to use the money to meet their operating difficulties?

Is is not just possible that the bonds will again be due, and that one of our financial masters, of which I use the House of Morgan as a symbol, will take the money as has previously been the case, and that the railroads will be just where they were before?

I have said that what the railroads need is business. They need increased freight to haul; they need additional passengers. That is one of the primary troubles with the railroads today. Increased freight rates and loans will not solve the railroad problem. Another thing the railroads need is to have the financial parasites that have been feeding on them these many years taken off their backs. Read the investigation which has been going on in the Senate. Note how these great financial and banking organizations have

absolutely controlled not only the financial operations, including the watering of stocks and bonds, but have virtually dictated the management and physical operation of the railroads. Note how these roads have been fleeced by these same financial organizations in the reorganizations many of these railroads have been compelled to undergo.

Note also that the same financial and banking institutions that own or control the railroad also own and control most of the business organizations from which the railroads must purchase their supplies and equipment, and that they compel the railroads to purchase from these business organizations at exorbitant prices. I call attention to statements made by at least two presidents of midwestern railroads in which they asked relief from this situation by requesting that the Government finance the railroads and release them from the grip of these financiers.

I supported the present bill in the hope that some assistance to the smaller business and industrial organizations will be given that will be helpful, although I express great doubt as to the benefit of loans to either business organizations or railroads under present conditions and until we release both the railroads and business from the domination and control of a few great organizations of capital in this country which now exercise that control.

And this brings me to the subject that I wish to discuss. I have heard it repeatedly stated on the floor of the House that this is a Roosevelt depression, or that the depression of 1929 was a Hoover depression. In my opinion, the one is scarcely more true than the other. The underlying cause for the two depressions mentioned is the same cause that has brought on every depression our country has ever experienced—more than 25 in 150 years, or 1 in about every 6 years. The real cause of each one of these depressions has been the fact that the Congress of the United States has delegated the power to create the money supply of the country into the hands of private sources. Any monetary system by which the expansion of the Nation's money supply is controlled by the optimism of the bankers or by the optimism of the borrower of bank credit, or by which the contraction of our money supply is determined by the fear or lack of confidence on the part of the banker or the borrower, is an unsound and dishonest monetary system. Any system wherein the creating and maintaining of a sufficient amount of money in circulation to enable the people of our Nation to exchange with each other the goods and services, the great natural resources with which we have been so abundantly blessed by a beneficent Creator, and which our inventive genius, skill, and industry enable us to produce commensurate with the maximum of our people to consume, with full employment of all our employable people on the basis of the highest standard of living which our Nation can afford—I repeat, any monetary system under which the possibility of our having a sufficient amount of money in circulation to accomplish the above, that depends upon the willingness of the bankers of our country to create our money supply by loaning the banks' credit to borrowers, or upon the willingness of our borrowers to secure loans from these banks, is an unsound, unstable, unjust, and dishonest monetary system. By money I include bank credit, created demand bank deposits, which we call bank-deposit currency, and which is used to conduct about 95 percent of the Nation's business.

I claim that it is unconstitutional for the Congress of the United States, which is charged under that great document to create the money of the Nation and to regulate its value, to delegate this power to any other governmental agency and much less to private citizens and privately owned organizations. Under our present system it is not only possible but the records show that it has been done, for private citizens and private organizations to not only influence but to actually bring about a destruction of the people's money supply and to bring depressions upon the country with the terrible destruction and ruin these depressions bring to the country and to our people. I call your attention to the depression of 1920–21, brought on by the action of the Federal Reserve Board in their meeting of May 18, 1920, which was largely influenced by the action of private bankers who acted as advisers to that Board. I also call attention to the fact that the American Bankers' Association actually sent letters to the private bankers of the country, calling upon them to restrict credit, to call in loans, and to refuse to make new ones, which action is shown in the hearings now in progress before the Banking and Currency Committee of the House, thus destroying our money supply and bringing misery and want upon our people.

We cry "Roosevelt depression," "Hoover depression," or a "Harding-Wilson depression," and we would then call the depression of 1907 a "Theodore Roosevelt depression," when, as a matter of fact, they are all caused by our unjust, unsound, and dishonest monetary system; to the fact that Congress itself has delegated its constitutional function and duty to private individuals and private financial institutions, and in some measure to executive agencies of the Federal Government, private banking organizations through which the control of the monetary policy of the country in the creating and destroying of the people's money supply, 95 percent of which is bankers' credit currency, is lodged chiefly in the hands of a few of the largest financiers of the country who are at the head of our banking system. Does anyone doubt that these financiers would operate that monetary policy to the best interests of these financiers themselves?

Let us quit playing politics. Let us quit shouting that it is the tariff, or that it is the taxing program of the administration. Let us quit making matters worse by causing more fear and further shaking confidence of the people by continuing expounding fear and crying "dictatorship" on the floor of the House, and let us get down to fundamentals and place the blame where it really belongs, as I have outlined above. Let us at least go a long way in solving our great problem by living up to the Constitution and correcting our mistakes and do the one thing that will do more than everything else in eliminating the cause of depressions, more than anything else in restoring and maintaining that prosperity to which our people and our country are entitled, and that one thing is to establish in the Nation an honest, just, and stable monetary system in line with the Constitution and the duty it imposes on the Congress itself.

We have had depressions under high tariffs and under low tariffs; we have had depressions under high taxes and under low taxes; we have had depressions under Republican administrations and under Democratic administrations. Dictatorships come as the result of a revolt of the underprivileged people of a nation against economic conditions that confront them, economic conditions brought about largely as a result of centralized economic control. You can have an economic dictatorship as well as a political dictatorship and the latter is generally the result of the former.

Henry Ford, who has frequently been quoted in this body with relation to taxation and labor legislation that were under consideration, recently stated that the present depression was caused by our financiers, who would break the country in order to gain control of all the industry of the Nation. These financiers before have influenced our banking institutions to curtail credit, to call in loans, and to refuse to make new ones, thus destroying the Nation's money supply and preventing money—bankers' credit money—from being placed into circulation, until they—these financiers—could accomplish their purpose. Might not that be what is happening in this country today? They do not like labor legislation; they do not like to pay taxes to take care of people who are in need, in need because of conditions brought on the country as a result of the policies and control exercised by these same financiers. They want a return to that happy situation where they themselves not only control the economic policies of the Nation but the political policies as well.

These are the men who control our monetary policy, and it is because they control the monetary system and monetary

policy of the Nation that they have been and are able to control industry; to have centralized economic and political control in themselves. Take away from these men monetary control and you have eliminated their political and economic dictatorship, and you have also eliminated the source from which the propaganda designed to spread fear and destroy confidence, from which such cries as "dictatorship" often emanate, when these financiers want to destroy someone or to destroy the prestige of a party who they feel stands in their way.

Let us forever eliminate the political and economic control exercised by these would-be financial masters by taking from them the monetary control of the Nation, by placing that monetary control where the Constitution of the United States placed it, right here in this Congress, and let us exercise our constitutional right and duty of creating money supply of the Nation, whether it be legal-tender money or credit-created demand-deposit currency—which, after all, is based on the credit of the Government, even though we have allowed private banking institutions to create and destroy it at will—and let us see to it that a sufficient amount of money and credit is kept in circulation at all times to secure our people in that measure of stable prosperity which, I repeat, our great resources and the ability of our people to produce entitle them to, and which will solve our unemployment problem—the great problem that confronts us today and the very thing, more than any other, that might lead to the downfall of our great democracy, and which might well be the very thing that would justify our fear of a dictatorship. Let us see to it that our Nation is provided with an adequate money supply that will enable our people to enjoy that maximum of consumption which should be limited only by our resources and our ability to produce.

This is not a party issue, but I call the attention of the Members of my party to the statements made on the floor Saturday that there is a move on to destroy Roosevelt, and I leave it your imagination what effect the result of that move, if successful, would have on the Democratic Party. I have not always agreed with Mr. Roosevelt, but I do not believe that he has any thought of trying to be a dictator. I believe he is one of the greatest humanitarians that has ever occupied that high office. I believe he has used his best efforts to try to bring about a better standard of living and to bring happiness and security to the common people of this country. But I believe that he has been ill-advised in monetary matters, just as his predecessors were ill-advised in monetary matters. And I further believe that he can never attain the economic objectives which he has so nobly advocated until we do establish an honest, just, and righteous monetary system in this country. The monetary policy of this country is in the hands of Congress and Congress only, placed there by the Constitution, and if you want to save Roosevelt, if you want to save the Democratic Party, if you want to throw off the economic and, yes, political control that a few financiers, a few great financial organizations have exercised and are exercising over our great Nation; yes, I say, if you want to save our great democracy, you should join with us in solving this monetary problem and do it now.

We have heard much about Congress delegating its power, but I say to you that Congress never delegated a greater power to anyone than it does when it delegates the control of the monetary policy of the Nation to a Government bureau or board, or to private citizens and private interests. This is one board or bureau that should absolutely be an agent of the Congress and nothing else, and Congress should give mandatory instruction to that agent as to just how Congress wants that agent to carry out the mandate of Congress. Congress and Congress alone should create all the money of this country, and private banking and financial organizations should be stripped of this power. If we want to restore stable conditions in this country, if we want to make it possible for our people to enjoy that stable prosperity to which they are entitled, Congress should act and act now.

Congress Reasserts Power

EXTENSION OF REMARKS
OF
HON. LEWIS L. BOYER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1938

EDITORIAL FROM THE QUINCY (ILL.) HERALD-WHIG

Mr. BOYER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the Quincy Herald-Whig, of Quincy, Ill.:

The turbulent time that the executive reorganization bill is having in Congress is significant, but the real significance has had but little public expression. The real significance is not the actual merit or lack of merit of the bill. The deeper significance is the reassertion of authority by the legislative branch of the Government and the rising to impressive power of the political forces arrayed against the President.

Good and impartial authorities seem to agree that the reorganization bill, while there may be objection to some details, is based upon sound principles of government. Arthur Krock in the New York Times, Walter Lippmann the columnist, editorial writers in the Christian Science Monitor, and even Herbert Hoover himself deny that the bill establishes any "dictatorship." The opinion of Edward Barteit, the Quincy man who is commissioner of accounts and deposits in the Treasury Department, not at all a political appointment, is impressive in that it points out clear advantages in the new measure over the present method of auditing the accounts of the Government. It would be interesting to know how many persons sending telegrams to Washington really know anything at all about the merits of the measure. The bill probably needs amendment in details, but there are no differences that should not be straightened out in conference committee.

The deeper significance of the bill, which in another day would have gone sailing through in even much worse form, is that the legislative branch of the Government is reasserting itself. This in itself is encouraging, if the authority is used with the discretion that the Constitution sought to establish. The only ultimately sound democratic process is the maintenance of the independence of the three branches of Government in their intended vigor.

The political implication of the "revolt" of Democrats in Congress is just as significant. Unquestionably there is politics in the attack upon the reorganization bill, a determination to force an advantage that the discussion over the measure presents. The primaries of next week may, and the elections in November surely will, give some indications as to whether the people are with the President or his opponents.

The fight on the reorganization bill does have deep significance. Its significance is not that thousands of telegrams can be sent to Congress with probably less than 1 percent of the senders really understanding the complex provisions of the bill. The measure does not involve such an elementary and objectionable principle as did the court reorganization bill. The significance of the "revolt" is the reassertion of authority by the legislative branch of the Government.

Meanwhile, in a less turbulent political day, the bill would go to conference committee and some of the details improved but the admittedly good provisions would be retained. Under the present political disturbed conditions anything may happen.

The Group Health Association

EXTENSION OF REMARKS
OF
HON. BYRON N. SCOTT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 6, 1938

Mr. SCOTT. Mr. Speaker, the discussion which has followed the introduction of House Resolution 452, calling for an investigation of the activities of the American Medical Association opposing group health and other similar cooperative plans for budgeting sickness costs, shows clearly that there are a number of vital issues which are not clearly

understood, and concerning which there are many mistaken ideas.

The secretary of Group Health Association, Inc., under date of April 4, 1938, addressed a letter to Members of Congress in the endeavor to clear up some of these misunderstood points. I am asking that this letter be printed in the CONGRESSIONAL RECORD so that all who are concerned about this vitally important controversy may have the benefit of this statement.

APRIL 4, 1938.

MY DEAR REPRESENTATIVE: Out of your experience with public problems you will appreciate the difficulty of having the major facts involved in any issue brought clearly and dispassionately to the attention of those who must deal with them. I believe that if you knew the facts about our Group Health Association you would help us. We need your help. That is why I am turning to you now.

There is nothing strange or new about our organization or its work. It has only the old homely background of organized self-help. Since the issues have become public, it is important to us that you, as a public official, become accurately informed.

Those of us who are members of Group Health Association are a plain, conservative, unpretentious group of Federal employees who ask no charity or no public support, but who by our own efforts and within our means desire to provide ourselves with more adequate medical services. Our efforts are unrelated to any local or national movement. We seek through a mutual organization to provide ourselves and our families with a kind of medical service we urgently need and for which we can afford to pay.

It is rumored that we are sponsoring socialized medicine, that we are advocating a special brand of insurance or state medicine, and that with ulterior motives we are backing some new and insidious reform. Nothing could be further from the truth. What we are doing has been successfully done by employed groups in industry for several decades. Many of the doctors opposing our efforts are themselves employed on a contract basis as are the physicians employed by the Group Health Association.

My fellow members of the Group Health Association and I are in the employ of the Federal Government. We need your understanding help. May we, outside of office hours, see you at your convenience and give you briefly information we think you will be glad to have, at the same time answering any questions that may have arisen in your mind concerning us?

Sincerely yours,

R. T. BERRY,
Secretary-Treasurer for the Trustees and Members of the Group Health Association, Inc.

In their statements to me, various persons have indicated that they are confused as to the way in which the expense of medical and hospital care for the Federal employees who are members of Group Health Association, Inc., is being met. These members pay monthly dues. Single members contribute $2.20 per month, while family members pay $3.30 per month. In view of the experience of other similar asssociations, these dues appear to be conservative. There is no intention whatsoever of asking for congressional appropriations to meet the cost of rendering these services for Federal employees. They merely wish to be permitted cooperatively to secure more adequate medical and hospital care through a prepayment budget plan.

A considerable number of physicians, including doctors who are practicing in the District of Columbia, have communicated with my office. They earnestly desire that H. R. 452 be approved. Although they agree with the position taken by Group Health Association, Inc., and with the objectives of this resolution, they are afraid to come out openly with supporting statements or evidence. The facts with which these physicians are acquainted can only be brought out through an appropriate congressional investigation.

Another group who have expressed themselves most emphatically to me and to other Members of both the Senate and the House include those who are vitally concerned with the administration of educational institutions for training medical practitioners. Leading educators in positions of authority are saying that the strangle hold of the American Medical Association upon the organization of medical instruction, the courses offered, teaching procedures employed, and the relationships between these medical colleges and hospitals connected with them, are all such as to obstruct educational progress. We have boasted in America of professional academic freedom in our schools and colleges. It is quite apparent that academic freedom no longer exists in our medical educational institutions. Upon this ground alone, if upon no other, I consider that the effort expended in this proposed investigation will yield results of far-reaching significance to the improvement of medical practice in America.

Further evidence of obstructive tactics in connection with a cooperative health-service plan is offered by the situation in San Francisco. A medical and hospital-service system for municipal employees was established by charter amendment adopted in San Francisco on March 9, 1937, by a vote of 76,749 to 56,616.

The proposal to ask the board of supervisors to submit such a charter amendment had previously been approved by a referendum vote of the city employees, 7,428 voting in favor and 939 voting against.

It now appears that due to the tactics employed by the opposing dominant group of medical practitioners in spite of the fact that the plan had been accepted by 795 outstanding and well-known physicians of San Francisco, and by the leading hospitals of the State, the practical operation of the health-service system was held up by court action. These employees are not receiving the service to which the charter amendment clearly entitles them pending a decision of the State supreme court in regard to the compulsory feature of the plan. The hearing of this matter by the Supreme Court will be held on April 7, 1938.

What Becomes of the Money Appropriated to Build Grand Coulee Dam, the World's Mightiest Structure?

EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1938

Mr. LEAVY. Mr. Speaker, we are just beginning on a contract calling for the completion of the world's most marvelous and mighty navigation, flood-control, reclamation, and hydroelectric dam, which is being built on the Columbia River, in the eastern part of the State of Washington.

The statement has been made many times upon the floor of this House that the sums of money appropriated for this work are all going to enrich the State of Washington. This is not a fact, and in these brief remarks I intend to prove that those who make such a statement are in error.

To date the total pay roll directly at Grand Coulee has put into circulation $21,849,605.73 among workmen who were provided 27,469,743 man-hours of employment. It is a conservative assertion to say that at least $14,000,000 of this sum found its way back to the States east of the Mississippi River for the purchase of those things that these workmen and their families required. To date there has been spent on all materials that have gone into this gargantuan structure the sum of $34,015,549.31. While it is true that approximately 50 percent, or $17,000,000, of this sum was spent in the State of Washington, the major part of it was for cement, and a large part of that sum in the next move again went for the benefit of and to enrich people living east of the Mississippi River.

STATES THAT DIRECTLY PROFIT

There were 40 States, exclusive of the State of Washington, in which a portion of this money was spent, bringing to them new business, new employment, and a new wealth. There was more than $2,000,000 of the total sum spent in each of the States of California, Illinois, and Indiana directly on account of this construction. There was more than $1,500,000 spent in a similar manner in each of the States

of New York, Ohio, and Pennsylvania. In Minnesota, Oregon, and New Jersey there was directly spent more than $800,000 in each State. While the States of Alabama, Colorado, Connecticut, Delaware, Iowa, Maryland, Massachusetts, Michigan, Missouri, Wisconsin, and the District of Columbia each had more than $100,000 of direct expenditures within them.

EVEN IN CONSTRUCTION THE WHOLE NATION BENEFITED

The facts and figures that I have here stated conclusively prove in these times of extreme unemployment and lagging business, particularly in the field of capital industry, that the spread of the money appropriated for the construction of the Grand Coulee Dam is proving to be a national blessing and aiding in part to solve our pressing economic problems.

PROJECT SHOULD BE HASTENED TO COMPLETION

Now that the contract for the completion of this dam has been signed and work thereunder commenced, it is certainly not in the interests of economy nor the part of wisdom to delay its completion by insufficient appropriations. The Congress has authorized $13,000,000 for the next fiscal year. This sum should have been $25,000,000, because at least that amount could be used efficiently and wisely in hastening the finishing of this great project and would have reflected itself throughout the Nation in the additional demand for capital goods in all parts of the United States just as the facts and figures disclosed previous expenditures have done. This fact is so much more convincing and impressive when we realize that every dollar of this money will come back into the Federal Treasury, because it is merely in the nature of an advance made for a self-liquidating undertaking. Of all of the great public works now under way, or those that have been completed, this project stands at the head of the list.

FALSE PROPAGANDA CONCERNING POWER MARKET

Recently there appeared in the Christian Science Monitor an article written by Harold Fleming purporting to quote facts and figures indicating that upon the completion of Coulee Dam and the installation of its 18 giant hydroelectric generating units there would be a vast amount of surplus electrical energy. I do not challenge the good faith of the writer but I challenge his knowledge of the subject that he pretends to discuss. His figures as to total installed generating capacity are not those furnished by reliable Federal agencies, but rather those given out as propaganda by the Power Trust of America. He states a maximum installed capacity figure and then points to the fact that the present use is about 80 percent of such installed capacity. To be fair, or if he understood his subject, he would have to say that no hydroelectric plant ever pretends to have a use equal to the installed capacity, because the variation of the water flow from maximum to minimum must be taken into account. A 60-percent to 80-percent consumption from a hydro plant is about the maximum that can be used. In other words, account must be taken of the fact that hydrogenerated power needs to be classified as primary power and secondary power, and in our western streams about one-third of the maximum generation is secondary power which cannot be counted upon for continuous flow.

NEVER TOO MUCH ELECTRICITY

The ruthless private power interests of America have become desperate and wreckless since the recent decision of the United States Supreme Court on holding companies, the effect of which is to ultimately dissolve their vicious corporate scheme by which they have been consistently robbing American citizens, and when I read articles such as I have just referred to I cannot refrain from being led to believe that if they were not inspired they were, at any rate, suggested.

Mr. Speaker, a complete answer and challenge to those who assert there is a danger of an oversupply of electrical energy, in light of the hundreds of uses to which that magic power is being put today, lies in the fact that nowhere in the United States does such surplus exist, if the rates to the ultimate consumer are sufficiently reasonable. It is well to ask those who assert a danger of overproduction of electrical energy, Where in this country, with rates such as are being charged in Tacoma, Wash., by its municipal plant, is there an existing surplus?

I am glad to have this opportunity to bring to the attention of my colleagues on the floor of the House and through the CONGRESSIONAL RECORD, to other fair-minded, impartial Americans everywhere, the true facts concerning the construction of Grand Coulee Dam, and this brief statement in reference to the use of electrical energy.

We Would Do It Again—Wars Are Futile and Stupid and Settle Nothing, As a Rule

EXTENSION OF REMARKS

OF

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1938

RADIO ADDRESSES BY HON. JEANNETTE RANKIN, HON. ERNEST LUNDEEN, AND HON. HAROLD KNUTSON ON APRIL 6, 1938

Mr. KNUTSON. Mr. Speaker, under leave so generously given me by the House, I herewith insert several short remarks made over Station WJSV at noon today by Hon. Jeannette Rankin, first woman Member of Congress, Senator ERNEST LUNDEEN, and myself, who, as Members of the House of Representatives, together with 47 colleagues, voted against America's entrance into the war 21 years ago today, as follows:

Hon. JEANNETTE RANKIN. As the first and only woman Member of the United States Congress when war was declared I want to urge mothers and fathers everywhere to work against war while there is time to prevent it. I voted no in 1917 and I'd still vote no today because I believe war is a futile method of trying to settle disputes.

But now I want to tell you something about the rest of the 56 who stood out against war. Of the 50 Members of the House 23 are still living, some in Washington, 1 in South Carolina, and the others in the Middle West and on the Pacific coast. Within the past few weeks every one of these men has sent me the message that he still stands by his vote against war, and only this morning Senator GEORGE W. NORRIS, who has been a continuous Member of the Senate, told me, "I'd still vote no." He is the only one of the six Senators living.

On that historic day in April 1917, Senator La Follette led the debate. Senators Norris, Lane, Gronna, and Vardaman gave valiant support to his desperate effort to protect his country. Senator Stone, as chairman of the Foreign Relations Committee, was aware of all the maneuvers directing the attitude of the administration. He voted "no" and warned the people that they were not being given all the facts.

In the House, Claude Kitchin, the leader of the Democrats, said: "It takes neither moral nor physical courage to declare a war for others to fight." He, too, voted "no."

The Speaker of the House, Hon. Champ Clark, refused to vote for war.

Edward Keating of Colorado asked the Members of Congress, "Who among you when you were asking the votes of your constituents dared to suggest to them that if elected you would send their boys to Europe?" The problem today is to build our own democratic institution and refuse to continue to pay tribute to the war system.

The American people pay almost as much for military defenses as for the Nation's education program. We do this because of the continuous propaganda that this is necessary to protect us from attack.

Fear of invasion is a delusion. It becomes a dangerous delusion when by preparing to prevent it we create fear of us in the hearts of people of other countries. Reason alone will not dispel this delusion. Reduction of armaments would help. All governments get support for excessive armaments on the theory that it is necessary for defense. If the strongest nation took the lead, the people of other nations could not be deceived. Their governments would have to reduce armaments and eventually disarm.

The increase in the armament program on the part of the United States will intensify international tensions and distrust, and in-

crease the speed with which humanity is drifting into the general destruction of another world war. In view of our geographical protection against attack and of the absence of any nation equipped or in the mood to attack us, it is the responsibility of this Government to set the precedent of a national military policy of defense only and of an army and navy clearly designed for that purpose alone.

The American people do not want war—they want to be assured that they are protected from attack. They insist on assurance that they are not going to be dragged into a foreign war.

That we may begin the long, difficult task of reducing arms, we propose that our Government define our boundaries and state clearly to the people of the world that our armaments are to protect our boundaries and shall not be used to settle the disputes between other countries.

There are still two roads open to the American people. We may continue to accept old superstitions, to believe propaganda, to be controlled chiefly by fear, and to let civilization go on stupidly bent on self-destruction, or we can learn to think clearly, to act positively and courageously, and contribute our utmost toward the growth of a world at peace.

The mothers of sons in the first flush of manhood who would be sacrificed, could stop war if they knew their power. War cannot be prosecuted without the active moral support of the women, without their suffrage.

Eight Western States, where women voted, registered their protest against war in 1916 by following the slogan "He kept us out of war." All women can make an opportunity to express their opposition to war.

An expressed public opinion is the only safeguard against another grave crisis.

I'd vote "no" today. Will you mothers of men vote "no"?

Senator ERNEST LUNDEEN. We are again on the verge of war. Men who call themselves statesmen fix our frontiers in every continent and every portion of the globe. Our wandering warships are to police the world and meddle and muddle everywhere. I find myself in strong opposition. I cannot go along with a foreign policy which runs counter to our fixed foreign policy—a foreign policy which guided us gloriously and steadily until these later days.

"To avoid entangling alliances has been the maxim of our policy ever since the days of Washington and its wisdom no one will attempt to dispute." This from President Buchanan's inaugural address.

"Maintaining as I do the tenets of a line of precedents from Washington's day, which proscribe entangling alliances with foreign states, I do not favor a policy of acquisition of new and distant territory or the incorporation of remote interests with our own." This from Grover Cleveland's first annual message.

"If I know the sentiment of the American people, it is inconceivable that they should be willing to put the American Army and Navy at the command of an international council which would necessarily be controlled by European nations and allow that council to decide for us when we should go to war." This from the great Democrat, William Jennings Bryan.

All men know where Jefferson, the greatest Democrat of all time—I say all men—know where he stood. He stood with Washington and Jackson and Lincoln. "Peace, commerce, and honest friendship with all nations, entangling alliance with none, I deem essential principles of our Government, and consequently it ought to shape its administration." This from Thomas Jefferson's first inaugural.

This is genuine, true, and great Democratic leadership. What has happened to the Democrats of today? Are they wiser than all of these? What warrant have they for departing from the principles that lead us along the high road to glory and greatness?

Every good citizen is interested in national defense. We are interested in preserving and protecting our form of government. We are sworn to uphold our Constitution and our flag. The very best way to do that is to bring about social security for our people at home—to secure jobs and employment for our 13,000,000 unemployed. A happy, contented, and prosperous people is our best bulwark of liberty. It is more powerful than armies, navies, and aircraft. I am a realist, and I do not want to abandon any of our necessary armament; but if we maintain a reasonable commonsense Army and Navy and powerful aircraft, that, together with a fully employed, healthy, happy, and prosperous people, is enough defense and is sufficient defense against any one foe or combination of foes. No nation in the world today contemplates invasion of America, and no group of nations even remotely contemplates invasion of the United States. Every nation today is engaged in building armaments against some hostile near neighbor; and if war does break out between these hostile neighbors in Europe and Asia, at the end of that war these nations will be too exhausted for a generation at least to even think of an American invasion. This view which I hold is supported by the best men of military strategy in America today. And I challenge contradiction from any authority on strategy and tactics.

There is too much lecturing of foreign countries today abroad in this land. We need to take care of our own front yards and back yards here in America. We need to straighten out our terrific debt problem, our very inadequate and lame social-security methods. We need to employ and place in educational institutions the more than 5,000,000 youths now out of school and out of work. These are immediate and pressing problems and must be solved as America marches up the hills of time. Left unsolved, they will furnish centers of discontent and help to break down the institutions builded by the fathers and founders.

We voted against war on April 6, 1917. I would do it again were the vote to be cast today, and I challenge any Congressman or Senator who voted for war on April 6, 1917, to step up to this microphone and tell the country that he is glad or proud of his vote to hurl America into the quarrels of Europe; and will he please, along with that statement, tell you what we gained by that war. A war which will not be paid in this or the next generation. Not to mention the billions owed us by foreign countries. And worse than that, there is no gratitude from a single allied nation for which we fought on the bloody fields of France.

When the die is cast once more, as it may be in the not distant future, for war in Europe, Asia, or Africa, I hope the American Congress will listen to the immortal words of Washington, Jefferson, Jackson, and Lincoln, our Presidents and great men—a long straight line of statesmanlike pronouncements—a golden thread of national foreign policy—a north star, constant and steady which will hold us true to our course.

Mr. KNUTSON. Twenty-one years ago today we abandoned our traditional policy of avoiding foreign entanglements such as George Washington warned us against in his farewell address. This change in policy was made in face of the protests of a majority of our people, who wished to remain at peace with the rest of the world.

I voted against the resolution to take America into the World War as did 49 other colleagues in the House of Representatives. Nothing that has since transpired has caused me to regret that vote. I would do it again if conditions were similar.

Most wars are stupid and futile and rarely do they settle anything permanently. At that time we were told that it was to be a war to end all wars and to make the world safe for democracy, but now we know that it did neither. What it did was to place upon the shoulders of the American people a crushing tax burden that must be carried by the next three or four generations. In addition it took from the spirit of our people some fine ingredient that was peculiarly American. Until that time we had been self-reliant and everyone fended for himself but with the enactment of the so-called necessary war measures the American people got their first taste of regimentation. We were told what we could eat and what we could not eat and the quantities were carefully measured out to us. In other words, we went onto a spoon-feeding basis and I fear that we have not gotten away from the habit then formed of looking to Washington to do for us the things that we should do for ourselves and to tell us what we may do and what we may not do.

As a result of our participation in the war we, in a large degree, lost our sense of perspective as well as our sense of values. Where we had formerly thought in terms of thousands we began to think in terms of hundreds and thousands of millions and we blindly went our way secure in the knowledge that hereafter it would not be necessary for us to sweat and toil in order to eat bread. As I see it, that was the greatest loss sustained by the American people as a result of the war. True, the casualties of the war form a sad chapter of the Republic. The money losses sustained, while so huge as to be beyond the power of man to comprehend, can be replaced through thrift and industry but our changed outlook on life and toward government are items that will take generations to bring back into balance. To me they are the greatest of all losses sustained.

My friends of the radio audience, let us learn from the lessons of the past and resolve to reestablish that old American policy laid down by George Washington to avoid foreign entanglements, which for nearly 100 years kept us at peace with the other nations of the earth.

The Cost of Our Government

EXTENSION OF REMARKS

OF

HON. GEORGE J. BATES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1938

ARTICLE BY HON. HARRY FLOOD BYRD, SENATOR FROM VIRGINIA, IN THE APRIL ATLANTIC MONTHLY

Mr. BATES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by

Senator BYRD, of Virginia, which appeared in the April number of the Atlantic Monthly:

The Federal Government cannot be fair with its citizens until it is fair with itself.

It cannot be fair with itself until it takes stock of its depression measures, determines a definite policy with regard to them, and adjusts its expenditures and revenue accordingly.

It cannot be fair with the citizens until, in the light of these policies and the accumulated and existing conditions, it makes unqualified, straightforward answers to three simple questions: What is the national debt? What is the total annual cost of the Federal Government? Who must pay the bill, and what rate is to be assessed upon the various classes of taxpayers?

These questions, while growing in importance to every citizen everywhere in the Nation, for 8 years have dangled in an abyss of uncertainty. Until they are answered simply and frankly, the Government will be uncertain, the administration will be uncertain, its policies will be uncertain, the citizens will be uncertain, business will be uncertain, social welfare will be uncertain, and economic security will be uncertain.

The depression brought its difficulties and hardships. The citizens and their Government repulsed the depression, temporarily at least, with fearless action which commanded the respect of the civilized world. The Government promptly changed its pace to meet conditions—governments should change to meet changing conditions.

But the Government has been overtaken by the moment when another fearless change of pace was necessary. It overran the moment for pausing to take inventory of what had been done, to solidify gains, to face facts, to reinforce its progress by retrenchment in unnecessary expansion, to discard excesses, to eliminate extravagances of emergency measures, to count the costs, to pay the debts and face the future squarely with adjusted policies.

These things were not done. Instead, statements of the national debt were qualified. Expenditures were continued on a double Budget basis under promises of a "laymen's balance" which never materialized. Expansion of Government functions, agencies, and personnel continued with emergency fury. Attempts were made to plug round holes through which an avalanche of expenditures were pouring with square pegs of social-security premiums and other spurious fiscal practices. Makeshifts were resorted to in place of sound and adequate taxation, policy determination, and adjustment.

These fallacies are still with us.

When the mariner has been tossed many days upon tempestuous seas he naturally avails himself of the first break in the storm for a glance at the sun to get his bearings and ascertain how far the elements have carried him off his course. That is simple salty prudence.

In 7 years the Federal Government has spent the incredible sum of $47,000,000 000. In the same period $22,000,000,000 has been added to the national debt. These figures are too large to comprehend, but they are vital because the prosperity of every individual in the Nation depends upon the preservation of the credit of the Nation.

No one will deny that continuous deficits can lead only to disaster. The credit of the Government is still sound, but it will not remain so always under the strain of the present extravagance and enormity of expenditures. The Federal Budget has not balanced for 8 years.

In 6 years the increases in the Federal debt have been more than four times the total complete wealth of the State of Virginia—a wealth that Virginians have been accumulating by their frugality and industry for more than 300 years. Virginia is an average State in wealth and population; thus we may say that the new Federal debt represents the total value of all the property owned by the citizens of four sovereign States of average wealth and population. To argue that such dissipation of resources is dangerous is to put it mildly.

In 1930 the debt of the Federal Government was $16,000,000,000. It had been reduced from the World War peak of $26,000,000,000 by payment of about a billion dollars each year of the twenties. Today the debt has risen to upward of $38,000,000,000.

In addition to this direct debt, the Federal Government has guaranteed in full the obligations of 25 wholly Government-owned corporations and partially guaranteed the obligations of 10 semi-Government corporations. This contingent liability is approximately $5,000,000,000. Therefore the total direct and contingent obligations are more than $42,000,000,000. It is true that this gross debt is subject to such credits as may (or may not) come from recoverable assets and the ultimate liquidation of the 35 corporations—and the tendency is to expand these corporations and increase their number—whose obligations have been guaranteed by the Government in whole or in part. It is likewise true that the debt is subject to such credits as may come out of the present gold policy, but it is difficult to calculate the extent of such credits because the problems presented in disposal make gold credits an asset of fluctuating value at best.

To get the debt back to the figure of 7 years ago, payment of a billion dollars each year for 22 years would be necessary. It is questionable whether, even with uninterrupted prosperity for a generation, the people of this country and their business could sustain the Government on its present expenditure basis and retire the debt at this rate. To do so would require nearly a 30-percent increase in tax collections based upon the 1938 estimates—estimates which were the largest in history, approached only by the year 1920, when war profits were subjected to high tax rates.

The Twentieth Century Fund, an independent fact-finding agency, says that total Government debts in the United States—Federal, State, and local—amount to $56,000,000,000, "the largest that any nation has ever had."

In 1913 the per capita income for the United States was $350; in 1936 it was $469, an increase of 34 percent. In 1913 total expenditures by all governments in the Nation equaled $30 per capita; in 1936 the total was $134, an increase of 347 percent. On a per capita basis, Government expenditures in 1913 represented 8 percent of the national income; in 1936 the expenditures represented 28 percent of the national income. In 1913 the total public debt averaged $59 per capita; in 1936 the average was $430. At present about one-third of every person's income would be required to meet Government expenses, if we were to pay as we spend.

The President predicts a ninth consecutive annual Federal deficit for next year. In the previous history of the Nation, 2 years was the longest period of substantial successive deficits. In the 3 World War years, exclusive of loans to the Allies, the Federal Government spent for normal and war expenses only a little more than was spent in the 1935–37 period—$25,000,000,000, compared to $24,000,000,000.

II

The best efforts to examine and reconcile figures in the two Federal Government Budgets indicate that our annual Federal expenses are now being leveled off somewhere above a $7,000,000,000 base. The double Budget was adopted in 1934. There was to be one Budget for emergency expenditures and another for regular expenditures. There are still two Budgets. But there has never been but one treasury and one source of revenue.

In 1934 the regular Budget presented to Congress by the President was for $2,700,000,000. In 1938 the regular Budget is $5,400,000,000—an increase of 100 percent in 4 years.

A reduction is shown in the statement of recovery and relief expenditures in the emergency Budgets, but the reduction is accounted for largely by the transfer of such expenditures as those for the Civilian Conservation Corps from the emergency Budget to the regular Budget. There has been no reduction in total expenditures, and, excluding the nonrecurring soldiers' bonus, expenditures for the fiscal year ending June 30 will be as great as for any other depression year, if not greater.

It is difficult at best to comprehend expenditure of billions of dollars, but the device of two Budgets has added to the confusion. There have been announcements of reductions in spending for recovery and relief, but almost invariably reductions in the emergency Budget turn out to mean that the regular, permanent Budget has been increased by the items eliminated from the emergency totals. The expenditures have been juggled from one book to another, but the taxpayer pays the bill for both Budgets. The two-Budget system has merely aggravated the general confusion.

The increase in the regular Budget expense during the past 5 years is indicated by the following figures:

1934	$2,700,000,000
1935	3,200,000,000
1936	3,300,000,000
1937	4,400,000,000
1938	5,400,000,000

When recovery and relief expenditures, the costs of the recently inaugurated slum-clearance program, the additional costs of the new farm program, and expenditures for other costly new items are added to the $5,400,000,000 Budget of 1938, the total in all probability will come closer to $8,000,000,000 than to $7,000,000,000.

Congress has done more to destroy the Budget system by its practice of making lump-sum appropriations than by any other form of action. Approximately $15,000,000,000 of such appropriations have been made in the past 4 years, as compared to $1,500,000,000 of lump-sum appropriations in all previous history of the Nation. These lump-sum recovery and relief appropriations, equivalent as they are to blank checks, have flowed in surprising volume into the regular departments for expansion of their activities. In actual dollars and cents, more than $3,000,000,000 of lump-sum appropriations went into the regular departments in 1934, 1935, and 1936, swelling to that extent the Budget estimates for their maintenance and operation.

While the unpublicized aspects of the double Budget lump sum appropriation may be a revelation to many who do not follow closely the operations of Federal Government, there are other practices which baffle one seeking accurate information regarding the cost of his government.

One example is shown in the Budget of 1938, which discloses that $230,000,000 of social-security taxes has been used for regular expenses, thus reducing the deficit by use of a tax collected and paid for the specific purpose of providing old-age security.

Another example is the practice of deducting from current expenditures excesses of collections on loans over loans made. In this manner the combined expenditures in 1937 were shown to have been reduced by $243,000,000. In reality, and for the sake of accuracy, the excess of capital-loan collections over the total of

loans made should be applied to public-debt reduction. Instead it has been and is being applied to current expenses.

Somewhat related to the foregoing is a third example involving the Government corporations, at present so popular, which account for contingent liabilities amounting to more than $5,000,000,000. The statement has been made publicly, and has not been denied, that the credits and recoverable assets of these corporations, as shown on official Government reports, have been grossly overestimated.

An instance in point is the Reconstruction Finance Corporation. The Government purchased $500,000 of stock and about $4,000,000,000 of notes of this Corporation. The stock and notes have been carried on Government reports at face value, creating the impression that the total assets represented sound value, ultimately recoverable into the Treasury to reduce the public debt. Congress was informed more than a year ago that $2,500,000,000 of these R. F. C. assets were valueless because the money had been diverted into relief expenditures and expenditures of regular agencies of the Government and were not recoverable.

But not until recently was it recognized publicly that R. F. C. notes were not worth more than 50 cents on the dollar as recoverable assets. At the request of the Chairman of the R. F. C., who was not responsible for the misleading Treasury Department record, a bill was introduced in the current session of Congress canceling $2,600,000,000 of these so-called recoverable assets and $33,000,000 interest.

The Government requires its citizens and the business enterprises they conduct to make clear and candid statements of their financial condition. There is no reason why the Government should not be equally clear and frank in reporting the activities and financial condition of the Government as a whole, and all of its agencies and the corporations in particular. These corporations have sprung up rapidly during the depression days. They have become a sort of special-privilege class of Government agency. Some of them, in their functions and activities, bear striking resemblance to holding companies. Some of them disregard the Congress in the expenditure of funds. Some of them refuse orthodox Government audit.

The huge deficits can no longer be attributed to failure of revenue. Even before the request was made of the current session of the Congress for another quarter of a billion dollars for a relief deficiency, the estimates for the present fiscal year indicated that the total deficit would be upward of $2,000,000,000 despite the greatest revenue in the history of the Nation. And that revenue did not come from millionaires, for if the Government had confiscated all the income of all the millionaires in the country the revenue would have run the Government only about 3 days. It did not come from big business through the so-called undistributed-profits taxes. The records show, and no one will deny, that this and other share-the-wealth schemes broke down. Some contend that, together with other Federal policies and activity, they carried business down with them, with the resulting recession.

Nearly half of all the revenue came from the miscellaneous taxes embracing tobacco, amusements, and hundreds of other items which rich and poor alike pay at the same rate.

Ordinary people will pay most of these bills and carry the load of this debt and these expenditures. A true and accurate diagnosis requires frank and fearless recognition of the present economic predicament and governmental activity.

III

By far the greatest evil of the governmental operations during the past few years has been the gross waste of money through unadulterated extravagance, duplication of effort and agencies, and creation of agencies and functions which, if necessary at all, were of short-lived value.

A typical illustration of the manner in which millions of dollars have been squandered has come to light through examination of the use made of a lump-sum appropriation allocation for construction of houses in Virginia to be rented to mountain people. The average cost of these houses, complete with land and overhead, was about $8,000. Representatives of Virginia in Congress had no opportunity to vote on the appropriation for their own State. Competent builders in the locality have offered to reproduce the houses at the rate of $900 apiece.

A formal request to the Resettlement Administration to stop such excesses was unavailing. In the same manner the same Administration built about 15,000 houses throughout the country, some costing more than $16,000 each. These houses were to be rented to low-income tenants. The overhead on some of these places, according to official audit, has run as high as 40 percent of cost. The Government's own experts admit that families for whom the houses were designed could never pay rent based on actual costs.

The cost of the average American home is $4,400. With this in mind, efforts were made to limit the cost of houses to be built under the new slum-clearance law to a figure which competent persons, both in the Congress and out, including proponents, said was adequate.

The Federal Government has extended its operations until 1 out of every 80 men, women, and children in the United States is now on the national pay roll and is naturally a supporter of legislation that has given him or her a job. He likewise is a supporter of legislation that will make that job permanent. When the personnel of the Regular Army, the Navy, the Marine Corps, the legislative and judicial branches, and the Civilian Conservation Corps (now permanent) is added to the 889,550 (as of December 31, 1937) regular civil executive pay roll of the executive branch of the Government, the total is approximately 1,500,000 employees. With their dependents, it is seen that a substantial portion of the population of the United States is dependent upon the Federal Government for regular employment. But that is not all. To the regular pay roll there may be added a million Federal pensioners (not including recipients of old-age pensions) who receive regularly a check from the Federal Treasury. Add to these the millions on relief. It is not fanciful to apprehend that the day may come when organized minorities receiving Federal support may combine to make and maintain administrations pledged to a progressive continuance of this prolific distribution of money wrung from taxpayers.

The statement is made advisedly that there is today in the United States the most complicated and costly bureaucracy in all history. To point to 50 Federal agency legal divisions in Washington is enough to describe the density of the Federal jungle. But there have been at least 24 agencies concerned with lending Government funds, 34 with acquisition of land, 48 with wildlife conservation, 9 with credit and finance, at least a dozen with home and community planning, 10 with materials of construction, and numerous others which overlap and duplicate functions in such fields as public welfare, health, and relief; regulation of business enterprise; transportation; agriculture; power; law enforcement; property and personnel; publicity, etc.

Make a simple test in your own community; check your telephone directory. There are branches of 75 Federal agencies in the State of Virginia. A Government-compiled directory in Washington showed 143 separate Federal agency numbers, exclusive of hundreds of branch and extension numbers. Agency offices at the seat of the Government outgrew the Capital, and one large unit had to be taken to Baltimore. There were in Washington, at the time of a recent check, 46 personnel officers listed for the Government; 104 publications and information offices; 126 agency libraries; 51 agency traffic managers. It was estimated that several hundred ex-newspapermen found employment in Federal agency press sections in Washington more profitable. In 1930 the Federal and district Governments paid for 17,142 telephones in Washington; in 1936 the number was 32,882.

Besides the bureaucracy in Washington, there have been set up 48 or more miniature Federal Governments outside, one or more in every State in the Union. In the period from March 1, 1933, to July 1, 1936, the Government built 664 new buildings outside of Washington at a cost of $239,000,000. Yet on July 1, 1936 (later figures have not been made available), notwithstanding the new and old Government-owned buildings, the Government was leasing 11,842 others. The floor space of buildings owned and leased by the Government outside of Washington is the equivalent of 52 Empire State Buildings, or more than 1 Empire State Building for each State.

Thus it is not difficult to see how the overlapping of activity, the duplication of effort, the extravagance and inefficiency, have mounted.

The failure to form definite policies has been particularly costly with regard to relief. The Federal Government has been spending an average of $810 a year per person on relief, but with no permanent relief policy. That figure may be compared with $692, the average per capita income of the people of the United States in the prosperous year of 1929. Federal relief was inaugurated as an emergency measure and has been continued as such in a separate Budget. In 7 years the Federal Government appropriated $15,000,000,000 for recovery and relief. Recent requests for more money for the current year indicate that the pace is not slackening.

The facts and figures cited to this point are only examples of what can be found in a thorough study of the Federal Government. The result of the activities of the Federal Government, from the standpoint of its fiscal status, is that for 4 years it has spent $14,000 every minute of every day, including Sundays.

There are those in the Nation who would take the last dollar in the Treasury to see that no one goes hungry or cold, and would bend every human effort to guarantee equal rights and privileges to all, but these same people today view with alarm the situation as it has developed. Their belief is that a mandate for progress and welfare without a mandate for solvency is a mandate impossible of fulfillment, and very likely a mandate for disaster. When they question whether what is being done can be done more economically and more efficiently, and whether all of the activities are necessary, they are held up to scorn as economic royalists, Tories, hard men without the milk of human kindness, men completely indifferent to human suffering.

In reality, many of those who question the safety of spending more than the income for so long are sincerely searching for means for better conditions for more people on a more permanent basis. That was true, for instance, of the group in the United States Senate in the summer of 1937 who endeavored to rid the Nation of the greatest possible number of slum sections and provide in their place the greatest possible number of substantial and comfortable homes for the slum occupants, within the bounds of money available. This same group recently were made

villains in a play written and staged by persons on the Government's Works Progress Administration pay roll in New York.

If the Nation is to meet the future squarely and fearlessly, with a determination to make a better America for Americans, the time has come for the Government to face the existing conditions frankly, to get back to one Budget, and to begin paying as it goes.

One way to pay is to reduce expenditures, through elimination of waste, extravagance, inefficiency, duplication of effort, and unnecessary agencies, functions, and activities. The saving from such action, if applied to the public debt, would make substantial reductions. There are also other ways to pay.

But there can be no orderly progress until the Government first takes inventory of its vast and cumbersome self, until it determines what parts of it are to be permanent and what parts are not. When these questions are answered with definite and clearly defined policies that will be adhered to, then the questions involved in paying the bill will be met sternly, but definitely, and with certainty.

Admittedly that is the hard way back to prosperity; but it is the common-sense way. It is a slower way than priming the pump, but it is a sure way, and more certain of lasting results.

Army Day

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

Mr. SHANLEY. Mr. Speaker and my colleagues, Army Day in America naturally turns our thoughts to the historic traditions of our armed forces. This year above all others a second avenue of military perspective comes to us in the city of New Haven. Our Connecticut city celebrates its tercentenary this year, and in those 300 years of what we with pardonable pride term "phenomenal achievement," the military occupies an especially notable niche. Indeed, our earliest efforts to provide colonial defenses against the Indians and other enemies may well have been the forerunner of our national defense.

From the moment that news of the "excellent country at Quellipioak River" came to the Massachusetts colony to the departure of Theophilus Eaton from Boston to see this promised land, the die seemed cast for the eventual settlement of New Haven.

That settlement had first and foremost the need of defense. That responsibility fell upon one Capt. Nathaniel Turner, veteran of the Pequot War. It was he who developed the provisional protection which the earliest settlers began. As a matter of fact, as early as November 25, 1639, we find an order for the viewing of the settlement's armor.

That every one that beares armes shall be completely furnished with armes—viz; a muskett, a sworde, bandaleers, a rest, a pound of powder, 20 bullets fitted to their muskett, or four pounds of pistol shott or swan shott at least, and be ready to show them in the market place, upon Monday, the 16th of this (?) month, before Captaine Turner and Leivtennant Seely, under penalty of twenty shillings fine for default or absence.

Despite the high resolves and intentions that such general training should occur monthly, according to Charles Levermore's monograph on The Republic of New Haven relaxation reduced this to less frequent intervals. The formal choice, however, of Captain Turner was made on the first day of September 1640. Time moved on and a watch was established. Later, in 1644–45, an auxiliary company of artillery was organized. As time went on, various changes occurred; but a religious aspect attached itself to the office made famous by Captain Turner. It may be pertinent to record the story of Captain Nash. In 1661 it was proposed in the township court, says the excellent Levermore, to elevate one Lt. John Nash to the high post of captain, but that soldier, with regret, turned it down because he did not feel "a call of God to that place." It was humility and a realization of his own unworthiness that prompted this decision. Lieutenant Nash was grateful for this honor. "If God shall persuade my heart of His call to this work I shall be willing to do the town service." A year later Lieutenant Nash was persuaded to hear his "call." It would be easy and delightful for me, a former member of the National Guard of the State of Connecticut, to record the history of our military efforts but I am too grateful for your indulgence today to do that. May I add that no better summary exists of our efforts as a State than is written by Col. Charles W. Burpee on pages 557–61 of the Connecticut Tercentenary of our State Register and Manual, 1935.

Economic Security and Justice

EXTENSION OF REMARKS

OF

HON. JAMES P. POPE

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Thursday, April 7 (legislative day of Wednesday, January 5), 1938

RADIO ADDRESS BY HON. JAMES E. MURRAY, OF MONTANA, MARCH 18, 1938

Mr. POPE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by the junior Senator from Montana [Mr. MURRAY] on March 18, 1938, on the subject Economic Security and Justice.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A few minutes ago you heard the address of one of Europe's outstanding rulers who spoke for the German people, organized under a different system of government than ours.

I raise my voice today, to uphold the processes of democratic forms in America in our efforts to bring economic security and justice to the people. It is my thesis, that we in this country, can accomplish in the fullest measure, all that may be desirable for our people under democratic forms without surrendering an iota of our rights or liberties.

We have met with serious economic reverses in America requiring our soberest thoughts. The problem of unemployment and relief stands out today as the most important problem this country has ever been called upon to solve. Upon the rational consideration and solution of this difficult and perplexing question depends the future tranquility and happiness of the whole Nation. Dangers to peace do not all spring from the aggression of foreign armies nor are they confined to domestic insurrections. A new peril has arisen to plague and disturb industry, born of the very prosperity which it creates.

The division of the products of the earth, among the producers and workers who create them, is universally provoking conflicts more bitter and more dangerous than any that ever arose over the division of the earth's surface among the aggressive and warlike nations which inhabit it.

Mass unemployment always results from Nation-wide economic causes and abuses. The closing down of mines in the West or textile mills in the East is the result of some failure to obey true principles of economics. Thus, whenever we look into unbalanced economic conditions in industry or agriculture, we always find some failure to adhere to sound principles and honest conduct in the administration of our economic system. All this is the result of the imperfections of our capitalistic system and failure of cooperation among those responsible for its smooth and successful operation—failure to observe sound principles.

Thus, the collapse of 1929 was due to a whole train of violations of economic rules, which industry and finance in a mad and greedy rush for profits had failed to adhere to.

It is not necessary to detail the numerous causes of the depression which might be cited. No one can now dare deny that the evils which infested our economic system constituted the cause of its downfall in 1929, bringing in its train widespread unemployment, destitution and bankruptcy, and a long list of problems and questions which will require the combined wisdom and genuine cooperation of all our people to remedy.

Our Government under the present administration has been seeking to bring about certain fundamental economic and social reforms which it is thought might remedy the situation I have described.

Each year following 1933, until the present year, showed steady business improvement, and a gradual reduction of unemployment and mitigation of the widespread destitution and misery which

had blanketed the country. Economic reforms and social progress were being achieved in a real degree. Reemployment was steadily taking place. In 1936 a rapid upturn in industry commenced, followed in 1937 by what threatened to be a real boom. Business expanded and securities mounted in value. All the conditions necessary for complete and sustained recovery were at hand. In fact, the fear of too rapid a recovery caused monetary measures to be employed to slow it down and thus avoid a runaway boom. Our country, the most productive in the world, had food and raw material in the greatest abundance. Prosperity was returning on every hand. All that was required to foster it was honest and unselfish cooperation among the various groups making up our American system. The gloomy theory of the famous economist Malthus, that the tendency of population was to grow more rapidly than the supply of food and that therefore war, pestilence, famine, and vice, as checks to the population were inevitable conditions of economic life, has been refuted and exploded by the experiences of this country. We have established beyond all doubt that the food supply of the earth is not a limited quantity but is capable of measureless increase—that the earth is not an unnatural mother, producing creatures beyond her capacity to support, but a generous one, ready to yield abundant sustenance to every human being engendered upon her bosom, if man will but approach that fountain of sustenance in peace and industrial cooperation.

If there be any limit on the power of the soil to support human beings, it is imposed by the wickedness and folly of men and not by the parsimony of Nature. To support a population, however large, growing in prosperity as it grows in numbers, it is only necessary that all men shall be allowed to approach the earth in peace, to exercise all their faculties in its cultivation, without wasting any of their energy in mutual conflict. It is clear, therefore, that no natural impediment existed to interfere with returning prosperity and only by the folly of man could it be prevented.

As I have already pointed out, in 1936 and 1937 business conditions and reemployment were rapidly advancing. All that was necessary for continued recovery was honest and unselfish cooperation. But unfortunately lack of that necessary peace and cooperation, together with raises in prices and failure of industry to observe sound economic principles, has caused a recession in the recovery we were experiencing.

Testimony produced before the Senate committee fairly establishes this conclusion. The monopoly fixation of prices is shown to be a major cause in the present recession, as well as in the 1929 depression.

This urge to raise prices is nothing new. It may be well to recall the shrewd remark of Adam Smith some 160 years ago, when he wrote, "People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public or in some contrivance to raise prices." A statement issued a short time ago by the National City Bank shows that the corporations of the country during 1936 and 1937 rapidly increased their earnings and their dividends. This is now corroborated by recent income-tax returns. While the Government was engaged in priming the pump with a national public-works and work-relief program involving the expenditure of billions of dollars, they were engaged in skimming the cream off the Government spending. They ran up prices to increase profits. A terrific race followed to fill consumer inventories engendered by fear of a continued rise in prices. At first industry could not execute its orders, but as inventories filled up business slacked off and unemployment began. By the boosting of unit prices the sum of the prices of mass-production goods became greater than the total monetary purchasing power available in the pockets of the consumers. The result was that when these prices were boosted and maintained and the monetary income of the consumers was not increased there was not enough purchasing power in the country to buy the actual or potential output of American industry and agriculture at the prices charged. A recession thus started has cumulative effects. Men thrown out of work buy less and hence cause trade and industry to produce and sell still less, and this in turn throws more men out of work, and so on. Industry has been overanxious for profit and simply priced itself out of business. It failed to cooperate in the national program of recovery and thereby contributed to its own distress and injury as well as bringing renewed misery to the country in the way of increased unemployment.

There seems to be general agreement that lack of purchasing power among the masses of the people is due to excessive prices to consumers and low earnings of workers and producers. Our system of mass production can only be maintained by balancing it with mass purchasing power in the hands of the people. When prices of commodities get out of balance with the earning power of the people, we have depressions.

An independent study of the question has been made by the Brookings Institution, of Washington, which points to this conclusion. When Dr. Harold G. Moulton, president of the Brookings Institution, was asked whether he agreed with President Roosevelt's demand that industry cut prices without cutting wages, he said that in the long run it was the "royal road to progress."

And so we find that, as a result of the folly of men and not by the parsimony of Nature, we are in the throes of another serious unemployment crisis. Never before in our national history have we had to face unemployment conditions of such duration and magnitude as we have been experiencing since 1929. The misery and destitution of unemployment, once the concern of a few, now worries the Nation. Concerns that were once relegated to a few philanthropists are now bedeviling every public servant, every taxpayer, and every sober-minded citizen of the country.

Unemployment is a problem and an obligation of industry and can only be permanently cured by industry. Industry must undertake the solution of this question, with the cooperation of Government, and work out a system of overcoming the peaks and valleys of unemployment. I think it can be done, but I cannot discuss that now. It will be a long, drawn-out effort and the National Government meanwhile must assume its proper burden of providing for the millions of unemployed and destitute, who are periodically caught in the jam.

Ever since 1933 we have recognized this national obligation and have undertaken our burden with characteristic faith and hope. However imperfect it may be, our relief program has, nevertheless, performed a tremendous service, considering the funds available, lack of previous experience to guide it, as well as the natural difficulties of such a gigantic undertaking. It saved the country in a critical period. It preserved the orderly processes of government and forestalled the anarchy and chaos that threatened the Nation. It has now come to the point where it can no longer be considered as an emergency problem. It is both in truth and in fact a permanent and inescapable task of the National Government.

It is generally recognized that an immense relief burden will confront the country for years to come. The issue now is: "Are we to continue our present system of work relief under the W. P. A. as a national agency with proper adjustments, improvements, and extensions, or shall this problem be relegated to the States with Federal appropriations to the States for aid in its operation?"

The Special Senate Committee on Unemployment and Relief has been conducting a searching inquiry into this problem, and will not arrive at its conclusions for several weeks hence; so I will not discuss that issue now. I trust I may have an opportunity to consider it on another occasion. Meanwhile permit me to say that no problem of the American people, however puzzling or perplexing it may appear, can be regarded as unsurmountable. We have the resources; we have the labor; we have the skill and the genius to provide in the greatest abundance every human need of our population. All that is required, therefore, is the observance of simple Christian ethics, a little charity, a little cooperation, a little justice and we will surmount all our difficulties, and ultimately realize a higher plane of prosperity than we have ever before achieved.

Eliminating Profits of War

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, April 7 (legislative day of Wednesday, January 5), 1938

RADIO ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA, APRIL 3, 1938

Mr. REYNOLDS. Mr. President, I ask consent that there be published in the Appendix of the CONGRESSIONAL RECORD an address entitled "Eliminating the Profits of War," which I delivered last Sunday evening, April 3, over the national network of the Mutual Broadcasting Co.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the radio audience, in discussing a subject as perplexing and vital as Eliminating the Profits of War, the subject on which I have been invited to speak this evening, it will be helpful to picture in our minds the striking contrast between the United States and other countries.

Ours is a peace-loving Nation. Most of the large countries across the seas are militaristic. Those countries through centuries past have lived, existed, and even thrived on wars. History teaches that the rulers of those countries exploit their own people by keeping them in fear of the iron hand and from time to time conquer and annex weaker countries.

Today the affairs in foreign countries continue to hold the center of the stage in America.

From all accounts chaos is spreading among the nations across the seas, playing havoc with commerce and living conditions.

Fear is growing that at any hour a general war may burst on Europe, sweeping defenseless countries in its wake. The rule of reason over there has disappeared; the rule of might prevails and fear of war has spread to and invaded our shores. Everywhere I

go—in Washington or in North Carolina—I am greeted with the similar question: "Senator, do you think we are going to have war?" Our people realize what is taking place over there. With radio and telegraphic communications, newspaper and air-mail reports, it is but natural that America is well informed as to European and Asiatic developments. True, a large percentage of the news that reaches here from abroad is strictly censored, but sufficient facts are revealed to warn the United States of the war conditions prevalent all over the world.

The rash boasts and the dire threats of arrogant dictators hurled at peace-loving nations is a manifestation of the ugly temper of the power-crazed rulers.

It is for this reason that the American people are gravely concerned, yes fearful, and justly so, over the foreign situation, because the wounds suffered by thousands of our youth in the World War have not as yet healed. The scars are still fresh in memory.

The twenty-odd billions of dollars that we loaned to the Allies remain unpaid. These debtor nations have defaulted not only on the principal but scornfully have refused to pay Uncle Sam any interest. And the war that was to make the world safe for democracy and Christianity cost the people of the United States around $65,000,000,000 to date.

Conservative estimators vouchsafe the opinion that ere the last United States war bond is redeemed and the last surviving veteran goes to his final reward, the World War will have cost this country $100,000,000,000.

As referred to a moment ago, the wounds afflicted on our soldiers have not as yet healed—the American mothers and fathers are still mourning for their loved ones who lost their lives in that conflict.

So it is no wonder—it is no surprise—that America as a whole is determined to stay out of war—America is not now, nor has it ever been an aggressor Nation—America has never fought a war of conquest.

But it is regrettable that unless we pursue a most cautious course we may be drawn into other people's wars. In a free country like ours—and may I point out at this juncture that our people should be thankful for living in a democracy like this and should do everything in their power to cherish and preserve America—it is to be expected that there would be a diversity of opinion as to objectives and methods in trying to avoid war. But when a crisis faces the Nation then all groups should and must work in harmony for the ultimate benefit of the Nation as a whole—yes; for the saving of the Nation from being destroyed whether from sinister forces from the outside or from preying influences on the inside. So as I stated, it is but natural that we have in this country groups of people known as internationalists, others are isolationists, others favoring the adoption of a middle of the road course, while others are munition manufacturers.

Among the latter class are some selfish interests who would lead us to war. However, every thinking person knows that America does not want to engage in any war. When in a recent speech our great President Franklin D. Roosevelt acclaimed: "I hate war," he voiced the sentiment of every true American patriot. Awakened to this fact, Congress has written laws that are intended to prevent these first fatal steps and incidents which bring about war, and make more difficult the task of selfish war lords who would involve us in war.

These laws are referred to as the "neutrality" laws of the United States. These laws provide that Americans in war zones enter or remain in same at their own risk. Why should an entire nation be placed in jeopardy because of the whim of an individual or because of a small group desiring to feather its own nest. These laws discourage trade relations with nations engaged in war. These laws forbid the shipment of American-made munitions to warring countries. The law would constitute for this country a "mind our own business" policy, while other nations bombed, burned, and bled.

The law gives the President broad discretionary powers and frees him from pressure programs similar to the ones that some assert tended to engulf this country into the war 3,000 miles away from home in 1917.

Today certain groups are applauding the President for the course he is pursuing in the carrying out of the congressional mandate, while others bitterly assail him for the policy that we are following in the frightful struggle between China and Japan. Still others hail the President for his neutral attitude in the terrible Spanish situation, while others are caustic in their criticism over the refusal to permit the shipment of war implements and accessories to the loyalists in Spain. And so it is—contrasting schools of thought, various ideas and ideals as to how to keep America out of war, how the Nation should best proceed in these exasperating and nerve-testing days while shells and bombs fall on unprotected humans and innocent women and children drop like stricken animals in shattered streets.

For the past few years I have advocated a definite policy that I hope will keep America out of war. In Congress and out of Congress, by Nation-wide radio addresses and addresses before patriotic societies and organizations, I have warned the Nation against any foreign entanglements. I maintain that with the existing unemployment situation here in this country Uncle Sam has sufficient troubles of his own without attempting to meddle in the political affairs of other nations. If by the wave of a magic wand or some mystic power we could stop the frightful conflicts in Europe, thereby restoring peace into a war-torn world, then I say there would be few Americans who would not be willing, yes, gladly, to lend the helping hand.

Our dipping into these boiling foreign political pots would complicate more an already strained situation, and we would only get our hands scalded. If we had been embroiled in their political set-ups for the past few years, I believe that we would now be at war. Only the fact that the United States has remained aloof from these foreign involvements do I attribute the fact that no general war has broken out in continental Europe.

The recent announcement by the able Secretary of State, Hon. Cordell Hull, that outlined the United States policy in foreign affairs brought reassurance to the country that the administration is trying to do everything humanly possible to avert any war. Especially pleasing was the emphasis that the notable Cabinet member placed on the determination to avoid any foreign political alliances—alliances that would prevent this Nation from pursuing an independent course, thereby not being compelled to pull other countries' chestnuts out of the fire. Secretary Hull has handled a most deplorable situation in a most masterful manner.

Another vital step in the direction of peace is the new naval program outlined by our President and concurred in by the House. A strong naval, military, and air defense is the best insurance we can have against war. No country will dare to attack another country when it knows that its opponent is amply fortified and better equipped.

I am a firm believer that a deathblow would be delivered at least to propaganda that leads to war, if the profits were taken out of war. If the time comes when this Nation must go to war—if the time ever arrives when our Nation must fight to defend itself from an invading enemy—then Uncle Sam should conscript money, as well as men, for war purposes. Let us draft the munition makers, as well as soldiers and sailors. Why permit a small clique of manufacturers of war implements to grow fabulously wealthy while millions of our youth forfeit their lives in defense of the Republic? Let the Government draft the owners of factories and their factories in the next war and the next war will be long delayed in arriving.

Greed and selfishness and a desire for added power cause most wars. Let us outlaw all profits in wartime, so that the heavy burdens of war be shared by all classes of our citizens alike and then some would not be so hasty in plunging us into a devastating catastrophe.

Of course, I do not expect everybody to agree with me in this opinion. When the Nation is in peril all good citizens will subordinate their views to the welfare of the country. That is particularly true in the United States. When our Nation is not in peril the main distinction between us and a dictator is the ability and right of the people to express their thoughts. Therefore the time to comment is before the war breaks out.

Those interested in this important subject may write me here at the Nation's Capital, address Senator ROBERT R. REYNOLDS, United States Senate Office Building, Washington, D. C.

It is a sad commentary on our civilization that a few misguided leaders have set the world aflame and that a crazed, stricken world has driven this peaceful Nation into the necessity of expending billions of dollars for armaments in order that we might keep abreast with the other powerful countries.

Our sound advice and fervent appeals have gone unheeded. Our treaties were thrown in the discard by one foreign nation after the other.

Hence to delay our program for defense might result in attack or invasion of our country. Despite the ravages of war in other parts, America must march on. America will march on, true to its principles and doctrines as set forth by the founding fathers. America must serve as a beacon light for the darkened countries. We must be prepared. Our democracy must survive. Our democracy will survive.

Address by Senator Bridges at Republican State Convention, Bangor, Maine

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EXTENSION OF REMARKS

OF

HON. FREDERICK HALE

OF MAINE

IN THE SENATE OF THE UNITED STATES

Wednesday, April 6 (legislative day of Wednesday, January 5), 1938

KEYNOTE SPEECH DELIVERED BY HON. H. STYLES BRIDGES, UNITED STATES SENATOR FROM NEW HAMPSHIRE, AT THE REPUBLICAN STATE CONVENTION, BANGOR, MAINE, MARCH 31, 1938

Mr. HALE. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered by the junior

Senator from New Hampshire [Mr. BRIDGES], at the Republican State convention held at Bangor, Maine, on March 31, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow Republicans, today the eyes of a great nation are once more focused upon the State of Maine. You are embarked upon the business of your 1938 Republican convention. Your actions at this time will have a far more reaching effect than ever before in the history of our country. The old cry of "As goes Maine, so goes the Nation" was heard throughout the land, but these words of wisdom fell upon unheeding ears and I think I can truthfully say that many of our citizens, many honest, upright, hardworking, thinking citizens of this Nation are sorry today that they did not follow the leadership of the State of Maine. Regardless of their national minority, the people of the State of Maine were right and the events which followed the national election of 1936 have conclusively proved that fact.

The election of 1938, however, is a new chapter. Again we have an opportunity to take up the shield and sword of freedom. The issue is clearer and the chances are greater than ever for courageous leadership. The congressional elections of this year and even the State elections may decide whether the future of our country is to see the end of true democracy or not. We Republicans can look to the history of our conventions as far back as 1860, when the issue was whether our Nation was to continue as a union, under the banner of freedom, or was to be broken up into two nations. But even in the convention of 1860, the issue of democracy was not so much at stake as it is today, because today we have left the proven path, we have cast overboard the fundamentals of our constitutional form of government for a mirage. Many people are groping and hoping that a beautiful illusion may come to pass; that the day will soon arrive when everybody may have equal rights to everything, without work, without initiative, and without use of any of the thought processes with which we hope all Americans are endowed.

The policy which is adopted by your convention will, in a large measure, cut the trail for succeeding conventions. Bearing that in mind, it is obvious that care must be taken so that the path chosen is that desired by the majority of the people of this country.

Let us forget for the moment all this talk about our great leaders of the past and present. Let us forget policy committees, and formulating principles, and adding the label of constructive criticism to the acts of the New Deal, and weasel words, and trying to out-Roosevelt Roosevelt, and adopting the New Deal program and shouting that we could do it better, and screams of dictatorship, and communism, and promises to labor and to capital, and to the one-third ill-housed, ill-fed, and ill-clad. Instead let us separate all these incidentals and adopt the one outstanding desire of a deluded people: the one safeguard in a crazy world; the one concrete principle which the Republican Party of 1938 should wholeheartedly take to its bosom and blast from the Nation's housetops, as its guide. This principle is decentralization. Decentralization of our Federal Government in order that the power and the control of the functions of government may be returned to the people where it belongs and from whom it has been stolen by Franklin D. Roosevelt and the New Deal administration.

The only path which will return to the proven ways of the United States Constitution, in all its glory, is the path to decentralization. Roosevelt and all his works must be stripped of the power which they have gained by usurpation, by coercion, by threats, by the sabotage of independent commissions, by torpedoing the Civil Service, by making ridiculous trade treaties with foreign nations which rob American industry and American labor of the chance to make an honest living under American standards. Let us not mince words.

Franklin D. Roosevelt and his New Dealers are vulnerable. They have never drawn their punches. They have used every trick in the political bag to discredit and humiliate, not only the leaders, but the rank and file of the Republican Party. The present administration assumed leadership in the first place by smearing and dynamiting the Republican administration that preceded it. It is open season on the New Deal from now on.

Today, our first duty is to define a program which will pull America from the economic mess it is in; the mess for which the Roosevelt brand of leadership is 90 percent responsible. Our appeal is to those who wish to see the return of the American system; to those who have seen their heritages, their rights, and their privileges as free people, ignored, threatened, and laughed at. The Republican organization of the State of Maine, as in every State in this Union, is the only staff upon which democracy can hope to lean. We must use that staff to return American Government to the people through their elected representatives. We must once and for all put an end to what may truthfully be called "Roosevelt constitutional tyranny."

The rallying cry then, fellow Republicans, must be "decentralize." Control must be taken from the President and returned to the people. To be sure, the great need today is jobs. The great need is for work. The great need is to end the depression in which America is engulfed.

What is the cause of this depression? Truthfully, the cause is Franklin D. Roosevelt and the New Deal administration. After the greatest demonstration of political power that has ever been seen in this country, Roosevelt began his second term by assuming that the role of President was actually no longer needed in the United States of America. He assumed the role of a king who could do no wrong. A few short days after his inauguration he came forth with the most unprecedented, immoral, and dictatorial suggestion ever presented to a free people, the Supreme Court packing bill. Throwing the vast weight of the innumerable centralized bureaucracies behind this vicious proposal, he sought to railroad it through Congress. He failed because he did not realize that the spark of freedom was still alive in the souls of Americans. The people fought back and the Supreme Court packing bill went down to ignominious defeat. It was not without a service to the country, however, because there was exposed, beneath the mask of judicial reorganization, the hideous face of one-man rule—a long step to the authoritarian state. We Republicans fought that Supreme Court packing bill to the best of our ability. Our minority in the Senate gladly joined with members of the Democratic Party who had not signed away their birthright and this attempt to subjugate the nation's courts to the will of its king was defeated.

But Roosevelt was not satisfied. If he couldn't have the Court, he would regiment labor and industry to his coat of arms. To this end he brought forth the famous Black minimum wage and hour bill. This legislation would have placed all industry and all labor under the control of five presidentially appointed "stooges." This time the House of Representatives came to the rescue, and Republican Congressmen joined the opposition and defeated this attempt to regiment industry and labor.

But the hot court fight and wage-hour bill fight were not enough to teach the New Deal its lesson. After keeping Congress for the entire summer in the swelter of Washington heat, the President called his special session, purportedly to pass the farm bill, the 1937–38 edition of the Triple A, a bill to put once more the flag of economic scarcity over the farms of Americans; to make the ducks and chickens goosestep to the tune of the more abundant life, under the leadership of Henry Wallace. The farm bill, in the form it was passed, was unintelligible, irrational, and undemocratic. Under its provisions this New England section of ours receives relatively no benefits and the costs of certain agricultural industries, such as dairy and poultry industries, are materially increased.

The one quality which Franklin D. Roosevelt has constantly maintained throughout both his terms of office has been his great ability to spend money. By spending 40 billion dollars since 1933 he was able to maintain a semblance of respect for his economic philosophy, but now the till is nearly empty. Now we are closely approaching the time when we will have a 40-billion-dollar deficit. The days of the great spending spree are over, and since the beginning of the Roosevelt depression what has he been able to accomplish? The answer is exactly nothing. Furthermore, just what has he tried to accomplish to promote recovery? Not once has he adopted any of the suggestions of little business, of big business, of organized labor, of the leaders of his own party in the Senate or the House. Of course, he would not think of adopting a suggestion of any Republican. It has never occurred to the master mind that the ill-advised legislation which he demanded as far back as 1934, and which a subservient Congress rubber-stamped onto the statute books of the Nation, was solely to blame. For the last 4 months he has fumbled in the White House, while his leaders in the Senate were fumbling and mumbling and losing control over a Senate which was concentrating all of its time on a filibuster over a bill that had nothing whatsoever to do with recovery. We Republicans have a program for recovery which we pleaded for this Administration to adopt, but our pleas fell on deaf ears. Even now, the Senate, under the direction of the Chief Executive, is spending most of its time concocting another vicious piece of legislation to further centralize the control of the President over all of the independent commissions, departments, and functions of the executive third of our Government. The only legislation that might be remotely labeled as recovery legislation was another tremendous spending bill.

No, fellow Republicans, the New Dealers are not interested in the future of democracy, they are not interested in recovery, unless it is their type of recovery. They are interested in only one thing, and that is further centralization, further intrenchment of power, and further control over the birth, the life, and the death; over the work; over the goods consumed in manufacture; over the food eaten; over the interpretation of the law; in short, over the very existence of every American. Is that the type of freedom for which Americans have laid down their lives? Is that the type of regimented existence which the citizens of this great country must adopt in order to eat? Is that the type of government which has the temerity to condemn a Hitler, a Mussolini, or a Stalin? Labels mean nothing in this day and age. How can we rave and rant about democracy, on the one hand, while we throw all of the principles of democracy to the wolves, on the other?

So I say to you, the first step to recovery, the first step to economic sanity, the first step on the path to the American type of freedom, is decentralization. With decentralization as a keystone, we Republicans can formulate a safe, honest, courageous program—a program that has appeal to all thinking Americans.

We subscribe to the return of free American enterprise, of the right to work, of the right to conduct our business without Government interference or competition, of the right to plant what we want where we want it on our farms, of the right to organize in labor unions without having socialistic crackpots take sides, of the right of freedom in collective bargaining, of the right to pay taxes to run our Government but not to reform sections of our people, of the right to trade with foreign countries only in a manner which will safeguard the American standard of living, and of the right to elect our representatives to Congress without coercion and without threats and without bribes, and the right to expect that those representatives will represent us and our system of government and not be pawns of the President. In short, we want the return of rule to the people, where it belongs.

Our program should not be too long. It should be based upon certain fundamentals and these fundamentals should consist of those things which entail the destruction of one-man rule and the return of liberty. Hand in hand with such a program will go recovery.

First and foremost, our program should demand that government return to the field of government, and abide by that ancient truism that little government is the best government. In short, let us take the Federal Government out of competition with industry. How wrong it is for the Federal Government to tax industry, big and little, and then use those very taxes to bankrupt the taxpayers. It is no more fair for the United States to build, with taxpayers' money, a competing railroad or power line or gasoline station than it is to build a competing butcher shop or operate a competing vegetable stand. Our Federal Government is not a profit-making institution. Yet, under its present set-up, it is the largest business trust the world has ever seen, and it can use this vast power to literally break every industry in the country. I am not suggesting that we hold ourselves out as the champion of big business of any kind, but I am suggesting that we champion the cause of all industry and labor, because under our capitalistic form of government, industry and trade and the labor employed therein, are the lifeblood of the Nation. The New Deal is certainly on the right track if it wishes to change our form of government. Its attempts to compete and interfere with all industry and thus drive it to the wall is the swiftest road to that end.

This control and competition does not end with physical competition, but the same program is carried on in the realm of legislation and taxation. Taxes in the United States today are levied for reform. If Mr. Roosevelt, in his wisdom and in the wisdom of the radical left-wingers with whom he surrounds himself, wish to reform an individual or a business or an industry or a society, they do so by means of a punitive tax. Before the 1933 A. A. A. was held unconstitutional this tax was in the form of a processing tax; now it is in the form of the corporate surplus tax and capital gains tax, which we are fighting to repeal and to modify at the present time. To be sure, such taxes reform. They make expansion of industry prohibitive. They make employment of more labor impossible. They make the abyss of industrial destruction imminent.

Reform is needed throughout the whole tax structure of the United States from top to bottom. The vicious punitive taxes must be repealed. Processing taxes must be thrown overboard and the profit system of economics must be returned to a sane level by reform in our tax laws, which by present abuses are one of the greatest deterrents to the employment of labor and the little businesses that exist. I believe that the Senate is in the process of working out a decent tax bill which will eliminate some of the worst features of the present tax system. This is being done in spite of the threat of administration spokesmen that the President will veto the bill if certain pet reform features are altered.

In line with tax reform we must give some thought to the reform of abuses existing under the Social Security Act. During the 1936 campaign the Republicans in some instances handled the problem of social security in a most ill-advised manner. Social security has a commendable and laudable objective. It is here to stay, but to be a truly democratic act it must be amended, not to injure it but to improve it. It should include, for instance, the farm and general worker to whom social security is as great a necessity as it is to the industrial worker. Once and for all the administration of social security and the Social Security Act should be placed on a pay-as-you-go basis. The greatest fraud that is being perpetrated by the New Deal today is the spending of social security trust funds to pay current expenses. The social security fund should be inviolate and should not go into the general treasury fund and thus dissipated, along with general tax funds. The old-age section must be repealed or drastically amended to equitably and more adequately care for our citizens in their declining years. Our Republican platform should plainly set forth the true comprehensive objectives of the Social Security Act and should demand reforms in its administration.

Setting itself up as the great champion of labor, the New Deal has been most consistent in demanding for American labor what it chooses to call reforms. Our party has not made the attempt to segregate the American people into classes, either by race, color, creed, or occupation. The Roosevelt brand of politics, however, is based upon the determination that its secure intrenchment in the future is insured best by promising each group and class of society everything, in a brazen and discretionary manner. It has spent a great part of the time of its officials down through the ranks to reviling, chastizing, and castigating not only Republicans but conservative Democrats, business, men, industrialists, and any labor leader or labor organization which may not agree with New Deal phantasies. In every manner possible it has held itself out as the great lover of labor. The Labor Department, headed by the well-known Mme. Perkins, is indicative of the type of administration the United States Government has had in the field of labor. The result has been nothing but strikes and discontent. Sit-down strikes, destruction of property, fighting and bickering between rival unions, and all manner of labor upheaval, not only have been tolerated by the Roosevelt bureaucrats, but have been actually fostered. These are not idle statements. They are based upon facts. Consider, if you will, the great Pacific coast maritime strike, which tied up shipping for months, which was led by a deportable alien who belongs to the Communist Party and who was permitted to call a general strike in the great city of San Francisco and to get away with it with no more attempt to control by the Federal Government than a few mild admonitions by Mme. Perkins. Consider the wreckage and destruction of property in the steel area last summer when strikers interfered with the delivery of the United States mail and actually censored United States mail. What was the policy of Franklin Roosevelt at that time? We all remember, that to his great discredit, he could do nothing more than quote a passage from the works of Shakespeare, to the effect that his feeling towards both industry and labor was "a plague on both your houses." In fact, Roosevelt reforms in the field of labor legislation have been undemocratic, un-American and dangerous to the preservation of peace and liberty within the confines of this Nation.

We Republicans believe that the laboring man should have the right to live as all other Americans, that he should have the right to organize, that his union should have the right of collective bargaining, that he should have the right to strike, the right to picket peacefully, and that those rights should be guarded and protected by an agency of the Federal Government. We believe that rather than creating prejudice and widening the gulf between industry and labor, the Republican policy should be to harmonize and to bring labor and industry into closer agreement, for their mutual benefit and the general advantage of the country as a whole. We believe that the worker has a definite interest in his job and should be entitled to the same information as to the financial conditions of the corporation for which he works as is the stockholder.

If a Republican program should include provisions for wages and hours legislation, this legislation should be simple in character, providing a ceiling for hours and a floor for wages, the same to be the law of the land and not be administered by any discretionary board. It should provide for equal working conditions throughout the country.

The objectives of the National Labor Relations Act are not in question. Theoretically, it is an endeavor to arbitrate the difficulties which so often arise between the employer and the employee, with the least loss of time and the least loss of money to either. The result of the National Labor Relations Act has been far from realizing these worthy objectives. Something is definitely wrong which should be cured either by amending the act, if provisions of the act cause dissension, strikes, and the handling of labor difficulties in an arbitrary and undemocratic manner, or by changing the personnel if the cause is with the administration of the present act. I am inclined to believe it is partially both. The make-up of the present National Labor Relations Board is such that its members are more interested in crusading to foster a social experiment than they are in settling the difficulties which arise between employer and employee. Instead of pouring oil on the troubled waters, instead of acting as judges and umpires, and insisting on fair play from both sides, they have consistently chosen to prosecute the employer and to side with one great labor union against another.

The rights of labor are not apart from the rights of business or the rights of the farmer or the rights of the middleman. This is one great country and regardless of our occupation we are all Americans and discontent and unhappiness in any group or class of society causes suffering to all. Therefore, let us draft our program so that the American worker may vote for any man or any ticket he wishes, with full knowledge that his rights will be secure under any Administration. To this end it is absolutely necessary that the National Labor Relations Act be amended.

So far, I have attempted to outline our home program. Now let us turn for a moment to our foreign relations. First and foremost, we are desirous of maintaining peace. By this I do not mean a "peace at any price" or an "isolationist" theory. We are truly desirous of maintaining a live and let live attitude in the family of nations. To this end it must be apparent to every citizen throughout the land that we should have a sensible, workable Neutrality Act. A Republican program should include a review of the entire complicated problem of international relations with particular regard to a Neutrality policy to the end that we may have a more workable and positive Neutrality Law in the interest of real peace. The workings of our Neutrality Law indicate clearly that its provisions must be drastically modified.

Our Republican program should include provision for an adequate army, navy, and air force to protect American territory and American lives. We should support reasonable legislation to take the profits out of war. Such speeches as the recent ones of the President, based on mob psychology, should not be condoned. I have reference to his outburst entitled, "I Hate War." We all hate war. Hating war is no particular property of Franklin D. Roosevelt. And again let me refer to his famous Chicago speech, which

was nothing more than saber rattling, without a saber. Such a procedure does not make for peace. Coupled up with the famous Roosevelt "good-neighbor" policy it becomes laughable. It will be interesting to see what the New Deal administration will say about the expropriation of American property in Mexico. I wonder, do they think that Mexico is thus reciprocating for the Roosevelt "good-neighbor" policy. In short, we must ask ourselves the question, "Just what is the foreign policy of the United States and what are we going to do about it?"

In line with our foreign policy should be our program of foreign trade agreements. The people of New England and Maine are getting a dose of Mr. Roosevelt's reciprocal-trade agreements. From a report on the effect of the New Deal trade agreements I quote you the following:

"The proposed trade agreements with Great Britain affects the following industries in Maine: Cotton yarns, cotton goods, woolen yarns, woolen and worsted goods, boots and shoes, paper, and fish. The tariffs run on these articles as high as 55 percent.

"Manufacturing is Maine's biggest industry and affects a large percentage of its population directly without considering the business that its pay rolls support. Today, manufacturing has been most highly developed in this country and today we are competing against each other without profit. In New England in cotton textiles our toughest competitors are the South. Mill after mill has moved South, or new mills started in the South, so that instead of New England's having twice as many spindles as the South, as formerly, the South has twice as many as New England. The reason for this is largely the cheaper labor market.

"What has happened in New England can readily happen to all the United States, only much more so. Why open up our markets to the United Kingdom and the 37 other nations which come under the most favored nation treaties, including Japan, with their very low wage scales and low standards of living? It is unnecessary to try this experiment. We know just what will happen from the example of New England and the South * * *"

These so-called reciprocal-trade agreements which are the basis of the so-called "good-neighbor" policy are nothing short of donations by the New Deal of the birthright of American labor and industry. Reciprocity means a mutual advantage to each trading party as a result of mutual concessions. In other words, we should supply England with what she cannot produce and England should supply us with what we cannot produce. The effect of Mr. Roosevelt's "good-neighbor" policy is to allow the products of British textile mills into our country to compete with the products of Maine's textile mills; to permit the products of Czechoslovakian shoe factories to come into the United States and compete with the products of Maine shoe factories, all of which means that American industry must curtail production, and throw more men out of employment. It means that in order to compete with such cutthroat competition we must reduce the American standard of living. Maine has already felt the pinch of former reciprocal-trade agreements on some of its products, such as lumber, pulp, dairy products, and fish. The height of this absurd foreign-trade policy has about been reached. Two weeks ago, at a press conference, the President told the press that he felt perhaps the best way to augment the American merchant marine was to have ships built in foreign shipyards. Think of that, fellow Republicans, here we are in the depths of a Roosevelt depression when no depression exists in Canada and there is little evidence of depression in England; when we have 12 million unemployed; when the Public Treasury is empty; when the W. P. A. and other relief rolls are crowded, and yet the President of the United States suggests that we order ships to be built for us in a foreign nation, paying out, thereby, American capital to balance foreign budgets and creating employment for foreign labor. Remember, you have shipyards in Maine.

On the one hand we see the economic policy of scarcity, of paying the farmer not to produce, of storing thousands of bales of cotton and corn and wheat and hides; and on the other hand, we see the Government making agreements with foreign nations by which they can import into our country and undersell the American producer of the very products which he is paid not to produce. This presents a spectacle of razzle-dazzle Roosevelt economics that is so absurd that it would be good comedy if it were not so terribly serious; if it were not a direct cause of the tramp of the thousands of unemployed feet on the highways and byways of America today. No "fireside chat" by Franklin Roosevelt, no overseas blast by Harold Ickes, can feed and clothe the thousands and thousands of jobless created by these agreements. Our Republican program in the field of foreign trade is as simple as it is basic. We should support reciprocal-trade agreements in their true sense, without curtailment of American production, without starvation of American labor and without lowering the American standard of living. We should demand the amendment of the act to include mandatory public notice of commodities under consideration 60 days in advance; mandatory public hearings before the same agency that negotiates the treaty; and we should make it illegal to import any commodity which is produced in this country in a commercial way below the average American cost of production. In short, we maintain that the products of American labor, American industry, and American agriculture should have first consideration in the American market.

We must make up our minds whether relief is here to stay, whether we are to maintain a vast army of unemployed as a permanent factor in our society or not. If these unemployed are here to stay, then a permanent policy must be drafted to meet that situation. Temporary methods of meeting relief requirements are definitely not the right way of meeting a permanent problem. No American citizen wants to remain on relief. No American citizen wants to spend his life working on Government-financed projects of questionable need or usefulness. Relief is, of course, tied up with the ability of industry to absorb excess in the unemployment index. A decent, sensible, permanent breathing spell would go a long way to solving the relief problem. The New Deal's continued chastisement and its attitude of blowing hot and cold on American industry certainly does not provide the incentive for business to expand or to increase its pay rolls. Likewise, of course, the donation of the American market to nations having subnormal labor conditions does not make for a happy situation in the field of employment for the American worker.

If we are to assume that despite such reforms as we Republicans hope may take place in the field of foreign trade, business and labor relations, we will still have a large relief army, some part of our program must provide the answer to the problem. It is first and foremost necessary that American citizens who are unable to find employment through no fault of their own, or through disability, must be provided for. Such provision must be paid for out of taxes, but the distribution of relief should be absolutely and unequivocably divorced from politics, and I say that regardless of what party is in power. The Republican Party cannot stand for a policy which permits politics playing a part in relieving human misery. With this in mind I see no other alternative than to provide for the return of the administration of relief to the several States and municipalities, with coordinating relief agencies made up of State and Federal officials in each State. The Federal Government should remain in the relief field only to supplement funds of the local political subdivisions, only to guarantee that no man, woman, or child shall go unfed or ill-clad.

In the coming elections, the people of the United States are faced with a great issue. In the light of all that has happened in the past 5 years, it is evident that our very democratic system of government has undergone vast changes, some of which are highly commendable, some of which are good but have been undertaken in the wrong spirit, and some of which are wholeheartedly rotten.

We have seen what a man of the type of Franklin D. Roosevelt can do when the people of the United States place their future in his hands. A wholesale, one-sided election this year, to my mind, means the end of America as the people of our generation have known it. Private initiative is practically extinct. The ability to earn a living as a result of hard work is laughed at. Progress in the field of industry and development of independence as a result of ambition are merely tolerated. Too great a proportion of our population exists in the hypnotic atmosphere exuded by the administration leaders. A "don't care" attitude is rampant. The recent spectacle of the President of the United States going completely outside of his jurisdiction and holding a drumhead trial of the chairman of one of the Federal independent commissions, crucifying that man without a trial, is merely a forerunner of what may be expected in the future, if the majority of the people passively submit to such executive usurpation of power.

Let me recount for you the blessings of Franklin D. Roosevelt, and I ask you to carry these blessings into your convention.

First, we have a national debt of almost 40 billion dollars. Despite semiannual promises to balance the budget, to begin balancing the budget, to balance the budget in the near future, to balance the budget when the time is ripe, we have had no honest step toward balancing the budget. More money has been spent by the Roosevelt administration alone than by all of the previous administrations from Washington to Wilson.

Second, we have a depreciated currency since our dollar has been reduced from 100 cents to 59 cents, and in addition to this we have the constant threat of inflation hanging over our heads. By the mere stroke of a pen the President could turn on the money machines and issue 3 billion dollars in greenbacks.

Third, we have seen our foreign trade so managed that foreign demand for our cotton has been lost to Africa and South America. Foreign demand for shoes has been lost to Czechoslovakia. Foreign demand for textiles is rapidly being lost to Great Britain and Japan.

Fourth, we have taxes heavier than ever before in our history, with an absolute certainty of still heavier taxes to take care of the pork-barrel requirements of this experienced administration.

Fifth, we see big business and little business in such a state of nervousness and jitters that it is functioning at less than 50 percent of its effectiveness and sometimes as low as 19 percent of capacity.

Sixth, the bureaucrats in Washington have put more than three hundred thousand more employees on the Federal pay rolls, with nice fat salaries. The sole requirement of work for most of them is to sing paens of the beauties of the New Deal.

Seventh, we are in the midst of the Roosevelt depression, not a recession or a set-back or a market reaction, but the Franklin D. Roosevelt depression, which has caused the number of unemployed to climb to the same figure for practical purposes that the New Dealers so moaned about in 1933.

Eighth, we are so represented in Congress, with the exception of a few who are called by the administration, "tories," "reactionaries," "economic royalists," "princes of privilege," "bitter enders," and "irreconcilables," that the rights and desires of the people come second to the orders and commands of the Chief in the White House.

Ninth, although we saw the Court packing plan defeated by the skin of its teeth, our courts are far less independent than they were before the advent of the "better life," and also they are robbed of many of their functions by the New Deal administrative agencies, who, with the blessings of the New Deal, bring to trial, prosecute, persecute, and condemn labor, industry, and the common citizen.

Tenth, we see a country in which class is arrayed against class and group against group, with socialists running one project and communists another; while the everyday run-of-the-mill American citizen struggles to pay for it all.

Eleventh, sitting around the seat of all knowledge we have such persons as Harold Ickes, who delivers such beautiful overseas broadcasts and holds such witch-burning bees of American industry. We have Mme. Perkins, who offers to redistribute the better things of life for the benefit of the New Deal favorites. We have Henry Wallace, who enjoys instructing the American farmer when, where, how, and why to perform the duties of husbandry. And we have an inferior but vastly larger group, headed by the crown prince of the royal family, who presupposed the passage of the reorganization bill and buttressed the President from the inferior Departments of Government, and also, by the way, adds dignity to the Marine Corps.

Fellow Republicans, these things must all be done away with. Much responsibility rests with you. We do not want to return to the old ways, but we do want to return to sanity. Sanity in government and sanity in all the relationships between American citizens and their Government. In the 1936 election we polled between 19 and 20 million votes for the leading Republican State offices. This year we can and will do far better, because Roosevelt is vulnerable and his party is beginning to feel the seeds of discontent. Although Farley has stated that the administration would not go into State politics the President has sent son Jimmy to Florida; Secretary McIntyre to Kentucky, and personal greetings to Wisconsin. Thank God, he has kept his hands off Maine. Perhaps he realizes he could not get far. So let us get together and draft a real Republican program based upon constructive policies in Government, economics, foreign affairs, and labor and industrial relations. Let us decentralize the New Deal and return the power of free democratic Government to the people of the United States. Let Maine lead the way.

Need for Increase in Certain Interior Department Activities in Alaska

EXTENSION OF REMARKS

OF

HON. ANTHONY J. DIMOND

DELEGATE FROM ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1938

TESTIMONY OF HON. ANTHONY J. DIMOND BEFORE THE SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS OF THE HOUSE OF REPRESENTATIVES

Mr. DIMOND. Mr. Speaker, under leave heretofore granted, I offer for insertion in the RECORD a copy of my testimony given on January 26, February 9, and February 11, 1938, before the subcommittee of the Committee on Appropriations, House of Representatives, concerning appropriations for Alaska carried in the Interior Department appropriation bill for the fiscal year 1939.

The particular subjects about which I testified, and which concern the activities of the Department of the Interior in Alaska, are of considerable interest to a large number of the residents of the Territory. My testimony follows:

Mr. DIMOND. Mr. Chairman and gentlemen of the committee, I will discuss first, if I may, the matter which was first brought before the committee, namely, the Alaska Railroad. I submit to the committee that it is good business to give the money that is required for the rehabilitation of the railroad, and to give it now. The Government, according to Colonel Olson's statement, which I have no doubt is correct, has put some 73 million dollars into the Alaska Railroad.

It is absolutely unthinkable that the railroad will be abandoned or that its operation will not be continued. The whole economy of a large part of Alaska is built around the railroad, and not to operate the railroad would simply ruin a good part of Alaska. It must be operated. It would be the height of folly not to operate the railroad, and therefore it is equally unwise to continue to operate it in an unsafe condition.

The railroad is not as safe at the present time as it ought to be. In the early days, when the railroad was built—I have stated this to the committee before, and I want to insist upon it again, because it tells a good part of our story—when the railroad was built, it was not, at the time the operation was started, really completed. It is true that the track was laid and trains were run over the track from one end of the railroad to the other. But it was not finished.

I have had the estimate given to me by men who know much about the railroad to the effect that the railroad at that time lacked, I think, about 25 percent of being completed, in that it was not properly ballasted, many of the bridges were temporary structures, and it was not really a railroad in the sense that railroads exist in the United States. It was simply the outline or the rough sketch of a railroad, although trains could operate over it.

A good deal of the money that has been appropriated by Congress over all the years since the operation of the railroad started, and which is carried under the head, as I understand it, of deficit for operation, really went into the capital investment; and the capital investment of the railroad has not yet been completed.

We ought not to expect a railroad to balance its budget or to pay its own way until the capital investment is completed. It has been stated here that $1,750,000 is necessary for that purpose.

Now, I submit to you again that it is good business judgment to do that job and do it right away and not wait for the next year and the next year and the next year, and thus increase or keep up every year these high maintenance charges with which we have been confronted. If we get our capital investment completed and get a good operating plant, the cost of maintenance is bound to be lower; and you are going to save that money in the long run by spending now the additional sum desired. It is just the opposite of economy to think that you can save money by not advancing the money now.

I don't want to make an extreme statement, but I do say that the railroad is not as safe as it ought to be. If there is a failure to make the rehabilitation that is now requested, and if an accident should occur through the operation of rot in one of these miserable wooden bridges or trestles, or in the ties—and some of the bridges are 20 years old or thereabouts—and some people are killed, I think the responsibility will be upon Congress for not doing what ought to be done, and doing it right away.

After all, if any such occurrence should happen on a privately owned railroad, the directors would have a fair chance of going to jail.

Mr. LEAVY. They probably would be called upon to make allowances for claim bills.

Mr. DIMOND. Yes.

Mr. LEAVY. That might aggregate large sums of money.

Mr. DIMOND. Yes. There might be a million dollars worth of claims presented if a well-loaded tourist train goes through one of these bridges; and I don't know what Congress could do except to appropriate money to pay the claims.

After all, this railroad ought to be run as a business institution is run; and until the capital investment is completed and the physical capital structure is completed, it is not being operated in that fashion.

I am not prepared to say that after the proposed rehabilitation work is completed Congress will never be asked for any more money to pay operating expenses. But if it is asked for more money, then it will be operating expenses. It won't be capital investment.

Mr. RICH. I was very much interested in the statement made by the colonel in which he made the statement that by spending a million and a half dollars this return would be adequate to take care of it from a business standpoint. I agree with you that it would be money well spent, and it would be the cheapest thing to give it to you now.

Mr. DIMOND. Yes.

Mr. RICH. But that depends on whether we can produce a statement here that that is going to be accomplished. I would be very glad to see that.

Mr. DIMOND. Of course, what happens in the future depends on a good many circumstances over which none of us has any control, though we try to calculate as well as we can just how much business we are going to get in the future.

Apparently, according to the testimony that I heard here today, the Bureau of the Budget has made an estimate as to how much business the railroad is going to get for the next year; and the figure of the Bureau of the Budget here was $200,000 above anything which the people in charge of the railroad think can be obtained from the business next year.

It is a matter for good, sound judgment and estimate; and that estimate depends upon things that happen in the future. Of course, we cannot control all of them. For example, there may be a strike; that strike may last a long time. Such an occurrence would materially affect the revenue of the railroad. Other things may happen which nobody can foresee at this particular moment. But, at any rate, it would be good business to complete the railroad, because we must continue to operate it in some fashion.

ROAD THROUGH BRITISH COLUMBIA FROM VANCOUVER TO FAIRBANKS

Mr. JOHNSON. What, in your judgment, would be the effect of a road through British Columbia from Vancouver to Fairbanks and by way of Dawson? You may briefly tell us.

Mr. DIMOND. A road already exists, Mr. Chairman, from Vancouver, British Columbia, 832 miles northerly through British Columbia to a place in British Columbia called Hazelton, which is

the junction of the highway with the Canadian National Railroad. The Canadian National Railroad runs east from Prince Rupert through Hazelton and thence on to eastern Canada.

The highway also extends about 50 miles north of Hazelton. Between that point and McCarthy, Alaska, a distance of about 1,200 miles, there is no road except for a few short stretches where people have come in and settled and have built very short roads for their own use. There is some road construction around Lake Atlin which I have in mind now.

Other than that, 1,200 miles of road must be built in order to connect Alaska with the United States by highway. Of this mileage, about 1,000 miles of road remain to be constructed in the Dominion of Canada and about 200, something less than 200 miles, in the Territory of Alaska from the international boundary to a place called McCarthy, Alaska, which is about 100 miles from Fairbanks, Alaska.

The construction of this road would, in my judgment, be economically the most advantageous thing that could happen to Alaska at the present time, because it would make Alaska accessible to the people of the United States. At present the people in the United States who desire to go to Alaska must go by sea; and that is not their normal method of travel. If we get a road to Alaska, then we will have plenty of people who will come into Alaska, and who will have an opportunity to see what is there; and many of them will stay in Alaska.

There are a few people coming to Alaska now to remain. There are a few farmers and some miners and some others. But the highway is the one thing that would make Alaska accessible.

Mr. LEAVY. I would like to ask you if such a road would be just simply a summer road, or would it be an all-year-round road?

Mr. DIMOND. It could be operated the entire year round if it was considered desirable to do that. In the beginning I think that there would be no justification to spend the extra money necessary to keep it cleared of snow in the winter.

Several years ago one of our old-time prospectors, a rugged, hardy pioneer of the Daniel Boone type, Clyde C. Williams, usually known as Slim Williams, made a trip in midwinter over the entire route of this road. He arrived at Hazelton in the spring hearty and strong.

Mr. JOHNSON. Is he the same gentleman that drove down to Washington?

Mr. DIMOND. Yes. He drove his dog team to Washington. He put the sled on wheels and drove the dog sled to Washington.

Mr. JOHNSON. Yes. He was here.

Mr. DIMOND. Yes, sir.

He went over this road in midwinter. Of course, he had to live off the country. He couldn't carry enough grub with him. He got a caribou occasionally. When he came to a lake he cut a hole through the ice and he got some fish. He lived off the country.

The interesting thing is that he said that nowhere was he above timberline on the route of the road, and nowhere did he find snow over 3 feet deep except in drifts.

There is no heavy snowfall east of the mountains. We do not ordinarily have a heavy snowfall in the interior of Alaska. Along the coast the snowfall is heavy, but the interior is comparatively dry.

Mr. LEAVY. Isn't that the situation in Alaska? Don't they have rather a mild climate?

Mr. DIMOND. Yes. Along the coast it has a mild climate.

Mr. LEAVY. There is a good deal of rain in the wintertime?

Mr. DIMOND. A good deal of rain all the year round, except in the summer, falls in the coast region. The interior is comparatively dry.

The proposed road will go east of the high range of mountains that fringes the coast nearly all the way down to Vancouver; and east of the mountains there is not so much precipitation.

Mr. RICH. About how many miles will it be from the Pacific coast?

Mr. DIMOND. About 100 miles. It would vary in different places, but I think in the northern part it would be around 100 miles. Above Juneau it would come within 40 or 50 miles of tidewater.

So, to answer the question that Judge LEAVY asked, this road could be made traversable the year round if you wanted to go to the same trouble in keeping it cleared of snow that we go to in the States in taking care of our highways here. But in the beginning we would want to operate probably only in the summertime.

The construction of this road and the spending of a few million dollars for connecting roads in Alaska would in my judgment make Alaska, make it what we know it ought to be.

Besides that, on the route of the highway in Alaska between Fairbanks, Alaska, and the international boundary near Dawson, there lie some 750,000 acres of what is probably among the best agricultural land in Alaska. At the present time it is absolutely inaccessible. The Department of Agriculture, however, has listed it as among the best agricultural land in Alaska. It has good, deep soil, and the climate is not too cold, and the conditions are favorable in that region.

So there is plenty of room for people who want to farm right along the line of the road. Moreover, that region contains much mineral, which would attract the interest and the energy of a good many people who might come there.

Of course, in connection with the building of this highway, we ought to have some road extensions in Alaska. We ought to have a road—and it wouldn't take very much money to build it—to connect the Richardson Highway with the Mount McKinley National Park, and with Matanuska Valley.

As Dr. Gruening has so well said, the scenic resources of that region are simply illimitable. Once we open it up so that people can have access to it, our only difficulty will be to take care of the people who would come up to Alaska.

Mr. JOHNSON. Then you are not of the opinion that that would ruin the Alaska Railroad?

Mr. DIMOND. Oh, no. It would help the railroad. Any time you can bring an individual into Alaska, you are going to help the railroad, because that man is bound to buy his gasoline and his food supplies and other things; and the railroad will haul them. The more people we can bring into the interior of Alaska, the more business there will be for the railroad. There isn't any doubt about that.

Some people have foolishly assumed that if we build a road, this road is going to be in competition with the railroad. That is absurd, because you cannot haul freight over a highway 2,000 miles long in competition with water carriage or rail carriage.

Someone has asked the question a while ago how we can increase the revenue of the railroad. One way, I suggested, and I again suggest, is that we build all of the feeder roads that are necessary to the railroad. That will help. Build the roads out to the mining camps that surround the railroad. Build such roads and you bring increased revenue to the railroad. Build a road to Mount McKinley Park, and you will bring to Alaska thousands of tourists. They would use the railroad.

ALASKA INDUSTRIES

Mr. LEAVY. What is the major industry of Alaska?

Mr. DIMOND. Fishing is the major industry, salmon fishing.

Mr. LEAVY. How about the production of fur-bearing animals and furs?

Mr. DIMOND. That is a distinctly minor industry. It amounts to about two or three million dollars a year.

Mr. LEAVY. What are the substantial possibilities for timber as an industry?

Mr. DIMOND. In the southeastern and south-central parts of Alaska we have great forest reserves, national forests. It has been calculated that these national forests, if properly operated, will produce in perpetuity enough pulp to provide 1,000,000 tons of newsprint per year, about one-fourth of the present requirements of the United States. That is calculated on a sustained-yield basis, cutting only the ripe timber and manufacturing it into pulp. That would give us an industry that would probably be worth to Alaska, as long as pulp is used, approximately $40,000,000 a year.

It is a great potential industry that has not been developed at all. In fact, we can say now that every year there is rotting and falling to the ground $40,000,000 worth of timber, or timber that could be converted into a product worth $40,000,000, which is not used at all.

Mr. LEAVY. What about your coal deposits?

Mr. DIMOND. We have plenty of coal deposits. Of course, that will be used only locally for a long time, because our coal cannot be mined and transported and sold in the United States in competition with the coal produced in the States.

Mr. LEAVY. What coal do you use on the railroad?

Mr. DIMOND. Locally produced coal is used on the railroad.

Mr. JOHNSON. What about tin deposits?

Mr. DIMOND. We don't know very much about that except that we have just scratched the surface in northwestern Alaska. Tin is found almost on the edge of the Bering Strait. I think we took out about 150 tons of refined tin in 1937. Last year we took out about 100 tons of refined tin. The production has been increasing slowly in volume during the last 3 or 4 years.

But it is the only tin production in the United States. One thing that I have urged upon the committee is that you should provide funds to investigate the tin resources of Alaska.

We have a belt through Alaska running from Bering Strait southeasterly and easterly almost as far as Fairbanks. At various points along this belt—and it may be called a belt, I think—placer tin has been discovered; tin ore has been discovered.

Alaska is the only place in the United States where tin is being produced commercially. But in view of the fact that tin in our country is a deficiency metal, it seems to me that it would be wise for Congress to make a reasonable appropriation so that an investigation could be made of the region mentioned to determine just what the possibilities are of producing tin.

Until the last year or two it was necessary to ship that tin to Singapore in order to have it smelted.

Mr. JOHNSON. Where is it being smelted now?

Mr. DIMOND. It is being smelted in New Jersey, I think.

NEEDS OF ROADS IN ALASKA

Since we discussed the railroad and the traffic on the railroad, I desire to invite your attention to the appropriations for roads in Alaska.

It is hard to make anybody understand how necessary roads are except someone who has lived in a country where the road system is far from being complete.

Alaska has about 2,070 miles of road outside of the national forests, according to this justification that I see here; and unquestionably that is correct. That, I suppose, is not so much more of road mileage than exists in many counties of the United States. Most of Alaska is entirely devoid of roads of any kind.

In late years this deficiency has been made up to some extent by the use of airplanes. That brings up another requirement. We must have some air fields so that we can use planes safely and economically. But this amount of $535,000 which we carry in the estimate for 1939 for roads is not quite sufficient to take care adequately of the maintenance of existing roads. I think Dr. Gordon said that the maintenance would require about $350 per mile per year.

But really, if we are going to develop Alaska, we must have more money for roads. We are simply at a standstill with $535,000.

We have secured some money in the past from the public-works funds. But my understanding is that we cannot get any more money from the public-works funds for anything, neither for roads nor for airfields, nor for anything else. The public-works money apparently is entirely dried up. As the boy said, "There ain't no more."

I earnestly request the committee, despite the condition of the Budget—this thing, I believe, is a good investment—to increase that estimate for roads from $535,000 to $1,000,000. Part of that money will be used along the railroad to build the feeders to the railroad, and will thus increase the tonnage on the railroad. We must have money for roads.

CONSTRUCTION OF EMERGENCY FIELDS AND AIRPORTS

But airfields are needed in Alaska even more than the roads are. That is perhaps too much to say, but they are needed at least as much as roads are needed. Dr. Gordon has described the condition of our airfields. They are absolutely inadequate for the planes that are being manufactured at the present time.

Now, of course, we can make fields. I remember one of our early pilots who once made his own field. He had to make his own field, because he was forced down in one of the large tributaries of the Yukon, and he landed in a patch of willows on a river bar.

His motor was out of order. First he fixed the motor so that he could use it. So he finally got the motor started again, and he turned on the propeller and mowed down a path with his propeller through the willows about a thousand feet long. Then he came back and mowed them the other way. After he had mowed them two or three times he finally got back as far as he could and gave the motor the gun and got into the air.

Now, we can make fields that way, but that method doesn't make good fields.

Then, besides that, there is the development of the art to consider. The art of making airplanes is advancing so rapidly that we must have larger and larger fields. We must have fields that will keep pace with the airplanes. We cannot operate small planes economically and so we must have the larger planes. We simply need two or three million dollars right away to take care of our needed airfields construction in Alaska.

NEED FOR DEFENSE WORKS

Not only is there urgent need for the construction of emergency fields and airports in Alaska but there is also need of air-transportation facilities, particularly lighting and radio. At the present time there are only two fields in Alaska which are lighted. While lights are not needed for several months in the summer, particularly in the northern part of Alaska, by reason of the continuous daylight in all northern latitudes, there is real need for lights during the comparatively short days of the winter.

Several of the operating companies in Alaska have installed radio systems for their own use, but what is now needed is one system that will serve all companies, such as exists in the United States. To the best of my knowledge, the Department of Commerce has never spent a cent in Alaska for the maintenance of airways or for air-transportation facilities, although substantial sums are expended yearly in the United States. There is much greater need for such aids in Alaska than there is in the greater part of the United States, where smooth, grassy, or cultivated fields are usually available for emergency landings.

Despite all of the handicaps confronted by air transport in Alaska, handicaps arising from being obliged to fly over land that is still largely wilderness, without lighted fields in most instances, and in many cases without any radio aids, the industry has expanded in recent years almost by leaps and bounds.

Figures furnished me by the Bureau of Air Commerce indicated that during the past year the number of plane-miles flown in Alaska equaled approximately 3½ percent of the number of plane-miles flown in the United States.

The air-mail service should be extended to Alaska without delay, and that service should follow the coast from Puget Sound to cities of southeastern Alaska and thence across the Gulf of Alaska to Cordova, Valdez, Seward, and Anchorage, and so on into the interior of Alaska. In this matter also the reasons which justify the establishment and operation of air-mail service between the United States and Alaska and within the Territory itself are far more weighty than the considerations which have led to the fine air-mail service now being given in the United States. But I realize that this is a subject for consideration by another subcommittee and, therefore, shall not further enlarge upon it at this time.

The following table will show vividly the increase in the development of air commerce in Alaska since 1929:

Year	Planes in service	Number of passengers carried	Number of plane-miles	Number of passenger-miles	Mail and freight carried
					Pounds
1929	8	2,171	33,591	272,999	118,951
1930	24	3,654	338,422	684,361	120,733
1931	26	7,947	381,234	947,695	161,718
1932	31	6,637	742,854	942,176	496,680
1933	42	7,743	1,039,155	1,222,510	785,586
1934	56	10,194	1,126,610	1,533,311	904,370
1935	73	13,318	1,685,654	2,148,692	1,722,757
1936	79	16,982	2,130,929	3,035,018	2,418,616
1937 (fiscal)	101	20,958	2,209,206	4,021,798	3,184,263

Something has been said about national defense. There is definite need for defensive works in Alaska, Mr. Chairman.

We are on the direct line between the Orient and the United States. Any foreign nation in possession of Alaska is within 747 miles of Seattle, Wash., which is just a nice comfortable airplane range. Think of the destruction that could be made upon the forests and cities of the western part of the United States if a hostile nation had Alaska. A few incendiary bombs dropped in the forests of the West would destroy several billion dollars' worth of property before we could do anything about it.

The short route between the Orient and the United States lies by way of Alaska. If you draw a straight line, the shortest line, the great circle line, from Yokohama to Seattle, you would go nearly through the Aleutian Islands.

The distance between Yokohama and the continental United States is 1,400 miles shorter by going along the Aleutian Islands than it is by going by Hawaii. Hawaii is 2,300 miles south of the Aleutian Islands. It is out of defensive range. The station at Pearl Harbor is so far away that it cannot adequately defend Alaska. In saying this I am merely repeating things that have been said to me by men who at one time or another held high positions in the Army and the Navy and who have made a study of the subject.

Therefore, it seems to me that it is the part of wisdom to have a strong defensive naval station in Alaska and to install immediately without delay the Army air station that has already been planned for the interior of Alaska. It has been tentatively located, I believe, near Fairbanks, Alaska.

It is my understanding that at one time the War Department submitted estimates to the Bureau of the Budget to start work on this base. But apparently the Budget rejected it. As far as I know, there is nothing for that work in the present Budget.

But national defense takes precedence even of balancing the Budget.

It will do us precious little good to balance the Budget if we do not make adequate preparation for national defense. While it may have been possible in ancient days to raise a citizen army overnight, the development of offensive weapons in this age places the bravest and most heroic people, who are militarily unprepared, at the absolute mercy of a trained offensive force much smaller in numbers. The development of one arm alone of the military power, the air corps, and the terrible destruction which can be wrought by that arm in a few hours, or at most a few days, shows how impossible it is to prepare defensive measures after hostilities have begun. The time to install defensive works in Alaska is now, and not tomorrow or next year. The people of Alaska realize that under present conditions with no defensive force in Alaska whatever, except about 300 infantry who would necessarily be obliged to surrender in the event of war, that they would be the first victims if war should break out. Recent events indicate that hereafter the fighting will start before war is declared. The people of Alaska are entitled to the defensive power of the Government just the same as the other citizens of the United States, and they urge and insist that some adequate measures be taken for the protection of the Territory, for thus only can our citizens who reside in the United States be adequately defended.

Mention has been made of the imposition of tolls on the Richardson Highway. In my judgment, that particular toll, which was instituted and the authority for which was given under the last administration, is most unwise. In Alaska we have the unique sight of the Government in the business of collecting tolls. It is not necessary to remind the members of this committee that the law expressly forbids the collection of tolls on any road built with Federal-aid funds. The enforcement of toll charges on the Richardson Highway runs counter to the general policy of the Government in the United States and that in a region in which every encouragement should be given to those who are attempting to subdue the wilderness and make the land fit for habitation.

In my judgment the Alaska Railroad will suffer in the long run by a policy which is bound thus to some extent to hinder the development of the country. It is not well to consider the Alaska Railroad alone when planning for the development of the motor road transport and for the development of air transport in Alaska, and insist that nothing be done for any part of interior Alaska which does not directly and immediately increase the revenue of the Alaska Railroad, for very brief reflection will show that such a policy is the very reverse of a wise one. Every person who can be

brought to reside in the interior of Alaska, no matter whether he goes there by air, or by the Richardson Highway, or by the Alaska Railroad, is bound to use materials and supplies which must be transported over the Alaska Railroad, and thus his very residence will increase the revenue of the railroad. I am as anxious to support the Alaska Railroad as any person in or out of Alaska can possibly be, but I do not want to see the whole Territory throttled and its development delayed in a short-sighted attempt to build up the railroad revenue and traffic by imposing tolls on highway traffic, for I know the railroad is bound to be injured and its revenue eventually reduced by such a policy.

Apprehension has been expressed lest demand be made for more railroad construction. In my judgment, Mr. Chairman, unless large bodies of ore are developed which require rail transportation, Alaska does not require or desire any more railroads, and before any further railroad construction is undertaken we ought to be assured that there is sufficient traffic in sight to pay, not only the cost of operation, but to amortize the capital investment within a reasonable period of time. Motor transport and air transport are so efficient that they will take care of all the industrial development now in sight in Alaska.

I thank you very much for your courtesy.

WEDNESDAY, FEBRUARY 9, 1938.

STATEMENT OF HON. ANTHONY J. DIMOND, DELEGATE IN CONGRESS FROM THE TERRITORY OF ALASKA

HOSPITALIZATION OF NATIVES OF ALASKA SUFFERING FROM TUBERCULOSIS AND OTHER DISEASES

Mr. DIMOND. I have lived in Alaska for over 33 years, and I am quite intimately familiar with the health conditions among the Indians and Eskimos and also tolerably familiar with the medical and hospital facilities that are now supplied for the care of the native races.

A suggestion has been made that it would be expedient perhaps to take those Indians and Eskimos who are ill with tuberculosis to the United States and hospitalize them there. It has been suggested that that might be cheaper and that their hospitalization in the States might have a good tendency with respect to their health.

In both of those respects I think it will be found that the suggestions ought not to be followed. On the ground of expense it would, in my judgment, cost a great deal more to build hospitals in the States and then to bring the natives from Alaska who are ill with tuberculosis and other diseases and hospitalize them in the States than it would cost to build and maintain hospitals for sick people in the Territory of Alaska.

The transportation charges between the States and Alaska are quite high; and when one considers that it may be necessary to hire nurses and doctors to accompany the ill, the expense would be simply enormous.

From past experience, and basing my judgment upon a number of individual instances that have been called to my attention, it appears to be beyond question that the natives of Alaska who are transferred to the States are more speedily subject to the ravages of tuberculosis than they are if they remain in Alaska. What the reason is I don't know. But I do know of a number of cases where perfectly healthy natives have removed from Alaska to the States and have there contracted tuberculosis, and some of them have died after suffering for some little time.

So, from a health standpoint I think the worst thing in the world that could be done for the natives is to take them out of their own environment, the climate to which they are accustomed, and put them in another climate.

It is my understanding, although I am not a physician and don't claim to know very much about it, that the old idea that tuberculosis patients should be sent to a high, dry climate is now generally thought not to be the proper treatment for the disease; and that it is better, if it can be done, to leave the sufferers from tuberculosis in the climate to which they are accustomed.

Another feature of this matter is that I don't know how you are going to get the natives to leave their own country unless you just club them and make them go. You just about have to take them away by force. They are not anxious to go to the United States whether they are sick or well. And, of course, if they go to the States and recover from tuberculosis, there is nothing for you to do but to send them back to Alaska again.

Mr. LEAVY. Mr. Dimond, is there anything in the picture now that would indicate that there is going to be a tuberculosis sanitarium established in the States?

Mr. DIMOND. No.

Mr. LEAVY. Are you anticipating that there probably will be?

Mr. DIMOND. No. But a question was asked as to whether or not it would be wise to take them to the States and put them in hospitals here.

Mr. LEAVY. I want to say that I don't think there is a Member of Congress that looks after the interests of his constituents here quite as completely as you do, and the reason I asked this question is that I wondered whether there was any present move by the Indian Service or the Interior Department or elsewhere to do that.

Mr. DIMOND. No, sir. There is no move that I know of; but a question was asked of Dr. Townsend as to whether it would be a wise thing to do; and I want to stop this thing as speedily as I can, or at least give the committee my views on the subject, because I think it would be the worst thing in the world for the natives and would not save the Government any money. I think it would cost the Government more money to hospitalize the natives in the States than to keep them in Alaska.

As Dr. Townsend said a moment ago, the one thing that is needed beyond everything else in order to help the Indians stamp out tuberculosis is to raise the economic level of the natives so that they can have better food and better clothes and live under more sanitary conditions. When that is done, it won't be such a terrible job to take care of the tuberculosis cases and keep them isolated from the others so that they won't spread the disease.

However, one of the steps necessary to bring about a better condition is to remove those natives who are ill with tuberculosis from their families and present dwellings, where they are bound to infect a lot of other people if they remain as they are.

Therefore we need this tuberculosis hospital in Alaska; and it is my understanding, gentlemen, although I don't know that provision is made in this bill, that you are going to build one hospital.

Mr. JOHNSON. Yes. Provision is made in this bill for one additional hospital. But don't you think there is such a thing as going too far?

Mr. DIMOND. At one hospital a year? We ought to have at least two a year, and we really should have three. One a year is the very minimum, Mr. Chairman.

Mr. JOHNSON. Where is this hospital supposed to be?

Mr. DIMOND. At Kanakanak.

Mr. JOHNSON. Then where would the next hospital be?

Dr. TOWNSEND. At Tanana, we hope.

Mr. JOHNSON. Where is Tanana?

Mr. THOMAS. It is at the junction of the Tanana and Yukon Rivers.

Mr. JOHNSON. What would that one hospital you have in mind cost?

Dr. TOWNSEND. The one at Tanana would cost $175,000 to take care of the patients, with a tuberculosis wing. Of course, all of these hospitals should be combined for general cases with tuberculosis, because there are a certain number of general cases that you have to take care of.

Mr. JOHNSON. Mr. Dimond, I want to ask you a question; and if it is embarrassing, you may answer it off the record. Do you feel as between reindeer and hospitals that the hospitals are needed more at this time than a million dollars for reindeer?

Mr. DIMOND. Mr. Chairman, if I had to make a hard choice between getting a million dollars for hospitals and a million dollars for reindeer, I suppose in view of the present suffering of those in Alaska who are sick, and the definite knowledge that they are bound to infect others, I should say, spend the first million dollars on hospitals and the next million dollars on reindeer.

However, I don't want you to think from that statement that I am at all lukewarm about recommending the spending of the money on reindeer. But if I had to make a choice, I would say, "Spend a million dollars on hospitals."

Mr. JOHNSON. But suppose you couldn't do either? Suppose that this committee should decide to spend part of it for reindeer and part of it for hospitals. Then what would you do?

Mr. DIMOND. Well, I don't quite understand what you mean.

Mr. JOHNSON. There is $1,000,000 in your budget estimate for reindeer.

Mr. DIMOND. Yes.

Mr. JOHNSON. The Budget estimate might be drastically cut by this committee.

Mr. DIMOND. Yes. I think it would be a mistake to cut the $1,000,000 for reindeer, because, if you are going to cut down, you had better do a workmanlike job, and not go at it in such small pieces that you never will accomplish anything substantial.

Mr. JOHNSON. But you admit that an increase from $35,000 in one year to $1,000,000 the following year is considerable of an increase for this committee to approve, when we are told, as I am, for instance, in my district, that I cannot have some urgently needed buildings for the Fort Siel School or Hospital. I am told very positively that I cannot have anything at all, in the way of a construction program for a school where the need is extremely urgent because the Budget won't give us the O. K. I am perfectly willing to give you everything that is reasonable for Alaska. I don't want to be selfish about this matter. But if we give you some more hospital facilities, also an increase for reindeer, I am just wondering if you would not then admit that Alaska is faring much better than institutions in continental United States?

Mr. DIMOND. What I think you ought to do, although it is not in the Budget, is to appropriate immediately a million dollars for hospitals in Alaska and make it available until expended.

Mr. JOHNSON. Well of course you are getting one fine new hospital in Alaska; personally, I would like to see at least still another one started this year.

Mr. DIMOND. I assure the committee that that would be the scientific approach to this thing. It would be the economical approach. The Government would save money by it in the long run.

If that cannot be done, if you feel bound to stay within the Budget, then I implore you by all that is good and holy to at least give us this one hospital, because that is very important.

Mr. JOHNSON. You mean one additional hospital besides the one the Budget has allowed?

Mr. DIMOND. I should like to have an additional hospital if you could do so. But give us the one that the Budget has set up. I hope that that won't be eliminated.

Mr. JOHNSON. I think there is no thought on the part of this committee to disallow the one new hospital.

Mr. DIMOND. Thank you.

Mr. JOHNSON. I wondered if you thought there was urgent need for two hospitals the following year.

Mr. DIMOND. Yes. There is. There is no question about it. I think there is urgent need for five or six right away, as soon as you could build them. I don't suppose the Indian Service could build them all in 1 year.

Mr. LEAVY. Mr. DIMOND, it is your contention that the insufficient and improper hospitalization is a growing and progressing menace to the life of the Indians by reason of tuberculosis and its spread?

Mr. DIMOND. Yes. And to white people also, because we send our children in many cases to the same schools.

Mr. LEAVY. On the other hand, the delay, if there be any, in the purchase of reindeer would not decrease the reindeer herds in Alaska in the slightest, would it?

Mr. DIMOND. It probably would, because reindeer are being decimated by wolves, and some measures must be taken promptly in order to save them by bringing them under domestication and control.

Mr. LEAVY. We had experts to testify here last year that they increase almost as rapidly as rabbits.

Mr. DIMOND. They did for a long time, when we had few wolves and coyotes in Alaska. But those predatory animals have multiplied almost beyond count in recent years. When I was there in Alaska in 1930 in the reindeer country some reindeer owners told me pitiful tales of the terrible destruction which was wrought to their herds by the animals.

Mr. JOHNSON. Do you know how much is in this bill for exterminating the coyotes and other predatory animals?

Mr. DIMOND. It is in this million dollars.

FRIDAY, FEBRUARY 11, 1938.

STATEMENT OF HON. ANTHONY J. DIMOND, DELEGATE IN CONGRESS FROM THE TERRITORY OF ALASKA

PURCHASE OF REINDEER, ALASKA

Mr. JOHNSON. We have with us this morning the distinguished Delegate from Alaska, Mr. DIMOND. We are always glad to have him appear before the committee, and, Mr. DIMOND, we will appreciate any information you may give us.

Mr. DIMOND. Thank you, Mr. Chairman and gentlemen of the committee.

Mr. JOHNSON. We have under discussion an item proposing approximately $1,000,000 for the purchase of reindeer in Alaska.

Mr. DIMOND. Mr. Chairman, I desire to support that item just as powerfully as I can. It is likely that I can add little, if anything, to the statements of fact given yesterday in support of the item by Mr. Paul W. Gordon, who served for a year or so as director of education, in the office of Indian Affairs, in Alaska. Some time after that he spent several months on the reindeer ranges of the Seward Peninsula and, perhaps, in adjoining regions.

As the committee knows, this item appears in the bill with the consent of the Bureau of the Budget, of course, and in pursuance of an act of Congress which was passed at the last regular session of Congress, in August 1937, authorizing an appropriation of $2,000,000 for the purpose of purchasing the reindeer and reindeer-range equipment owned by others than natives of Alaska. Mr. Gordon has told the committee the distinction between natives and nonnatives. The term "nonnatives," I believe, is the best way to describe those who are not natives.

If this job is going to be done at all, and the will of Congress, as expressed in the Reindeer Act of 1937, is to be followed, there is not a solitary reason that I can think of why we should not go ahead right away, and there are, in my judgment, several reasons why it would be a mistake to delay action.

The situation in northwestern Alaska, particularly on the Seward Peninsula, is a very unhappy one at the present time because of the mixing of the herds of the natives and nonnatives. The feeling among the natives is quite intense. They believe they have been wronged, and greatly wronged, through the use of the range by the nonnative herds and, in order to protect their reindeer and that industry as a source of livelihood for the natives, it is necessary that some action be taken. Prompt action is necessary also to preserve the herds and to preserve the range.

On yesterday Mr. Gordon pointed out the fact that in certain areas, some of which he named, there has been overgrazing, and that has come about by reason of the fact, partly at least, that the natives do not like, and justly do not like, to spend their time in herding the deer of nonnatives. The nonnatives do not do any herding at all to speak of, and the situation is just a mess. There is only one earthly power that can correct that condition, and that is the power of the Government, and the means by which that power may be exercised is pointed out by the act of Congress passed last year, after very full deliberation and consideration by both the House and Senate. That act was signed by the President after he had made quite extensive inquiries into the entire subject, as I have reason to believe.

Now, there is no use postponing this matter, because conditions are bound to get worse instead of better. The natives are some of the best people in the world, but they are not as learned as some white men who have generations of education behind them and have personally enjoyed opportunities for education. Further delay and postponement of the settlement of this matter would lead to a loss of morale on the part of the natives, and an increase of the discouragement that already pervades them on account of the existing conditions.

There is little use in going back over past years, and saying that if this had been done or that had been done, it would not have been necessary to buy any reindeer. The Government deliberately encouraged those nonnatives to go into the reindeer business. It was not done with the consent of the man, W. T. Lopp, who was in charge of the Reindeer Service in Alaska. He protested against it, but the Government at Washington brought about this condition, and encouraged the white men—the nonnatives—to own reindeer; encouraged them to put reindeer on the range and encouraged them to have their reindeer mixed with the herds of the natives, and the Government ought to right the mistake that was made at that time, and the wrong—I think I can fairly call it a wrong—done the natives. There is only one way to do that at the present time, or but one practical way, and that is to buy out the reindeer belonging to the nonnatives and distribute them among the natives, as speedily as it can be done. It may be necessary for the Government to hold some of the reindeer for a little while in order to make the distribution effective, and in order to give the natives an opportunity to set up an administration whereby the natives will have the necessary means and encouragement to herd the deer properly.

At the present time, little herding is done. That is because the Government, back in 1924 and 1925, practically told the natives that there was no point in herding deer, but that they could round up the deer every year or two, and that would be sufficient. That plan does not work, and they have got to go back to the old system. In order to do that, and in order to end the present unhappy condition that I have mentioned, the Government should do this, and do it now. There is only one mistake that I think was made by the Budget, and that is in not calling for an appropriation of $2,000,000 so as to do the entire job immediately. There is no use in postponing this thing, but it should be done now if it is to be done at all. To put it off to another year would make the conditions that much worse. Therefore, with all the force at my command, I urge the committee to follow the recommendation sent in by the Budget, and make this appropriation, as estimated, of $1,000,000, to be expended under the direction of the Secretary of the Interior, thus carrying out the will of Congress. Carrying out this act of Congress providing for the purchase of the non-native-owned deer will not only benefit the natives who have deer now, but it will also benefit other natives of Alaska who have no deer and who can well use them. There are natives of the Aleutian Islands and perhaps some in southeastern Alaska who could use deer to advantage.

Reference was made yesterday to the effort of Mrs. Mellick to send deer to Popoff Island several years ago. She desired to place deer there for the benefit of the natives of that island. She did not want the deer for herself. She is a very generous and charitably inclined lady, and she wanted to have reindeer brought there in order that the natives of that region might have the benefit of them. However, she was unable to get any aid from the Government. That aid could not be given on account of the limitations of the Budget, as I think she was informed at that time. Therefore she did not get the reindeer. Instead she bought some cattle and brought them over from the States. She gave the cattle to the natives to be used for their benefit. There are still large regions in Alaska where no deer now exist, and reindeer in those places would be of as great value to the Eskimos and other natives as they are to those who now possess them.

Mr. SCRUGHAM. On yesterday a witness testified that they had to have a certain kind of moss growth in order that the reindeer might prosper, and that on Popoff Island they do not have that moss.

Mr. DIMOND. They eat moss only when they cannot get other food.

Mr. SCRUGHAM. Then the moss is only a carry-over feed?

Mr. DIMOND. Yes; in winter. In the northern country there is no other food available for them. The only available food for them in winter, in the northern region, is moss, which Mr. Gordon described as a kind of lichen. In the northern area, on Seward Peninsula, there is nothing in the way of forage in the winter except moss. At Popoff Island, which is just off the Alaska Peninsula, the climate is very mild.

Mr. SCRUGHAM. It is close to the Japan current.

Mr. DIMOND. Yes. Cattle graze on that island in summer and winter, without any trouble. Of course, reindeer will live wherever a cow can live, but the reindeer eat moss in the winter season in the north because they cannot get anything else to eat. I do not suppose they like it very well, but it does preserve life. Up along the coast of Alaska, on Kodiak Island, they have reindeer, but there is no moss on Kodiak Island. They have no moss, but the deer can eat grass in the wintertime. The climate is such that there is a great deal of grass available for them. The island next to Kodiak is Sitkalidak Island, and they have had

cattle on that island for a good many years. In fact, an experienced stockman has said that the island could support comfortably 10,000 head of cattle, without feeding them. If we can make this reindeer industry an industry for the Eskimos, as the act of Congress contemplated, then we will have done something for the natives of Alaska.

Mr. RICH. You said the "Eskimo."

Mr. DIMOND. For both Eskimos and Indians. It is true that the Eskimos are more numerous, and, therefore, up to the present time, the reindeer have been used almost exclusively by them, but perhaps not exclusively, because the Indians use some. It would be much better to set up an economic arrangement for those people, or to set up a capital for them, and have them live off the income from that capital, than to potlatch them, or to give them little driblets of money from time to time, which will do them no permanent good.

Mr. SCRUGHAM. What does "potlatching" mean?

Mr. DIMOND. That means making gifts.

This, in my judgment, is the soundest plan that has been conceived for the benefit of those natives. It is a perfectly sound idea. Back in the old days, when Dr. Sheldon Jackson, a Presbyterian missionary, and some other people, brought reindeer over from Siberia for the benefit of the Indians, they were ridiculed just as much as we are now. They were smiled at a little bit anyhow, if not ridiculed, as much as we are when we ask you to do this thing under discussion. This would be doing something of a permanent nature for the natives. If you take Indians anywhere, or Eskimos anywhere, or any other class of Indians, and make them economically self-supporting; if you can help them to help themselves and give them something to live for, they will have an interest in business, and you will make them independent and self-respecting. By raising their economic status, you raise their moral status. There is nothing more certain to my mind than that poverty brings out the worst traits of human character. Poverty brings out the worst traits of any people. If you discourage people, they lose hope, and there is nothing to live for. They do not get anywhere. In southeastern Alaska, at Metlakahtla, the natives were given a reservation of land so they could be self-sufficient. There is no doubt but that has raised them economically and given them courage, and it has improved their spiritual and moral condition much more than could possibly have been done otherwise.

If you keep these natives down, or if you do not help them, you are going to have a worse condition instead of a better one. This is the sound and scientific way of helping them. This is the way a good businessman would do it. Instead of having the disorganized condition such as exists at the present time all over northwestern Alaska, you would bring about coherence, order, and unity among them. I believe this would be a sound investment.

Now, I do not arrive at this opinion lightly. As a matter of fact, I hesitated myself for a long time, but after the most intense study and actual observation on the ground, I have come to the conclusion that this is the best, and the soundest way I know of to really help the Eskimos and Indians of Alaska.

Mr. O'NEAL. How many nonnatives are engaged solely in the reindeer business up there, from whom you are going to buy the reindeer?

Mr. DIMOND. I do not know, Mr. O'Neal. I think that was mentioned yesterday.

Mr. RICH. They said there were 594.

Mr. O'NEAL. There is no appreciable part of the population of Alaska, or nonnatives, who are engaged in the reindeer business?

Mr. DIMOND. No; no appreciable number.

Mr. O'NEAL. What do you think will become of the nonnatives when they go out of that business?

Mr. DIMOND. They will secure jobs in other occupations. I think this will have a very slight effect on their welfare. They can be absorbed in other occupations in Alaska, some in mining and some in the fishery industry. It will not be so difficult to take care of them. They have resources which are denied the natives, or shut off from them. It is not an easy matter to take an Eskimo or Indian and put him in some occupation with which he is totally unfamiliar, or to place them in any profession. They have not had the educational opportunities for that. Indian education in Alaska has improved greatly in recent years, but the Government has never had the money to give them as much education, or as high a degree of education, as the natives really deserve.

Mr. RICH. You stated a while ago that the Eskimos were in the north, above the Seward Peninsula.

Mr. DIMOND. No; I did not mean to say that, if I said it. There are some Eskimos there.

Mr. RICH. Perhaps I got the Seward Peninsula part wrong, but it was in the northern part of Alaska. Yesterday we were told there were about 1,200 Indians north of Seward Peninsula. I am interested to know what is the difference between Eskimos and Indians. In other words, so far as I am concerned, I feel that we are dealing entirely with Indians. You class the Eskimos and Indians together, or are we dealing with all the population?

Mr. DIMOND. Yes, sir; they are generally referred to as Indians. The scientific gentlemen are able to distinguish between them. There are slight differences in their appearance.

Mr. RICH. Then, the whole situation, as I see it, is that when we speak of whites and Indians, we are dealing with the whole sum total in this country.

Mr. DIMOND. Yes. Of course, this proposal to buy the reindeer will not benefit all the native population of Alaska, both Eskimos and Indians. For example, we have quite a large native population in southeastern Alaska, and there are a good many natives there who probably may not avail themselves of any reindeer if this appropriation is made, because the conditions are not suitable for keeping reindeer alive during the winter in that region.

Mr. RICH. Do they keep cattle down there?

Mr. DIMOND. No; no cattle except those that are fed during the winter. Cattle are kept there for supplying milk to the people, but they are fed during the winter. They do not graze in winter. There are some Indians in the interior of Alaska along the Tanana River and upper Yukon River, and, in my judgment, reindeer will not survive there because there is no moss for them in winter, and there is no other food on which they can live. There may be some places along the Alaska Peninsula where that is also true.

Mr. SCRUGHAM. Where does the moss cover the ground that they survive on?

Mr. DIMOND. In the northern and western parts of Alaska. For example, the Seward Peninsula is well covered with moss, and so is the northern coast of Alaska for 200 miles inland from the coast. In the region shown here [indicating] the ground is covered with the so-called reindeer moss, which, as Mr. Gordon said, grows slowly. If it is eaten close to the roots, it is not easily replaced. I have heard it takes 40 years to replace it.

Mr. RICH. You spoke about the Government trying to buy out the herds from the whites or nonnatives and giving the reindeer to the Indians.

Mr. DIMOND. Yes.

Mr. RICH. Is it the purpose to try to eliminate any ownership of reindeer in Alaska with the exception of Indians?

Mr. DIMOND. Yes; that is provided in the act.

Mr. RICH. Suppose we had in one of the States an act providing that only natives of the State should be permitted to raise cattle, or that would not permit any foreigner to come in and do any business in the State; that would be a pretty drastic rule or regulation, would it not?

Mr. DIMOND. Yes; and it might be entirely illegal, but in Alaska the Government still owns 99.8 percent of the land, and there is no reason why the Government should not do as it pleases with its own land. It can restrict the use of the land to the natives. The Government has done that by setting up reservations in the States, and has declared that such reservations shall be set apart for certain tribes of Indians and that white people must not enter them.

Mr. RICH. He is taxed to support the Federal Government, and if you ask him to give his support to the Government and to the lands which the Government owns, and then prohibit him from doing anything on the Government lands, that would be a pretty drastic rule or regulation, would it not?

Mr. DIMOND. It might not be considered drastic when applied in this way to help the natives. It has been and is considered that the Government owes some consideration to the Indians and other natives. They were on the ground first. They inhabited America, including Alaska, first, and the white man came in and pretty well drove them out and killed a good many of them. Not many of them survived. Therefore, as a compensation for taking everything from them, we have felt obliged, in accordance with the principles of natural justice, to look after them.

Mr. RICH. You are speaking now of Oklahoma, South Dakota, North Dakota, etc., but you do not mean that the Government has done that in Alaska. You say that the Government owns 99 percent of the land.

Mr. DIMOND. The Government has not taken away their land, but the Government has permitted the natives of northwestern Alaska to be put in a position where they would have starved to death, except for bringing in the reindeer from Siberia. The white men have elbowed the natives out of the industries, you might say. They have taken over the fishing grounds very largely.

Mr. RICH. I was told that the reindeer were brought into Alaska by missionaries, and not by the Government.

Mr. DIMOND. That movement was started by Dr. Sheldon Jackson, a Presbyterian missionary. I think the Government did furnish money to bring them over, but I do not know the details of that. It may be that the missionaries paid all the expenses of bringing over the first reindeer, but I have been under the impression all these years that the Government aided in it. These gentlemen here shake their heads, so I suppose I am correct in stating that. The question is, how far you should go in helping these native people, or whether we are content to say, "Root or die."

Mr. RICH. Has not the Government provided $40,000 a year for the purpose of purchasing reindeer? Has it not done that for a great many years back?

Mr. DIMOND. No; it has furnished no money that I know of for the purchase of reindeer. The Government has furnished $30,000 or $40,000 for administrative purposes to aid the natives in looking after the reindeer, and in teaching them how to use them to the best advantage. Then they told the natives that there had been a change in the policy of the Government, and that white men would come in and acquire herds, and that they would develop the ranges with the consent of the Government. This so demoralized the industry, and so demoralized the natives, that we have had nothing but trouble since.

Mr. RICH. Last year you came before the committee and asked for $5,000 to take care of the Indians, or certain Indians, and we gave it. That was the request you made to take care of this.

Mr. DIMOND. I think I asked for $5,000, but you gave me $3,000.

Mr. RICH. You asked for $5,000, and when you are increasing that 200 times this year, it means quite an increase.

Now, I would like to ask this question in reference to the white men out there: Is it your thought or intention to eliminate them entirely from the field of owning, controlling, or purchasing reindeer?

Mr. DIMOND. Yes; that has already been done by the act of Congress.

Mr. RICH. This would apply to all the people in Alaska, outside of those with Indian blood, that have reindeer in Alaska.

Mr. DIMOND. Yes; that is quite right.

Mr. RICH. When you spoke about a "mess," in reference to the ownership of reindeer, what did you mean?

Mr. DIMOND. In all of the many ranges, and in Seward Peninsula particularly, to which I am pointing here, white men or nonnatives have very considerable herds of deer. Those herds have become mixed inextricably with native herds, and there are sharp conflicts as to who owns what deer. The natives are discouraged. They feel that they are being gradually deprived of their deer because the white men are marking them. I suppose I have had 500 complaints from natives about the encroachment of the whites on their deer.

There is another more serious thing, and that is that these white-owned deer are on the range, and they help to eat it off, so that eventually, if something is not done about it, a good deal of the most valuable range will be destroyed. Nobody seems to know what to do about it, and, under the present law, perhaps nobody can do much about it. Then, as Mr. Gordon indicated yesterday, it is absolutely necessary to have a range along the coast.

Mr. RICH. If the natives are claiming that the whites are interfering with their range, how do the whites know what deer belong to them and what deer belong to the natives? Why do we pay the Interior Department, or the Indian Bureau, $30,000 a year to look after that business in Alaska if, as you say, they are making such a mess of it? Why do they not attend to their duties out there?

Mr. DIMOND. Thirty thousand dollars in Alaska, or in this region of Alaska, is not much. It must be spread out too thin. I think that the administration back in 1925 did not do its duty when they changed this whole policy, and permitted this condition to grow up. What to do now, when other men have acquired rights, except to buy them out, I do not know. I do not believe in confiscation. We do not want to take their deer and not give them anything. The Constitution would not permit that, if we wanted to do it.

Mr. RICH. Why does it happen that the natives complain that the white man is trying to rule the range? There is another thing: Can you tell, when you purchase these reindeer, how much you will pay the nonnative for his reinder, when you do not know whether they belong to the natives or belong to white men?

Mr. DIMOND. There will be difficulty in doing that, but I assume that the Government will not buy a pig in a poke. The Government will require the seller to furnish some proof that he owns the deer before the Government buys them. One way in which it could be done would be through a proper earmarking of the deer. The natives have certain earmarks they put on their deer, and, of course, when they have a certain earmark which appears on the deer, they can be identified. As for the unmarked deer, I presume the only thing to be done would be to make the same division that would be made of the marked deer. There may be something else that can be done. I tried to protect the Government more fully on that by having a provision in the bill that no deer should be purchased unless they were brought through corrals. That is not in the bill now, and you must rely upon the good faith, honesty, and integrity of the Department of the Interior for that. If the Department is not honest—and I do not say that, because I know it is honest—the situation, of course, would be bad. That is true of anything. If it is not handled intelligently and honestly, the money will be wasted, of course.

Mr. RICH. I am not questioning that, but I am questioning the law that was passed by Congress. Congress passed a law that should not have been put on the statute books. That is another thing now. I think the Department will try to administer it. What I am trying to get at is this: If you prohibit these white men from owning reindeer in Alaska, and they go into the mining business or some other business, how soon will it be said that those businesses belong to the Eskimos or Indians? Then we will be asked to pass legislation that would drive them out of the mining industry, and, eventually it will be a land for the Indians and Eskimos.

Mr. DIMOND. Mining in Alaska is largely a white man's industry. There are very few natives in the mining industry. There are some natives employed in the mines around Nome and Juneau, but there is no disposition on the part of anybody to reserve the mining industry for anyone, and there is no disposition to reserve all of the fishing industry for the natives. It might be a good thing to provide some grounds where the natives exclusively might fish. That might be a way of helping them economically. However, there is no danger that the thing you have suggested will ever happen. What we are trying to do here is to carry out what Congress really intended in the beginning, and what everybody intended. When the reindeer were brought to Alaska it was intended as a resource for the natives and as a source of food supply. That is specifically provided in the bill. The people who can use that resource are the natives, and if you do not keep the white men out in the future, there will be no use in spending this money. If you buy the herds from the white men, and then allow them to go ahead and acquire other deer, you had as well not make the appropriation.

Mr. RICH. Are you a native of Alaska?

Mr. DIMOND. No; I was born in New York State.

Mr. RICH. Are there many white people there who own their homes and grounds?

Mr. DIMOND. Yes; they own homes and grounds, and a good many of them own mining claims.

Mr. RICH. Do many of them own reindeer?

Mr. DIMOND. Very few have reindeer. I think Mr. Gordon gave the number.

Mr. RICH. He said there were 594. Do the natives own stock in this company that has reindeer?

Mr. DIMOND. Do you mean a nonnative company?

Mr. RICH. I am speaking of natives in Alaska who own stock in the reindeer corporation.

Mr. DIMOND. So far as I know, no native owns stock in any nonnative reindeer corporation. If you refer to the Northwestern Livestock Corporation, which is the so-called Lomen Co., I have never heard of a native owning a share of stock in any of the Lomen companies.

Mr. RICH. Suppose some miners wanted to go somewhere along the coast, and wished to raise their own meat; suppose they purchased 2 reindeer, and tried to have a herd of 10, 20, or 30 reindeer for their own consumption—you would not even allow them to do that.

Mr. DIMOND. That should be prevented, because it would lead to too many evils in the future.

Mr. RICH. If you are unable to handle this reindeer situation as between the whites and natives, how will you keep Indians from having trouble with the reindeer they pasture?

Mr. DIMOND. The natives themselves have never had any trouble on that account in the past, and I assume they will be quite content to go along in the same way in the future. These ranges can be assigned to the native companies, and if they should drive them from one range to another, I think it could be readily adjusted. There is a mixture now between the native-owned and white-owned reindeer. I have never heard of any dispute among the natives, but trouble has arisen from the fact that the whites with their superior knowledge and aggressiveness have put the natives in a very bad position with respect to their reindeer, and are using the range for their own purposes.

Mr. RICH. Suppose the Government should appropriate $2,000,000 to buy up this herd of reindeer and put them in the hands of the natives to handle and administer, how long would it be before they would find out that they are not able to handle it themselves and will come back to the Government calling for additional funds to administer the business or to purchase some additional reindeer?

Mr. DIMOND. I think you will never have to pay out another dollar for them. It is my judgment that they will get along successfully. I base that upon the fact that prior to 1925, when they started with 1,280 deer, the deer multiplied, and they had their herds of deer, and they took care of them in fine shape. They were comparatively happy, or as happy as anyone could be in this "vale of tears," until the Government stepped in and altered the policy. Then the white man came in and took over the range, and from that time we have had strife and trouble.

Mr. O'NEAL. Do you have any relief problem there?

Mr. DIMOND. There will be no relief problem there among the natives if you make this provision.

Mr. O'NEAL. Is there any relief problem there now?

Mr. DIMOND. In individual cases we do have some need for relief.

Mr. O'NEAL. Does the Government provide any relief funds in Alaska?

Mr. DIMOND. The Indian appropriation bill for several years has carried a fund for the relief of the natives. It is a fund of $39,000 for all Alaska, or for 30,000 native people. That would be a little over $1 a head for all the natives of Alaska. Now, this proposition would supply the Indians and Eskimos a sound economic basis, so they will not require relief. This is the only way I know of to accomplish that.

Mr. RICH. Besides the appropriation carried in the Indian appropriation bill for relief, have you had any P. W. A. or W. P. A. funds?

Mr. DIMOND. We have had some C. C. C. work in Alaska, in which the Indians shared just the same as the white people. I do not remember the exact amount of that.

Mr. RICH. You say they had 1,250 deer in 1925. How many deer are there in Alaska today?

Mr. DIMOND. I did not mean to say that; 1,280 deer were brought to Alaska between 1892 and 1902. Approximately 1,280 deer were brought from Siberia, and the present herd is the result.

Mr. RICH. How many are in Alaska now?

Mr. DIMOND. From my own personal knowledge, I am unable to state. I am depending upon the figures given by Mr. Gordon yesterday, that there are altogether approximately 500,000.

Mr. RICH. There were 1,280 in 1902, and now there are 500,000.

Mr. DIMOND. I am relying upon the figures that Mr. Gordon gave.

Mr. JOHNSON. The number has been estimated all the way from 500,000 to 1,500,000.

Mr. DIMOND. Yes; some claim that there are a million, and some claim there are 500,000. There are many estimates, and some of them are fantastic.

Mr. RICH. This difference between 500,000 and 1,500,000 is certainly a discrepancy in the figures that should be corrected before we go far in trying to make the purchase. They should also know how many are owned by the different companies, so they will know how to complete the job that you say should be done, if we should begin it.

Mr. DIMOND. Yes.

Mr. RICH. It will make a lot of difference whether we get 1,000,000 reindeer or 500,000 of them.

Mr. DIMOND. I have heard people say there were 1,000,000. Mr. Gordon says that upon a full accounting of the number in Alaska, the various companies or the nonnatives would have about one-third of them. In my judgment, they do not own one-third. That is not the result, of course, of an accurate or complete count.

Mr. RICH. If we cannot get the information from the people who are supposed to be informed on the subject, then I do not know whether there is any reindeer up there.

Mr. DIMOND. It is a very bad condition we are dealing with, and this is the one scientific and statesmanlike approach to the problem. This is a sound, scientific, and businesslike solution of it. It will not be like affording a little relief, or buying food for them, but this is something that will run on forever for the benefit of those natives who will share in the reindeer.

I hope you do not think that I am speaking on behalf of the nonnative owners. I know very few of them. The principal nonnative owner is a corporation controlled by people who are definitely and positively opposed to me politically. So I have not the slightest reason in the world to do anything for them. I say that this is something that should be done for the natives, and that is what I am trying to urge upon you as strongly as I can. It is said that the business of some of the nonnative owners is unsatisfactory now, and, as a rule, the best time to buy any man's property is when he wants to sell it. Of course, you can get it then at a lower price than at a time when he does not want to sell. If these people want to sell, that should be to the advantage of the Government.

Mr. RICH. There are a lot of things up there to be purchased, according to the testimony, including cold-storage plants, abattoirs, and chilling houses. There is listed a chilling house with a capacity of 1,000 carcasses. If this is for the benefit of the natives, I do not see any reason why they would have a chilling house of that capacity. There are listed here mess houses, bunkhouses, boilerhouses, cabins, corrals, and fixed equipment, dog barns, etc. This calls for $60,467 for the equipment. This Baldwin herd equipment includes corrals, chute, wing fences, Lapp fences, dog barns, and things of that kind, and they want $11,900 for that. If you go on down the list here, you will find quite an item. Do you think that it would be necessary for the Government to purchase all of that equipment that has been testified here as not necessary?

Mr. DIMOND. No; if it has been testified that it is not necessary, the Government should not buy it. I assume that the Government will not buy anything that is not necessary. Of course, unless the Department is foolish, it will not buy things which cannot be used. However, you must rely upon the honesty and good judgment of the Department in carrying out this act if the money is appropriated. If you have fools or crooks to administer it under any department, the money will be wasted. We have the right to assume that the money will be wisely and economically expended if you make the appropriation, and I say that you ought to make the appropriation.

Mr. JOHNSON. I was interested in your statement a moment ago that you were in favor of a provision in the bill requiring that every deer go through a corral.

Mr. DIMOND. Yes.

Mr. JOHNSON. So as to be actually counted.

Mr. DIMOND. Yes.

Mr. JOHNSON. It seems to me it is very unfortunate that there is no such provision in the bill, inasmuch as there seems to be a wide discrepancy between the different numbers of deer owned by nonnatives. If this appropriation is made, then the Department must rely upon the sworn statements of the Lomen Co., or any other company, as to the actual number of deer they are selling to the Government, if they are not to count them. How do you propose to get that figure, as to the actual number they are selling to the Government?

Mr. DIMOND. I can answer the question, which is a double-barrel question or a treble-barrel question by saying that the Department does not have to rely upon the statements of those who have deer to sell. It would be entirely unwise to rely upon the statements of the nonnative owner as to how many deer he owns. Even with the wildest stretch of the imagination, I cannot imagine that the Department would do anything of that kind. The deer must be counted just the same as people count salmon. An experienced man will look at a scowload of salmon, and will say there are 20,000, 21,000, or 22,000 fish in the scowload. He can come within a hundred of the correct number, because of his experience and training in that line. There may be people who can look at a herd of reindeer, and because they are trained to observe them, they can tell how many there are. In my judgment, they might run the deer through a corral, and then, upon the basis of the proportion of the earmarked deer of one owner and another, they could make a close estimate as to the rest. In that case, you must rely upon the honesty and sound judgment of the administrators.

Mr. JOHNSON. Do you know the amount, or the approximate amount, of money that these nonnative owners have invested in deer, equipment, and everything else connected with that business?

Mr. DIMOND. I do not know. I probably have seen the figures somewhere. I believe that the figures of the Northwestern Livestock Co. were published at one time.

Mr. JOHNSON. You also know that Mr. Lomen was down here before the committee a few years ago lobbying and working in every way possible to get such a bill through, to have the Government to take over his interests, or such a bill as has now passed Congress. You know, at least, that he was before this committee trying to induce this committee to launch out on such a program as this a few years ago.

Mr. DIMOND. I am unable to recall it. I may have been present at the time, but I do not remember that Mr. Lomen was here at the same time I was, and I cannot recall that he appeared at any other time. He may have, but it is simply not in my mind. I do recall that Mr. Lomen appeared before the House Territories Committee when the bill which finally became the act of 1937 was under consideration, and said that his company was willing to sell. I do not think he urged the thing upon the committee, but he expressed a willingness to go along.

Mr. JOHNSON. You think that he would reluctantly permit the Government to take this white elephant off his hands, on which he had been losing money every year for 10 years, except possibly one year? You think he would reluctantly do that, provided he could get a profit on the investment, not on the basis of what it might actually cost, but upon the replacement basis?

Mr. DIMOND. I would like to change one word in your question, and then I would answer readily. I would change the word "reluctantly" to "gladly." I think he would gladly do it. I am not in a position to make a statement about it, but I think he ought to be glad to get out of the reindeer business. I think that is an additional reason why, when the other people are glad to get out of it, we will get a good bargain.

Mr. JOHNSON. How does the committee know that you will get a good bargain?

Mr. DIMOND. You must reply upon the Department of the Interior.

Mr. JOHNSON. Do you think, that, without definite information, or without any plan, we should say, "Here are $2,000,000 that you can spend as Congress authorized"? If Congress had authorized $10,000,000, do you think we should spend it under those conditions? Do you not think there is some responsibility on this committee to know exactly what the Interior Department proposes to do with this money?

Mr. DIMOND. Undoubtedly, there is a responsibility upon the committee, but I think the plan has been presented with a sufficient degree of detail so that you should not hesitate to make the appropriation. You cannot take into particular consideration here every pick, shovel, and other item of expenditure. If you should go into that degree of detail in everything you did, you would never get a bill reported out of the committee.

Mr. JOHNSON. You were before the committee in 1935, 1936, and 1937.

Mr. DIMOND. Yes.

Mr. JOHNSON. I will read from your testimony on page 463, before this committee, in 1936, in which you said:

"I only wish that this appropriation, instead of carrying $30,000, could be increased to $60,000, with the provision that the other $30,000 should be used for the distribution of reindeer to those who do not have them at the present time."

Then, a little later on in the same testimony you stated:

"It would not be so terribly expensive to take a few thousand reindeer and scatter them along this coast, in each community, under the supervision of the Reindeer Bureau, and to form a local organization composed of natives and put upon them the duty of looking after their reindeer and also prescribing regulations whereby none of the reindeer could be taken without their consent."

Now, if this committee were not disposed to buy up all of this private property at this time, without more detailed and ready information, but if the committee were willing to go along with the suggestion you made there, that it would not be so terribly expensive to buy up, not only a few thousand, but several thousand, reindeer and scatter them along the coast, would that appreciably solve the problem?

Mr. DIMOND. It would help. Whatever you do will help, but it would be only a very, very small part of the help that ought to be given. Remember, when I was testifying at that time there was no authorization of Congress to do this job which we now ask you to do and, since there was no authorization, I think you

would have been justified in throwing me out of the room on my ear if I had taken up the time of the committee in asking you to make such an appropriation for which there was no authorization.

Mr. JOHNSON. You never even made such a suggestion at that time.

Mr. DIMOND. I think I made a suggestion at one time, in some of my statements before the committee, which indicated the great desirability of doing what I now ask. I did not urge it upon the committee, because there was not the slightest justification in urging this upon the committee at that time. I did what a Member of Congress ought to do. I took my plans before a legislative committee and got the authorization first.

Mr. JOHNSON. And, you feel that when the legislative committee has spoken, this Appropriations Committee should follow suit without making any detailed investigation or getting definite information as to what is proposed to be done with the money?

Mr. DIMOND. No, sir; but I think that a sufficient detailed investigation has been shown here.

Mr. JOHNSON. Here is something that is disturbing me, Mr. Dimond, with reference to the situation in Alaska. Is it true that some Department of the Government sold a lot of reindeer to some private individual who operates a sheep ranch on Umnak Island? Let me read your testimony, on page 462, where you stated:

"We have reindeer also as far south as Bristol Bay."

Where is Bristol Bay?

Mr. DIMOND. I am pointing out Bristol Bay, there, on the map.

Mr. JOHNSON. You said [reading]:

"They were put on this island by the Biological Survey and, much to my astonishment, I found the other day that instead of being kept for the natives, as they should have been, through some misapprehension, they were sold to a company that operates a sheep ranch on the island."

Where is Umnak Island?

Mr. DIMOND. That is on Umnak Island, to which I am now pointing.

Mr. JOHNSON. I wonder whether, if we should permit this appropriation to be made, if within a few years there would not be a lot of other sheep ranches and other ranches other than the natives who would own a lot of these reindeer?

Mr. DIMOND. No, sir. The law forbids it; we have an airtight act on that.

At the time the reindeer were put upon Umnak Island, they were placed there, as I understand it, by the Bureau of Biological Survey; and when the Biological Survey wanted to dispose of them, they felt bound by the explicit provisions of the law to sell them to the highest bidder. They did not go to the trouble of coming to Congress for an authorization to sell them otherwise than to the highest bidder. That was a mistake. It was not the Indian Bureau that did that.

Mr. JOHNSON. All day yesterday I asked the officials of the Indian Office one question which they have not yet answered and I am going to ask that question and see if you can at this time, or before this committee makes its report, give us some information.

Assuming that this committee is not yet ready to launch out on a $1,000,000 or a $2,000,000 program, assuming that the committee would prefer to have more detailed information but, on the other hand, would like to be helpful, wants to assist you and assist the natives, do you then have any suggestions to make, either on the record or off the record, that would be helpful to this committee?

Mr. DIMOND. Well, Mr. Chairman, I want to say again that I hope, I pray, that you will give the appropriation which is asked for and which is supported by the Budget estimate.

Mr. JOHNSON. That is about as far as the officials of the Indian Office told us yesterday, but we could never get them to go any further.

Mr. DIMOND. Then, if you do not do that, you ought to make appropriation of an equivalent amount to the hospitals in Alaska and make it available until expended, because we do need hospitals there. We do need hospitals for the natives. One of my disappointments is that the Bureau of the Budget did not send up an estimate for the seven additional hospitals needed by the natives of Alaska.

Mr. JOHNSON. You are now getting one additional hospital and two or three different dispensaries?

Mr. DIMOND. Yes, sir; whatever is in the Budget.

Mr. JOHNSON. Where, in your judgment, are these hospitals most urgently needed?

Mr. DIMOND. The one that is contemplated now is to be at Kanakanak. That is the one that probably is needed most.

Mr. JOHNSON. That is provided for in the Budget, is it not?

Mr. DIMOND. That is provided for in the Budget, I think. There ought to be one at Tanana or Nenana.

Mr. JOHNSON. Would you say that that is needed next?

Mr. DIMOND. Well, generally speaking, I think that is next.

Mr. JOHNSON. How many Indians are in the vicinity of Tanana?

Mr. DIMOND. I cannot tell you that. You see, the natives are widely scattered over the district and a hospital would serve that entire region.

Mr. JOHNSON. You have a little hospital there now, have you not?

Mr. DIMOND. I think there is a small hospital there. It is in an old Army barracks, that is used for a hospital, but the buildings are firetraps and it is a poor place.

Mr. JOHNSON. I am very much more interested in the welfare of the natives, who need hospital treatment and the like than I am in the reindeer, especially since it has been testified before this committee that in practically every appendicitis operation that has been done among the natives for years, they have found the appendix full of hair, which would indicate that the natives are eating the hair along with the flesh and that the more reindeer you have the more appendicitis you will have. I do not know about that, but it has been testified here by a nurse that the appendicitis operations are increasing among the natives and that the appendixes are full of hair.

Mr. DIMOND. I do not know about that, Mr. Chairman.

Mr. JOHNSON. Well, a nurse did testify before this committee to that effect a year or two ago.

Mr. DIMOND. I cannot say about that, Mr. Chairman.

Mr. JOHNSON. Now, suppose that this committee should give you some help for reindeer, for taking care of the reindeer and protecting them from the predatory animals which, I understand, are eating a lot of them.

Mr. DIMOND. Yes, sir.

Mr. JOHNSON. There is something in this bill for that. If not, there ought to be.

Mr. DIMOND. Yes. But, you see, you are not going to do a good job until you take over the whole reindeer industry. Now, are you going to spend money to keep wolves from killing the white man's deer? I would answer that the first step is to make this a Government and a native affair and then you are justified in going ahead and cleaning up the predatory animals and making it a sound proposition for the natives.

Mr. JOHNSON. This committee might enthusiastically accept such a proposition if it had sufficient information. But, at the present time, if the committee should decide not to launch out that far, then your suggestion is that additional hospital facilities be provided?

Mr. DIMOND. That is one thing there is a crying need for—the hospitals.

Mr. RICH. Mr. DIMOND, if you were to spend $1,000,000 in Alaska, for the best interests of the people of Alaska, in what way would you spend the million dollars?

Mr. DIMOND. I think the first million I would spend would be, probably, for hospitals. I say that with full realization of its serious import.

Mr. RICH. Would you put it all in hospitals?

Mr. DIMOND. Well, I might put some of it in schools. After all, education is of prime importance. There are 1,500 Indian children in Alaska who have no school facilities at all at the present time. We are just gradually beginning to creep up on this problem of furnishing education to the native children.

Mr. JOHNSON. I will agree with you as to the hospitals and schools. I would provide them and then I would buy the reindeer.

Mr. DIMOND. Yes; but this situation in the second division is serious. There is no doubt about that.

Mr. O'NEAL. Mr. Chairman, I would like to make the statement here that I personally have been very much helped by the comprehensive discussion and relation of facts by the Delegate from Alaska. I think his testimony here has been very enlightening and I certainly personally want to commend him for his intelligent presentation and for his zeal in behalf of Alaska.

Mr. DIMOND. I thank you very much. I thank you, Mr. Chairman, and all of you gentlemen.

Mr. RICH. Right under Mr. O'NEAL'S remark I want to say, "Ditto."

Mr. DIMOND. I fully appreciate the burden that is put upon this committee to do justice to everybody.

Mr. JOHNSON. Mr. DIMOND, we appreciate your appearing here this morning and appreciate the information you gave, and I feel that every member of this committee is very sympathetic as to your problems there.

I would like, if I might, for you, either now or when you revise your remarks, to give us a little more information about the situation with reference to the need of schools. I am distressed by your statement that there are 1,500 natives who are not provided with schooling.

FRIDAY, FEBRUARY 11, 1938.

SCHOOL AND HOSPITAL CONSTRUCTION IN ALASKA

ADDITIONAL STATEMENT OF HON. ANTHONY J. DIMOND, A DELEGATE IN CONGRESS FROM THE TERRITORY OF ALASKA

NEW NATIVE HOSPITALS NEEDED IN ALASKA

Mr. DIMOND. Mr. Chairman, a good deal of discussion has taken place in the last 2 days about the possibility, under certain conditions and circumstances, of extending the school and hospital construction program for Alaska. Therefore I wish to submit for the information of the committee a list of new Indian hospitals, or new native hospitals, I will call it, that are needed in Alaska, including the one at Bethel, which was authorized in the 1938 appropriation bill, and which will be constructed this summer, I understand, and for which an appropriation has been made; and one for Kanakanak, the money for which is carried in the present bill, having been set up by the Budget. Of the others, I have a complete list which I would like to submit.

Mr. LEAVY. You desire to have that in the record?

Mr. DIMOND. Yes.

Mr. LEAVY. Very well.

Mr. DIMOND. By reading them it will not amount to much, whereas if they are put in the record, they will be available to all.

Mr. LEAVY. They will be inserted in the record.

Mr. DIMOND. And I also desire to insert a list of new school construction needed at the present time, made up as well as it can be made up with the advice of the Office of Indian Affairs in order of priority. It includes 16 units, the total estimated cost of which is $389,500. This does not by any means cover all the native schools that are needed in Alaska, but I anticipate the committee is not likely to go beyond $389,500 for additional school construction this year over and above the amount carried by the Budget and in the bill. That exact amount I do not know, but the list I am presenting embraces schools which have not been authorized in any former bill and which are not provided for in the bill under consideration.

Mr. LEAVY. And you desire to have those put in the record?

Mr. DIMOND. Yes; I desire to have those put in the record in view of the statements that were made in the discussions here in the last 2 days.

(The lists of new native hospitals needed in Alaska and new school construction needed in order of priority are as follows:)

New native hospitals needed in Alaska: Bethel, authorized in 1938 act; Kanakanak, in present bill; Tanana or Nenana; Seward; Kodiak; White Mountain; Klawock-Craig; Unalakleet; Seldovia; Kotzebue; and Ketchikan. Average cost estimated at $175,000 apiece.

Schools—New construction needed, in order of priorities

1.	Kake, 3 rooms	$38,000
2.	Eklutna, boy's dormitory (75 pupils)	80,000
3.	Nome, 2 additional rooms, clinic	15,000
4.	Hoonah, repairs and completing building	10,000
5.	Rampart, 1 room	23,700
6.	Kaltag, 1 room	23,700
7.	Elim, 1 room	23,700
8.	Circle, 1 room	23,700
9.	Point Hope, 1 additional room	10,000
10.	Wainwright, 1 additional room	10,000
11.	King Island, 1 additional room	10,000
12.	Kivalina, 1 additional room	10,000
13.	Unalaska, teacherage (3 teachers and assistant)	12,000
14.	Juneau, 3 rooms	38,000
15.	Wales, 2 rooms	23,700
16.	Klawock, 3 rooms	38,000
	Total	389,500

Mr. LEAVY. Have you listed them with the idea of priority in mind?

Mr. DIMOND. I have listed the schools with the idea of priority in mind. I started the list of hospitals with the idea of priority in mind, but I am not able to say my priority should be followed all the way through. As a matter of fact, Mr. Chairman, it seems to me if an appropriation of this kind is made it would be well for the committee to designate a list of places for construction that would require considerable in excess of the amount appropriated, with the discretion in the Indian Affairs Office to choose whichever of those schools seemed to be most urgently needed.

Mr. LEAVY. Are all these schools where there are no educational facilities afforded to the natives?

Mr. DIMOND. The list indicates where there are facilities at the present time and the rest are for new schools, and there are a good many other places where there are no schools, but there is no use looking so far ahead and trying to get them all at once.

NEED FOR AUTHORITY TO PURCHASE SUPPLIES FOR INDIAN SCHOOLS AT DATES TO AVOID ADVERSE CLIMATIC CONDITIONS

Mr. Chairman, the only other matter I should like to present to the committee—and I will do that as quickly as possible—and that is the situation which exists in Alaska, because of its geographical location, through the lateness of the passage of the appropriation bill.

You know Point Barrow and the points on the Arctic coast can only be reached in the short summer season, and many of the rivers are frozen up in the early fall, and the Bureau of Indian Affairs has schools scattered all over Alaska. The Government could save a good deal of money if the Bureau of Indian Affairs were authorized as early as the 1st of March of each year to begin buying supplies and transporting them to the various places.

The Bureau of Indian Affairs owns two vessels, the *Bozer* and the *North Star*. One ship carries about five times as much as the other, and yet it costs about half as much to run the smaller vessel. Now, if they could start out in the Office of Indian Affairs, beginning the 1st of March of each year, and do their job and get supplies distributed all over Alaska, these vessels could take them there at considerably less cost.

Mr. Chairman, I am trying to show you how some money could be saved and the Bureau of Indian Affairs could start out the 1st of March and distribute supplies, but frequently appropriation bills are passed late and it is impossible to do the job right.

Mr. LEAVY. I think your position is well taken, but I am wondering if that would not require some special legislation?

Mr. DIMOND. I have introduced a bill in the House which apparently was referred to the Committee on Indian Affairs; and it was favorably reported, so far as it could be reported by the Department of the Interior, and unfavorably reported by the Bureau of the Budget. The Bureau of the Budget felt this might set a bad precedent, although I tried to point out to the gentlemen of the Budget that the good Lord had placed Alaska in the neighborhood of the Arctic Circle, with conditions existing nowhere else under the American flag. I imagine what I have in mind could be done by legislative provision in the appropriation bill which would not have any objection in the House. At any rate, I think it is my duty to tell you gentlemen you are spending almost every year $25,000 or $30,000 more on transportation than you ought to.

Mr. JOHNSON. I agree with you thoroughly it ought to be done, and I would say as one member of this committee that I would hazard the risk of having an objection made to legislation on an appropriation bill if the other members of the committee would agree to it. We have discussed this proposal several times in the committee, and yet we have done nothing about it, and I think it ought to be done.

Mr. LEAVY. It is undesirable except in most extreme cases that we write legislation into an appropriation measure. We are criticized for it, and possibly rightly criticized.

Mr. DIMOND. Mr. Chairman, I think this might be enlightening: The Budget, upon the bill which I introduced to accomplish the end I have described, did not give an absolute negative to the legislation, but reported as follows—this is dated August 7, 1937:

"In view of the fact that the Interior Department appropriation bill for the fiscal year 1938 has not yet become law, it is obvious that the proposed legislation would not be of assistance to the Department during the present fiscal year; and since the question of the proper provision to be made for the next fiscal year will arise in connection with the preparation, within the next few months, of the Budget for that year, I do not think I would be justified, at this time, in recommending to the President that the the bill H. R. 6957 be considered as in accord with his program."

Mr. LEAVY. Is your bill not general in its terms? It would cover year after year?

Mr. DIMOND. Oh, yes; I think it would be helpful to the members if I would be permitted to put a copy of the bill and a copy of the report of the Budget Bureau in the record.

Mr. JOHNSON. That will be all right. We will be glad to have it.

Mr. LEAVY. Let me say this while the Delegate of Alaska is here: I know the needs of that vast Territory are tremendous and I know if they are even met only in a very small manner the sum in the aggregate becomes large. On the other hand, it is one of the great storehouses of wealth of this Nation that should be respected and regarded and protected. I do not think there is any section or territory in the continental United States that has a representative who knows his duties better than the Delegate from Alaska, and who looks after the interests of his people more closely and presents them more convincingly and logically than you do, Mr. DIMOND.

Mr. DIMOND. Thank you, Judge, and I want to assure you I deeply appreciate the great kindness that has always been extended to me by this subcommittee.

Battleship Construction at Mare Island Navy Yard

EXTENSION OF REMARKS

OF

HON. FRANK H. BUCK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 31, 1938

Mr. BUCK. Mr. Speaker, one of the witnesses who testified before the Committee on Naval Affairs in its recent hearings on H. R. 9218, the bill to establish the composition of the United States Navy, was Rear Admiral William G. DuBose (C. C.), United States Navy, Chief, Bureau of Construction and Repair of the Navy Department. During the course of his interrogation by members of the committee, which continued for several days, Admiral DuBose was several times queried as to the feasibility of constructing battleships at the Pacific coast navy yards.

In the current newpaper reports on his testimony and in the committee prints of that testimony, Admiral DuBose was reported to have stated categorically that Mare Island Navy Yard could not build a battleship. He was reported to have given as his reason a physical one that they could not get a battleship out after it was built on account of channel conditions.

Often in the confusion of a hearing, particularly when questions are fired rapidly by members of a committee, a witness may be incorrectly reported or have inadvertently made a broader statement than he intended to. For that

reason, after the committee prints of Admiral DuBose's testimony were available and I had reviewed them, I visited him at his office and discussed with him his reported testimony and the possible effect of it.

It developed that the admiral had exercised the privilege which is accorded every witness of reviewing and correcting his testimony, and had made certain corrections therein which very materially changed the effect of what he had been reported to have said. Unfortunately, these corrections were not received by the printer in time to make the necessary changes in the permanent record of the hearings before the Committee on Naval Affairs. For that reason, and in order that the true record may be available on future occasions, I am taking this opportunity of quoting a memorandum sent me by Admiral DuBose on March 9, 1938, and inserting certain of the corrections which he had endeavored to make, which were pertinent to Mare Island, together with a comparison of the text of his testimony as it appears in the hearings. Anyone will see from this comparison that Admiral DuBose did not intend to convey the impression that Mare Island Navy Yard could not proceed with the construction of a battleship. Whether it is feasible or advisable or not to do so under existing conditions is an entirely different question, one on which there may be some dispute, but a question which does not go to the root of the matter, the ability of the yard to construct a capital ship.

The record on the question of Mare Island construction of naval vessels is clear. The battleship *California* was constructed at Mare Island, and was launched in November 1919. Certain specially designed launching machinery devised to check acceleration of the ship on the ways broke down. Despite this the ship was launched successfully and safely. The length of the *California* was 624 feet and the width of the dredged portion of Mare Island Channel was then, as now, 1,000 feet.

In September 1920 the keel of the battleship *Montana*, of 43,200 tons normal displacement, with a length of 684 feet, was laid down at Mare Island Navy Yard. Whatever the present method may be of computing displacement, the fact is that the *Montana* was designed to carry twelve 16-inch guns, a larger armament than the *California* or any other commissioned American battleship.

Certainly one must conclude that the Navy Department anticipated no untoward difficulty in launching the *Montana*, otherwise the award of construction would surely have been withdrawn after the experience in launching the *California*. They may have anticipated that the use of some launching device might be required. That, however, would not be uncommon, for it is a fact that in many yards, both in the United States and abroad, launching devices are used successfully to check the headway of vessels in a space shorter than that available in Mare Island Channel.

I call attention to the fact that the heavy cruisers *Chicago* and *San Francisco* were built at Mare Island yard, and that 15 destroyers were built there during the years 1916 to 1920.

The record also shows that since the resumption of naval construction in 1933 Mare Island Navy Yard has built, and successfully launched, three destroyers and two submarines, and is now engaged in the construction of another submarine.

With these preliminary observations, let me return to the question of what Admiral DuBose actually intended to convey by his testimony. Here is his memorandum which he submitted to me following my visit to him:

MEMORANDUM FOR CONGRESSMAN BUCK

MARCH 9, 1938.

In connection with your recent visit to my office and subsequent telephone conversation relative to testimony before the Naval Affairs Committee of the House in connection with H. R. 9218, I have had copies made of my testimony as corrected and returned to the Naval Affairs Committee for final printing, insofar as the testimony covers battleship construction at the navy yard, Mare Island.

I think a careful reading of the corrected testimony will indicate that what I was trying to convey to the committee was my opinion that battleship construction at Mare Island, while a possibility, was not a desirable and practical thing under various existing conditions. Naval shipbuilding on the west coast at both navy yards and private yards is unquestionably of considerable importance to our national defense, but under existing conditions I would not recommend battleship construction at any west coast yard, either Government or private.

W. G. DUBOSE,
Rear Admiral (C. C.), United States Navy,
Chief Constructor.

To this memorandum the admiral attached excerpts from his corrected testimony which dealt with the use of Mare Island Navy Yard for construction purposes. It is not my intention to encumber the RECORD by inserting all of these in my remarks, but several of them are of such importance I feel constrained to quote them verbatim.

Apparently the matter which was sticking in Admiral DuBose's mind was the question of the cost of providing suitable ways at Mare Island, as well as the question of how effectively a capital ship of 714 feet in length might be launched there. For example, at page 2608 of the final printed hearings, the following colloquy is reported:

Mr. MAGNUSON. What would be probably necessary for the Bremerton yard to be placed in position to build battleships?

Admiral DUBOSE. The Bremerton Navy Yard has a building drydock, not building ways as exist at other navy yards. If it was desired to undertake construction of battleships there, we would have to provide ways or an additional building drydock. To provide an additional building drydock at Puget Sound yard would cost approximately the same as to provide ways at another yard. It might be more. The Mare Island Navy Yard has ways now on which the *California* was built and the *Montana* was built. Those ways could be reconditioned, modified, if absolutely necessary to build battleships, but it would be rather a costly proposition, and if you wanted to build battleships at Mare Island Navy Yard you would have to provide additional ways, and then deepen the channel to get the battleship out.

The corrected testimony of Admiral DuBose read as follows:

The Bremerton Navy Yard has a building drydock, not building ways as exist at other navy yards. If it was desired to undertake construction of battleships there we would have to provide ways or an additional building drydock. To provide an additional building drydock at Puget Sound yard would cost approximately the same as to provide ways at another yard. It might be more. The Mare Island Navy Yard has ways now on which the *California* was built and the *Montana* was built. Those ways could be reconditioned, modified, if absolutely necessary to build battleships, but it would be rather a costly proposition, and if you wanted to build battleships at Mare Island Navy Yard, you would have to provide additional ways.

This makes an entirely different meaning from that which can be ascribed readily to the testimony as printed. The admiral, on reflection, clearly realized that it was not a question of depth of the channel. His testimony elsewhere did indicate that the width of the channel was bothering him. It should be borne in mind that the Board of Army Engineers has now under consideration a survey for report to Congress as to whether the Mare Island Channel and the passage through Pinole Shoals should be widened and deepened. Hearings on this suggested project have just been held in California. There is also the probability that the Navy Department, as an emergency measure if further necessary, would construct additional ways east of the new drydock now under construction, placing them at such an angle to the channel as to give a much greater launching range.

In the printed testimony, page 2387, the following is reported:

Mr. MAGNUSON. You mentioned that the Navy might not be willing to build a battleship at the Puget Sound or Bremerton Yard. Would you also include Mare Island in that statement?

Admiral DUBOSE. Mare Island cannot build a battleship.

Admiral DuBose's correction is as follows:

Mr. MAGNUSON. You mentioned that the Navy might not be willing to build a battleship at the Puget Sound or Bremerton yard. Would you also include Mare Island in that statement?

Admiral DUBOSE. Mare Island cannot readily build a battleship.

What a difference that makes.

Let us also compare the original and corrected testimony as given in answer to a question by Representative DELANEY. The printed testimony is to be found on page 2550:

Mr. DELANEY. In this country we have four yards which are capable of building a large ship. They are Norfolk, Brooklyn, Philadelphia, and Mare Island; is that so?

Admiral DuBose. Mare Island can build a ship, but they could not get it out after they built it on account of channel conditions * * *.

The corrected testimony, which unfortunately did not reach the printer in time, reads as follows:

Mr. Delaney. In this country we have four yards which are capable of building a large ship. They are Norfolk, Brooklyn, Philadelphia, and Mare Island. Is that so?

Admiral DuBose. Mare Island Navy Yard can build a battleship, but additional facilities must be provided to build a battleship.

This is an entirely different answer, and in fact presents almost the opposite conclusion from the reported testimony.

Now let me turn to page 2609 of the hearings, which in this case are in agreement with the corrected testimony, and insert the following:

Mr. Magnuson. Of the large capital ships to be built, in your opinion do you not deem it desirable or necessary to build any percentage of those heavy ships on the Pacific coast?

Admiral DuBose. I would not recommend assignment of any battleships to any west coast navy yard under existing conditions.

Mr. Magnuson. What are those existing conditions?

Admiral DuBose. More available facilities on the east coast, both personnel as well as physical facilities, for building ships that would result in more expeditious or economical construction, and the concentration of the fleet on the west coast, involving a material amount of repair work. That is not the case on the east coast.

Mr. Magnuson. That same opinion would not apply to construction of cruisers, destroyers, auxiliaries, or aircraft carriers?

Admiral DuBose. I can see no particular objection to a certain amount of new construction being assigned to the west coast navy yards or to west coast private yards, but I think it would be exceedingly valuable to develop shipbuilding facilities on the west coast, because the shipbuilding facilities would be available for repair work. If any such extension program is undertaken as the one that we have been discussing, it would be necessary to make use of the west coast facilities for some types of construction, cruisers, destroyers, submarines, and auxiliaries.

Let me also quote from the hearings on page 2610:

Mr. Magnuson. Do you not think it is desirable to have some base on the Pacific Coast, at least one place where you can develop construction mechanics as well as repairmen?

Admiral DuBose. Yes; I have so stated, and at the present time, and for several years now, the Navy Department has been assigning a small amount of new construction to the west coast yards, in the last few years to Mare Island, submarines; and Puget Sound, destroyers.

These last two quotations indicate that it is certainly the intention of the Navy Department, quite aside from the construction of capital ships on the west coast, to keep a reasonable amount of construction going at both Bremerton and Mare Island Navy Yards. The fact that both of these yards are used continuously on very heavy repair and overhaul schedules militates against the employment of a very large portion of their personnel at any time in construction work. The question of the advisability of capital-ship construction in these yards, therefore, is one on which I do not purport to pass judgment, for the assignment of such work must, of course, be made in connection with and due consideration for the probable demands on the yards for such repair and overhaul work.

I regret that Admiral DuBose did not correct the error in the testimony last quoted that implies that Mare Island has only constructed submarines. The fact is that during the past 5 years Mare Island Navy Yard has been engaged in the construction of both destroyers and submarines, as I have set out above. Since the actual construction record in this matter is clear, this statement was undoubtedly an oversight on the part of Admiral DuBose.

It seems to me that the testimony which has been given, when considered in its final form, demonstrates conclusively that the facilities exist at Mare Island Navy Yard for the construction of a battleship or any other capital ship. Existing ways may need to be altered or improved, but there is no navy yard in the United States where expense for improving or conditioning ways will not be necessary.

I quote from the hearings, page 2579:

Mr. McGrath. The additional expense in building ways. You stated that all navy yards all over the United States would have to have some expense in improving or conditioning ways—that is, every navy yard?

Admiral DuBose. That is correct; yes, sir.

Let us grant that as far as battleship construction is concerned, it might be necessary to improve the ways at Mare Island, or provide new ones for the launching of a capital ship at an angle with the channel. What I wish to drive home to the Members of the House, and particularly to those who are interested in naval construction, is the fact that the facilities to build a ship of any type exist at Mare Island Navy Yard, that an efficient personnel exists at that yard, and that its past construction record of submarines, destroyers, and cruisers, and of the battleship *California* is such as to entitle it to serious consideration if any capital ships are to be built on the Pacific coast.

Reorganization Bill

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 7, 1938

RADIO ADDRESS OF THE HON. JOHN J. COCHRAN, OF MISSOURI, APRIL 6, 1938

Mr. COCHRAN. Mr. Speaker, through the courtesy of the Columbia Broadcasting System last evening, I had an opportunity to briefly discuss the pending reorganization bill. Under the permission granted, I include as part of my remarks the address I delivered, as follows:

REPRESENTATIVE COCHRAN DISCUSSES GOVERNMENT REORGANIZATION BILL OVER COLUMBIA BROADCASTING SYSTEM

For over 25 years I have been in constant touch with the executive branch of the Federal Government, 13 years as a secretary to Congressmen and a Senator and nearly 12 years as a Member of Congress. Is it not reasonable for me to say I know something about the Government departments and independent agencies? When the present Committee on Expenditures of the House was organized 10 years ago, I become a member of that committee and since 1931 have been its chairman.

With every metropolitan newspaper, as well as the leading magazines, carrying special articles on the Federal set-up and demanding its reorganization, I have championed reorganization all these years. I can truthfully say that up to the time this bill was taken up in the Senate the demand from business, large and small, as well as from individuals and organizations, favored reorganization, other than those whose interest was selfish. That statement cannot be disputed. There are provisions in the Senate bill that I would never agree to, but it is to be remembered that the House has under consideration the four measures reported by the Select Committee on Government Organization of the House, of which I have the honor to be chairman. There is a vast difference between the House bills and the Senate bill.

I am one member of the House who does not take offense at, but on the contrary welcomes, an honest expression of opinion on legislation, even if in disagreement with the views of those who write or wire me. I believe in the right of petition. In this connection I recall the thousands of letters and telegrams I received in 1932 and 1933 demanding that I vote for legislation giving Mr. Hoover and Mr. Roosevelt power to reorganize the executive branch of the Government, granting far more power in both instances, than we give to President Roosevelt in this bill. There was no cry of dictator then nor was there a cry of dictator last August when the House passed the general reorganization bill by a vote of 283 to 75. At that time Mr. O'Connor of New York; Mr. Woodrum, of Virginia; and Mr. Peyton Gill, of Indiana, who oppose this bill, voted in favor of the identical provision contained in title I which they now so critically attack. The same gentlemen, all Democrats, voted in 1932 to give Mr. Hoover more power than they now refuse to give Mr. Roosevelt. I could name many others if time permitted. While I appreciate any honest expression of opinion from my fellow citizens I condemn statements not based upon facts, especially when uttered by those who down in their hearts know they cannot justify their statements. For instance I refer specifically to the speech of Mr. Woodrum, of Virginia. In referring to part 3 of title I of the House bill, Mr. Woodrum said, I quote: "In my judgment the creation of this

department (meaning a department of public welfare) will increase our financial burdens a billion dollars a year, and it may easily be two or three times that amount. I cannot but feel that it is a grave error and that it will be a costly experiment."

When did Mr. WOODRUM find this out? He did not hold this view last August when he voted for the bill. Who is Mr. WOODRUM? He is chairman of the Subcommittee on Appropriations that handles the independent offices appropriation bill. All the appropriations for the independent establishments go through his committee. That bill this year appropriates $1,410,478,515 for 36 different agencies. I am sure you know not one dollar of Government money can be taken from the Treasury unless appropriated by Congress. No one knows that better than Mr. WOODRUM. I am going to answer Mr. WOODRUM'S statement.

Just what do we provide in setting up the department of public welfare? We provide for a secretary, an under secretary, two assistants, and a solicitor. We create five positions the same as in the other departments of the Government, at the same salaries, not one more. Surely Mr. WOODRUM will not say Congress will pay the five officials $1,000,000,000 a year. Unless Congress itself, by specific legislation, provides for additional expenditures, only the salaries of those enumerated can be paid by the Treasurer, and I repeat, no one knows that better than Mr. WOODRUM. It is such statements as this that I cannot refrain from commenting on. There are hundreds just like this one.

There are at present 33 Government agencies that should be in a Department of Public Welfare. They are scattered all over Washington. Not one knows what the other is doing, or, if they do, they do not care. Duplication and triplication of effort will be found in these agencies. Is it not common sense to place them under one head so we can find out just what they are doing and stop this duplication and triplication of effort? Unless Congress expands their activities there will be a reduction, rather than an increase in appropriations, by grouping them in a department of public welfare.

I have been branded a "watchdog of the Treasury" because of my efforts and successful efforts to prevent passage of legislation which I termed raids on the Treasury. The record shows what I have been doing for years.

I have not changed. I know if the executive branch of the Government is properly reorganized tremendous savings will result.

It is impossible for me to comment on the entire bill, but I want you to understand and I speak the truth. We do not change existing law in any one instance in the general reorganization title so far as enlarging functions are concerned and the only increase in expenditures is for the five officials I mentioned which will be offset by hundreds of thousands, yes millions, in savings.

We simply provide in the interest of efficiency and economy the President can group, consolidate, and coordinate the agencies and activities.

A great deal has been said about the Bureau of Education, misleading statements to gain votes. Members of Congress say the bill will place the control of education in the hands of a bureaucrat in Washington. They tell you the bureaucrat will say how you must educate your children and to what school you must send them. There is no danger that will ever occur under the terms of this bill. The danger will come when Congress provides for Federal aid to education and not until then. I warned the House several weeks ago of this danger, said then and repeat now, I will never vote for such legislation. That is up to Congress, and I hope and pray if the day arrives when the attempt is made, those who have been sending telegrams and letters against this bill will be as active in opposition to such a movement as they are now. Stretch your imagination as far as you like, but if you will read and analyze the bill you will be unable to find one single word that warrants such misleading statements. Today the Bureau of Education is in the Department of the Interior, along with the Reclamation Service, the Geological Survey, the General Land Office, Bureau of Mines, the Alaska Railroad, Puerto Rico Construction Commission, Coal Commission, the Housing Authority, and others. Just look the list over. Then ask yourself why the Bureau of Education should be alongside of such activities. It matters not where it is, nor what Cabinet officer administers the law, the law passed by Congress will be properly administered and no official can go beyond the powers granted in existing law, which have in no way been changed by the language of this bill.

A word in reference to the office of the Comptroller General and the General Accounting Office. No Member of Congress has had more direct contact with that office than I have. The RECORD shows time and again I have defended it against attack. I assert the provision of the House bill dealing with this subject, if enacted into law, will improve our efforts to protect the money Congress appropriates.

No matter what anyone says, a careful analysis will show we retain the preaudit, still provide for advance decisions, and, above all, provide for an audit by a representative of Congress who is charged by law to report to Congress, something I defy anyone to show the Congress received during the 15 years the Comptroller General was in office. We improve rather than destroy our present system. I said on the floor of the House, and I repeat now, I can never agree to place the activities of the Comptroller General and the General Accounting Office in the hands of the Treasury Department, the spending agency. What we need is a complete uniform system of accounting in the executive branch of the Government, and we will get it if the House bill becomes a law.

The hearings show, if we are to believe the testimony, that we still have in the Treasury Department certain systems, installed during the time Alexander Hamilton, the first Secretary of the Treasury, was in office, over 150 years ago. Let me ask businessmen how long they would tolerate that in their corporation?

Now, as to the civil-service provisions, time and again I have assailed efforts to destroy the merit system or to enlarge the spoils system. My record speaks for itself. Do you feel I would now be a party to injuring the merit system? Regardless of what has been stated to the contrary, it is my view our recommendations mean an improvement in our civil-service laws, and that is what I strive for.

Some newspapers and many special writers have refused to become excited over this bill. They fully realize there is no reason why they should. One of the most outstanding writers, one who has had little to say in support of Mr. Roosevelt in recent years, is Mr. Walter Lippmann. I am going to quote from his column of April 6. I quote in part: "The intensity of the opposition to the Byrnes reorganization bill is clearly out of all proportion to the substance of the bill itself. Under any interpretation, however strained, it is not possible, I think, to find in the measure as passed by the Senate any grant of new powers to the President which gives support to the charge that it would aggrandize his power or diminish that of Congress."

Listen to what Mr. Arthur Krock, Washington correspondent of the New York Times, has to say in the first two paragraphs of his recent article. I quote, "An excellent illustration of how greatly political values were distorted by some opponents of the Federal reorganization bill was provided by the news ticker that serves this office. From New York came this sentence in a report of trading on the exchange: 'Indications of increasing opposition to the Government reorganization bill brought a rally into the stock market today.' If the opposition to the Byrnes bill had been kept within the bounds of truth and reason, Wall Street and other interests would have paid only ordinary attention to the legislation which the Senate passed Monday."

My contention is the House bill is far superior to the Senate bill. The House committee struck out every line of the Senate language and substituted new language, nor did we, and I desire to make this perfectly plain, accept the suggestions of the President's Committee on Administrative Management. We wrote our own bill.

I have been a member of this select committee since the day it was created. Not once has the President suggested to me, nor to the committee which I head, what he would like to have in the bill. He recommended that the executive branch of the Government be reorganized. I know he would be happy if Congress performed the job, but my years of experience, and in this statement I am joined by every informed Member of Congress, Republican, Progressive, and Democrat, Congress will never do it. It never has and never will.

My purpose in spending, not days, weeks, or months, but years, in trying to bring about a proper reorganization of the executive branch of the Government was to meet the wishes, I might say, the demands, of the citizens of this country, the taxpayers, businessmen, large and small, who individually and collectively have insisted that it be done. I honestly believe if the House bill is enacted into law this will be accomplished.

Should Keep All C. C. C. Camps

EXTENSION OF REMARKS

OF

HON. WILLIAM L. NELSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 29, 1938

Mr. NELSON. Mr. Speaker, when, on March 10, Robert Fechner, Director of the Civilian Conservation Corps, announced that the number of C. C. C. camps in operation would be reduced from 1,501 at present to 1,210 before the end of the present fiscal year, June 30, I felt that something should be done to prevent this. So I am glad to know that steps have been taken to continue these camps. I predict that when the joint resolution (H. J. Res. 627) providing the necessary additional appropriation comes up for passage in the House not a dozen votes will be cast against it.

Of all the activities of the Roosevelt administration, the C. C. C. would easily win in a popularity contest, and deservedly so. There has been practically no criticism. Instead, praise has been profuse. In true Missouri fashion, the original doubters, few even at first, have "been shown."

So strongly have I believed in these camps and so great is my interest in boys, especially those from homes where the families are none too well fixed, that I have at all times strongly championed the C. C. C. cause. For instance, some 2 years ago, when word went out that 500 camps were to be closed within a short time and that widespread abandonment was to follow, I, in common with many of my colleagues, got busy.

Many of you, my fellow Members, remember the fight to which I refer. It was some fight, too. You recall, I am sure, the two big meetings which friends of the C. C. C. movement held in the House caucus room.

An executive committee of eight was named to direct the campaign, having for its object the continuance of all C. C. C. camps. Representative JED JOHNSON, of Oklahoma, I recall, was one of the most active of the eight. It was also my privilege to be a member of that little band. Frankly, all of us feared that there were obstacles which could not be overcome, but we went to work with the conviction that the cause was one well worth fighting for, that we were right—"dead right," as one member expressed it—and that whatever influence was responsible for the wholesale closing order was wrong.

Those of you who were in that battle—a battle to save boys, not to destroy them—will recall that at the close of the second meeting in the caucus room, and which was attended by more than 100 Members, a call for a regular caucus had been signed by more than the required number. I cannot, and perhaps should not, tell of all that took place during the next few hours. The late Speaker Byrns and Representative Buchanan, the latter then chairman of the House Appropriations Committee, helped. Suffice to say that no caucus was held. None was necessary. Before Saturday midnight, and with the Presidential yacht due to move out down the Potomac the next morning, a brief note had been pencilled and the order to close the C. C. C. camps rescinded. I do not know when I ever got as much satisfaction out of anything as from that decision. To at that time have started a wholesale closing of the camps would have been a calamity.

I have spoken of our homes and those who live in them, of the boys themselves. In this connection, Dr. Henry C. Link, in his widely read book The Return to Religion, says:

> I know of only one among the many comparatively new governmental agencies which is helping people to attain the more abundant life. That is the Civilian Conservation Corps camps. Here alone the popular conception of an American standard of living and a life of greater ease has been abandoned. Here most men must work harder than they ever worked before, and at tasks whether they like them or not. Here men feel tired at night and know the pleasure of an earned night's sleep. Here men must get up in the morning whether they feel like it or not. They must associate and work with all kinds of people, whether they like them or not. They must eat pork and beans, corned beef and cabbage, or what they get, or go without; but such is their life that simple fare soon tastes good to them.
>
> The men who emerge from the rigid discipline of these camps, it is widely agreed, have not only experienced an abundant life but are better equipped to achieve a more abundant life. Through their enforced contacts they have learned to respect and like people whom they would never voluntarily have chosen as friends. Having learned, often, to think more highly of their fellow workers, they have also acquired greater confidence in themselves. The latter is a byproduct of the former.

Mr. Speaker, I believe in the C. C. C. camps. I have visited all in the congressional district which I serve, have talked with the boys, eaten with them—good food, too—and familiarized myself with their activities. Some of the enrollees come to the camps poorly clothed and showing the lack of nourishing food. In a little while they look, feel, and act like different fellows. As they gain in weight, they make corresponding gains in confidence and hope. I believe, too, that as, perhaps for the first time, they are able to send money home each month, their homes mean more to them. If so, this is most important of all, for while we need to save the soil and other natural resources, the strength of America must ever be in her homes, in folks.

James J. McEntee, Assistant Director of C. C. C., has said:

> Conservation of natural resources of the Nation has been advanced between 20 and 30 years during the past 5 years of C. C. C. work. The C. C. C. is reaching a point of accomplishment wherein its increase of national wealth will equal its cost. With increased efficiency which comes through experience and time, the C. C. C. can return to the country a tidy profit in dollars and cents—to say nothing of the intangible profit to the Nation through the development of well-trained, efficient, intelligent citizens.
>
> The C. C. C. has done much to bring to the attention of the country the plight of many of our natural resources which if it had been allowed to continue would have brought more dire results. A nation cannot use its timber supply three times as rapidly as it replenishes it without reaching a day of want. It cannot continuously deplete its watersheds without being visited by the ravages of floods. We already have experienced that. A people cannot continue to plow its fields and lay them bare to wind and rain without suffering the consequences in dust storms and water erosion which sweep away the land's fertility and food-giving qualities.
>
> The C. C. C. has become rather well "planted," with one foot in our forests and another on our barren fields. Young backs and willing hands have begun the task of replenishing nature, robbed by avarice and ambition that didn't count further than its immediate day and own desire. Forest lands have received, during the past 5 years, the first real chance to recoup their dwindling wealth. Fields laid bare to the plow and thrown aside when they lost their fertility have been given a chance at rehabilitation.
>
> Throughout the Nation, parks and recreation areas have sprung up where 5 years ago there was little more than scrublands, insect-infested marshes, or arid reaches.
>
> Parks and forests, streams and fields are to be used. But they soon lose their usefulness unless we continue vigilantly to protect them from wanton destruction and replenish as we go. Leaders of conservation have preached this for years. Not until the C. C. C. was organized was it possible to gain the necessary manpower to do more than attempt protection. The depression brought much distress and pain, but it was responsible for the greatest impetus to conservation in the history of the Nation.

So, Mr. Speaker, I, in common with most of my colleagues, rejoice in the prospect of the continuance of the 300 C. C. C. camps which have been ordered closed. It is my hope that provision may be made for funds sufficient to keep the full number of camps not only for another year but for many years. Not only should the work in present camps be completed but counties which have had no camps are clearly entitled to equal consideration.

By all means let Congress amply provide for the C. C. C. camps.

Alaska-Puget Sound Defenses

EXTENSION OF REMARKS

OF

HON. WARREN G. MAGNUSON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

Mr. MAGNUSON. Mr. Speaker, I want to briefly discuss a matter of importance to our national defense. Last Tuesday the Senate rejected an amendment to the naval supply bill. The bill calls for the expenditure of nearly a billion dollars for the maintenance and replacement of the United States Navy for the fiscal year beginning July 1, 1938. The amendment by Senator BONE, of Washington, called for the expenditure of about two and a half million dollars to start work on a graving dock at the Puget Sound Navy Yard. A graving dock is one with facilities for docking large naval vessels, including battleships, for overhaul and repair. The Puget Sound Navy Yard is primarily considered by the naval authorities as the repair yard for the fleet. It lies the closest to the Orient and Alaska of our main continental naval bases. Its natural facilities are unequaled. Its reputation for workmanship and efficiency is the highest. The Navy relies upon its natural advantages, its work, and its capabilities. As a naval base, it is becoming more and more important in the scheme of naval operations.

The rejection of Senator BONE's amendment was shortsighted. I have a similar proposal before the House known as H. R. 7877. The failure of the House to proceed with its consideration of the proposal for this graving dock, despite

my urging, is short-sighted. Docking facilities on the Pacific are inadequate. The enlargement of our naval strength by 20 percent as proposed will add to the inadequacy of these facilities to care for the vessels making up this strength. The lack of this proper safeguard for the efficiency of the fleet will and is becoming more and more acute in the Pacific Northwest section. With the fleet using the North Pacific more and more for its base and maneuvers, docking facilities at the main yard in that section must be improved. Failure to do so will add to the cost of fleet maintenance.

All naval authorities have urged the necessity for this improvement. Mr. Charles Edison, Assistant Secretary of the Navy; Admiral Leahy, Chief of Naval Operations; Admiral DuBose, Chief of the Bureau of Construction and Repair; and Admiral Morrell, Chief of the Bureau of Yards and Docks, have recently appeared before congressional committees and departments and pointed out the inadequcy of docking facilities on the Pacific coast for the need of the present fleet strength. An increase of that strength will add to the difficulty. The Navy Department has recommended a dock for Pearl Harbor and for Puget Sound. It is true that some of the testimony by naval officials before the appropriations committees has been to the effect of urging the Pearl Harbor dock ahead of the Puget Sound development, but all testimony strongly points to the immediate need of both.

The Pearl Harbor project involves the expenditure of approximately $15,000,000. The Puget Sound dock is to cost four and one-half million dollars. No legislative authority exists for the Pearl Harbor project but Congress has authorized the Puget Sound graving dock—that authorization having passed the House and the Senate in 1935. Authorization for the other project would necessarily entail time for legislative committee hearings and legislative action by both bodies of Congress. The attendant delay makes it imperative for immediately proceeding with the Puget Sound project. The Navy Department has the plans for the Puget Sound dock completed. Its Bureau of Yards and Docks, under the able leadership of Admiral Morrell, is ready to begin construction after the appropriation is made. The employment problem in that district is acute. This project would admirably fit into the Navy Department's objective to keep employment in Navy Yards as stable as possible. The new shipbuilding program for the Navy cannot be expected to absorb any employment for some months. Plans for the new ships and preliminary work will consume much time. Navy-yard workers, in the meantime, would have to go on relief. Ultimately we are going to build such a dock at Puget Sound. Logically, present circumstances call for its construction now. No one questions the advisability of the spreading of public-work projects so as to take up slack employment and stabilize work loads. The Puget Sound graving dock is such a project. A review of the facts show that it is necessary, timely, and feasible.

Ships need docks as airplanes need landing fields. Lack of docking facilities is costly. Failure to now build a graving dock in the Pacific Northwest is false economy. The figures are available but they are too detailed for the RECORD. They sustain the fact that the inability to drydock battleships and other war vessels at regular intervals, for bottom scraping, for instance, allows such an accumulation of barnacles and other impediments sufficiently increasing the cost of fuel consumption to such an extent that the costs of docking facilities to prevent this condition are almost paid for. Other maintenance items suffer added costs if the ship cannot regularly be overhauled. It pays to keep the fleet in good repair. Naval authorities tell us that docking facilities on the Pacific are not sufficient to have that needed repair. An enlarged Navy or an emergency in that area would almost be disastrous to the maintenance of this country's first line of defense—the Navy.

The other link in the Pacific coast defense plans which has been temporarily set aside is an Army air base for Alaska. The Air Corps of the Navy, under the intelligent direction of Admiral Cook, are proceeding contrary to what I believe is a wise policy on the part of the Army and Congress in not further developing the Alaskan air bases. This section, the most vulnerable of our possessions, has long been neglected in our national defense plans. There is not a single piece of developed territory in Alaska today where a mass Army flight could land and get safe service facilities. Yet the tip of the Aleutian Islands is but a short flight distance from the great air bases of Japan.

We have heard a great deal this session about national defense. Congress is appropriating almost a billion and a half dollars for the use of the Army and the Navy in carrying out its defense plans. These plans expell aggression. We have constantly reiterated to the people in justification of the vast expenditure that we abhor any idea of aggressiveness on the part of America. We have said time and time again that the money was only to be used for defense purposes, and that present world conditions necessitated added defense measures. Without such assurance, the proposal for added defenses and the attendant cost would have fallen on deaf ears.

Thus, we justify the expenditure of a billion and a half dollars. Defense proper concentrates itself, of necessity, geographically. Nations fortify their possessions nearest the potential enemy. It is conceded under the present international set-up that if trouble should occur, which we hope it will not, America's problem would be in the North Pacific area. The presence of the Navy in the Pacific, of the war maneuvers in the North Pacific, is evidence of our best military thought on this supposition. Any invasion of America would probably be directed to that section, and yet, paradoxically, the Northwest and Alaska have the least defenses of any of our territory. If the purpose of the present plans is to protect the country, if the justification for the expenditure of this money is to be carried out, if the intent of Congress as given to the people is to be fulfilled, then this section should be the recipient of much of the funds to be expended.

I do not advocate this at the expense of a well-rounded national program. There are other sections also in need of defenses. I do feel, however, that the Pacific Northwest section presents geographically a relationship with the oriental powers, coupled with long neglect of defense facilities, an immediate problem.

It is thus that I speak of the failure of Congress to seriously consider these two important links in the chain of defense. Congress will have further opportunity to pass on the two matters. We are proud and grateful for the Navy. To have it on the waters of our section means much to our citizens. The interest of the people of the Northwest in Alaska is akin to that of a neighbor. We deeply appreciate what has been done for this section. We wish that defense measures were not necessary at all; but if we are cognizant of the present necessity, we realize that that necessity directs itself to our section and to the two projects herein discussed. I hope to have the matter of the graving dock before you in the second deficiency appropriation bill. I know that you will give it your best consideration.

Dictatorship of Pay Roll

EXTENSION OF REMARKS
OF
HON. ELMER H. WENE
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 7, 1938

EDITORIAL IN THE ATLANTIC CITY PRESS, APRIL 5, 1938

Mr. WENE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial appearing in the Atlantic City Press, April 5, 1938.

It deals with the present lobbying against the reorganization bill. It tells of a similar instance in New Jersey when a plan to bring efficiency and economy into government was stifled by a lobby of job holders. Unless this rule by organized job holders is ended, our democracy will soon be at a standstill.

Among many real and fancied dictators in America today is the job holder or bureaucrat. If anyone doubts this, let him try to make any change in government that inconveniences or affects the pocketbook of job holders in the mass—from Supreme Court Justices right down to game wardens and policemen.

Some years ago our own Walter E. Edge laid the foundation for a gubernatorial career with an "economy and efficiency bill" as a senatorial platform. Mr. Edge had gone to a lot of trouble, expense, and research to devise the plan, which combined State departments that were getting into each other's way, coordinated their functions, promised to put State employees to work for their salaries and save taxpayers millions in costs of public service. Naturally, public and party thought well of the plan. Senator Edge undertook it, confident of support. But the moment he started, hordes of job holders were scheming to stall the bills at every step. The statehouse seethed with lobbies. Amendments were offered to each of a set of bills to exempt certain departments or boards. Many of these amendments succeeded. Compromises were necessary. Partisan opponents and factional opponents within the G. O. P. united with fighting job holders to present a formidable opposition. In the end "economy and efficiency" for New Jersey resembled its original self as much as the butterfly and caterpillar.

Down in Washington now the country is witnessing the same amazing phenomenon of the tail wagging the dog in democracy. The National Capital is overrun with bureaucracy. A nation has been condemning this since the McKinley administration and before. President Roosevelt undertook to do something realistic about it, and had a bill drawn which seemed to meet with the approval of public and press and party. But the moment he pushed it—tried to get into law—he became "a scheming dictator"; lobbies swarmed like hibernating geese to lick him as they did when he attempted to disinfect and pep up our judiciary; his own party members (doubtless under the influence of organized and powerful bureaucrats) rebelled against him "to save constitutional government"; and we now read where compromises are necessary to make any progress at all—and the Educational Bureau will be let alone and the Veterans' Bureau may get a coat of exemption, and so on and so forth, with the emasculation and let-down.

Nobody yet has been able to defeat the will of organized public job holders—either in cities, States, or the Nation. They run the country for better or for worse. They are just one more of the many minorities or majorities termed "selfish" by the President, and charged by him with preventing recovery, all apparently driving us closer and closer to fascism.

With 46 States approving his choice, President Roosevelt may have thought he had a mandate from the people to do something about improving Government methods. But the moment he tackled entrenched Washington bureaucracy he must have had his eyes opened. Opposing the official family that spends the money has been the Waterloo of many an Executive.

Whither America?

EXTENSION OF REMARKS

OF

HON. ANDREW J. MAY

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 7, 1938

ADDRESS BY THE HONORABLE LOUIS JOHNSON, THE ASSISTANT SECRETARY OF WAR, AT THE ANNUAL ARMY DAY BANQUET OF THE MILITARY ORDER OF THE WORLD WAR, WASHINGTON, D. C., APRIL 6, 1938

Mr. MAY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by the Assistant Secretary of War, Mr. Johnson, at the Army Day Banquet last night:

General Cox, fellow members of the Military Order of the World War, Americans everywhere, before us always looms the trackless forest of the future. Twenty-one years ago we changed sharply our direction of advance through that forest. In so doing our thought and hope was that our new bearing would lead to a lasting peace throughout the world. Thinking and hoping thus, we fearlessly and unreservedly chanced loss of national life and treasure.

Today is Army Day—sponsored by the Military Order of the World War. Ordinarily it would befit the occasion for me to address you from the viewpoint of the War Department. But the times give to this occasion this year a broader significance. It seems more appropriate, therefore, that I speak not from the viewpoint of any one service or department concerned with national defense but from the viewpoint of national defense as a whole.

The record of events since April 6, 1917, contains many lessons relating to national problems. We must not ignore them in planning for the future.

When we entered the war we were wholly unprepared industrially and militarily. We lost valuable time and precious lives before we were able to swing the tide of victory toward our side.

After the war we were deluded in the belief that humanity had learned its lesson and was willing to cooperate in the interests of peace. We continued to foster that delusion and, in good faith, scrapped over $300,000,000 worth of modern warcraft. While we sank battleships, others, who had agreed to reduce armaments proportionately, merely tore up blue prints.

We refused, nevertheless, to relinquish hope. For ourselves we coveted not an inch of foreign territory, not a penny of foreign riches. In others we hoped to find a similar devotion to principles of fair play, international justice, and good will. We refused to condone international piracies in any guise in any part of the world. When in 1931 imperialistic designs in the Far East led to military invasion and unjustified seizure of territory we raised our voice in protest.

At this moment we behold in the Far East some 370,000,000 peace-loving men and women dependent for their security on international good will alone in process of violent absorption by a people less than a fifth their number.

At the bottom of the page on which history records this illegal use of force should appear this footnote:

"Patriotism, willingness, and love of peace will not replace adequate defense plans, adequate means, and thorough training."

In the last few years we have seen several ambitious nations conquer or "absorb" weaker states. They defy the protests of a world unprepared to cope with their piratical desires. They endanger the peace, and to meet their threat the world now stages an armament race on a scale never before dreamed of. Until the present we have elected to remain out of that race. We still hope that the world will come to its senses.

The nations which believe in the doctrines of force and "might makes right" today employ a new technique of conquest. First comes a political penetration into the councils of the country marked as a victim. This is followed by political control, bolstered by a threat of "armed might." The victims, thus betrayed and terrified, "gladly" capitulate. With a hurrah on their lips and a sob in their throats they "gladly" accept their ill fate.

We in the United States should be constantly on the alert for indications of the appearance of this technique in countries of the North and South American Continents. For today we see from east and west covetous hands stretched out toward them and their outlying possessions.

These, in brief, are the principal lessons that the record of the past 21 years carries for us in the matter of national defense. Let us bear them in mind as we examine our own situation in greater detail to determine exactly where we stand today and what we shall do for tomorrow .

We are the heirs of a monumental achievement in the history of man, and we must do all in our power to continue its success for ourselves and for our children.

The cost of adequate insurance is commensurate with the value of the thing insured.

What have we to insure? A national heritage which has been handed down to us by clear-sighted pioneers who saw their obligation to posterity and lived up to it. A heritage that is the envy of most peoples of the world. Natural resources, the full extent of which we do not yet know. Industries that magically convert these resources into products with which to satisfy our creature wants. Lamps of Aladdin!

Nonmaterial resources, too. National characteristics which were born and which thrive only in the sunlight of absolute freedom. Equal opportunity for all. Respect for the faiths and opinions of our fellowmen. Determination to resist unlawful seizure of what is rightfully ours. Love of peace.

The protection of American interests. The continuing policy that we will insure this protection without the assistance of others. "No entangling alliances!"

These policies are not new. They have been fundamental with us throughout our history. Throughout our history, too, we have recognized the necessity of providing adequate means to insure respect for them. We have recognized the obvious fact that national defense is national insurance.

Greatest among our inherited gifts, we should place today the courage to face fearlessly the perils of uncharted forests. The doubts, the dangers that surround us now, though different, are no greater than those faced by American pioneers of the past. The courage that was theirs is ours. Let us remember that we demonstrated this virtue to a doubting world 21 years ago.

These, briefly, constitute the treasure we have inherited, a treasure we should properly insure. We owe it to ourselves to preserve this priceless heritage. We owe it to posterity. We owe it to all the dead and crippled who faced with resolution an ominous future that we might enjoy these blessings.

To what extent have we insured against loss this treasure that we hold in trust for those who are to follow? In the year 1937 the cost of our national defense was approximately $7.19 per capita. For that same year, the cost to Russia was greater, to

Germany almost twice as great, to Italy almost three times as great, to France more than three times, to Japan almost four times, and to Great Britain more than five times.

That is the monetary cost. There is an added cost that the peoples of other countries must pay in varying degree, a cost too high to be accorded a monetary value. Their personal rights are suppressed. Freedom of speech, freedom of the press, religious freedom, and the right to a fair trial are curtailed.

These are only a few of the items that must be counted in the cost of national defense to other peoples. They suffice to emphasize the greater richness of our heritage. They suffice also to emphasize how much more these others pay in return for so much less. Those who oppose national defense value too lightly the thing we have to insure.

Let us, then, take stock and face realistically and courageously our present situation and the unknown problems of the future.

To conduct a modern war successfully a nation must provide men for the armed forces, military supplies and equipment, and a supporting public opinion. Securing all these things is our problem. Certain methods used in procuring men for the Army and the Navy can aid the production of arms, munitions, and equipment. Other methods of procuring men can definitely hinder the manufacture of these articles. A fair, impartial method of procuring men for the armed forces builds a strong, unconquerable civilian morale. A system of procuring personnel which permits one man to evade service after another has offered his life ruins the confidence of the citizens in their government.

The experience of our national history indicates that there is but one method which can be depended upon to furnish sufficient and suitable men at the time they are needed. That method is selective service. We have begun every war of our history with volunteers. Before the end of every war of any magnitude we have been compelled to resort to some form of compulsion. The right of this Nation to demand the services of its citizens for its own defense is no recent development. Since the days when people first banded together for protection against dangers with which they could not cope separately there has been a necessary, though unwritten, contractual obligation between the citizen and his government. In return for protection by his fellows the individual has been bound to go to their assistance in time of need. Through past ages this obligation has been essential to self-preservation. Today, and for a time to come, the obligation must continue. That obligation was recognized in the Federal Constitution. It had existed in the Colonies before the Revolution. Yet, in the World War, for the first time, orderly and efficient methods were provided by law for the procurement of men for the military forces.

The selective service administration of the World War was created overnight. It did not have the benefit of long and deliberate planning, but it did produce the men. Approximately 3,000,000, or three-quarters of the Army, were procured by selection. A million and a half more were ready for induction when the armistice came.

Why was this method a success? The answers are not difficult to find. The system was based on the fundamental assumption that there is but one interest to be served in the procurement of men for the armed forces, and that is the interest of the Nation. The part which was played by an individual depended solely on a determination of where he could be of most use to the country. Within the age groups designated for immediate military service, priority was determined by a great national lottery. There were no bounties and no substitutions. The system was operated by civilians. Neighbors decided where each individual could serve best.

The National Defense Act of 1920 placed upon the War Department General Staff the responsibility for planning the mobilization of the manpower of the Nation. Under this mandate, plans for the organization and operation of the Selective Service Administration in an emergency have been made. Into these plans have been incorporated the elements which contributed to the success of the system during the World War, and other provisions have been added which plug up the loopholes that manifested themselves in 1917–18.

The plans are simple. The first step is to be a registration of all male citizens between the ages of 21 and 30. This registration will take place on a single day. It will be done by the election machinery of the States. The usual polling places will be utilized. Public opinion will demand a 100-percent registration of men in the designated ages.

Each registrant will be issued a numbered card and names and numbers will be published in each local community. Following registration a national drawing will decide who shall be first and who shall be last.

It will then be the task of a board of local citizens in 6,000 communities to decide whether their neighbor shall serve his country as a soldier or a sailor, or whether he is of more value to the Government as a munitions worker or a farmer. If his neighbors decide, after a physical examination, that he should go, he will be ready to join the next quota going forth from his community to do his full share in the defense of his country.

Plans for the installation of this system are ready. For 15 years, devoted citizens, officers of the Reserve and the National Guard have labored with the War and Navy Departments to prepare a multitude of details. One thing alone is lacking—the law.

The American Legion has long advocated the enactment of a law to overcome this deficiency. Its passage before an emergency would permit the armed forces to face the foe confident in the conviction that the needed men would be supplied on time. The organization of a selective service system immediately after the beginning of hostilities would simplify the inauguration and operation of the industrial mobilization plan by insuring that the selection of men for the armed forces will interfere to the minimum with the production of essential munitions and supplies. The passage of the law now would save a 2-month period of uncertainty in any future emergency. It would save countless lives, for it would shorten the period of hostilities and, best of all, it would reduce materially, if not eliminate wholly, the chance of war, for who will attack a nation possessing 40,000,000 men, untold natural resources, and an industrial system the envy of all—if that nation is prepared for instant mobilization?

Our efforts toward the mobilization of industry have met with encouraging results. A survey of industry has shown that it has the ability to carry the full load that a major war would impose. In consequence of this survey, war tasks have been assigned to 10,000 plants, selected because of their capacity to do the jobs that would be required and their willingness to accept the assignment. We have a greater number of the raw materials necessary in war for both civilian and military purposes than has any other country in the world.

The coordination of requirements for the armed forces, on the one hand, and for the civilian population on the other, will assure a proper distribution. The effect will be to prevent such competition and resulting high prices as occurred in 1917, when we had no plan of coordination and Government agencies were bidding for raw materials without consideration of the needs of others. Thus, from the standpoint of supply, we are far better prepared than we were when we entered the World War.

On the credit side, also, we find listed the fact that the President, as Commander in Chief of the Nation's armed forces, and the Congress, are fully aware of our national-defense needs. On January 28 last the President asked that funds be appropriated to initiate a program which, when completed, will overcome some of the most vital shortages. May I at this moment, on behalf of all friends of national defense, salute the Commander in Chief of the Army and Navy, my own commanding officer, whose leadership and statesmanship have given us peace and whose wisdom and foresight insure us against war, our President, Franklin D. Roosevelt. If Congress acts favorably on the President's request, as seems probable, our armaments situation will be greatly improved.

On the credit side also is the fact that, though distances grow shorter day by day, our geographical location with respect to other major nations of the world still offers a measure of protection.

As an asset we may list, too, our Army and its leaders. Relatively, it is small. What it lacks in size it makes up in efficiency. Its plans are practical. They are sound. They provide for the best use of what we have at hand. They overcome surmountable obstacles in the way of the mobilization, training, supplying, and equipping of Reserves. Within the limitations imposed by small numbers and insufficiencies in some items of equipment, we may be assured that our existing armed forces will meet any problems that may confront them with courage, skill, and fortitude.

Doubt has been expressed in some quarters of the wisdom of some of our plans for national defense. Appropriations requested for the construction of battleships have been opposed on the ground that appreciable part of the moneys needed immediately for naval augmentation will be expended for instruments of war which are no longer practical.

The entire program for which these appropriations are being made represents serious consideration by the best qualified minds of the Nation under tests conducted by our experts under near-service conditions. They include data gathered in the laboratories of the Asiatic and European wars. They involve a study of the current expansion program of foreign nations at peace.

The program recommended is based on sound judgment, after due deliberation. Have no doubt of that. Be assured that all programs of national defense will be as capably and carefully thought out as was this one for a greater Navy.

So much for the items on the credit side of the ledger. There are debits also. Necessarily our inventory must include them.

The credit item of protection afforded by the Atlantic and Pacific Oceans, while still formidable, is losing some of its force. Distances are rapidly shortened by modern inventions. This asset, which was the greatest to our forefathers, becomes of less and less value today. Our need for an adequate Navy becomes increasingly important. Nor will provision for an adequate Navy today solve our problems of national defense. Several years must elapse before the naval expansion program can be fully developed. During this period, we will have to depend on our Army for defense against invasion, to a greater extent than will be necessary afterward. Let us, then, examine briefly this element of our national defense.

Except for its air component, our standing Army ranks seventeenth among the standing armies of the world. The regular armies of the great powers run, in most cases, close to a million or more men. Our Regular Army has less than 176,000. Furthermore, not a few of these are guarding our outlying possessions and interests, and hence cannot be counted upon for defense of the mainland. Still others must be utilized to organize and train new levies.

When we add to the strength of the Regular Army that of the National Guard and the Organized Reserves, we get a grand total of less than one-half million. Of this number, only about

300,000 can be made available for immediate action in the field. The remainder cannot be ready for the first month.

To some of our people the figures of almost one-half million appears formidable. Yet they are less than the figures for Argentine, for Portugal, for Greece, for Switzerland, or for Sweden. They are less than the figures for any first-rate power, less than those for most secondary powers.

Our pressing needs for the Army personnel are 11,000 enlisted men for the Regular Army and an Enlisted Reserve of 75,000 trained men and a full complement of weapons and their accessories. To cite but one example of our shortage, let me call your attention to the fact that if we pooled the equipment of our 10 National Guard antiaircraft regiments, we would not have enough to completely equip one regiment for combat.

We need a reserve of munitions to serve us during the period between the beginning of an emergency and the time when industry becomes able to function on a war basis. If an emergency arose tomorrow, many of the plants designated for the production of munitions in war could not furnish the desired articles for several months. Some could not do so for a year.

The following illustration will make clear the reason for this situation. To manufacture the heavy Browning machine gun there are required 3,460 operations, 1,800 gages, and 2,500 jigs, dies, tools, and fixtures. It takes several months to manufacture these aids to industry. They are not available now except in the Government plants. These plants can meet only a fraction of the war load in a major war effort. Manifestly the result will be to delay for an appreciable time production of the heavy Browning and of all other matériel requiring special appliances in manufacture.

The situation can be remedied by placing in peacetime what are technically called "educational orders" with those plants which must have such aids as jigs, dies, tools, and fixtures before they can perform their war tasks. These orders would be only large enough to familiarize the operating personnel in the plants with the various unfamiliar operations involved. Legislation which will correct this condition is now before Congress. Its early passage is highly desirable if prompt manufacture of certain essential war materials is to be assured.

Some may see in the result of our examination, grounds for criticism of Congress or of the administration. Such is not the case. As soon as it became clear that certain nations were determined to achieve their ambitions even at the cost of world peace, Congress and the administration showed an appreciation of the state of our national defense. Since that time they have taken such steps to correct the deficiencies as seemed compatible with the world situation and our national economy. Provisions have been made to materially increase the Navy. The defense program of the Army was called for and some 50 percent of its needs were promptly met. What is still to be done for the Army represents only the remaining 50 percent.

A few nations pretend to see behind our growing determination to arm for our own protection, a menace to their safety. The only real menace is to their unbridled economic and territorial ambitions. The governments of the 21 American republics will never permit them to extend to North and South America.

Our friendly, peaceful neighbors have no such fears. They know we covet no one else's treasure. Yet only 2 weeks ago a nation that is trying desperately to consummate in Asia the greatest armed conquest of a defenseless people of modern times, accused us of harboring ambitions similar to their own. Surely, none of our people will be misled as to the real purpose of such groundless charges.

In conclusion, until our defense needs are provided, we will not have secured the national treasure that is our heritage and that we should transmit intact to coming American generations.

Let us, therefore, pass quickly as much of the legislation essential to adequate defense as the national economy will permit.

Let us no longer see shadows as monsters nor monsters as shadows.

The way ahead lies in an unknown wilderness. Strange sounds warn of possible danger. Let us, nevertheless, go upon the journey courageously. But let us arm, let us arm speedily, lest darkness come upon us while we are on the way and find us unprepared.

Increase of Pullman Fares

EXTENSION OF REMARKS

OF

HON. HERBERT S. BIGELOW

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 7, 1938

ARTICLE ON THE REQUEST OF THE PULLMAN CO. FOR AN INCREASE IN FARES

Mr. BIGELOW. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article from a Chicago paper, Lightnin', January 1938, on the request of the Pullman Co. for an increase in fares:

THE PULLMAN CO., LIKE OLIVER TWIST, "WANTS MORE"—THE WAIL OF AN OLD TAX DODGER

An increase of 10 percent in all Pullman fares is asked by the Pullman Co. in a petition pending before the Interstate Commerce Commission.

George A. Kelly, vice president of the Pullman Co., cites "increased taxes under the social security, State unemployment compensation laws, and the Carriers' Taxing Act," as among the reasons for the demands for higher fares for lower berths and uppers, too (Chicago Tribune, November 27, 1937).

But the Tribune of October 6, 1937, reports Pullman profits greatly increased over 1936:

"Net income for the first 8 months of this year was $3,375,581, compared with $2,136,600 in the corresponding 1936 period. Gross revenues for the 8 months increased to $41,965,000 from $37,377,612 in the same period last year."

A RICH BEGGAR IN A RAGGED COAT

This plea of the Pullman officials sounds like the whine of a rich beggar in a ragged coat. Here are the directors as of 1936: J. P. Morgan, Alfred P. Sloan, Jr., Sewell L. Avery, George F. Baker, H. S. Sturgis, Arthur O. Choate, David A. Crawford, J. Frank Drake, Donald R. McLennan, Richard K. Mellon, John R. Morron, L. S. Taylor, Allan M. Scaife, Harold S. Vanderbilt, and George Whitney.

The Pullman Co. has come in mean apparel many times before to secure tax cuts and with marked success. But when taxing officials have penetrated the disguise, the "beggar" has shown himself a relentless bully, ready to strike foul blows.

ALTGELD ARRAIGNED PULLMAN CO.

Forty-three years ago John P. Altgeld, then Governor of Illinois, sent a message to the State board of equalization in which he submitted proofs that the Pullman Co. was, and had been for many years, one of the leading tax dodgers of the State.

HE QUOTED GEORGE M. PULLMAN, HIMSELF

Among the proofs submitted by Altgeld was testimony of George M. Pullman, president of the company, who had made the following admissions under oath:

"Question. What is the present capital stock of the Pullman Co.?

"Answer. Thirty-six million dollars.

"Question. Is the capital stock paid in cash?

"Answer. The capital stock is paid in cash. From time to time during the 27 years of its existence the capital stock was enlarged in order to meet the general enlargement of the plant.

"Question. Are the dividends which you pay based on the whole capital of $36,000,000?

"Answer. Yes, sir; on the whole capital of $36,000,000.

"Question. What are your dividends?

"Answer. Our dividends are 2 percent quarterly.

"Question. For how long?

"Answer. The company has paid dividends ever since its organization. The dividends for the first 2 years were at the rate of 3 percent quarterly and for a time after that the dividends were paid at 9½ percent per annum, and then from that day they have been 8 percent per annum without any changes.

"Question. Has the company any bonded debt?

"Answer. It has no bonded debt.

"Question. And in addition to these dividends you have accumulated from $16,000,000 to $18,000,000 of undivided profits?

"Answer. The undivided profits amount to something like $25,000,000.

"Question. In addition to these annual dividends you have mentioned there has also been accumulated about $25,000,000?

"Answer. Yes, sir."

A NET VALUE OF $61,000,000

Here then was a net value of $61,000,000 on Mr. Pullman's own sworn testimony. But Governor Altgeld asserted that the stock quotations of the time showed that the stock alone was worth $61,000,000. The company's own reports stated the net earnings were $6,526,448.

After paying the stockholders $2,520,000 in dividends in 1893, the company carried over $4,006,448 to the surplus, which then amounted to $25,700,000.

A NATION-WIDE INQUIRY MADE

Inquiries of every State and Canada as to the amount of property taxed outside of Illinois, left over $40,000,000 to be taxed here, Altgeld said.

But what was the assessment of the Pullman Co. on these $40,000,000?

It was $1,695,500.

GOVERNOR ALTGELD'S CONCLUSIONS

Summing up, Altgeld said: "It was apparent that the Pullman Co. had for many years been annually defrauding the public out of from $640,000 to $800,000 per year in taxes, and that consequently it had now in its possession several millions of dollars that in justice belong to the public."

Trade Agreements Affecting Live Cattle and Chilled Beef Imports

EXTENSION OF REMARKS
OF
HON. PHIL FERGUSON
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 7, 1938

STATEMENT OF THE HONORABLE PHIL FERGUSON, OF OKLAHOMA, BEFORE THE COMMITTEE ON RECIPROCITY, APRIL 4, 1938

Mr. FERGUSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement made by me before the Committee on Reciprocity as a member of a committee of three appointed by the Western States to testify before that committee:

PART I. LIVE CATTLE IMPORTS

The livestock industry, especially the cattle industry, is in no position to make further concessions in trade agreements with foreign countries. The very fact that the increase in quotas on both heavy and light cattle and the possible further reduction of the tariff on quotas of heavy cattle below $2 and a consideration of reduction of the present tariff on light cattle has a bad psychological effect on our already weakened cattle market. The livestock industry is opposed to increasing the present quota of 155,000 cattle weighing over 700 pounds or granting tariff reductions on a quota of cattle below this weight. I believe this statement is the view of a distinct majority of the representatives of the livestock-producing States, who, at a recent meeting, selected me as one of a committee to present their views.

I would point out there are 2,000,000 cattle now on feed in the United States that will be marketed within the next 5-month period. These cattle were put on feed at an average cost of $70 per head. I reached this figure by determining the average price paid for feeders at Chicago, Kansas City, and St. Paul, and the average weight. The average price was 8¾ cents per pound, and the average weight, 800 pounds. These cattle have just started to come back to market.

Let me picture the magnitude of this feeding operation. These 2,000,000 steers represent an original investment of $140,000,000. These 2,000,000 steers have been fed $50,000,000 in corn and other feeds. After shipping and marketing expenses are deducted on today's market these cattle will not return over $80 per head. This means a loss of $30,000,000, figuring in a most optimistic light. Most certainly the farmers are going to lose their entire corn crop in the Middle West that they have fed these cattle. You do not need to rely on my estimates, which were figured with the Department of Agriculture's figures on cost at the time the feeders were laid in and present returns from cattle and the best estimates of experts on cost of feed. Let me quote from page 3, the United States Department of Agriculture Forecast of February 19, 1938:

"In the first week of February, prices of choice and prime grade slaughter steers at Chicago, averaging about $8.50 per 100 pounds, were about $9 lower than in late October, nearly $5 lower than a year earlier."

With our feeders faced with the minimum loss of $30,000,000 in this year's operations certainly it is bad psychology to consider concessions that would tend to lower the present market.

As a Representative from a Western State, I am certainly concerned with the feeding operations in the Corn Belt, because the Corn Belt feeder determines the price of western stock cattle that are marketed in the fall of the year. Undoubtedly a Corn Belt feeder will be very hesitant about restocking this fall after suffering losses of $15 to $25 per head on this year's operations. Certainly if the feeder has suffered a capital loss of his own capital he will be cautious and if he has been operating on borrowed capital the credit for next year's operation will be very hard to get. Those who favor increasing our quotas may say the limited number and inferior quality of the Canadian cattle cannot affect our market. Allow me to quote from a letter I have received from Mr. H. A. Powell, the secretary of the St. Louis Live Stock Exchange:

"On numerous occasions during the past 8 to 10 weeks, the writer has noted that when there are available for sale on the market around 20 loads of steers, the packer buyers are generally alert and we have steadier or stronger markets. An increase the following day of only 10 or 15 loads of steers, making the total offering from 30 to 35 cars, frequently means a draggy market and prices 15 cents to 25 cents lower. Thus, the matter of from two to three hundred head of steers added to the supply means the difference between a lower and a higher market."

I have given you the commission man's side of the story on how limited increases in receipts can affect the market. I wish to quote from a letter addressed to me on April 1, 1938, from Armour's Livestock Bureau and signed by Mr. Edward N. Wentworth, the director:

"But since prices began to decline at the end of last summer, retail outlets have been unusually sensitive to slight increases in supply. Hence I presume your statement that packers have had to operate on a "hand to mouth" basis would be correct for the past few months. During this time the only way in which the market could absorb even the slightest increase in volume over the regular daily commitments was by price reduction."

The packers buy only the amount of beef necessary to fill their orders. They buy no more beef than they can almost immediately dispose of. Quoting from a letter addressed to me on March 25, from Mr. G. B. Thorne, of Wilson & Co., packing company:

"As you probably know, the general policy followed in merchandising beef is to do the best possible job of disposing of supplies on hand at the branches by the end of each week. Beef is a very perishale product and if it is not moved quickly into consumption, heavy losses are usually incurred."

The packer has only limited orders that he desires to fill. Those orders are limited by his ability to dispose of the beef. It is all very well to say that the importation of beef and beef products amount to only 5 or 6 percent of the total consumption. But if you are a producer marketing your product, the 1, 2, 3, or 4 cars of cattle you have on the market that day are affected, due to the fact that 50 or 100 or 150 cars of Canadian cattle make the supply of 50 or 100 or 150 cars greater than the packers have outlet for. And your cattle as a result of the presence of these Canadian cattle on the American market sell 25 cents or 50 cents per hundred lower. That $2.50 or $5 per head additional loss you take on your steer is very real and cannot be dismissed with any figures on percentage of national consumption.

It is an established fact that dressed beef is disposed of within a very short time. The principal markets are located in the centers of population. The dressed beef from the 12 principle markets bottle necks into Boston, New York, Philadelphia, and the eastern centers of population. So a slight increase above requirements in any one of the markets is reflected in the wholesale price of dressed beef in distribution centers. Thus the increase in dressed beef from Buffalo, St. Paul, or other northern markets can easily and quickly affect the live markets at Chicago, St. Louis, or Kansas City.

Let me read to you from a letter from the Chicago Live Stock Exchange:

THE CHICAGO LIVE STOCK EXCHANGE,
UNION STOCK YARDS,
Chicago, Ill., March 31, 1938.

Mr. PHIL FERGUSON,
Eighth District, Oklahoma,
House of Representatives, Washington, D. C.

DEAR MR. FERGUSON: Take for instance a train of 50 cars of cattle from Canada which may be shipped into the St. Paul market and another train of 50 cars consigned to the Buffalo market. Upon the day of arrival of those two trains of cattle there is a detrimental effect upon all of the principal markets of this country and for this reason.

There is about a normal amount of consumption of meats and when consignments as per the arrival of other cattle on markets, in addition to those already coming through the normal channels, it can have but one effect and that is a depressing effect upon prices of our livestock.

Suppose for example, that there is an outlet of 500 cars of cattle on a given day. If you increase by 10 percent that number of cattle it would make a break in the market of at least 25 cents per hundredweight on that class of cattle that day. If Buffalo received 50 cars of Canadian cattle, the detrimental effect on our market would be that other consuming points would necessarily absorb that amount of cattle which would take from this and other midwestern markets orders which would fill the gaps that had been taken by the Canadian product.

Very respectfully,

E. M. HUGHES, *Secretary.*

I will say that I wrote all the principal exchanges in the United States. In answer to my letters the replies indicate that the packers do buy on a more or less hand-to-mouth basis, and in the opinion of every market, with the notable exception of St. Paul and Buffalo, a heavy run of Canadian cattle does have a tendency to lower the market.

In my letters to the various livestock exchanges, I asked their opinion of the effect that a few cars in excess of demand could have on the market and I wish to include excerpts from these letters at this point in the RECORD as an exhibit.

THE ST. LOUIS LIVE STOCK EXCHANGE,
National Stock Yards, Ill., March 26, 1938.

Hon. PHIL. FERGUSON,
Member of Congress, Eighth District of Oklahoma,
House Office Building, Washington, D. C.

DEAR MR. FERGUSON: On numerous occasions during the past 8 or 10 weeks the writer has noted that when there are available for sale on the market around 20 loads of steers, the packer buyers are generally alert, and we have steadier or stronger markets. An increase the following day of only 10 or 15 loads of steers, making the total offering from 30 to 35 cars, frequently means a draggy

market and prices 15 cents to 25 cents lower. Thus the matter of from three to five hundred head of steers added to the supply means the difference between a lower and a higher market.

Very truly yours,

ST. LOUIS LIVE STOCK EXCHANGE,
H. A. POWELL, *Secretary*.

ARMOUR'S LIVESTOCK BUREAU,
ARMOUR & CO., UNION STOCK YARDS,
Chicago, U. S. A., April 1, 1938.

Hon. PHIL FERGUSON,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN FERGUSON: Since prices began to decline at the end of last summer, retail outlets have been unusually sensitive to slight increases in supply. Hence I presume your statement that packers have had to operate on a hand-to-mouth basis would be correct for the past few months. During this time the only way in which the market could absorb even the slightest increase in volume over the regular daily commitments was by price reductions.

OMAHA LIVE STOCK EXCHANGE,
STOCK YARDS STATION,
Omaha, Nebr., March 25, 1938.

Hon. PHIL FERGUSON,
United States Congressman, House Office Building, Washington, D. C.

DEAR MR. FERGUSON: Our view of the question you ask in paragraph E is that the supply of any livestock at all markets, or source of purchase, has its effect on the price paid. In other words, we do not get any Canadian cattle on the Omaha market, but we do believe that Canadian cattle coming to other markets does have its effect on the price paid at all other points. In other words, the supply and the demand, if allowed a free flow, will determine the value.

Yours truly,

OMAHA LIVE STOCK EXCHANGE,
W. J. DEARTH, *Secretary*.

I spoke a minute ago about the Department of Agriculture's estimates, which set out that in 1937 the imports of live cattle plus the live-weight equivalent of the canned beef equal 6 percent of all the slaughter under Federal inspection. Sixteen million cattle were slaughtered under Federal inspection, so from the Government figures we can say an equivalent of 960,000 head was imported. This would figure 600,000 grown cattle, or two-thirds of a month's supply, and 360,000 calves, or three-fifths of a month's supply. So while 6 percent sounds like a small figure when you realize our markets are run almost a month by foreign importation, it gains importance.

I have prepared some charts which I hope the committee will be able to incorporate in the record. Chart No. 1 shows the 1936–37 receipts in thousands of head on the 12 markets; also the average live-weight price of good steers by months in 1936 and 1937; also the corresponding price of dressed beef for the week following on New York and Chicago dressed-beef markets.

About 60 percent of the time, following the increased receipts of live cattle the price of dressed beef goes down. As the price of dressed beef goes up over any sustaining period, receipts increase. If you have ever visited a livestock market you know two factors determine the day's market. These two factors are posted conspicuously on the bulletin board of every market. One of these factors is the livestock receipts on that market and all other principal markets for that day. A good rule of the thumb is that large receipts mean lower prices. An equal if not more important factor in a day's market is a quotation of the eastern dressed-beef trade. These quotations are conspicuously posted on the board. Lower dressed-beef prices in the east are almost immediately reflected in the day's live-cattle market.

In my opinion, reducing the tariff by $1 or more establishes a definite ceiling in ordinary marketing seasons for the domestic market. The reduction of the tariff encourages an increase in receipts at the very time a rise in dressed-beef prices has increased domestic receipts to the place that a few cars of additional cattle can start the market down.

At this point I want to say that investigation has shown that the price a producer receives has no direct ratio to the retail price; while in the main the packer reflects in the price of chilled carcass day-to-day changes, the distribution cost of beef is at a fixed cost. I made an investigation of the New York market and found that in September 1937, when carcasses were selling at 23 cents in New York, the distributor was adding 16 cents for distribution. In January 1938, when the price of the carcass was reduced to 13 cents, the distributor was still adding 16 cents for distribution. In other words, if the beef had been given to the New York distributor, the price to the consumer would still have been 16 cents per pound. So the losses taken this year by the beef producer will not be reflected in materially cheaper beef to the consumer.

I have proven that the Corn Belt feeder is facing losses from $15 to $25 per head on the cattle that will be marketed in the next 5 months; that a few cars of cattle in excess of packer demand can materially affect the market; that the packer can only purchase cattle that he can dispose of to the wholesale beef trade at a profit and any excess of this amount must be purchased at a lower level; that present imports are the equivalent of almost a month's supply of Federal-inspected slaughter and that the psychological effect of discussing increasing quotas and decreasing tariffs on live cattle at this time will have a very bad effect on both the cattle feeder in the Corn Belt and the cattle raiser in the West.

PART II. CHILLED-BEEF IMPORTS

I pointed out in the first part of my argument and in my graphs, which have been introduced in the record, the relations between demand for dressed beef, receipts, and live-cattle prices. Chilled beef from the British Empire is subjected to negotiation in this treaty. There is a general impression that chilled beef could not come to this country from New Zealand and Australia, who would be entitled under this treaty to any concessions made to the British Empire. Chilled beef has been imported into this country from New Zealand which paid the existing 6-cent rate. In 1936, 22,848 pounds came into this country. In 1937, 134,000 pounds came into this country. This is an insignificant amount of beef but it proves that there is definitely a mechanical possibility to ship chilled beef. That this is a recent development is also proved by these figures:

	Quarters
New Zealand shipped to the United Kingdom:	
1933 (fiscal year)	No chilled beef
1934 (fiscal year)	23,806
1937 (fiscal year)	193,899
Australia shipped to the United Kingdom:	
1933 (fiscal year)	1,695
1934 (fiscal year)	11,190
1937 (fiscal year)	278,930

The calendar-year total from Australia and New Zealand for 1937, 516,000 quarters.

New Zealand and Australia are insisting that they be allowed to fill their present quotas allowed them by the United Kingdom for frozen beef with chilled beef.

Frozen beef is of inferior quality and has to be ground into sausage or other similar uses. But chilled beef is a different story, as shown by the figures just quoted, which show how the business of sending chilled beef from New Zealand and Australia to the United Kingdom has grown. According to the English trade journals, chilled hindquarters, and most of the beef shipped to England is hindquarters, are bringing around 12 cents per pound and meeting with the approval of the English public. With this in view, New Zealand and Australia are insisting that under the Commonwealth trade treaty their quota of frozen beef be filled with chilled beef. Domestic chilled hindquarters are now selling on the New York market for around 16 to 18 cents per pound, so at the present time the 6-cent tariff is barely adequate protection.

I have pointed out that our domestic producers are now operating at a tremendous loss. I think I can safely say that if domestic beef was selling at a profit, the price of dressed hindquarters wholesale would justify the importation of New Zealand or Australian beef. Allow me to again quote from the letter received from Edward N. Wentworth, director of Armour's livestock bureau:

"You also inquire as to whether the importation of chilled meat from the British Empire is a possibility. As long as the present 6 cents per pound tariff remains in effect I do not believe there is much danger, but there is a strong possibility that chilled meats would come in from Canada, Australia, and New Zealand if the tariff were lowered."

If this country should reduce the 6-cent tariff now on beef it would have a disastrous effect on the beef market. The production of beef in Australia and New Zealand is seasonal. The principal marketing of this beef would be from May to September, during the late spring and summer, when our range cattle are coming on the market.

I have also shown that the dressed beef from the markets all over the country concentrate on the eastern centers of population. New York City uses about 3,000 carcasses of beef daily. The choice cuts move readily and bring a premium price. Visualize the effect on the New York dressed beef market and immediately the effect on the live beef market of a boatload of beef consisting mainly of choice cuts, the hindquarters, arriving in New York.

On the 17th of November 1937, a boat sailed from New Zealand loaded with 8,630 quarters. This cargo, unloading at New York, as it well might be unloading, with the 3-cent reduction in the tariff, would mean a week's supply with the cargo here made up of hindquarters of choice cuts. This was a small cargo. On the 6th of September a boatload of beef cleared from New Zealand carrying 10,139 quarters. On the 7th of September, a boatload cleared New Zealand carrying 10,167 quarters. On the 25th of September a boatload of beef cleared New Zealand carrying 14,844 quarters. This beef moved to the United Kingdom. With the 3-cent reduction in tariff our markets would be equally attractive at present-day prices.

The public would not benefit with sharply reduced retail prices, because the cost of distribution remains the same. But the packer would immediately have to cut the live cattle prices because of inability to dispose of the dressed beef except at sharply reduced figures. Chilled beef has come into this country. It is practical to ship boatload after boatload from New Zealand to

the United Kingdom and it would be just as practical to ship it to the West coast and even to the East coast of the United States.

I have not even mentioned the increased importation of dressed beef from Canada which would undoubtedly follow with a reduction in the tariff. Certainly our Canadian imports would increase tremendously with a lower tariff. This increase alone could have a very bad effect on our present low market. With the narrow demand for our domestic produced beef that now exists I know I speak the sentiments of the entire livestock industry and the group of Congressmen that I represent in requesting that there be no reduction in our tariff on chilled beef.

Abraham Lincoln

EXTENSION OF REMARKS
OF
HON. CLYDE L. HERRING
OF IOWA
IN THE SENATE OF THE UNITED STATES

Thursday, April 7 (legislative day of Wednesday, January 5), 1938

RADIO ADDRESS ON ABRAHAM LINCOLN BY TOM DAVIS, OF MINNEAPOLIS, MINN., FEBRUARY 12, 1938

Mr. HERRING. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address on Abraham Lincoln, delivered by Hon. Tom Davis, of Minneapolis, Minn., on February 12, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Men and women of Minnesota, we are today paying honor to America's greatest son and to the greatest influence in the preservation of democratic institutions in our history. Abraham Lincoln lived and died an American—with an abiding faith that this democracy under God must endure.

In these trying times, when men and women are losing faith in God, when many are laughing at everything that is dear and sacred in the history of American life, when they are seeking to create in the minds and hearts of our people a distrust and a hate of democratic government, it is well that we commemorate the birth of Abraham Lincoln.

This man, born in poverty, raised in obscurity, the child of adversity, schooled in want and misery, but inspired by a mother's glorious faith and memory, rose to the highest position in the land. His message today to the youth of America would not be a message of despair, would not be a call to destroy democratic government, but it would be a message of faith in the fundamental sincerity of the men and women of this Nation. His message to the boys and girls would be to honor their mothers and fathers. It was he who said, "All that I am or have, I owe to the memory of my sainted mother."

Abraham Lincoln also sends a message to the mothers of America—that message is that you have an obligation, a responsibility in raising the coming generation of men and women. He believed that a nation was founded upon a love of family life and a reverence for the American home. He knew, as we all know, that once the home life of this Nation is destroyed the Government cannot endure.

Were Abraham Lincoln alive today, I am sure he would say to the mothers and wives of America: "Stand fast in the faith, be the guiding and inspiring influence of your boys and girls—inspire them with the love of democracy and with a zeal for equal opportunity in this land."

While Abraham Lincoln was a democrat in the widest sense of the term, nevertheless he would have had little patience with the strange doctrines now prevalent. This man had faith in democracy, in the wisdom of the common man and woman. He was not and could not be an autocrat.

He visioned the struggle between the North and the South more clearly than most men of his day; he recognized that there was no compromise with wrong and with evil. Soon after his elevation to the Presidency, members of his Cabinet, men high in the Republican Party, which had just swept to victory in the previous election, urged upon Lincoln the wisdom and even the necessity of not sending the armed forces of this Nation to the South, but to let the South secede and set up an independent nation. We had fearful and timid souls who wanted Lincoln to let the South go and not make a struggle to preserve this Union. They were the pacifists of that day, but Abraham Lincoln, with an unerring accuracy, realized and knew that if this Union was dissolved, that if a powerful government would permit the secession of these States, that the cruel and hideous institution of slavery would be perpetuated for centuries to come. His task was not an easy one, but he faced it unflinchingly with faith in God and his country, which will forever be sublime. He realized, as we all must realize, that throughout the ages those who have fought for human rights, have opposed privilege, who have believed in the divinity of human beings, have been the subjects of the abuse and vilification of those who have thrived through privilege, who have exploited their fellow men and whose vision has been obscured by the lure of gold and the power of self-advantage. He knew, as no other man of his day knew, that then, as now, there were some men who held a dollar so close to their eyes that it shut the sunlight out of their souls.

It is idle indeed to honor his memory if his influence cannot serve as an inspiration to the people of this Nation.

We should realize, not only laboring men and farmers but businessmen and professional men, that this democracy cannot endure "one-half slave and one-half free." We must realize, and so must the captains of industry and the financiers of this Nation, that this democracy will not endure unless we bring to it that devotion and that faith that inspired Abraham Lincoln.

When he became our President, there was leveled at his head all the abuse and villification, all the ridicule and slander, not only of the slave holders of the South but of the financial and newspaper interests of New York who profited by slavery. Through it all he was calm, undisturbed, and suffered in silence.

I would suggest to the people to whom I talk today that never since the days of Lincoln has any President so much typified the desire to give the average man and woman a fair chance in life as does Franklin D. Roosevelt, who is now our President. History is repeating itself in these trying days. I am sure if Abraham Lincoln were alive today he would stand side by side with Franklin Roosevelt in the fight that is being made against privileged interests, against the misery and poverty of the sharecropper of the South, against child labor, and against the exploitation of the men and women of this country. His voice would be raised against the hideous and despairing efforts of communism. His influence would be exerted against the centralization of wealth, the domination of capital; and the might and power of his voice and pen would be raised against the theory of fascism or an aristocracy of wealth and industry which would deny to people freedom of speech, freedom of faith, and freedom of assemblage.

To my mind that is the message of Abraham Lincoln's life to the people of today. This Government does owe a duty to give every man and woman, regardless of race, or color, or creed, not an equality of property, not an equality of money, but an equality of opportunity so that men and women can rise in life on the basis of their integrity, their ability, their brains, their sacrifices, and their thrift. Were he alive today no one can imagine him opposing the mothers' pension. We know that he would be heart and soul in sympathy with unemployment insurance and with every effort that is being made by liberal-minded men and women to make of this land a better place in which to live.

The cry was raised that the war against slavery would cost money and increase taxes, and of course it did, but Lincoln's reply was that a wrong can never become a right. We are now in a war in this country against special privilege, against the exploitation of the farmers and the laboring men, and I am sure if Abraham Lincoln were alive that he would be fighting side by side with Franklin Roosevelt and the progressive and liberal men and women of this country.

Lincoln, as a mere boy, once made a trip down the Mississippi River to New Orleans, and there he saw black men and black women put upon the auction block, lashed under the whips of their masters, and sold into slavery. His moral nature was aroused, the conscience of the man rebelled against such a thing. He felt that unless slavery was wrong, nothing was wrong. As he said: "Was each man of whatever color, entitled to the fruits of his own labor, or could one man live in idle luxury by the sweat of another's brow whose skin was darker?"

I want to quote one or two sentences in which he struck the keynote of the contest:

"The real issue in this country is the eternal struggle between these two principles—right and wrong. Throughout the world there are the two principles that have stood face to face from the beginning of time and will ever continue to struggle. The one is the common right of humanity and the other the divine right of kings. It is the same principle in whatever shape it develops itself. It is the same spirit that says, 'you work and toil and earn bread and I will eat it.'"

Let us realize that today the same issue confronts our country and let us realize, before it is too late, his prophetic words in discussing slavery when he said:

"In my opinion it will not cease until a crisis shall have been reached and passed. 'A house divided against itself cannot stand.' I believe this Government cannot endure one-half slave and one-half free. I do not expect the Union to be dissolved. I do not expect the house to fall—but I expect it will cease to be divided. It will become all one thing or all the other."

How prophetic that sentiment is today. We do not believe this democracy will fail, but we do know that this Government cannot endure permanently with 10 to 12 million men and women out of employment—with the wealth of the richest Nation in history in the hands of a privileged few.

Abraham Lincoln gives scant comfort to the Communists and the Socialists of the day. He realized precisely the difference between democracy and the autocracy and arbitrary power of socialistic and communistic theory. He said, I quote:

"Property," he said, "is the fruit of labor. Property is desirable, is a positive good to the world. That some should be rich shows that others may become rich, and hence is a great encouragement to industry and enterprise. Let not him who is houseless pull down the home of another, but let him work diligently and build one for himself, thus by example, insuring that his own shall be safe from violence when built."

But while upholding the right of men to own their homes, to provide for the future, this same man, Abraham Lincoln, fully realized that labor was paramount to capital.

And I am sure that labor-minded men and women will find inspiration in what Lincoln said with regard to labor. I quote:

"Labor is prior to and independent of capital. * * * Labor is the superior of capital and deserves much the higher consideration." * * * The strongest bond of human sympathy outside of the family relation should be one uniting all working people of all nations and tongues and kindreds."

Let us not forget that this contest that is going on today is any different in principle than that which brought about the Civil War, and I feel that the spirit and heart and soul of Abraham Lincoln is calling to the men and women of America today to realize what the real issue is, and as Americans to solve that issue and preserve this democracy. This is what he said, and it applies today as the day he uttered the words. I quote:

"A struggle for maintaining in the world that form and substance of government whose leading object is to elevate the condition of men, to lift artificial weights from all shoulders, to clear the paths of laudable pursuits for all, to afford all an unfettered start and a fair chance in the race of life."

There are those who would have us believe that Abraham Lincoln was devoid of a faith in God. The answer to that is contained in his farewell words at Springfield, Ill., to his friends as he left to assume the Presidency of this Nation. I feel that today they deserve repetition, and will serve as an inspiration to the God-fearing men and women of this Nation who want to see it saved and who do not want it turned over to those whose philosophy would close every church in the land and take from every soul in this Nation the right of freedom of religion. This is what he said:

"My friends, no one not in my situation can appreciate my feelings of sadness at this parting. To this place and the kindness of these people I owe everything. Here I have lived a quarter of a century, and have passed from a young to an old man. Here my children have been born and one is buried. I now leave, not knowing when or whether ever, I may return, with a task before me greater than that which rested upon Washington. Without the assistance of that Divine Being who ever attended him, I cannot succeed. With that assistance, I cannot fail. Trusting in Him who can go with me and remain with you, and be everywhere for good, let us confidently hope that all will yet be well. To His care commending you, as I hope in your prayers you will commend me, I bid you an affectionate farewell."

I hope you will bear with me today when I quote from and paraphrase in a way a portion of Lincoln's Gettysburg Address. This to my mind should be burned into the heart, mind, and soul of every industrialist, of every farmer, of every laborer, and of every last man, woman, and child in America today. We must save this Nation, and in order to do so, we must sacrifice, we must think, we must rise above petty jealousies or party ambitions.

Let us not forget that the poor and the needy have no monopoly on intelligence or honesty, and let us not forget that the rich and the powerful have no monopoly on honesty, intelligence, or integrity.

I would leave these words of Lincoln with you today in the hope that they may inspire the people of this Nation to grander endeavor, to greater inspiration, to bring about a solution of the problems that threaten our Nation. At that time Lincoln said, and, if he were alive today, with a slight change he would say:

"The brave men, living and dead, who struggled here (to save this Nation) have consecrated it far above our poor power to add or detract. * * * It is for us, the living, rather to be dedicated to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us; that from these honored dead we take increased devotion to that cause for which they gave their last full measure of devotion; that we here highly resolve that these dead shall not have died in vain; that this Nation under God shall have a new birth of freedom; and that the government of the people, by the people, and for the people shall not perish from the earth."

Lincoln's place in the hearts of the people, his proud position in the history of this Nation and in the opinion of the world, is secure.

I shall never forget some years ago standing in the room in the city of Washington in which Lincoln died. There, history tells us, at his bedside stood Secretary of War Stanton, and when he had breathed his last Stanton, with tears streaming down his cheeks, uttered these prophetic words: "He belongs to the ages now."

Americans, he belongs to us. And his life and his martyrdom must always guide and inspire the American people.

Why Not Consider 4199?

EXTENSION OF REMARKS
OF
HON. H. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, April 7, 1938

Mr. VOORHIS. Mr. Speaker, it is difficult to understand the refusal of the Ways and Means Committee to grant a hearing at this session of Congress on the various bills which provide for old-age pensions, either in the form of amendments to the Social Security Act or through some other method.

Particularly is it difficult to understand why a bill which has the support of millions of people throughout the Nation and on which hearings have been requested by some 140 Members of the House should be denied hearings.

Perhaps it is still not too late for the Committee on Ways and Means to change its decision. I sincerely hope they will do so. I have several reasons for this hope.

THE OLD-AGE-PENSION MOVEMENT IS FUNDAMENTAL

This movement for a general old-age-pension system in America is not going to die. The main reason is that it has arisen not only out of the human needs of our old people but out of certain fundamental factors in our present economic situation. In one sentence we will continue to have a powerful old-age-pension movement until Congress acts because our industrial system cannot now give employment to our older people and yet our economic system as a whole can only function decently if those same older people are able to consume their share of our national output of goods. Clearly the answer to this situation is an old-age pension paid as a matter of right to all American citizens who are beyond the age where our industry can offer them employment. Even men over 40 find it extremely difficult to find work. No one believes the time will come again, in this machine age, when there will be employment opportunity for people over 60.

Either we will pension them in a decent, fair manner or else we will unjustly condemn them to pauperism.

SOCIAL SECURITY ACT INADEQUATE

Many people say that we have the Social Security Act and should depend primarily on it. It covers, however, only about half our population, and really amounts to a compulsory-insurance scheme into which each worker pays a portion of his wages to receive back from the fund varying amounts of benefits after he is 65. The money comes out of the pockets of the very people who can least afford it and, since at present it is not paid out in corresponding amounts of benefits or pensions, the immediate effect of the system is to reduce temporarily the buying power of the rank and file of our people.

If there were evidences that speedily and soon far-reaching changes in the Social Security Act would be undertaken by Congress the situation would be different. But I cannot find much hope that this will happen.

NO MAGIC FORMULA

I do not subscribe to the idea that there is only one way to solve this problem, only one bill to meet our old-age pension needs, or one individual who holds the keys to this whole movement.

The essential things are, first, a fair tax; second, a general Federal pension paid as a matter of right and not charity; third, the inclusion of all citizens of over 60 years of age; and, fourth, the prorating of the amount of money raised by the tax to all who are eligible.

All sincere advocates of old-age-pension legislation should be able to unite on these aims and principles; and they

should be ready to consider every possible means of gaining them. If hearings are held they should cover as far as possible all the major suggestions regarding the old-age-pension question which are now before Congress.

THE CENTRAL BILL—H. R. 4199

No one, however, will dispute the fact that most of the interest of the people of the Nation is concentrated on H. R. 4199. That bill, therefore, should be the one on which the most careful study of the Congress should be focused, and this should be done before this session of Congress adjourns.

Much misunderstanding exists about the bill. It is not, as many people believe, a $200-a-month pension bill. It merely provides that the revenue from a 2-percent transactions tax shall be prorated among those over 60 years of age who are eligible and that in no case shall more than $200 a month be paid to anyone. Therefore, the bill cannot be the means of "breaking the Treasury," since no more would be paid out in pensions than the yield of the tax justified.

WHY NOT NOW?

It is always possible to amend a bill. Certain constructive amendments to H. R. 4199 have already been suggested.

But it is high time that the Congress undertook consideration of this whole great question of old-age pensions. Millions of old people throughout the Nation have been told we would do so.

And surely America's present economic need demands some courageous action to meet it. Perhaps H. R. 4199 in its exact present form could not be passed. Perhaps in the course of hearings and debate it could be improved. No true friend of this great movement would object to that.

But it is very difficult to understand why 140 Members of the House and millions of American citizens should be denied the right to have this bill considered. The movement for a general Federal old-age pension is not going to die out or disappear. It fits too well into the basic economic needs and problems of our time.

Sooner or later the committees and the Congress will have to reckon with that movement and deal carefully, constructively, and courageously with the legislation it advocates.

Why not now?

Retention of C. C. C. Camps

EXTENSION OF REMARKS

OF

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1938

Mr. TREADWAY. Mr. Speaker, during the consideration of the additional appropriation for continuation of C. C. C. camps, I made inquiry of the gentleman from Virginia [Mr. WOODRUM] as to whether the camps listed by Mr. Fechner for closing May 31 would be continued if the appropriation were authorized. There are four of these camps listed in Massachusetts, one of which is at Fort Devens, and which, under the policy of the administration, will be closed without reference to the appropriation carried in this legislation. The three other camps in Massachusetts are located at Warwick, Greenfield, and Palmer. It happens that the camps at Warwick and Greenfield are located in the congressional district which I represent. I have been urged by residents in the vicinity of these camps to do everything I can to have them retained in order that the work already under way may be continued to completion.

The gentleman from Virginia made the following reply to my inquiry:

It is my understanding, and I may say to the gentleman that all the camps on this list will be retained except the Army camps.

With this understanding I am glad to vote for the appropriation, thereby acting in accordance with the wishes of my constituents, who have very positively indicated their views in favor of retaining the camps in our section of Massachusetts.

From the debate which occurred while the measure was under consideration it appeared that other communities throughout the country are likewise anxious for the C. C. C. camps to be retained in their respective localities. The nearly unanimous vote cast for the bill is plain evidence of the feeling about the retention of these camps for such length of time as may be possible under this bill.

National Air Mail Week

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 7, 1938

RADIO ADDRESS BY HON. JAMES A. FARLEY, NEW YORK CITY, APRIL 2, 1938

Mr. RANDOLPH. Mr. Speaker under the leave to extend my remarks in the RECORD, I include the following radio address by Hon. James A. Farley, New York City, April 2, 1938:

On May 15, the Post Office Department will celebrate the twentieth anniversary of the inauguration of scheduled air mail services, and in commemoration thereof will observe National Air Mail Week—May 15 to 21, inclusive.

The generosity of the Columbia Broadcasting System in making it possible for me to discuss briefly the progress which has been made during these two decades in our air mail services is greatly appreciated, and it is not at all exaggeration for me to say that this progress in so few years has been such as almost to stagger the imagination.

Twenty years ago tonight there was not a single air mail or air passenger route being operated in this country, while tonight we are operating routes in all parts of the United States, its territories and possessions, and to numerous foreign countries.

When the air mail service was inaugurated on May 15, 1918, the schedules called for a total flying mileage of but 436 miles daily. Now the airlines of this country regularly fly upwards of one quarter of a million miles every 24 hours, and they transport in the most modern planes yet devised, not only mail, but also passengers and express.

The President of the United States, who has taken an active interest in the aviation development of this country, and who, when he must be away from Washington, regularly employs the Air Mail Service to keep him in touch with the affairs of the Government, has recognized National Air Mail Week. It is now my privilege and pleasure to read to you a letter which I have received from the President:

"MY DEAR MR. POSTMASTER GENERAL: I have noted with much interest the plans of your Department to observe the twentieth anniversary of the inauguration of Air Mail Service on May 15 and to celebrate this event by the observance of a National Air Mail Week.

"We have seen the Service which was begun so modestly 20 years ago with small 80-mile-an-hour planes on a short 218-mile route grow into the world's greatest air-transportation system, with 62,826 route miles over which the most modern planes last year flew a total of more than 70,000,000 miles, transporting not only mail but also passengers and express at speeds undreamed of in 1918.

"With such remarkable growth in these two decades of pioneering we may, with assurance, look to the next decade to bring even more remarkable progress. I shall observe with a great deal of interest the commemorative events which will bring to the attention of the public the great strides made in aviation and the benefits which our people enjoy through the Air Mail Service.

"Very sincerely yours,

(Signed) "FRANKLIN D. ROOSEVELT."

Compared with present-day air-transport operation the beginning of our Air Mail Service was, indeed, most humble and limited. As we look back over the short span of 20 years, however, we find that when the Service was inaugurated on the short 218-mile route, between New York and Washington, there was great interest and enthusiasm, and large crowds gathered to witness the event.

In the midst of the throng assembled in Potomac Park, Washington, was President Woodrow Wilson, who, although occupied

with pressing and tremendously important wartime duties, considered the event of such significance that he left the White House and went to Potomac Park to see the departure of the first mail plane to operate from the Nation's Capital.

It was, indeed, an epoch-making event, and President Wilson recognized the great possibilities of a new type of transportation which had its beginning with that flight. President Roosevelt recognizes the aviation achievements of 20 years, and confidently predicts "even more remarkable progress" during the next decade.

The first scheduled operation of Air Mail Service was carried on by the Army for the Post Office Department, but after a few months the Department took over the operations of the planes and also constructed and maintained the first airways.

After experimenting with services on the route between Washington and New York, operations were transferred to a transcontinental route from New York to San Francisco. In order to make the service available to as many people as possible, several connecting feeder routes were added. At first the transcontinental service was provided by a combination of planes and trains. The planes transported the mail by day and the trains transported it by night.

Although reasonably successful, this combination of plane and train service did not sufficiently expedite the air mail to make it of great advantage, and it was so poorly patronized that there was talk of its discontinuance. However, a number of courageous and dauntless pilots, insisting that it was possible to fly regular schedules at night, volunteered to prove that it could be done. A dramatic night flight over an airway lighted by bonfires convinced the public of the feasibility of night flying, assured the continuation of the Air Mail Service, and paved the way for the first electric-lighted-beacon airway.

The development of the radio also played a tremendously important part in making possible the continuance of the Air Mail Service, and particularly the development of passenger service. In fact, radio, perhaps more than any other development, has made possible the reliable and dependable scheduled service which we have today, and I am advised that experts are of the opinion that within a very few years airplane schedules will be operated on an almost 100-percent performance basis, as compared with the present performance of about 96 percent.

In the earlier years private capital was skeptical of the possibilities of air-transport operations, but by 1926 private capital had become so interested in aviation it was possible for the Government to discontinue Government operation of the air-mail routes and to turn over the operations on these routes to private contractors. This marked the beginning of passenger and express services, as during the Government operation only mail was carried.

With the discontinuance of the actual operation of planes by the Post Office Department and the beginning of private operation, the Bureau of Air Commerce of the Department of Commerce was established and charged with the duty of constructing and maintaining airways and supervising the operation of airplanes over these airways. This agency has done a splendid job.

Aeronautical engineers and airplane manufacturers have constantly improved the types of airplanes until today we have flying over the air routes of this country and foreign countries the largest, the fastest, the safest, and the best types of planes to be found anywhere in the world. Multimotored planes, the majority of which are of all-metal construction, are operated on every mail route. Air-line executives and air-line technicians have met and successfully solved hundreds of operating problems, and are at present engaged in the solution of other problems, such as flying in the stratosphere and blind landings.

So many have made notable contributions to the progress of aviation that it is impossible to list them all here, and yet, I am sure, that all those who have contributed would desire to join me in paying tribute to the achievements of the Wright brothers whose inventive genius and indomitable spirit made flying possible and who have, since their memorable first flight at Kitty Hawk about 30 years ago, done so much to improve the airplane.

Let us for a moment consider the development of air transportation in this country during the past 20 years. In the first year of operation of the air-mail service 713,000 pieces of mail were transported. During the last fiscal year, which ended on the 30th of last June, between 150,000,000 and 200,000,000 pieces of mail were transported. In addition to this tremendous volume of mail more than a million passengers flew approximately 529,000,000 passenger-miles, and more than 9,000,000 pounds of express were handled by the airlines.

Since the air-mail system was established 20 years ago, more than one and one-half billion pieces of mail have been transported. Included in this mail have been thousands of articles whose value cannot be estimated—such as medicines and serums which have been rushed by airplanes to save the lives of seriously ill persons, and to prevent epidemics in communities. Large sums of money have been saved to industrial concerns and to the employees of those concerns by the prompt transportation of replacement parts necessary to prevent the closing down of industries for days because of broken machinery and because these parts could not be immediately replaced in the communities where the industries were located. Hundreds of thousands of dollars have been saved in interest on banking and other financial papers, and a new facility has been provided for the acceleration of business generally.

It is, therefore, fitting that the people generally join with the Post Office Department in celebrating the twentieth anniversary of scheduled air-mail service and in availing themselves of the many benefits and advantages afforded by this service.

Cooperation in the celebration of National Air Mail Week is being enthusiastically given the Post Office Department by all postal officials and employees, by the Governors of the several States, by civic and fraternal organizations, by veterans' organizations, by the air lines and the aviation industry generally, and others too numerous to mention. To all of these I wish to express the Department's most sincere appreciation, and to give the Department's pledge that our air-mail services will be improved and expanded as rapidly as possible.

The Record Speaks for Itself

EXTENSION OF REMARKS

OF

HON. ROSS A. COLLINS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1938

LETTER TO OFFICIAL REPORTERS OF DEBATES, AND ANSWER THERETO

Mr. COLLINS. Mr. Speaker, I believe my letter to the chief reporter of debates in the House and his reply will be read with interest by the citizens of our country who believe in fair play.

MARCH 30, 1938.

Mr. ALLISTER COCHRANE,
Chief Reporter of Debates,
House of Representatives, Washington, D. C.

MY DEAR MR. COCHRANE: In the Washington Post of yesterday, March 29, the following was a part of the daily column Over the Coffee.

"Between the time a Member of Congress delivers a speech on the floor and the time it appears in the CONGRESSIONAL RECORD next morning, a magical improvement often occurs in his grammar and syntax.

"Awkward sentences are ironed out, missing verbs and objects inserted, prepositions and conjunctions refitted and dents in the meaning straightened out.

* * * * * * *

"Members get a chance to blue-pencil their speeches after they are transcribed from the shorthand notes. But it is the shorthand reporters, unsung editors, and copyreaders who put the polish on the prose."

I am sure you and the other reporters of debates in the House are not willing for the statement to go unchallenged that reporters correct the grammar and syntax in speeches, iron out awkward sentences, insert missing verbs and objects, refit prepositions and conjunctions, and generally straighten out dents in the meaning of Members' speeches. For this reason I am writing you and requesting a reply so that I can insert your answer in the RECORD in order that the general public may know the facts.

Thanking you for an early response to this letter and with best wishes, I am,

Very sincerely yours,

ROSS A. COLLINS,
Member of Congress.

HOUSE OF REPRESENTATIVES, UNITED STATES,
OFFICE OF OFFICIAL REPORTERS OF DEBATES,
Washington, D. C., April 4, 1938.

Hon. ROSS A. COLLINS,
House of Representatives, Washington, D. C.

MY DEAR MR. COLLINS: Replying to yours of March 30:

It has always been, so far as the writer is aware, and is now the practice of the Official Reporters of Debates to correct a "slip of the tongue" or some obvious grammatical error made in the heat of debate, but the reporters do not regard themselves as censors of the rhetoric or diction of Members, and under no circumstances would they ever change the substance or meaning of a Member's speech. For all practical purposes the RECORD is a verbatim report of the spoken word, except for such interlineations or additions as a Member may make after the transcript of his remarks has been sent to him for revision, before appearing in the printed form.

In the recollection of the writer, covering a period of 36 years on the floor, no complaint has ever come to the Official Reporters of Debates because of any alleged change or addition made by them in what a Member has said on the floor in debate.

Very respectfully yours,

ALLISTER COCHRANE,
Official Reporter of Debates.

The Reorganization Bill

EXTENSION OF REMARKS
OF
HON. RICHARD M. ATKINSON
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 7, 1938

Mr. ATKINSON. Mr. Speaker, I am one of those Democrats who voted to continue debate on the reorganization bill, because I thought and now think that no bill affecting the public welfare should be passed without open discussion and consideration and I have earnestly listened to the arguments of the proponents of the bill, as well as the arguments of those opposed to the bill.

Trying to be a true and faithful Representative of the great people I serve, I have carefully weighed the judgment of my people on the issue involved.

To me it is a glory to represent the Hermitage district of Tennessee, occupying the seat first held by Andrew Jackson and other illustrious Tennesseeans, including the beloved Joe Byrns, recent Speaker of this House of Representatives, and like them, I must represent the wish and will of my people, other influences notwithstanding.

The proof has been introduced and while my decision may be unpopular with many in this great Nation, I believe I am reflecting the sentiment of my people in deciding that I cannot support the original bill, as introduced in the House, without certain amendments safeguarding the interests of our free people.

Reiterating what I have already said to our illustrious Chief Executive, I recognize him as the head of our party; I admire him for his spirit to venture and to dare, for his magnificent performances in the past. It is my pleasure to stand by him, as he labors to make the benefits of government extend to all our citizenry, the same and alike, but unfortunately this bill, as it now stands, though milder than the Senate bill, would have Congress make concessions to the Executive authority never contemplated under our scheme of government.

All the cry about our Chief Executive wanting to be a dictator does not arouse me, for I am convinced that he has no such idea in mind, and even if he did, it just cannot happen in this country. I just do not want to violate our ideals of government in making concessions even to the most humanitarian and conscientious President. I do not know who is coming after President Franklin D. Roosevelt leaves the White House. I want to have the satisfaction and self-consciousness of knowing and being able to say to the people of this country and the world, I would not violate our ideals of government by making concessions even to one I love and admire. It is unfortunate that these questions should be raised at this time, when even the proponents of the bill admit no particular good can come from the enactment of the bill into law, while on the other hand they admit the people are aroused, be it from propaganda or what the source. This we know, the people are fearful.

Our duty as real representatives is to banish that fear. The eyes of the people of the United States are on Congress. We have a decision to make; if our failure to vote for the bill means political defeat, it is much better to retire from the Congress, knowing then that we voted our conscientious convictions, rather than heed self-interest and vote contrary to our convictions. It is true that many real statesmen and patriots have suffered temporary defeat in the past for following their convictions, but eventually they win out; and that is what counts. We are thinking of this God-blessed Nation in terms of centuries, not in the immediate future and our little span of contemporary life.

It is unfortunate that the proponents of this bill have repeatedly made the statement that a vote against the reorganization bill is a vote to destroy the prestige of the President. I do not subscribe to this idea, for, after all, the present bill does not conform to the original recommendations of the President.

The original Brownlow report was the one submitted to the Congress by the President, and even now the President does not agree with the Brownlow report, and the select committee has repudiated same. I am certain that the President does not want to preclude the Congress from expressing its views for or against the bill finally brought out by the select committee.

Under the Constitution the President suggests needed legislation, with the final authority left with the Congress to accept or reject the President's suggestions.

I feel certain that the President is trying to do his utmost to benefit the Republic, while in fair manner he admits that he is not always right.

If we can work out a reorganization bill suitable to the best interests of the country, I am willing to do so, though I am not willing to surrender legislative authority, which the people have reposed in this body.

I am not willing to make emergency organizations permanent. In times of stress, I realize that emergency organizations are necessary, but I am recognizing the fact that with the emergency past, we should return to a more stable basis and follow more strictly democratic ideals of government.

I am unwilling to set up autocratic powers in one individual through a civil-service administrator, to hire and fire countless thousands of Federal employees and to blanket in thousands without competitive examination.

I think the bipartisan control of civil service is by far the best method.

Agreeing with the chairman of the Civil Service Committee in the House [Mr. RAMSPECK], it is my earnest belief that powerful influences are at work to recognize only college graduates for positions under Federal employment, and while I am a college graduate myself, I do believe that safeguards should be retained, giving the right to all citizens of this country a chance for employment with the Federal Government.

I am equally opposed to the matter of education being turned over to Federal control, and under one administrator, charged with numerous other duties, because I think that the education of our youth should remain under the control of individuals involved.

I am equally opposed to the interests of our war veterans being subjected to the probable arbitrary control of a single administrator, equally charged with numerous other duties. My experience with several bureaucratic set-ups has been most disappointing and I do not want this control reduced to one single bureaucrat and in all events, I want the right retained in Congress, or particularly in the House, where sit the real representatives of the people, the right to approve, or disapprove the actions of the Chief Executive in reorganizing governmental departments, by either concurrent or joint resolution, whichever is the legal course to pursue, my mind still being open as to the proper procedure.

I love my President, but I love my people and the representation of them more.

God being my helper, I am doing the best I can to represent the people of the Hermitage District of Tennessee. If I make a mistake, it is a mistake of the mind and not of the heart.

I make an appeal to my colleagues, Republicans and Democrats alike: Let us rise above partisanship and consider the interests of our people, rather than cheap and selfish personal interests; let us serve the interests of our people. Republicans and Democrats alike, will you not follow this course; the United States must live and survive; we, as trustees of this Nation, must guarantee its safe and definite course.

I do not condemn anyone for his conscientious convictions, but I commend you for what I know you are going to do; you are going to do that thing which is for the best interests of America.

We are living in perilous times. We are on trial. Let us act for the interests of our people as a whole, announce it to the world; let us join in one solemn prayer, "God save our democracy, the United States of America."

$3,600,000 for San Antonio, My District. Pork Barrel? No; for Better Housing. A Letter from Nathan Straus, Housing Administrator

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

Mr. MAVERICK. Mr. Speaker, if a proper housing and slum-clearance program were started, several million men could be put to work. It is probable that more than a third of the housing in America is far below a decent standard.

For my district, I have induced the United States Housing Authority to "earmark" $3,600,000. I hope that other Congressmen will do the same, because billions of dollars ought to be spent on better housing.

LETTER OF NATHAN STRAUS ABOUT HOUSING IN SAN ANTONIO

I have a letter from Nathan Straus, Administrator, which is as follows:

DEPARTMENT OF THE INTERIOR,
UNITED STATES HOUSING AUTHORITY,
Washington, April 7, 1938.

Hon. MAURY MAVERICK,
House of Representatives.

DEAR MAURY: Let me thank you very cordially for your support, originally of the Housing Act, and more recently for your continuing interest in the success of that act. You have given of yourself unsparingly to help the underprivileged, and especially to help the people of San Antonio and southwest Texas.

This letter is to tell you that the earmarking of $3,600,000 by the United States Housing Authority for the city of San Antonio gives me much pleasure, since I am confident that the people of your own city will be quick to avail themselves of these funds by applying promptly for a housing contract. If you believe that the sum is inadequate, I know you will arrange for the local housing authority to bring this appropriately to our attention. It is important that such action be taken promptly as the relatively small amounts available under the United States Housing Act are rapidly being exhausted.

Please be assured of my sincere appreciation of your cooperation. If there is any question that you have in mind now or in the future as to our program or policies, let me know, and I am sure we will be able to work things out together.

Cordially yours,

NATHAN STRAUS, *Administrator.*

The General-Welfare Bill

EXTENSION OF REMARKS

OF

HON. FRED H. HILDEBRANDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 7, 1938

Mr. HILDEBRANDT. Mr. Speaker, when I signed the petition requesting a hearing on H. R. 4199, I felt that this measure went a long way in providing the answer to a very pressing problem. I still feel that way. H. R. 4199 is known as the general-welfare bill. It is not just an old-age pension bill, although that is its primary purpose. It is, in a much broader sense, legislation to benefit old and young alike through the agency of increased purchasing power.

This legislation at least offers a definite plan whereby the welfare of the whole Nation will be improved while we are giving older people the pensions to which long years of toil have entitled them. These people have reached the twilight of life. They are no longer agile of hand or foot, but, in many cases, they must remain at work because they have little or no money. It would be criminal to permit them to be thrown on the resources of public or private charity. They have helped produce much of the wealth of this Nation. It is only just that now, in their last years, they be given back some portion of what they produced.

The purpose of any sound old-age pension bill is twofold. The aged would be retired from the necessity of work. They would be provided with pensions large enough to insure a decent amount of comfort and security. The second purpose is to bring prosperity to the entire country. Through revenue collected, literally billions of dollars would flow into the avenues of trade and would remain in constant circulation. Jobs would be created and business revived by the enlarged buying power. And gainful employment would be provided and stabilized for many of our younger citizens who must now depend upon work relief to keep body and soul together.

I am behind this legislation just as I would be behind any legislation designed to spur recovery by helping those in need.

Living Standards of European and American Workers

EXTENSION OF REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 7, 1938

EDITORIAL FROM THE PATERSON MORNING CALL

Mr. THOMAS of New Jersey. Mr. Speaker, under permission to extend my remarks by printing an editorial from the Paterson Morning Call, Paterson, N. J., I present the following:

[From the Paterson (N. J.) Morning Call of April 6, 1938]

LIVING STANDARDS OF EUROPEAN AND AMERICAN WORKERS

For those Americans who may too easily be led to believe the much-ballyhooed idea that the United States is a socially backward Nation, that little has been done to raise the standard of living of the great mass of the people, and that some radical change in the present system is essential, we recommend they read a short article in the March issue of the Atlantic Monthly. It is a plain analysis by Gerald Swope of living standards in eight European countries which he visited recently, compared with living standards in the United States.

Mr. Swope used as a yardstick this very simple and practical question, "How long must an American work to earn the necessities and comforts of life and how long must the European workers toil to acquire the same benefits?"

And here is what he found in his answers:

A European works from 4.6 to 7.3 hours to earn enough money to purchase a basket of five staple foods. An American works 1.7 hours.

It takes from 8.5 to 24 months of work in European countries to earn enough money to buy an automobile. In America it takes only 4.5 months.

It requires from 2.4 to 6.3 months of work in Europe to buy an electric refrigerator, and only 1 month of work in the United States.

In European nations 1.2 to 3.4 hours of labor are required to earn the price of an incandescent lamp. In the United States it takes but .2 of an hour. And to buy a kilowatt-hour of electric energy for the lamp in Europe it requires from 12 to 43 minutes of work. In the United States the money to buy such energy is earned in only 3.6 minutes of work.

This would seem to show that in democratic America the worker is immeasurably better off than his fellow workers in European countries.

Prevention of War Profiteering

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, April 8 (legislative day of Wednesday, January 5), 1938

RADIO ADDRESS BY HON. RUSH D. HOLT, OF WEST VIRGINIA

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered by me over the radio on April 3, 1938, dealing with proposed legislation "to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense, and promote peace."

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

The bill under consideration states that its purpose is "to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense and promote peace." That sounds excellent. If it did those things, I would favor it. It is very important in selling a bill to the public to have a good title and to express a good purpose. It is not the title, however, that is the law. It is that part of the bill that follows the enacting clause that expresses what the bill will do.

I know of no better argument that can be used in opposition to this piece of legislation than to read the bill itself. Let us read the provisions as they appear in the proposed legislation.

First section: "That when Congress shall declare war, the President is authorized to determine and publicly proclaim it to be unlawful to buy, sell, lease, or otherwise contract for any article, service, or right or interest in property, enumerated in such proclamation or proclamations, at a higher rate, rent, price, commission, compensation, or reward than was in effect at a date or dates determined and set forth in such proclamation or proclamations."

Who sets the rate, rent, price, commission, compensation, or reward? The President. Does he do so with the consent of Congress? No; he alone has the power. Is there any appeal from his decision? None. That provision does not say that any of the rates, rents, prices, commissions, or other named rewards have anything to do with war. It means that the President alone can set the rent on your property. He, and he alone, can tell you whether you can or cannot sell or lease your property.

But let us proceed to the second section. It states: "Whenever the President determines that any maximum price, rent, rate, commission, compensation, or reward previously proclaimed under section 1 shall be adjusted either upward or downward, he is authorized to make and publicly proclaim such adjustment, and such adjusted maximum shall have the full force and effect under this act of the price, rent, rate, commission, compensation, or reward before such adjustment."

Who can change the amount of price, rent, commission, compensation, or reward? The President. Does he do so with the consent of Congress? No; he alone has the power. Is there an appeal from his decision? None. That means just what it says. The President alone can adjust any rate, price, commission, or rent upward and downward. That means any; not just those rates affecting war.

Let us proceed to section 3 which states: "During such time of war the President is authorized to determine and publicly proclaim from time to time the material resources, industrial organizations, public services, and security or commodity exchanges over which Government control, including requisitioning materials for use or resale by the Government, shall then be necessary. Thereupon such control shall be exercised by the President to the extent publicly proclaimed by him to be necessary, and subject to such conditions, exemptions, rules, and regulations as he may prescribe and publicly proclaim."

Who determines the resources, public services, security, or commodity exchanges over which he has control? The President. Does he do so with the consent of Congress? No; he alone has the power. Is there an appeal from that decision? None. What does that mean? It means that a mine, mill, factory, exchange can be taken over by the President if he desires to do so. He then prescribes the rules and regulations.

Let us proceed to section 4 which states: "That in the event of war, declared by Congress, which in the judgment of the President demands the immediate increase of the Military Establishment, the President be and he is hereby authorized to draft into the military service of the United States such members of the unorganized militia between the ages of 21 and 31 as he may deem necessary, subject to such conditions, exemptions, rules, and regulations as the President may prescribe and publicly proclaim." Who has the power to draft any man—your husband your brother, your friend—into military service? The President. Does he have to consult Congress? No; he alone has that power. Is there any appeal from his decision? None. What does that section mean? Unorganized militia means civilians not in military service. The section means that the President can draft any man between the ages of 21 and 31. He may exempt anyone or any group that he desires. He, and he alone, has the power over the men of that age.

Let us proceed to section 5, which reads: "During such time of war the President is authorized, when in his opinion the successful prosecution of war renders it advisable, to require, under such rules and regulations as he may establish, the registration of any or all individuals engaged in the management or control of any industrial establishment designated by him. Individuals registered pursuant to the provisions of this section may be required to enter into the service of the Government as civilians for the duration of the war under such rules and regulations as the President may prescribe."

Who can force every factory worker in America to register and muster him into service in any capacity? Who can regiment every individual in America? Who sets the rules and regulations? The President. Does he do so by consulting Congress? No; he alone has that power. Is there an appeal? None.

What does that mean? It means that any factory worker, any individual, can be mustered into Government service under such rules or regulations prescribed by the President and the President alone.

Section 6 of the bill states: "During such time of war, the President is authorized from time to time to determine, and to publicly proclaim, what classes of public service, real and personal property, or rights or interest therein, and what classes of owners, dealers, exporters, importers, manufacturers, or producers of any article or commodity shall be required to operate or to be operated under licenses, to fix conditions of such licenses and to grant licenses under such conditions. After such determination and proclamation by the President, it shall be unlawful for any such determined classes to operate or to be operated without or in contravention of such license: *Provided*, That this section shall not apply to the publication or distribution of newspapers, periodicals, or books."

Who has the power to license every business in America? Who has the power to require and fix conditions under which every business will operate? The President. Does he consult Congress? No; he alone has that power. Is there any appeal? None. What does this section mean? It means that the President can and will regulate every business in America, determine how it shall be operated, who will work, who will not work, what they sell, what they do not sell, and completely control every action of the operation of every business except newspapers and publishers. Section 7 of the bill reads:

"During such time of war the President is authorized to determine and publicly proclaim the order of priority in which any owner, manufacturer, dealer, producer, exporter, importer, of public service in the United States shall fill orders or transport or deliver anything or furnish power or service of any kind."

Who has the power to determine whether any person may fill an order, whether any person may deliver any product, whether one merchant may and another merchant may not sell goods? The President. Does he consult with Congress? No; he alone has that power. Is there an appeal? No.

What does this section mean? It means that the President can at his desire, without any restriction, say what merchant may open his doors, what merchant may sell his products, what merchant may deliver your purchases. He may refuse one merchant the right and grant another merchant the same right.

Section 8 is a definition. Section 9 reads: "During such time of war the President is authorized to create, for the duration of such war only, such agencies, boards, or commissions, including the employment of necessary personnel, and to designate agents or agencies to exercise such portion of his powers as he may deem necessary and proper to accomplish the purpose of this act. During such time of war he is authorized to make such temporary rearrangements and transfers of executive agencies and bureaus and divisions thereof and to transfer temporarily such duties, powers, functions, funds, and personnel as he may deem necessary for the conduct of the war."

Who has the power to change the entire Government organization? Who can delegate funds as he desires? Who can rearrange all Government bureaus or agencies? The President. Does he consult with Congress? No; he alone has that power. Is there an appeal? No.

What does that mean? It means that the President will control every function of government. It means that it gives the President many times more power than he even asked for in the executive reorganization bill.

Section 10 states that any violation of any "proclamation, order, rule, or regulation made" shall be fined not exceeding $100,000 or imprisoned for not exceeding 1 year, or both. That means that if the President issues a rule or order in Washington and you

violate that rule, order, or regulation, no matter how small it may be, you are subject to a fine of $100,000 and 1 year in the penitentiary.

Section 11 sets out certain duties of the Secretary of the Treasury for investigations. Now, take a breath and refer to the bill again. If you buy, sell, lease, or contract for anything in violation of the President's orders, rules, or regulations; if you sell, rent, or accept a compensation for any product of your service higher or lower than the President's order, rule, or regulation; if you own a factory or store and violate any licensing provision, rule, or regulation set out by the Pesident; if you do not register and live up to every rule and regulation for any employment; if you violate any of these or many other things, you are liable to be fined $100,000 and sent to jail for a year. Does Hitler, Stalin, or Mussolini have more power? This bill is an attack upon democracy. This bill is fascism at its worst. This bill, under a good title and false colors, strikes at the root of our freedom. Where in the bill is there any provision against profiteering? Where is there a limitation of profit? Where does it promote peace? The bill does not preserve peace. It does not prevent profiteering. Let us stay out of war, but if we do go to war let us keep our democracy. They say there is no danger, but I love my country too much to take a chance in building the framework for its possible destruction, however remote that possibility may be. Democracy is losing ground throughout the world. Our country needs protection against further invasion. We cannot afford to sacrifice the liberties that have made America great and that stand guard against the isms that flaunt democratic principles.

Submerged Lands Containing Petroleum Deposits

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Friday, April 8 (legislative day of Wednesday, January 5), 1938

EDITORIAL FROM THE PEOPLE'S DAILY WORLD, FEBRUARY 28, 1938

Mr. NYE. Mr. President, on August 20 last year the Senate passed Senate Joint Resolution 208, which had as its purpose the establishment of title of the United States to certain submerged lands containing petroleum deposits. The joint resolution is now pending before the House Judiciary Committee. In connection with the joint resolution I should like to offer for the RECORD, and ask unanimous consent to have printed, an editorial entitled "Alias Herbert Hoover," published in the People's Daily World of Monday, February 28, 1938.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ALIAS HERBERT HOOVER

It is strange, or perhaps it isn't so strange after all, that with all the supposed vigilance of such papers as the Los Angeles Times in behalf of the public it remained for Congressman BYRON N. SCOTT, one of California's outstanding progressives, to expose just who is looting the undersea oil fields.

The Pacific Dock & Terminal Corporation sounds rather innocent, doesn't it? Doesn't even smell of oil. Just docks and terminals. But, said Representative SCOTT, this dock and terminal business covers a theft of oil by people who have no right to it.

And who do you suppose lurks behind that dock and terminal corporation? None other than the great engineer, Mr. Herbert Hoover, who is visiting Europe now supposedly just to renew old acquaintanceships, but who is seemingly careful to pick out Fascist connections for the greater glory of the Republican Party. The Pacific Dock & Terminal Corporation, alias Mr. Hoover.

Californians should write their Congressmen supporting the Senate resolution enabling the Government to take possession of these oil fields. And loot already taken should be reclaimed by Government suit.

This brings up again the question of relieving farmers of taxation by a severance tax, to apply on extracted wealth of this sort from our once bountiful resources. The People's World supports the severance tax. We think all progresaives should, also.

Alien Criminals in America

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Friday, April 8 (legislative day of Wednesday, January 5), 1938

RADIO ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA, APRIL 7, 1938

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD an address entitled "Criminal Aliens in America," which I delivered last evening, Thursday, April 7, over the network of the National Broadcasting Co.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, I desire to discuss with you this evening the subject of undesirable and criminal aliens in our midst.

On June 14, 1937, the House of Representatives passed a bill known as the Dies alien bill. It is now pending before the Senate Committee on Immigration. This bill, if passed and when expanded as planned, would permit thousands upon thousands of alien undesirables, lawbreakers, and criminals to remain in America. This bill should and must be defeated.

We live in an age of specialization. It is no longer possible for one in public or private life to become a satisfactory jack of all trades. When the citizens of North Carolina honored me with a seat in the United States Senate I realized that the best way that I could be of the most benefit to my State and my Nation was to interest myself actively in certain selected subjects, and following up the work of my North Carolina predecessors in the Senate, I chose for specialization the subjects of immigration, foreign affairs, and military matters. And so, in specializing I have found that it is just as important to kill a bad bill as it is important to pass a good one.

It is about a bad bill, the Dies bill, H. R. 6391, that I want to talk to you first. This so-called Dies deportation bill is in effect the fourteenth revised version of legislation proposed by certain organized foreign groups, interests, and influences, and sponsored by certain Department of Labor officials. I am informed that propagandists by deliberate misrepresentations have misled the public and fooled it into believing that this objectionable bill is an alien deportation or expulsion bill, when in truth and in fact it is an alien importation bill. What we desire is a bill that will expel and deport from this country undesirable and criminal aliens, and not one that will bring more undesirable and criminal aliens to this country.

The Dies bill would not only permit, by administrative indulgence, the criminal and undesirable aliens already here to remain here, but it would encourage others to enter illegally in the hope of securing administrative clemency by marrying an American woman, adopting a child, or having an uncle and aunt here, and the like.

This Dies bill, if passed, would set a precedent for the further weakening of our existing inadequate deportation statutes, and contains discretionary authority to nullify the law never contained in any previous Dies bill. No hearings were ever held on this Dies bill by the House Committee on Immigration. The bill was reported from the House committee the day after it was introduced, by less than a quorum of the committee. It was passed by the House under misapprehension, without a record vote, and should be defeated by the Senate because it is un-American, and its passage would be the beginning of the destruction of our existing inadequate immigration restriction and alien deportation laws. Every argument that can be made in favor of the Dies bill can be made in favor of repealing virtually all existing immigration laws, and to open wide our immigration gates and to keep here the alien criminals of the whole world.

According to the latest data and best available information there are in the United States today over 11,000,000 persons unemployed; in addition, there are 16,000,000 only part time employed, and about 20,000,000 on relief. According to the best disinterested estimates I can obtain there must be between five and seven million aliens in our country. The last official and only reliable official statistics is the 1930 census. According to that census there were 7,000,000 aliens in the United States in 1930, over 14,000,000 foreign born and over 40,000,000 persons of foreign stock; the greatest in our entire history. Regardless of whether there are 5,000,000 or 7,000,000 aliens in the United States—it is

that many too many—and every one of them is holding down a job, dependent on someone, or is on relief. Not only should these alien lawbreakers and undesirables be deported, but immigration should be further restricted as proposed in bills that Congressman STARNES and I have introduced known as the Reynolds-Starnes bills.

No one knows exactly how many aliens are in our country today because we have no registration law, but we do know how many came legally during the last fiscal year which ended June 30, 1937. The Department of Labor reported that 231,884 aliens of all classes entered the United States legally last year. Many thousands of them are potential job hunters or relief seekers and necessarily will deprive or take away from Americans or aliens already here, jobs or cut down their relief. And during the past 7 years 637,343 aliens entered the United States legally to further add to our unemployment and relief burdens; how many more entered illegally we do not know. In addition, postal and other authorities report that aliens sent out of the United States last year over $600,000,000 to foreign lands to be spent there instead of here.

If war were declared tomorrow, with our present alien situation we would have in our midst millions of alien enemies whom we would classify as potential spies and enemies of our Government. Remember the trouble we had with alien enemies here during the World War. We should profit by that unfortunate experience. We wouldn't know where these potential alien enemy spies resided, where or what they were doing. Such a condition would unquestionably prove more dangerous internally than would be the danger from assault from without by enemy forces, because we could observe and locate the enemy armies from without, but we could not locate the enemy alien armies and spies within. No other country tolerates such a condition, and we wouldn't but for the activities of the well-organized foreign groups with large blocks of votes.

We are spending billions to provide an adequate national defense and to protect ourselves from the attack of the enemies from without and absolutely overlooking the potentialities of enemy aliens within our borders. Many of them are active in various un-American activities, working and boring from within day and night.

It is these aliens and their friends alone that object to my registration and fingerprinting bill. To be sure, those illegally here are the most outspoken against being registered and fingerprinted, because their illegal presence in the United States would be revealed. During the World War there were under arms and in uniform more than 4,000,000 American soldiers, every one of whom was registered and fingerprinted. Every man who enters the service of the United States Army or Navy is registered and fingerprinted. Thousands of children in my home State of North Carolina of high-school age—I cite Charlotte, N. C.—have voluntarily submitted to fingerprinting. This for their own protection. Thousands of citizens in the State of California have voluntarily submitted to registration and fingerprinting. This for their own protection. Hundreds of thousands of men and women in the United States within the past few years have voluntarily submitted to registration and fingerprinting. This for their own protection, and yet the aliens and their friends protest against the passage of my bill calling for registration and fingerprinting of aliens. Every other country of consequence has it in some form; why shouldn't we? Are we to let these aliens and their friends say what laws shall be passed, or is it that the American citizens will say for themselves what laws they will have passed relating to those who come from foreign lands to our shores?

My State of North Carolina has the smallest number of aliens of any of the 48 Commonwealths of the Union. In this we are indeed fortunate. Our farmers and our laborers in North Carolina have not thus far been forced to compete with foreign laborers and we want to keep North Carolina as it is today. No other State has shown a greater progress than North Carolina.

In 1924 Congress passed the quota law which numerically limited the number of aliens that could come annually from Europe to the United States as permanent residents legally to about 160,000. This number should be further reduced and the quota limitation extended to countries of this hemisphere. I am hopeful this quota law may also be strengthened by more thoroughly restricting and limiting the entry of people from foreign countries, many of whom are preaching false doctrines and all of whom are competing with American labor. The Dies bill would not only start this disintegration of existing inadequate legislation, but is bound to be the first of a chain of similar bills to follow, each lifting a deportation bar and opening wider and wider our immigration gates.

I have introduced a bill which would reduce by 90 percent the number of new seed immigrants that can now enter under the law. We have enough troubles of our own trying to take care of the unemployed already in our country. Why should we open up the floodgates to aliens from the four corners of the globe just because they want to come to the United States to share our wealth, enjoy the protection of our flag, and in many instances construing liberty into license, preach here their false doctrines of fascism, nazi-ism, socialism, communism, and every other "ism" no sooner than they have set foot on our soil, transplanting here their foreign fights as well as their foreign notions?

My friends, the time has arrived when Uncle Sam should quit trying to police the world and endeavoring to serve as a guardian of the 2,000,000,000 of people that inhabit the face of the earth. The time has arrived when Uncle Samuel must awaken to his first duty and that duty is to care for his own 130,000,000 inhabitants, 11,000,000 of whom are without employment, 16,000,000 of whom are only part-time employed, and in addition thereto, some 20,000,000 are reported on relief.

Uncle Sam should also realize that there are enemies within his gates as well as without. It is about time that he realized that he hasn't a real unselfish friend among the nations of the earth. They owe him billions and won't pay. They hate and despise him. They are jealous of him and would cut his throat at the drop of a hat. What we should do is to mind our own business, look after our own people, and protect them by saying to the nationals of every other country—in no uncertain laws: "You stay at home. Your own Government must look after you. We have all and more than we can comfortably take care of. Our life raft is loaded to the sinking point. We can't for any more unemployed or undertake any more unemployment or relief burdens."

Charity must begin at home.

America for Americans.

I thank you.

Proposed New Trade Agreement With Canada Affecting Livestock and Livestock Products

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EXTENSION OF REMARKS

OF

HON. HARRY B. COFFEE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1938

STATEMENT OF THE HONORABLE HARRY B. COFFEE, OF NEBRASKA, BEFORE THE COMMITTEE ON RECIPROCITY INFORMATION, AT THE HEARINGS HELD APRIL 4, 1938

Mr. COFFEE of Nebraska. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me before the Committee on Reciprocity Information which had under consideration a proposal for a new trade agreement with Canada vitally affecting the livestock industry:

As a member of the committee of three selected at a caucus of Congressmen representing Western States to testify before your committee, I want to protest emphatically against any further concessions in the reduction of tariffs or increased quotas on livestock or livestock products in the proposed new trade agreement with Canada. The livestock industry has already made all the concessions that can be reasonably expected under this reciprocal trade-agreement program.

I represent a congressional district in Nebraska comprising 32 counties, largely devoted to the range-cattle industry. I am engaged in the cattle business myself. In the State of Nebraska 70 percent of the cash farm income is derived from livestock and livestock products. In many of the Western States this percentage is much greater. In 1935 the national farm income was approximately $8,000,000,000, of which four and one-half billion dollars was derived from the sale of livestock or livestock products. In other words, 57 percent of the national farm income was derived from livestock. I know this committee recognizes the serious problem confronting agriculture in this country. I know you recognize the necessity of safeguarding the most important component part of agriculture. I appreciate the fact that it is the intent of the State Department in the negotiation of these trade agreements not to cause injury to domestic producers. However, without full knowledge of the industry and the effects on the industry that certain changes might make, it is conceivable that the best of intentions may be misguided and irreparable injury caused.

The American market must be protected for the American farmer and livestock producer to the extent of his ability to supply that market at a reasonable price. The western cattlemen and sheepmen have had but 2 years of profit since 1930. The cattle and lamb feeders this year are suffering one of the most disastrous years in their history. In one county in my district this year 465,000 lambs and 50,000 cattle were on feed. The lamb feeders have been taking a loss of about $2 a head and the cattle feeders' losses have been ranging from $15 to $40 a head, approximately a $2,000,000 loss to the feeders in one county. Naturally we cannot attribute that loss to any one cause. I can assure you, however, that the Corn Belt feeders and the western livestock producers in general are in no humor to accept a reduction in tariffs or increased quotas on any livestock or livestock products.

Industrial prosperity will follow the restoration of agricultural purchasing power. It is far more important to the American industrialist and factory worker in this country to restore the purchasing power of the American farmer and livestock producer than it is to restore the purchasing power in some foreign country. The foreign country may increase its purchases from us, but only on a com-

petitive basis with the rest of the world. The American farmer and livestock producer buys almost exclusively American-made products.

With the millions of dollars the United States spends in foreign countries for noncompetitive or deficit products, I can find no justification for any attempts to facilitate the importation of any competitive livestock or agricultural product which the American producer is capable of supplying at a reasonable price. It is in the interest of the general welfare of this Nation not only to maintain a fair standard of living for the wage earner but to maintain a fair price level for agricultural products. Since the World War agriculture has not received its fair share of the national income. The value of farm lands and buildings in 1935 was $2,000,000,000 less than the value of farm lands and buildings in 1910. The farm population in 1935 was 200,000 less than the farm population in 1910. During those 25 years between 1910 and 1935, while the Nation's population grew nearly 40 percent and the national land area included in farms rose from 46 to 55 percent, the population on the farms actually declined. Although during the depression many families went back to the land in an effort to raise their own subsistence, the exodus from the farm continued from 1930 to 1935 to such an extent that 984,000 more people left the farm than went to it. More than 236 farms of every thousand were foreclosed during this period. From 1850 to 1920 farm land steadily advanced in price, but since 1920 the average price per acre has declined from $69 to $31.

The trend of industrializing this country at the expense of agriculture must be stopped. In fact, the trend must be reversed and certain nonagricultural industries should make concessions to facilitate the regaining of foreign markets for our agricultural surpluses. A casual survey of the tariff acts since 1921 will indicate that high tariffs have been provided on most industrial products and low tariffs have been provided on livestock and agricultural products in general. To ask further concessions from the livestock industry at this time is inconsistent and unreasonable. Should livestock or livestock products be forced under this proposed agreement to make any further concessions, it will constitute or engender not only a serious threat to that industry but will also endanger the entire reciprocal trade agreement program.

I want to point out to you that the livestock markets are similar to other markets and are very sensitive to the economic law of demand and supply. If there is a surplus of beef on the market, it has a tendency to demoralize prices not only of beef but pork as well. The two are competing foods and the ultimate consumer will purchase beef in preference to pork if the price of beef is relatively low. The same applies to pork. If we have a surplus of pork, the price declines and in order for the distributors of beef to move that product into consumptive channels it must be placed on a competitive basis. Consequently, what affects the price of hogs will affect the price of cattle, and what affects the price of cattle will ultimately affect the price of hogs. The same theory applies, to a lesser extent, to lamb. The Corn Belt should be just as much interested in preventing a surplus of beef or pork or lamb on the domestic market as the Western range States.

In a mimeographed statement issued by the Department of State July 7, 1937, entitled, "The Cattle Industry and the Trade Agreement with Canada," the following statement appears on page 4 of the bulletin:

"Since feeder cattle constituted a large proportion of imports from Canada, reduction of the duty on cattle weighing 700 pounds or more was considered to be in the interest of American cattle feeders while the quota limit was designed to safeguard the interests of western breeders."

Let me point out the fallacy of this statement. Although billed into this country as feeder cattle, the majority of these imports went direct for slaughter. By billing these cattle as feeders, they were inspected by the Bureau of Animal Industry officials and as a consequence when they reached the terminal market these cattle could either go for slaughter or to the country as feeders. They had a two-way market, whereas had they been billed for slaughter they could not have gone to the feed lots.

In a letter dated March 28, 1938, the Central Co-Operative Association, livestock selling agency on the South St. Paul market, has this to say:

"Last year I attempted to secure an estimate as to the percentage of Canadian cattle arriving at South St. Paul during the year, which went for slaughter. I contacted many individuals of prominence on this market, and I concluded that from 90 to 95 percent of the Canadian cattle which arrived on the South St. Paul market during 1936 went for slaughter.

"This morning I delegated the head of our public relations department, Mr. Walter Gardner, to once more contact the interests on this market in an effort to secure an estimate for 1937. I would conclude from the material which he has collected that approximately 90 percent of the entire receipts of Canadian cattle which arrived at South St. Paul during 1937 went for slaughter. During the first few months of 1938 practically 100 percent of the Canadian cattle consigned to this market have gone for slaughter."

It should be pointed out that most of the cattle coming from Canada arrive during the first 6 months of the year, in direct competition to the Corn Belt feeder. Any reduction in this tariff or increase in the quota would further adversely affect not only the western range producer but the Corn Belt feeder as well.

The industry has tried to adjust itself to the concessions that have already been made. And while I know that the industry feels it has already made more than its share of concessions necessary to give the reciprocal-trade program a fair trial, the industry vehemently protests any further concessions.

It takes only a small surplus of cattle on any one market to break the price 25 cents a hundred. It takes only a small surplus of dressed or chilled beef in any one consuming center to break the price. Statistics can be of little solace to those who have had actual experience on a glutted market.

It is inconceivable to me to think that this committee could give serious consideration to any further reduction in the tariff on cattle even though limited by a quota. There has been no reduction in the tariff on cattle weighing between 175 pounds and 700 pounds. However, it is listed as one of the items to be considered. Let me point out that in case this tariff is lowered on this class of cattle, Mexico would be the principal beneficiary, not Canada. In view of what has happened in Mexico during the last few months, since that Government has expropriated American oil interests, American-owned ranches, and raised discriminatory tariffs against our products, it is unthinkable that any concession would be made on this class of cattle with Mexico accorded the principal benefits.

According to the Bureau of Agricultural Economics, the farm price of all cattle for February 1938 was $5.80 per hundredweight. Parity price for that month was $6.83 per hundredweight, indicating a deficit of $1.03 per hundredweight below parity. To reduce the tariff would tend to increase imports and further depress the price. The point is sometimes made that the United States has been on an import basis for sometime so far as beef is concerned. I want to say to you that if given the opportunity, the domestic producers can easily supply the American market with all the beef it can consume at a reasonable price. Our present imports of cattle, together with the canned beef that is imported, is the equivalent of practically 1 month's federally inspected slaughter in the United States. The American farmer and livestock producer resent these imports which come over the present relatively low tariff accorded livestock and livestock products.

The inclusion of fresh or chilled beef, veal, mutton, lamb, and pork is a serious threat to the livestock industry. I note the committee has excluded these items from consideration if they come in frozen. Perhaps they have felt this would be a safeguard against importations from New Zealand, Australia, and South Africa. Let me point out that improvements in refrigeration and handling methods in the last 5 years have enabled Australia and New Zealand to make radical changes in their shipment of beef by boat to the United Kingdom. Prior to 1933 practically all the beef shipped from these two Southern Hemisphere countries to the English markets, amounting to more than 1,000,000 quarters, was sent in frozen condition, and because it was frozen it sold at a considerable discount under chilled beef. In 1937 more than half the beef shipped from New Zealand and about 20 percent of the beef from Australia going to the British market consisted of chilled beef. According to the records appearing in the January 16, 1938, issue of the Pastoral Review, the leading livestock periodical of Australia, shipments of chilled beef to the United Kingdom last year totaled nearly 194,000 quarters from New Zealand and about 353,000 quarters from Australia. In view of the higher market value of hindquarters over forequarters, it is probable that considerably more hindquarters were exported than forequarters.

Chilled beef is being delivered to the United Kingdom from Australia for 12½ to 13½ cents a pound. Prices in New York for comparable domestic beef to the wholesale trade ranges from 16 to 18 cents a pound. The difference in prices between the two markets is almost the equivalent of the present 6-cent tariff. Any reduction in this 6-cent tariff would immediately invite Australian and New Zealand chilled beef into our markets.

The distance between Sydney, Australia, and Liverpool is 11,474 nautical miles and the distance to New York from Sydney, Australia, is 9,724 miles, and only 6,447 miles to San Francisco. Should any concession be made in the tariff on chilled beef, mutton, or lamb, it would be a most serious threat to the livestock industry of this country. The cargo capacity of some of these ships used in transporting chilled beef is sufficient to handle as many as 15,000 quarters or the equivalent of 180 carloads of fat steers. Should one of these cargoes of beef be unloaded in New York Harbor or San Francisco, it would demoralize the dressed-meat price in that market. The cattle markets throughout the United States are very sensitive to the dressed-beef market in the consuming centers. While this might be a small percentage of the total consumption of beef in the United States, nevertheless this one cargo in New York City could depress the price of dressed beef there. It would immediately be reflected in the price on every other market in the United States. It is easy to use statistics to show that the imports might be so small that they could have no possible effect on the domestic price.

However, from a practical standpoint these imports would have a very material effect. Packers generally confine their purchases of cattle to the quantity they can dispose of within a week. If cargoes of chilled beef from Australia or New Zealand are allowed to supply the market in New York for instance, which perhaps Chicago packers were supplying, it would either force curtailment of purchases in Chicago or force the Chicago packer to move his product into the consumptive channels in some other consuming center at a lower price in order to move the product. This in turn would tend to demoralize the normal distribution channels, unsettling the market throughout the country. And this in turn would force the Chicago packers either to reduce the price of fat cattle or to curtail purchases.

Let me also point out to you that the United Kingdom imports chilled and frozen beef under a quota system. Quotas are given

to New Zealand, Australia, Argentina, and other countries. When that quota is filled, unless we have ample tariff protection, the United States will be the dumping ground for surplus chilled beef. Should the Argentine sanitary pact be ratified, and I hope it will not be, the 6-cent tariff now existing is the only protection we have against a flood of chilled beef from Argentina. Because of their restricted shipments under the United Kingdom quota, they are of necessity searching for further outlets for their surplus beef. To lower this duty on chilled beef will be of little benefit to Canada, but by virtue of the most-favored-nation clause we would open the floodgates for the importation of beef from New Zealand, Australia, South Africa, and any of the other countries that could comply with our sanitary regulations and reciprocal-trade agreements.

What I have said about beef applies with equal force to chilled lamb.

I note that pork products are also on the list for consideration. Gentlemen, I need to say nothing more on these items than to call to your attention the attitude of the Congress as reflected a few days ago in a vote on an amendment to the tax bill providing an excise tax of from 3 to 6 cents a pound on imported pork products. This amendment carried by a vote of 201 to 182 in the House of Representatives. That should be a sobering thought to those who feel that the people of this country will acquiesce in the reduction of the present low tariff on these products or any other meat products.

At a time when a higher tariff is demanded, I know of nothing you could do that would incite the farmers and livestock producers in this country more than to reduce the tariff and increase the imports on any of these livestock products.

As a Democrat representing the livestock industry, I feel it my responsibility to resist the attempts of those who would cause this administration to commit political suicide with the livestock producers of this country. Bear in mind, the livestock industry is the most important phase of agriculture and agriculture is the biggest business in the United States. According to the United States Department of Agriculture, the estimated farm population on January 1, 1937, was 31,729,000. The total value of all farm lands and buildings was $32,858,000,000 and the value of the livestock was over $3,000,000,000. The livestock industry is the backbone of agriculture. Break this backbone and you have paralyzed agriculture in the United States.

The demand for lower duties and increased quotas is primarily to facilitate the importation of these commodities. The increased importation of beef from other countries would operate to restrict the cattle production in this country and thereby reduce the available outlets for utilizing our production of feed grains and forage. Not only would the cattle producer be affected but also the producer of corn, hay, cottonseed, and other animal feeds would be affected. Can you justify reducing the tariff or increasing the quota on any imported livestock product at a time when millions of dollars from the Federal Treasury are being spent to reduce production?

I know the objective of these trade agreements is to increase our foreign commerce. Agriculture is vitally interested in increasing our export trade. However, I want to call to your attention that since 1920 we have been gradually industrializing this country at the expense of agriculture. The tendency has been to increase the exportation of industrial products and increase the importation of agricultural products. Agriculture has made all the concessions that can be reasonably expected from it in the efforts to increase our foreign commerce.

These items pertaining to livestock and livestock products should be eliminated from further consideration. The tariff is relatively low on all of them now. It is doubtful if parity prices, for livestock could be maintained in this country with the present low tariffs on cattle, sheep, hogs, and their products.

In conclusion, let me say that I feel it is the unanimous opinion of the Representatives in Congress from the Western and Middle Western States, reflecting the views of the various livestock associations in that area, that no further concessions under the newly proposed trade agreement with Canada should be made on any livestock or livestock products.

Just Plain Slander

EXTENSION OF REMARKS
OF
HON. B. CARROLL REECE
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Friday, April 8, 1938

EDITORIAL FROM THE NASHVILLE (TENN.) BANNER, MARCH 24, 1938

Mr. REECE of Tennessee. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the Nashville Banner:

The speech which President Roosevelt delivered at Gainesville, Ga., of which community he was the guest, upon the occasion of the dedication of Roosevelt Square, an honor which the citizens had designed for the Chief Magistrate of the Nation, will be deplored by many but defended by few, at least in this section.

Its spirit, the only half-veiled, envenomed attitude toward the South, the injustice which it embodied, and the narrow political purpose underlying it, were reminders of the days of reconstruction, when speakers from the North and East and their mercenary allies in the South found no task so congenial as attacking the institutions of the South, its social and political structure, when sweeping criticism, however unmerited, was the instinctive resort of visiting and imported politicians.

President Roosevelt, as the guest of the South, became its slanderer. The indictment that he drew at Gainesville was unfair and unfounded. He struck a blow at its progress as damaging as he could conceive. He condemns the South of today and dooms the South of tomorrow.

He charged, in a word, that the living standards of the South are what he termed "feudalism"; that they are so low that "the South cannot and will not succeed in establishing successful industries."

The only aspect of feudalism in the South passed away three-quarters of a century ago, with the end of slavery, and that institution had been imported from the North.

So eager was the President to picture these Southern States as doomed to decay and disaster (because, forsooth, they were opposing the wage and hour bill, upon which his heart is set) that he did not hesitate to make an assertion every word of which is challenged by a record as open to him as to any man in the country, that this section would be a burnt district to American capital, and could not hope for the establishment of industrial enterprises.

Yet how could the President fail to know that the South has displayed stronger reserve power during the depression than any part of the Nation; that it has been and is leading all in recovery? Did not his own Secretary of Agriculture, in a speech at Birmingham not long since, assert that the advance of the South was giving a momentum to the entire national program of recovery?

How can his pessimistic prediction be reconciled with the fact—and he is bound to know this, too—that in the last 3 years over $100,000,000 of capital from the North and East has come South for investment in chemical industries alone? That the South is even now moving out into the establishment of the great newsprint industry, which is to achieve the independence of the United States from a condition under which it is sending $200,000,000 a year to foreign countries for one commodity alone.

Is he not bound to know that the textile industry has displayed greater vitality in the South than any part of the Nation, that it is still wearing the crown of textile supremacy?

Did not the professor of economics at Dartmouth University in a widely published article not long since tell the country—and him—that the youth of the Nation must now reverse Horace Greeley's advice and come South rather than go West; that a new era for the South is close at hand?

Are the eyes of the President blind to the signs written along his whole journey into the deep South that it is upon the threshold of a period of an expansion, agriculturally and industrially, more impressive than that of the marvelous advance of the last quarter of a century?

How different this attitude of the first citizen of the Republic from that of Henry Ford, the foremost industrialist of the Nation.

Only 2 days before the President indulged in the unfair, false, and almost vindictive arraignment of the South made at Gainesville, and the direful prophecies of its industrial decay in which he indulged, Henry Ford, also speaking upon the soil of Georgia, told the country that "the salvation of the United States lies in the South and its people."

Who is just to the South; who is clear-visioned?

"The South is prepared," Mr. Ford asserts; "The South is doomed," the President proclaims.

"The Southerner is equipped with intelligence and a determined mind. The people of this section have a great heritage," exclaimed the greatest industrialist of the land; but no word of commendation of its people, no concession that Nature had been kind in her gifts, no tribute to the Anglo-Saxonism of a section wherein the highest civilization of the race, many signs declare, is to be witnessed, fell from the lips of the visiting Chief Executive.

Not content with studied efforts for years to inflame class against class among American citizens—and for a manifest, selfish political purpose—the President now essays the broader design of a transparent sectionalism.

No man in the country knows better than does Mr. Roosevelt that Representative CONNERY, one of the authors of the wage-hour bill, to the enactment of which the occupant of the White House is devoting every resource at his command, made the argument to New England manufacturers that they should support the bill because its effect would tend to break down the natural economic advantages of the South and lessen its capacity to compete successfully with the more densely industrial North and East.

Mr. Roosevelt would now punish the South for its temerity in resisting his designs, and is striving to fortify his purposes in other sections, even though at the expense of justice, fairness, and the truth of the record.

The President, visiting a section where dwell in peace and hope and loyalty one-third of the Nation's population, and which is moving out through its own progress to advance that of the Nation, has no word of cheer, no utterance of kindliness, no

recognition of the courage and even advance that was displayed during the depression, no felicitation upon signs of promise which all men save he are perceiving.

The speech which the President made did not possess even the virtue of courtesy to a people to whom he was both visitor and guest.

But the Gainesville event will not be without its useful lesson. The South has a clearer vision now than it ever possessed of the real attitude toward it of the occupant of the White House.

The language of contemptuous reference, of criticism not stopping short of denunciation, of misrepresentation which passed into the domain of slander, has a meaning for the South which it cannot fail to grasp, a significance which should not be forgotten. Yet, in the face of such a self-revelation, of lack of respect for the life and institutions of the South, such a blow at its industrial opportunities and advantages, such an indictment of its worth as an integral part of the Nation, there will not be lacking Members of Congress so spineless, so poor in spirit, so slow to make courageous and just defense of the section which has given them their commissions, so wedded to fawning that thrift may follow, that the holder of vast power will bring them quickly to heel, however he may wrong the people whose confidence and suffrages gave them distinction.

Dictatorship—Dictators Are Not Bred on the Seat of a Central Government—They Come From the Outside

EXTENSION OF REMARKS

OF

HON. CHARLES G. BINDERUP

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 8, 1938

Mr. BINDERUP. Mr. Speaker, when mother has no more food in the kitchen so that the kiddies are starving; when there is no more coal in the bin so that the family is shivering; when father has lost hope of ever getting back to work; when the farmer gets 50 cents a bushel for wheat and 20 cents for corn, then we will have an army of 15,000,000 or more ready upon the call of a dictator to march upon Washington as Mussolini marched upon Rome. Led by some blacksmith, some paperhanger, or steel worker who will cry, "Follow me. I offer bread for your liberty." And the trade is easily made.

My fellow Members of the Nation's Congress, be not deceived. Dictators are born from the womb of economic servitude.

If 150 years of constitutional government as a final result have brought nothing but suffering to the masses, the people will give somebody else a trial. That is the challenge to our great Nation today.

There is only one way to save the great principles of liberty and democracy, and that is to solve the question of unemployment. The plan is incorporated in the principles of the bill H. R. 9800 and outlined in detail in the booklet Uncle Sam's Hospital Chart that I have sent to every Member of the Senate and the House of Representatives, as well as thousands of others.

The Reorganization Bill

EXTENSION OF REMARKS

OF

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 8, 1938

RADIO ADDRESS OF HON. EVERETT DIRKSEN, OF ILLINOIS, APRIL 6, 1938

Mr. ARENDS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Representative EVERETT DIRKSEN, Republican, of Illinois, over the Columbia Broadcasting System, Wednesday, April 6, 1938, The Government Reorganization Bill:

Good evening, ladies and gentlemen, and a special greeting to the home folks in Illinois. A postal card came to my office today with the rather curt and expressive advice to defeat the Government disorganization bill. The term quite aptly expresses what has happened since the reorganization bill has been up for debate in the House of Representatives.

Day after day the galleries have been packed as the furious and personal and sometimes bitter debate has continued. The import of the measure has disorganized party lines in Congress. The bill has disorganized the Nation, and if enacted in its present form, bids fair to disorganize our Government. By way of proof that this measure has disorganized the thinking of the country, it is fair to say that upward of a half million telegrams and letters have rolled in upon Congressmen like a tidal wave, beseeching them to stand fast and defeat the bill.

What is the nature of this proposal? What is its background? Where was it conceived and what will it do? These are pertinent questions in the minds of millions of citizens today, and perhaps, in the brief time available, I can give you a partial answer to these questions and acquaint you with the present status of the bill.

In 1936 the President, noting the tremendous growth of governmental activities and the amazing expansion of Government bureaus and agencies, felt that something should be done to streamline and simplify our Government. It is not a new problem. In fact, it has been recognized by Congress and by other Presidents for the last 30 years.

Accordingly, President Roosevelt appointed a committee of three men to study the matter and make a report. The committee consisted of Louis Brownlow, former city manager of Knoxville, Tenn., and one-time candidate for mayor of Chicago in 1911; Mr. Luther Gulick, a professor who has taught at the University of Chicago, Columbia University, and other schools; and Charles E. Merriam, also a professor, who at one time was associated with the University of Chicago. This committee made a general study of the subject of reorganization of the executive branch of the Government and rendered a report to the President on January 8, 1937. That report was transmitted to Congress on January 12, 1937, and contained some specific recommendations.

It recognized the increase in the duties of the President and recommended that he be given additional administrative assistants. It alleged that the present civil-service system was not efficient and recommended a one-man civil-service administrator to hold office for 15 years, aided by an advisory board of seven persons to extend the merit system and to develop a system of effective personnel management for Government workers. It alleged that the present system of Government bookkeeping and auditing was out of date and should be made more effective by enlarging the powers of the Budget Bureau, changing the functions of the Comptroller General, and adding to this set-up an auditor general. It determined that the affairs of government were becoming so numerous and so complicated that a permanent planning agency should be established to coordinate and devise plans for conserving our national and social resources. It determined the need for placing some of the present independent agencies of government under a more centralized control, and to that end recommended the creation of two new Cabinet posts, one to be known as the department of welfare and the other as the department of conservation.

On the basis of this report, a special committee was set up in both the House and the Senate to draft the necessary bills to give effect to this report. In the Senate, the committee consisted of nine members under the chairmanship of Senator BYRNES of South Carolina. In the House, the committee consisted of nine members under the chairmanship of Representative COCHRAN, of Missouri.

The House committee embodied the various recommendations of the Brownlow committee in separate bills, two of which were passed by the House in August of last year. Meanwhile, the Senate incorporated most of them in a single bill, brought it to the floor of the Senate, and, after weeks of debate, secured its passage 10 days ago by the narrow margin of seven votes. The spirited debate on this bill while in the Senate served to bring its implications and its possibilities to the attention of the people and when the measure finally came to the House for action, the Nation was rather well aware of what was taking place. News columnists and radio commentators made it clear to the country that the ultimate effect of the measure as enacted by the Senate would be such a concentration of power in the hands of the Executive as to threaten our form of government. The cry of dictatorship was raised. Organizations like the American Legion, the American Federation of Labor, and the churches sensed certain dangers in the bill, and as a result the Members of the House of Representatives were fairly swamped with a deluge of mail and telegrams protesting the enactment of this measure.

It has been before the House of Representatives since Thursday of last week. Efforts to shut off debate were voted down by a substantial majority of Democrats and Republicans, and at this moment the bill is still before the House for consideration.

Instead of accepting the Senate bill, the special committee of the House struck out the language of the Senate bill and brought in a 40-page amendment containing five titles.

The first title gives the President broad powers to reorganize the executive branch of the Government and makes certain exceptions

for some independent agencies, such as the Federal Trade Commission, the Interstate Commerce Commission, and others. This title also sets up one new Cabinet post, to be known as the department of public welfare, with authority to promote public health, safety, sanitation, education, unemployment relief, old-age benefits, and vocational rehabilitation of the disabled. Title II provides six administrative assistants for the President, with salaries of $10,000 per year. Title III modifies the present powers of the Comptroller General. Title IV sets up a new office to be known as the auditor general, and title V creates the one-man civil-service administration with an advisory board.

In the welter of debate two things are in agreement. One is that the President needs and should be provided with additional assistants. The other is that the Government has grown so huge and unwieldly that it needs to be reorganized in order to bring about efficiency, economy, and the elimination of duplication of activities by many different bureaus and commissions. At that point agreement ends, because the question is then raised as to who shall reorganize the executive agencies and how it shall be done.

Those who oppose the measure have pointed out that it is dangerous, that it does confer dictatorial powers on the President, that it is not needed now, that it admittedly brings about no economies, and that it is a clear and express delegation of power by the Congress to the President.

Those who favor the enactment of the bill have argued that it is necessary, that this power expires in 1940, that it will make for efficiency, that Congress cannot accomplish the task of reorganization, that the opposition to the bill is only a lot of inspired propaganda, that talk of dictatorship is all foolishness, and that the special committee intends to offer amendments on the floor to make it safe.

What kind of amendments does the committee propose to offer in order to make this measure palatable? First, it will seek to placate the ex-service men of the country by preserving the Veterans' Administration as an independent agency, a thing for which the veterans have labored for more than a decade. Secondly, it proposes to offer an amendment whereby the recommendations of the President cannot become effective until first approved by a concurrent resolution of the House and Senate. The odd part about this proposal is the fact that the Member who proposed it stated on the floor of the House, only the day before, that such a concurrent resolution had been declared to be unconstitutional by a previous Attorney General of the United States. Third, an amendment has been proposed to strike the word "education" from the functions of the newly proposed Welfare Department so that folks of different religious convictions will not be afraid that the Federal Government is attempting to take over control of the training and education of children.

Doubtless, other amendments will be offered for the sake of securing sufficient votes to enact this bill but no matter how broadly the bill is amended, two things stand out. One is that while so many of the apparent dangers in the House bill have been virtually destroyed, the fear that is so manifest among people everywhere still remains. The other is that the bill, in its weakened form must go to a conference committee of Senators and Representatives and it is entirely possible that in such a committee, the vicious and dangerous Senate version of the bill may be reported back to both Houses for final action. Herein lies the danger, no matter what amendments might be offered and accepted and for that reason the bill should be summarily defeated.

It has been said that Congress, whose proper business it is to reorganize the agencies of Government, is not equal to the task. Frankly, folks, during my three terms in Congress the majority party has made no attempt to bring about such reorganization and I for one am not willing to confess my own incapacity for the task until it has been tried. In truth and in fact, I believe that the Appropriations Committee of the House, which month after month takes testimony from every department of Government on every penny that is expended, has such a thorough and intimate knowledge of this problem that it could, with proper authority, accomplish the task of drafting a reorganization measure better than any existing agency in the Government today.

As for the proposal to create a new department of welfare, I doubt the need or the wisdom of such a proposal. In surveying the various duties and functions that are to be entrusted to this new department it is my considered opinion that once created the regular annual appropriation for such a department might conceivably amount to $3,000,000,000 or more and that instead of effecting economies we are but setting up another spending machine.

As for the proposal to abolish the present three-man Civil Service Commission and set up a one-man Administrator to hold office for 15 years, it not only has great possibilities for destroying the present merit system but might ultimately make it impossible for the average citizen to hold a Government position, no matter how humble, unless he first had a college degree. The professorial Brownlow committee in its report comments upon certain civil-service examinations for college graduates to fill career positions at the very bottom of the ladder and therein gives some inkling of what it would like to bring about in the selection of Government personnel.

In general, the measure would give so much power to the President that he could reorganize or abolish all except the exempted agencies of Government, could transfer their functions and dominate the personnel of such executive agencies to the point where he would be the virtual possessor of dictatorial powers. Such a condition is unhealthy in a republic.

In my opinion, this bill is not needed at this time when the Nation is filled with fear, uncertainty, and distress. Not a single conclusive showing has been made that the delegation of power by Congress to the President is warranted, nor has it been shown that Congress lacks capacity for the task of reorganization. In view of that fact and in view of the further fact that amendments to the bill are but a bid for votes in order to effect its passage in the House and throw it into conference, there is but one safe course to pursue and that is to defeat the measure now.

Congressional Duties

EXTENSION OF REMARKS

OF

HON. FRANCIS D. CULKIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 8, 1938

RADIO ADDRESS BY HON. FRANCIS D. CULKIN, OF NEW YORK, ON MARCH 13, 1938

Mr. CULKIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit the following radio address by myself at Syracuse, N. Y., March 13, 1938:

WATER TRANSPORTATION—DAIRY MONOPOLY—NO FOREIGN ENTANGLEMENTS

Fellow citizens of New York, I greatly appreciate this opportunity given me by Station WFBL to discuss with you the doings here at Washington. Through speeches and correspondence I have tried to keep you advised as to what is happening here during these troublesome days.

I have observed that the average visitor to Washington is usually greatly disturbed at the lack of attendance at sessions of the House. The fact is that most of the drudgery incident to making laws is done in committee, where the visitor rarely goes. Very often, when a measure reaches the House, it presents no controversial issues and there is no roll call.

My own experience at the present session may interest my hearers.

I am a member of two major committees, the Merchant Marine and Fisheries Committee and the Rivers and Harbors Committee.

To the Merchant Marine Committee goes all the legislation relating to merchant marine and navigation. To this committee, also, goes the authorization, which we hope will speedily come, allowing the construction of the great St. Lawrence Seaway. It also has to do with all regulation of water transportation.

WATER TRANSPORTATION

May I say at this point that water transportation plays a larger part in national economics than is recognized by the average citizen? Over the waterways of the country are carried an average annual tonnage of 450,000,000 tons. This is the lowest-cost transportation in the history of the world, and upon its continuance depends the comfort and economic security of all our citizens.

One illustration will suffice. Except for this type of transportation, the people of my district would now be paying 38 cents a gallon for gasoline. In other words, each time you buy a gallon of gas you save 20 cents. If you buy 5 gallons you save $1. If you buy 10 gallons, you save $2. These facts have repeatedly been testified to by our committee hearings, and they have not been controverted or denied. Great savings are made in every link of bulk transportation.

I note that the Pomona Grange of Jefferson County recently went on record as against the establishment of tolls on the State canals. This indicates the people now realize that the waterways are one of their most valued possessions.

THE MERCHANT MARINE

For the past 3 months, the Merchant Marine Committee has been struggling with the duty of recreating a merchant marine worthy of the name. On this matter, the country has spent to date two billions of dollars, and today we do not have a merchant marine in the real sense of the term. Time does not permit a discussion of the responsibility for our present situation. The point is that we are now endeavoring to write a law which will avoid the terrible mistakes of the past, and create an efficient merchant marine.

This committee has delved deeply into the question of seagoing personnel, and the matter of safeguarding the granting of subsidies. In both cases I have followed a fixed course, and have been influenced neither by the excessive demands of the operators, nor the sometimes vigorous demands of the men. To my mind, the function of the Government is to hold the scales equally balanced between capital and labor, and to give each its place in the sun. I do not believe in letting either group run the show.

That is the road to ruin. Labor can now cure its wrongs by the use of collective bargaining, and capital has its redress in the courts.

GREAT LAKES DIVERSION

My other committee, as I have explained, is the Rivers and Harbors Committee which has to do with providing adequate harbors and channels for the vast tonnage to which I have referred.

Two outstanding propositions have been before us. One is the question of lake-water diversion at Chicago. Under the measure proposed, it is provided that a possible diversion be allowed, three or four times as great as permitted by Supreme Court decisions. This diversion would lower the Great Lakes level from 4 to 6 inches, and in periods of low water would seriously handicap navigation, agriculture, and recreation. This has been a hard fight, and for 2 months I have been in almost daily contact with the attorneys general of six Lake States. This diversion would seriously affect the lake and river areas of the thirty-second district.

On this proposition we have the opposition of Chicago, with "Big Bill" Thompson, former mayor of that city, endeavoring to get back into power on this issue. Likewise we have lined up against us the powerful influence of the Mississippi River Valley group who, despite the fact that Congress has spent more than a billion dollars on flood control and navigation on the Mississippi and its tributaries, are trying to put over this larceny of water from the Great Lakes watershed. This matter has kept my nose to the grindstone.

NATIONAL RESOURCES

We have also had before the committee the troublesome problem of regional power and navigational districts. In the first instance, it was the desire of the President to give legislative powers to these outfits. We have struck that out of the bill and have retained those great public servants, the United States engineers, in charge of waterways development. The measure is now a sane approach to the question and will not permit the administrative officers of the Government to be ruthless and destructive of existing investment.

I have long advocated the yardstick principles as an incident to the development of navigation but feel that when the Government does create one of these power districts its distribution should be a rational performance. In other words, the present holders of utility stocks should be reimbursed at prudent investment value.

DAIRY MONOPOLY

Aside from committee work I have been active in advocating Government prosecution of the monopoly which exists in the distribution and manufacture of dairy products. I have, by speeches in the House, contacts with the President and Attorney General's office, vigorously urged the enforcement of antitrust laws. I have insisted that the well-being and very life of the 3,000,000 dairymen in the Nation is at stake on this issue.

I have driven home the fact that the findings of the Federal Trade Commission show that the family-size farm will disappear unless monopoly conditions are corrected. We are a big country, and I have no quarrel with bigness when it is within the law. But I do quarrel with it when, by creating monopolies, it destroys the splendid type of citizen which is present in the dairying field.

The facts have been found by the Federal Trade Commission, the procedure is simple, and unless the administration does act it will leave the inference that these outfits and their political lawyers are stronger than the Government. The present shadow-boxing by the administration should stop, and the President and the Attorney General get down to business. I shall continue to bring this question before the House and country until this load is taken off the backs of the American dairymen.

GOVERNOR LEHMAN

In passing, I call on Governor Lehman to take a hand in this situation. I note that he and some of the professors recommend the building of tenant houses to the dairymen. The Governor's ghost writer must have chuckled when he penned that, for everybody knows that the dairy farmer cannot build tenant houses for his help, if indeed he has any help, when he is finding it impossible to pay his taxes and the interest on his mortgage.

Senator BORAH recently said that some of the middleman outfits are making as high as a thousand-percent profit. If we squeeze the water out of the National Dairies' stock, and equalize some of the gigantic salaries it pays, this statement of the Senator's is within bounds.

In contrast to these vast profits, the dairyman is going over the hill to the poorhouse. The findings of the Federal Trade Commission indicate that, with the law enforced, the dairyman can be given production cost with a fair profit, and the prices to the consumer can be kept within bounds.

The latter fact will insure greater consumption of the dairyman's products by the public, and thus give the babies in our cities a necessary food at reasonable cost.

The dairymen of New York State may be assured that I will keep up the fight until they are free from the monopolies which are destroying them and raising the cost to the consumer.

SOCIAL SECURITY

I have also been busy here with legislation on social security and have introduced a bill which would give exemptions of $3,500 real and $500 personal to persons applying for old-age assistance. This is possible without adding materially to State or Federal expenses. The alcoholic and ne'er-do-well walks into this pension without any formality. The men and women who have paid taxes throughout their lives have to go through the wringer. I think that is wrong and should be corrected.

FOREIGN ENTANGLEMENTS

I have been particularly attentive to the attempts of the administration to involve America in the eastern situation. The administration's theory, according to the President, is that we are again to save the world for democracy. We tried that once before. Despite our efforts in behalf of democracy, in which we made a great disbursement in blood and treasure, were born the Fascist governments of Hitler and Mussolini.

There is no free thought, free press, or freedom of expression over the greater portion of Europe today. Europe today owes us more than $30,000,000,000, the payment of which they have repudiated.

I shall oppose with all my might the attempts of the administration to involve us in foreign entanglements. I do not believe that the situation now or in the future will justify the shedding of American blood in an offensive foreign war. I stand with our first President, George Washington, on this.

In conclusion, I wish to say that I will be glad to be of service to you on any matter here at Washington in which you are interested. I thank you for listening.

The Passing of a Great Pennsylvanian—Warren Van Dyke

EXTENSION OF REMARKS

OF

HON. GUY J. SWOPE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 8, 1938

ADDRESS OF HON. GUY J. SWOPE, OF PENNSYLVANIA, AT HARRISBURG, PA., APRIL 3, 1938

Mr. SWOPE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address made by me at the Warren Van Dyke memorial service in the auditorium of the Central Democratic Club at Harrisburg, Pa., on Sunday, April 3, 1938:

Human life, that greatest of God's creations, is very much of a mystery, very much of a speculation from the cradle to the grave and beyond. From our conception and birth, which have never been fully and clearly analyzed by scientists, to the day when the inscrutable veil of death closes our mortal career our lives are like corks upon turbulent waters. We are frequently tossed hither and yon under the force of circumstances over which we have little or no control. Our future from year to year—yes; even from day to day—is absolutely unpredictable. It is because of this absolute lack of sure control over our earthly lives that our inner consciousness convinces us that there must be a spiritual or after life beyond the grave.

It is this faith in the hereafter that has spurred men on throughout the march of time to endure sacrifices; to put forth great efforts, almost beyond the power of human endurance; to dedicate their lives and talents to the development of civilization and to the furtherance of human progress.

All of us are privileged to know and to love in our lifetime one or several men who fit into the mold which I have described. Warren Van Dyke was such a man to all of us, to which we testify by our presence. We are assembled to do honor in loving tribute to the memory of him. His mortal remains are at this moment resting in the church to which he gave devoted service since it was organized. His spirit has returned to the God of our fathers, who is our God.

Warren Van Dyke was born April 23, 1877. He evinced an interest in public life at an early age. After serving as a county official in his native county of Carbon, Pa., he became associated in the State Democratic Party organization with other young, enthusiastic and able men in 1911 who set for themselves the task of revitalizing that party. It has often been said that one must be patient and not expect miraculous results as long as there is evidence of progress. During the years that followed, Warren Van Dyke built slowly but surely. He became personally acquainted with citizens of Pennsylvania in every nook and corner of the State. He could stop at every crossroads in our State and meet some one whom he knew personally. It has often been said, and truthfully so, that he knew more Democrats and people generally than anyone else in our State.

Now, what manner of man was this who left such a profound impression and well-defined imprint on contemporary Pennsylvania. He was an able organizer; a keen student of human nature; a possessor of an even and temperate disposition; having the happy faculty to guide discordant elements and ideas into a common pathway; having the power to make true and correct analysis

of public opinion and the turn it would likely take. For years he was, in truth, the one force which held the Democratic Party together in a semblance of organized form during dark and most trying times. While the party was successful, nationally, in 1912 through the election of Woodrow Wilson to the Presidency, Pennsylvania did not follow. However, and this was always considered significant by Mr. Van Dyke, Pennsylvania did not go for President Taft, but gave its electoral vote to ex-President Theodore Roosevelt on the Bull Moose ticket. He always considered this a sign that Pennsylvania was really not a stand-pat State, but that its citizens could be expected to vote for liberal and progressive policies at all opportune times.

All of you are intimately familiar with the events which have occurred since 1931. In that year his closest associate and leader detected the brilliance of the rising star of New York's Governor, Franklin D. Roosevelt. Together they set forth to turn the power of Pennsylvania's large delegation in the 1932 Chicago convention toward the nomination of Governor Roosevelt. With what success their efforts were crowned we all know, and a grateful Nation pays tribute to their early foresight and outstanding ability.

An important factor in our party's success in the 1934 elections was the great and intelligent groundwork laid by Warren Van Dyke and the Democratic members of the State legislature in the 1933 session of that body. Through the election of 1932, the Democratic Party had increased its representation in the State assembly. That enlarged group, under Warren Van Dyke's leadership, performed the true function of a minority party under our form of government by informing the people of the inefficiency and waste, and frequently worse, of the governing party. Thus were laid the foundations upon which our impressive Democratic victory was built in 1934.

To me his passing means a great personal loss. For more than 25 years I was in close relationship to him, and during the days of the Wilson administration while I was an internal-revenue agent he was my chief. He was kind and considerate in his attitude and action concerning his friends and subordinates, ever willing to help with the problems of others and exceedingly slow to criticize or censure. He was the kind of chief for whom his subordinates are willing to fight to the last ditch; the kind of chief who by force of his personal character and sterling worth inspires in his subordinates the performance of the utmost service. He was the kind of chief whose triumphs become the triumphs of his subordinates and whose sorrows and tribulations become theirs as well. With the advantage of the personal relationship to which I have referred, I may say that the name of Warren Van Dyke became synonymous with consideration, kindness, decency, justice, truth, and sterling integrity. His service to his party and his State was conceived and carried out under the most proper and unselfish motives which have ever actuated any human being. He deliberately submerged his own station in the party in 1934 when he could have had the Democratic nomination for Governor with the turn of his hand. Again during the latter part of last year before he was stricken he counseled an open mind to his legion of friends who insisted that he must be a candidate for Governor this year. Had he been willing to push himself and had an allwise providence spared him from serious sickness and subsequent death, he would have been our next Governor and certainly would have saved our party from much grief and prevented greatly deplored misunderstandings between party leaders who have all given worth-while service to our cause.

His mortal life has passed away. Men will always remember him for his countless good qualities. As this service is held in the property of the Central Democratic Club and partially under the club's sponsorship, I suggest that the officers of that organization consider the advisability of holding an annual memorial service in his honor from now on. He was one of our members, and, I believe, the greatest active member we have ever had. He loved to come down here and sit with the boys as of yore. In that manner, as well as in countless other ways, he endeared himself to the entire membership. We can pay him no greater respect; we can render to him no finer honor; we can do the cause which he loved no greater service than by holding his life and accomplishments ever before us and thereby and thereon resolve to serve and love our party and our State as he did.

Administration of Veterans' Affairs

EXTENSION OF REMARKS

OF

HON. GLENN GRISWOLD

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 8, 1938

ADDRESS OF BRIG. GEN. FRANK T. HINES, ADMINISTRATOR OF VETERANS' AFFAIRS, MARCH 1, 1938

Mr. GRISWOLD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Brig. Gen. Frank T. Hines at a banquet at the Mayflower Hotel, tendered by Veterans' Administration Branch of Local No. 2, National Federation of Federal Employees, commemorating 15 years of service as Administrator of Veterans' Affairs, March 1, 1938:

Mr. Toastmaster, Members of the United States Senate and the House of Representatives, National President Luther B. Steward, officers and members of the National Federation of Federal Employees, who are so kindly honoring me tonight, and my friends and fellow workers within and without the Veterans' Administration, both you who are present at this splendid fifteenth anniversary banquet at the Mayflower Hotel in the Nation's Capital, and you who may be listening in on the radio in different parts of the United States, my heartiest greetings and best wishes on this occasion go out to all of you, wherever you may be.

This applies especially to my comrades in our hospitals and homes. I want you to realize, that although far distant, you and your problems are never absent from the thoughts of those who have been chosen to serve you.

It is a difficult thing to express in a few words the deep gratification I feel over the many sincere and generous observations I have listened to tonight, regarding my 15 years of service to our veterans and dependents, which began on March 1, 1923.

My only hope is that I merit at least a part of these kindly expressions, and will continue to do so in the future.

I wish to say at once that such success as we may have had in paying the Nation's debt to our defenders and their dependents has been the result of teamwork on the part of many thousands of people over the years, rather than the work of any one man.

First and foremost, the President of the United States, as head of this great team, has played his vastly important part in suggesting to the Congress the direction and the extent of the relief measures which have been required to meet the continually changing conditions.

To the Members of the Congress must be given the credit for hammering out the form which the various legislative measures have had to take, in order to be workable and practical in their application. Members of the veterans' committees in both Houses have labored diligently and long over the many problems involved, so that the national will in this respect could be accomplished within our ability to provide funds to meet the cost. Our system of veterans' relief has been an effort to attain an ideal—but much of our course in pursuit of this has been necessarily explored by means of trial and error.

Then has come the part with which officials and employees of the Veterans' Administration have labored—the practical application of the laws to the cases of hundreds of thousands of disabled veterans, in such a manner that each would receive the just award that the Congress had in mind for each individual case. That has been the problem with which all of us have struggled, and are still endeavoring to solve to the satisfaction of the men and of the Government.

Personally, I doubt whether it will ever be possible to attain perfectly even-handed justice in many of the difficult cases. But it has been the very complexity of many of these—calling forth the very highest degree of teamwork and effort on the part of our officials and employees—which has enabled us to approach the ideals which the President and the Congress had in mind.

In considering the combination of effort in achieving veterans' benefits, it would be indeed remiss not to mention the generous aid and countless suggestions for relief brought forward by the veterans' organizations. Their representatives have helped the Congress to formulate laws with equitable objectives, and then assisted the members of the Veterans' Administration in interpreting their general application, as well as devoting untold time and effort toward the furtherance of thousands of claims.

With the passage of the years, the system of veterans' relief has become so extensive and so far reaching that no one man, no matter how sincere or capable he might be, could administer it with any hope of moderate success unless he had the splendid cooperation and the loyal assistance it has been my good fortune to have received from my associates.

There are approximately 35,000 of us in the Veterans' Administration altogether, 5,000 employed here at the central office in Washington, and 30,000 others in branch offices, hospitals, homes, and supply depots throughout the United States.

Our job is not only to promote the welfare of the 900,000 persons already receiving benefits, but to apply ourselves intently to the sympathetic and fair consideration of the new claims constantly being received.

I think it is only fair to say that most of us have striven to see to it that the disabled veterans and dependents continue to receive not less but more attention with resultant better care and service from the Nation which they defended.

All of us realize, I feel sure, that the Veterans' Administration was brought into being and exists as an agency of government to render service, where service is due to others, and not merely as a place to work. In other words, it is not just a place to have a Government job.

I think most of us conceive the situation to be exactly as it is—that the opening for permanent Government employment exists, because a job has not only to be done, but done well—and not, as some outsiders seem to feel, that Government jobs are created primarily to provide easy employment, at good salaries, to people who want work but don't want to work very hard.

Our understanding of this basic truth—that our jobs exist because of the national obligation due to others—has done more to improve the character of service rendered by our great relief organization than any other factor.

This realization on our part has steadily increased our morale, for it has led us to see that permanent employment and promotions exist where there is continuity of work to be done for others.

It is but natural that employees who render service in conformity with standards of this kind should expect the highest consideration of their interests as a matter of personnel policy. The formulation and application of administrative principles to provide a system of rewards and remuneration for faithful service, constitutes one of the most serious problems which confront the head of an organization having such far reaching and complicated activities as the Veterans' Administration.

Efficient service can be expected only when employees are fairly treated in all respects. That they should render reliable and efficient service, goes without saying. However, they should be compensated adequately for this, should do their work under proper conditions, and benefit from a system of promotions and efficiency ratings that insures justice to all concerned.

The eternal question is how to preserve that balance between the factors which affect the morale of the employees and the principles which must be observed to give the public the best and most efficient service for the least expenditure of its money. With the kaleidoscopic changes which affect these matters, it is always difficult and often impossible to see that monetary remuneration is comparable with the highly satisfactory type of service rendered.

There are, however, certain personnel policies which tend to compensate for this situation. Among these is that of internal promotion.

I think that both employees and others concerned with the development of Veterans' Administration personnel policies, must have observed that it has been my constant purpose to fill vacancies in higher positions by the advancement of personnel already in the service whenever they were properly qualified.

One of the important things for us to keep in mind is the attitude of the outside world toward our daily tasks. Although the public is inclined to be fair in its judgments of us, we must never forget that its primary interest in us has to do with the successful accomplishment of the work we are employed to do—and that our own interests and welfare are matters which are secondary to them.

When all is said and done, the public judges us by the results it obtains.

The public is not interested in what it calls "red tape," except to view it with disfavor or hold it up to ridicule. It does not understand that many of our systems which have ben installed and much of the procedure involved in the settlement of claims have been made necessary by the laws which safeguard the expenditure of public funds.

It is frequently difficult for those who lack experience with Government procedure to realize that the benefits which we may award can be granted only after it has been carefully determined that they are in accordance with the laws which govern them. Such decisions, whether favorable or unfavorable, frequently require much more time to reach than seems reasonable to the person or persons who are vitally interested in prompt and favorable conclusions.

We must be ever watchful, therefore, that our performance in the public business shall proceed with as much speed as is commensurate with its proper handling; and that in our contacts with the public, whether they be in person or by letter, we have full sympathy with their desire for quick solutions, and patience with their possible impatience or failure to understand the intricacy of the problems involved.

Although we must follow the law, let us never fall into the error of placing form above substance.

If we can see to it that the public with which we come in contact gains a better understanding of some of the many grave problems which we are attempting to solve for them, we will have gone a long way toward building up the confidence of our people in their agencies of government.

As has been pointed out tonight, the present efficiency of the Veterans' Administration did not blossom forth full blown, but has grown to its present degree through the patient effort and constant thought of many persons, working toward a common goal.

As an organized effort for veterans' relief, the Veterans' Administration is now "streamlined" as a governmental agency. It contains all of the major functions necessary for the prompt and efficient handling of the affairs relating to all veterans and dependents as such—and contains none of the functions relating to other matters of government.

With the laws affecting veterans and dependents now relatively stabilized, we should look forward to a continued increase in the efficiency of our management of the affairs which have been entrusted to our care.

Before concluding, I want to thank each and every one of you again for your cooperation and loyalty. The many messages of encouragement which I have received during the past few weeks, and this splendid testimonial banquet, induce the feeling that the fine spirit you have shown in the past will carry on and increase in the future.

Address to Young Democratic Clubs

EXTENSION OF REMARKS
OF
HON. LINDSAY C. WARREN
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES

Friday, April 8, 1938

ADDRESS OF HON. ROBERT L. DOUGHTON, SALISBURY, N. C., APRIL 2, 1938

Mr. WARREN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by the Honorable ROBERT L. DOUGHTON at a banquet of the Young Democratic Clubs of the Ninth Congressional District, Salisbury, N. C., Saturday evening, April 2, 1938:

I am deeply grateful for the privilege of attending this splendid meeting and being permitted to speak to this fine group of militant young Democrats. It is always a pleasure for me to renew my youth in the association and fellowship of young people, particularly when they are of my own political persuasion and are of, and in, my own beloved district.

Your meetings are charged with a certain zeal and enthusiasm that I find to be especially invigorating and inspiring.

To youth nothing is impossible. They are continually proving this to be true by converting the impossibilities of the last generation into the realities of today. This has been particularly true in the domain of public affairs. The cause of good government has been tremendously advanced on numerous occasions by young men and women who simply would not believe that the particular obstacle which confronted them could not be overcome if they fought with determination and courage. In this connection the Young Democratic Clubs have demonstrated an ability that is very gratifying. As an instrument for the enlightenment and molding of public opinion, as well as translating it into effective and constructive public service, your organization is worthy of the highest praise. The things you have wrought are in no small way responsible for the present widespread knowledge of governmental problems, and interest and success in their solution.

As wisdom is justified by all her children, so is the work of the Young Democratic Clubs justified by the things they have wrought in behalf of democracy and good government, in fact, the two are synonymous.

You are now approaching the tenth anniversary of the founding of the Young Democratic organization in North Carolina, so this appears to be a particularly appropriate time to take inventory of some of the things you have accomplished and, more especially, to think of your future place in the life of our State and Nation. It is obvious that your clubs are an established and indispensable part of our party organization, and, as Chairman Farley recently said, the right arm of the Democratic Party. The Young Democratic Clubs have before them a wonderful opportunity to render an extremely valuable public service. In a few years the fate of our party will be in your hands and whether its star will rise to still higher glories or sink into obscurity will depend upon you. I urge each of you to study its history, to analyze its fundamental doctrines, its aims and purposes, and to give to it your strong support and steadfast loyalty so that it may continue to be the potent and effective champion of good government and of the rights and welfare of all of our citizens.

I know we are all exceedingly proud of the fact that the Young Democratic Clubs of America was founded by a militant young Democrat from North Carolina, Tyre Taylor, who is at this time honorary president of the Young Democratic Clubs of America. Moreover, I am sure you are proud to belong to a party which in the last general election in North Carolina carried 95 of the 100 counties and 46 of the 48 States in the Nation.

As an example of the effectiveness of youth in the realm of public affairs let me cite from the history of our State and Nation a brief chapter or two that deal with the accomplishments of other young Democrats.

In national affairs our minds immediately turn to the record of Thomas Jefferson, the founder of the Democratic Party, who entered public life at the age of 26 by being elected to the Virginia House of Burgesses. He became a Member of the Continental Congress at the age of 32, and 1 year later, at 33, wrote the greatest document ever to come from the mind or pen of any American, the Declaration of Independence, and as chairman of the committee charged with its drafting, presented it to the Congress. He became Governor of Virginia when he was 36. Then, in succession, he served as Ambassador to France, Secretary of State, Vice President of the United States, at the age of 57 became our President, and served for two terms.

In our State we think of the revered and beloved Vance, who entered public life at the age of 22 by being elected prosecuting

attorney of his home county, Buncombe. At 24 he was elected a member of the lower House of General Assembly of North Carolina, then called the State house of commons. At 28 he was elected to Congress, in which body he served until the Civil War. Elected as our great war Governor at the age of 32 and reelected at the age of 34; elected to the United States Senate in 1870 at the age of 40, but denied his seat on account of his participation in the Civil War; elected Governor again and for the third time in 1876, and elected to the United States Senate in 1878, which place he held until the time of his death in 1894, at the age of 64.

Vance undoubtedly rendered the greatest service and was the best loved man the State has ever produced. In the dark days of reconstruction he was our Moses, leading the State out of the wilderness of political, industrial, and economic bondage into which it had been driven by a horde of incompetent and corrupt leaders and vandals—the very scum of northern society forced upon our State by military rule. And I might add that his statue was very appropriately the first to be placed by our State in the Hall of Fame at the Capitol in Washington.

Under the wise leadership of young Vance and other stalwarts after the Civil War, phenomenal progress was made for a time, and the State rapidly arose from the poverty and ashes; however, these ideal conditions brought about by the Democratic Party continued but a brief period; another relapse occurred about 1894 when the Democratic Party became divided and public control of our State in 1896 was completely taken over by the opposing party, dominated and controlled by reckless and incompetent leaders and rulers, who for a period of 5 or 6 years took us back into another dark and disgraceful period. The cause of good government in North Carolina not only ceased to move forward, but was set back a generation by the shameful conduct on the part of the men holding public office in the State. During that period education ceased to be a matter of official concern and our schools, which had been valiantly trying to make up for the time and ground lost during the war and reconstruction period, were allowed to deteriorate and almost ceased to function. Public institutions lost needed official support and rapidly crumbled into decay and neglect. Enforcement of law and order was a mockery, and those in public office demonstrated, time after time, their appalling lack of ability, in many instances lack of integrity, and proved themselves to be utterly deficient in statesmanship and capacity to govern.

Those of us who are old enough need no reminder to recall the shame and black despair of that period, and you younger people are very likely familiar with those events by the conversations of your parents and elders, as well as the history of the State.

Under this calamitous regime a blight fell upon the State that retarded its progress for almost a generation. The people were desperately aware of the inefficiency and in some cases corruption of their officials and only looked for leaders to rid the State of the political malady with which it was afflicted. In this great emergency there arose a group of young leaders, bound together by common principles and motivated by a common purpose, which was to remove from control the party known to be responsible for the unbearable situation in which North Carolina found herself, and to place again the public affairs in the hands of competent and trustworthy officials.

I do not mean to say that all those who took part in this glorious movement were very young, but it is remarkable that most of the leaders in that great fight were under 40 years of age and many less than 30. F. M. Simmons and your own beloved Lee Overman were 43, Josephus Daniels was 35, Cameron Morrison 28, Aycock 38, Claude Kitchin 28, and W. W. Kitchin was 31. This is but to mention a few of those who led and participated actively in this valiant fight, but if you will check up on this interesting period in our State's history, you will find that many of the leaders throughout the State were men of ages approximately the same as those I have mentioned.

The indomitable determination of that group of Democrats accomplished the herculean task of cleaning the political house of North Carolina in about 4 years. In 1898 there was elected from North Carolina only 1 Democrat among the 10 Representatives. A Republican Governor was elected in 1896, and both United States Senators were Republicans, but by 1903, under the leadership of the men I have mentioned and others too numerous to mention, both United States Senators and the entire delegation, 10 in number, in the House of Representatives from our State were Democrats. Governor Russell and his henchmen were ousted from our State capitol and Governor Aycock, of glorious memory, was placed in his stead.

This amazing political revolution turned the course of the State from the downward path upon which she had been heading rapidly to ruin to a new era of peace, prosperity, and progress under Democratic leadership and control.

You have but to look about you to see the results of this splendid achievement. In every respect, the welfare of our beloved State has been phenomenally advanced by these almost 40 years of uninterrupted Democratic government in North Carolina. The cause of education has been emphasized and supported until our system of public schools is a model for other States. State institutions have been built up to a high level of efficiency, and the welfare of the unfortunate, the mentally afflicted, the deaf and blind has been provided for until these humane activities are a source of great pride to all of us. Our State highway system has been so wonderfully developed that it is now ranked as one of the best in the Nation. Industrial, agricultural, and commercial activities have been encouraged, and under Democratic leadership and guidance North Carolina has taken her place in the forefront of the Southern States in each of these fields.

Good government and a prosperous and contented citizenry has been the watchword, and I believe the Democratic Party can point to these 38 years of achievement in North Carolina as an example that has not been surpassed and possibly not duplicated in the history of any State in the Union.

In national affairs our accomplishments have been no less outstanding. In the years that have elapsed since March 4, 1933, under the leadership of our great President, Franklin D. Roosevelt, the welfare of the masses of the people has been further advanced than during any period of twice that length in the history of our Nation.

The present national administration inherited an enormous burden of evils, some of which were bank failures, closed factories, prostrate agriculture, millions of farmers and city dwellers losing their homes, and a Nation-wide epidemic of suicides. These conditions were not confined to any section of the country nor to any class of people, but were Nation-wide and affected every group, calling, and occupation from the Atlantic to the Pacific and from the Lakes to the Gulf. Moreover, social injustices and economic maladjustments were widespread and universal. These conditions had continued for 4 long years and were getting worse hourly, when on March 4, 1933, President Roosevelt took charge of the affairs of the Government.

Under Democratic administration banks have been made safe for the people's money; hardly a bank failure during the present administration; the income of the farmers has been more than doubled; the same is true with reference to pay rolls of factories. National income increased from $39,000,000,000 in 1932 to $69,000,000,000 in 1937. Those farmers who have not been able to pay off their mortgages with the increased prices they have received under this administration have had their loans extended and their interest materially reduced. The Home Owners' Loan Corporation has saved the homes of millions of urban dwellers; in fact, I do not see what more Government could possibly do to make conditions more favorable for its citizens than has been done by this administration.

We are still suffering to some extent from these inherited ailments, but I am convinced that they can and will be entirely eliminated. Our party has clearly demonstrated its strength and the wisdom of its leadership in rescuing this country from the depths of the greatest and most calamitous depression it has ever known.

The traditions and accomplishments of the Democratic Party constitute a glorious heritage. It has and is fulfilling a wonderful mission in the advancement of the cause of good government in the Nation and in this State. Many and furious have been the onslaughts made upon it by its enemies, but its principles are so fundamentally sound, its record so commendable, and its achievements so worth while that it continues to grow and flourish in spite of those who would destroy it.

The party's concepts are broad enough and elastic enough to include and provide for the ever-changing needs of government. No rule or theory that has to do with the conduct of human affairs can be static. Like a great river, the course of events is ever flowing and endlessly changing and adapting itself to varying conditions and circumstances. In this lies our party's greatest strength and surest claim to a continuing glory. It has kept itself alert to the needs of the people and to the appropriate functions of government under a progressive attitude that recognizes injustices and does not hesitate to correct evils when they are disclosed.

Due largely to unrest abroad and to the insidious propaganda of its enemies at home, there is arising an apparently growing inclination to define elements and subelements in our party by the use of labels and catchwords. One group is called conservative, another liberal, and another radical, and others by still other phrases. Do not be deceived by this type of propaganda. There are disagreements and controversies in the Democratic ranks, of course. I welcome these as a healthy and hearty sign of two essential factors, both very necessary to our continued growth. The first, a sure indication of our unflagging zeal and enthusiasm, and the second a definite proof of our fundamental honesty and sincerity of purpose.

We are now approaching our general primary elections when we nominate our candidates for the fall election. It is but natural for Democrats to disagree as to those best suited to fill the various offices. Where there are contests let me adjure you to be tolerant with those Democrats with whom you differ as to candidates. Accord to them the same right of choice you reserve for yourself. Avoid harsh words and unkind thoughts and especially bitterness, so that when the primary is over we can present a united and determined front in our battle with the common enemy.

Never fear the result of honest differences of opinion. It is only by the free and open discussion of these differences that sound decisions can be reached and worth-while policies formulated and followed. We may not agree absolutely with some of my party brethren but we are much nearer in degree in our political philosophy than are either of us with those of the opposing ranks.

There is but one way to keep our party useful and that is to keep it strong and in power. There is but one way to keep it strong, and that is to keep it united and clean. There is but one way to keep it clean and that is to be ever vigilant in a scrutiny of its standard bearers and its aims and purposes.

It is reassuring proof of the continuance of the divine favor, lavished upon this State and Nation in the past, that in these trying times and unsettled world conditions, we are blessed with two such safe and outstanding leaders as Clyde R. Hoey and Franklin D. Roosevelt.

Mineral Resources of Nevada and Their Relation to National Defense

EXTENSION OF REMARKS

OF

HON. JAMES G. SCRUGHAM

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 8, 1938

ADDRESS OF HON. JAMES G. SCRUGHAM, OF NEVADA, WASHINGTON, D. C., APRIL 7, 1938

Mr. SCRUGHAM. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address I recently made before the American Society of Naval Engineers:

In the midst of the plague of disorder and unrest now permeating most of the entire world, the United States stands alone, together with Great Britain, as the exponents of the principles of a hard-won political freedom, secured first through the Magna Carta at Runnymede in 1215 and later clinched by the efforts of our forefathers in America in the two crucial decades from 1770 to 1789. Our system of democracy is now threatened by a succession of world-wide events.

To protect us from the onrush of despotic forces of Europe and Asia, the Congress has voted to the Naval Establishment the greatest peacetime appropriations in all history. It so happens that the technical responsibility for wise and efficient expenditure of these great sums of money rests largely on the shoulders of men who are present here tonight. This responsibility is to the mass voting power of the Nation rather than to any individual. This mass voting power is, of course, expressed through individuals, but, nevertheless, it is the ruling power. In order to properly meet our responsibilities to the people it is necessary to anticipate the developments of the future. This means we must have an accurate knowledge of the laws of human experience to guide us in our conclusions. The future grows out of the past. Past trends must be studied in order to draw conclusions as to future trends.

One of the most important of these conclusions is that sea power is essential to the life of a nation having seaports and trade lanes to protect. As recently stated in course of a congressional debate, "It was sea power that saved Rome from Greece. It was sea power that saved Greece from Persia. It was sea power that gave to the Phoenicians the command of the ancient maritime world. Sea power built up the far-flung commercial empire of Carthage. Sea power made Athens ruler of vast territories, and it was sea power that made the Rome of antiquity mistress of the civilized world. Rome could not have subsisted without her sea power, because nearly all her wheat came from overseas.

"When Spain had great sea power she dominated Christendom; and Spain's decline began when storms and British seamanship wrecked her great armada. The sea power of the American Colonies, with the sea power of France, won the American Revolution and the naval blockade defeated the Confederacy. During the World War the Allies would have starved had it not been for sea power."

The second outstanding conclusion is that no nation can ultimately survive when war becomes an end in itself and the life of the nation only a means to that end.

The third major conclusion is that progress is accomplished only through epochs of political, social, and economic experiment. In the face of these facts it is not surprising that even our favored land is suffering from repercussions from the world-wide disturbances of peoples seeking to better their condition in life.

Fundamentally, the present unsettled condition of world affairs is essentially a phase of the eternal struggle between the haves and the have nots. Within our Nation, the inequalities are being regulated by taxation and appropriations. Internationally, the maladjustment has in the past only been regulated by force of arms, and according to all precedents of history, armaments will continue to be the final arbiter.

The English-speaking peoples constitute only one-eighth of the world's population, but due to some atavistic traits of initiative, they now own and control nearly six-eighths of the world's material wealth, in the form of mineral resources. It is very natural that the remaining seven-eighths, or non-English-speaking elements, of the world's population should be dissatisfied with the present distribution of wealth and seek to equalize matters in their own favor. Thus, the economic root underlying the vast armament expenditures and preparations for war is the need for supplies of natural resources essential for national industrial prosperity. This country is the richest in the world in the majority of these natural resources, as well as the richest in variety and the quantity of food products, and in machinery and manufactured products. The prosperity and happiness of this Nation is intimately related to the widespread utilization of our great stores of essential minerals, and it is a striking fact that in the period since 1900, we have consumed more of these minerals than in all the preceding history of the world.

There are many sincere idealists who believe that our surplus mineral resources should be made available to all countries by an economy of a mutually planned coordination of interchange of products. When this is done, the proponents of the idea claim that the costs of huge armaments and the constant threats of wholesale slaughter of humans, such as occurred during the Great War, can largely be eliminated. They expect to create a spirit of building a world of plenty through international cooperation.

Such internationalistic doctrine, while attractive in theory, is absolutely not adapted to the real interests of the United States, for the reason that our living standards and scales of wages are so far ahead of those prevailing in other countries of the world. The disparities are so wide and competition is so strong, that the visionary concept of supplying other nations with great quantities of our raw materials would inevitably tend to drag our living standard to a lower level. This living standard is roughly proportional to the per capita stocks of metals and minerals which a nation has in current use, and if our stocks are reduced by generous division with our neighbors, we cannot successfully compete with them unless we adopt their standards.

This premise has developed a school of thought which would advocate exchange of our surplus agricultural commodities, such as cotton, corn, and wheat, for minerals produced by other nations, thereby tending to save our own mineral deposits for the use of future generations. This theory is reflected in some of the proposed reciprocal-trade agreements now pending before the State Department, notably that with Canada for lead and zinc, and with other British colonies for tungsten and manganese. Superficially the idea is appealing to congressional Representatives from the great agricultural States, as well as to those from industrial areas producing an excess of manufactured products, such as automobiles, and to whom the lure of cheaper raw materials is attractive. In effect, the adoption of this policy by the Government would be equally disastrous, especially to the mineral-mining areas of the country. Under our democratic principles, all parts of the Nation are entitled to equal consideration in matters of legislative benefits. This equality of democracy was won only after centuries of struggle by the English-speaking peoples. The deliberate sacrifice, by the Government, of one class of industry to benefit another would not be accomplished except through a destruction of our basic form of government.

Unfortunately, there has been marked resurgence of the old dominance of autocracy since the period of the World War. Today many millions of people, including those of Italy, Germany, Japan, and even the Soviets, are governed by dictatorships. Aggression and conquest of weaker nations and seizure of their resources is as natural an expression of autocracy as the stalking of prey for food by predatory animals. The organization and employment of armies for effecting conquests appeals strongly to national pride and accustoms a people to severe regimentation, on the pretext of temporary necessity; while providing armed forces they cannot resist when later employed against them in suppression of domestic opposition. Warned of growing popular discontent, Napoleon is said to have replied, "I shall give them new victories, and that will end it." Apparently the great modern autocracies likewise regard the gaining of victories abroad as a chief means of preserving domestic peace.

The case of Italy scarcely requires comment, in view of the conquest of Ethiopia in brazen defiance of world opinion, that has recently been followed by pretensions to a right of dominance of the Mediterranean Sea, though it is a great international highway bordered by numerous other countries besides Italy. Germany, having apparently learned nothing from the suffering that overtook its people, and others throughout the world, as a result of international swashbuckling of the same general character as that now practiced in Italy, habitually goes as far as it dares in threats of world peace, while engrossed in warlike preparations that may yet bring about a collapse of European civilization, inviting renewal of their former desolating western conquests by the hordes of Asia.

The Soviet Republic, while conceived as a government championing the rights of a people, is in fact the most tyrannical autocracy that the world has witnessed for centuries, and it is the most aggressive of all in a declared policy of subversion of peace within other countries, though its armies have actually been employed, as yet, only for the drastic repression of domestic opposition.

The Japanese aggressions in China are inspired primarily by the desire to seize the mineral supplies of her sister nation, and no consideration of international ethics will restrain the rape of Chinese territory.

The situation in Mexico since the governmental seizure of their oil fields from private ownership presents a wide open invitation to the oil-hungry Fascist states to make similar seizures on their own account, even in Mexican territory.

Mexico possesses not only oil but also sizable deposits of other minerals greatly desired by the "have not" leaders, who will go to great lengths to obtain the minerals necessary for the expansion of their nations. In spite of the losses of manpower during the

Great War populations in the Old World are increasing fantastically, and the struggle for food and life itself has made dictatorship preferable to man-made anarchy.

While the drive behind expansion of the Fascist states commenced as a pain killer for an empty stomach, it has now reached practically the status of a religion, and religions are not open to debate. The Japanese program for the mastery of Asia might be untenable except for an aura of religious sanction and a faith in the divine powers of their Emperor ruler. Hitler may make tactical retreats and concessions, but the strength of his leadership lies in his great faith in the manifest high destiny of the German people, rather than admitted motivation from economic needs. We have a government directly responsive to the needs of our constituents. The state exists for the individual. But in the Fascist countries "the individual no longer exists as such, he is an aspect of the state," and "an inspired leadership can do no wrong" is the dominant theory. For this reason the proposed disarmament conferences and economic appeacements appear to be almost hopeless. The autocracies which have subordinated the individual to national needs cannot in turn in any way subordinate themselves to foreign interests.

Therein lies the element of greatest danger to the peace of the world. Most of the present industrial activity in Europe depends on armament programs. When the last fighting ship is constructed, the last combat division equipped, and the last arsenal filled with munitions, can the factories be shut down and the workers turned into the streets? They certainly cannot, either in an autocracy or a democracy. Warfare in the no-distant future seems the inevitable answer. As a matter of elementary prudence and caution, it seems plain that our country must now accelerate our preparations while there is time to meet the eventualities. To my mind, the most necessary of these preparations is the adoption of a more definite and positive policy in regard to our mineral resources. Warfare is becoming more and more a mechanized action. Our one great asset in the maintenance of superiority in the possession of death-producing mechanisms is our control of great supplies of minerals.

The news reports from Spain today show the futility of matching individual naked courage against armored tanks and bombing planes. A loosely knit mass movement cannot stand long in opposition to a dictatorship, backed by the mineral and scientific resources of totalitarian states. International conditions make it increasingly evident that as a measure of our national defense more attention must be paid to a strict control of our mineral outputs.

The law of survival of the fittest continues to rule the affairs of man, notwithstanding his efforts to raise himself above conditions which Nature imposes on all living things. In view of the importance of adequate supplies of minerals for continuance of national prosperity, I am strongly of the opinion that the Congress should authorize a Cabinet officer to be called secretary of mines, with full powers to direct mineral policies, in the manner which the Secretary of Agriculture directs our agricultural policies. It is true that many obstacles block the path of unified action.

In the mineral industries there are vast owning interests, impersonal and hidden by the anonymity of directing boards, that are chiefly interested in the mechanism of capital required for operations, whose points of view are rarely the same as those held by the worker in the mines or the average consumer of the material. The producer of the raw minerals desires the highest possible price for his product, while the producer of the fabricated product desires the lowest possible price for the raw material, such as he now obtains under the system of competitive bidding.

The situation in regard to national mineral policy is further complicated by the influence of great financial dynasties having international commitments and extensive power to increase or decrease mineral production.

American commercial interests share in the control of copper in Chile, Peru, Canada, and Rhodesia, iron ore in Cuba and Brazil, oil in Venezuela and many other countries, nickel in Canada, zinc in Canada, Newfoundland, Mexico, Peru, and Poland. Also bauxite in British and Dutch Guiana and in Europe. The list I have cited is by no means complete.

This control also applies in a lesser degree to the production of the so-called strategic minerals, chief of which are tin, manganese, tungsten, chromite, nickel, antimony, and quicksilver. We have some of all of these elements in the United States, but not enough to supply our national needs. These minerals are absolutely essential to national welfare, both in times of peace and of war. Could we be assured that there would be no armed struggle of sufficient magnitude to disrupt the trade channels through which we receive foreign supplies, the question of stocks and development of new supplies would not be of such great importance. But in the absence of such assurance, their lack is unquestionably the weakest point in our scheme of national defense.

We should maintain reserve stocks and carefully explore all available sources in our own country. The other great powers are following this policy, and it is so obviously wise that no defense of the proposal would seem necessary. Nevertheless, most of the high command of the Navy and Army, and responsible leaders in Congress, have either been disinterested or lukewarm in the matter to date.

Three years ago we succeeded in placing an item of $7,500,000 for purchase and storage of strategic war minerals in the naval appropriation bill when it passed the House of Representatives. The item was thrown out, almost by acclamation, by the Senate committee, primarily on the ground of no Budget approval. The following year the strategic minerals purchase item was set at $5,000,000, and was approved by the House, but met a like defeat in the Senate committee. The third year's effort was finally crowned with success when the Senate approved an item of $3,500,000 for the purpose. This year the same performance has been enacted as in previous years, a House appropriation of $3,000,000 having been rejected by the Senate.

In case the Government cannot practically obtain enough of the strategic minerals to last the duration of a major war, it may, through metallurgical research, be able to develop satisfactory substitutes.

To my mind, the greatest opportunity of the Bureau of Mines today, in cooperation with the Navy, lies in the further stimulation of metallurgical research to discover new alloys and properties of metals, and to discover ways by which we can emancipate ourselves from dependence on outside sources for strategic minerals. The Bureau of Mines had done a brilliant piece of work in the beneficiation of manganese ore. By electro-metallurgical processes which appear to be commercially feasible, when cheap electric power is used, the grade of vast tonnages of impure manganese ore in this country can be raised to almost any desired degree of purity. Through combinations with copper and other metals, it is possible that manganese alloys can be produced offering a high resistance to corrosion, taking the place of nickel alloys.

The recent award of Navy contracts for storage supplies of ferro-manganese, made from domestic ores, is a marked forward step in encouraging the development of local supplies of the strategic minerals. Similar steps should be taken to encourage possible domestic producers of tungsten, quicksilver, chromite, antimony, nickel, and mica. In addition there are four or five tin prospects in this country that are apparently worth a thorough exploration.

According to the report of the Mineral Policy Committee of the National Resources Board, the estimated 2-year war needs of strategic minerals is as follows:

	Short tons
50 percent ferro-manganese ore	1,000,000
50 percent chromite ore	300,000
Metallic tin	60,000
48 percent tungsten ore	10,000
Antimony	35,000
Nickel	40,000
Mica (sheets and splittings)	3,000
Quicksilver (flasks, 75 pounds each)	25,000

Any plan for stock-pile reserves should provide for the cost of secure and permanent storage facilities. Stock-pile reserves should be held inviolate until actually required for war needs. Under these conditions they would have no adverse effect upon peacetime markets.

In addition to stock piles to be held by the Government, consideration should be given to prohibiting the export of scrap of those metals for which the United States depends largely on foreign sources. America is the only industrial nation that does not regulate the export of scrap of strategic metals.

National planning should take the long-range view. The Nation should seek to provide against emergencies that might threaten its existence, in the same way that business organizations protect themselves by insuring their property against fire and theft. Stocks of the strategic minerals are an elementary form of national insurance. Without raw materials, the industrial front crumbles, and the Nation cannot maintain its armies in the field.

Actual storage of strategic minerals will cost comparatively little money. The great naval munitions depot at Hawthorne, Nev., has ample space and facilities already available, as well as a location close to sources of supply.

Nevada and adjoining States possess notable undeveloped deposits of manganese, tungsten, mica, quicksilver, and probably antimony. There is also a possibility of development of tin and nickel deposits of some commercial importance in certain unexplored horizons of known mineralized areas.

Finally, there is the monetary silver metal, which can also be classed as a great asset for national defense. In times of war adequate silver stocks are always needed, in addition to gold, to give an added stability to paper currency and to further insure national confidence in the financial soundness of government.

It is worth while to know that the Nation can look to Nevada and the intermountain area as a certain source of supply for most of the strategic minerals, lack of which in time of international conflict might precipitate economic and military disaster.

The Reorganization Bill

EXTENSION OF REMARKS

OF

HON. THOMAS C. HENNINGS, JR.

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1938

EDITORIALS RELATIVE TO THE REORGANIZATION BILL

Mr. HENNINGS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorials:

THE TELEGRAPH LOBBY

The telegraph companies are swamped, the Congressmen are well-nigh suffocated by the deluge of messages against the Government reorganization bill. You would suppose the people were frantic with fear. But they are not. Behind the uproar is a Washington lobby. Just a plain lobby, of the kind Congress has to investigate every once in a while, which is merely using the telegraph to exert pressure on the Legislature.

The reorganization bill is the fourth administration measure subjected to this kind of fight. The other three were the World Court proposal, the Supreme Court bill, and the public-utility holding-company bill. Apparently the telegraph lobby is more than an isolated phenomenon; it will be used whenever the time seems ripe and as long as it pays dividends.

No one can argue that the people who are telegraphing their Congressmen are doing wrong personally. The Constitution guarantees them the right to petition the Legislature.

But Congress, and the people at large, must recognize the fundamental sham in these messages against the reorganization bill. No doubt they are sent by the persons whose names are signed to them. Nevertheless they are a spurious representation of public opinion. They are artificially provoked by a little group of professional Roosevelt haters and their hired hands.

Frank E. Gannett, New York publisher, is one, who calls himself the National Committee to Uphold Constitutional Government. Dr. Edward A. Rumely is another—the same Dr. Rumely who was sent to prison for failing to reveal that funds with which he bought the New York Mail in 1915 were advanced by the German Government. Charles G. Dunwoody, high-pressure expert from California, is a third—the self-admitted "coordinator" of the lobby.

Father Coughlin has joined the anti-reorganization forces and is responsible for a large proportion of the telegrams. But the National Catholic Welfare Conference has significantly stated that "in evaluating any protests from Catholic sources, it would be well to investigate whether these protests have been provoked by misinformation about the bill."

President Roosevelt pointed out in his statement Thursday that he himself had received comparatively few messages about the reorganization bill. The pros and cons were about equally divided. Yet suddenly Congress is overwhelmed by antagonistic messages. Can it be supposed that this represents a spontaneous expression of public opinion? It obviously does not.

The reorganization bill is a sound and constructive proposal. It is not a dictatorship bill, it is not even primarily a Roosevelt bill. Enactment of it should serve two desirable purposes. It should give Mr. Roosevelt the power to bring order out of the present executive anarchy in the Government. And it should discourage lobbyists of the future from attempting the telegram racket to bulldoze Congress.

HERBERT HOOVER'S PROSPECTS

Some of the political writers are wondering if Herbert Hoover's philosophizing about government since his return from Europe indicates that he is angling for the Presidential nomination. If that is his purpose, he is not using new material, except for his remarks on foreign affairs. His assertion that a planned economy requires dictatorship was his stock argument against the New Deal in the 1936 campaign.

If the Republicans should have a chance to win in 1940, it will be largely due to absence of recovery. That might persuade the voters to listen to Mr. Hoover's plea for a "return to common sense" and an abandonment of the Roosevelt regulatory policies. But while his party would thereupon adopt his program, it is unlikely that it would nominate him for President.

One President, Grover Cleveland, won a second term, in 1892, after being defeated for reelection, in 1888. But though Cleveland did not carry the electoral college in 1888, he received 100,000 more popular votes than Benjamin Harrison did. He was actually more popular than his successful rival. That was not true of the loser in 1932.

It is said that no man is happy out of the White House after living in it 4 years. It is conceivable that Herbert Hoover would like to run again in 1940, but he probably will be lucky to get on the platform committee.

FALSE ISSUES IN THE REORGANIZATION FIGHT—PRESIDENT HAS BENEFITED BY TACTICS OF FOES OF MEASURE TO REORGANIZE FEDERAL BUREAUS, SAYS CAPITAL OBSERVER; AFTER CREATION OF "DICTATORSHIP" BOGEY ON A MEASURE WHICH IS IN REALITY A MODERATE STEP TOWARD GOVERNMENTAL EFFICIENCY, VICTORY WILL MAKE IT APPEAR THAT ROOSEVELT HAS "REPAIRED DAMAGES TO HIS PRESTIGE AND POLITICAL POWER"

(Arthur Krock, Washington correspondent, in the New York Times)

An excellent illustration of how greatly political values were distorted by some opponents of the Federal reorganization bill was provided by the news ticker that serves this office. From New York came this sentence in a report of trading on the exchange: "Indications of increasing opposition to the Government reorganization bill brought a rally into the stock market today."

If the opposition to the Byrnes bill had been kept within the bounds of truth and reason, Wall Street and other interests would have paid only ordinary attention to the legislation which the Senate passed Monday.

The powers it delegates to the President do not bear on anything that is disturbing confidence in this country or depressing business. They have been sought by three other Presidents and were almost given to Herbert Hoover by a Democratic Congress. In a form much more drastic and really dangerous to the maintenance of the balance of power between the executive and legislative branches of the Government, they were endorsed by many Republicans, including Will H. Hays.

Had the objections to the Byrnes bill been temperately expressed, in consonance with the comparative unimportance of the issue, and had objectors refrained from calling on citizens to send the thousands of telegrams that have blocked the commercial wires, the President now would not be in the position of having gained a tremendous point. And the Senate would not have been placed in the position of having furnished him with the sinews of dictatorship.

* * * * * * *

As a matter of fact, he did not gain a tremendous point, but a relatively minor one. And the Senate gave him nothing with which to build any part of a dictatorship. The Byrnes bill contains many useful and needed provisions to modernize the Government, abolish overlapping, prevent waste, and coordinate the sprawling Executive function.

But before introducing the measure Senator BYRNES took away at least one legislative gift to the President which the House had conferred; the right to appoint Congress' auditor general. And the House had previously, by exempting the independent and quasi-judicial agencies from Executive domination, safeguarded the legislation from the proposals of the Brownlow-Gulick-Merriam report, which the President had endorsed.

The President actually got about half the powers he wanted, and the House and the conference committee of Congress still have opportunities to reduce the only two remaining which are really objectionable. One is the substitution of a single civil-service administrator for a bipartisan board. The other is the requirement of a two-thirds vote of Congress to prevent the President from virtually abolishing certain useful bureaus if he is so disposed, which he probably is not.

But the type of agitation employed against the Byrnes bill has given the overwhelming impression that the Senate has yielded something vital to our form of democracy under administration pressure, that Mr. Roosevelt is again its boss, and that he has repaired the self-inflicted damages to his prestige and political power during the last year. Nothing could be further from the truth.

The forthcoming T. V. A. inquiry, the tax bill which the Senate Finance Committee is about to write, and the defeat of the Gilbertsville Dam project in the House last week all demonstrate the serious weakening of Mr. Roosevelt's influence with Congress.

Had not the President's unrelenting foes seized upon the Byrnes bill as a chance to deal him a much-advertised blow, the real political situation would not have been obscured as it has been by the Senate's passage of this legislation. To this extent the President can be grateful to them for magnifying normal party support into a gigantic test of his influence.

The accusations of this opposition, reflected in the protests evoked by its overstress, are not in the least borne out by the roll call on Senator WALSH'S motion to recommit the Federal reorganization bill. According to the more frenzied publicists, a vote in favor of recommittal was a vote against Mr. Roosevelt and his suspected nefarious designs against democracy; a vote against the motion was to advance these designs.

Among those supporting the Walsh proposal were Senators BONE, BULKLEY, PITTMAN, and WAGNER. All four are stout New Dealers, who have repeatedly expressed certainty that the President has no such ambitions.

Among those opposing the Walsh proposal were Senators BYRNES, HARRISON, LOGAN, MILTON, and RADCLIFFE. Not one of them has any wish to see the Presidential power extended in any way to upset the governmental balance or to advance the radical ideas of the New Deal. Mr. HARRISON has just torn up the pet tax statutes of the administration, and Mr. RADCLIFFE revolted on the Supreme Court bill. All, by contrast with Mr. BONE and Mr. WAGNER, are conservatives.

When the smoke of propaganda has cleared away and the legislation is finally passed and begins to function, it will be seen that many of the passions torn to tatters were unbased. But meanwhile they have served the President well and unexpectedly in an hour of need.

STUPID TACTICS

The stupidity of much of the opposition to the Roosevelt administration passes belief. At no time has it been manifested so glaringly as in the fight against the pending reorganization bill.

Here is a bill which has been represented as inimical to business, yet there is nothing whatsoever in it that bears upon the relations of the Government to business. It has been represented as increasing the centralization of authority in Washington, when it does nothing of the sort. All that it does is to permit the President to rearrange, in the interest of greater efficiency, the powers that are already there.

The goal of reorganization is one that was sought by Herbert Hoover and half a dozen other Presidents before him. Every attempt to reach it heretofore has come up against a stone wall of active antagonism on the part of the bureaus affected and of inertia or antagonism in Congress. If the present promising movement should be wrecked by the misleading propaganda which has been turned loose against it, there would seem to be no chance

of ever effecting any worth-while changes in the chaotic governmental set-up.

By creating an entirely false issue in the reorganization fight, the opposition to the President weakens itself for those battles in which a genuine issue of public policy is involved. It plays directly into the hands of Mr. Roosevelt on all issues. It helps to discount in advance every argument that may hereafter be urged against a real attempt to centralize power unduly at Washington. That is what we mean when we say that those who, for whatever cause, are trying to work the country into a fury against Mr. Roosevelt over a fake issue, are doing, both from their own point of view and that of the country's welfare, an incredibly stupid thing.

We commend to our readers the realistic appraisal of the situation printed today under the cartoon.

THE COMING POLITICAL BATTLE

Within the next month it will be known whether political realinement is to be hastened by the 1938 congressional elections or to be held back and rendered more violent in the 1940 campaign.

The answer lies in the message President Roosevelt is to send to Congress on the subject of monopolies, and the extent to which the issue is carried to the people and made a test in party primaries and in the general election.

Political realinement is in progress now. It can be seen in the way party followers break across party lines to help candidates in other parties, and in the attitude of political leaders toward men in public office.

The crossing of party lines is even more direct. Mayor Wilson of Philadelphia, a Republican, becomes a candidate for the Democratic nomination for United States Senator. He does so because the Democratic Party in Pennsylvania has split on labor issues. The regular organization seeks to throw out the influence of the United Mine Workers. Mayor Wilson, more pro-labor than the Democratic organization, joins the United Mine Workers in an effort to build a new Democratic Party in Pennsylvania.

Senator GUFFEY has switched from support of Governor Earle to Mayor Wilson. Pennsylvania, in consequence, will either become the keystone of a Democratic Party allied with labor or will turn conservative under either a Republican or a Democratic banner.

Senator VANDENBERG, of Michigan, Republican prospect for the Presidential nomination, promotes realinement by a bid for Democratic support in 1940, and conservative newspapers promote the movement by linking it with Republican support in Missouri for Senator CLARK and in Maryland for Senator TYDINGS—Democrats both.

Old-time Progressives, like Senator BURTON K. WHEELER, of Montana, precipitate themselves even farther into the conservative camp, turning reactionary all along the line after the first start in that direction.

The move for political realinement was implicit in President Roosevelt's Gainesville speech on industrial feudalism in the South. The purpose of that speech was not to promote early passage of the wage-and-hour bill. It was to awaken the laboring people of Georgia to the kind of representation they are getting from men like Senator GEORGE, a leader of southern reaction, and Congressman COX, who has fought the wage and hour bill in behalf of the southern-pine lumber industry. Congressman Cox, in whose district the lumber interest centers, has represented the owners of it.

The question to be asked is, was this speech by the President the beginning of a campaign? Not a direct campaign against reactionary Democratic Senators and Representatives throughout the country, or throughout the South. (Mr. Roosevelt calls Georgia his second home. He can talk freely there.) But does it mark the beginning of a steady, driving campaign directed against monopolistic control of this Nation's great property interests and natural resources?

If it does, candidates for national office this year cannot avoid placing themselves on record in that campaign. The alinement will not be for and against business. It will not be for and against big business. In the public discussion that has already taken place there have been signs enough of the challenge that is coming. The charge will be, and the political battles will be fought on the charge, that monopolistic practices by a part of business are ruining all business, including that of the monopolists themselves. Political realinement will center on this issue—if the President decides to fight.

REORGANIZATION COMPROMISE

The administration's proffered compromise on the reorganization bill completely destroys the opposition's dictatorship argument. The compromise provides that the Senate and House can override a reorganization order by a concurrent resolution, which is not subject to a White House veto. It means that Mr. Roosevelt cannot change our form of Government without congressional agreement. A bare majority could defeat him.

The Congressman who votes against the bill, thus safeguarded, will reveal that his motive is to embarrass the administration or to preserve the present chaos in the arrangement of departments and bureaus.

The compromise makes the bill so utterly safe as to reduce the prospect of thoroughgoing reorganization. When former President Hoover was authorized to reorganize the Government, he was required to get congressional approval of the changes he suggested. He was able to do virtually nothing, because of the pressure exerted upon Congress by bureaus and lobbies.

There is one small advantage in the present bill with the proposed compromise. Mr. Hoover was required to submit his proposals to Congress before putting them into effect. Congress would, if the compromise is accepted, be forced to override Mr. Roosevelt's orders after he issued them. Should they contain desirable changes, Congress would have to assume the onus of rescinding them. This might enable Mr. Roosevelt to accomplish something.

Despite the administration's acceptance of the concurrent-resolution check, denouncers of the reorganization bill are still misrepresenting it. They are still professing to save America from dictatorship. What they are actually doing is plain. They are trying to damage the administration's prestige. They are trying to deliver the Democratic Party to its conservatives. They are trying to protect the special interests that benefit from the present arrangement of Government agencies.

This is not merely a battle over a piece of legislation. It is preparation for the 1938 and 1940 election campaigns.

Canada's Employment Hits All-Time High While United States Employment Hits All-Time Low

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 8, 1938

Mr. SHAFER of Michigan. Mr. Speaker, under leave to extend my remarks, I desire to call to the attention of Congress that the monthly letter issued by the Royal Bank of Canada shows that for the month of December 1937, the Dominion of Canada hit an all-time high for employment.

During the same month in the United States an all-time low in employment was registered.

These facts were called to my attentinn by Robert J. Caldwell, of 166 East Sixty-sixth Street, New York, who has taken it upon himself to send out 5,000 pamphlets containing this information to newspapers, magazines, public officials, mayors, legislators, and societies.

My purpose in doing this—

Mr. Caldwell stated—

is to see if this spineless Nation can be awakened to again give expression to the pioneer spirit which made this country great and which still survives in our valiant neighbor to the north of us, which is still governed by common sense and David Harum horse sense without incense.

Canada did not swamp herself in debt either. Nor did Canada stir up costly strife or frighten capital into hiding, or employ veterinaries in high places, or buy up all the silver in the world from our repudiating debtors at unmentionable high prices.

Nor are Canada's utilities or people ruined. Nor did the Canadian Government use for other purposes the social security fund collected from the employers and employees.

Reorganization Needs

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 8, 1938

Mr. MURDOCK of Arizona. Mr. Speaker, all of the departments of government come periodically under a fire of criticism, and suggested reforms spring up perennially. Sometimes it is contended that our judicial system should be remodeled in the interest of social justice or in the interest of the dispatch of its business. Again, the lawmaking branch is condemned for turning out so many laws as to cheapen all law and make enforcement impossible. And again, the executive department is regarded as inefficient

from the business standpoint, so much so that reorganization is sadly needed. Recently the executive and administrative departments have occupied the limelight.

Physical science and invention have multiplied the material blessings of life much faster than political science has furthered the social blessings. Thomas Edison is far ahead of Benjamin Franklin in his knowledge of physical forces. Is the modern statesman equally far ahead of James Madison in a knowledge of the forces that govern human society? We are told that the old forms of government to which we have become so accustomed need to be revamped in the light of twentieth-century conditions.

The term "bureaucratic government," heard so much today, is due to the fact that the work of administration is parceled out among so many boards and commissions. There has been a tendency in recent years, when any new function of government was to be originated, for the legislature to enact a law creating an independent commission and to start it on its way like the proverbial snowball, rolling down the hill, giving the commission power to fix salaries and to incur expenses such as "may be required." All this is done and yet we wonder why the expense of government grows.

Most questions of administration have to do with the raising and spending of money. The complaint is that the taxpayer does not get enough for his dollar. The general principles of a well-ordered administration are that we should have fewer partisan officials, that the merit system should be used in appointments, that responsibility should be squarely fixed, and that public servants be held to a strict accountability.

The alarming increase in the cost of modern government, then, is not necessarily due to dishonesty but to the rapidly increasing functions of government which modern society demands and refuses to get along without. Economy does not mean elimination of functions but efficiency to the end that the dollar will go farther. Writers on political science are in favor of increasing the power of the Executive in the matter of appointments and then in holding him responsible as the business manager of the Nation.

The most urgently needed reform, we are told, is the injection of business methods in governmental administration, both National and State. In the good old days of the past, governments, with limited expenses and almost unlimited power to tax, have not felt the need of avoiding a deficit. Government did not need to strike a balance sheet and come out on the right side of the ledger. It is different today. Budgetary reform is being insisted upon. Economy is the crying need of the hour. How that economy shall be wisely effected is the problem.

There cannot be too great a feeling of responsibility on the part of public officials or too careful a checking of those who spend public money. However, legislative investigating committees and official accounting cannot take the place of personal honesty. If any change is made in our administrative machinery, it should be with the view of increasing official responsibility. We want our Government organization to give meaning to that expression, "A public office is a public trust."

Mr. Speaker, the above observations on our governmental needs are not new to me. They come to my mind today because of our closing struggle with this reorganization plan. However, hundreds of my former students, who may chance to read these remarks, will recall that the same views are expressed in chapter 7 of a textbook I prepared 12 years ago entitled "The Constitutional Development of Arizona." These former students are now my constituents and I want them to know that I entertain the same views here in this national lawmaking body which I taught them years ago in a college classroom.

The bill we are voting on here today is by no means perfect. I could suggest still other changes. However, it comes so nearly representing my wishes for reorganization that I shall vote for it if given an opportunity. I believe such a measure put into operation here in Washington will make possible a new deal in the management of our public affairs.

Sugar Prices

EXTENSION OF REMARKS
OF
HON. PRENTISS M. BROWN
OF MICHIGAN
IN THE SENATE OF THE UNITED STATES

Saturday, April 9 (legislative day of Wednesday, January 5), 1938

CORRESPONDENCE BETWEEN SENATOR BROWN OF MICHIGAN, THE PRESIDENT OF THE MICHIGAN SUGAR CO., AND THE SECRETARY OF AGRICULTURE

Mr. BROWN of Michigan. Mr. President, I ask unanimous consent to have printed in the RECORD certain correspondence between myself, the president of the Michigan Sugar Co., and the Secretary of Agriculture. I want the RECORD to show that I totally disagree with the Secretary's conclusions.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

APRIL 6, 1938.

Hon. PRENTISS M. BROWN,
United States Senate.

DEAR SENATOR BROWN: Receipt is acknowledged of your letter of March 12, 1938, in which you enclosed a letter from the president of the Michigan Sugar Co. with respect to sugar prices.

References are made in your letter to a desire that the Secretary of Agriculture give his personal attention to the question of sugar prices. I have given the subject much attention during the past 5 years. It has been brought to my attention a number of times in the past few months and recently I have given it a careful and personal reexamination.

In the concluding paragraph of your letter you state, "I hope you will endeavor to bring yourself to the conclusion that your authority can be exercised to bring about a price that will maintain the sugar industry in the United States." In a letter to the Honorable ROBERT J. BULKLEY, of Ohio, dated March 1, 1938, I summarized the effects on the price of sugar of existing legislation in the United States as follows:

"In the first place, the domestic sugar-producing industry receives an effective protection in the form of prices in excess of the world level of $0.90 per 100 pounds, raw value, from the prevailing tariff on Cuban sugar. In the second place, on the basis of current prices, the effect of the quota system, provided for in title II of the Sugar Act of 1937, is to raise domestic sugar prices an additional $1.15 per 100 pounds, raw value. In the third place, the conditional payments to be made to sugar-beet and sugar-cane growers by the Government, under the provisions of title III of the Sugar Act of 1937, are equal to another addition in protection of $0.60 per 100 pounds, raw value. The sum of these three protective devices is the equivalent of a specific tariff duty of $2.65 per 100 pounds of sugar, raw value, or on the basis of the current world price of 96° raw sugar, New York basis, namely $1.10 per 100 pounds, the equivalent of an ad valorem tariff rate of 240 percent. In fact, the total public subsidy per 100 pounds of sugar, raw value, now being received by the domestic sugar industry as a result of direct governmental action is equal, in terms of the amount of sugar derived from average sugar beets, to approximately $8.40 per ton of sugar beets. This is considerably greater than the entire amount received by growers for the sugar beets they produce, so that it might be said that in effect the public is providing sugar-beet processors with free raw material and a substantial price subsidy in addition. It seems clear that this is a considerable amount of protection as compared with the effective rates of duties on other protected products."

You may be interested to note that an amount of governmental protection equivalent to an ad valorem tariff rate of 240 percent is several times as great as the average ad valorem equivalent of the tariffs collected on other protected imports into the United States. Many comparisons can be made between the protection afforded sugar and that granted other individual products, which enjoy the special advantage of effective tariff or quota protection, but upon reviewing the amount of effective protection granted by the Government to the various products one cannot fail to notice on this basis the exceptionally favored position of sugar at the present time.

It is unfortunately true that apparently no matter how high the price of a commodity might be raised by governmental action, there probably would be engaged in the industry a certain number of persons so situated as not to be able to earn satisfactory profits, and you will appreciate that such persons would believe, naturally and sincerely, that some action should be taken by the Government to bring about a further increase in prices. Unless those engaged in an industry on a particular date were given an exclusive monopolistic privilege and all other persons who desired

to enter the business were prohibited from doing so, it appears that the problems of marginal producers cannot be solved permanently by the Government through an increase in selling prices; for as soon as prices are advanced there is a tendency for a new group of marginal producers to appear and then demand another increase in prices to make its operations possible.

It is to be regretted that in the case of effectively protected products each step in such an endless process of increasing prices would involve, in order to make more profitable and to expand rather than maintain existing domestic production, not only the destruction of established production of exportable goods, such as automobiles and the principal agricultural crops, but also the impairment of the standard of living of consumers. Brief explanations of these consequences may be required, but there is no doubt that neither you nor I would desire to bring about such unpleasant results with respect to either the welfare of the State of Michigan or the country as a whole.

Recently I was obliged to point out that, "The repeatedly unfortunate experiences of the United States have demonstrated that a decrease in imports from foreign countries unavoidably involves a decrease in the foreign markets for American exportable products, of which we have great surpluses. It has been calculated that on the average each additional acre of sugarcane or sugar beets impairs our foreign export market in an amount equal to the normal product of either 3 acres of corn, 3 acres of cotton, or 6 acres of wheat, and normally American agriculture exports half its cotton, one-fifth its wheat, and one-third its lard. For example, the decline in our imports of Cuban sugar from 1928 to 1932 was accompanied by a reduction in the Cuban market for American farm products from more than 800,000 acres of our land. Consequently, if the United States should undertake to reduce its imports of foreign sugar still further under the quota system, it would also be necessary to decrease still further the production of our exportable products." The State of Michigan enjoys an export market for many products, among which automobiles are especially important, and I know that you would not wish the Government to take any action that would involve the destruction of our export market, which in turn would entail the hardship of disrupting and contracting the established production of industrial and agricultural export products.

I know that you will also appreciate the difficulty from the standpoint of the public interest in finding adequate justification for a policy of charging American consumers higher prices for sugar. In my letter to Senator BULKLEY, referred to above, attention was called to the fact that "it is estimated that at current prices American consumers are obliged to pay more than $350,000,000 per annum in excess of the value at world prices of their annual sugar supply (without allowance for the estimated net revenue of approximately $47,000,000 represented by the difference between disbursements under the Sugar Act of 1937 and receipts from the tariff and the 50-cent tax on sugar or for the possible increase in world price that might result from changed conditions). This is equivalent to a tax of approximately $2.70 per capita on a population of 129,000,000 persons. It means, on the average, a levy of more than $10 per family, including that one-third of the Nation which is ill-nourished, and it represents an amount of purchasing power equal to more than 50 quarts of milk and 50 loaves of bread for each family in the United States."

In appraising the significance of the existing differential in prices, one would, of course, take into consideration the fact that the world price of sugar is at a level which may be considered to have been unusually low for the past several years, but it is estimated that the people of the State of Michigan are paying a total excess (that is, amount above the world level) in price for their sugar supply which is more than twice as great as the total gross income of Michigan sugar producers and greater than the combined gross income of both sugar producers and sugar processors in the State. At the present time, for instance, American cane-sugar refiners are selling refined sugar (reexported full duty) at approximately $1.70 per hundred pounds for foreign consumption and $4.40 for domestic consumption.

Upon examining the proposition that sugar prices should be increased in order to provide a more satisfactory income for those sugar-beet producing companies which find it difficult to obtain satisfactory incomes under existing contracts and conditions, I find that an unusually disproportionate increase in the cost to consumers would be required in order to bring about further improvement in the condition of processors. If it were deemed desirable to undertake through price increases to enlarge the income of a group of processors which account for, let us say, 20 percent of the total beet-sugar production, it would also be necessary to take into consideration the fact that approximately 20 percent of the sugar consumed in the United States is derived from sugar beets, and that under the usual processor-producer contract the processor would receive approximately 50 percent of the unit increase in selling price. Under these circumstances the group of processors in question would receive only 2 percent of the total increase in price that would have to be borne by American consumers; thus it would be necessary to increase the cost to consumers $50,000,000 in order to provide an increase of $1,000,000 of increased income for that particular group of processors.

In addition to the public problems involved in the question of sugar prices one will find upon looking into the subject carefully that the provisions of the Sugar Act of 1937 do not leave much room for the exercise of administrative discretion in fixing quotas and hence sugar prices. For example, the provisions of section 201 of the act state, among other limitations to govern the administration of the quota system, that, "and in order that the regulation of commerce provided for under this act shall not result in excessive prices to consumers, the Secretary may make such additional allowances as he may deem necessary in the amount of sugar determined to be needed to meet the requirements of consumers, so that the supply of sugar made available under this act shall not result in average prices to consumers in excess of those necessary to maintain the domestic sugar industry as a whole."

On another occasion it was pointed out recently that "It will be noted that the foregoing provision of the act fixes a maximum average price for sugar. There is no provision in the act to indicate an intent that prices should be maintained at a level as high as this maximum; in fact there are specific provisions in the act which must be observed that might result in prices considerably below such maximum. But even if this were not true and if, on the contrary, the act had required that average prices were to be maintained at an amount equal to this maximum, I could find nothing in the materials submitted by your correspondent to indicate that the current price of sugar is less than what would be necessary to maintain the domestic sugar industry as a whole. Nor do I believe that a consensus of opinion among sugar producers at the present time would be to the effect that on the basis of present prices sugar crops are yielding growers so much less on the average than other agricultural crops that the operations of the domestic sugar industry as a whole are being contracted rather than maintained."

In making another personal reexamination of the question of sugar prices, as you requested, I have also found that, judged on the basis of the conditions that existed during the 5-year "parity base period" of August 1909 to July 1914, the sugar-beet producers are in a relatively favored position at the present time as compared with the producers of other crops. It is estimated, for instance, that the income of sugar-beet producers from all sources with respect to the most recent crop will be appreciably in excess of "parity price," whereas current prices for the principal agricultural products are unfortunately much less than "parity." You will notice in the attached statistical table it is estimated that between the base period 1909–14, and 1937, the acreage in sugar beets increased 56 percent and the total income of sugar-beet producers 134 percent (not including agricultural-conservation payments). During the same interval cotton acreage increased only 3 percent and cotton declined 14 percent with respect to income; wheat increased 34 percent in acreage but only 13 percent in total income; and corn declined 8 percent in acreage and 20 percent in total income. Furthermore, a consideration of such data as are available to indicate the relative profits made on sugar crops and other agricultural products does not lend support to the view that the sugar industry is in an unfavored position.

In summary, I have undertaken to make a careful examination of the question of sugar prices, the results of which indicate that the sugar industry is not in a relatively unfavorable position at the present time and in view of the provisions of the Sugar Act of 1937 and the interests of other groups, including consumers, and the producers of exportable products, it would be difficult to find justification for decreasing the amount of the existing sugar quotas.

Sincerely yours,

H. A. WALLACE, *Secretary.*

Estimated acreage and farm value (exclusive of agricultural conservation program payments) of various products

ACRES HARVESTED

Product	5-year average, 1909–14	1937	Percent change
Sugar beets	485,000	759,000	+56
Corn	101,103,000	93,810,000	−8
Wheat	48,075,000	64,460,000	+34
Cotton	32,948,000	33,930,000	+3

FARM VALUE

Sugar beets	$26,697,000	$62,465,000	+134
Corn	1,533,961,000	1,282,823,000	−20
Wheat	593,482,000	666,549,000	+13
Cotton	783,011,000	684,622,000	−14

MICHIGAN SUGAR CO.,
Saginaw, Mich., March 7, 1938.

Hon. PRENTISS M. BROWN,
United States Senator from Michigan.

MY DEAR SENATOR: As you doubtless know, the Agricultural Adjustment Administration has made public a letter from Secretary Henry A. Wallace to Senator ROBERT J. BULKLEY, written under date of March 1, 1938, dealing with the so-called demand for reduced sugar quotas.

The purport of this letter is to justify the action of the Department of Agriculture as to sugar quotas made by it and to make it

appear that the present price of sugar is as high as is necessary to maintain the sugar industry as a whole.

The Secretary quotes part of the Sugar Act and states that "It will be noted that the foregoing provision of the act fixes a maximum average price for sugar," and "There is no provision in the act to indicate an extent that prices should be maintained at a level as high as this maximum; in fact, there are specific provisions in the act which must be observed that might result in prices considerably below such maximum."

The President, on February 8, 1934, sent to Congress a message on sugar. He started his message as follows: "Steadily increasing sugar production in the continental United States and in insular regions has created a price and market situation prejudicial to virtually everyone interested." The President was right, but the overproduction extended throughout the world, with the result that in spite of a full duty on raw sugar of 2½ cents a pound and 2 cents on Cuban raws, the average price of refined sugar for the years 1931, 1932, and 1933 had been $4.24 per hundred pounds. During this period, with this low average price, producers and processors had in many cases been forced to suspend operations and numerous beet-sugar processors had gone into bankruptcy.

For 10 years prior to 1931 the average price of refined sugar was 6 cents, and it seemed reasonable to many sugar producers and processors that the 1926 average of $5.473 per hundred pounds of refined sugar would be just as acceptable to the administration as a parity standard as prices for other food commodities taken as of that date.

The quota system established under the A. A. A. has been of great benefit to the sugar industry, and undoubtedly Secretary Wallace is correct in stating that protection has cost the American public many millions of dollars, but this is true in regard to a great number of products that receive tariff protection.

The fact remains that the average price for refined sugar for January and February of this year, exclusive of tax, was $4.12, or $0.12 below the average of the ruinous prices of 1931, 1932, and 1933. As of March 4, 1938, the price declined to $4.02, exclusive of tax, or $0.22 below the above price.

It is perfectly true that the farmer gets the benefits of the processing tax, but even with benefit payments the farmer will be only slightly ahead when he adds these payments to his share in the present low return from sugar.

The Farmers and Manufacturers Beet Sugar Association represents a major part of the eastern beet-sugar industry. Its membership is representative of local beet producers' associations and processing units working in harmony for the development of the industry. The industry is continually being urged by Federal and State authorities to improve working conditions and to increase wages. It is also expected to make costly improvements to meet modern standards of sanitation and stream-pollution control. These things cannot be done on returns from sugar less than the starvation prices of 1931, 1932, and 1933.

Sugar is not a surplus crop. It is an essential food that should be produced, at least in fair measure, in continental United States. If prices are so low that the industry cannot thrive, beet acreage will be supplanted by more surplus corn, cotton, or wheat, and the difficulties now incurred with surplus commodities will only be increased.

Nowhere in the Sugar Act of 1937 is a maximum price for sugar given, and there would seem to be considerable latitude to the powers of the Secretary of Agriculture to determine and redetermine the necessary sugar quotas. Section 201 of the Sugar Act of 1937 says in part: "The Secretary shall determine for each calendar year the amount of sugar needed to meet the requirements of consumers. * * * Such determination shall be made during the month of December in each year for the succeeding calendar year and at such other times during such calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption, as indicated by official statistics of the Department of Agriculture, and shall make allowances for a deficiency or surplus in inventories of sugar and changes in consumption," etc.

We cannot too strongly urge the necessity of a higher price for sugar if the industry is to be maintained as a whole, and if the standards of living in this industry are to be brought up to a higher level.

Sugar beets can be grown and sugar extracted and refined at a cost to be competitive with foreign sugars if wages and working conditions are the same here as abroad, but if we are to maintain American standards we must have an American price. The cost to the American public can still be less than it has been for decades past.

We send you this letter in order that you may have our views on the sugar quota and price situation, and we trust you may take the opportunity to express to the Secretary of Agriculture not only the position of the eastern beet-sugar industry as we see it, but our desire to have for the industry only what is necessary and fair to maintain it.

Yours very truly,

MICHIGAN SUGAR CO.,
EDWARD C. BOSTOCK, *President*.

[Mr. BROWN's letter was printed in the Appendix of the RECORD in the remarks of Congressman ROBINSON of Utah, and appears on page 1314.]

Reorganization of Executive Departments

EXTENSION OF REMARKS
OF
HON. LISTER HILL
OF ALABAMA
IN THE SENATE OF THE UNITED STATES

Saturday, April 9 (legislative day of Wednesday, January 5), 1938

ARTICLE BY RUSSELL KENT

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Mr. Russell Kent, appearing in the Birmingham Age-Herald-News of April 1, 1938, on the reorganization bill.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Birmingham (Ala.) Age-Herald-News of April 1, 1938]

THE REORGANIZATION BILL

For the life of me I cannot get excited over the executive reorganization bill. I may be dense, and doubtless any number of persons think I am, but I fail to hear the Constitution crumpling under the weight of this proposed delegation of power to the President. What's a Chief Executive for if he cannot get efficiency out of the executive branch of government?

Perhaps I shall change my opinion before this bill gets to the statute books. My sympathies are tapped rather easily in some respects; perhaps there is something in this reorganization bill that I have not seen and that when pointed out will serve to arouse me, too, to a state of frenzied excitement. But I'll have to be shown.

Some things in life are worth waiting for indefinitely; some are worth fighting for to the last breath; some are worth traveling many miles to obtain. With some friends recently I drove 80 miles to dinner. It was worth it. But some of the objections which were raised against the reorganization bill in the Senate bring to mind a quite potentially different situation; suppose we had driven 80 miles to dinner and then found the teahouse closed? That would have been going pretty far for nothing and it's just what I think some of the opponents of the reorganization bill did in the Senate; they went pretty far into the mountains of imagination to manufacture the ogres they attempted to paint in word pictures.

And the noise which has been created about this reorganization bill is absolutely deafening. It strikes me it was about a relatively small mattter.

It's like this 80-miles-to-dinner expedition.

Ordinarily, you know, I would not go 80 miles, or 1 mile, for dinner. Usually I walk around to the elevator, ride down swiftly, and walk 80 feet, or 180 feet, according to direction, to get my dinner. But—well, you know how it is—the company, the season, the weather, the whole circumstance of the situation.

We had been eyeing this trip for several weeks. A couple of us had been to this Blue Ridge place in past years and we praised it to friends as "something different" and encouraged a party for the journey. One of the men was forced to leave the city before the great day arrived, but happily his wife went along—and so we were five.

I was fearful that morning it might rain (what a senseless thing fear is) but the sun came out well in advance of the time for departure and we turned our backs upon the cherry blossoms to view which hordes of humanity were pouring into Washington (this was no loss on our part, for we all, separately, had seen those blossoms) and rolled out toward the country. Of course, the gardenia rite was performed before we left the city, and the three ladies of the party adorned those beautiful white flowers admirably, and, as we proceeded, shifted them about to protect them from the wilting rays of the sun.

Munching plebeian "hot dogs" to fortify the inner man for the trip (and I was told there's a place just outside Montgomery on the Birmingham pike where these frankfurters are better than any place else in the whole world; I'll hunt it up the next time I'm in Alabama), we soon were on our way.

There was only one bitsy (I'm fond of that word, you will note) error; we took a wrong turn. Really, it wasn't a bitsy error; it was mine and when I make a mistake it's usually a big one, although this one was not important, for we had a lot of fun and we helped the depressed oil refiners by burning an extra quart of gasoline. We passed the place where, a month or so previously, Greyhat and I had encountered the slot machines and had had difficulty in discovering sufficient merchandise owned by the heartbroken proprietor to cover our ill-gotten gains, but there was no lure this day; we were going places.

Why I should be telling you all about this is beyond me. I suppose it's because I get so fed up on listening to controversies day after day that when joyous respite comes I feel awed and run to share my joy with others.

I suppose there is nothing more restful than gliding along in pleasant company, with easy conversation, and looking out at the peaceful landscape in spring, green fields, budding flowers and blossoming trees, herds of cattle lifting their heads to gaze at us with sad eyes; a panorama of refreshened life rimmed by distant mountains.

Anyway, we arrived finally at the small Maryland city, rich in the history of the formative days of this Nation, which had been our objective, and we soon were seated at a table laden with a meal almost fit for the queens before whom it was placed. The only difficulty that had threatened was worked out beautifully at that dinner table, and we lingered long. Fried chicken and 17 vegetables, relishes and jams, so one of the ladies announced after amazed inspection, served family style, then ice cream and cake. My goodness, my stomach!

We drove back another route. Darkness descended. The radio brought to us soft music from a distant station, and two of the party sang, and then can sing beautifully.

Almost home, the peace of the party, all well acquainted long before we had gone that first 80 miles, was interrupted by the rancorous blare of the horn on the car. One of those what-can-be-the-matter incidents which make the ordinary motorists' hair stand on end. However, I didn't see anyone's hair in that car standing on end; certainly mine didn't and had it done so it would have looked like a picket fence, for it is getting somewhat sparse.

After a little futile exploring, we drove into the nearest filling station and in a jiffy an attendant had the short-circuit located and had it all straightened out.

Isn't that just like many things in life—a loud noise which disturbs us if we permit it to do so, and which can be so easily eliminated if we only have understanding of how to do it?

That simple little journey and its atmosphere of friendship, the beauty of the countryside, the incident of the horn, the helpful exchanges about problems, the quiet partings, did things to me. I'm regarded as cold, but in matter of fact it takes but little to warm me and to move me. I've sat in church and heard a solo rendered with such depths of feeling as well as beauty of voice that my scalp tingled.

Anyway, I discarded any thought of the Republic going to the dogs if the reorganization bill should pass the Senate. The dire warnings which I heard just before the vote was taken reminded me of the blare of the horn; to be quieted easily and forgotten quickly.

One time, in this place, I expressed the wish President Roosevelt could go to Baltimore as I went on a memorable occasion. It might be an excellent thing if some of the viewers-with-alarm in the United States Senate would drive out 80 miles to dinner and forget their cares. I hope I am invited again and maybe Pete will be able to go along next time, too.

North Carolina Banks

EXTENSION OF REMARKS
OF
HON. ROBERT R. REYNOLDS
OF NORTH CAROLINA
IN THE SENATE OF THE UNITED STATES

Saturday, April 9 (legislative day of Wednesday, January 5), 1938

ARTICLE FROM WILMINGTON (N. C.) STAR-NEWS

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be printed in the RECORD an article from the pages of the Star-News, published at Wilmington, N. C., by Mr. Rye B. Page. This article pertains to a statement by the North Carolina commissioner of banks, Mr. Gurney P. Hood, in particular reference to the benefits derived from the Federal Deposit Insurance Corporation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wilmington (N. C.) Star-News of April 2, 1938]

HOOD SAYS NEW DEAL HAS SAVED NORTH CAROLINA BANKS—COMMISSIONER GIVES PARTICULAR CREDIT TO DEPOSIT INSURANCE CORPORATION

RALEIGH, April 2.—The New Deal's banking program, particularly the Federal Deposit Insurance Corporation, has saved many a North Carolina bank and is responsible for a sense of security which has never before existed among depositors, Gurney P. Hood, State commissioner of banks, today told this bureau's representative.

"I believe that the banking program of President Roosevelt has removed any possibility of a mass fear or mob psychology which might result seriously for the banks of North Carolina because of 'runs and systematic withdrawal of funds'," the commissioner said.

He pointed out that there hasn't been even the suspicion of a mass movement to withdraw funds from any bank in the State since Uncle Sam became guarantor of accounts of less than $5,000.

He cited instances which in pre-New Deal days would have forced many a bank to the wall, but which have created hardly a ripple of excitement under existing conditions. Among these was the recent instance at Fremont, where an official of the bank, short in his accounts, committed suicide.

"An event of that kind before F. D. I. C. would have meant certain failure of the Fremont bank," he declared, "because depositors would have run to the bank for their money like scared rabbits. As it was, they knew their money was safe, and complete calm and confidence prevailed."

Mr. Hood explained that the F. D. I. C. measure was not a "banker's bill." In fact, he said, not less than 98 percent of the bankers of North Carolina were bitterly opposed to its enactment.

"But now, if there is a banker who isn't completely satisfied with F. D. I. C., he is keeping mighty quiet about it," he said smilingly.

The commissioner's remarks were brought out during informal discussion of several cases of bank shortages which have come to light recently.

One reason, and a very important one, why the present business recession has not brought failing banks and panicky depositors in its wake is the F. D. I. and the entire New Deal banking program, Mr. Hood asserted. He pointed out that stocks have of late fallen to new lows for the past 5 years without causing people with money in the banks to take it out and hide it in stockings, chimney corners, and backyard holes.

In addition to the good F. D. I. C. has accomplished along the line of keeping depositors unworried, it has likewise given to State banking authorities the assistance of Federal Bureau of Investigation men in tracking down shortages and malpractices in banks, Mr. Hood said.

Before inauguration of the present system, G-men were available for investigation of national-bank matters, but now that the Central Government is the most interested party in maintaining solvency of all banks with Federal deposit insurance—which is to say practically all banks of every kind—the sleuths of Edgar Hoover are at the disposal of State authorities whenever needed.

Mr. Hood's endorsement of New Deal banking accomplishments is, in short, full and complete.

"I don't know enough about A. A. A. and T. V. A. and other New Deal programs to pass an expert opinion," he said, "but if they are half as successful as President Roosevelt's banking program, then I am for them."

Other banking authorities of the State are equally high in their opinion of the banking program, especially F. D. I. C. There is "Bob" Hanes, of Winston-Salem, for instance. When Federal deposit insurance was under consideration he fought it hard—he didn't think it could be made to "tick," but now that it has been in successful operation, Mr. Hanes is convinced that it is an epic achievement in banking.

It is pretty generally agreed that but for such measures as F. D. I. C. the current slack in business, the discovery of numerous shortages here and there in the State, and the depression level to which stocks have dropped would have before now caused numerous North Carolina banks to "go boom."

The Reorganization Bill

EXTENSION OF REMARKS
OF
HON. J. W. ROBINSON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES

Thursday, April 7, 1938

Mr. ROBINSON of Utah. Mr. Speaker, three-quarters of a century ago the White House was occupied by a President whose memory is today revered by all Americans; but during his incumbency possibly no man in history was so hated and maligned by certain organized groups of people as was Abraham Lincoln. Every policy of government championed or advocated by him was attacked by his opponents with unreasoning and vicious bitterness, not because of opposition to the measures themselves but because of their hatred and animosity toward Lincoln.

Twenty years ago Woodrow Wilson was subject to a like attack. His every move was misconstrued by those who opposed him, until finally, broken in body and spirit, he left the Presidency feeling that he had been unable to accomplish his great aims.

History is now repeating itself. Opponents of the present occupant of the White House are with the same bitterness and vindictiveness which characterized the attacks on Lincoln and Wilson taking advantage of every opportunity to criticize and malign President Roosevelt. At the present moment the reorganization bill bears the brunt of the attack. A few weeks ago the tax bill was the object of their animosity. Because the word "dictator," carries with it a distasteful connotation, they accuse the President of desiring to become a dictator. This, notwithstanding the fact that a careful study of the reorganization bill now being considered before the House of Representatives would be conclusive to any fair-minded person, whether Republican or Democrat, that by no stretch of the imagination can the enactment of this bill into law be called a step toward dictatorship. I am fearful that the attack is not on the reorganization bill, but on the President himself.

Last week ex-President Hoover arrived in New York from an extended trip to Europe. Interviewed when he left the boat he stated, "That he could not see that the bill contained any suggestion of dictatorship." However, after he had been in this country for a few days and had time to become acquainted with the political significance of the attack which is being made on the bill, he joined the chorus of dissent by characterizing the bill as "a grab for more power by the Executive."

The offices of Members of Congress have been flooded with telegrams and letters in opposition to the bill. While most of these messages appear to be sincere, I feel sure that many of the people who sent them have been misled by vicious propaganda. It is true that in its early stages the bill contained certain features which I regarded as fundamentally unsound and which were objectionable to many people. These features have been eliminated, however, and there is nothing in the bill now before the House which should give rise to a feeling that too much power is being placed in the hands of the Executive. But still the cries of dictatorship are raised by the interests who oppose this bill. Surely these people have not read the bill now before the House, or if they have and carefully analyzed it, then they are not interested in its merits. Their only interest is to scuttle the present administration, and they are willing to resort to misrepresentation to do so.

For almost a year the reorganization committee has been working on the drafting of this particular legislation. During that time the members of this committee have been privileged on different occasions to discuss the merits of the bill with the President. I have at all times been impressed with his spirit of cooperation, his analytical powers, and his great fund of information on Government activities. He has evinced at all times a desire only to draft a workable bill, and never has he expressed one semblance of an idea that would add to his own personal power merely for the sake of the power itself. Such accusations are utterly groundless.

Let us examine the bill that is now being considered by the House. Its provisions are simple and can be divided very readily into five different parts.

First. It gives the President the power to appoint, if he desires to do so, six additional assistants to aid him to do the tremendous job that the citizens of this country have placed on his shoulders; each administrative assistant to perform such duties as the President may prescribe. This enlargement of the staff of the White House would enable the President to have a sufficient group of competent assistants to secure the information necessary to properly conduct the affairs of his office.

Second. The President is given the power to reorganize various governmental functions and prevent overlapping of activities in these various agencies of the Government. However, before any order of the President can become effective under this particular phase of the bill, the President must report the result of his findings back to Congress and Congress shall have 60 days within which time it can by a concurrent resolution passed by a majority of its Members prohibit any order of the President from taking effect. The Congress has reserved to itself the power to say whether or not any changes of any character whatsoever shall take place in a reorganization scheme. For example, suppose the President should issue an order transferring the Forest Service from the Agriculture Department, where it now is, to the Department of the Interior. Under this bill that order would be submitted to Congress. Congress would then have 60 days within which to reject that order and if a majority of Congress was opposed to this transfer then a concurrent resolution would be passed prohibiting the order from taking effect. This title of the bill was passed last August by a large majority of the House, both Republicans and Democrats voting for it. At that time there was no propaganda being circulated against it. After careful consideration the House by a vote of almost 4 to 1 approved the bill.

Third. The bill sets up a department of general welfare. Under this provision twenty-odd agencies of the Government will be coordinated under one organization. No new departments are to be set up, but such agencies as public health, sanitation, old-age pension, unemployment insurance, workmen's compensation, and other allied activities will be under a general head, who will be a member of the President's Cabinet.

The fourth division deals with the administration of the civil service. The bill gives an opportunity for the development of the merit system by projecting it upward, downward, and outward. It enables men and women who devote their lives as career workers to know that their life's work will be safeguarded so long as they render efficient service to the people of the United States. This phase of the bill will extend the functions of the Civil Service Commission to cover approximately 300,000 more people. Many branches of the Government not at present under civil service will have the same advantage that other departments now have.

No one interested in civil service makes any objection to this bill with the exception of one point. The bill as now drawn provides for a single administrator who shall be appointed for 15 years, and who shall be the executive officer who carries out the policy inaugurated by a board of seven members. Many feel that a bipartisan board of three would be more desirable than a single administrator. This is merely a matter of opinion. Honest and well-informed people on this subject may differ as to whether the civil service should be administered by a bipartisan commission or by a single administrator. Personally I feel that a bipartisan board would be better than a single administrator. However, a majority of the committee favored the bill as it now stands.

The fifth section deals with the method of handling Government finances. From the very beginning of our Government until 1921, control of expenditures of funds and the auditing of these expenditures was vested in the Treasury Department. In 1921, the General Accounting Office was created, at the head of which was placed the Comptroller General. Theoretically the Comptroller General was responsible to the legislative branch of the Government. However, in the 17 years of the existence of this Office, no complete report has been made by the Comptroller General to the Congress of the United States.

But even more serious is the fact that there is no independent audit of the books of the General Accounting Office. The power of the Comptroller General is not clearly defined in the act which created the office, and as a result the Comptroller has by usurpation of authority been able to set himself up as an officer having complete control of the expenditure of funds. He is responsible to no one and there is no independent audit of his books. The General Accounting Office has, in effect, become almost a fourth branch of the Government, such as is not provided for by the Constitution, nor intended by Congress when it created that office.

The bill now under consideration in the House retains the General Accounting Office and an independent Comptroller General and gives him even more power than he now has. However, it places this organization under the executive branch of the Government. The act then provides for an auditor general, who shall be appointed for a term of 15 years, and who can only be removed through an act of Congress. The Comptroller General looks after the expenditure of funds and passes on their legality before they are spent. The auditor general audits all of the funds of the Government. It is his duty to examine every financial transaction of the Government to see that the money appropriated by Congress is legally and honestly spent. He is subject to the Congress. He is a legislative official and must report to the Congress of the United States.

Congress under this bill is not giving up any of its functions; it is, rather, assuming the functions that it was intended it should assume under the Constitution. It is requiring that an audit be made of every dollar appropriated and that this audit shall be reported to the Congress, and that it should be made and controlled by an officer who is entirely independent from the executive branch of the Government.

To summarize: First, the bill gives the President not to exceed six executive assistants. Surely no one would accuse the President of attempting dictatorship because he requests additional competent help. Second, the bill gives the President authority to reorganize certain departments, but specifically provides that before any Executive order can become a law, Congress shall have the right by a majority vote to disapprove this order. Surely no one can successfully contend that Congress has surrendered its power to the Executive or that the Executive can under such authority become a dictator. Third, the bill provides for a general welfare department. No new Government agencies are set up, but all those agencies which have to deal with the general welfare are coordinated and grouped under one executive head, and this executive head shall be a member of the President's Cabinet. There is nothing new and revolutionary in this particular part of the bill, and nothing which gives the Executive additional power. Fourth, the bill broadens and strengthens the civil-service system and provides for a single administrator of that system, who shall execute the policies formulated by a board of seven members. There is nothing in this provision which would in any way indicate that the President is seeking to become a dictator or that will give him any additional power, because he now has the power to appoint a bipartisan board which shall serve at his pleasure. Fifth, the bill changes to a certain extent the present system of handling the Government finances, but adopts, not an untried system, but one which has been approved by a number of our larger and more efficient State administrations and one which has been put into operation by the Brookings Institution itself in a number of these States. The only purpose of this change is to see to it that Congress shall have the control of the finances of this Government and that it shall have more power in this particular respect than it has previously had. Does this indicate that Congress is becoming a rubber stamp and ceasing to function?

Now, in all fairness to this administration, I ask you to read and analyze this bill carefully. After doing so, I am sure that you must come to the inevitable conclusion that there is nothing in this bill which would indicate in any way that Congress is abdicating its prerogative, nor is there a semblance of proof that the President is attempting to usurp additional powers. If this is a fact, then the only explanation for this campaign of hatred that is being conducted is that it is conceived in malice for the sole purpose of discrediting this administration and of hamstringing the President and his program. This being true, I want to urge upon the people who have stood so nobly by this great humanitarian to stand by their guns and have courage to continue the fight.

Food Value of Butter and Oleomargarine

EXTENSION OF REMARKS
OF
HON. TOM CONNALLY
OF TEXAS
IN THE SENATE OF THE UNITED STATES

Saturday, April 9 (legislative day of Wednesday, January 5), 1938

MEMORANDUM BY J. S. ABBOTT, DIRECTOR OF RESEARCH, NATIONAL ASSOCIATION OF MARGARINE MANUFACTURERS

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum by J. S. Abbott, director of research, National Association of Margarine Manufacturers, on The Food Value of Butter and Oleomargarine.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

It is unthinkable that anyone, with or without any training in physiology and other sciences relating to human nutrition, would publicly declare by direction and implication that oleomargarine is unwholesome and injurious to the public health. But this is being done in high and low places every day. If such declarations were true, it would be unlawful to sell an ounce of oleomargarine for food. Members of Congress certainly know this. They made the Federal food laws. Members of State legislatures certainly know this. They made the State food laws. Oleomargarine is sold every day all over this country under its own name, on its own merits, and in harmony with all food laws, State and Federal.

It is true, as was stated the other day, that Canada prohibits the manufacture and sale of oleomargaine. It is also true that Canada permitted its manufacture and sale during the period of the World War. Presumably, Canada considered it good enough to feed its people and soldiers during that war. The United States shipped 18,382,221 pounds of oleomargarine and 8,826,846 pounds of butter for food to the American Expeditionary Forces in Europe between April 7, 1917, and May 1, 1919.

The Federal Trade Commission (Dockets Nos. 1080, 1984, and 1988) has ordered numerous creameries and persons to "cease and desist" from "declaring, publishing, and circulating" false statements to the effect that oleomargarine is unwholesome and injurious to the public health.

The Federal Trade Commission (Stipulation No. 01740) has also ordered a vendor-advertiser of milk and butter to "cease and desist from representing directly or otherwise—

"That butter is the best known resister of disease;

"That butter contains all of the elements necessary to human growth;

"That butter will provide vitamin A in quantities sufficient to afford protection from head and throat infections, sinus, or mastoids;

"That butter will provide vitamin D in quantities sufficient to prevent rickets or to build bone, muscle, or teeth;

"Inferentially or otherwise, that butter contains a substantial amount of vitamin D;

"That vendor-advertiser's butter provides all of the vitamins necessary to building a sound body and an alert mind;

"That any certain amount of milk is essential to the daily diet, or that milk is necessary to the diet of adults to maintain strength and vigor;

"And from making any other claims or assertions of like import."

The Federal Trade Commission's orders are of course backed up by the best scientific authority in this Government. Compare their statements with the erroneous statements you often hear or read about oleomargarine and butter.

Now then, what are the facts about vitamin A in butter? Butter propagandists and those without any efficient training in the science of nutrition generally talk about butter as if it were the only source of vitamin A and as if it were always dependable and adequate as the only source of vitamin A. That is not true. Such talk is pure rubbish. The quantity of vitamin A in butter varies within wide limits. Capt. John Golding, D. S. O., F. I. C., in an address before the World's Dairy Congress in 1923, reported that butter made of the milk from cows on green pastures is 10 times as rich in vitamin A as butter made of the milk from cows on dry feed or winter feed. Steenbock (Jour. Biol. Chem., September 1918) reported an experiment in which the butter from a cow fed exclusively on alfalfa hay did not contain any of this vitamin.

Now, then, what are the facts about vitamin A in oleomargarine? Halliburton and Drummond (Jour. of Physiology, September 1917) found that "margarine containing oleo oil is quite able to replace butter in satisfying the nutritive requirements of young animals."

This was confirmed by Osborne and Mendel's experiments (Proceedings of Physiological Society, Jour. of Physiology, vol. 51, p. viii, 1917). Their experiments were confirmed by Fetter and Carlson (The American Journal of Physiology, vol. 96, No. 2, February 1931) who found that oleo oil margarine churned in whole milk is equal to butter in vitamin A. Oleomargarine made of vegetable oils does not contain any worthwhile quantity of vitamin A unless it is fortified with vitamin A from some other source. Five margarine manufacturers began to do this very thing in the summer of 1937. Others will undoubtedly begin doing so in the near future. It is done on a large scale in some of the northern European countries. It is perfectly easy to do it now, thanks to the progress of science. Such oleomargarine is nutritively the equivalent of good butter in all respects.

Now, then, what are the other sources of vitamin A?

Vitamin A is found in good quantity in spinach, cabbage, carrots, chard, kale, squash, celery, lettuce, tomatoes, eggs, most yellow oils, beef fat, fish liver, pig's liver, beef liver, kidney, glandular organs in general, sweetpotatoes, yellow corn, milk, cream, cheese, and in some 50 or more other common articles of food in greater or lesser quantities depending upon certain well-known conditions.

Because of the wide distribution of vitamin A in the many common articles of food we eat, and especially of efficient quantities of it in milk, eggs, and leafy vegetables, McCollum (Dr. E. V. McCollum, Dept. Hygiene and Public Health, Johns Hopkins University, p. 38, McCall's Magazine, November 1924) has said that "although butter is one of the best sources of this vitamin, it is not essential to use butter to secure it, and that the housewife who is obliged to practice economy will do better to spend her money on milk and green vegetables than on butter," because milk and green vegetables are rich sources of this vitamin A, and contain much else of food value. Substantially the same statements have been made by Dr. Walter H. Eddy (professor of physiological chemistry, Teachers College, Columbia University; Good Housekeeping, vol. 88, No. 4, pp. 97, 250, 251, 252, April 1929) and many other nutrition workers.

Now, what about coloring oleomargarine? The Government taxes yellow oleomargarine 10 cents per pound. Consequently, very little is colored. In fact, less than one-half of 1 percent of the oleomargarine made last year was colored. More than half the creamery butter is artificially colored. There is no tax on it. The color used in butter and oleomargarine is not a poison. It has no value except to make the products appetizing, unless it is carotene which is a rich source of vitamin A. Permitting the coloring of butter and prohibiting the coloring of oleomargarine is clearly an unjust discrimination against oleomargarine consumers.

What about the fine flavor and aroma of butter and oleomargarine? Those properties do not come from the fat in either product. Fats and oils in a pure state are colorless, odorless, and tasteless. They come from the fermentation of the milk sugar and citric acid normally present in the milk used in their manufacture. They are due to identically the same chemical compounds produced by the same micro-organisms.

The Medical Research Council of England (Special Report Series No. 105, Medical Research Council, London, England), found margarine a most satisfactory food in an experimental diet of meat, margarine, vegetables, sugar, bread, and 1 pint of milk a day. This was the diet of a group of 41 boys during a period of several years. These boys gained an average of 6.93 pounds per boy and an average of 2.63 inches in height per boy per annum. The usual and normal average increase is often only from 3 to 5 pounds in weight and about 2 inches in height in a boy of the body weight of the boys in these experiments. The boys were in a fine state of health all through the years they were on this diet. "They were high-spirited and irrepressible, being often in trouble on that account, and there was a complete absence of illness among them," says the report. The experiments upon these boys over a period of years were carried out "to help solve the problem of what diet in quantity and quality provides adequate nutrition for growing boys and girls." This diet of meat, vegetables, oleomargarine, sugar, bread, and a pint of milk a day was all that could be desired in producing growth in weight and height, health and "spirit" of the group of boys in the experiments. The oleomargarine used in these experiments was a grade known to contain the least amount of vitamin A of any grade on the market and selected for use because of this fact. It contained, according to the report on these experiments, only one-tenth as much of this vitamin as the best grade of butter from cows on green feed.

The products used in the manufacture of oleomargarine are well-known articles of food. They have been eaten in one form or another every day from time immemorial. The Government publishes monthly a complete list of them. The principal ones are beef, fat, pork fat, cottonseed oil, coconut oil, peanut oil, corn oil, soybean oil, salt and milk or skim milk.

In the light of all scientific findings by eminent authorities respecting the wholesomeness and food value of oleomargarine, there is but one explanation for the antioleomargarine propaganda being circulated to prejudice the public and legislative bodies against its use as a staple article of food. It is unnecessary for me to tell you what that explanation is.

Unemployment and Relief

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Saturday, April 9 (legislative day of Wednesday, January 5), 1938

STATEMENT OF HARRY L. HOPKINS, WORKS PROGRESS ADMINISTRATOR, BEFORE SPECIAL COMMITTEE TO INVESTIGATE UNEMPLOYMENT AND RELIEF, APRIL 8, 1938

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement made by Mr. Harry L. Hopkins, Works Progress Administrator, before the Special Committee to Investigate Unemployment and Relief, on Friday, April 8, 1938. I may state that I have obtained the necessary estimate required under the rules.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. Chairman and members of the committee, I find no better point of departure for discussing unemployment and relief than in going back to the conditions which confronted this country in 1932 and early 1933.

Approximately 15,000,000 people were out of work. There was no relief worthy of the name. Yes; there were bread lines, and many people stood in bread lines for hours, only to be turned away. This country knew starvation as I hope it will never know it again. People were talking about economic collapse. In many parts of the country the economic machinery had already collapsed. Banks were closing their doors, and many were staying open only through the tolerance of desperate officials. Essential public services were being suspended. In many communities farmers were losing their homes and farms. There was no such thing as security, whether it was a job, a farm, shares of stock, deposits in banks, or a life-insurance policy.

We are not threatened with collapse of the social and economic structure today, even if conditions are serious. Something has happened to this structure of ours. People are not afraid of the soundness of their banks and of their money. Farms and homes are not under the same threat of foreclosure. Farmers do not feel that agricultural surpluses are unmanageable. Above all, certain minimum guaranties have been established by a widespread security program. We have substituted for the degradation of the bread line the policy of work for the unemployed.

The collapse that came after 1929 was long in the making, and in this making deep-rooted difficulties were created which are not to be corrected in 1 year or 2 years or 7 years. Conditions making for widespread unemployment have been under way since the turn of the century. All of us have seen some evidence of the impact of technology. And all of us know that the failure to achieve a better distribution of the national income has played a direct part in our failure to attain full employment.

The measures which this administration chose to fight depression were mainly directed toward one central and abiding purpose. That was to fortify consumer purchasing power. The record of the success of these measures is convincing to me. The Government placed its credit behind the deposits of the banking structure. The Government substituted as the creditor for farm mortgages and home mortgages. It moved directly to get a better-balanced relationship between farm prices and industrial prices, to obtain a larger share of the national income for farmers, and to put spending power directly in their hands. The Government understood the effect on business activity of additional money in the pockets of workers and of additional workers on pay rolls. We need never apologize for the Government's efforts which put close to two and one-half million people to work almost overnight and raised the wages of several million workers by 20 percent in those critical days between June and October 1933. The Government's relief and works programs played an important role in increasing purchasing power.

It is my thesis that the instrumentalities and legislative procedures established by Congress produced effective and desirable results in all parts of our national economy and brought about widespread industrial activity and employment. They proved their validity through the years 1934–37. The best test is the growth in national income from $40,000,000,000 in 1932 to $68,000,000,000 in 1937.

What caused the present decline in business? I have my own opinions, and I am quite sure that anybody who fixes on some one single cause of the decline is pretty sure to be wrong. It is very apparent that consumer incomes did not increase fast enough

to take goods off the market, but to assign this as the only cause of the decline is to oversimplify the case. I believe that the major contributing factors were: (1) Purchasing power in the hands of consumers failed to keep pace with production; (2) tremendous increase in inventories; (3) the failure of the promising building revival because of rising costs; and (4) unwarranted increases in prices.

Of the problems facing the American people at the present time, I believe the problems of destitution, low incomes, and unemployment are foremost. These, of course, are not separate problems. They are aspects of the same thing. They simply mean that a large part of the American people, the underprivileged one-third of America, are not getting the decent standard of living that this country can afford.

The living standards of these Americans are low simply because, as a nation, we are not producing enough national income and that national income is not properly distributed. We had millions of unemployed people and billions of dollars of idle capital in plant and equipment. Because we fail to put these unemployed to work incomes are low, housing standards are deplorable, health standards are inadequate.

We know more now than ever before the seriousness of this situation because we have studied it intensively. It is not a pretty picture but it is a true one. We recognized very early that we had inadequate information on these questions. We immediately organized and have since maintained a large-scale research program to find out the basic facts. I was convinced that more information was fundamental to dealing intelligently with the most important, and certainly the most neglected, problem of the American Nation—unemployment.

We know each month how many people are receiving public assistance. We know about their housing conditions, health, and income.

As against a peak of 27,000,000 persons in the winter of 1933–34 there are at the present time about 18,000,000 men, women, and children receiving public assistance. This represents over 6,000,000 households. Over the last 5 years this figure has varied from 14,000,000 to 27,000,000 people receiving assistance from public funds each month. I am including a table showing this information. In another table this information is shown by the various programs involved.

The starting point or the benchmark against which to relate the many specific studies is the national income—its volume and distribution.

Surveys of income distribution during 1935 and 1936 show that the highest 2 percent of the families received considerably more income than the entire lowest one-third. These surveys establish conclusively that approximately one-third of the families in the United States had incomes from all sources of less than $750 per year as recently as 1936. The lowest 10 percent had an annual income of under $325. The next 10 percent received from $325 to $540, while 40 percent had less than $880.

Estimated net total number of households and persons assisted under Government employment and relief programs—January 1933 through February 1938

	Households	Persons
1933		
January	4,647,000	18,224,000
February	4,968,000	19,510,000
March	5,463,000	21,479,000
April	5,349,000	21,046,000
May	5,275,000	20,653,000
June	4,851,000	18,839,000
July	4,551,000	17,286,000
August	4,372,000	16,895,000
September	3,973,000	15,071,000
October	4,116,000	15,595,000
November	5,403,000	19,787,000
December	7,062,000	24,802,000
1934		
January	7,821,000	27,449,000
February	7,879,000	27,606,000
March	7,169,000	26,495,000
April	6,270,000	22,448,000
May	5,658,000	20,648,000
June	5,631,000	20,475,000
July	5,872,000	21,352,000
August	6,106,000	22,244,000
September	6,111,000	22,065,000
October	6,220,000	22,204,000
November	6,391,000	22,798,000
December	6,547,000	23,475,000
1935		
January	6,727,000	23,964,000
February	6,651,000	23,716,000
March	6,530,000	23,492,000
April	9,550,000	21,357,000
May	6,575,000	22,934,000
June	6,258,000	21,769,000
July	6,033,000	21,042,000
August	5,916,000	20,461,000
September	5,539,000	18,908,000
October	5,588,000	18,879,000
November	5,528,000	18,604,000
December	5,886,000	19,851,000

Estimated net total number of households and persons assisted under Government employment and relief programs—January 1933 through February 1938—Continued

	Households	Persons
1936		
January	6,044,000	20,633,000
February	6,209,000	21,192,000
March	6,229,000	21,243,000
April	6,018,000	20,450,000
May	5,809,000	19,414,000
1936		
June	5,587,000	18,517,000
July	5,477,000	17,900,000
August	5,602,000	18,286,000
September	5,670,000	18,615,000
October	5,958,000	19,048,000
November	6,005,000	19,113,000
December	5,968,000	18,872,000
1937		
January	6,000,000	19,050,000
February	5,954,000	18,614,000
March	6,015,000	18,846,000
April	5,929,000	18,373,000
May	5,844,000	18,041,000
June	5,473,000	16,783,000
July	5,060,000	15,266,000
August	4,849,000	14,380,000
September	4,764,000	13,987,000
October	4,907,000	14,135,000
November	5,041,000	14,597,000
December	5,390,000	15,603,000
1938		
January	5,904,000	17,314,000
February	6,231,000	[1] 18,502,000

[1] Preliminary.

Estimated net number of households and persons assisted under Government employment and relief programs—by program, February 1938, continental United States

Agency or program	Households	Persons
Aid to aged, blind, and dependent children	1,763,000	2,912,000
Farm security grants	119,000	595,000
General relief	2,000,000	6,000,000
Civilian Conservation Corps	322,000	1,244,000
Student aid	318,000	318,000
National Youth Administration work projects	152,000	164,000
Works Progress Administration	2,124,000	8,398,000
Other Federal agencies—works-program and emergency employment	241,000	823,000
Net total	[1] 6,231,000	[1] 18,502,000

[1] Does not equal the sum of the totals shown for individual agencies and programs because allowance has been made for duplication.

It has been found that incomes for a large portion of the population are less than the amounts needed for existence. It is a fact that many of these people need and consume more than they earn. The difference between what they consume and what they earn simply means credit at the grocery store, unpaid doctor bills, borrowing, and relief.

With low incomes such as these, a large part of the American population is living at a standard far below what we have thought of as an American standard.

We made another study to find out what the cost of living was on a minimum standard. We found that it costs $1,260 a year for a family of four to live at a maintenance level in the cities. And yet over one-half of the urban families received less than $1,260 in 1936. We studied the cost of living on an emergency standard as well as on a maintenance level. The emergency standards would get people by for a short time, but if long continued would have serious consequences. We found that the cost of living on this emergency standard required an income of $900 a year in the cities. The total income of over one-third of the urban families was below this level.

What does this income distribution mean? It means that large segments of the population are living in poverty, that they have inadequate clothing, that they live in miserable houses, and that they are without adequate medical care, and finally that it is impossible for them to buy the goods and services and to furnish the purchasing power necessary to help keep the economic machine going.

The recent national health survey, covering almost 3,000,000 people, found that disabling illness among unemployed persons was 43 percent higher than among employed persons. Among persons of working age, 3.3 percent of the unemployed were sick on the day of the count as compared with 1.3 percent of the employed, an excess illness of about 150 percent.

Notwithstanding the higher incidence of disabling illness among the unemployed, they receive less medical care per person than people of higher economic status.

About half a million persons in the United States are unemployable because of permanent disability due to accident or disease.

These surveys furnish conclusive evidence that the excess of illness among the unemployed is directly attributable to their poverty. Illness, in turn, reduces employability in a vicious circle.

Our studies in housing reveal that millions of people are living in homes that are from every point of view unfit for human habitation. Houses without light or bathing facilities are commonplace with great numbers of people. Housing facilities are clearly deficient. Unless the rate of housing construction for people of low incomes is accelerated, this deficiency will become even greater; a deficiency that is a national disgrace as well as a menace.

Widespread poverty has also been revealed by studies in rural areas. One of the studies found that the average annual net income of the wage hands, croppers, and other share tenants and renters in the Cotton Belt was $309 per family, or $73 per capita, during 1934.

Half of the hand workers surveyed in the beet fields of four States received annual earnings of less than $340. Earnings of these workers from other employment during the year ranged from only $31 to $93.

The highest average earnings of migrant farm workers shown in five different surveys amounted to only $483 per family. Such earnings are equivalent to a wage of about $200 per worker.

We found from other studies that fundamentally there is little other than degree of need to distinguish the unemployed workers on the relief rolls from other jobless or, for that matter, from a large part of the total working population.

Our records show that almost every industry and trade is represented among the unemployed on the relief rolls. More than 10 percent of all workers eligible for W. P. A. employment are from the professional and clerical occupations and over one-third are from the skilled and semi-skilled trades.

The average unemployed worker in need has had 10 years of experience in private employment in his regular occupation. The age distribution of W. P. A. workers does not differ significantly from that of the total working population when allowance is made for the fact that almost all W. P. A. workers are heads of families.

The willingness of W. P. A. workers to accept private employment and their ability to do a good day's work has been verified by every investigation we have made. The thousands of new school buildings, roads, bridges, airports, sewer systems, and other public works that have been created under this W. P. A. program are concrete evidence of their ability to work. A study of the efficiency of skilled building tradesmen on W. P. A. projects, which we conducted last year in cooperation with the trade unions, showed that over 90 percent of the workers performed adequate work in terms of the normal requirements of these crafts.

To my mind, the most significant fact concerning the ability and willingness to work of the unemployed on relief is the fact that declines in unemployment have been accompanied closely by declines in the relief rolls.

The unemployed workers on relief are an ever changing group just as are the individuals who make up the total unemployed population. This is convincingly demonstrated by the fact that over 5,000,000 different persons were employed on W. P. A. projects during the first 2 years of its operation. And less than 16 percent of these were employed continuously on the W. P. A.

Since 1930 unemployment ranged from six to fifteen million. Unemployment and part-time employment simply reflect the fact that this country has not been able to provide full employment. It hasn't been able to do so for decades. On the basis of our extended studies of unemployment we know that a sizeable problem has existed for a long time. But we substantially ignored it.

Just as with other social problems, the American people have determined that the great masses made helpless by unemployment shall be given the social protection of government. The problem with all its implications existed long before 1933, but it waited on a new social conscience in this country to decide that unemployment was a major concern of government.

On the basis of my own experience with the unemployment problem and our studies of the causes of unemployment, I think we can say that there will always be some unemployment. I don't mean that we must reconcile ourselves to 10,000,000 or 12,000,000 jobless, or even 6,000,000. Indeed, I am sure the number can be greatly reduced.

I want to discuss briefly a general condition which leads to unemployment and then some of the specific causes of unemployment.

The general situation can best be stated in the following words: Consumers' purchasing power is not large enough to buy the goods that industry could produce. The low incomes of a large part of our population make it impossible for them to buy enough. The large incomes are only partially spent, the rest is kept out of the buying channels. Some of this saved income is used for investing in new plant and equipment. But the deficiency of demand retards this investment, and funds lie idle. And so we find that the shortage of purchasing power prevents industry from expanding output and taking up the slack in employment. Industry will produce goods if there is a demand for them.

More specifically we can point to a number of special causes of unemployment.

Seasonal factors create periods of unemployment in a great number of trades. In the automobile industry the seasonal range between the high and low in employment each year has been 28 percent; in women's clothing 38 percent. In some localities industries close down almost entirely during several months of the year. The canning industry in Oregon, for instance, hires over nine times more workers in the peak month than in the slack month. Building construction is another good example, and, of course, seasonality in farm labor is well known.

There are other causes at work. We have a highly complicated economic system and many things occur to create unemployment. Shortages of materials, delays in the shipment of goods, the tie-ups of a plant because of defective machines all result at various times in temporary loss of work. These factors and maladjustments are to be expected in our economic system. They mean loss of work and hardship to many.

Other shifts occur in the economic system which result in loss of work. We are familiar with the migration of industries from one area to another. While employment increases in the new area, workers are out of jobs in the old area. The depletion of resources, such as timber and minerals, leaves many workers stranded. We have studied many of these stranded areas, and a long-term unemployment problem cannot be disputed. Some of the workers migrate, but many do not, hoping that something will turn up. Loss of foreign markets also creates a jobless problem. These are simply other ways in which people lose their jobs, and similar causes will undoubtedly continue to work in the future.

Changes in technology are conspicuous causes of unemployment. We are in the midst of the most extensive study of technological unemployment ever undertaken. Technology makes possible increases in living standards, and over a period of years, has resulted in increased employment. But we have not yet learned how to utilize these new techniques without creating dislocations which result in loss of work for many workers.

The introduction of machinery displaces men, many of whom cannot get new jobs immediately. Some workers get jobs almost immediately, some look for several months before getting on a new job, while others require a year or more to get jobs. Other workers, because of age or because of their inability to acquire new skills, never go back to work. In many cases displaced skilled workers can get only unskilled jobs.

The problem is extremely serious. Some people argue that technological unemployment is a fiction because over long periods of time employment has increased. It is the time between jobs and the inability of many specialized or older workers to ever get back that constitutes the real problem. We know that technological unemployment exists because we see the displaced workers coming to our program looking for jobs. And we know that when some technological changes, now in the experimental stage, are introduced we will have a lot more people looking to us for jobs.

These technological changes have gone on rapidly in recent years. Let me give you a few of the more extreme examples.

A worker made 25 percent more rubber tires per day in 1935 than in 1929 although he worked fewer hours in 1935. If you translate it to an hourly basis, one man working 1 hour produced 72 percent more than in 1929. In the manufacture of rayon yarn, a worker produced 90 percent more in 1937 than in 1929; and again, if you disregard the reduction in hours of work, the increase on an hourly basis was 140 percent. I could go on listing other examples.

In copper mining for instance, the increases in productivity were gradual until the early 1920's. Beginning with 1922, however, there was an abrupt rise and the output of recoverable copper per man-day more than doubled by 1935. In iron mining the output per man-hour rose 140 percent in the past 20 years. In pipe-line transportation, within the space of the single decade from 1925 to 1935, the volume of product handled per wage earner nearly doubled. A large part of these increases took place since 1929.

There is a substantial body of evidence during the whole period of our economic history that technological advances have resulted in a general increase in employment. This in itself is small comfort to the thousands upon thousands of individual workers who are displaced in particular towns and particular cities and whose whole economic future is jeopardized, if not destroyed, in one dramatic mechanical advance.

Another fact which must be kept in mind is the increase in the working population. Each year approximately 500,000 workers are added to the labor supply. Since 1929 that means 4,000,000 more workers. With a growing labor supply and increasing productivity of labor, industry simply must progressively increase its output if labor is to be employed. This increased output is possible only if the buying power of the people is maintained.

The most spectacular cause of unemployment, of course, is the ups and downs of business activity. Recurring periods of depression bring mass unemployment and a major problem of destitution. In recent years we have felt the full seriousness of this type of unemployment. Since fall of last year unemployment has increased by well over 3,000,000. By all odds, this cause of unemployment overshadows in severity the other causes I have mentioned above.

We are always expanding to a peak or contracting to a depression low. Economic activity has never leveled off at the prosperity peak.

These causes that I have mentioned briefly may be reduced in large measure by public and private activities. It is difficult, however, to believe that they will be eliminated. Some unemployment will always be with us. For that reason, we must plan a permanent security program. But I want to emphasize that we cannot

stop with that. It is absolutely stupid for us to think that we cannot reduce unemployment to reasonably low levels. We have the initiative, ability, and brains to do it. We cannot, however, ignore our immediate responsibility to the unemployed merely because we believe we can reduce the problem. We must do both.

The entrance of the Federal Government into the relief picture in 1933 was inevitable. For nearly 4 years pressure for Federal aid had been slowly mounting.

The break-down in local public and private relief reached serious proportions in 1931. In that year State emergency relief agencies were set up in four States, and many more were created in 1932. Federal loans were made available in 1932, but this action was not enough. In 1933 the Federal Government was obliged to come directly to the aid of the States and localities in meeting unprecedented relief rolls.

With the passage of the Federal Emergency Relief Act, State relief administrations were established in every State in the Union. Under Federal regulations there was worked out and put into effect a national policy for the granting of relief to the unemployed. Wherever possible, States were required to join their funds with the funds of the Federal Government, and local governmental machinery was used wherever it was possible to do so. Standards of relief were established providing for some degree of uniformity and adequacy. Work relief was inaugurated in a number of States and efforts were made to secure sponsors' contributions from local government bodies.

Early in 1933 the Civilian Conservation Corps was established to provide useful work for unemployed boys and young men.

No story of the development of Federal relief policy would be complete without some mention of a Federal work program which was operated during the winter of 1933–34. The civil works program, at its peak in January 1934, employed about 4,000,000 persons on useful work projects. This program demonstrated beyond question the great amount of useful work which could be performed all over the country through a Federal work program. Further, it showed the potential value of such a program to the workers thus employed.

The year 1935 saw great changes in Federal relief policy. As the year drew to a close, F. E. R. A. grants were discontinued. In their place two major security programs were begun. First a new works program was set up to provide useful work for millions of employable persons. The main cog in this new works program was the Works Progress Administration, which since that time has furnished the bulk of employment given under the program. As a part of the W. P. A. the National Youth Administration was organized to provide work for unemployed young persons in their own communities and to provide school and college aid for others.

In addition, the Social Security Act was passed in 1935 to deal with certain other aspects of the relief problem. Briefly stated, the Social Security Act attacked the relief problem in two main ways. First, the act makes possible Federal financial assistance to the blind, aged, and dependent children. Secondly, the act provides for two programs based on the insurance principle, the old-age benefit, and the unemployment-compensation systems. These programs are designed to guard against destitution arising from old age and temporary unemployment.

At about the same time the Resettlement Administration was formed to take over and expand the work of the Rural Rehabilitation Division of the Federal Emergency Relief Administration. This program, now administered by the Farm Security Administration, is conducting the special types of programs necessary to provide security for destitute farmers.

To sum up, the Federal relief program now in operation, while needing integration and expansion in some respects, does represent a substantial beginning of a dignified and adequate security program. Thus, the Federal Government is helping to finance public assistance for certain classes of unemployables—the aged, the blind, and dependent children. Unemployment insurance cares for those who lose their jobs for short periods. Many persons who have been unemployed for protracted periods, or who are ineligible for unemployment compensation, are doing useful work under the W. P. A. The old-age insurance program will be in full operation in 1942. In short, the main structure of a security program has been built.

I want to outline a future security program as I see it. Basically, this program must be such that American citizens accept it as a matter of right—with no feeling of social inferiority. This program is yet not complete. It will never be complete. It must be expanded, improved, and integrated as we go along.

The works program should be made an integral part of the Federal economic security program. To my mind work is a sound means of providing security on a dignified basis for the unemployed who have exhausted their unemployment-insurance rights or who are not eligible for insurance. The chief problem confronting the Nation and the unemployed is loss of work. For the unemployed themselves, public work is the best means of bridging the gap between private jobs.

Unemployed youth and young people out of school without work experience constitute a problem in every community in America. Between three and four million of these young people are idle and seeking work. Through the C. C. C. and the N. Y. A. some 700,000 of them have either been aided to remain in school or have been given employment in camps or on work projects. Having gained work experience, thousands of these young people have obtained employment in private industry. Not only work but opportunity for training is necessary for these and other young people in America.

The Government's works program in the future should be integrated with the unemployment-insurance systems and the Employment Service. By that I mean that these major programs to aid the unemployed must function as complementary parts of a comprehensive unemployment relief plan. As private industry lays off workers the Employment Service will make every effort to place them in other private jobs. As time goes on and employers and employees come to use the Service more fully than they do now, the labor market will function better than it does now.

If workers cannot be placed in private jobs, they should then get unemployment compensation benefits. In this connection, I believe that these compensation programs need to be extended to include more workers than are now covered. Those workers who fail to obtain private jobs and who exhaust their benefits should then be given employment by the works program.

This is what I think the vast majority of Americans want. My experience with millions of unemployed workers in recent years, and my experience with the people from all walks of life convinces me that this is the democratic way to meet the problem of unemployment.

The aged population will continue to grow in the future. It is estimated that we will have some 15,000,000 persons 65 and over in a few decades. We have about 8,000,000 now. Experience has shown that about two-thirds of the aged are dependent. Obviously this means a large increase in the aged programs in the future. Old-age pensions are being given to 1,700,000 persons now. This will increase. The old-age-insurance program will provide insurance benefits for large numbers in the next few years. Extension of this program should be considered as a possible step in the liberalization of this system.

With the development of these two programs we can look forward to a comprehensive system of old-age security in the future.

Other unemployable groups include dependent children, crippled children, mothers, and other groups who, for various reasons, are without means of support. The present Social Security provisions care for much of this problem, and we can work for improvement in these programs, particularly toward an expansion of the pension system for dependent children.

There are other aspects of a comprehensive security program which we must develop soon. More houses must be built for the low-income group. We have made a start here, but I am convinced we must move more vigorously.

We need to develop an adequate public-health program to put into practice the knowledge that science has developed for the prevention of illness. Preventable disease is costly and wholly unnecessary. By the same token, it is a reflection on the social intelligence of the people of this country.

This program I have just outlined is not simply a security program. It would also provide a broad base of purchasing power through security and wage payments which would go far toward increasing the stability of the economic system. Economic insecurity and economic instability are twin problems of the first order. I am convinced that providing for one, through security and wage payments, will do more than any one other thing to achieve economic stability.

On the question of a works program as against direct relief, it is my conviction, and one of the strongest convictions I hold, that the Federal Government should never return to a direct relief program. It is degrading to the individual; it destroys morale and self-respect; it results in no increase in the wealth of the community; it tends to destroy the ability of the individual to perform useful work in the future and it tends to establish a permanent body of dependents. We should do away with direct relief for the unemployment in the United States. We should do this by expanding the work program, by enlarging the scope of the various pension and insurance systems under the Social Security Board, and more particularly by utilizing effectively the powers under the dependent-children section, by including within the scope of that definition all children who are in need. We should reach a concept in America where the able-bodied unemployed are entitled to a job as a matter of right.

I am not alone in this conviction. That work is still the choice of the great majority is evidenced by a recent Nation-wide survey. Ninety percent of the persons interviewed were of the opinion that relief should be extended in the form of work. Public support for work relief is even greater today than it was a year ago.

We are inclined to attribute this increased support in part, at least, to the constant improvement we have effected in the quality of W. P. A. projects and to the general increase in the efficiency with which the works program functions.

In my opinion, work is a fundamentally sound means of meeting widespread unemployment. The problem confronting the Nation is loss of work. It must be attacked so far as unemployment relief goes by giving public employment. It costs more but it returns more. It enhances the wealth of the Nation. The type of work should compare in dignity and results with the best in private industry.

We certainly are richer because of this work. Yet some people seem to think we are wasting our resources. We waste resources when we fail to use them—not when we put them to work.

There is no shortage of useful work in this country. We have always had more excellent projects available than we could finance with the funds available. The further development of natural resources, the construction of recreational facilities, the further development of the highway and farm-to-market road system, water conservation, work in the field of sanitation, particularly

water and sewer systems, schools, and, in fact, almost all types of public improvements, need to be undertaken. Construction work of this kind is needed in every city and town in the Nation.

It is proposed in some quarters that we abandon these useful activities on the ground that we cannot afford them—that we must substitute direct relief for the sake of economy. The statement is often made that the average cost per family on direct relief is much lower than the average cost on the W. P. A.

These comparisons may easily be misleading. The averages cover up a lot of things, such as variations in the size of families, whether or not relief cases are wholly or only partially dependent upon relief funds, and whether or not the family was on relief for 1 day during the month or for the whole month.

Average relief benefits per case do not reflect the actual cost of providing direct relief for families in need. During 1934 and 1935, the basic direct-relief budget for a family of four in New Jersey was $49.50 per month; in New York City the standard for a family of four was $48; in Cook County, Ill., it was $47; and in the State of Washington a standard budget of $53.50 per month was in effect.

The monthly earning rates established by W. P. A. for unskilled workers range from $21 per month in the rural sections of the southern wage region to $60.50 per month in the large cities in the North. Rates for intermediate, skilled, and professional and technical workers are somewhat higher. The average wage of all W. P. A. workers in the various skilled groups is $55 per month.

But I do not want to dwell on the statistics. I believe that W. P. A. wages are more adequate than direct relief payments. The chief difference in costs between direct relief and the W. P. A. program is the adequacy of the assistance extended. Even the security wage paid to W. P. A. employees is such that a few would hold it to be adequate to sustain a family of four (the average size of W. P. A. families) at a subsistence level of healthful living. Extensive studies have demonstrated that the highest W. P. A. security wage paid anywhere in the country is less than the minimum required in those cities to support an unskilled manual laborer's family of four at a basic maintenance level.

In other words, the cost of maintaining the families now on the W. P. A. program cannot be reduced except by further lowering the already inadequate living standards of these families. The remaining difference in relative costs arises from expenditures for materials, supplies, and equipment involved in the W. P. A. program. I have already indicated the wealth that is created by these additional expenditures.

As for the individuals involved in this question of work or the dole, the desirability of the social and physical benefits accruing to the individual worker on the W. P. A. program is generally accepted. The opportunity to perform useful work prevents the disintegration of health and morale which accompanies subsistence upon direct relief, and maintains the family as a useful unit in the social and economic structure. In the eyes of his family and his neighbors, the W. P. A. employee is able to assume the status and the dignity of a working man, and the principal asset which most of us possess is our standing as a worker.

I have had the experience of administering relief programs both under a grants-in-aid system and under Federal administration. In my opinion, Federal administration is essential for two reasons:

1. The problem of unemployment and insecurity is basically national in scope. To get the concerted action necessary to meet a Nation-wide problem we need a consistent Federal policy. It is a Federal problem; industry and unemployment do not follow State lines.

2. Inasmuch as it is a national problem and most of the funds must be Federal funds, good public policy required that the Federal Government should have the authority and also the responsibility for administering these funds and for accounting to the Congress and to the public for the use of those funds.

Federal administration does not mean that local differences are not taken into account. To be successful a Federal program of this magnitude must be operated on a decentralized basis.

Some people have opposed the establishment of a Federal program and have endorsed a plan whereby Federal unemployment relief funds would take the form of grants-in-aid to the States, and it would then be left to the States and localities to decide how much should be spent for work.

Such a proposal, while sometimes made in good faith, in reality constitutes an attack upon work and an endorsement of the dole. For the gist of the proposition is this: Since the funds made available have not been sufficient to provide useful work for all employables, then we should cease to insist that jobs be given to any employables and rest content to see the work program abandoned in whatever States unable or unwilling to use funds for this purpose.

We have learned that the assurance of State standards is no easy matter. The various relief programs—C. W. A., F. E. R. A., and now W. P. A.—have involved various divisions of administrative responsibility. Under a system of grants-in-aid it is difficult to insist upon definite standards. If someone steals your money, you can, of course, withdraw Federal funds, but the result of that is that the unemployed in the State are the only ones who really suffer by this action. Experience has demonstrated that high standards are more uniformly achieved under the present arrangement. The W. P. A. has formed an administrative organization which, on the basis of a recent survey, Fortune Magazine states, "functions with an efficiency of which any industrialist would be proud."

The proposal to grant funds to States for unemployment relief, therefore, is a proposal to lower relief standards. Not only would less effort be made to provide useful work—there would be a general reduction in the efficiency with which work is provided.

The passing of the frontier left a gap which we have not filled. As long as we had a frontier, aggressive and resourceful individuals could repair the ravages to their families caused by the ups and downs of the business cycle. The new frontier is idle men, money, and machines, and all the resourcefulness, ingenuity, and courage that resides in twelve or thirteen million unemployed men is helpless to take up this new frontier without tremendous organization of productive forces such as only Government can supply when business is in the doldrums. Our failure to conquer this new frontier of idle overhead has cost us at least $200,000,000,000 in income we might have produced and didn't since 1929. I am not speaking now of any theoretical capacity to produce, trustworthy though many of these estimates are. I am speaking of the loss by failure to maintain previous high levels. This $200,000,000,000 is gone forever, but it ought to serve as a bench mark for current policy. That $200,000,000,000 is about equal to the 1932 value of the entire wealth of this, the most wealthy Nation the world has ever known. We could have built the entire railroad system five times over and still had enough left to build the finest kind of aviation, waterways, and highway systems. We have been losing nearly every year since 1929 almost two-thirds as much as the entire national debt. We are losing right now, this month, enough to carry the entire works program. Let me turn it around a bit. If this thing keeps on, we will get down this year below the $56,000,000,000 line. That is the level that I don't like to think of. I prefer to be thinking about a $90,000,000,000 income.

But raising the national income to full employment levels is not enough. To attain more than a fleeting prosperity, income must be distributed among the mass of people so that consumption can parallel output. I do not mean redistribution, although we can stand some of it, but rather seeing that the greatest proportion of income increases will go to the people who are most likely to spend.

That is why I feel that some standards of wages and hours and a wide extension of unionization is to be desired. I don't see why it isn't possible to contemplate a situation in which practically all industrial workers are able to bargain collectively. I look on the labor troubles of recent months as nothing more than growing pains in a movement toward almost complete unionization, and I feel that one of the real contributions which industrial leaders can make to recovery is a recognition that stability would be greatly furthered by acceptance of unions.

I had great pleasure when I read that Myron Taylor, in his farewell address to the United States Steel Corporation, had said: "The union has scrupulously followed the terms of its agreement and, insofar as I know, has made no unfair effort to bring other employees into its ranks, while the corporation's subsidiaries, during a very difficult period, have been entirely free of labor disturbances of any kind."

This is not the place for me to set forth what ought to be the proper minimum standards for wages and hours. I am prepared, however, to say that if we had reasonable labor standards in industry our job at W. P. A. in this critical period would be considerably lessened. There are hundreds of communities—yes, whole industrial areas—in which wages are far too low.

We've found it necessary to study prices, because we're interested not only in the cost of materials for our projects but in the effects of rigid prices on employment and the distribution of income.

I have here the latest check-up we've made in this regard, and you may think it worth while enough to insert the whole report in the RECORD.

The startling thing about it that hits me most forcibly is that the rigid, monopolistic prices, representing 23 percent by value of the whole Bureau of Labor Statistics index, are still the same or higher than last April. In order for our price system to work effectively it is highly necessary that prices be flexible and that they adjust themselves to demand, but the controlled prices have held up more rigidly than they did after the war, or after 1929, while other commodity prices, like those of agricultural prices, have shown great instability.

I have tried to indicate something of my ideas as to the causes and extent of unemployment and poverty and what I think are the essentials of a social program. Our problem is directly related to how our economic system functions, and only through a rising national income that induces vigorous private activity can we hope to maintain a program of security on an American level. At every opportunity I have tried to get across as earnestly as I could how important it was to run a relief program that maintained individual values.

One of the real tests by which we will be measured is whether in a democracy we can maintain both economic security and the dignity of the individual. I think we can. I believe there is a close link between the form of our economic system and the dignity of the individual, and that both must be jealously guarded. Ours is a competitive system in which an overwhelming percentage of production is expected to come from producers operating for profit. I believe in that system.

Federal spending need not be justified merely as pump priming, for I am convinced that without the traditional investment of private funds in a rising economy there can be no permanent recovery. This kind of Federal investment is necessary, first, to take

care of the needs of the unemployed; and, second, to increase the wealth of the country by building necessary homes, schools, hospitals, public roads, and so forth. Further investment in flood control, soil-conservation projects, and the like is essential not solely to increase wealth but in many cases to prevent further financial losses to those sections of our country making every sacrifice to keep from distintegration.

I conceive two large principles which should be at work in our national policy—one is that of Government contribution to purchasing power when it is needed and the other is competition. I believe that competition on a scale that we have not known for many years is an absolute requirement without which the dynamics and benefits of the Government's efforts are likely to be sapped away. National intervention to stimulate competition is the democratic method, since purchasing power freely in the hands of consumers must then be won by competition. The form of the industrial pattern, therefore, is determined not by the judgment or caprice of a few monopolists but by the whole community expressing itself through voluntary actions of individual consumers.

I think we ought to face the fact that the productive system has always had what is in effect a subsidy of purchasing power ever since the early days of the Nation. Some part of the national domain has always been available through Federal, State, and local governments for making additions to purchasing power and relative to the national income these contributions have always been of first magnitude. Sometimes these contributions were based on tangibles, sometimes on intangibles. The railroad systems of this country enjoyed enormous grants of land. The competitive capitalistic system has been sustained since the beginning by Federal and State interventions to create purchasing power—it seems to me it is time to recognize them for what they are, and for the high degree of production they have made possible.

And finally it has not been my intention to indicate either by implication or assertion that the problem of unemployment is simple. There are no ready panaceas—sincere men and women will differ as to its cause and cure. But I do believe that the dislocations in our economic life from which unemployment springs present the most serious problem of our democracy. Its solution can only be achieved by the fullest cooperation between Government, labor, agriculture, and business. It can only be solved if profits to business under genuine competition are encouraged; if labor is paid a fair wage; if the farmers attain a proper share in the national income; and if great masses of people who for any reason cannot obtain a minimum share in the national income are protected by an all-inclusive program of social security. Indeed, the well-being of all our people can be approximated only with a rising national income which in and by itself will effectively lessen the burden of unemployment.

I believe this problem can be solved, because I believe our economic life based on a profit motive is the most effective economy known to assure the well-being of all, and because the American people, with their resourcefulness and courage, are determined to achieve its solution.

The Eternal Principles of Democracy

EXTENSION OF REMARKS

OF

HON. EDWIN C. JOHNSON

OF COLORADO

IN THE SENATE OF THE UNITED STATES

Monday, April 11 (legislative day of Wednesday, January 5), 1938

ADDRESS BY HON. JAMES A. MARSH, DEMOCRATIC NATIONAL COMMITTEEMAN, GLENWOOD SPRINGS, COLO., APRIL 9, 1938

Mr. JOHNSON of Colorado. Mr. President, on April 9, 1938, the Honorable James A. Marsh, Democratic national committeeman, delivered a most timely and eloquent address on the subject of "The Eternal Principles of Democracy," before the State convention of the Young Democratic League of Colorado, at Glenwood Springs, Colo.

Because I wholly subscribe to the sentiment and thought expressed by Mr. Marsh in his address, I ask unanimous consent that it be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It affords genuine pleasure to meet with the junior Democrats of Colorado at this their annual convention.

We have cause for sincere gratitude that Senator ADAMS has come all the way from Washington to speak to us on this occasion on matters in which we all have such an abiding interest. His message will undoubtedly prove both entertaining and instructive to all. We are very fortunate to have this treat in store for us.

Interest in this convention is heightened by the fact that the several thousand young Democrats represented here constitute a part of the great army that will henceforth hold the fort for democratic government in this State and Nation. The importance of this organization is emphasized, because at this very hour the principles of democracy are being seriously challenged in the world. Never before has there been a greater demand for world leadership.

America is today the oldest of the large democracies. America is the country, and the only country, that can furnish this world leadership. Not perforce the breath that flows from the cannon's mouth but by force of example and precept, which are far more powerful, in challenging the attention and admiration of the peoples of the world. The Great Commoner once said: "The humblest citizen in all the land when clad in the armor of a righteous cause is stronger than all the hosts of error."

In spite of the chaos, the selfishness, the dictatorships, and the ravages on the Eastern Hemisphere, it is not believed that the peoples of the world can be blinded to an enlightened civilization in America—where democracy is the watchword. You cannot put out the sun.

The virility of democracy in America today assures its permanency. The danger of fascism, communism, and nazism gaining control of our Government is remote and negligible. Our Government in its present form has endured for a century and a half. It has been grounded upon sound fundamental principles. Our people have been taught to think, and do think, in terms of self-government. They traditionally and naturally assume the responsibilities of their sovereignty. We will accept no change for that which is inferior. And at this hour permanency of government is more secure than ever before, because the Government, under the leadership of President Roosevelt, has given greater consideration to the welfare of the average citizen who is entitled to the protection of his Government.

The principle of self-government is right, therefore, bound to be eternal. The principle of self-government among the civilized nations of the world is as constant as a fixed star. It may be temporarily thwarted or set aside, but the spirit of personal sovereignty is as much a part of an enlightened citizenship as is the breath of life. A great American patriot in Revolutionary days said, "Give me liberty or give me death." While Toqueville remarked a century ago that the love of equality is even stronger than the love of liberty, liberty and equality are both attributes of a genuine democracy. It has been well said that democracy opens the window into the soul of the multitude.

Surprising as it may seem, there are some people in our own country today who do not seem to enjoy the blessings—the benedictions—of our democracy. Perhaps this is because they feel special privilege is their own heritage. But the reason we do not know. It has been said that men do not oppose progress because they hate progress, but because they love inertia more. At all events, many of our people do not seem to realize the inevitable fact, that there must be progress in a democracy. That democracy can no more stand still than can the globe on which we live. Many do not seem to realize that in the complexities of our modern life the process of evolution must go on in government just as certainly as in business and in mechanics. Material prosperity is very desirable; and all should have equal opportunity to share in prosperity. But it should be remembered that opportunity is not of itself a substitute for individual initiative and energy, that the individual owes an obligation to himself and to his country; and the Government cannot do for its citizens what the citizen should do for himself.

In the last 12 years of Republican administration, we had a striking example of the deteriorating influence of selfishness, special privilege, and reaction on both business and on government. Business was undermined. Government functions paralyzed. The public lost faith in their public officials, and public officials lost confidence in themselves. As Tennyson would say they were like—

> "An infant crying in the night,
> An infant crying for the light,
> And with no language but a cry."

Had the people not changed their course, who today can say what our national destiny would have been? Let us take an example from the pages of history. Ancient Carthage, located on the arm of the Mediterranean, was a great commercial center in the eastern world. It disputed the territory of much of the empire around it. Its inhabitants prospered and became selfish and overambitious. In the course of time this ancient city went into decadence and decay, and now in the course of the centuries, there is scarcely a sailor who sails the Mediterranean Sea who can point to the spot where this great commercial city was once located. This all because the Carthaginians became a faithless people.

But while the people in the exercise of their sovereignty make mistakes, they will eventually correct them. Give them the light and they will find their own way. In 1932 the people, having previously erred, decided to change the course of their Government and to choose a new leader. In this new leader they found a man of vision and of courage. They found a man, it seems, who had been born for the very hour and for the very emergency, in the person of Franklin D. Roosevelt.

The many things this administration has done, under the leadership of the President, to relieve a distressed people and to rehabilitate the Government, are far too numerous to mention here.

The pages of history will record them for this and future generations. Historians will never be able to do full justice to the great work of President Roosevelt until in the far distance his work towers like the majesty of a great mountain peak after the clouds of battle have been swept away by the winds of time.

For our own great State, for the West, and for the Nation, we may say that this administration has, among other things, given us a sound banking system, which we did not have before. Now, when our people make deposits in banks, the depositor is always able to obtain a return of his money. This is due both to sound banks and Federal deposit insurance. Who is there today to advocate a return to the old system or to advocate a removal of this deposit guarantee?

The mining industry in the West has been awakened, stimulated, and made profitable. Agriculture and the livestock industry have been aided and supported and are sharing a prosperity not heretofore enjoyed. The Government has aided our home owners and our farmers and enabled them to save their homes and farms from foreclosure, to acquire new homes, and to borrow money to pay their debts, at more reasonable rates than ever before. Unemployment has been aided by such Government enterprises as the W. P. A. and the C. C. C. camps, and through many similar activities. Labor has been assisted by many beneficial measures, and the man who toils shares the beneficence of his Government, and has the confidence and consideration of his Government, along with all others.

The Securities and Exchange Commission, through the regulation of the issue and sale of securities, has driven many rascals out of business and given investors a protection they never had before.

While there are wars and rumors of wars in many parts of the Eastern Hemisphere, the strong determination of the administration to stay out of foreign conflicts and to preserve peace has rendered a service to the cause of humanity that baffles all human estimate. These are only a few of the many accomplishments of an administration that has rendered aid without parallel

Well may I say in this the home town of Congressman TAYLOR that his long and constructive record in Congress has abundantly justified the action of his fellow citizens in electing and reelecting him to Congress so many successive terms. This dean of Congressmen, this great Democrat, ever alert and ever diligent to protect the best interests of the West whose problems he fully understands, has, by following the leadership of America's great President, restored confidence to our people and given them new faith in the democratic processes.

While no democracy is wholly perfect, where could we go from democracy? Certainly there is no other place where the same measure of freedom, equality of opportunity, and happiness is assured.

Plato, when asked if there was any plan for a perfect state or for an ideal democracy, remarked that a pattern for a perfect state is perhaps stored up somewhere in heaven. In a country like ours people speak through political parties. Political parties are actually older than democracy. The first political party in America dates from the Presidential election of 1796. We have had many political parties since that time. They passed away when they ceased to be useful instrumentalities for the people. The best way to serve a party is to serve the people. The Republican party is deteriorating because it has deserted the people. It is incumbent, therefore, all the more upon the Democratic Party in power to try earnestly at all times truly to represent the people, to deserve the confidence and support of the people. We must remember that the people are not only entitled to be governed, they are entitled to be well governed. There are those, unfortunately, who do not like anything that any party does that does not savor of special privilege. But this is not democracy's way. It is not the American way. It is not the people's way. The Democratic Party is committed to the principle of the greatest good for the greatest number. We agree with Aristotle, who condemned the rule of the few as more pernicious than the rule of the many. What we are actually experiencing today is a reincarnation of the principles of a sound democracy. Our party has always since the days of Thomas Jefferson stood for equal rights to all and special privileges to none; but never before have these principles been translated into practical operation to the same extent that they have since the incoming of the Roosevelt administration.

Bright hope for the future lies in the constructive thought of our young people. They are taking a greater interest in the problems of government than ever before. They are not in a state of mental rigidity, and are quite willing to get outside of the frozen ruts of routine thinking. They want to march with time, but with intelligence, in a spirit of democracy. May I say to the young Democrats of Colorado here assembled that this is still the land of opportunity. Do not let anyone tell you it is not. There is always a place for the well qualified and the deserving to serve. But there is no substitute for initiative, energy, and ability. Education is always needed. But in getting an education do not forget to learn how to work. Education is no good unless it teaches us how to work. And in learning how to work do not forget to learn to serve your fellow men. Unless you do you will never know what an abundant life means. The grade of any democracy is determined by the sum total of the class of the citizenship that makes up the democracy. And may no selfish motive ever guide our course. Men are but atoms on the shores of time. Many are useful in their day and generation. While it is laudable that they should hope to transmit their possessions and to leave a good name to posterity, it will be remembered that posterity in time passes away and is soon forgotten. Only great and eternal principles last through the ages. May the purpose of the youth of this country ever be to establish a cornerstone for a democracy that will endure, even while the winds of time sweep clean the centuries.

Our Constitution—Yesterday and Today

EXTENSION OF REMARKS

OF

HON. HENRY F. ASHURST

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Monday, April 11 (legislative day of Wednesday, January 5), 1938

ADDRESS BY HON. ELBERT D. THOMAS, OF UTAH, BEFORE NATIONAL LAWYERS GUILD

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered before the New York City Chapter of the National Lawyers' Guild on Friday evening, April 8, at Hotel Roosevelt, New York City, by the distinguished Senator from Utah [Mr. THOMAS].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

You are lawyers and I am not, which reminds me of one of my experiences in speaking before the American Bar Association. I was on the program with Dean Roscoe Pound, of Harvard. It was a dinner meeting. The gentleman who introduced me did not know me and he had not gone to any trouble to find out anything about me, for which I assure you I rejoiced. Before my turn to speak came, he leaned over and told me what he was going to say, and among the things he mentioned was that I would probably be elected president of the American Bar Association. I looked at him with surprise and asked him where he got that idea, and he said he read it in the morning paper, and that statement did appear in the paper. I told him, though, that I thought the American Bar Association would not choose for its president someone who was not a lawyer. Then, in surprise, he said, "If you are not a lawyer, what are you going to talk about?" I replied, "I am going to talk about law."

If I should be asked tonight what I am going to talk about, I would make the same reply; but you, being lawyers, would probably assume that the law which I will mention is not the kind of law that you work with. And I suppose it is not. Those of us who look at law and try to discern how it works, do not become thoroughly enraptured with all of its consequences. We like our Government as you do. We would like to see a government of law and not of men, as you advocate. But we know that that is not possible. Law is always impersonal; government can never be anything but personal. Therefore a high and mighty slogan which is placed in the minds of men, like the one which I have mentioned, and made part of a constitutional scheme, becomes a dominating part of a lawyer's thought and stock in trade. It is damning and dulling because it sets forth as an ideal that which can never be.

My thesis tonight, then, if I have one, is that we should be thoughtful about this problem which is of concern to all of us. The American Constitution was set up honestly, purposely, and, after 150 years, we must say, successfully. It has been a contributing factor to the development of practically all of our institutions. It has in a sense made us what we are, and for the most part that which we are is good. I, like you, hold with reverence our constitutional scheme. I, like you, realize that probably in the history of man genius in a governmental way never expressed itself more constructively than it did at Philadelphia in 1787. Yet we must admit that certain fundamental ideas, both about law and about government, and also about the history of human and political institutions, dominated the thought and the actions of the fathers, so that the Constituion reflects its time. That it has been able to endure and meet the changing conditions is one of the marvels of history. A rigid Constitution seems thoroughly inconsistent in a growing and evolving world. But the Constitution has grown and has evolved because life, nature, and physical law have their way in spite of any rigidity placed by man in their wake.

Now we can see that the part of our Constitution which made it a growing institution instead of a static affair was the theory of review written into our constitutional development by our Supreme Court, so that today we may say that the spirit and the genius of our Federal system is based upon the theory of the separation of powers wherein the representatives of the people shall

make the law, and an elected President shall enforce it and, in order that the living shall not be ruled by their dead, or the present bound by the will of the past, a Court was set up to interpret and in the light of growth render a present meaning. Thus a static document became a living organism, and thus we have an idealization of our American constitutional scheme.

Out of this has come our Federal system. The Federal system is America's contribution to the world's political thought. It is man's only discovered agency for the preservation of equal advantages to the individual in a government which covers a vast territory. The theory is that that which represents the whole shall take care of those interests which are common to all, but that which represents the part shall take care of those interests which are particular. I have said advisedly that the Federal system is so far man's only invention for protecting the individual on an equal basis with all other individuals in a mighty Nation of millions of citizens and of millions of square miles. There are bigger governments on earth but in them there is not the chance for democracy on the basis of equality of the individual that we have under our system. There are no democracies on earth which over their entire expanse attempt to maintain that equality which we maintain here, which do not do it on some federated basis.

Therefore, our Federal system is one great barrier, probably the greatest of all barriers we have in America, against that universal fear of today; the single-will state with is dictatorial technique. Call it what you will, fascism, nazi-ism, or communism, the technique of administration has to be the same in a single-will state. As long as our Federal system lasts, and there is no evidence but that it is going to last for a long time, the way of a dictator would be, indeed, hard in America. In fact, the attainment of a dictatorship is almost impossible here. And if a single-will government ever comes in America, it will not come through the medium of the actions of men who have been elected to office, but it will come as a result of marching feet and usurpation from without those elected offices. He who harps most about the fear of a dictator in America is the man who advocates dictatorial technique.

These are the barriers which stand in the way of a single-will government in America: First of all, our Federal system. Think of it. There are 49 sovereign governments in continental United States; 49 separate constitutions; 49 executives, each with the power to command troops and to declare martial law. The citizen in each of these 49 sovereignties bears an allegiance at all times to 2. Since elections are not universally timed throughout these 49 sovereignties, the opportunity for governmental change is almost constantly open. In other words, the right of rebellion has, through elections, been legalized so extensively that the people somewhere almost all the time are expressing that right. This is a tremendously great barrier against a single-will state.

Then there is our peculiar American political party scheme. Parties in America are not based upon social, class, or economic aims, racial advancement, or religious endeavor. They are sentimental in nature and their objective is governmental control. America has been for the most part a two-party political nation. That alone has had a stabilizing effect and yet our parties are not what we think they are. We in reality have not one great Democratic Party in America and one great Republican Party in America, but we have 49 Democratic parties and some 39 or 40 Republican parties. Our party system, you see, partakes of the Federal nature of our Government. This makes a single will almost impossible. Then, the glory of the American party system is the fact that politics in America are sentimental affairs. There are some who would like to see this changed. Some advocate economic political parties, parties of single ideals and single wills and single aims. It is because we have not had that kind of party in America that our democracy has lasted. In countries where parties stand for particular economic objectives, members of that party must be economically and socially congenial. It is charged, of course, that our type of party system lends itself to vicious control and corruption but it nevertheless has within it the element and the ability of reform which a party system based upon economic need or necessity does not have.

There is no unity in our courts. We have several kinds, and this makes the single-will state almost impossible. Then those great privileges which are guaranteed us in the Bill of Rights, freedom of the press, freedom of speech, freedom of assembly, freedom of worship, all are barriers against the single will, for they guaranteed those privileges to us both in the States and in the Nation.

Thus, you see, I am not only a great admirer of our constitutional scheme but a thoroughgoing believer in it. In that, even though I am not a lawyer, I think that you and I agree. But that does not mean that we cannot make this good scheme work more perfectly. We can, if we are able to get rid of certain dominating slogans which make us think in terms that are not founded upon fact or truth and cause us to feel our inability to overcome the ills that bind us. There is a chance for relief from this situation because political law in time always follows that which in nature is deemed to be physical fact.

Our Constitution was conceived and first interpreted when Newton's theory dominated the world. Justice, liberty, equality, and governmental good, both for man and the government, were based upon the theory of balance. Mathematical exactness, the push and pull in Nature, and negative and positive influences in society were accepted as unquestioned absolutes. Balance of power, which we call checks, within the Nation and balance of power between the nations were controlling factors. Then followed Darwin's mighty ideas—the growth principle; the evolutionary theory; the thought that man went forward either as a result of survival after contest and strife or that he moved forward as a result of mutual aid and cooperation with his neighbor. Either of these two great theories, acceptable to the basic evolutionary notion, gave us the idea of growth.

Whenever Condorcet's eighteenth-century concept of progress was jointly used with either the Newtonian balance or the Darwinian change, we had a theory of advancement either through constant relations or as a result of forward-moving growth. States and nations thus became entities of destiny working in accordance with a divine or eternal plan to accomplish purposes of God or Nature for the good of man. One, you see, was incidental to the other. Without the concept of progress, much of the forward-looking thinking of the nineteenth century would never have been indulged in; and without the faith which the concept produced, and which gave man his energy to explore in unknown fields, the advancement of man's culture could never have been attained. At the end of this great period of thought, perfectibility of man and society in progressive growth did more to make modern man what he is and to make modern institutions what they are than any other single thing.

Ancient man conceived of laws capable of holding man and society bound to the same habits and customs for generations. Change was deemed economically, socially, and religiously an evil, and law was resorted to, to prevent it. Confucius wrote history even to sustain what he thought to be proper law and to "hold men for 2,000 years."

Benjamin Franklin reflects so much the Newtonian fundamental thought that he had an answer for almost everything. Under Newton, if we found the proper key, we could open any lock. If we got the cause, we could overcome the effect. If we created the perfect law, that law would make the perfect man. The cure of society's ills was so simple under Newtonian-influenced Franklin that we are captivated by his expressions to this day. Note "Temperance puts wood on the fire, meal in the barrel, flour in the tubs, money in the purse, credits in the country, contentment in the house, clothes on the children, vigor in the body, intelligence in the brain, and spirit in the whole constitution." The only thing he left out was a balance for the National Budget. What perfection in the wake of one good habit. Would to God it were true!

Under Newton, Condorcet, and Darwin, splendid as were the fruits of their thinking, we got no further than the recognition of change, progressive to be sure, and far enough away from the binding logic of the past to free us from the dulling notion that man was made for the law and also made by the law.

Emerson tried to relieve us of this spell, for he taught "every law and usage was a man's expedient to meet a particular case; that they are all imitable, all alterable; we may make as good; we may make better." Philosophers saw his point but the lawyers and the judges would not. They knew they had the perfect law and man and his economic needs were to be made to fit it. The judges got themselves believing, among other things, that the Constitution prescribed that agriculture, manufacture, and mining were purely local affairs, and this in spite of the fact that the Constitution laid down the rule of free trade between the States, and in spite of the further fact that many States were producing surpluses in one or all of these three basic economic activities, and that both manufacturing and mining were organized on a Nation-wide scale. That rule of law was not strong enough to make over our industrial life, and something had to break. And it did break. I tell you that as a historical fact tonight and it will not even attract attention; but a year ago when I said something had to give because our rule of law was not based on economic facts, I was charged with attempting to destroy our Constitution.

Perhaps you will say that I am being too harsh with our theories of law, and that I have forgotten that in Anglo-Saxon and American thought, reason has come to temper the harshness. This, of course, is true. All law has become tempered in its administration and in its determination. Such flats, even as "Thou shalt not kill," backed as they are by the authority of Heaven, have been consistently binding and noncompromising to an absolute end only in remote instances. The Jain priests of India wear masks lest they might breathe an insect and thereby kill, and it is said that they sometimes have servants enter their beds before them to sleep a few hours so that if there might be insect life there the servant will roll onto the bug and do the killing, thus saving the priest from condemnation.

My point, though, is still valid. In reasoned law the damage to society remains as a result of recording the arguments in defense of a particular stand. Think what Marshall's statement, "The power to tax is the power to destroy," has done in the creation of faulty reasoning in regard to tax law under our Federal system. "The power to tax is the power to destroy" is a proper deduction for purposes of argument in a given case, but it may even destroy our democracy as a rule of law. It no more covers a proper definition of the taxing power than does the statement, "That the ability to destroy himself is man's chief glory," cover a definition of human freedom. Imagine what a statement such as this uttered by one of our recent justices in a dissenting opinion would do if carried to its logical conclusions:

"If freedom of the press does not include the right to adopt and pursue a policy without governmental restriction, it is a misnomer to call it freedom."

Freedom to anyone, person or corporation, could never be quite that or society could not last. And a great attorney pleading a case before the Supreme Court uses the same sloganized approach: "For you cannot divorce in this field the author from his product. * * * What is written is the news, and the man who writes it is utterly inseparable from it."

This is mixing and mingling persons and things. Slavery was nothing more than a mixing and mingling of persons and things. You can buy, sell, and own a manuscript but you cannot buy, sell, and own the author.

Still I like reasoned law. But it is the premise behind the reasoning that counts, and it is the idea behind the premise that I am talking about tonight. We in the Western Hemisphere feel that we alone have had reasoned law. That, of course, is not true. Logic, to be sure, was developed in both the east and the west during periods of decline, and our rushing to logic today probably is a sign that we are passing through such a period.

In this connection I cannot refrain from citing an actual case which illustrates in a rather vague way, to be sure, the point which I am trying to make. Reasoned law, or the law which is based upon reasonable deduction, is found in every step in the following case: The partnership idea grew up in the west in one way and in the east in quite a different way. A partnership in China never becomes a single entity. The individuals who are party to a partnership always maintain definite and particular rights and individual property interest. For example, if four persons in China share a safe and have access to its contents, they do not have merely four keys to the same lock, but they have four separate locks, and the safe can never be opened until all four are present. Carrying this reasoning to its ultimate conclusion, four Chinese partners invested in cotton. They stored the cotton, then discovered that it was being damaged by rats.

After a conference the four invested in a cat, each paying his share, and in order that the individual interest of each might remain each man became the owner of a particular leg. The cat burned one of its paws. That was not the concern of all four. That was the concern only of the partner who owned the burned paw. The partner treated the burn by applying salve to it and wrapping up the paw with a big bandage. The cat then got too near to the fire, causing the salve and the bandage to catch on fire; and the cat, in its excitement, rushed to the cotton, setting it on fire, and thus it was destroyed. The owners of the three unburned legs brought suit against the owner of the injured paw for the loss they had sustained to their particular interests in the cotton as a result of the fire. The case went to court and the judge heard the argument. He handed down a reasoned decision, and he did it in this way: It is true, he reasoned, that it was the injured paw that set the cotton afire. But it was the other three paws that carried the flaming bandage to the cotton. Therefore the plaintiffs were as responsible for the fire as the defendant, and damages were not allowed. That ended the case, and no one can object to the logic.

The point I want to make is that law ends with the decision in the East, but with us much litigation has its beginning in the reasoning of a previous case.

I am not condemning the use of reason, but I do condemn the building of future law upon deductions made in the sustaining of a decision. When law deals with abstractions like freedom, even if it is called a practical reality, freedom remains exactly where it was before the decision was made. The physical or ideal facts control. But the reasoned out deduction may do lasting harm to the people's well-being if a court is controlled by an untrue definition based upon a theory of a fundamental law instead of a theory based upon an actual fact.

For the purpose of this evening's address, I have been trying to make the point that society builds its justification for its actions upon theories and those theories are basically connected with what is assumed to be physical fact. Therefore, as long as Newton's theory held in all fields of endeavor we had conclusions ending with deductions consistent with that theory. As long as Darwin's theories are accepted as facts we could never avoid the idea of growth, and when the Darwinian theory is connected with Condorcet's notion of progress, the idea of change for the better underlies all reasoned conclusions. Each of these theories though, like its predecessors, leaves us with conclusions that are absolute. It is, therefore, in the discovery of a new idea that we may hope for the next necessary change in our social, political, and legal theory. That idea has come into the world. It need not be explained any more than I have explained Newton's theories of balance and Darwin's theories of growth, because other deductions do not come from the actual truthfulness of a theory. They come from the acceptance of the theory as fact.

Thus when Einstein puts forth the notion that even in the physical world things may be relative rather than exact, that idea will temper all branches of human thought. It will have its effect upon the person, it will have its effect upon the state, it will have its effect upon international relations, it will have its effect upon religion, it will have its effect upon ethics, it will have its effect even upon our concept of time.

It is from this idea, then, that I base my hope for a better world. There have been three great centers of human thought that have remained quite consistent throughout history. The Chinese influenced part of the world, the Indian and the European. Separate as these great fields are, both in thought and custom, they show striking unity in their responses whenever there has been a world-wide stimulus. The theory that all things are relative will have less effect upon the Chinese world than anywhere else because the Chinese have assumed the relative idea from the beginning in much of their thinking. They have advocated the gospel of the mean, and in all their thinking they have never gotten outside of man in nature. The Chinese maintained for centuries the theory that "the voice of the people is the voice of Heaven." We had the same idea in the late Roman and early European periods of thought and we have it today as a political concept in America. But in each place while the words are similar the thought behind them is different. In China "the voice of the people is the voice of Heaven" actually and literally means that, because if it is the voice of the people it is the voice of Heaven, for Heaven was always influenced and controlled by living men. The European notion assumed that man in his nature was closely allied to God in his nature and that ultimately man would reflect that nature. Our American thinking is in accordance with the European thought and in addition a rationalized argument in support of the theory that the democratic method is Heaven's method and that democracy can be justified therefore as a heavenly principle.

India has brought the eternal processes in a metaphysical sense into all her system of thinking. Socially and religiously she has been so intolerant and class conscious that the relative idea when applied to society, to law and to custom may become the foundation stepping stone for her out of the social and religious bonds which hold her. Caste, of course, has to be absolute. It cannot be relative. The tempering influence, therefore, of the idea of relativity may break these chains grown harsher with the centuries. An idea is the only thing that will.

With us, heirs as we are to the thinking which has always been related to the idea of the higher absolute perfection, call it God if you wish, or think of its medium of operation, revelation, if you so desire, influences will come slowly. The fiat of a perfect law-giver has been so much a process of our thinking that it has been unquestioned. So much have we been partakers of this fundamental reasoning that even to this day we have thoughtless ones who tell us that there cannot be an international law because we have no international law-giver. Our reasoning, our social conflicts, our constitutional law systems, our graded law, with its system of appeal to higher authority, all end in this great fundamental notion of the fiat and the ultimate fiat-issuer. The premises behind the legal processes of our American constitutional system all reflect this age-old habit of thought. The system is good but it stands in need of a tempering influence to remove it from the realm of the absolute.

We have much to overcome. There is our Hebrew experience, our Greek experience, our Mohammedan experience, and our Christian experience, each of them accepting the absolute perfection. Thus the theory of relativity will have a greater struggle with us than in middle or eastern Asia. But it will ultimately become the controlling thought underlying most of our conclusions. And it will be found that it will not be destructive of anything that we call dear today. In fact, I am sure it will magnify and enlarge the good already gained. It will merely modify our attitudes and temper our approaches. It will add respect for our institutions and reverence for our fundamental axioms be they concerning either Heaven or earth.

Let us pause for a moment and use our own constitutional history to illustrate further my point. Under the theory of relativity our Constitution will in very deed attain Marshall's dream and endure for the ages because it will cease to be considered the mere symbol of sovereignty of its Newtonian-influenced times, or the living law of the Darwinian period. It will for the poet and orator remain both of these but to them will be added a new significance of usefulness capable of being not only the peoples' protector but also the medium through which the people shall attain their desired ends. Newtonian influence made it the symbol of a perfected plan; Darwinian theory caused it to become the living, growing soul of our national entity; Einsteinian thought may make it the companion of the people in the accomplishment of their purposes.

And in the wake of this new theory will come toleration and appreciation in the field of religion, a tempering and an extending of functions in the field of government, a new approach to better understanding and friendlier intercourse between nations, and a mutual and therefore better fellowship among men. Ethics will follow the middle way, morality will be measured in its effect more upon society than upon the individual, and the Golden Rule will have a meaning for me instead of being a mere preachment for you. Cooperation between individuals may be on a horizontal basis instead of on a vertical one; that is, cooperation between equals instead of cooperation between leader and follower.

In this new spirit, as we read history and the ideas of men in the past, we will find that the wisdom of the ages will survive and new meanings will come to the words that have been so often quoted. Thus we may date the beginning of the new world from the time when men developed their thinking upon the latest demonstrated physical fact and the idea of relativity took hold of the thoughtful of the earth.

We have laid a background of promise for a better day for law and its interpretation in our country. Will our constitutional system be marred or bettered by it? I believe it will be greatly bettered.

I have stressed the separation of power. We argue today not in support of an actuality that ever existed, but in support of a theory which Montesquieu and Blackstone thought they saw, the

same theory which an ancient Greek who studied Roman institutions thought he too saw. The separation of powers never meant three coordinate governments operating separately, for then you have no government at all. But it meant three functions of government handled in three separate spheres to supply the need of man and the state in regard to those three different spheres. It is when we have them working in harmony that we have government. It is when we have them working in antagonism that we have the opposite of government. If I substitute the Greek word for the Latin my meaning is clearer. When you have harmony in its branches you have "archy." When you have disharmony or antagonism you have "anarchy."

Let us close by illustrating this point particularly. The people adopted the sixteenth amendment to the Constitution of the United States. The sixteenth amendment provides: "The Congress shall have power to lay and collect taxes on incomes, from whatever source derived." Probably in the history of constitutional government never has a basic law been mutilated quite so completely and so universally as has the sixteenth amendment. For this mutilation I do not blame any group or class in our country. The courts have contributed their part, the people have contributed their part, and the States have contributed their part; and the Federal Government itself has contributed its part, in nullifying this last expression of the people's will on the subject. The sixteenth amendment no longer means what it says, that is, that "Congress shall have power to lay and collect taxes on incomes, from whatever source derived." The courts, the people, and the States have changed this amendment so that today it means, "from whatever source derived unless the source happens to be compensation of Federal judges," or "from whatever source derived unless the source happens to be salaries of officers or employees of States or political subdivisions of States," or "from whatever source derived unless the source happens to be interest on tax-exempt securities issued by some State."

We should correct the taxing evils of an undemocratic nature which have grown up in our great democracy. I would like to remove the stigma which tax associations have attempted to place upon certain persons in our body politic by singling them out as beneficiaries of this tax exemption. There is nothing more cruel in our entire body politic than that the great public-school teaching group of our country is singled out each year as beneficiaries of this unjust tax system. The officers of our Army and our Navy, Federal officials generally, and judges would all rejoice in the removal of this annual criticism which they get.

Thus we see government stalled on this particular question. Democracies cannot survive if groups in that democracy are singled out for tax exemption. Sound economics demand that taxed securities should not have to compete with tax-exempt securities. Yet we seem unable to solve this simple question without resort to a constitutional amendment, and what good would a constitutional amendment do in the light of what we, the courts, the States, and our own Government have done with the sixteenth amendment?

Our inability to rectify simple injustices of this type surely calls for an interpretation of our constitutional system on the basis of a real need rather than on the basis of an absolute prohibition. I have offered in the Senate a simple remedy to this gross injustice. Now let us see what you lawyers do with it or to it.

Why I Voted For the Reorganization Bill

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 8, 1938

Mr. CELLER. Mr. Speaker, this statement is particularly made to answer the many communications I have received indicative of opposition to the bill.

Due to statements that this bill, even as amended, would create a dictatorship, that it would interfere especially with the rights of religious denominations to educate their youth, and many other statements, which have no basis founded upon fact, I am stating herewith my views to show why I believe that the features of this bill would promote efficiency and economy in our Federal Government and in no way impair any of the principles of democratic government.

In my humble opinion, the House bill differs completely from the Senate bill. Substantial changes have been made. No democratic right of the American people has been diminished. I shall be pleased to send my critics a copy of that bill as passed. I hazard the guess they have not read the bill—82 pages. I presume also they have not read the report accompanying it—40 pages. It is indeed quite essential to have read both to understand adequately the many items of this bill.

A SUMMARY OF THE HOUSE REORGANIZATION BILL

Permit me to state that the House reorganization bill, which differs from the Senate bill, consists of five items:

First. It permits the President to have three additional secretaries, making six in all. No one will object to these necessary assistants.

Second. It gives an opportunity for the development of civil service—so that Government employees can gain reward for meritorious service rendered to the Government. It provides for the reorganization and improvement of administration of the civil-service laws, and the extension of the classified civil service. I am in receipt of communications from the civil service employees' organizations endorsing this principle, and these employees, whose standards of living are dependent upon such a measure, favor it. The following are a few of the organizations favoring it: United National Association Post Office Clerks; Federation of Architects, Engineers, Chemists, and Technicians; Federal Workers of America; American Federation of Governmental Employees; National Association of Postal Supervisors; National Federation of Federal Employees; United Federal Workers of America; Railway Labor Executive Association, and scores of other national organizations.

The only principal change is that the bill will provide one administrator, who will be appointed for 15 years, instead of a bipartisan board of three. At the present time, administrators are politically appointed every 4 years subject to removal any time at Presidential will. The point in favor of one administrator is that he would be named for 15 years, and he would be immune from political contamination. However, it is a controversial matter, with a number of people for and a number of people against it. This change was recommended by a Republican President, namely Hoover, in 1932, and strongly supported by the then president of the Civil Service Commission. There will also be a Civil Service Advisory Board of seven members, who will exercise investigatory and advisory authority, and serve as a safeguard of the merit system. Those members will be chosen from business, industry, labor, education, and other walks of life, and will, of necessity, be interested in the promotion of an efficient civil service.

Third. It creates a general welfare department that will look after the welfare of the people of the United States. The general welfare department will be composed of 26 existing welfare agencies that are today operating independently and overlapping each other's functions. These will be in one department with a new member of the Cabinet. It does not add one additional division that does not exist. A general welfare department functions as a unit in most of the civilized nations of the world, and in most of the States of the Union, even in our own city of New York. There can be no contention that our democratic form of government will be destroyed by such a change. The 26 now independent agencies, sprawling in all directions, must be united.

Fourth. The bill proposes to reorganize, in addition, 133 existing agencies and departments of the Government overlapping each other, in order to bring about efficiency and economy, and distribute these departments and agencies under 12 major departments. These 133 new agencies have grown and developed as a result of economic changes during the past 10 years. Suppose you had a business with 133 departments, the heads of which refuse to coordinate—many of whom thumb their noses at each other—you would lose no time in reorganizing your business on a more efficient basis. This reorganization principle has been recommended by nine different President of the United States, such as Theodore Roosevelt, Taft, Wilson, Coolidge, and Hoover. When the President of the United States reorganizes these 133 agencies into 12 different departments, before this change can be enacted into law it must be approved within 60 days

by the Congress of the United States; so that Congress is not abdicating any of its constitutional authority.

Congress will have the last say. No sort of reorganization can be had without our consent. New York State, under Hon. Alfred E. Smith, recognized as an outstanding student of government, carried out a reorganization of overlapping bureaus and agencies of the State government in 1926, and there was no furor, but praise for this worthy change, which consolidated 180 administrative agencies into 20 new units and promoted efficiency and economy in the government of the State of New York. When one considers the old New York State government structure of 120 different bureaus, boards, and departments and compares it with the modern, orderly arrangement of 18 well-organized departments under the direction of the Governor, with two aides—separately elected officials—it certainly seems that reorganization of the Federal Government would be logical.

Fifth. Another feature of the reorganization bill is the office of the Comptroller General. The Comptroller General's Office was established in 1921. There has been much controversy as to whether this office has functioned properly. No reports have been made for 15 years, and there has been hostility between the Comptroller and Congress. The new bill will set up an Auditor General, who will be responsible to Congress, and the Comptroller General responsible to the President. In this way Congress will obtain an independent audit of the settlement and adjustment of accounts and claims. Under the present regime we do not know at the end of the year whether a department has or has not spent all sums appropriated. We do not know whether it has been property spent. That evil will now be cured. The Auditor General, responsible to us, will keep us informed. At present Congress cannot get an independent audit.

A most vicious attempt has been made to inculcate in the minds of the people that this bill would interfere with the rights of Catholics to educate their youth. This is false. I have gone carefully into this question. I have always respected the rights of people to worship without restriction their respective religions, and I herewith state that I would rather resign as a Member of Congress than vote to enslave the youth of any faith. The Right Reverend Monsignor Michael J. Ready, general secretary, National Catholic Welfare Conference, Washington, D. C., says as follows:

> The chairman of the administrative board, National Catholic Welfare Conference, Archbishop Edward Mooney, has authorized me as general secretary to say that the administrative board, National Catholic Welfare Conference, has always on principle opposed the conferring of administrative control on Federal educational agencies. If, therefore, the present reorganization of the executive department bill does not extend the powers and functions of these agencies beyond fact-finding and dissemination of information, as at present exercised, there is no reason to suppose that Catholic interests as such are concerned in the legislation In evaluating any protests from Catholic sources, it would be well to investigate whether these protests have been provoked by misinformation in regard to the bill.

A telegram from Archbishop Edward Mooney, of Detroit, was as follows:

> I see nothing in the bill to expand present functions of Federal educational agencies and therefore to arouse fears in regard to Catholic interests.

Another telegram received from Cardinal Mundelein by a Member reads as follows:

> As a result of my own investigation gathered from reliable and informed sources I cannot find that the welfare or freedom of the Catholic Church is in any way menaced by the pending reorganization bill. My sole purpose in stating this to you is because we have been drawn into the discussion and my personal knowledge of your fairness to us would render any such action quite impossible on your part.

Where any right of religion, whether it be Catholic, Jewish, or Protestant, is involved, certainly members of these faiths have a right and a duty to protest; but no religion should be exploited by members of a particular faith for their own personal, selfish interests, and in that way lower the respect for religious tolerance in the United States. Dictatorship is not involved and in the United States will never be involved. No rights of a man's livelihood or the function of his business is involved. No right of religion is here involved. Propaganda fostered by newspapers and people opposed to this administration have indulged in vilifications without setting forth the real facts and the real reasons why they are opposed to this bill.

The authority under the bill to reorganize governmental departments expires 2 years from the date of enactment.

It is unfortunate that there has been disseminated by some of the forces opposed to this bill so much misinformation in regard to its true purposes. The entire question of reorganization is and should be separate and distinct from partisan politics, for it is a question, pure and simple, of efficient administration in our Government. As I have heretofore stated, the objectives incorporated in this bill have been approved by both parties in the past. Nine of our former Presidents have recommended such reorganization, and the matter has been advocated again and again in Congress. In fact, it is interesting to note that one of the most controversial items in the reorganization bill, namely, the proposed change in the accounting methods in audit and control, have been advocated and discussed at one time or another as far back as the days of Alexander Hamilton.

REORGANIZATION ATTEMPTS IN THE PAST

Thus an examination of the records reveals that in 1893 Congress appointed a joint commission to consider this subject. This Commission rendered its report, but nothing was done to have its recommendations enacted.

In 1903 President Theodore Roosevelt appointed a committee to make a study of this question of reorganization. The committee suggested many reforms and made quite a number of recommendations. These were submitted to the Congress by the President. However, only certain scientific and statistical observations of the committee were recognized by the Congress. With a greater part of the report, however, no action at all was taken.

In 1910 President Taft appointed a Commission on Economy and Efficiency. Congress approved of this action. This Commission's program comprehended the subjects in the present bill. A great many of said Commission's recommendations were transmitted to the Congress by the President, but very few of its recommendations were approved by the Congress, and no action was taken by Congress to continue the life of the Commission.

In 1918 Congress passed an act which had been recommended by President Wilson, giving the President authority "to coordinate and consolidate executive bureaus, agencies, and offices * * *"; but this act was limited to the duration of the war.

Two years later, in 1920, under President Harding, a joint committee was authorized to plan a reorganization of the governmental bureaus and departments. This committee submitted a reorganization plan, which after modification by the President's Cabinet, was returned to the Congress in 1923. Hearings were held the next year, in 1924, but, owing to various objections no action whatsoever was taken.

When Calvin Coolidge became President he encouraged Congress to enact the same reorganization bill, but to no avail. He then utilized his authority under a more limited act passed in 1903 and did what he could to bring about a more efficient coordination between the governmental bureaus. But the act limited his powers to too great a degree and the resulting reorganization was not very effective.

President Hoover, immediately after his inauguration, appointed committees to study reorganization. As a result a few consolidations were made. In 1932 a special economy committee was appointed by the House of Representatives to consider the entire subject of reorganization. President Hoover was then given the same powers of reorganization that the present reorganization bill proposes to give to President Roosevelt. Acting under the powers granted, President Hoover planned a reorganization program and submitted it to the Congress. Congress, however, refused

to confirm it and nothing was accomplished. In this connection President Hoover said:

Either Congress must keep its hands off now, or they must give to my successor much larger powers of independent action than given to any President if there is ever to be reorganization; and that authority, to be effective, should be free of the limitations in the law passed last year which gives Congress the veto power, prevents the abolition of functions, and prevents the rearrangement of major departments. Otherwise it will, as is now being demonstrated in the present law, again be merely make-believe.

The question involved in the present controversy is of great importance, for it demonstrates whether we can achieve long-needed efficiency in the administration of our democratic form of government. Our citizens are entitled to judge their Government by what that Government accomplishes, and the accomplishments of the Government can be made much more effective and much more efficient if the proposed reorganization bill will be enacted into law.

WALTER LIPPMANN AND REORGANIZATION

I now insert an article by Walter Lippmann entitled "Ends and Means—The Reorganization Bill," which is indeed most illuminating:

The intensity of the opposition to the Byrnes reorganization bill is clearly out of all proportion to the substance of the bill itself. Under any interpretation, however strained, it is not possible, I think, to find in the measure as passed by the Senate any grant of new powers to the President which gives support to the charge that it would aggrandize his power or diminish that of Congress. On the contrary, a very strong case can be made out for arguing that the most important part of the measure is the reform of the accounting system and that this reform offers Congress a better means than it has ever had before to find out what the Executive has done, and then to hold the Executive responsible.

There is room, of course, for honest difference of opinion on all these points, but under ordinary circumstances the bill itself would never revoke such passionate resistance. The debate does not turn upon whether the President of the United States should be authorized to do these things, but upon whether more authority of any kind should be entrusted to this particular President—to the man who tried to pack the Supreme Court and to purge the Federal judiciary; to the man who has had the spending of such immense sums of money; to the man who tried in his original proposal to obtain control of the quasi-judicial commissions and independent agencies; to the man who already exercises more personal power than any President in the history of the country. The resistance is not to the Byrnes bill but to the excessive personal power of Franklin D. Roosevelt, and the object of the opposition is not to prevent reorganization of the executive branch but to put a spectacular and decisive check upon this President's authority.

Using Mr. Philip Guedalla's maxim that any stigma is good enough to beat a dogma with, the opponents of the bill are meeting the President's cry that he is beset by reactionaries with the charge that this bill gives him dictatorial powers. Yet, except that the bill provides a convenient way of challenging and perhaps defeating Mr. Roosevelt, it is impossible, I think, to sustain the main argument against it.

There is much discussion, for example, about the provision which authorizes him to regroup executive agencies without abolishing any of their functions, subject to the right of Congress to disapprove within 60 days. This has been described as being in some way like the judiciary bill. But is it? Is there not a radical difference between giving the Chief Executive authority to reorganize his own branch of the Government and giving him authority to reorganize a coordinate branch of the Government? Who has a better right than the President to say how the agencies under him can be most efficiently organized? And is it any extension of executive power to let the Chief Executive take the initiative in deciding how agencies, already under his control, shall be grouped? The opposition is demanding that the bill be amended so that instead of letting the President reorganize these agencies unless Congress disapproves, he may reorganize them only if Congress affirmatively approves. The amendment is intended to defeat the whole proposal. For the President already has the power to ask Congress to approve administrative reorganization, and no new legislation is needed to confirm it.

This part of the bill is, it seems to me, of only minor importance. It does not add anything substantial to the President's power to let him move the bureaus around from one department to another. He had this power for 2 years and he used it hardly at all. If he wishes to use it for a sinister purpose it is hard to see how he could do anything very sinister by taking a bureau away from, say, Secretary Wallace and giving it to Secretary Ickes. He controls all the bureaus, anyway, and whether he controls them through one of his subordinates or through another does not seem to me to matter very much. To see in this an advance toward dictatorship is, I think, to strain at a gnat. The truth is, I believe, that this power will not be used much for good or for evil, and that both the administration and the opposition are exaggerating its importance.

The important feature of the bill is the proposal to have Congress appoint an auditor general who will report to a joint committee of Congress. The opponents of the bill argue that the effect of this reform will be to abolish the power of the independent Comptroller to prevent illegal expenditures. But, for my own part, I am persuaded of two things—first, that the existing Comptroller is unable to do what he is supposed to do and that he has never done it, and that an audit of the relief and recovery expenditures in the past 5 years would prove this contention up to the hilt; and, second, I am persuaded that the auditor general under the Byrnes bill will for the first time in our history enable Congress to see clearly how the money has been spent and whether the Executive has obeyed the will of Congress.

To have Congress learn promptly and from its own agent how money has been spent is, it seems to me, the most effective check that Congress can set up against the Executive. Does anyone suppose that the President or a Cabinet officer or a bureau head would dare to spend money for some purpose not authorized by Congress if he knew for certain that within a short time the transaction would be audited, that it would be reported to Congress, and that he would have to explain his acts? This is the system by which Parliament holds the British executive accountable, and there can be little doubt that it is the most effective system of accountability in the world.

So the question for me is whether an essentially good bill ought to be defeated, not on its merits but on the general ground that it is a good moment to clip the personal authority of Franklin D. Roosevelt. It is the question of whether the end justifies the means. For the end is, I think, desirable; it is clear to me that Mr. Roosevelt has more personal power than is good for him or for the country, and that to restore a more constitutional spirit in the Government and to reduce his excessive personal authority would make for national confidence and would tend to restore social peace.

But to reach this end by defeating an essentially good measure, and to defeat this measure by an agitation that disregards the intrinsic merits of the issue is a most undesirable procedure in a democracy. To do that is to stoop to conquer and to make the end justify the means. That is something that the champions of liberty in the world today cannot afford to indulge in. For the essence of popular government depends upon the conviction that issues will be determined by a debate that seeks the truth. And in the long run I cannot believe that any good can come from anything which undermines this conviction.

The Coming Democratic Primary in Pennsylvania

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, April 11 (legislative day of Wednesday, January 5), 1938

RADIO ADDRESS BY HON. JOSEPH F. GUFFEY, OF PENNSYLVANIA, APRIL 8, 1938

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address I delivered over the radio on Friday evening, April 8, 1938, at 9:30 o'clock from station KDKA, Pittsburgh, regarding the coming Democratic primary in Pennsylvania.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

On Tuesday, May 17, almost 1,900,000 registered members of the Democratic Party in Pennsylvania will have the privilege, the opportunity, and the responsibility of deciding the future of their party in this Commonwealth.

And automatically inseparable from their decision determining their party's future will be their decision determining their government's future.

Both questions are one and indivisible and will be determined by the decision of the electorate of the Democratic Party as to whether or not they are going to place control of their party and their government in the hands of Philadelphia's contractor boss, Matthew H. McCloskey.

Before arriving at a decision as to whether they will support the ticket backed by Contractor Boss McCloskey and headed by Charles Alvin Jones, a charter member of the "Stop Roosevelt" gang at Chicago, or the ticket supported by me and headed by the present Lieutenant Governor of this State, Thomas Kennedy, the 1,900,000 registered Democrats in this State are entitled to know all the facts that are pertinent to, or having a bearing on, this question.

Last Tuesday night the chairman of the Democratic Party, in a State-wide broadcast, sought to justify the endorsement of Mr. Charles Alvin Jones' gubernatorial candidacy by the present membership of the Democratic State committee.

I wish that every man and woman who will go to the polls on May 17 to cast a Democratic ballot could have heard or read the speech of the Democratic State chairman. And I hope that these and many more will be listening in tonight as I tell the real story of the part that was played by Philadelphia's contractor boss, McCloskey, in the selection of the so-called regular Democratic ticket.

Shortly after the first of the year the State chairman of the Democratic Party let it be known that he would hold a series of conferences with representative Democrats from every section of Pennsylvania in an effort to determine the sentiment of these leaders with regard to various names, including his own, that had been advanced as potential candidates for the offices of Governor, Lieutenant Governor, United States Senator, and secretary of internal affairs.

The first of these conferences was held in the executive mansion at Harrisburg, and invited to attend by the State chairman and the Governor were John B. Kelly and Matthew H. McCloskey, of Philadelphia; J. David Stern, whose liberal newspaper has been the bulwark of the Roosevelt and Earle administrations; and myself.

At that conference McCloskey presented his original candidate for the Democratic nomination for Governor of this State. I am quite sure that when the Democratic electorate of Pennsylvania learns the identity of McCloskey's first choice for this high honor at the hands of their party they will be able to better appraise the depth and genuineness of Mr. McCloskey's democracy.

For it was none other than the Republican chief justice of the Pennsylvania supreme court—the man who admitted taking the equivalent of gifts in cash from the House of Morgan, the Honorable John W. Kephart, that Contractor Boss McCloskey had the effrontery to urge upon that conference as the ideal candidate for the Democratic nomination for Governor of this Commonwealth—a man who only a few years ago the present Democratic State chairman asked the legislature to impeach.

In the course of his remarks that evening McCloskey took occasion to voice an implied threat to desert the Democratic Party if the leaders did not go along with his friend Kephart.

"You know," said McCloskey, "I was a Republican once, and I can be a Republican again."

The next conference held by the State chairman was one with Contractor Boss McCloskey and Contractor Boss McCloskey's original candidate, Mr. Chief Justice Kephart. What took place at that conference no one knows except those participating in it. But shortly afterward Contractor Boss McCloskey announced his second choice for the governorship—the chairman of the Democratic State committee of Pennsylvania.

The State chairman then visited Washington to confer with the Pennsylvania Democratic congressional delegation. To these Members of Congress he outlined the political situation back home and asked whom they thought should be the Democratic standard bearer in this year's elections.

The Philadelphia Congressmen, acting on orders from Contractor Boss McCloskey, refused to vote, but the tabulated votes of the others showed their first choice to be JOSEPH F. GUFFEY and their second choice the late beloved Warren Van Dyke.

Returning to Harrisburg, the State chairman sent for every one of the 67 Democratic county chairmen and vice chairmen and every one of the State committeemen and committeewomen.

All were asked to register their views concerning the governorship and whom they believed should be recommended to the Democratic electorate as the party's choice for Governor.

And again the results were: First choice, JOSEPH F. GUFFEY; and second choice, Warren Van Dyke.

Evidently this was not the answer that the State chairman and Contractor Boss McCloskey expected or wanted. So they got together and decided to make a new State-wide survey, this one to be on an elaborate scale.

Thousands of questionnaires were to be mailed to men and women in every walk of life in each of the 67 counties in this Commonwealth.

And in order to insure the honesty and integrity of this straw vote, they designated a gentleman by the name of J. Dress Pannell to take charge of it.

Few people outside of Harrisburg ever heard of J. Dress Pannell. But so that he is properly identified, I want to say that Mr. J. Dress Pannell is one of Contractor Boss McCloskey's attorneys and at present is chairman of the Charles Alvin Jones campaign committee.

The results of that survey were known to the State chairman and to Contractor Boss McCloskey several days before the meeting of the Democratic State committee. They were never published and were kept secret from the State committee for a very good reason. Because this survey also showed the first choice of the thousands who voted to be JOSEPH F. GUFFEY, and the second choice Warren Van Dyke and tenth or eleventh on the list—an also ran—was Mr. Charles Alvin Jones.

And just about this time the State chairman learned that Contractor Boss McCloskey no longer looked with favor upon his candidacy for the governorship.

And he learned too that Contractor Boss McCloskey also had promised his support to two other persons then much in the limelight as potential candidates, the one, Mr. Luther Harr, city treasurer of Philadelphia, and the other Mr. Charles J. Margiotti, attorney general of Pennsylvania.

And then the State chairman sought another conference—this one with the President of the United States, whose advice and influence he asked in seeking a solution of the chaotic conditions that Contractor Boss McCloskey had created within the party as a result of his scheming and double dealing.

Contractor Boss McCloskey was not at that conference. The Governor of Pennsylvania, the Democratic State chairman, Mr. J. David Stern, and I constituted the group that sat down with Franklin D. Roosevelt—every man present having but one purpose in mind, and that purpose—harmony in our ranks as we prepared to face our political foes in the momentous elections of 1938.

And out of that conference came two decisions. The first, that in spite of the indicated overwhelming sentiment in almost every one of the 67 counties that I be the Democratic nominee for Governor, I would not be a candidate in deference to the wishes of the President that I stay in the United States Senate.

The other agreement was that the leaders of the party would recommend to the Democratic State committee for its endorsement for Governor the name of William C. Bullitt, of Philadelphia, United States Ambassador to France, a close friend of the President, and a man who has distinguished himself in the service of his country.

I can truly say that when the four men who participated in that conference left the White House they went away happy in the belief that out of this conference with the President had come the solution of the grave problems that were besetting the Democratic Party in Pennsylvania.

But they had reckoned without Contractor Boss McCloskey. Waiting the result of the White House conference, Contractor Boss McCloskey sat in his room in a Harrisburg hotel, and waiting with him was Charles Alvin Jones.

And when the men who had conferred with the President reached the executive mansion at Harrisburg a few hours later to report the results of the White House conference to other party leaders, Contractor Boss McCloskey was ready with his ultimatum.

And the ultimatum was "Charles Alvin Jones or else."

And so at that historic midnight conference in Harrisburg the Governor of this Commonwealth and the chairman of the Democratic State committee capitulated to the threat of Contractor Boss McCloskey.

And simultaneously there was surrendered to this political adventurer from Philadelphia not only control of the Democratic Party machinery in this State but control of the State government as well.

And the next day, the Democratic State committee, one-half of whose members are on the pay roll of the State government, met and rubber stamped their endorsement on Charles Alvin Jones, the candidate of Philadelphia Contractor Boss Matt McCloskey.

That, my friends, is the true story of the selection of this Pittsburgh attorney as the candidate of the State organization for the office of Governor—this Pittsburgh attorney whose only claim to fame is the part he played at Chicago in 1932 as a charter member of the "Stop Roosevelt" gang.

The primary-election contest in the Democratic Party has resolved itself into a contest between the candidates for Governor, United States Senator, Lieutenant Governor, and Secretary of Internal Affairs picked by a pay-roll-dominated Democratic State committee, and the condidate I am proud to support.

For Governor I am supporting the man who is the present Lieutenant Governor of this State, Mr. Thomas Kennedy, of Hazleton.

I am for Tom Kennedy for Governor for a good many reasons. First of all I am for him because of all the candidates seeking the office, he is by far the most competent.

He was recommended to the Democratic electorate 4 years ago by a Democratic State committee then comprised of real liberals and not, as it is now, of pay rollers.

The Democratic State committee 4 years ago O. K.'d Tom Kennedy for Lieutenant Governor knowing full well the ever-present possibility that a Lieutenant Governor might at any time be called upon to assume the office of Governor.

It is essential and vital that the man who occupies the office of Governor of Pennsylvania during the next 4 years be a man who is fully conversant with the problems that beset both business and labor.

Tom Kennedy is such a man, and if elected Governor will bring to that office an experience in industrial and labor affairs possessed by no other candidate.

Four years ago the Democratic Party could not have won without Tom Kennedy and the hundreds of thousands of Pennsylvanians who call him leader.

I am for S. Davis Wilson, mayor of Philadelphia, for United States Senator because he has no entangling alliances with, and is under no obligations to, Contractor Boss Matt McCloskey and because of his record as a champion of good government.

I am for Judge Ralph H. Smith of Pittsburgh for Lieutenant Governor because of his militant liberalism and because of the valiant support he gave our ticket in 1934.

I am for Edith B. DeWitt for Secretary of Internal Affairs, because I think it high time that the Democratic Party accorded to women the recognition that is their due, and on no woman leader could this recognition be more worthily bestowed.

What I have said tonight about Philadelphia contractor, Boss McCloskey, is but the first chapter of the story I shall tell the

people of Pennsylvania about this political buccaneer—the man whose double-dealing and double-crossing precipitated a crisis in the Democratic Party.

He is one gentleman for whom there is no place in a party dedicated to liberalism and to the principle of the New Deal of Franklin D. Roosevelt.

Wildlife in the United States is at the Cross Roads

EXTENSION OF REMARKS
OF
HON. BERT LORD
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, April 11, 1938

ADDRESS BY HON. BERT LORD AT THE DEDICATION OF THE IZAAK WALTON LEAGUE BUILDING AT MARGARETVILLE, N. Y., ON MARCH 25, 1938

Mr. LORD. Mr. Speaker, I am sure Members of this House are all vitally interested in the preservation of our national wildlife and our forests. Last week, by Presidential proclamation, we observed National Wildlife Restoration Week, and under leave to extend my remarks I include the following address I delivered at the dedication of an Izaak Walton League clubhouse in my district:

WHICH HIGHWAY FOR WILDLIFE?

Wildlife in the United States is at the crossroads.

Such very fine organizations as your chapter of the Izaak Walton League will steer the course of the wildlife along the road of preservation and perpetuation or else in the Nation's haste and interest for other things our wildlife will be shunted down the road to oblivion. Those are the only two courses.

Your presence here tonight indicates your determination and vigilance to direct wildlife traffic onto the highway of perpetuation where your sons and daughters and your grandsons and granddaughters will be privileged to enjoy those things which today make up the Nation's wildlife family. If we continue to let our wildlife slip through our fingers into extinction I fear that in a very near generation man will find himself a robot in a maze of machinery or a parched being in a dust storm—and in either case lost from God and Nature.

Izaak Walton said "The very sitting by the riverside is the fittest place for contemplation and for revelation."

SHALL WE SIT ON DESERT SANDS?

I need not dwell upon the truth of this statement here in the midst of a group of men who swear by every word written by Walton. The point I would make is that we must preserve these rivers and these woods and the wildlife that goes with them or man will have but the parched sands of a desert upon which to sit.

The President of the United States has proclaimed this National Wildlife Week and it is fitting that we should meet here tonight as some 36,000 other local organizations are assembling during the week to discuss the preservation of wildlife in America—whether it be in the forest, on the farm, in the lake, or in the stream.

This week must be the foundation for a new general movement in America to preserve for future citizens abundant fish, fowl, and game.

MORATORIUM ON DISAGREEMENTS

It is essential that all factions interested in conservation of wildlife declare a moratorium on petty disagreements and sit around the table and draft a national program for wildlife preservation. An enlightened public sentiment is essential to such a successful campaign and this sentiment will never be crystallized until all parties concerned join hands in a common bond and determination.

This involves a five-power pact—the powers being the national Government, the State government, sportsmen, conservationists, and the private-land owners.

America's wildlife has played an important part in the advance of human welfare. Our Pilgrim Fathers depended largely upon wild herbs, wild grains, and wild animals for their sustenance during their early trying days on this soil. As man pushed his way westward from the Atlantic, shoving back the timberline, he forced a retreat of wildlife. As our civilization marched onward over the mountains and into the interior, wildlife was crowded into more cramped quarters.

Now, all but too late, we realize the errors of our ways. Fortunate indeed is the Nation to have these public-spirited groups to awaken the Nation to the threat before us—of a Nation without trees; without the chirp of the songbird and the call of the game bird; woods and thickets without game; streams without fish; and a Nation without nature.

We owe a debt to the future generations to preserve for them the same degree of God-given wildlife and Nature as we have enjoyed. Due to lack of foresight, both on the part of ourselves and on the part of those who went before us, we must now purchase this preservation at a premium. If we do not pay that premium soon, extinction will foreclose the mortgage and our holdings in wildlife will be wiped out forever.

YOUNGSTERS CAN HAVE THEIR GAME TOO

With proper conservation no youngster of the next generation should be deprived of the taste of wild game. With proper vigilance on our part no youngster of the next generation should be deprived of the opportunity of catching a mess of fish in our streams and lakes. That responsibility, however, rests upon us, not upon the youth of tomorrow. We can give him shallow, lifeless streams or we can give him lively streams abounding in fish. We can give him barren wastelands or we can give him wooded areas abounding in nature. The choice is our to make, not his.

Thanks to the heritage of Izaak Walton fishermen have taken the leadership in the conservation program, and the great organization bearing his name and of which your group is a part is playing an extremely important part in that program to hand the boys and girls of tomorrow a Nation in which wildlife, restful woodlands, and gurgling streams may still be found.

Millions of people annually retreat to areas where nature abounds. The Federal Government is doing much to cooperate in this conservation program. New York State has for some time been buying land. There are 157 national forests with a total of 172,000,000 acres. These areas are in 40 States and are so scattered that under our modern means of travel a large portion of our population has access to some part of the great national park and forest system.

These great national forests provide a refuge for our wildlife. A haven for the bird and a home for the moose, deer, and bear. Over 60,000 miles of streams and innumerable lakes in these national areas constitute a fisherman's paradise. Through the activity of the Bureau of Fisheries in these streams we have concrete proof that inland game fish need never pass from our menu if we exercise proper conservation and propagation programs. We must have forests.

As your Representative in Washington I desire to discuss with you for a few minutes the part the National Government is taking in this program. The Federal Government's part involves several phases.

For instance the migratory-bird problem. One State might provide restrictions tending to preserve waterfowl during flight between that State's borders while the adjoining State might permit slaughter of the birds when they fly into that territory. Rivers winding through several States likewise furnish problems with which the Federal Government must deal as well as maintain its control of the waters of the Great Lakes, the public domain, and the national forests.

ONLY GOD CAN MAKE A TREE

In our machine-age way of thinking, we have forgotten that only God can make a tree. We have given too little thought until recently that we must cooperate with Nature.

From the days when man first penetrated the wild domain in quest of fish and game for food and cut wood for fuel and shelter, wildlife has been an economic factor in the development of the country. In those days it was of necessity and in more recent years the recreational aspects have entered into the wildlife picture.

I need only to point to the fact that nearly 7,000,000 hunters paid to their respective States over $10,000,000 during the latest single year for which figures are available for the privilege of hunting game. More hunting licenses were sold in the State of New York in 1936 than in any other State—mute testimony that New York has a vital stake in conservation. Figures show 579,525 hunting licenses were sold in this State alone. Records also show that over half a million hunters paid to the Federal Government $1,686,000 for the right to hunt migratory birds.

Those fishermen who take to the lakes and streams for their sport are equally if not more numerous than the hunters, and I do not believe it would be an exaggeration to estimate that over 12,000,000 Americans either hunt or fish sometime during each year.

There are many factors involved in discussing the economic value of our wildlife. There is the material value in dollars and cents, and there is the recreational value, which is, of course, immeasurable.

Placing a material value on the game or the fish taken would, without question, result in a very minor figure compared to the cost to which the average sportsman goes in preparing for his sport. I have seen too many empty game sacks and empty creels to believe there is great profit accrued from these two sports. Domestic food is too cheap compared to the price of equipment, transportation, food, and the trimmings carried by the average sportsman to have it said there is great material value in the mess of fish or platter of game. Naturally there is an inflated value in the mind of the person making the catch.

The recent Congressional Committee on Conservation of Wildlife Resources found that approximately $275,000,000 is spent annually in pursuit of game species alone. This includes the purchase of arms and ammunition, fishing tackle, clothing, equipment, trans-

portation, and food and lodging so you see industry and labor have an interest in this program.

Throughout the world today we find countries bearing arms in conquest for more land and more resources. Here in the United States we have a vast domain with plenty of room for every one of our citizens, but because we are a vast country we have heretofore paid little attention to the matter of conserving those things we now have. Our national resources have been wasted. Forests and wild lands and the wildlife they contain have been a part of this waste.

It is a fundamental law that the crop of wildlife in any area is absolutely proportionate to and dependent upon the food and cover in that area.

In our expansion we have cleared the trees and drained the land and today we reap our reward in droughts and dust. Trees that held the moisture in the soil have been cut and their roots grubbed out of the ground. Water has been drained from the soil, dirt is blown away from the grass, and finally the grass itself is blown away. And what becomes of the species of wildlife? They either die of thirst and starvation or are driven into the open to become an easy prey of man.

The Federal Government is assuming some of the leadership in this program for wildlife conservation, but the popular approval of such a program depends upon the activities of such organizations as your own in acquainting the citizens of the dire need for such a program.

Last year Congress passed what is known as the Wildlife Restoration Act of 1937, under which the Secretary of Agriculture is authorized to cooperate with the several States in wildlife restoration. The act sets up a fund known as the Federal aid to wildlife restoration fund, which the Secretary is to apportion among the several States, which shall comply with certain rules and regulations. These involve acquisition of areas of water and land adaptable for breeding, resting, or feeding grounds for wildlife. One of the rules of compliance is that in the State receiving Federal aid none of the license money paid in by fishermen and hunters may be diverted for other State expenses than that of conservation.

A WILDLIFE RESETTLEMENT PROGRAM

Unless some such coordinated program is carried out we will soon find our whole wildlife population extinct. What we once thought was an inexhaustible supply is already sadly depleted and some species are all but extinct. And the sad part of it is that this scene is not necessary, as we now realize. Had we given some thought to resettlement of wildlife during our mad expansion program of the last half century, we would not today be forced to give so much attention to resettlement of our citizens. Had we fully realized the value of a tree and the value of a marsh years ago, our wildlife would still have had shelter and our soil from Kansas farms would not be blowing into the streets of New York.

There are still great areas to be salvaged which are highly suitable for wildlife. Many of these areas are unsuited for any human purpose. An extensive study of such areas has been made by the National Resources Committee and a 6-year program for the United States has been outlined by that Federal agency. The greater part of the work recommended by this group is for the study and improvement of refuges for migratory waterfowl. This restoration program will establish the essential framework for a comprehensive refuge system along the major flyways of the country. This 6-year program involves recommendations for construction of spillways, dams, and other water-control development at the Montezuma Migratory Bird Refuge in Wayne, Cayuga, and Seneca Counties of our own State. The recommended outlay for the first year's construction in this New York refuge is $125,000.

PROOF IT CAN BE DONE

Conclusive proof that we can repopulate the wildlife areas is furnished by the statistics prepared and released only a few days ago by the Forest Service of the Department of Agriculture. This Service reports that wildlife has increased steadily since the forests were established under the Federal Government and since 1921 this increase has been going on at the rate of 10 percent a year under a carefully managed program.

I believe that the average hunter is reconciled to the fact that the day of good shooting for game on the free open range is gone. Until such time as our wildlife areas are repopulated through Federal and State activities, sportsmen will have to depend largely upon game produced upon privately owned lands.

Many farmers throughout the Nation, realizing the country's game stock is being rapidly depleted, are taking up a new science known as game management. Supplying game for future years is a business and for the Nation as a whole it is a big business.

Game management is a subject little discussed in past years. It is going to be a big topic in the future, however. Under all reasonable circumstances game will increase naturally with little or no investment. We used to consider it a mark of a good farmer for him to keep his fence rows clean. In the future weedy and bushy fence rows will be a sign of the farmer's humanitarian spirit in behalf of wildlife. Untold profits are to be reaped if the farmers will leave uncut and unpastured the natural covers in waste corners, fence rows, and ditches. These provide excellent food and shelter for song birds as well as game birds, and also for small game.

The special conservation committee of Congress has called attention to the fact that a surprisingly small amount of money is spent on development and restoration of the Nation's wildlife resources considering the country as a whole. It is pointed out that this is not at all in proper relation to the permanent investment involved and the annual income produced from this resource.

Your organization has made great headway throughout the United States in its drive against stream pollution.

Between the drying up of our streams and their pollution the lease on life given the fish appears to be an extremely short one unless concerted action and a unified program is undertaken.

Were Izaak Walton to visit the United States today and tramp along many of our streams looking for a quiet place in which to cast his bait, I am afraid he would return to his home and make some drastic revisions in his book, The Complete Angler.

I have already referred to the national forests which are proving a haven of refuge for much of our game population. I have mentioned the work of the Special Committee of Congress to Investigate Wildlife and the bill passed at the last Congress for Federal aid in wildlife restoration. I have mentioned the recommendations are studies of the National Resources Committee.

NEED AN AROUSED PUBLIC

But with all of these agencies—each working in its own direction, there is still one part of the machine lacking. That is an aroused public sentiment.

When the public is awakened to the fact that in the very near future the only place our children will ever be able to see game animals is in the zoo and that the only place they will have an opportunity of seeing fish is in the aquarium, the gold-fish bowl, or the fish market, then you will begin to hear pleas for action. But that plea has not come too late.

We already have our migratory bird treaty with Canada and headway is being made for the preservation and increase of waterfowl through restoration and management of water and marsh areas which afford breeding, nesting, and feeding grounds.

The upland game is one of more local nature, although the National Government has admitted its responsibility in this respect, too. It was upon the urgent request of the Forest Service that various States began getting up State refuges. There are now something like 300 State game refuges on national forest land.

This country now has an agricultural policy which takes acreage out of crop production. If this is to be the program for the next few years, to what better use could this land be put than to utilize it for wildlife restoration. I am advised that one or more species of game birds can be successfully produced on farm land in every State with only a slight modification of present agricultural practices on most farms.

As the Federal Government undertakes its program of moving its citizens off of submarginal land it should take immediate steps to move wildlife back onto that very land it once inhabited.

Let me repeat that the great need of the hour is for all conservationists and nature lovers to forget their differences, if they have any, and unify their efforts. In this respect I believe the policy of the National Forest Service is extremely applicable. It can be stated in less than a dozen words. It is: "Where conflicting interests must be reconciled, the question will always be decided from the standpoint of the greatest good to the greatest number in the long run."

Proposed Upper Allegheny River Reservoir

EXTENSION OF REMARKS

OF

HON. PETER J. DeMUTH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 11, 1938

SPEECH OF HON. PETER J. DeMUTH, AT PITTSBURGH, PA., MARCH 26, 1938

Mr. DeMUTH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered by me at the annual banquet of Pittsburgh Chapter, Izaak Walton League of America, Saturday, March 26, 1938:

Pennsylvania is blessed with many valuable resources. We have a climate second to none. We have a most interesting topography, level lands, rolling lands, foothills, and rugged mountains. Our climate is a most valuable resource. Because of the climate the surface of our lands is covered with fertile fields and extensive forests. The beauty of the vegetation and the forests of Pennsylvania are greatly due to our climate. A necessary element of our climate is rain in proper proportion. This rain contributes greatly to Pennsylvania's ability to support its citizens. It is a great and natural resource. Rain results from a condition of the atmosphere when evaporated water becomes distilled and sprinkled like a blessing over our State. It is pure distilled water. We

need and have in Pennsylvania an abundance of rain. Some years, because of unusual atmospheric conditions, because of the condition of the surface of the earth, and together with the accumulation of snow in the mountains, these heavy rains have resulted in superfloods. The flood waters rush down the valleys to reclaim as their own those parts of the valleys that from time to time they have always used. For a number of years much of this land has been occupied by our people. We have built our homes on these lands. Great cities and industries have located on some of these lands. Today men by use of the intelligence and ability with which he has been endowed by God, by the use of the arts and sciences he has developed, has devised methods of controlling these floods.

On Thursday, March 10, 1938, Congress received a message from President Roosevelt on the drainage basin problems and programs. Accompanying this message was a report prepared by the National Resources Committee in consultation with other Federal agencies. It suggested policies, investigations, and conditions necessary to carry forward a broad program of water conservation and utilization.

It is based upon the findings of 45 joint State-Federal basin committees, composed of more than 500 local, State, and Federal officials. These drainage-basin committees have met in the field and have drafted plans for their local areas. Arrangements have been made to publish the detailed reports on individual drainage basins at a later date. The proposals in the report provide a guide for authorizations of surveys and construction of irrigation, flood control, navigation, rural water supply, wildlife conservation, beach-erosion control, hydroelectric power, and other water projects. Because it is necessary to confine the program to projects that are primarily for water control and use, many related land-use projects are not included. Land policy has significant water implications, but it pertains to a large sphere of activities requiring separate though related treatment.

When discussing the flood-control problem some time ago, the President expressed his desire to construct multiple-purpose reservoirs. That is when it is practical to so locate a reservoir to solve such problems as navigation, rural water supply, wildlife conservation, and stream-pollution abatement in addition to its effect for flood-control purposes, such projects shall receive preference in the national flood control and conservation program. In Pennsylvania at the headwaters of the Allegheny River near the New York State line we have the proper location for such a project.

On February 14, 1938, the Rivers and Harbors Committee passed a resolution which I introduced with the view of determining the value of the proposed upper Allegheny Reservoir for navigation, maintenance of low-water flow, and stream-pollution abatement. This reservoir has already been approved for flood-control purposes, but the construction has not yet been authorized. A favorable report of the investigations will mean that the entire cost of the dam and reservoir site will be assumed by the Federal Government.

A serious stream-pollution problem exists on the Alleghany and upper Ohio Rivers during the summer months when the water is highly contaminated and stream flow diminished to such an extent that navigation is threatened, it being necessary to conserve the water by caulking between the wickets of the dams. The navigation pools then become cesspools. Dr. Alexander, director of the department of public health of the city of Pittsburgh, last summer, found that the river was so contaminated as to make it unsafe even for bathing. It has been estimated that out of every gallon of water in these pools 1 quart has been in a sewer at one time or another. My proposal will provide a flood-control dam which can be used for water-conservation purposes without diminishing its effect for flood control. In addition to making water more potable it will also make it more habitable for fish in the upper reaches of the Allegheny Valley.

On March 4, 1938, I received a letter from President Roosevelt stating that the Secretary of War informed him that he is aware of the importance of the early prosecution of the survey in connection with my proposal and that every effort will be made by the Board of Engineers for Rivers and Harbors to bring it to an early conclusion.

The capacity of the proposed Allegheny Reservoir is 930,000 acre-feet, which is equal to the total capacity of eight other proposed reservoirs approved by the United States Army Engineers to protect Pittsburgh. The capacity of the Crooked Creek Reservoir, the contract for which was let a few days ago, is only one-tenth the size of the proposed Allegheny Reservoir.

The water for the entire city of Pittsburgh is taken from the Allegheny River at Aspinwall. Practically all the towns in the Allegheny and Ohio River Valleys get their water for domestic purposes from the river. Water is a necessary element for our existence and we realize its importance when we consider that every man, woman, and child uses it every day in the year. In 1936 we had the greatest flood of record and there may be an even greater flood in the future. We may also expect to encounter a period of drought much more severe than we have ever experienced. It, therefore, behooves us to plan for the conservation of water while also planning to prevent floods.

The proposed dam is geographically in the most northerly section of the Allegheny watershed and because of this geographical location and higher altitude it has a later seasonal run-off. Because of this the late spring run-off may be impounded after the flood season at Pittsburgh has passed. This area is covered by a glacial drift which is of a porous nature, with the result that the reservoir would have a marked effect upon raising the ground water line which has been seriously lowered during the past years. The lowering of the ground water line has resulted in dry wells in rural communities during the dry summer months. This reservoir should therefore be of value to rural water supply.

Col. W. E. R. Covell, district engineer at Pittsburgh, informs me that this proposal has been submitted to his office for study and I know of no project that can be constructed which will have a greater value to the people of western Pennsylvania than my proposed upper Allegheny multiple-purpose reservoir.

The time is not far distant when we will no longer permit the pure waters of our streams to be contaminated by the dumping into them of raw sewage, industrial and trade wastes. We will reclaim for our people from our rivers other natural benefits which are and should be theirs.

The construction of this Allegheny Reservoir together with the passage of the Vinson-Lonergan water-pollution-control bill will reclaim for the people of Pennsylvania the natural benefits of our water resources to which they are rightfully entitled. We will restore the general usefulness and the aquatic life to Pennsylvania's beautiful streams.

Publicity Man Errs Over Reorganization—Michelson Recalls His Story

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EXTENSION OF REMARKS

OF

HON. DUDLEY A. WHITE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 11, 1938

ARTICLE FROM THE NEW YORK TIMES

Mr. WHITE of Ohio. Mr. Speaker, under leave granted me to revise and extend my remarks, I offer herewith an item appearing in the April 9 issue of the New York Times, under the heading, "Publicity Man Errs Over Reorganization—Michelson Recalls His Story":

WASHINGTON, April 9.—Charles Michelson, director of publicity for the Democratic National Committee, said this in his weekly release, "Dispelling the Fog," for publication tomorrow:

"As this is being written it seems probable that the reorganization bill will be on its way to the White House for signature before this column is published.

"If that surmise is correct, we may look forward to a new Gannett broadside, proclaiming that every change in the measure as it was presented at first represents a defeat for President Roosevelt obtained through the patriotic efforts of that successor to the Liberty League, and the unflinching stand for democratic institutions of the courageous minority that insisted on the alterations.

"As for the rest of it, we may look for a mournful recital of the supineness and rubber-stampedness of a cowering Congress that could not summon enough courage to stand out against an overbearing Chief Executive."

Today editors received from Mr. Michelson the following:

"In view of the resubmission of the reorganization bill last night, the release 'Dispelling the Fog' for Sunday, April 10, may be considered untimely. Therefore, may I suggest that the release be killed."

The Romance of Stamps

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, April 11, 1938

RADIO ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK
APRIL 9, 1938

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks I include herein a brilliant radio address discussing the romance of stamps, their varied attractions and multiform uses, delivered by that beloved colleague of ours,

the Honorable JAMES MEAD, Democratic Congressman from the Empire State of New York. Mr. MEAD, as chairman of the House Committee on the Post Office and Post Roads, has endeared himself to the entire Postal Service by his steadfast devotion to the interests of that great Department and its personnel. He is a liberal leader of the House whose feet are always on the ground. He is a militant champion of civil service in all of its forms. He is an unfailing protagonist of the New Deal who does not swerve from the course under the bludgeonings of propaganda. JIM MEAD is, true to his trust, a veritable defender of the faith. Never has he scorned the humble degrees through which he ascended. He is a true example of the highest type of man in public life, a justifiably popular Member of Congress. I give this brief accolade to a man who is loved, admired, and respected by all the Members of the House.

The speech to which reference has heretofore been made is as follows:

During my 20 years of service in the House of Representatives I have been a member of the Post Office Committee, which has jurisdiction of postal legislation. We formulate the laws which ofttimes result in new stamp issues, we consider rates of postage on all classes of mail, and we try to legislate for and cooperate with the Post Office Department in such a way that the public will receive more extensive and improved postal facilities.

Despite this, it is only in the last few years that I have taken up the saving of stamps in earnest and become what might broadly be termed a "collector." Some day I hope to graduate into the higher branches of the art and be known as a "philatelist."

My collection really began with the stamps I procured for my son, who at that time was a little shaver in whom I was trying to arouse an interest in geography and history by buying foreign stamps for him and adding first-day covers occasionally.

Then, as I went around to postal meetings in different cities, every once in a while someone would come up to me and say: "Here, Jim, give this cover to your boy when you get home." So the collection made a little headway, and I was very much pleased one day when my youngster approached me for money with which to buy a stamp book and some made-up stamp packets he had seen advertised.

It was the air-mail legislation, however, initiated and worked over by our Post Office Committee, which quickened my interest in saving stamps and first-day cancelations and drew me into the collector's field.

I did not realize, however, that I was on the road to becoming a philatelist until one day I overheard my son—who by that time had shot up into a young man—saying in reply to a query about his stamps: "Oh, you mean my father's collection, don't you?"

So, to you who are listening in, I say: "Beware, for you may be next on the list to be drawn into this inner circle."

By the way, stamps are handy articles to carry around with you. I have heard of a man who was caught out on the road with a flat tire. Having no tools or equipment with which to make repairs, he turned his pockets inside out, searching in desperation for something which would serve as a patch. All he could find was a postage stamp. With a lick of his tongue and a flip of his hand, he pasted the stamp over the hole, inflated the tire and, strange to relate, drove merrily on his way for a thousand miles before the patch wore out.

That stamp was very useful in an emergency but, as you know, stamps are also valuable, and deep down in every collector's heart is the hope that he will run across one of the rarities in the stamp world. Perhaps it will be the inverted air-mail stamp, which is worth more than $3,500.

That stamp was first placed on sale at the Washington Post Office on May 18, 1928. I am calling especial attention to it at this time because next month we will celebrate the twentieth birthday of our air-mail service.

Perhaps, however, it will be the western Australia four-pence blue that we will be lucky enough to stumble upon, with its graceful swan upside down—a $5,000 bird in philatelic circles, I am told.

Or perhaps it will be the stamp with Queen Victoria standing on her head, which is also in the $5,000 class. That may have been a mean trick for the printers to play on the dignified Queen, but how many of our notable movie queens today could command such a sum for one of their photographs?

Collecting stamps, begun as a hobby, has become a business so profitable that there are more buyers than there are sellers. If you had one copy of every stamp listed in the World Catalogue you would be one of the six richest men. If you had only 1 copy of each of the first 350 stamps listed in the United States section of the catalog you would be worth $200,000.

But not all the "finds" are so difficult of attainment. Every post office is a potential treasure house. Let me tell you of one or two cases:

Some years ago a branch of a large post office sent in an order for some 20-cent stamps. Several days later, needing to reorder, and not being pleased with the stamps previously supplied, the superintendent appended the following note to his order: "Don't send me any more of those unperforated stamps. I spent the entire morning cutting that sheet into singles."

Needless to say, that superintendent was no stamp collector or he would have known better.

The story is told of another office at which a patron inquired for freak stamps. "Well, I haven't got any freak stamps," replied the clerk, "but here are some 1-centers I have been trying to get rid of for a long time, but no one wants them because of the extra perforations." With that he handed over a sheet which had been perforated into four perfect triangles by holes running diagonally from corner to corner.

This stamp-collecting game is the occupation, a form of investment, or the hobby of 1 out of every 14 persons. Being a newcomer into the field, naturally I wanted to learn more about it. What is philately? How long has it been going on? How long have we had stamps? Those and dozens of other questions occurred to me, and to satisfy my curiosity I did a little research work.

The term "stamp collector" was clear enough, but if I was in danger of becoming a philatelist I wanted to know what it meant. Looking it up, I was relieved to find that the term merely means "one who likes stamps." It comes from two Greek words—"philos," meaning "fond of," and "ateleia," meaning "exemption from tax."

Now we come to the stamp itself. What is it and why is it?

A stamp is a receipt for postage paid—a bit of gummed paper to which we are so accustomed that we pay scant attention to it as a rule, unless our eyes have been opened through collecting. Yet this small piece of gummed paper is usually an authentic piece of art. Let me illustrate that.

During the filming of Lloyds of London the director of the picture complained because the person portraying Franklin did not resemble that famous character. Libraries were visited, art galleries were searched, but not one picture was found that would do as an aid to the make-up artist. They had to proceed, however, and the picture was about to be "shot" when the director chanced to notice a stamp on a postal card in his mail. There was just what he wanted—an excellent likeness of Benjamin Franklin.

It costs only about six one-thousandths of a cent to make a stamp, but into it go the products of our mines, our forests, our fields, and all the skill of the artist. Uncle Sam manufactures enough stamps each year to reach from the earth to the moon, enough to girdle the globe more than 10 times at the Equator. Just think of it—if the stamps were issued in a single sheet they would cover an area of 2,000 acres. The paper alone which falls as the perforations are punched weighs 35 tons in a year.

One of the magazines describes our stamps as "printed on paper from the Carolinas, with ink from Missouri minerals, and gummed with the tapioca starch from the Cassava fields of Java." That has a romantic flavor which I really should not spoil by adding "and they are licked from the Atlantic to the Pacific and from Canada to Mexico."

We are so accustomed to the convenience of stamps that it is difficult to realize that they have been in use for a little under a hundred years.

"How did people get along without stamps?" you ask. "How did they pay to have their letters delivered before stamps were adopted?"

Of course there were various means of transporting the mail before our present postal system came into being. In fact, there was a time, if we go back far enough, when there were no letters, and man conveyed his messages by symbols—a torch sent to friends was a call to war; a weapon presented to the enemy was a challenge to combat; a palm or olive branch signified peace; a red rose breathed a message of love; and so on.

The American Indians used that system in communicating with the whites. Perhaps you recall the story about their sending to Miles Standish a snake skin filled with arrows. That was a warning. Standish retorted by returning the skin filled with powder and ball. He refused to be intimidated.

Other interesting tales have come down to us through the ages. Herodotus tells us that they shaved the heads of their messengers and impressed or branded the message upon their scalps. The messengers would then be shut up until their hair had grown again, after which they would be sent off on their missions. Arriving at destination, the messenger's head was again shaved and the message revealed. No doubt you are thinking the same thing I am right here—that stamp collecting in those days no doubt would have been a gruesome matter of collecting scalps.

Perhaps we will never know who sent the first letter. Perchance, like Topsy, it "just grew." Some give that credit to King David of Israel, who by letter sent Uriah, the husband of the beautiful Bathsheba, to the "forefront of the hottest battle," there to be smitten and die.

There is an interesting record of the circular letter sent by Xerxes of Persia in 521 B. C. Angered because his queen refused to carry out one of his commands, the king dispatched circular letters in great haste all over his kingdom, insisting that every man be ruler in his own house—whether it was physically possible or not.

With the years, improved postal systems grew up, and the haulers of the mail collected their fees as best they could, accepting jewelry, clothing, or installment payments, and withholding delivery in many cases until they were compensated.

In 1840 Great Britain revamped her postal system, adopted the use of adhesive stamps as a receipt to show that the postage had

been paid, and issued the first stamp, known as the "Penny black." Stamp collecting began immediately.

Seven years later America followed Great Britain's example, and it is a matter of record that the first report in the United States Senate regarding the adhesive stamp was by that famous Senator, Daniel Webster.

Soon we will be celebrating the one hundredth birthday of the postage stamp. Already preparations are being made by program committees on both sides of the Atlantic to commemorate this historic event.

May I suggest right here that a series of centennial stamps would be fitting and proper for this important celebration, and when the proper time comes I trust that our postal officials will give this matter favorable consideration.

Collectors are also celebrating a victory won in this session of Congress, permitting the reproduction of stamps for philatelic purposes. Let me emphasize the fact that the new law does permit newspapers and philatelic publications to illustrate United States stamps in black and white.

Incidentally, one of the first times United States postage stamps were illustrated was when the newspapers photographed 4-year-old Russell Barley Dahl, of Pontiac, Mich., who traveled as first-class mail. He was addressed to Postmaster Kellogg, of Detroit, and the tag contained eight stamps. However, none of the stamps photographed was large enough to recognize.

The sending of that youngster by mail was an unusual event, but it was only another example of the proficiency of our great Postal Service.

For a 5-cent stamp we can send a letter across the Atlantic or the Pacific, or, indeed, for that matter, halfway round the world to the Antipodes. For the price of a stamp we can secure the services of thousands of postal employees, the railroads, steamships, the air-mail companies, and others. For the price of three sticks of gum we can send a letter from New York to California, and for the price of six sticks of gum we can give it "the wings of the morning" and rush it to the west coast by air.

Close your eyes and try to picture life without the service you procure under a stamp. Take away the mail service and see yourself dependent upon a hit-or-miss communications system. Think of Zachary Taylor, who came near losing the Presidency because of the lack of a postage stamp on the letter notifying him of his nomination. In those days stamps were a new thing and most letters were sent collect. Taylor refused the important letter, and it was many days before he could be notified of his nomination. Then open your eyes and come back into the world of the postage stamp and its influences become more apparent.

The stamp is a symbol of the wonderful power of organization—that you and I might reap the benefits of large outlays of capital, large forces of personnel, skillful direction, for a uniform, nominal charge. It plays an important part in maintaining amicable relations between the nations of the world. The 400 recognized postal units are a most important factor in maintaining world peace; the exchange of communications not only disseminates knowledge but tends to foster a more complete understanding of each other, be it individual or nation, and creates a friendly spirit of cooperation.

"A small bit of gummed paper" is the postage stamp, but the power it wields is incalculable.

The Montana Power Co. Fights the Farmers of the Great Gallatin Valley

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EXTENSION OF REMARKS

OF

HON. JERRY J. O'CONNELL

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 11, 1938

Mr. O'CONNELL of Montana. Mr. Speaker, in the State of Montana, and particularly in western Montana, which comprises the First Congressional District, which I represent, the question of water rights, water conservation, and reclamation is of paramount importance. In this section of the country pioneer farmers and ranchers who came to Montana in the early days filed water rights which should entitle them by right of priority to the use of water from the streams and rivers in that section of the country.

It is in behalf of these pioneer farmers and ranchers that I speak today.

MONTANA POWER GREED

We also have in the State of Montana one of the greatest monopolistic public utilities operating in the West; namely, the Montana Power Co. This great, wealthy, and greedy corporation is not content to filch the farmers and ranchers of Montana by the collection of exorbitant rates for electric current, but they are now engaged in the outright stealing of water, which by virtue of priority rights belongs to these farmers and ranchers in the great Gallatin Valley.

If private individuals were doing what the Montana Power Co. is doing in stealing water, they would be shot down by the farmers, or put in prison by the authorities, as common water thieves.

This fight, which is taking place between the farmers of the Gallatin Valley and the Montana Power Co., concerns the issue as to whether the guaranteed rights established when they settled on their ranches back in the eighties and nineties can be arbitrarily taken away from them by the big power corporation.

COMPLAINANTS ARE REAL PIONEERS

The 26 farmers who have filed this suit are as follows: John J. Crowley, who started ranching in Gallatin County back in 1884, near Three Forks; Harriet L. Tice, whose late husband, Thomas H. Tice, was one of the largest purebred stock raisers in Montana and was born there over 50 years ago; S. F. McDonnell, who has lived in Gallatin County on the Lower Madison for over half a century; Homer Dunbar, one of Montana's most prominent ranchers; Darlinnton brothers, prominent in both farmer and legislative circles; W. B. Tinder, Don McKinnon, E. L. Roadarmel, Robert Windle, Ed Scanlan, Asa Hutchinson, Olin Durham, Richard A. Muir, M. N. Preston, Earl Bates, Bert Babcok, Jesse Bryson, George H. Wilcox, George Burnell, D. R. Sherman, W. E. Crowley, John Trembath, Fred Seeman. H. P. Wilmot, and J. M. Malin.

These farmers are men well respected in the communities in which they reside. They are the old type of rancher in Montana who asks no more than that to which he is justly entitled.

The fight of the Montana Power Co. is not being waged against these ranchers alone. They are fighting all farmers and ranchers of the Gallatin Valley, and fighting against everything which these farmers and ranchers want, and are entitled to, and should have.

In brief, the points involved in these suits are as follows: The ranchers when they settled on their properties obtained water rights guaranteeing their ownership to the water they needed to irrigate their farms. This water was taken from the Madison River in most of these cases, and similar rights were taken out by ranchers adjacent to the Jefferson, Gallatin, and also the Missouri and other rivers.

Most of those in this controversy obtained these water rights in the years from 1884 to 1904.

The development of the Hebgen Dam in the Madison River started in September 1907 and was completed some 8 or 9 years later. This included the storage of water so it might be available during times of low water for power-development purposes. The Montana Power Co. was organized in 1912.

WATER RIGHTS BELONG TO PEOPLE

In the action brought in the courts by the 26 farmers listed they asked that the power company be restrained from taking the water they claim they are entitled to during the irrigation season. They do not object to the power company storing the water in the winter and fall months, but they do not want it to interfere with the natural flow of the streams during the irrigating season and thereby deprive them of the water which they claim rightfully belongs to them for irrigating their land and producing their crops so that they will not be burned up in the dry weather.

In their arguments they declare that water is the "life-blood" of the farmers; that without it they are without crops; and that their rights date back 20 years before the power company came into existence.

To show you how unfair the Montana Power Co. has been in this matter, when they were asked to bring into court the records to show how much water was stored during the irrigating season they declined to produce those records on the grounds that it was no business of the farmers.

COMPANY STEALS NEARLY ALL WATER

It is a well-known fact that as high as six-sevenths of the natural flow of the water has been stored by the company at the time the farmers needed it most, and that as a result much of their crops were completely burned up for lack of water that they should have had and would have had if the natural flow of the water had not been interfered with by the company.

Farmer organizations over the State are taking a great interest in these cases because of the principle involved, and it is even attracting attention from the farm organizations in other States, where the storing of water for power purposes may, especially in times of drought, result in ruin to farmers on irrigated ranches.

MONTANA POWER FIGHTS AGAINST GALLATIN DAM

Not only does the Montana Power Co. in all its selfishness and greed deprive these pioneer farmers of the water rights which they acquired in the early eighties and nineties in our State; not only does the Montana Power Co. in its insensate desire for profits deprive these people of the water necessary that they may live, but further it goes on and stands in the way of the prosperity and progress of the entire Gallatin Valley and all of the farm people there by refusing to complete an agreement which would make possible the construction of the great Gallatin Dam.

The Bureau of Reclamation has completed a preliminary survey favoring the construction of this project, has also made the necessary recommendations to the Budget Bureau for an appropriation to begin the construction of this dam. The Budget Bureau favors the necessary appropriation, but before any construction can begin or an actual appropriation is made it is necessary that the Montana Power Co. sign with the Gallatin Water Users Association an agreement permitting the water users of that section to store waters above the Gallatin Valley in return for the use of the return flow resulting from the use of these stored waters.

The Montana Power Co. is concluded to lose little, if anything, by the withholding of winter water in the lower-basin dam site on this project. However, the company up to now has stood in the way of the completion or the beginning of construction of this dam because it refuses to grant this right.

GALLATIN DAM WILL BENEFIT, NOT HARM, COMPANY

A study of the situation shows that the Montana Power Co. will not only benefit from the return flow of the stored waters but because of the additional prosperity and the additional advantages in an economic way the Montana Power Co. will, as always, benefit financially and economically from the construction of this project. However, in its short-sighted way, in its selfish, sinful, greedy way, it refuses to make the necessary agreement.

The Gallatin Valley project with a storage dam in the lower basin site contemplates the withholding on an average of about 100,000 acre-feet of flood flow, and 82,000 acre-feet of winter flow. The flood flow is withheld out of waters now escaping and not used by the power company. The withholding of the winter water will reduce the river flow to that extent; however, the application of these waters to the project land will result in a tremendous return flow in the late summer, and throughout the winter when stream flows are low and when the water is most necessary.

Nevertheless, the Montana Power Co. is holding up the progress of this great valley, which is one of the richest and most fertile in the entire world.

PEOPLE MUST DEMAND COMPANY AGREEMENT

I appeal to the people of the Gallatin Valley to demand that this greedy company stop its pilfering and pillage of the water rights of these pioneer farmers and that they demand that for the general welfare of the valley, for the general welfare of the State, for the benefit of the people of the great Gallatin Valley, and for the benefit of the Montana Power Co. itself that they demand that the company immediately make the necessary agreements to permit the storing of the winter waters at the lower dam site, so that appropriations can be made and construction of the Gallatin Dam begun.

The Income Tax Is Based Upon "Ability to Pay," While the Sales Tax is the Reverse of the Former and Falls Most Heavily Upon the Poor

EXTENSION OF REMARKS

OF

HON. HENRY G. TEIGAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 11, 1938

Mr. TEIGAN. Mr. Speaker, the proposed tax bill for the District of Columbia is unquestionably far from perfect. It isn't going to solve the tax problem as far as the people of Washington and the District are concerned. Nevertheless, the proposal to tax incomes is a step in the right direction. It is being argued that it is unfair to tax nonresidents. That is undoubtedly true and I trust that some amendment may be offered which will eliminate the taxing of incomes of nonresidents, including Members of Congress and other public officials. Even if this should not be done, it is nevertheless a better and more just plan of taxation than would be provided under a sales tax, which is being supported by certain elements in the District and favored by a fairly large number of Members of Congress.

Taxation should be based upon ability to pay. The income tax is such a tax in the main. The provisions in the present bill are along this line and are patterned after the Federal income-tax laws. The larger the income, the higher the tax rate. This is as it should be. On the other hand, the sales tax is the reverse, and those least able to pay, pay at a higher rate than those with larger incomes.

COMPARISON OF TWO TAX SCHEMES

In order that the Members of the House may get a true picture of the two tax schemes, I present herewith the likely returns on the basis of incomes under both the proposed income tax and the sales tax. The following table illustrates this perfectly:

Differences in sales-tax and income-tax burdens on taxpayers with small and large incomes [1]

Taxpayer—total net income	Annual tax burden		Tax per $1,000 income	
	Sales tax at 1 per-cent (1)	Income tax (2)	Sales tax at 1 per-cent (3)	Income tax (4)
Single—no dependents:				
$1,000	$8.30	0	$8.30	0
$2,000	14.60	$6.67	7.30	$3.34
$3,000	19.20	13.34	6.40	4.65
$10,000	42.00	100.00	4.20	10.00
$20,000	68.00	315.00	3.40	15.75
$30,000	90.00	652.00	3.00	21.75
Married—3 dependents:				
$3,000	19.20	0	6.40	0
$5,000	25.50	8.66	5.30	1.53
$7,000	32.90	16.50	4.70	2.62
$30,000	90.00	588.50	3.00	16.31
$50,000	130.00	1,425.50	2.60	27.09
$70,000	175.00	2,541.50	2.50	36.36

[1] All income earned; Illinois type of sales tax at 1 percent; income tax computed at one-sixth of Federal income-tax payment.

The above table illustrates the difference in cost to taxpayers of sales taxes and income taxes. Either of the taxes would give the District about the same revenue. Results are shown in the table for 12 kinds of wage and salaried workers—6 single and 6 married.

Notice that $8 in sales taxes, but no income tax, would be paid by the single person who earned barely enough to live on—$1,000. However, the single man who earned 10 times as much, that is $10,000, would be in the reverse position. He would pay $42 sales tax or $100 income tax. All persons who earn less than $3,000 a year would pay less income tax than sales tax.

Married persons with dependents have greater obligations and less ability to pay taxes. For them the income tax would be still more favorable than the sales tax. The bottom table shows that a married man with 3 dependents, who earns $3,000 would pay at least $19 in sales taxes, but no income tax. A family of five would pay at least twice as much sales tax as income tax if its income was less than $7,000.

SALES TAX IS INCOME TAX IN REVERSE

Under the regressive sales tax, the larger the income the lower the tax on each $1,000 earned. A 1-percent sales tax means that 1 cent will be taken for each dollar of taxable goods bought. But a man with $2,000 income will spend 73 percent of his income on taxable goods, while a man with $20,000 income will spend only 34 percent on the average for such goods. The rest of the large income escapes the sales tax because it is either saved or is spent on untaxed items like rent, service, and travel. Column (3) of the table shows that the $2,000 income will be taxed at the rate of $7.30 per $1,000, while the $20,000 income escapes with only $3.40 per $1,000 in sales taxes. The progressive income tax works in the opposite way. The $2,000 income of the single man is taxed at only $3.34 per $1,000 while the $20,000 income is taxed at $15.75 per $1,000. See column (4) of the table.

Which tax seems fairer to you? If you believe in a progressive tax for the District, get in touch with the volunteer group of citizens and consumers that is fighting your battle.

I trust most sincerely that the House will adopt the income tax with such modifications as seem wise. Above all, we must avoid the sales tax which, as I have previously stated, will simply transfer the entire tax load to the backs of the low-income classes.

The Reorganization Bill

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

Mr. LUDLOW. Mr. Speaker, I was virtually brought up among the departments at Washington, and I think I have some first-hand knowledge of the problems presented by this legislation. For 37 years as a Washington newspaper correspondent and as a Member of Congress I have been in continuous, intimate, and active association with all of the processes of government, and I have had ample opportunity to form some definite ideas in regard to the governmental structure. I have had a chance to observe activities which are atrophied; activities which though perhaps useful at one time have become useless; activities which overlap; activities which are an everlasting and unjustifiable drain on the taxpayers. On the other side of the picture, I have observed activities which were wisely conceived and are wisely maintained; activities which are in the highest degree vital and essential and which function in the public interest.

In considering this problem of governmental reorganization I have tried to dismiss all unworthy personal and partisan considerations from my mind. It is too important a matter to be considered from any viewpoint of expediency or from any other viewpoint except the viewpoint of what is for the best interests of the people of the United States, not only in the immediate future but through all the years to come. I have tried to be entirely fair in my appraisals and my reactions respecting this matter. I do not agree with some of the provisions of this bill but I concede to its proponents the same fair-mindedness and good motives that I claim for myself. There have been four attempts to prevent consideration of the measure and to shut off debate and on every roll call, as the record will show, I have voted against cloture and for an opportunity for free and full and open debate. I would not be a party to murdering this bill in its very infancy. It has been my hope that the bill might be so amended in the Committee of the Whole as to eliminate the provisions which I regard as unwise so that in its perfected form I could finally vote for it.

ACTIVITIES WHICH SHOULD BE KEPT INDEPENDENT

I have stated that among the governmental activities with which I have long been in contact as a newspaperman and as a public servant are some which are in the highest degree vital and essential and which function in the public interest. Among these let me specifically enumerate two:

First. The United States Civil Service Commission.

Second. The General Accounting Office.

To maintain the best public service there are certain activities which must be kept independent, with the freedom of action that goes with an independent status, and which must not be fused into or made directly obedient to Executive influence. The Veterans' Administration, the Labor Relations Board, the Employees' Compensation Commission, the Interstate Commerce Commission, the Federal Trade Commission and the Civil Service Commission, the Comptroller General's Office, et al., are examples of activities that should be kept free and independent.

There is no question that the proposed reorganization would greatly impair, if not destroy, the independence of the Civil Service Commission, and to that extent and in that way it would deal a heavy blow to the merit system. I believe in the merit system, and I feel aggrieved, as I know millions of our fellow citizens do, over any action that threatens the strength and integrity of that system. I do not believe that we should change the structure of government so that through all the years to come the Executive will dominate the civil-service establishment through a single administrator. While I do not apprehend that any harm would come while the present Executive is in office, we must remember that we are legislating here for the long range of the future and that one President's occupancy of the White House is but a minute in the life of a nation. In the future we shall have all kinds of Presidents with all kinds of views. Some may be rank spoilsmen, who would make political merchandise of public office. We should not implement such a President with the means of ruining and despoiling the public service. The civil-service system can better be administered by a board than a single individual beholden to the President who at any time may be in power. On the board at present both political parties and both sexes are represented. Place the board under a single administrator and you will destroy the representation of one political party and one of the sexes. This would be unfair to the minority party and especially unfortunate for women at a time when they are taking an increasing part in public affairs. Questions of broad policy are better decided by a board than by one person. A single individual is more likely to become biased and arbitrary than is a board. I cannot bear the thought of anything being done that might destroy, or at least impair, the merit system that has been built up through the years and which, despite its defects, is a wholesome system. The Civil Service Commission should be retained intact and it should be kept free and untrammeled from political control.

"NO" MAN IS NEEDED

A similar situation pertains in regard to the General Accounting Office. As a member of the Appropriations Committee I have had an intimate view of the operations of the General Accounting Office. I personally know that the Comptroller General, exercising the authority conferred upon him in the present act, has saved the taxpayers of this country untold millions of dollars—an enormous sum in the aggregate—and I have never heard one breath of scandal attaching to the administration of his office. What this country needs—tremendously and vitally needs—is someone with independence and authority to say "no" on public expenditures, someone who can resolve legal doubts in favor of the taxpayers. It now has such an authority in the Comptroller General. By making the head of the accounting system removable from office the pending bill destroys the power of the Comptroller General to say "no." It sub-

stitutes a "yes" man for a "no" man and that, in my judgment, would be a bad thing for the country, whether the party in power happens to be the Democratic Party, the Republican Party, or what not. What reason is there to change an accounting system which, in its present independent sphere, is working so admirably and so beneficially from the standpoint of the best interest of the people of this country?

WE SHOULD BEWARE OF CENTRALIZATION

We should disassociate this problem of reorganizing the Government from all temporary considerations, from any thought of trying to please somebody or any fear of displeasing anybody now living, and we should take a long-range view of it and should remember that what we are doing will have a tremendous bearing upon the America of the future. We are proposing here a long step, I fear, toward changing the philosophy of our Government and in laying foundations which would make it possible to usher in a totalitarian state. I know that is not the purpose of the legislation, but the fact remains that in the precedent given to abolish and transfer functions some President of the future might emasculate the United States Employees' Compensation Commission, the Labor Mediation Board, the National Labor Relations Board, the Veterans' Administration, and other activities that are rendering important service for great groups of our citizens. I do not believe, of course, that such things would be done now or in the years immediately ahead of us, but why should we make it possible that such things might ever be done?

Taking the long-range view of the future of America, we must be exceedingly careful not to centralize too much power in the executive establishment. We must remember that we are dealing in this legislation with a thousand future Presidents, some of whom undoubtedly will be of dictatorial inclinations. We must be exceedingly careful not to destroy or jeopardize our constitutional system of checks and balances, which is the safety of the Republic. These checks and balances we must maintain forever.

ECONOMY IMPOSSIBLE UNDER BILL

I do not think that any reorganization of government, especially on the scale here contemplated, would be justified unless it would effect economies. The bill now before us would not effect any economy, but, on the contrary, it would add greatly to the cost of government and place further heavy burdens on the taxpayers, because it establishes a new department; and when you establish a new department you put a pipe line straight into the United States Treasury. I would rather see the departments reduced from 10 to 9 than increased from 10 to 11. There are thousands of opportunities to effect economies, but it is frankly admitted that this bill is not urged on the ground of economy.

Opposition to the creation of a department of welfare is nothing new with me. On August 13, 1937, as the RECORD will show, I was one of the few who voted against this identical proposition of creating a department of public welfare, believing that it was not needed and that it would swell the cost of government by from one billion to three billion dollars a year. I am still of that opinion.

RESPONSIBILITY OF CONGRESS

One thought more and I am done. I believe it is high time for Congress to do some independent thinking on these questions of great national import. I believe it is the duty of Congress to exercise its full responsibility in helping the President to solve these problems. Government is, or should be, a cooperative undertaking, Congress having its share and the President his share of responsibility. The President has made no complaint when Congress has set up its own views. I fear the reason why the Congress has sunk to such low estate in the governmental scheme is that it has not done its part and has not asserted itself as it should. If I were to indict Congress of any misdemeanor, it is its tendency to "pass the buck" to the President. I believe that the problem of reorganizing the Government, important as it is, should be laid aside until conditions throughout the country become more settled and the Nation can adjust itself to the reforms already enacted. We think there has been a great deal of agitation already, but it will only be a patching compared with the agitation and turmoil that will result if it is known that during the next 2 years the Government is to be entirely overhauled and revamped. Labor will be on tenterhooks, not knowing what will be done with the Government agencies set up for its welfare. The veterans will be worried over the outcome as affecting them. Business and industry, now badly frightened and jittery, will be uneasy over how the reconstructed agencies will affect them. I could not, if I would, divorce myself from my capacity as a representative of the city of Indianapolis when I vote on this bill. I believe that it would be best for the business and industries of Indianapolis and for the thousands upon thousands of our workingmen who look to our business and industries for employment if we might now have a season of peace and tranquillity, free from the worries that certainly will beset them if this ambitious reorganization plan is undertaken.

I believe in the good intentions of the President of the United States. Millions love him for his fine humanitarianism. I am his friend and will do all I can to help him to make his administration a success. I have cooperated with him and have assisted him in many ways, and I shall continue to do so. But when I have positive convictions contrary to his views, I vote my judgment and my conscience, and I shall continue to do so. I wish the proponents of this reorganization bill would withdraw it or postpone it until a later time when the subject of reorganization could be taken up in a calmer and clearer atmosphere. If this were the best reorganization bill that could be devised or imagined, I do not believe that it should be passed at this time of national unrest to add to the Nation's troubles when our people are so worn and weary and so dreadful of what the future may bring forth. For these reasons I shall vote against the bill. God helping me, I could not vote any other way.

The Reorganization Bill

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 11, 1938

RADIO ADDRESS OF HON. JOHN J. COCHRAN, OF MISSOURI, APRIL 9, 1938

Mr. COCHRAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address I delivered over the National Broadcasting System Saturday evening, April 9, on the reorganization bill. The address follows:

Ladies and gentlemen of the radio audience, I appreciate this invitation to speak over the National Broadcasting Co. on the reorganization bill, because I have received so many letters following my speech the other evening from citizens all over the country, where the writers frankly state they came to the conclusion they had been misled or misinformed as to just what the House bill provided.

Naturally I am greatly disappointed at the action of the House in sending the bill back to the committee. I am disappointed because I know, had the bill become a law, it would have been beneficial to the country as a whole and, regardless of what anyone says, I insist if the Government departments and agencies are properly reorganized, it would result in a large savings to the taxpayers as well as improvement in administration.

My interest in this subject for over a period of 10 years was due to the demand of the general public for such legislation. It is a subject under the jurisdiction of the committee of which I am chairman.

I first desire to address myself to those who feared we would be setting up a dictator if the bill became a law. Mr. FRANK KNIFFIN,

of Ohio, a member of our committee, after weeks of study, perfected an amendment providing for a concurrent resolution, which does not require the signature of the President, and which would retain in the Congress the right to set aside any Executive order issued by the President. Able constitutional lawyers to which it was submitted agreed that its constitutionality cannot be questioned.

Most people are of the opinion Congress alone is the law-making body of the Government. Such is not the case. The law-making body not only consists of the Senate and House but also the President. No bill can actually become a law unless signed by the President, or the Congress by a two-thirds vote in both Houses overrides his veto. In other words, the President is just as much a part of the law-making body as is Congress. With this in mind, the concurrent resolution amendment provided in plain language that Congress gives power to the President to reorganize the executive branch of the Government under a limitation. We say you can reorganize, Mr. President, but Congress, by a majority vote, retains the right to set aside your decision. The bill could not become a law without the President's signature; and if he signed the bill, he would agree to the reservation that Congress had the right to declare null and void any Executive order he might issue. The amendment provided, further, that Congress would make its decision on the basis of whether or not the order issued by the President was in the public interest.

Had the standard "in the public interest" or some other adequate standard to guide the Congress in exercising its powers to disapprove Executive orders not been included, such a delegation would be invalid and merely amount to an expression of opinion by Congress. Mr. KNIFFIN used language that did not violate the doctrine of the separation of powers. The amendment retaining in the Congress the power to disapprove was in the bill when the final vote was taken, and the charge we abdicated our rights should not have been an issue.

Aside from the power to reorganize, the most important part of the bill was the title which related to the Comptroller General and the General Accounting Office. Many Members based their opposition to the bill on this feature, insisting we destroyed the present set-up. This I deny. On the contrary, we improved existing law. We not only retained the preaudit or advance decisions but we set up an auditor general, a direct agent of the Congress.

A distinguished citizen of my own State, Hon. Alexander M. Dockery, many years a Member of Congress, Governor of Missouri, and for 8 years in charge of the fiscal affairs of the Post Office Department was responsible for the law which for the first time provided for advance decisions.

What is an advance decision or preaudit? It is a decision of the Comptroller General, rendered only when a disbursing agent, in doubt as to the legality of an expenditure, makes the request for advice as to whether or not he should permit the expenditure to be made. Only when the disbursing agent asks for the decision can the Comptroller General act under the law as it exists today. The record shows, based upon information furnished our committee by the office of the Comptroller General, only 3½ percent of expenditures are preaudited; 96½ percent are not preaudited. Misleading statements resulted in many people being of the impression all expenditures are preaudited and if the bill was passed we would no longer have a check upon expenditures. The law in reference to advance decisions or preaudit was in no way changed.

Yesterday I challenged any Member of Congress to rise if he or she could say they had as much contact with the Comptroller General as I have had in the last 10 years. I receive reports from him several times a week, but in order to get them I am required to ask for them.

What I am about to say now is something that few people in this country know.

The Comptroller General has settled claims against the Government for hundreds of millions if not billions of dollars since his office was created nearly 17 years ago, including claims growing out of the World War. The claims are of every character, large and small. When a favorable decision for the claimant against the Government is rendered, the Comptroller General's decision is final, the money is either paid from the existing appropriation, or if the appropriation has lapsed he certifies the amount to Congress and Congress supplies the money by appropriation, through the medium of a deficiency bill. Where the decision is against the claimant in some instances the claim is taken to the Court of Claims. Here is an official, whom the Congress created to check on the money appropriated to be expended by the executive branch of the Government, who has rendered thousands of decisions involving tremendous sums of money who up to this hour has never been checked by any official. I do not say there has been anything wrong, nor can I truthfully say every decision was in keeping with the law and facts, as I do not know. Just think of it, a Government official who approves all claims against the Government and no one to report to Congress whether or not he was justified in ordering the claims paid. This must be corrected, and I predict many business men and other taxpayers who advocated defeat of the reorganization bill, will demand that it be corrected. Can you picture any corporation permitting the head of its claims division to pay claims, until after the decisions are checked and double checked? We sought to correct this in our bill. In setting up the auditor general we charged him with the duty of making a post audit and we specifically provided he would be required to check the Comptroller General. This auditor general, under the terms of our bill, is solely a representative of the Congress, is not only delegated to audit, but also must report to Congress in respect to wasteful spending. He would be required to audit the purchase and sale of all property, as well as the distribution of all money appropriated by the Congress. We sought to set up an organization such as every great corporation in the country has. It is beyond me to see how taxpayers can object to that.

There must be a finality to everything. Today the Comptroller General's decisions and audits are final, while under our bill an agent of the Congress, whose sole responsibility is to the Congress, who has nothing to do with spending, makes the final check or audit, and submits it to the Congress.

Why has the Comptroller General never reported to Congress as the law provides? I read from existing law, "The Comptroller General shall specially report to Congress every expenditure or contract made by any department or establishment in any year in violation of law."

I have repeatedly asked that question, not only in public, but asked the Comptroller General and his assistants. I no longer can ask, for he has reported. When? Yesterday morning as I was leaving for the floor to discuss the title of the bill which related to his office. He sent to our committee reports on 17 violations of law. Sixteen and one-half years in existence and he complies with the law on the morning we are to vote on a bill which would change his set-up. Irregularities among employees of the Government, embezzlements by several officials of the National Guard in various States, several small frauds growing out of the expenditures of emergency funds, and two cases where the Comptroller required a Government agency to award contracts to a bidder on housing projects, one to a firm that desired to furnish credit reports on those that wanted to borrow. Government employees involved have long since been discharged, some prosecuted and sent to the penitentiary. Few of the reports give the dates but some go back to 1935. Of course, no law we pass will stop embezzlement, but if we had been permitted to set up the office of Auditor General, Congress would get reports, including reports on the activities of the Comptroller General which, of course, he would not submit himself.

Another important feature of the bill was to have the Auditor General make investigations for the Congress, to sit with its committees at hearings, especially the Appropriations Committee, and to furnish such evidence which in his judgment would assist committees to challenge the justification of Government officials for appropriations and authorizations. Under existing conditions Congress must accept the view of the spending official. Now, we do not get any information other than from the department wanting the money.

For lack of time I will not discuss the civil-service feature of the bill other than to say I fought for a better civil-service law and opposed every amendment to change the bill in the interest of the spoils system.

There was nothing said about dictator when we passed the bill in the House in August 1937 when many voting against it yesterday voted for its passage. The vote then was 283 to 75, considered, and passed in 1 day. There was nothing said about taking from Congress power over the purse when we reported the bill setting up the Comptroller General and the Auditor General last August. This all developed when the bill reached the Senate for consideration.

Everyone who has studied the bill knows there is a vast difference between the House and Senate bills. I would not vote for the Senate bill as it passed the Senate, and I feel confident some Senators who voted against that bill would be satisfied with the House bill.

Every conceivable scheme to mislead the public that the opposition, in and out of Congress, could think of was used. The public was told the control of education would be in the hands of a bureaucrat in Washington, although we did not by one word change existing law relating to education. The public was told by a well-informed Member of Congress that the creation of a department of public welfare would cost an additional billion dollars, if not two or three billion, when he knew that not a dollar could be spent over and above existing appropriations unless Congress itself voted the appropriations.

Our efforts were to improve the efficiency of governmental administration.

I have never said that a vote against this bill would be a vote against the President. The President was not repudiated last night. The solid Republican minority and the Democrats who helped to defeat the bill repudiated their national platforms in which both parties pledged the people a reorganization of the executive branch of the Government. These pledges were thrown in the wastebasket. I kept mine.

The question will come up again, and when the people who opposed this bill understand fully just what our committee tried to do, their attitude will be reversed. I also expect to see those who voted to give Mr. Hoover and Mr. Roosevelt more power in 1932 and 1933 than we had in this bill and who voted for the bill in August 1937, who changed their vote yesterday, back in line supporting the measure.

Let us hope when the question is advanced there will be no effort to discredit any individual, or any effort made to keep any

political party, no matter which one is in power, from receiving credit for passing legislation reorganizing the executive branch of the Government, which all admit is so much needed, which businessmen, large and small, individually and collectively have demanded for many years and who the committee tried to please by bringing this bill to the floor of the House. I thank you.

National Defense

EXTENSION OF REMARKS

OF

HON. MATTHEW J. MERRITT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 11, 1938

RADIO ADDRESS BY HON. MATTHEW J. MERRITT, OF NEW YORK, APRIL 10, 1938

Mr. MERRITT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address made by me over the radio yesterday at Syracuse, N. Y.:

"We the people"—heirs of all the ages—living in the greatest Nation the world has ever known; in an age when free governments are disappearing from the face of the earth—Germany, Spain, Italy, Russia, Austria, and the end is not yet; we, the last bulwark for self-government, have a sacred, fundamental duty to adequately protect ourselves, our own Nation, and in so doing all other weaker peoples. And we have the iron in us to do it.

We never have and cannot live for ourselves alone—we are our brother's keeper, whether we realize it or not. Our Government is not in the mere wording of the law but in the spirit of the people—we are the Government, and our Government is the inbred experience of the world of living—fundamentally we live by the laws of nature. We represent the best development of the survival of the fittest—not by brute force but in traditions, in character development, in background, in the blood of true manhood, in culture and in wholesome thinking and in love for fellowman. We represent the highest type of manhood that has survived all effort and wiles to degenerate it. We are Americans first—and because of that, exemplary citizens of the world.

We must not forget that the Omnipotent Creator could have made this beautiful land of plenty in which he placed us or opened to us impregnable to any hostile force; He could have given us utter isolation from other peoples; He could have eliminated all antagonistic forces—so that there need be no reason for defense or warfare; but He was infinitely wise—far beyond our restricted vision. He foresaw a race of men that should not snuff off into fatty degeneracy through ease or idleness; He ordained that we should grow strong through overcoming opposition, grow greater in mind by preparation to meet untold events, by envisioning a future and working toward it—individually and collectively. Those who have gone before us have "carried on." They had the fire in their blood to resent "taxation without representation"—to go after the Indians who scalped their women and children—to fight it out manfully on principle to determine which was right, whether we should have slaves in bondage and whether the Union should be preserved. We today—living in what they achieved for us—owe it to the warm, freedom-loving blood shed in the Revolution; to the pioneering blood shed in the French and Indian Wars, on the plains; to the self-sacrificing blood shed that our colored people brought to these shores as captives should have a free chance to make the most of themselves—we owe it to all these to do our share in these perilous days to keep American history—world history, if you will—reading in the same heroic strain, written in blood if necessary by a manhood that does not only take all the advantages of the sacrifices made by men who have gone before but are willing to shoulder responsibilities of their own day, and do their bit to make human civilization preserve and endure and grow nobler.

We none of us want war—but we must realize that the surest and only way to prevent war is to make all other nations afraid to transgress, afraid to trespass on our territory—and in that way we make them also afraid to attack any weaker nation. For no nation was ever more idealistic, in fact, altruistic. We are outstanding as a Nation guided not so much by written laws as by the laws of Nature, by our minds guiding sturdy and well-developed bodies, by our hearts, and most of all, by our souls—for beyond all else this Nation has always been spiritual rather than materialistic. We have always worked for peace at home, and as leaders in historic efforts, for world peace. We have always been willing to pay the price for noble experiments.

Now, we in Congress, chosen representatives of you people who voted directly for us and who have ready access to us—and I speak as one who received more individual votes than any other in Congress, and conscious of the full and sacred responsibility entrusted to me by you—have a fundamental duty imposed upon us by that great Charter—the Constitution—which sets forth as nearly as possible in words the spirit and soul of this self-governing Nation. I am reading from the book: "The Congress shall have power to—provide for the common defense and welfare"—"to declare war"—"to raise and support armies"—"to provide and maintain a navy"—"to provide for calling forth the militia." Those duties are done as your agents and in accord with the cumulative knowledge from history of what human experiences show must be done in times of stress or threats against our peace.

What is the present situation? You all know how the nations of the world are rushing into wars, with all of Europe a veritable powder keg about to explode. You all know that insidious agencies, directed by perverted masterminds, are today boring from within, fulfilling what Washington had in mind when he warned against "the insidious wiles of foreign influence, one of the most baneful foes of republican government, attempting to undermine from within what it cannot break down by force from without. In such circumstances it is our sacred inescapable duty to adequately prepare for national defense, that the self-governing powers of this free people—which has already cost so much in blood and treasure—may be preserved, and that we may continue to be a Good Samaritan to the suffering of other lands.

What is the price? But first let us understand this, that millions or billions of dollars is only a relative term, money is merely a medium of exchange, an attempt to strike some sort of a balance in relative values. When war comes, all values are changed; it wipes out fortunes in one fell swoop. All values are gone, so is fortune. It is far cheaper to prepare for war and so be able to insure peace. That is the economics of the situation, the cold material facts, not to mind a consuming desire to avert war. And the cost of this necessary and adequate preparedness is what? Probably what we spend for cosmetics, for chewing gum; doubtless less than we pay for cigarettes. But when all is said and done, the cost, whatever it may be, is far cheaper than the price that must be paid if war takes us unprepared.

Admiral William D. Leahy, chief of naval operations, has just urged the Senate Naval Affairs Committee to amend the $1,121,000,000 navy expansion program to permit construction of the world's largest and most powerful dreadnaughts, warning that the present United States Fleet is inferior to the armada of the diminutive Japan. The Senate Appropriations Committee has reported favorably a $489,808,500 War Department supply bill, adding approximately $40,000,000 to the House measure for coastal antiaircraft defenses. It provides also for an increase of 5,000 in the standing Army, and the establishment of an enlisted reserve for 75,000 men. With all the millions we have unemployed, it is far better to take these men and build them up by service in training camps than to have them eating the bread of idleness. There you have a pot shot at the cost of preparedness. What is it compared with the billions poured into public works all over the country, which could be promptly wiped off the map by a well-conditioned invading force doing battle with high explosives from the air?

Yes, we have a tremendous stake—that must be protected by the price—whatever it is, and it is trivial in comparison—to be prepared for insurance against war through national defense. What is that stake—the lives of 140,000,000 people. Each individual man has a natural right to defend his own life; his home is his castle; and it is his duty as well as his right, to defend that home for his wife and children, as a foundation stone of American life. In the stake we have 4,000,000 square miles possessing one-third of the total wealth of the world; export and import trade exceeded only by Great Britain; and extensive merchant marine plying the seven seas; vital American interests along thousands of miles of seasoast; inestimable values in our possessions in the Pacific Ocean, Caribbean Sea, Alaskan waters; and along the Panama Canal. We have natural resources—richer and more varied than any other nation—a treasure house placed by God in our lakes and rivers, mountains and valleys, which He counts on us to protect. We come closest of any to being a self-sustaining people. We take pride in our personal and religious freedom. Any businessman will tell you that possessions and riches must be insured and that costs money. One of the greatest businesses in this country is insurance—life, accident, and property. We pay that insurance voluntarily and freely, it is not an imposed Government tax. Why then balk at the relatively small cost of adequate national defense?

Today when the world is ruled by force, we must realize that national peace does not come simply by the childish act of wishing for it, we must have the strength to make our resolve for peace effective when challenged.

For all that we hold sacred—the beautiful land and natural wealth, God has given us, our heritage from the ages, our culture, education, wives, children, homes, fortunes, hopes for the future—we must insure against war. It is our duty to our hearthstones and our fires, God and our native land. It must be our holy sacrifice, our way of the cross.

Whither America?

EXTENSION OF REMARKS
OF
HON. DOW W. HARTER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, April 11, 1938

ADDRESS OF HON. LOUIS JOHNSON, ASSISTANT SECRETARY OF WAR, WASHINGTON, D. C., APRIL 6, 1938

Mr. HARTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by the Honorable Louis Johnson, the Assistant Secretary of War, at the annual Army Day banquet of the Military Order of the World War, Mayflower Hotel, Washington, D. C., Wednesday, April 6, 1938:

General Cox, fellow members of the Military Order of the World War, Americans everywhere, before us always looms the trackless forest of the future. Twenty-one years ago we changed sharply our direction of advance through that forest. In so doing our thought and hope was that our new bearing would lead to a lasting peace throughout the world. Thinking and hoping thus, we fearlessly and unreservedly chanced loss of national life and treasure.

Today is Army Day—sponsored by the Military Order of the World War. Ordinarily it would befit the occasion for me to address you from the viewpoint of the War Department. But the times give to this occasion, this year, a broader significance. It seems more appropriate, therefore, that I speak not from the viewpoint of any one service or department concerned with national defense, but from the viewpoint of national defense as a whole.

The record of events since April 6, 1917, contains many lessons relating to national problems. We must not ignore them in planning for the future.

When we entered the war we were wholly unprepared industrially and militarily. We lost valuable time and precious lives before we were able to swing the tide of victory toward our side.

After the war we were deluded in the belief that humanity had learned its lesson and was willing to cooperate in the interests of peace. We continued to foster that delusion and, in good faith, scrapped over $300,000,000 worth of modern war craft. While we sank battleships, others, who had agreed to reduce armaments proportionately, merely tore up blueprints.

We refused, nevertheless, to relinquish hope. For ourselves, we coveted not an inch of foreign territory, not a penny of foreign riches. In others, we hoped to find a similar devotion to principles of fair play, international justice, and good will. We refused to condone international piracies in any guise, in any part of the world. When in 1931 imperialistic designs in the Far East led to military invasion and unjustified seizure of territory, we raised our voice in protest.

At this moment we behold in the Far East some 370,000,000 peace-loving men and women dependent for their security on international good will alone, in process of violent absorption by a people less than a fifth their number.

At the bottom of the page on which history records this illegal use of force should appear this footnote:

Patriotism, willingness, and love of peace will not replace adequate defense plans, adequate means, and thorough training."

In the last few years we have seen several ambitious nations conquer or "absorb" weaker states. They defy the protests of a world unprepared to cope with their piratical desires. They endanger the peace, and to meet their threat the world now stages an armaments race on a scale never before dreamed of. Until the present we have elected to remain out of that race. We still hope that the world will come to its senses.

The nations which believe in the doctrines of force and "might makes right" today employ a new technique of conquest. First, comes a political penetration into the councils of the country marked as a victim. This is followed by political control, bolstered by a threat of "armed might." The victims, thus betrayed and terrified, "gladly" capitulate. With a hurrah on their lips and a sob in their throats they "gladly" accept their ill fate.

We in the United States should be constantly on the alert for indications of the appearance of this technique in countries of the North and South American Continents. For today we see, from east and west, covetous hands stretched out toward them and their outlying possessions.

These, in brief, are the principal lessons that the record of the past 21 years carries for us in the matter of national defense. Let us bear them in mind as we examine our own situation in greater detail to determine exactly where we stand today and what we shall do for tomorrow.

We are the heirs of a monumental achievement in the history of man and we must do all in our power to continue its success for ourselves and for our children.

The cost of adequate insurance is commensurate with the value of the thing insured.

What have we to insure? A national heritage which has been handed down to us by clear-sighted pioneers who saw their obligation to posterity and lived up to it. A heritage that is the envy of most peoples of the world. Natural resources, the full extent of which we do not yet know. Industries that magically convert these resources into products with which to satisfy our creature wants. Lamps of Aladdin!

Nonmaterial resources, too. National characteristics which were born and which thrive only in the sunlight of absolute freedom. Equal opportunity for all. Respect for the faiths and opinions of our fellow men. Determination to resist unlawful seizure of what is rightfully ours. Love of peace.

The protection of American interests. The continuing policy that we will insure this protection without the assistance of others. "No entangling alliances!"

These policies are not new. They have been fundamental with us throughout our history. Throughout our history, too, we have recognized the necessity of providing adequate means to insure respect for them. We have recognized the obvious fact that national defense is national insurance.

Greatest among our inherited gifts, we should place today the courage to face fearlessly the perils of uncharted forests. The doubts, the dangers that surround us now, though different, are no greater than those faced by American pioneers of the past. The courage that was theirs is ours. Let us remember that we demonstrated this virtue to a doubting world 21 years ago.

These, briefly, constitute the treasure we have inherited, a treasure we should properly insure. We owe it to ourselves to preserve this priceless heritage. We owe it to posterity. We owe it to all the dead and crippled who faced with resolution an ominous future that we might enjoy these blessings.

To what extent have we insured against loss this treasure that we hold in trust for those who are to follow? In the year 1937 the cost of our national defense was approximately $7.19 per capita. For that same year, the cost to Russia was greater, to Germany almost twice as great, to Italy almost three times as great, to France more than three times, to Japan almost four times, and to Great Britain more than five times.

That is the monetary cost. There is an added cost that the peoples of other countries must pay, in varying degree—a cost too high to be accorded a monetary value. Their personal rights are suppressed. Freedom of speech, freedom of the press, religious freedom, and the right to a fair trial are curtailed.

These are only a few of the items that must be counted in the cost of national defense to other peoples. They suffice to emphasize the greater richness of our heritage. They suffice, also, to emphasize how much more these others pay in return for so much less. Those who oppose national defense value too lightly the thing we have to insure.

Let us, then, take stock and face realistically and courageously our present situation and the unknown problems of the future.

To conduct a modern war successfully, a nation must provide men for the armed forces, military supplies and equipment, and a supporting public opinion. Securing all these things is our problem. Certain methods used in procuring men for the Army and the Navy can aid the production of arms, munitions, and equipment. Other methods of procuring men can definitely hinder the manufacture of these articles. A fair, impartial method of procuring men for the armed forces builds a strong, unconquerable civilian morale. A system of procuring personnel which permits one man to evade service after another has offered his life ruins the confidence of the citizens in their government.

The experience of our national history indicates that there is but one method which can be depended upon to furnish sufficient and suitable men at the time they are needed. That method is selective service. We have begun every war of our history with volunteers. Before the end of every war of any magnitude we have been compelled to resort to some form of compulsion. The right of this Nation to demand the services of its citizens for its own defense is no recent development. Since the days when people first banded together for protection against dangers with which they could not cope separately, there has been a necessary, though unwritten, contractual obligation between the citizen and his government. In return for protection by his fellows, the individual has been bound to go to their assistance in time of need. Through past ages this obligation has been essential to self-preservation. Today, and for a time to come, the obligation must continue. That obligation was recognized in the Federal Constitution. It had existed in the Colonies before the Revolution. Yet, in the World War, for the first time, orderly and efficient methods were provided by law for the procurement of men for the military forces.

The Selective Service Administration of the World War was created overnight. It did not have the benefit of long and deliberate planning, but it did produce the men. Approximately three million, or three-quarters of the Army, were procured by selection. A million and a half more were ready for induction when the armistice came.

Why was this method a success? The answers are not difficult to find. The system was based on the fundamental assumption that there is but one interest to be served in the procurement of men for the armed forces, and that is the interest of the Nation. The part which was played by an individual depended solely on a determination of where he could be of most use to the country. Within the age groups designated for immediate military service,

priority was determined by a great national lottery. There were no bounties and no substitutions. The system was operated by civilians. Neighbors decided where each individual could serve best.

The National Defense Act of 1920 placed upon the War Department General Staff the responsibility for planning the mobilization of the manpower of the Nation. Under this mandate, plans for the organization and operation of the Selective Service Administration in an emergency have been made. Into these plans have been incorporated the elements which contributed to the success of the system during the World War, and other provisions have been added which plug up the loopholes that manifested themselves in 1917–1918.

The plans are simple. The first step is to be a registration of all male citizens between the ages of 21 and 30. This registration will take place on a single day. It will be done by the election machinery of the States. The usual polling places will be utilized. Public opinion will demand a 100-percent registration of men in the designated ages.

Each registrant will be issued a numbered card and names and numbers will be published in each local community. Following registration, a national drawing will decide who shall be first and who shall be last.

It will then be the task of boards of local citizens in 6,000 communities to decide whether their neighbor shall serve his country as a soldier or a sailor, or whether he is of more value to the Government as a munitions worker or a farmer. If his neighbors decide, after a physical examination, that he should go, he will be ready to join the next quota going forth from his community to do his full share in the defense of his country.

Plans for the installation of this system are ready. For 15 years, devoted citizens, officers of the Reserve and the National Guard have labored with the War and Navy Departments to prepare a multitude of details. One thing alone is lacking—the law. The American Legion has long advocated the enactment of a law to overcome this deficiency. Its passage before an emergency would permit the armed forces to face the foe confident in the conviction that the needed men would be supplied on time. The organization of a selective service system immediately after the beginning of hostilities would simplify the inauguration and operation of the industrial mobilization plan by insuring that the selection of men for the armed forces will interfere to the minimum with the production of essential munitions and supplies. The passage of the law now would save a 2-month period of uncertainty in any future emergency. It would save countless lives, for it would shorten the period of hostilities and, best of all, it would reduce materially, if not eliminate wholly, the chance of war, for who will attack a nation possessing 40,000,000 men, untold natural resources, and an industrial system the envy of all—if that nation is prepared for instant mobilization?

Our efforts toward the mobilization of industry have met with encouraging results. A survey of industry has shown that it has the ability to carry the full load that a major war would impose. In consequence of this survey, war tasks have been assigned to 10,000 plants, selected because of their capacity to do the jobs that would be required and their willingness to accept the assignment. We have a greater number of the raw materials necessary in war for both civilian and military purposes than has any other country in the world.

The coordination of requirements for the armed forces, on the one hand, and for the civilian population on the other, will assure a proper distribution. The effect will be to prevent such competition and resulting high prices as occurred in 1917, when we had no plan of coordination and Government agencies were bidding for raw materials without consideration of the needs of others. Thus, from the standpoint of supply, we are far better prepared than we were when we entered the World War.

On the credit side, also, we find listed the fact that the President, as Commander in Chief of the Nation's armed forces, and the Congress, are fully aware of our national defense needs. On January 28 last, the President asked that funds be appropriated to initiate a program which, when completed, will overcome some of the most vital shortages. May I at this moment, on behalf of all friends of national defense, salute the Commander in Chief of the Army and Navy, my own commanding officer, whose leadership and statesmanship have given us peace and whose wisdom and foresight insure us against war, our President, Franklin D. Roosevelt. If Congress acts favorably on the President's request, as seems probable, our armaments situation will be greatly improved.

On the credit side, also, is the fact that, though distances grow shorter day by day, our geographical location with respect to other major nations of the world still offers a measure of protection.

As an asset we may list, too, our Army and its leaders. Relatively, it is small. What it lacks in size it makes up in efficiency. Its plans are practical. They are sound. They provide for the best use of what we have at hand. They overcome surmountable obstacles in the way of the mobilization, training, supplying, and equipping of reserves. Within the limitations imposed by small numbers and insufficiencies in some items of equipment, we may be assured that out existing armed forces will meet any problems that may confront them with courage, skill, and fortitude.

Doubt has been expressed in some quarters of the wisdom of some of our plans for national defense. Appropriations requested for the construction of battleships have been opposed on the ground that appreciable part of the moneys needed immediately for naval augmentation will be expended for instruments of war which are no longer practical.

The entire program for which these appropriations are being made represents serious consideration by the best qualified minds of the Nation, under tests conducted by our experts under near-service conditions. They include data gathered in the laboratories of the Asiatic and European wars. They involve a study of the current expansion program of foreign nations at peace.

The program recommended is based on sound judgment, after due deliberation. Have no doubt of that. Be assured that all programs of national defense will be as capably and carefully thought out as was this one for a greater Navy.

So much for the items on the credit side of the ledger. There are debits also. Necessarily, our inventory must include them.

The credit item of protection afforded by the Atlantic and Pacific Oceans, while still formidable, is losing some of its force. Distances are rapidly shortened by modern inventions. This asset, which was the greatest to our forefathers, becomes of less and less value today. Our need for an adequate Navy becomes increasingly important. Nor will provision for an adequate Navy today solve our problems of national defense. Several years must elapse before the naval-expansion program can be fully developed. During this period, we will have to depend on our Army for defense against invasion, to a greater extent than will be necessary afterward. Let us, then, examine briefly this element of our national defense.

Except for its air component, our standing Army ranks seventeenth among the standing armies of the world. The regular armies of the great powers run, in most cases, close to a million or more men. Our Regular Army has less than 176,000. Furthermore, not a few of these are guarding our outlying possessions and interests and hence cannot be counted upon for defense of the mainland. Still others must be utilized to organize and train new levies.

When we add to the strength of the Regular Army that of the National Guard and the Organized Reserves, we get a grand total of less than 500,000. Of this number, only about 300,000 can be made available for immediate action in the field. The remainder cannot be ready the first month.

To some of our people the figures of almost 500,000 appears formidable. Yet they are less than the figure for Argentine, for Portugal, for Greece, for Switzerland, or for Sweden. They are less than the figures of any first-rate power, less than those for most secondary powers.

Our pressing needs for the Army personnel are 11,000 enlisted men for the Regular Army and an Enlisted Reserve of 75,000 trained men and a full complement of weapons and their accessories. To cite but one example of our shortage, let me call your attention to the fact that if we pooled the equipment of our 10 National Guard antiaircraft regiments, we would not have enough to completely equip one regiment for combat.

We need a reserve of muntions to serve us during the period between the beginning of an emergency and the time when industry becomes able to function on a war basis. If an emergency arose tomorrow, many of the plants designated for the production of munitions in war could not furnish the desired articles for several months. Some could not do so for a year.

The following illustration will make clear the reason for this situation. To manufacture the heavy Browning machine gun there are required 3,460 operations, 1,800 gages, and 2,500 jigs, dies, tools, and fixtures. It takes several months to manufacture these aids to industry. They are not available now except in the Government plants. These plants can meet only a fraction of the war load in a major war effort. Manifestly the result will be to delay for an appreciable time production of the heavy Browning and of all other matériel requiring special appliances in manufacture.

The situation can be remedied by placing in peacetime what are technically called "educational orders" with those plants which must have such aids as jigs, dies, tools, and fixtures before they can perform their war tasks. These orders would be only large enough to familiarize the operating personnel in the plants with the various unfamiliar operations involved. Legislation which will correct this condition is now before Congress. Its early passage is highly desirable if prompt manufacture of certain essential war materials is to be assured.

Some may see in the result of our examination, grounds for criticism of Congress or of the administration. Such is not the case. As soon as it became clear that certain nations were determined to achieve their ambitions even at the cost of world peace, Congress and the administration showed an appreciation of the state of our national defense. Since that time they have taken such steps to correct the deficiencies as seemed compatible with the world situation and our national economy. Provisions have been made to materially increase the Navy. The defense program of the Army was called for and some 50 percent of its needs were promptly met. What is still to be done for the Army represents only the remaining 50 percent.

A few nations pretend to see behind our growing determination to arm for our own protection, a menace to their safety. The only real menace is to their unbridled economic and territorial ambitions. The Governments of the 21 American Republics will never permit them to extend to North and South America.

Our friendly, peaceful neighbors have no such fears. They know we covet no one else's treasure. Yet only 2 weeks ago a nation that is trying desperately to consummate in Asia the

greatest armed conquest of a defenseless people of modern times, accused us of harboring ambitions similar to their own. Surely, none of our people will be misled as to the real purpose of such groundless charges.

In conclusion, until our defense needs are provided, we will not have secured the national treasure that is our heritage and that we should transmit intact to coming American generations.

Let us, therefore, pass quickly as much of the legislation essential to adequate defense as the national economy will permit.

Let us no longer see shadows as monsters nor monsters as shadows.

The way ahead lies in an unknown wilderness. Strange sounds warn of possible danger. Let us, nevertheless, go upon the journey courageously. But let us arm, let us arm speedily, lest darkness come upon us while we are on the way and find us unprepared.

A Vote of No Confidence

EXTENSION OF REMARKS

OF

HON. BERTRAND H. SNELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 11, 1938

EDITORIAL FROM THE WASHINGTON POST, APRIL 10, 1938

Mr. SNELL. Mr. Speaker, this editorial so completely expresses my sentiments I am pleased to include it in an extension of my remarks:

[From the Washington Post, April 10, 1938]

"Do we want to send to the people of America," said Majority Leader RAYBURN in his closing plea for the reorganization bill, "the message that Democrats, joining with Republicans, have in effect voted a lack of confidence in their leader and have by their message said that he is no longer the leader of this country?"

On the heels of this clear summarization of the underlying issue 108 Democratic Congressmen, well over one-third of the members of that party who voted, lined up with the solid Republican minority to recommit the measure. It was a vote of no confidence.

If this epoch-making event is to be assessed at true importance it must be realized that the issue was not the reorganization bill alone. Many an administration spokesman, in real or simulated bewilderment, inquired why such a storm of opposition should have arisen against a measure which seemed generally acceptable at the time of its introduction, in January 1937. But not even Speaker BANKHEAD, in his eloquent final appeal, attempted to say that this change of attitude is unreasonable. None reiterated the President's astounding assertion, at Warm Springs 10 days ago, that the opposition was created "deliberately out of whole cloth."

The Congressmen who voted against recommital knew better than that. They knew that the tidal wave of dissatisfaction and distrust, which has now swept over the White House, represents a national reaction and not a local or partisan feeling. They knew that the defeat of reorganization, manifesting an independent legislature, followed logically on the defeat of the court-packing proposal, whereby an independent judiciary was preserved.

The Representatives knew, as did so many of the Senators before them, that the American people have at last weighed the quality of Mr. Roosevelt's leadership in the balance and found it wanting. Against every pressure which the administration could bring, the Representatives remained representative in their vote of no confidence.

Many factors beside the current depression contributed to that outcome. To review them would be to review the strange combination of arrogance and self-righteousness; of good intentions and bungling performance; of warm emotions and sly self-interest; of humanitarianism and ignorance which in the aggregate characterize the New Deal. But there is now nothing to be gained by recalling the increasingly bad impression created by Mr. Roosevelt's numberless foolish pronouncements, of which "we planned it that way" is only one. Seldom in American history has there been a more dramatic confirmation of the truth, in the old, old saying that "pride goeth before a fall."

This body blow to Mr. Roosevelt's leadership is fundamentally too serious a matter to encourage the recriminations which might seem to be in order, or the exultation in which hostile politicians may now reasonably be disposed to indulge. But without understanding of the trend which made the House revolt inevitable the administration will not reform its lines intelligently and a major defeat may be converted into a rout disastrous to all.

Not a dollar of the staggering national debt is reduced by the defeat of the reorganization bill. Not one of the millions of unemployed is put back to work. A soaring stock market indicates the overnight change in psychology. But a change in psychology alone is not enough.

In Great Britain or France a vote similar to that on the reorganization bill would have been followed by resignation of the Cabinet and its chief. If the American system were that of a truly responsive popular government, Franklin D. Roosevelt would today be out of office and the opposition would be in power. Actually, however, President Roosevelt has still nearly 3 years to serve. And he has, in consequence, opportunity to redeem himself in the esteem of his countrymen and in the pages of history.

How can that redemption be assured? Obviously not by continuation of efforts to enlarge executive powers, even if this were as theoretically desirable as was the case with certain aspects of the reorganization bill; obviously not by more Federal relief squandering on the one hand, coupled with punitive taxation calculated further to reduce national income on the other. As the President himself has said, paradoxically enough in his reorganization message last year, "Our struggle is against confusion, against ineffectiveness, against waste, against inefficiency."

Confusion—ineffectiveness—waste—inefficiency. Out of Mr. Roosevelt's own mouth comes the perfect indictment of his own administration; the comprehensive explanation of why he has met disaster. And one by one, if he is to meet the challenge before him, these characteristics of the New Deal must be eliminated so that the country may go forward.

Essentially the task is not difficult. Fundamentally all that is necessary is that the President should drop the doctrinaire and semisocialistic ideas which exert so powerful an attraction on his fancy, rededicating himself to the support and furtherance of the basic conceptions of American government. For it is the Tugwell idea of "making America over," and Mr. Roosevelt's own complete indifference to the principles on which this country grew to its present stature which have caused most of the trouble.

Confusion, ineffectiveness, waste, and inefficiency all arise when responsibility is not clearly allocated and when an intelligent division of function is not adhered to. These defects have accumulated to an appalling extent under the New Deal largely because Mr. Roosevelt has forgotten that this is a Federal Nation, with all powers reserved to the States except those specifically granted the Central Government. Confusion and its concomitants have grown like wildfire because the President has further ignored the delicate balance of power between executive, legislature, and judiciary which is the keystone of our democracy.

No leader, no matter how gifted, no matter how splendid his humanitarianism, can proceed to undermine the fundamentals of a system of government without confusion resulting. There would be infinite confusion during the transition period even if there were in Washington a clear intent to substitute unitarian dictatorship for Federal democracy. Where there is no such definite intent—and one may take the President's disavowal at face value—the confusion, ineffectiveness, waste, and inefficiency are likely to be even worse. In time they will drag the strongest nation into chaos.

Such chaos has lately been drawing closer. In part the difficulties are undoubtedly a reflection of the times. But in part also they have been directly induced by Mr. Roosevelt's cavalier attitude toward the fundamentals of American Government, by his incredible assumption that there is nothing more vital than individual self-interest in the growing hostility to his course, by his failure to realize that the more power entrusted to him the worse confusion has become.

Fortunately for America the imperative checks have been applied in time. Defeat of the Court-packing plan has preserved the integrity of the judiciary. Defeat of the reorganization bill will end the Executive effort to dictate to the legislature. If the President will see the moral in these defeats and will turn his back on the course which has led to them, economic recovery will go hand in hand with restoration of the fundamentals of that system of government for which he is a temporary trustee.

Gettysburg and Appomattox ended a disastrous centrifugal trend within the American Union. The Senate defeat of the Court-packing bill and the House recommittal of the reorganization bill should prove to be events no less significant in our history. They have reversed a ruthless centripetal policy which would be just as fatal to the United States as the opposite extreme of unlimited State sovereignty.

In any other democracy these two defeats would have ended the political leadership of the man who deliberately incurred them. But by virtue of our system Franklin D. Roosevelt has another chance.

To retrace his steps, to unravel the tangled skein the New Deal has produced, will test his stature, almost as that of Robert E. Lee was tested when after surrender that aging and defeated soldier rose superior to a far more shattering collapse. For the President it is only a matter of returning to the simple and tested principles of American Government. If he does so, his eventual fame may be the more secure because of his present serious reverse. The tone of the brief letter of appreciation, sent to Congressman RAYBURN yesterday, encourages belief that this will be the case.

The Philippines—Past, Present, and Future

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, April 11, 1938

SPEECH OF HON. QUINTIN PAREDES, RESIDENT COMMISSIONER FROM THE PHILIPPINES, BALTIMORE, MD., APRIL 4, 1938

Mr. SHANLEY. Mr. Speaker, under unanimous consent to extend and revise my remarks, I include therein a speech delivered by my colleague, the Honorable QUINTIN PAREDES, Resident Commissioner from the Philippines, before the Baltimore conference of the Epworth League on April 4, 1938:

Ladies and gentlemen, the honor which an invitation to address you bestows upon me is deeply appreciated. I accept it, not so much for me, as for the Filipino people whom I have the privilege to represent, because of the opportunity it affords me of acquainting you with my country.

On November 15, 1935, amidst imposing ceremonies befitting the occasion, a new semiindependent nation was born. On that historic day, the world witnessed the auspicious birth of the Commonwealth of the Philippines. For us Filipinos, the day was a turning point in our national existence. To America the day crystallized into a living and glorious reality a decided step in her avowed purpose of helping the Philippines prepare for an independent existence. And to the admiring eyes of mankind, the day has marked an object lesson of colonial philanthropic policy without any parallel in history, the voluntary renunciation of a most valuable colonial possession. The event forged a golden link of lasting friendship binding the Filipino people with the United States.

What is this new Commonwealth? How did it reach its present status and development and what are its present immediate needs are, if I am not mistaken, the questions that you would expect me to answer this evening. This I shall endeavor to do as briefly as I can within the limited time that I am to abuse your indulgence.

The Philippines, so called in honor of Philip II of Spain, then the heir of the Spanish Crown, was discovered by Ferdinand Magellan in March 1521, most likely on the 16th of that month. It is an archipelago consisting of 7,089 islands, situated about 500 miles from the southeastern coast of Asia and nearly 8,000 miles from your west coast, and forming three large groups, known as Luzon, Visayas, and Mindanao. Its aggregate area is about 114,500 square miles, about the size of Italy, twice as large as the New England States without the State of Connecticut, and slightly smaller than the United Kingdom of Great Britain and Ireland. Its population is presently estimated at 15,000,000, the percentage of foreign population being comparatively small, if not negligible. The Philippines can be reached by steamer in about 20 days from San Francisco or Seattle, or by commercial air liner in 6 days from Alameda, Calif.

Being physically and racially a part of Malaysia, the Philippines share the general features of the latter. As a whole, the islands are mountainous, the large ones abounding in navigable streams, rivers, and lakes, and are traversed by mountain ranges, the highest peak being Mount Apo in Mindanao, which has an elevation of about 10,000 feet above sea level. The plains and valleys are many and are among the most fertile in the world.

The climate is generally tropical throughout the year. In some months, however, it varies from a tropical to an almost temperate climate and the year is divided into the dry or temperate season, covering the months of November, December, January, and February, the hottest period being March, April, May, June, and August, and the intermediate period, mostly rainy, comprising July, September, and October. People who are used to the climate in Manila, the capital of the Philippines, are of the opinion that it is as endurable during the hot season as is the climate in Chicago or New York during midsummer. In the city of Baguio, which is the summer capital of the country, the climate is temperate and most soothing to those who are accustomed to live in temperate zones.

Nature has treated the Philippines most liberally. The soil is extremely rich. With few exceptions, it yields all kinds of plants and crops. The arable land is more than half of the entire area. A large portion is suited for pasture. Magnificent primeval forests, inhabited by flocks of more than 600 species of birds, cover a great portion of the country and yield more than 750 kinds of wood of commercial and local value. Rich and varied flora abound as well as valuable fiber plants, among them being abaca, the best-known fiber for rope manufacture. Fresh and marine waters are rich in fish, turtle, pearl fishing and sea food, and in minerals the country can boast of all varieties in practically every Province. There are large deposits of gold, silver, platinum, base metals, marble, and manganese, some of which are now under exploitation.

Surprising as it may seem, the Filipinos were well on the road to civilization before Magellan's discovery of the islands. Having sprung from the Malay race, their ancestors brought with them early Malayan culture. Thus, the Filipinos had their own system of writing and alphabets, consisting of 17 letters, borrowed from Hindu and Javanese sources; had books written on the leaves and bark of trees; cultivated the soil; had houses, some of which were built on pillars of wood; made boats, fishing instruments, weapons, and jewelry and knew embroidery and weaving. They traded not only among themselves but also with the Hindu, the Chinese, and other peoples of the neighboring countries, which initiated them into the accessories of civilized life. Their chiefs dressed in silks and lived with some splendor.

Although the Philippines were discovered in the year 1521, Spain deferred actual conquest and settlement until some 35 years later. In this conquest the Spanish soldiers and Spanish missionaries stood together. Together they went about the country, the one to bring the natives to subjection to the Spanish Crown, the other to convert them to the Cross.

Spain provided for elementary education in the convents, and later on in public schools. Those who could afford to pay had secondary schools open to them, and for higher education, the University of Santo Tomas, established in 1611, 25 years earlier than your oldest university, Harvard. Well-to-do Filipinos went to Europe for wider and more liberal education.

As the main effort of Spanish educational system was to keep the natives within the folds of Christianity, traces of the prominence of the church in Filipino community life are still very noticeable. At the center of almost every town, on each side of the public plaza, anyone will see the old municipal building, and the church with its tower, the church bells, and a large convent.

I quote the following from J. A. LeRoy in Philippine Life in Town and Country, for its interest:

"The church is still the chief social center of the Philippine town, though not in so exclusive a sense as it was in former days. The celebration of the patron saint of the town, with elaborate bamboo and wood arches, lantern parades by night, theatrical performances, etc., on the side of lay amusements, was formerly the one great event of the year, and still is in some towns. At high mass on every Sunday there were gathered into the church or about it nearly all the population of the center of population, together with many who might have crossed rivers or come miles by road from the outlying barrios."

Abuses and injustices were not infrequent and this, coupled with a denial of a real participation in the management of our country's public affairs, on the face of the current of reformatory ideas brought from the western world by Filipinos educated abroad, caused many a revolt and insurrection, the last one being that of 1896 which ended in the peace of Biak-na-bato that resulted in Gen. Emilio Aguinaldo, the revolution's chief, and his immediate lieutenants accepting voluntary deportation to Hong Kong.

By that time the sinking of the *Maine* in the Caribbean Sea brought the United States into war with Spain. Admiral Dewey invited General Aguinaldo to join in the war against Spain and furnished him arms, and while on the one hand the admiral was sinking the Spanish fleet in Manila Bay, General Aguinaldo and the Filipino forces were completing the capture of the rest of the Spanish forces all over the Philippines. The Treaty of Paris ceding the islands to the United States was concluded long after the Filipino armies had completely substituted Spanish Government for our own.

While the Filipinos considered the Americans as friends and liberators, some misunderstanding among members of their respective forces soon caused hostilities to break, which lasted during the better part of 4 years with a great loss of life and property on the part of both countries.

The war with the United States did not prevent the Filipinos from perfecting their own system of government. They adopted a constitution of their own, which in the opinion of political scientists is one of the most liberal and advanced political documents of the kind; it contained the usual guaranties for personal, property, and political rights, the separation of church and state, and a democratic republican form of government, with three independent coordinate branches—the legislative, the executive, and the judiciary.

After the natural distrust and suspicion consequent to these open hostilities had been assuaged, and after our armed resistance had been subdued by superior force, the Filipinos began to realize the sincerity of purposes of the United States as announced by President McKinley in the following declaration:

"The Philippines are ours, not to exploit but to develop, to civilize, to educate, to train in the science of self-government. This is the path of duty which we must follow or be recreant to a mighty trust committed to us.

"The question is not will it pay, but rather will we do what is right."

And they, under the benevolent fold of the United States, made strides for education and progress, the sooner to be fitted to your standards of self-government. Thus, in less than 40 years the Philippines has attained an unprecedented development in all

lines of activities, which was made possible, as the last American Governor General said, because the people of the islands who had received the impress of a great Spanish culture and became indoctrinated with the Christian religion were already familiar with institutions and customs and moral conceptions of the western world; and I would add, because as soon as the Americans arrived in the Philippines they established a system of education embodying the ideas of universality, practicality, and democracy and the American Government has given us liberal treatment and opportunities we never before enjoyed.

In education, the Filipino has progressed to the extent that English language is now spoken in every barrio by people of all ranks of life and the percentage of literacy reached a point higher than that of Greece or Chile or any of the South American republics. No little part of the credit in this progress is due the Catholic and Protestant Missions, the members of which, with a real Christian missionary spirit, helped take to the remotest places the torch of faith and knowledge. One of the best universities in the Philippines is Silliman, founded and directed by Protestant missionaries. And the oldest is one by Dominican Fathers.

In material development the islands have accomplished, during the American regime, the construction of more than 13,000 miles of roads and trails of which there were only 990 miles, impassable during rainy season, at the close of Spanish domination; we built schools, hospitals, municipal and provincial buildings, water-supply and irrigation systems, port improvements, and piers.

The Philippines has led, during the American occupation, all other oriental countries in progress made in health and welfare; epidemics are controlled; endemics are definitely a thing of the past, and new measures have been started to improve the living conditions of the underprivileged.

Consistent with the policy initiated since the early American occupation, the United States gave the Philippines gradual participation in the management of our public affairs, as the result of one step justified the next. As early as 1901 it created municipal corporations for the government of towns, giving the Filipinos the right to elect their own officers, and in 1905 provincial boards at the head of the provinces were elected by popular vote. Two years later the first national legislative assembly was inaugurated which took the place of a lower house in a bicameral legislative system, the upper house of which was the Philippine Commission. The President of the United States appointed the members of the Commission and the people of the respective districts elected those of the assembly. The next step was the Jones Act of 1916 granting us almost a complete internal autonomy under the executive control of an American Governor General, and the Philippines have been operating under said law until the beginning of the Commonwealth.

The administration of justice was also gradually placed in our hands, so that at the start of the Commonwealth it was practically handled by Filipinos, the same as the executive department, which, aside from the control remaining with the American Governor General, was in fact administered wholly by Filipinos.

Turning our attention now to economic development, Philippine economy at the time of American occupation was meager and inadequate. The total value of foreign trade in 1889 was only 68,000,000 pesos. Imports exceeded exports, the value of which being 38,000,000 pesos and 30,000,000 pesos, respectively. Once civil government was established, the Federal Government proceeded to inaugurate a policy of building a sounder economy and affording wider distribution of wealth. In 1902, Congress granted a 25-percent reduction in the regular United States tariff rates to Philippine products coming into this country. By the Tariff Act of 1909, free trade was established with certain restrictions. These restrictions were removed in 1913, thereby inaugurating complete free trade between the two countries, under which the American market was opened to Philippine goods, while the Philippines became a potential field for the products of American agriculture and industries.

The result of this policy has been mutually beneficial. The Filipino people have been enabled to develop their economic resources, improve and modernize their industries and better their social conditions to a level that can be favorably compared to that prevailing in other oriental countries. At the end of 35 years, our foreign trade has increased to over 400,000,000 pesos annually—more than sixfold, as compared with the trade in 1899—but, at the same time, this trade was forced to become absolutely dependent upon the United States market.

The United States, on the other hand obtained a dominant position in the Philippine market and has converted that market to a potential American field for her agricultural and industrial products, for her shipping, banking, insurance, mining, and other economic enterprises. This dominant economic position of the United States in the Philippines is evident from the following facts: In 1933 the Philippines was the ninth best customer of the United States, the best market for American cotton cloths, galvanized steel sheets, dairy products, cigarettes, and truck and bus tire casings; it ranked first place among far eastern markets as an outlet for iron and steel semimanufactures.

In recent years we have so developed the mining industry of the islands that it has now become one of our main sources of wealth. Gold is mined today in every part of the islands and hundreds of companies, backed principally by American and Filipino capitalists, have been organized to develop gold-mining claims. The Philippines is today the second largest producer of gold under the American flag, surpassed only by the State of California. For the year 1937, the Philippines produced $25,000,000 worth of gold as compared with State of California's production of $40,000,000 and Alaska's production of $21,000,000. During the last 5 years, we have shipped to the United States nearly $100,000,000 worth of gold bullion mined in the Philippines.

Besides gold, the Philippines abounds in other minerals, such as chromite, iron, manganese, coal, oil, and others. Recent discoveries indicate that the Philippines contains one of the richest chromite deposits in the world. Last year some 68,000 tons of base chromite ores were sent to the United States, and this year it is expected the shipments of this metal to the United States will reach 100,000 tons. Shipments of iron ore have also increased and last year a total of 610,000 tons of iron ore was shipped abroad.

Social customs, however, in spite of these sweeping changes in economic life, have remained more or less intact. While we have been quick to imbibe and absorb the splendors and comforts of present-day life, we have not abdicated social customs which have been handed from generation to generation. They have retained their ancient beauty and immemorial distinctiveness. Thus, we still cling to the sanctity and inviolability of marriage, and our unfeigned abhorrence to any attempt to cheapen matrimonial vows has been little affected by the almost universal break-down of this holy institution. Women has not lost their natural shyness and innate modesty as the most alluring weapon for attracting men, neither have they completely bartered away their belief that their place is in the home and not in the outside chaotic world. Men's inborn chivalry and the utmost consideration which belongs by right to women because of their sex are still ungrudgingly observed.

Parents, in spite of widespread individual liberty, have not lost their commanding voice in the affairs of their children, not even in the proper choice of their life partners. Love continues to hold fast to its perennial beauty and purity as something that is unreached and unstained by purely materialistic considerations, and the moonlight serenades among impatient lovers is still a treasured jewel in the art of courtship. The proverbial Filipino hospitality which demands a sharing of what we have with our visitors is still a necessary part of every Filipino home no matter how humble may the home be. The gay rejoicings which mark community celebrations in honor of patronal saints are still flourishing in every locality. The beautiful rigodon de honor has not lost its sway in formal dances and receptions. Almsgiving to the poor and the unfortunate is still practiced extensively. And community attendance in the funerals, the saying of rosary for 9 days for the soul of the deceased, and the giving of spiritual and financial ministrations to the bereaved family continue to be the spontaneous and hallowed manifestations of grief among the people.

Those, in general outlines, were the conditions obtaining in the Philippines when in 1934 the Tydings-McDuffie law providing for complete independence after 10 years and for a semiindependent commonwealth under the sovereignty of the United States in the meantime gave us the authority to adopt our own constitution provided we accepted the provisions of said act. The acceptance was given by the Philippine Legislature on May 1, 1934, and consequently a constitutional convention was called to frame the constitution for the new government, and the same having been approved by the President of the United States and later on accepted by the Filipino people in a plebiscite, the new semiindependent government began to exist on November 15, 1935.

The constitution of our Commonwealth, which makes a declaration of purposes as follows: "The Filipino people, imploring the aid of divine Providence, in order to establish a government that shall embody their ideals, conserve and develop the patrimony of the nation, promote the general welfare, and secure to themselves and their posterity the blessings of independence under a regime of justice, liberty, and democracy, do ordain and promulgate this constitution," is remarkable in several respects, particularly in a statement of principles it makes, i. e., that the sovereignty resides in the people and that government authority emanates from them; that the defense of the state is a prime duty of government and its citizens; that the Philippines renounces war as an instrument of national policy; that the natural right and duty of parents in the rearing of the youth for civic efficiency should receive the aid and support of the Government, and that the promotion of social justice to insure the well-being and economic security of all the people should be the concern of the state.

The constitution contains a bill of rights substantially the same as that of the American Constitution, and it grants the right of suffrage to every male citizen over 21 years of age, who is able to read and write, and to women the same right if in a plesbiscite 300,000 of them shall vote affirmatively on the question. This the women did and they are now sharing in this political franchise.

Three independent and coordinate branches are provided for. The legislative, the executive, and the judiciary. The legislative, as provided by the constitution and supplemented by law, consists of a unicameral body of 98 members elected by their respective districts, and has general powers of legislation except in matters pertaining to foreign relations, export and import, coinage, currency, and immigration when the approval of the act by the President of the United States is previously required.

The judiciary consists of a supreme court of 11 members, courts of first instance in every province, justices of the peace in every municipality, and, by recent law enacted, an intermediate court of appeals. The jury system has not been adopted.

The executive power is vested in a President, who holds office for a term of 6 years, with a provision barring reelection. He is

elected by a direct vote of the people, the same as the vice president who, as distinguished from your system of government, has no seat in the legislative body.

Seven executive departments provided by law—namely, public instruction, finance, commerce and agriculture, justice, interior, public works, and labor—administer the affairs of the government, under secretaries appointed by the president with the consent of the national assembly. Bureaus and offices are to take charge of the different branches comprised in each department.

The provinces, which would take the place of your States here, except for legislative powers that they do not possess, are governed by a provincial governor, and the towns or municipalities by municipal councils having the regular power to enact local ordinances and headed by a mayor, all elected by the people of the respective municipality, except in a few cities with a special charter, where the mayor is appointed by the president.

Public order is maintained by the Philippine Constabulary, now made a part of the Philippine Army, and by the State police, comprising the whole police force of the islands.

Our national defense was established by the first act passed by the government through a system prepared with the advice of one of America's greatest soldiers, Maj. Gen. Douglas MacArthur. The same is aimed at creating a citizen army for the purpose of national defense.

Among the most important laws passed and executive actions taken by the new commonwealth, mention should be made of those that are aimed to ameliorate the condition of the underprivileged. The pay of all government laborers has been raised; a minimum salary was fixed in the central government offices; a court of industrial relations was created; death benefits and compensation law for laborers provided for; acts legitimizing labor organizations, providing for the safety of persons employed in mines, quarries, metallurgical operations, and other enterprises, and fixing minimum wages for laborers employed by contractors on government works, and others were passed.

Our trade has increased considerably during the first year of the Commonwealth, and so has our unencumbered surplus in the treasury. Our budget has been balanced for the last several years, an accomplishment of which few, if any, nations can be proud.

Under regular conditions, therefore, it is fair to assume that the Philippines have the brightest prospects as may be gathered from the facts mentioned. The Tydings-McDuffie law, however, provides that on the sixth year after the inauguration of the Commonwealth, Philippine goods entering the United States will be subject to export taxes equivalent to 5 percent of the regular duties on similar foreign articles, the same to be increased by 5 percent every year until at the end of the Commonwealth period, on the tenth year, it has reached 25 percent. After that, when independence is achieved, the Philippine imports into the United States will be subject to the same duties as any other foreign commodities.

It provides further that from the inauguration of the commonwealth our exports of sugar to the United States, our only sugar market, would be limited to 850,000 long tons annually. Sugar represents the main exportable product of the islands, its value in 1937 amounting to $57,700,000, or approximately 40 percent of the value of the total exports; it furnishes 30 percent of the total national income; it supplies the bulk of the business handled by the banks and the freight carried by the government railroads; and it provides support to 2,000,000 people of the islands who directly depend upon the sugar industry for livelihood.

The same law provides that our coconut-oil export to the United States shall not exceed 200,000 long tons in any single year, and a law passed by Congress in May 1934 further restricts our trade in this commodity by the imposition of a processing tax at the rate of 3 cents a pound. Not less than 4,000,000 persons depend on this industry.

Finally, the aforesaid Tydings-McDuffie law provides that the duty-free Philippine hemp import to the United States shall be limited to 3,000,000 pounds, but converting the limitation to an absolute one, with the peculiar feature that while other hemp from foreign countries may be admitted upon payment of duties and the foreign binder twine is admitted free of duty without limitations as to quantity, both the Philippine hemp and the Philippine binder twine are absolutely barred from this market after reaching the 6,000,000-pound mark. Another large number of families depend on this product.

By way of contrast, American goods, under the same act, are not only allowed to enter absolutely free of duty, but are placed on an unlimited basis with respect to amount.

Add to these the prohibition against the Philippines legislating on and controlling its tariff policy, and you can see the danger of destruction of America's great handiwork in that part of the world. This danger has been recognized in the following conclusions reached by the United States Tariff Commission in its report No. 118. "The economic provisions of the Independence Act will have a serious effect upon many of the export industries of the Philippines—the application of the export taxes, and later, the full United States duties, to the Philippine goods marketed in the United States will operate to restrict the sale of many goods in this market, and (that) profitable alternate markets cannot soon, or easily, be developed. All Philippine products now receiving preferential treatment in the American market will, to a greater or lesser degree, be adversely affected either by a reduction in the volume of their sales in the market, or in the profitableness of such sales, or both. The loss of the American market for many of the export products of the Philippines will doubtless have widespread repercussions upon the whole Philippine economy, including adverse effects upon governmental revenues. The Commonwealth government, therefore, faces a serious problem of readjustment, particularly in districts where the principal export industries are centered."

The free trade between the United States and the Philippines that brought all the above-mentioned advantages, which we are the first to acknowledge, has been strongly opposed by the Filipinos, who expressed their objections through their lawful representatives, both in the Philippines and in Congress. Having had to take free trade, however, we naturally built our industries and our economics to correspond with the benefits afforded by your free market. Thus we were able to raise the standard of living to an extent which advantageously compares to that of neighboring countries; we were able to provide for public education in the measure already mentioned; build roads and develop ourselves to the extent that was qualified as unprecedented.

It is inconceivable that the United States will allow to be wrecked that monument of progress of which she may well be proud and which she built in the Orient; that "happy spot in an unhappy Orient * * * the one place out there where decency, democracy, and peace reign; where the orderly processes of democracy have a chance to develop; where, and only where, Christianity rules the souls of an eastern people; where, and only where, the peculiar culture of America holds forth a torch of liberty and the love of fellow men" (H. C. McNutt's broadcast), by sheer inaction, indifference, or misunderstanding of the true relations between the two countries.

Under the present laws the Philippines will become politically and absolutely independent on July 4, 1946. We do not ask for continuation of our free trade relations after that time. We realize that sooner or later we will have to depend on our own resources and free ourselves from economical dependence on any one country. We are ready to give up our trade preferences, but we expect that we will be given sufficient time after independence to adjust our economics before the advantages of your market are definitely closed to us.

I am confident that the Filipinos are not placing hopes in vain on the generosity of the American people, with whom we are bound not only by moral obligations but with a more lasting one—that of everlasting love and gratitude.

The Red Scare in New York. Governor Lehman Lays It Low. Vetoes McNaboe Bill. Cites Supreme Court Decisions. Liberty of Minorities

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 11, 1938

GOVERNOR LEHMAN LAYS A RED SCARE—POLAND PROHIBITS HUMAN SACRIFICE

Mr. MAVERICK. Mr. Speaker, by unanimous consent I am inserting a veto message of Governor Herbert H. Lehman, of New York, wherein he laid low another "red" scare. It was to veto the McNaboe bill, to prevent radicals and Communists—because of their opinions—from serving on any public pay roll.

Which reminds me, the other day the National Congress of Poland enacted a law, making it hereafter unlawful for the Jews to have human sacrifices and the killing of babies at religious services. The whole facts I cannot get, but it was during the hideous hysteria recently when Poland was about to go to war with Lithuania.

I can guess the debates. Anyone who might have voted against it would be asked: "Do you believe in the Jews having human sacrifice, of killing people in their immoral orgies?" just as in this country if you refuse to vote a persecuting "red" baiting law, someone is likely to ask you: "Do you believe in communism?" Or, "Why are you friendly to the Communists?" Such laws are an evidence of hysteria brought on by economic distress and hard conditions; it is one of those things so obscene and vicious as to make one wince.

Of course, everyone knows that the Jews have no such sacrifices as falsely stated in Poland; and the principal advocates of bills to persecute minorities always themselves know

the falseness and viciousness of their handiwork. Such character of legislation is only the instrument of oppression.

Red scares, therefore, in our country are similar evidences of hysteria. And in our democracy we must not attempt to preserve democracy by assuming the vicious and cruel methods of undemocratic or dictatorial countries.

STARVING PEOPLE FOR THEIR VIEWS; IS THIS DEMOCRACY?

Teacher oaths, pledges of Americanism forced on people, forcing children to salute the flag, starving people out because of their views, flapdoodle and noise about communism when some poor fellow just wants a decent job, will not preserve democracy—in fact, it will destroy democracy and free government.

The New York bill to prevent radicals from holding jobs is hypocritical like all such legislation. It could easily have formed the basis of persecuting some innocent fellow, merely because he expressed an independent opinion—or more likely, because someone wanted his job. With such a law witch hunts would start. Innocent men and women would be bullied, bulldozed, and baited. New York laws, as well as the laws of other States and political subdivisions, provide for firing inefficient, dishonest, unpatriotic, or otherwise unfit people now, and the "red" baiting laws are unnecessary.

A case in line was the famous "red rider" here in the District of Columbia, where we of Congress enacted a law to make every young lady swear every time she got a pay check—every 2 weeks or a month—that she had not taught communism; a constantly recurring oath of loyalty. After about 2 years it was repealed by Congress as an insult to the teachers. Whether the huge bales of thousands of oaths of allegiance were thrown in the trash or not, I do not know.

As one opposed to dictatorial governments of any kind, I have always opposed these persecutions and insulting restrictions as the opening wedge against democracy and the stepping stone to dictatorial government, whether it is called fascism or communism, imperialism or absolute monarchy.

The message of Governor Lehman, therefore, is of very great importance, wholly because of its contents. Aside from that, however, is the fact that Governor Lehman is a Jew, and before I insert the message I would like to digress on that point.

In the first place, I am glad that it is possible in our great country that a Jew can be elected to the high office of Governor of New York. Why not? He has done his duty as a patriotic citizen for many years in the discharge of personal, business, social, and official obligations. He has lived the life of a normal American.

AMERICA MUST NEVER BE DISGRACED BY RACE OR RELIGIOUS PERSECUTIONS

The Jewish angle is important, and for a very good reason. In this country we must never be disgraced by the cruel, heart-breaking persecutions of Jews as in Germany and in other countries. And the way for America never to be so disgraced, is for all citizens to preserve democracy for all, whatever the color, creed, or religion—and for Jews themselves to always take an active part in all American life, and to express themselves when injustice is perpetrated.

I say this because one of my friends, a Jewish rabbi, was recently severely criticized by conservative businessmen of his own race, because he had sought to preserve the rights of another oppressed racial group in my district. I spoke to these conservative gentlemen and it seemed they wanted the rabbi to seclude himself in a sort of intellectual ghetto—they insisted that he "mind his own business, and stay out of public affairs." Of course, they were wrong.

No member of a racial minority, Jewish or otherwise, should stand mute in the face of persecution and injustice. Therefore, the act of Governor Lehman, in the face of sure and bitter criticism, was courageous. I know something of this myself—it is bad enough for a gentile—but like Governor Lehman, I believe that real democracy is worth the criticism and bitterness leveled at those who fight to preserve it.

The message which I mentioned is as follows (subheads mine):

TEXT OF VETO BY HERBERT H. LEHMAN, GOVERNOR OF NEW YORK OF M'NABOE BILL, PROHIBITING JOBS TO "RADICALS"

Although I am unreservedly opposed to the principles of communism, I am vetoing this bill in the interest of safeguarding American democracy.

The bill would abridge freedom of speech, freedom of thought, freedom of the press, and freedom of assembly.

These are inherent rights guaranteed by the Constitution of the State and Nation to every citizen.

I am profoundly convinced that any statute which directly or indirectly limits opportunity for free public discussion undermines the very foundation of constitutional government.

DESPOTIC STATES OPPRESS MINORITIES

Constitutional democracy must accept not only the mandate of the majority but it must protect minorities against oppression by the majority. In all despotic states the first steps toward dictatorship have come through the curtailment or the denial of rights of some of their citizens under the alleged sanction of the majority.

Democracies must depend for their strength upon a deep-seated and passionate devotion to liberty on the part of their citizens. The threat to democracy lies, in my opinion, not so much in revolutionary change achieved by force or violence. Its greatest danger comes through gradual invasion of constitutional rights with the acquiescence of an inert people; through failure to discern that constitutional government cannot survive where the rights guaranteed by the constitution are not safeguarded even to those citizens with whose political and social views the majority may not agree.

THE FLOODGATES OF OPPRESSION MUST NOT BE OPENED

Were we of this great liberal State to approve this bill today we might readily find tomorrow that we had opened floodgates of oppressive legislation in the Nation against religious, racial, labor, and other minority groups.

This bill proposes to keep out of the civil service and the educational system of the State and of its municipalities persons who believe in communism.

* * * * * * *

The criminal statutes of New York and of the United States adequately protect the public interest against incitements to violence and against subversive, seditious, and unlawful activities.

The criminal statutes prescribe and dictate punishment for such actions.

Legislation such as this is no new phenomenon. Indeed, it is not novel in New York State.

THE LUSK LAWS—WHEN AL SMITH WAS A LIBERAL

After the World War there existed a bitter feeling against Socialists and radicals. Socialists elected as members of the assembly were expelled from that chamber by their fellow members. And during the same session of the legislature these so-called Lusk laws were passed. Governor Alfred E. Smith had the vision and the courage to disapprove these bills. He said:

"I prefer, however, to rest my disapproval of it not solely nor chiefly on that ground, but on the broader ground that in fundamental principle the bill is vicious. Its avowed purpose is to safeguard the institutions and traditions of the country. In effect, it strikes at the very foundation of one of the most cardinal institutions of our Nation—the fundamental right of the people to enjoy full liberty in the domain of idea and speech."

* * * * * * *

These bills were again passed the following year and then were signed by a new Governor who had recently been elected. During the summer and fall of 1922, Governor Smith in his campaign for reelection gave assurance to the people that if reelected he would repeal the Lusk laws and the people did reelect him. At the commencement of his new term of office he appended his signature to their repeal. He said in part at that time:

"In signing these bills, I firmly believe that I am vindicating the principle that, within the limits of the penal laws, every citizen may speak and teach what he believes."

UNJUST RESTRICTIONS DO NOT CURB COMMUNISM

This bill would not curb communism.

It would serve, in my opinion, only to stimulate its growth.

History demonstrates conclusively that the imposition of unjust restrictions upon freedom of thought and freedom of expression ultimately defeat the ends sought by the sponsors of the restrictions.

Society may be endangered as much by the excesses of its friends as by the violence of its enemies.

JUSTICE HOLMES—"HATE MENACES STABLE GOVERNMENT"

In the words of the late Justice Holmes:

"Those who won our independence believed that the final end of the state was to make men free to develop their faculties; and that in its government the deliberative forces should prevail over the arbitrary. They knew that order cannot be secured merely through fear of punishment for its infraction; that it is hazardous to discourage thought, hope, and imagination; that fear breeds repression; that repression breeds hate; that hate menaces stable

government; that the path of safety lies in the opportunity to discuss freely supposed remedies; and that the fitting remedy for evil counsels is good ones."

"I ABHOR COMMUNISM AS I DO FASCISM"—LEHMAN

I abhor communism as I do fascism.

Both constitute a threat to democratic government. They can be successfully opposed and nullified only by a militant insistence on civic, religious, and personal liberty as guaranteed by our form of government and as practiced by us in our daily lives.

A denial of the rights of any of our citizens, whether that denial is of majority or minority inspiration, weakens the entire fabric which protects us all.

TO PRESERVE OUR GOVERNMENT FROM OVERTHROW—PRESERVE INVIOLATE FREE SPEECH—SAYS MR. CHIEF JUSTICE HUGHES

In a recent case brought before the Supreme Court of the United States, Chief Justice Hughes, speaking for a unanimous Court, said:

"The greater the importance of safeguarding the community from incitements to the overthrow of our institutions by force and violence, the most imperative is the need to preserve inviolate the constitutional right of free speech, free press, and free assembly, in order to maintain the opportunity for free political discussion to the end that government may be responsible to the will of the people and that changes, if desired, may be obtained by peaceful means. Therein lies the security of the Republic, the very foundation of constitutional government."

DEMOCRACY—AMERICAN FORM OF GOVERNMENT

A demand for statutory enactment such as this can come only from a distrust of our democratic processes. I have no such distrust.

My disapproval of this bill is based upon my faith in democracy.

It is based upon my conception of the American form of government.

Democracy means freedom of the individual.

Democracy bestows upon its citizens the guarantees and safeguards emblazoned in our Bill of Rights.

Those who would stimulate dictatorships can gain no ground if we adhere to the principle of exact equality to all and to the maintenance of freedom of conscience, of thought, and of expression.

"FREEDOM FOR THE THOUGHT WE HATE"—JUSTICE HOLMES

The late Justice Holmes wrote:

"If there is any principle of the Constitution that more imperatively calls for attachment than any other, it is the principle of free thought—not free thought for those who agree with us, but freedom for the thought we hate."

Though like the proponents of the bill, I hate the doctrines which they seek to combat through the passage of this legislation, I cannot, in good conscience, approve a bill which in my opinion weakens the "very foundation of constitutional government."

The bill is disapproved.

(Signed) HERBERT H. LEHMAN.

Youth and the Larger Citizenship

EXTENSION OF REMARKS

OF

HON. H. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 12, 1938

THE FINAL CHAPTER OF A GENERAL SURVEY OF AMERICAN YOUTH

Mr. VOORHIS. Mr. Speaker, under leave to extend my remarks I include the following final chapter of General Survey of American Youth, published by the American Youth Commission, Washington, D. C., Dr. Homer P. Rainey, director:

When harmony in the home is destroyed by conflict and a son cheats in school, and when in later life he wins an election by buying votes, is that a problem of mental hygiene, character training, or of citizenship education? When a mill owner begins the day at his factory with prayer, and asserts before a congressional committee that he has "never thought of paying men on the basis of what they need," is that a problem of religion or of ethics? When a dictator suppresses freedom of worship and makes a religion of nationalism, what kind of a problem is that? When the home, school, and church teach honesty and brotherhood, and when later the youth discovers that in the business world acquisition is respected above veracity and that the prevailing rule is to look after one's self first, under what head should that matter be discussed?

It is difficult to distribute these various kinds of problems into pigeonholes labeled "character," "religion," "mental hygiene," and "citizenship." While the home, the school, the church, and other agencies each have a sphere of opportunity and responsibility in which they are peculiarly competent, more cooperation is desirable than is evident. In fact, there is now an unfortunate lack of integration. As a result, basic conflicts have developed to the detriment of human personality and social welfare. It might be beneficial if the agencies working among youth were at times to put aside the old terms "character education," "religious education," "mental hygiene," and "training for citizenship," and face unitedly their common task, which, for reasons soon apparent, may be described as the education of youth for the larger citizenship.

OUR FAILURE IN THE PAST TO DEVELOP GOOD CITIZENS IS SHOWN BY THE BEHAVIOR OF ADULTS IN CONTEMPORARY SOCIETY

Numerous writers commanding the respect of discriminating readers have issued warnings regarding the social crisis now upon us. "Humanity stands today in a position of unique peril. * * * Is man to be the master of the civilization he has created, or is he to be its victim?" inquires one of these men. "Unless education prepares future citizens to deal effectively with these great questions [of unemployment, family life, war, and so on]" says another, "our civilization may collapse." Alarming as many such statements may be, we are forced to admit that the present condition of our sick society is critical when we consider the symptoms.

In the political life of the Nation there are evidences of indifference, ignorance, gullibility, and inefficiency. One study of nonvoting in Chicago was made in 1924. It showed that, after a special effort to encourage registration, only 900,000 persons registered out of 1,400,000 eligibles. The number who actually voted was approximately 723,000. While there may be much more interest in Presidential elections, there still remains an obvious lack of concern in State and local politics. In Chicago, habitual nonvoting was found especially among young people in the 21 to 29 age-group. Among 6,000 nonvoters studied intensively, general inertia and indifference seemed to be the cause in 40 percent of cases.

In sharp contrast to the indifference of voters, is the enthusiasm many people show when under the influence of a demagogue. This is to be observed, not only in Europe, but in the United States as well. One need only recall the rapid spread of the Ku Klux Klan, the sudden growth of fascism in Louisiana, and the large followings enjoyed by similar movements in recent years. The gullibility of the people becomes especially serious when one considers the increasing effectiveness of propaganda. Today we need not fear the man on horseback as much as the demagogue at the microphone.

The kind of patriotism found in some groups is quite as detrimental to good government as indifference and gullibility. There are many who profess to honor the Constitution, but who apparently have not read it in recent years, especially the first 10 amendments. Among many of these "patriots" one can discover little loyalty to the ideals set forth in the Declaration of Independence. They salute the flag, they cheer enthusiastically at the mention of their candidate for office, they sing jingoistic songs with zest, but they are at a loss without a band. They seek to preserve the status quo and believe every original or liberal idea threatens the stability of government and that its possessor is a "red."

Inefficiency in government reflects the general indifference toward public affairs. Our civil service has not attained the dignity and attractiveness that one finds in Great Britain. There the service gets the cream of university graduates. Here we believe that "to the victor belong the spoils," that "patronage is the price of democracy," that almost any reasonably intelligent person can qualify for Government positions. This country, the Commission of Inquiry on Public Service Personnel concluded, pays less attention to the education of its civil servants than any other major nation.

IN BUSINESS, IN PRIVATE LIFE, AND IN RELIGION, AS WELL AS IN POLITICS, ARE INDICATIONS OF INADEQUATE STANDARDS

In business life there are many recent revelations of our failure to develop good citizens—the defalcations of bank presidents; the exploitation of industrial workers, particularly of women and children (such as the payment of 10 cents a week to girl apprentices in fly-by-night sweatshops); the exploitation of juvenile prisoners; the immense fortunes built up as a result of the World War; and the recently revealed scandal of the international armament makers. The vice president of one of the great department stores of the United States writes, "We have worshiped greed and profits at any price to the point that we have established this standard in the minds of the American people, a standard which is gradually infiltrating the political and social life of the country." During the 10 years prior to the investigation of the Senate Committee on Banking and Currency in 1933, $25,000,000,000 worth of worthless stock was sold to American investors. "The average politician," says John T. Flynn, "is the merest amateur in the gentle art of graft, compared with his brother in the field of business." Can we be surprised, then, to discover that in many colleges there is evidence of graft when the senior class awards a contract for publishing its "annual"; and that cheating in examinations is widespread. Several large universities, as is well known, have recently abandoned the honor system.

In private life many practices are to be observed which are not conducive to stability of character. Gambling is widespread. Foreign lotteries alone have taken $3,000,000,000 out of the United States in 3 recent years. Betting on race horses attracts thousands

of devotees—more who patronize the "bookies" in the cities than who actually attend the races. Occasionally one wins a large sum of money in a lottery or on a horse. Thus many youth are lured by the hope of winning wealth without arduous labor. Even when gambling is not attempted, a great many are looking for a "soft job" which will never afford the satisfactions of hard, honest work.

The use of alcoholic beverages has increased substantially since the repeal of prohibition. The business has now reached a total volume of nearly $5,000,000,000 a year. Whatever one's attitude may be toward moderate drinking, one cannot look complacently upon the intemperate use of alcohol. Its excessive use as a cause for uninsurability among persons under 30 years of age applying to one life insurance company, increased from 1932 to 1936 by 183 percent. According to a report from the coroner of Cuyahoga County, Ohio (which includes Cleveland), in 110 fatal cases tested, 45 percent showed the presence of enough alcohol to cause intoxication in most persons. Alcohol weakens the inhibitions, including those which control sex conduct. And, however liberal one may be in this realm of human relations, one cannot be unconcerned regarding the kind of promiscuity which keeps alive commercialized prostitution and is largely responsible for the spread of the venereal diseases.

In the field of religion, we have not been loyal to the faith to which most of us are nominally adherents. "We have become so naturalized in our insanities of hate and competition and unbrotherliness and injustice that we are afraid of the sanity of love and cooperation and brotherliness and justice." This is not a Socialist speaking, but a Christian—E. Stanley Jones. He continues in his book, Christ's Alternative to Communism, "Could anything be more insane than the spectacle of half the world overfed and the other half underfed, with enough for everybody in our very hands? And yet we are afraid of the sanity of a just distribution! Is there anything more insane than the dog-eat-dog method of competition? And yet we are afraid of the sanity of cooperation!" Largely because we have not made religion vital, youth is turning away from the church.

A particularly serious menace just now is the recent and rapid growth of nationalism. The religion of nationalism is winning followers because it dares to ask and expect a degree of devotion which Christianity has not been bold enough in recent centuries to demand. "It is by making these large demands on human nature," writes Arnold J. Toynbee, of the University of London, "and not by offering people the license to do as they like and live at their ease, that the post-war paganism has been winning its masses of converts." The followers of nationalism believe in something greater and higher than themselves which works in human life towards the creation of a perfected society. Communism and fascism have won a degree of faith and devotion among their followers which have the qualities of real religion.

EMOTIONAL AND MENTAL DISORDER, DELINQUENCY, AND CRIME ARE EVIDENCES OF THE FAILURE OF SOCIETY TO EDUCATE ITS YOUTH

There were 466,045 patients under the supervision of mental disease hospitals in the United States at the end of 1935, slightly over 10 percent of them being on parole or otherwise absent. A more disturbing fact is that a much larger number of persons outside of hospitals have nervous and emotional disorders. Many of these disorders might have been prevented. These various conditions not only cause suffering to individuals and their families; they are also conducive to antisocial behavior. It is often the depressed, embittered, or unstable youth who most quickly follows the demagogue; his maladjustment often leads to delinquency and crime. There are 200,000 persons in our prisons, jails, and reformatories, according to a report by Nathaniel Cantor, published by the University of Chicago Press, and perhaps 300,000 or 400,000 more lawbreakers wanted by the police. "Estimates of the money cost alone of crime run all the way from $1,000,000,000 to $18,000,000,000 a year. Even if we take the lowest figure, that's something like $40 for every family in the United States." Dividing our prison population into 2-year groups we find that the "largest group of all will be young men and women 19 and 20 years old. Its horrible to think of our robbers and gangsters as being about the age of young men and women in college, but that's the situation."

SOCIETY HAS NOT EDUCATED YOUTH FOR DEMOCRACY IN THE PAST, AND IS NOT DOING SO NOW

No social institution has taught contemporary adults how to think about the problems of democracy and no one is now teaching youth how to think. Confusion in respect to causal relations, the universal tendency to generalize hastily, the disposition to act first and find a reason afterward, and similar faults in thinking are responsible for much superstition, prejudice, and stupid unjust conduct. Because a man criticizes certain features of the Constitution he is charged with being unpatriotic, when, as a matter of record, he is more devoted to the country than are his critics. Because another man is a Russian he is called a dangerous radical, even though he is a great scientist with no interest in government. A long list of superstitions believed by preparatory-school students was disclosed by one recent study, and another investigation indicates that "the average high-school student is obsessed by 22 utterly absurd superstitions." Twenty-six science teachers in almost as many States were asked how they train their students to do scientific thinking. The answers seemed to indicate that many do not do so; some said that it is not possible to train a student to think. With dictators in all parts of the world telling their subjects what to think, it is of importance that in a democracy future citizens be taught how to think.

Recently 120 fairly representative third- and fourth-year high-school students were asked, "What does democracy mean to you?" Said one, "I don't know"; and another, "Democracy means that the world has been made free from it and has been taken over by a group of people called Democrats." A large majority revealed a surprising degree of ignorance. A similar group were asked, "What is a demagogue?" Almost all of them frankly said they did not know. One student replied that a demagogue is "One who doesn't believe in God"; another replied, "A demagogue is a container"; still another, "A teacher of democracy." Over 20 additional answers were likewise ridiculous. Of 850 representative superintendents of schools responding to a recent inquiry, 98 percent agreed that the schools had an obligation to deal with fundamental social problems, but only 11 percent reported that the social studies as taught under their direction provided a reasonably thorough study of such problems.

We have not forgotten the priceless contributions the school, church, and home have made to American culture and the superiority of our institutions to those of many other nations. But now we have been called upon to examine a sick society and to ascertain, if possible, some of the causes for its critical condition. At such a time eulogy seems superfluous. We, therefore, proceed without delay, to the kind of criticism which may point the way out of our present predicament.

CONFLICTING STANDARDS ARE PARTIALLY RESPONSIBLE FOR OUR FAILURE

Conflicts which consist of a well-recognized clash between good and evil and require a decision in favor of one course or the other are inevitable and desirable. They are essential to growing up, to the attainment of character. But some conflicts cause confusion. Often it is difficult to know which of several ways is the right one, and to make a clear-cut moral decision. One kind of conduct appears acceptable in one environment, but is condemned in another. Many a boy has three vocabularies, Hartshorne reminds us—one for Sunday school, one for the dinner table, and one for the alley. And he never mixes them. That, perhaps, is a predicament at which one may smile. But consider the case of a man who is affectionate and attentive as a husband and father, exacting and unscrupulous as a businessman, uncritical toward corruption in his political party, and yet believes in God and is an earnest churchman. Such a state of affairs does not foster the integration of personality in the man; it may be confusing to his son.

Adolescents may have considerably more difficulty than the boy with three vocabularies in adjusting themselves to conflicting standards. In earlier decades when life was less complex, many attained an integrated personality centered about some absorbing job or avocational interest. In the present confusion, we should not be surprised if youth are not loyal to high ideals in their aims and conduct. What are some of the spheres of life in which conflict appears most serious?

In the field of moral conduct many youth are particularly perplexed. Says one student, "Every day we see standards changing. People do and are praised for things we believed were considered wrong. In the books we read serious subjects are discussed very frankly and daringly and often the author's viewpoint is radically different from what we considered right. To a young person this is very upsetting and confusing."

"You send your child to the schoolmaster but 'tis the schoolboys who educate him," wrote Emerson. But today many forces conflict with the teachings of the schoolmaster. Moral standards upheld in school may be largely offset by the activities of politicians; the teaching of ethics in business in an economics class may be entirely negated by the practices of leading bankers; the combined efforts of home, school, and church may be neutralized in large measure by motion pictures, cheap dance halls, poolrooms, lurid newspapers, and salicious magazines. Although the general attitude of the public toward crime is changing, it is still not conducive to the best citizenship. Two book publishers, a magazine, and a newspaper joined forces in 1934 and offered a $7,500 prize to the writer who would produce a novel "with a character worthy of taking a place among the great, lovable, crook characters of all time."

SHALL SUCCESS BE MEASURED IN TERMS OF MONEY OR OF SERVICE TO SOCIETY?

In choosing a vocation, some young people experience conflict between an impulse to be socially useful and desire for economic security. A high-school boy of 18 was greatly stirred by the ravages of the influenza epidemic in the winter of 1918–19. "Thousands of people were dying," he writes. "What hurt me most of all was the death of the smaller children * * * I resolved, if it were possible, to help check this disease. I distributed circulars to many hundreds of people and in this way they became acquainted with the cause and treatment of the 'flu.'" This boy planned to become a certified public accountant. While a large proportion of high-school students have definite impulses to make themselves socially useful, in many cases the vocations they choose do not harmonize with these larger interests. Often it is not practicable, of course, for them to find such opportunities; but they might more frequently than they do. A study of hundreds of cases showed

that 70 percent of the vocations tentatively chosen did not conform to the social ambition reported.

The conflict between greed and social usefulness is a matter of increasing perplexity to youth. At a conference of young people in 1934, attended by representatives of 48 Protestant denominations and of 10,000,000 youths, a "statement of Christian conviction" was adopted, which recognizes this conflict: "While Jesus taught the law of cooperation and good will, we live in a social order that sets every man's hand against his brother; hatreds of race and nation and class divide us. Professing to follow the Prince of Peace, we blindly follow the militarists from one war to another, emerging from each with ghastly losses and nothing gained." Two years later, at a similar conference, the following statement was presented as a "plebiscite": "We are driven to the conclusion that the present economic order is anti-Christian; a ruthless, competitive profit system cannot be reconciled with the kingdom of God as revealed in the life and teachings of Jesus." The vote on this statement was as follows: Yes, 432; no, 9; doubtful, 46. Similar conclusions are set forth by leading thinkers in religion. E. Stanley Jones is persuaded that "Christianity cannot fit into a competitive order * * * Christianity is now looked upon as an impossible, unworkable method. It must be confessed that it is—under this order."

THE CONFLICT BETWEEN DEMOCRACY AND DICTATORSHIP IS BECOMING MORE ACUTE

The conflict which most concerns Americans at the moment is that between the philosophies of dictatorship and democracy. The gulf between the two is deep and wide. On the one hand are those who assume that human beings have individual minds, wills, and aspirations, as Hamilton Fish Armstrong conceives the matter, "and that they have capacities for improvement, even if very slowly; and that they should be allowed to use their minds, exercise their wills, and manage their own affairs as a means of learning how to do these other things better." On the other hand are those who have never accepted the democratic concept of human progress, or who have discarded it because such progress is of necessity aggravatingly slow and undramatic. "They prefer," says Armstrong, "systems revealed to infallible men or groups of men imposed and enforced by decrees and bullets, and considered permanently immune to criticism; first, because infallible men do not need criticism; secondly—and more simply—because they will not tolerate it." The struggle between these two opposing concepts will permit no compromise.

To youth the issue is vital. Because they have not been educated to understand at what cost through the centuries freedom and democracy have been won, and because they have never been encouraged to consider the relative values of security, efficiency, and freedom, they are all too ready to follow any leader whose promises of action, dramatic adventure, and economic security are sufficiently alluring. While we may escape a Fascist revolution, some soberminded, competent observers of the American scene see little promise of order ahead. And for every hundred youth who will respond uncritically with their first votes to the appeal of the demagogue, thousands will become sorely confused as the conflict becomes more acute. Those who discern the more ethical and spiritual aspects of the issue may be able to play a more spirited and effective part in the inevitable struggle.

Here, then, are great conflicts in which contemporary youth find themselves. On one hand we see force, suppression, exploitation, and greed boldly upheld in Fascist countries, and in the United States also wherever capitalism has run rampant. On the other hand we find freedom, brotherhood, cooperation, and service as ideals of conduct under democracy and Christianity. The latter, as set forth by its founder, is a more radical faith than democracy; but in general the two are natural allies against fascism. On the outcome of the struggle hangs the fate of many millions.

Thus it is becoming evident that we need a larger pattern of citizenship—a conception that will include the adjustment of oneself to the realities of life as the surest protection against unsocial and unlawful conduct; honesty and fair play in dealing with one's fellows; a live interest in public affairs; a willing and cooperative spirit; an appreciation of the priceless value of freedom; and an active belief in the brotherhood of men. In a democracy and in a Christian nation, a concept less inclusive will not suffice.

NOTWITHSTANDING ALL THE FAILURES OF SOCIETY AND THE CONFUSION OF MODERN TIMES, YOUNG PEOPLE ARE POTENTIALLY LOYAL TO PERSONAL AND SOCIAL IDEALS

Evidence has been repeatedly presented indicating that youth are fundamentally decent, honest, cooperative, devoted to the common good, and faithful to spiritual ideals.

"I hope to bring about the reform of all corruption in politics."

"I have the ambition of wiping every gangster and thief off the face of the earth."

"I have seen and heard of so much suffering that every thought that I have is leading me to offer my services to the human race. * * * I feel that I can and must take a medical course if there is a way at all."

Thus write three older high-school students, anonymously—not to please their teachers. Similar statements were made by hundreds of older high-school students in connection with two studies conducted with the aid of the United States Office of Education. Approximately one-half of them reported social ambitions of a very real kind and stated in addition that they had participated directly or indirectly in some kind of charitable, religious, or social work. When youth become devoted to a social cause, there is likely to be little difficulty about their personal morals.

Most writers on the psychology of adolescence agree that at this period of development, religion makes a new appeal. The lack of interest in church work now observed among young people is due more to an absence of vitality in organized religion than to the attitudes of youth. For evidence of their potential concern, one need turn only to the earnest following among young people of leaders with an effective program for the promotion of the more abundant life. College students apply years in advance for the privilege of working for a summer with Dr. Wilfred T. Grenfell in Labrador entirely without monetary compensation. This is the time of idealism—or it should be. Youth will respond to a clear call for service. It is for us to determine whether that call comes from the Christian church or the totalitarian state.

The United Youth Program, already referred to, is apparently injecting a new energy into religion. Although its leadership is inadequate, it is stimulating many groups of youth throughout the country in the realistic discussion of personal and social problems, including the use of beverage alcohol, preparation for marriage and home life, creative use of leisure time, building a Christian economic order, discovering a new patriotism, and building a warless world.

A new board of editors of the Yale Daily News early in 1937, wishing to define their attitude toward those things they consider important in the world today, wrote as follows: "First, * * * we are Christians. We feel the need of stating so explicitly what many might take for granted because we are convinced of the reality of the struggle between Christianity and the new western creeds. Perhaps this struggle will be confined to Europe where it is already in progress; perhaps not." Discussing communism, as well as Fascist leaders, they conclude, "We oppose their authoritarian or totalitarian states in any form."

Young people are eager to translate their desires into action. They want something to work for; many seek a cause for which to fight. Youth is impatient of caution. Their synicism, where there is any, is a pose. They welcome the possibility of change. Many have abounding faith in their capacity to reform the world. They are willing to endure hardship, and hard physical toil as well. Consider the fine work of the C. C. C. boys in fighting forest fires, building trails and roads in national and State forests, improving national parks, draining swamps, and planting trees and building dams for the prevention of soil erosion.

Young people in the high schools and colleges are doing somewhat more than adopt resolutions and pronouncements. A "Hi-Y" group in New Jersey during a recent strike devoted four meetings to discussions of the struggle between capital and labor; at one meeting a union organizer spoke, and at another, a representative of the employers. In Michigan a similar group spent an entire day visiting courts, welfare stations, and relief agencies. A large number of organizations of young people provide baskets and gifts for needy families at Christmas time. The members of the Junior Red Cross foster international good will through a system of correspondence and the exchange of printed materials. Among the colleges, there have been several Nation-wide demonstrations during recent years against war; in the last one, it was claimed a million students participated. Liberal and radical groups hold discussions on public questions; members collect funds for strikers, speak on street corners, distribute literature, act as ushers at meetings, and picket at times. The history teacher of one university decided to run for the office of police commissioner, but told the members of his class that the machine would probably defeat him. They thought differently and organized a campaign that resulted in his election. A model senate was conducted at one college in 1935 with delegates from 26 colleges and universities; and an association was formed to arrange similar gatherings periodically.

"As far as I can remember," says the president of a radio corporation, "every major discovery in radio has been made by a boy under 21. Most of them are about 18 when they discover some epoch-making principle." Youth may be quite as competent in the solution of our social problems, and in social inventions, if we develop the techniques for focusing their attention on these problems. Such procedure, we now believe, is the best kind of education.

THE SCHOOL, CHURCH, HOME, AND ALL COMMUNITY AGENCIES MUST PERCEIVE THE ORGANIC NATURE OF SOCIAL LIFE

A unique condition confronts us. On the one hand, are many manifestations of our failure to develop intelligent, loyal citizens, and disquieting evidence of conflict and confusion; while on the other hand are rapidly growing groups of youth increasingly conscious of the emergency and increasingly eager to do something about it. The present situation presents grave responsibility and enviable opportunity to all agencies working with young people.

No one agency, obviously, is responsible for our present plight, and no one agency or particular group of agencies should be looked to for a way out. Furthermore, we should not attempt too great a differentiation of functions, and say that the school is responsible for citizenship education, the church for religious education, and so on. Each should consider anew its relation to the present situation and determine for itself how it may most effectively

operate. Clearly, there are tasks too long evaded which must now be faced—each of them by almost every agency—which, for purposes of convenience, may be called character education, mental hygiene, religious education, and citizenship training.

Character development is now considered "more essential in the life of the individual or the Nation" than at any other time, writes Harry C. McKown. The "present demand for improved training for ethical living and the general acceptance of the development of character as the main objective of the education process" are the results of at least three factors, he says, two of which are the following: First, a new emphasis upon personal freedom accompanied by a release from the rigid standards of earlier days; and second, the necessity of training for living in highly complex life situations.

Mental hygiene is becoming a close ally of character education, states the report on recent social trends, the one tending to merge with the other in stressing total personality development and emphasizing the importance of social adjustments and emotional experience in the child's education. The psychologist, trained in mental hygiene, and the psychiatrist, pave the way in home, school, church, and community so that the youth may really grow up. They are particularly alert for indications of arrested personality development. They would warn all social institutions that the youth should not have attention lavished upon him; that dealing with problems is essential to development; that recreations which provide only passive pleasures are inferior to those which require activity and skill; that conflicts in the environment which confuse are to be avoided if the youth is to attain integrated character.

Religious education is facing what William James called a "forced option." Will it or will it not seek to apply the principles of Christianity to social issues? As long as ideals are stated in general form, George A. Coe reminds us, nobody objects to them. "The law of love is entirely acceptable to the exploiters of their fellows, even to the industrial exploiters of children, as long as we do not go on from the general principle to the details of application. Will religious education go beyond generalization?" John MacMurray believes that we should define our Christianity in such a way that it will determine for us a clear program of action. If we cannot do so, he says, "We ought without hesitation to reject Christianity completely and find another faith to fight for."

The task of citizenship training seems at the moment to be the most pressing. The simple, tragic truth is becoming increasingly clear—we have not educated youth for freedom and democracy. They regard democracy as an achievement won years ago and now handed to them on a silver platter which may be enjoyed without further effort. We are just beginning to realize that real democratic government cannot be attained merely by adopting a constitution and providing the machinery for voting. For, as John Locke said 200 years ago, "Government can be democratic and stable only when it is based upon the consent of the governed, and that consent is given only when the people understand their problems and approve intelligently the acts of their representatives in government." No task at the moment appears more urgent than the thoroughgoing education of youth—and all the people—for freedom and democracy.

An efficient approach to these problems it may be said, will require much money. It will. But those who hesitate will do well to consider such facts as the following: Public education in the United States is costing us only 9 cents a day per person of voting age; and we are spending little more, if any, for education than for tobacco, confections, ice cream, and soft drinks.

THERE SHOULD BE DEVELOPED A NATIONAL PHILOSOPHY TO ENLIST THE LOYALTIES OF YOUTH

The great organized social institutions, school and church, may immeasurably improve their present programs; the home also may become a far greater constructive force in the lives of adolescents. Yet, even then, the goals of education for the larger citizenship will not be attained. Two obstacles stand in the way—there is no agreement among social, political, and economic institutions in respect to a national philosophy; and in the local community there is lack of harmony among the various forces which determine the attitudes and conduct of growing youth. We need a new formulation of American ideals to which all may subscribe, and a new sense of responsibility among all groups in the local community in the training of youth, a new willingness to subordinate selfish interests to the development of the larger citizenship.

Proposals for a new statement of American ideals have been advanced several times in recent years. A special committee of the National Education Association actually prepared a statement of "Social-Economic Goals for America." It did not win wide support, partially because it was not publicized. The American Youth Commission in 1936 urged the desirability of a comprehensive formulation. Somewhat later, Charles W. Taussig, of the National Youth Administration, recommended that we "restate the democratic ideal in terms which will give to it at least some of the dynamic and dramatic force which has been evidenced by fascism and other forms of absolutism." We must revitalize the democratic ideal of freedom, he said, "into a democratic and militant philosophy in place of a passive and defensive one." More recently, a prize for such a pronouncement was offered by one of the better monthly magazines.

Here is a task of extreme difficulty. Competent writers may prepare formulations; associations of educators may appoint commissions to draft new statements of American ideals. But to develop a pronouncement which will have the support of all social, political, and economic interests in the Nation is quite a different matter. That, however, must be the objective. Its preparation will require the cooperation of political scientists, economists, sociologists, engineers, industrialists, statesmen, physicians, prophets, priests, and philosophers. If all participate, as they must, the formulation will of necessity be an extensive process of education within the group. Long discussion will be necessary. Sharp clashes of conflicting ideas should be expected. A great devotion to the common welfare will be required, together with tolerance, sympathy, and brotherhood.

And when a new credo is eventually completed a Nation-wide campaign of education will be necessary, for it should be systematically distributed and discussed by small groups and large audiences in schools, colleges, and churches, in the halls of industry, and wherever people assemble, by boys and girls and men and women. A draft of the new Russian Constitution prepared in 1936 was discussed in 527,000 meetings, attended by 36,000,000 persons. The leaders of our people should not be satisfied with a less-extensive program. Finally, it must be a living document—frequent revision will be necessary, requiring continuous evaluation of the traditions and aspirations of all the people. The loyalty of youth to such a statement of ideals need not be questioned.

THE LOCAL COMMUNITY MUST ATTACK THE PROBLEM OF DEVELOPING A HARMONIOUS PROGRAM WHICH WILL HAVE THE SUPPORT OF ALL ELEMENTS

It will not be enough to bring together the various social and educational agencies for the purpose of eliminating duplication and overlapping of functions and of providing more adequate facilities for education, art, recreation, guidance, employment, and relief. Conflicts must be confronted. The banker, the big-business man, and the politician will have to be brought into the discussion. To them it should be explained in no uncertain terms that to turn over to the schools money derived from taxes for the purpose of developing character and then to teach young people, by the example of leading citizens, that the ability to "get ahead" is the real measure of success—that such a policy is incredibly stupid. The individuals and the groups who control the cheap dance halls, poolrooms, and gambling places should be taken into account. There are also the motion picture and radio, together with the problem of the conduct of adults in their private lives. And the social agencies themselves will do well to search their hearts to be sure that the cause they are working for is not the perpetuation of their own organizations, but the welfare of the people. Difficult as the task may be, the community must undertake the removing of the deeper conflicts encountered by youth—those contradictions between standards taught by school and church on the one hand, and on the other the more subtle and pernicious influences in the world of polite society, in the field of commercialized amusement, in the domain of local politics, and in the marts of trade.

Beginnings have been made in some parts of the country toward the development of the kind of program needed. Community leaders here and there are coming to see the necessity of a cooperative attack. While the motivation in many instances has come from a special interest in delinquency and crime, there is a tendency to approach the task at hand from a larger point of view. It is possible that these promising beginnings may lead to the kind of integration now required.

In 1935 in a small city of New England the largest mill in the world closed its door, bankrupt. Fear and desperation gripped the people. Their world had collapsed. Then leaders of vision rose up. The citizens responded with courage and faith. They raised several million dollars to buy the mill and then attracted other industries to the city. The "impossible" was achieved. In a few months the city was remade—economically. For a far greater task in hundreds of communities—the development of the larger citizenship—the necessary faith and courage lie dormant.

An integrated program says Joseph K. Hart, can never be developed save in a "city that is aware of its deficiencies and deliberately undertakes to see itself as a whole and to have a wholeness of pattern for its own living and for the education of its children. Life can be whole, that is healthy, nowhere but in an environment that is striving for wholeness."

Thus, we find a great need for a reformulation of American ideals, for a new devotion by all our citizens to those ideals, for a new integration of social forces in their attainment under intelligent and vigorous leadership. Nothing short of the combined intelligence of the Nation can cope with our present predicament, concludes the Report on Recent Social Trends. "Unless there can be a more impressive integration of social skills * * * than is revealed by recent trends," there can be no assurance that the suppression of freedom and even "violent revolution * * * can be averted." If the nature of the present crisis is explained to our young people, they will respond with vigor and courage. We have hardly tapped the spiritual energy of youth. To a large degree, our ability to avert catastrophe and bring about a day of social justice depends upon our utilization of this energy and courage.

The Reorganization Bill

EXTENSION OF REMARKS
OF
HON. JOSEPH E. CASEY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 12, 1938

RADIO ADDRESS OF HON. JOSEPH E. CASEY, OF MASSACHUSETTS, APRIL 11, 1938

Mr. CASEY of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address made by me over the Yankee network on April 11, 1938:

At the present time there are 133 executive agencies that have just grown like Topsy into a clumsy, lumbering bureaucracy. Many of these agencies overlap and duplicate each other. For years chambers of commerce, boards of trade, and businessmen have been complaining about the inefficient set-up of the executive branch of this Government. They have been complaining that when they come to Washington it takes days to locate the man it is necessary for them to see in order to transact business.

Everyone who is conversant with the set-up agrees that the executive departments of the Government should be reorganized. The principles involved in the organization of these 133 agencies have been recommended and approved by every President of the United States within the last generation, including Theodore Roosevelt, William H. Taft, Woodrow Wilson, Warren Harding, Calvin Coolidge, and Herbert Hoover.

The Democratic platform of 1932 promised the people of the United States reorganization so as to coordinate, consolidate, and eliminate useless bureaus. In 1932 the Republican Party adopted as one of the planks in its platform the following: "Efficiency and economy gained through reorganization of Government bureaus. The problem is nonpartisan and must be so treated if it is to be solved. As a result of years of study and personal contact with conflicting activities and wasteful duplication of efforts, the President is particularly fitted to direct measures to correct the situation. We favor legislation by the Congress which will give him the required authority." The reason why the President is particularly fitted is because, although it is not generally understood, this reorganization bill affects only executive agencies and not the other coordinate branches of the Government, judicial or legislative. Another reason why the President is particularly fitted is that Congress has been trying to do it for 50 years and has not made a dent in bureaucracy. The inability of Congress to reorganize is not hard to understand. Every time an attempt is made to transfer authority or to eliminate duplicate departments, Congressmen's and Senators' friends gang up on them and protest so violently that logrolling is inevitably the practice. It becomes a swap proposition, "If you vote to keep my department, I'll vote to keep yours."

In 1932, with a Republican Senate and a House that was Democratic by only a majority of four votes, Congress gave to Mr. Hoover the power to reorganize and gave him more power than is contemplated under the present bill. He went out of office that year and, therefore, did not exercise it. But it is interesting to note that voting for that bill, which was a more powerful bill than the one we are now discussing, were the Republican gentlemen from Massachusetts who are about to address you. Of course, the fact that at that time they were voting for a reorganization bill for a Republican President may have had something to do with it. It was right then. It is right now.

In 1933 another Congress gave the power to reorganize to Mr. Roosevelt. He had that power for the first 2 years of his administration. He could not exercise it because of the many other tremendously more important matters that confronted him when he took charge of this Government. That power expired in 1935 because these reorganization bills, including the present one, have a 2-year limit.

In signing the act of March 3, 1933, Mr. Hoover said, "Either Congress must keep its hands off now or they must give to my successor larger powers than have been given to any President if there is ever to be reorganization; and that authority to be effective should be free of the limitations in the law passed last year, which gives Congress the veto power, prevents the abolition of functions, and prevents the rearrangement of major departments. Otherwise it will, as is now being demonstrated in the present law, again be merely 'make-believe.'"

Today these opponents have a change of heart. And why? Because, my friends, we are in the midst of a depression following the prosperous fiscal year which ended July 1937. They feel that the people are discontented and now is the time to discredit President Roosevelt.

Let it be said in closing that this bill creates no new offices. It is a bill which has for its purpose the doing of that very thing that any sensible business executive would do with his own business. To defeat this bill by disregarding its merits is not a proper procedure. It disregards truth. It may have fooled some of the people for the present. But remember what a truly great Republican named Lincoln who never stooped to conquer said about fooling the people. In that connection he also said, "If you once forfeit the confidence of your fellow citizens, you can never regain their respect and esteem." The opponents of this bill will learn that those words are just as true today as they were in 1865.

The Position of the Republican Minority in Congress on Taxation and the Tariff

EXTENSION OF REMARKS
OF
HON. ALLEN T. TREADWAY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, April 11, 1938

ADDRESS BY HON. ALLEN T. TREADWAY BEFORE THE REPUBLICAN WOMEN'S CLUB, NEW YORK, N. Y.

Mr. TREADWAY. Mr. Speaker, under leave to extend my remarks, I include the following address prepared by me for delivery before the Republican Women's Club, New York, N. Y., on April 7, 1938:

Fellow Republicans, I am glad to have this opportunity of discussing with you the position of the Republican minority in Congress on the important questions of taxation and the tariff.

Both are very live subjects at the present time, with a new revenue bill pending in Congress and with the administration about to enter into a trade treaty with Great Britain in further pursuance of its so-called reciprocity program.

Both matters—repressive taxation and ruinous reciprocity—will be major issues in the coming campaign.

ROOSEVELT DEPRESSION THE ONE BIG ISSUE

As Republicans we should welcome the chance to go before the electorate on these issues. Of course, they are but part of what is going to be the one big issue of the campaign, namely, the Franklin D. Roosevelt depression.

In many respects our people are worse off than they were before the New Deal came into power. We started out in 1933 with 13,000,000 unemployed and a public debt of twenty-one billions. After 5 years under the present administration we still find ourselves with 13,000,000 unemployed. However, the public debt has risen to thirty-eight billions. Thus our ride on the New Deal "merry-go-round," which left us just where we started from in the matter of recovery, has caused us to pay a vastly increased tax bill and to go into debt to the extent of seventeen billions.

The administration's record in dealing with taxation and the tariff is extremely vulnerable. In the light of the adverse results which have followed from its tax and tariff policies the New Deal finds itself hard put to defend its course of action. On the other hand, the position of the Republican Party is sound and unassailable. The opposition of the Republican minority in Congress to the administration's tax and tariff program has been completely vindicated by the course of events. Our warning that the tax measure enacted 2 years ago would undermine business and be a set-back to recovery has since turned out to be prophetic. Likewise, the dangers which we charged were inherent in the trade-treaty program are daily becoming more and more apparent.

Let us first consider the matter of taxation.

I. THE TAX ISSUE

Taxes are a necessary evil, for without them governments could not exist. It is, of course, fundamental that every cent our Government spends must at sometime be collected from the people in taxes of one form or another. No one escapes their burden. Those which are not paid directly are, nevertheless, paid indirectly in the increased cost of what we buy—in other words, in "hidden" taxes.

Due to the fact that the present New Deal administration has been the most reckless spending administration in peacetimes in all our history, it follows that the taxes which must be imposed to pay for its unprecedented orgy of spending must be higher and more burdensome than ever before.

NEW DEAL FAILED TO KEEP "COVENANT WITH PEOPLE"

The New Deal administration was elected to office on a program calling for reduced expenditures, reduced taxation, and a balanced Budget. This "covenant with the people" has been completely ignored. Instead, expenditures have been almost doubled,

taxes have been piled higher and higher, with no end in sight, and we have had a staggering deficit each year under the administration's loose fiscal policy. Money has been poured out almost twice as fast as it has been taken in. As a result the national debt has risen to the colossal total of thirty-eight billions. This tremendous debt constitutes a mortgage on the purchasing power of present and future generations. It must be paid off as an added yearly burden in addition to the current cost of government. The interest alone amounts to several hundred million dollars more than it cost to run the entire Government before the World War.

INCREASE OF TAXES ON CONSUMPTION

The great masses of our people have been led to believe that they need have no concern over the amount of Government expenditures or the size of the national debt. They have been told that the wealthy will have to pay the bill.

No greater deceit has ever been perpetrated on the American people than this deliberate misrepresentation. The fact is that the average citizen—the person of small means—is now paying and will continue to pay the greater share of the cost of running the Government.

On September 2, 1935, President Roosevelt said:

"What is known as consumers' taxes, namely, the invisible taxes paid by the people in every walk of life, fall relatively much more heavily upon the poor than on the rich. In 1929 consumers' taxes represented only 30 percent of the national revenue. Today they are 60 percent. * * *"

Think of that! Nearly two-thirds of our taxes under the New Deal in hidden taxes on consumption. This does not include the various taxes placed on business, which are shifted to consumers along with other costs of doing business. In the last analysis consumers pay nearly everybody else's taxes. One-quarter of our monthly rent check goes to reimburse the landlord for taxes assessed against the property.

TREMENDOUS BURDEN OF "HIDDEN TAXES"

One of the large insurance companies of the country recently conducted a study in which it found that the man with only $80 monthly income, who owned no real estate and no automobile, paid nearly $120 a year in hidden taxes. The man with $150 monthly income, owning a second-hand car but no other property, paid $229 a year in such taxes. While these figures refer to the total Federal, State, and local tax burden, the Federal share alone is about one-half the total.

MIDDLE CLASSES ARE ACTUALLY PAYING FOR NEW DEAL EXTRAVAGANCE

Let me return again to the question, "Who is paying for the New Deal extravagance and who is going to have to pay off the staggering national debt?" For an answer I am going to refer to a speech made by a gentleman who is in the best position to know—the Democratic chairman of the House Ways and Means Committee, Congressman DOUGHTON, of North Carolina. The Ways and Means Committee, as you know, is the committee in which all Federal tax bills must originate. Speaking to an assembly of North Carolina businessmen, Chairman DOUGHTON, on June 7, 1937, said:

"In recent months there has been considerable comment regarding 'soak the rich' taxes. It is true that in our income and estate taxes the rates in the top brackets are high."

Parenthetically, I might say that the top rate of the income tax is 79 percent, and the top rate of the estate tax is 70 percent. I continue the quotation:

"Because of this, the impression has been created, and accentuated by those whose ends it will serve, that the ultra wealthy are paying the greater part of our taxes. This is far from true. Even if it were desired to lay the bulk of the tax burden upon their shoulders, it would be impossible to carry out such a plan, for the fact is that there is not enough income from wealth in the top brackets alone to provide the necessary revenue even if it were all taken in taxes."

Note that: Even if we confiscated the income of the rich we would not have enough. I go on with the quotation:

"It is obvious that the great middle class of American citizens is now bearing, and must continue to bear, the bulk of the tax burden."

This is the statement that I want you to keep in mind. It is a statement that I hope every Republican speaker during the forthcoming campaign will bring home to every voter. I would like to see this speech printed by our party as a campaign document, for it will do more than anything else to make the people at large realize that it is they who are now paying and who, in the language of Chairman DOUGHTON, "must continue to bear the bulk of the tax burden." The sooner the people realize this, the sooner we will have economy in government. It is high time that the people were made aware of the fact that the New Deal has been squandering their own hard-earned money and not alone the money of the wealthy.

STEADY INCREASE IN TAX BURDEN SINCE 1933

Let us examine for a moment the tremendous increase in taxation under the New Deal regime. In 1933 total tax collections were $1,604,000,000. In 1934 they rose to $2,641,000,000, including $353,000,000 of iniquitous processing taxes which, Secretary Wallace admitted, "fell most heavily on the poor." In 1935 they were $3,278,000,000, including $521,000,000 of processing taxes. In 1936 tax receipts increased to $3,513,000,000 and in 1937 to $4,597,000,000. President Roosevelt's Budget message of last January fixed the estimated tax receipts for the current year ending next June 30 at the unprecedented sum of $6,320,000,000, but the indications are that they will fall somewhat short of this amount by reason of the business depression.

We have had a tax measure every single year the New Deal has been in power, each one of which has resulted in an increase in the tax burden. In spite of this fact, the Budget still is far from balanced.

EXPENDITURES CONTINUE TO EXCEED RISING RECEIPTS

When the President took office, the expenditures of the Government were less than five billions annually. He promised to reduce these expenditures by 25 percent. Instead, he has increased them to around eight billions annually. That is the answer to why the tremendous increase in the tax burden still leaves us with an unbalanced Budget. If the Budget were to be balanced at the present rate of expenditures we would need nearly two billions of new revenue, every dollar of which would have to come from a lowering of the income-tax exemptions and the imposition of a sales tax. We have already exhausted other sources.

If, instead of promising that he would reduce expenditures by 25 percent, the President had merely held expenditures at the 1933 level, our tax structure would today be producing more than enough revenue to run the Government, and we would begin to make some progress toward reducing the national debt, instead of constantly adding to the total.

CANNOT SPEND OURSELVES BACK TO PROSPERITY

Perhaps the people would not mind so much paying the increased tax burden which they have had to bear if it had resulted in any benefit, but we have seen that the New Deal spending program has brought no tangible results. It has merely confirmed what every practical-minded person already knew, namely, that we could not spend ourselves back to prosperity.

This method of recovery, while it may at first have seemed to bring results, was purely artificial and was doomed to collapse from the beginning. It is very much like giving dope to a sick person. It is stimulating at the outset, but when the reaction sets in the patient is worse off than before. That is the situation in which we now find ourselves.

ROOSEVELT DEPRESSION LARGELY DUE TO NEW DEAL TAX POLICY

The New Deal tax program has not only increased the total tax burden on our people, but it has had undesirable economic consequences as well. The present depression is very largely the result of two New Deal tax measures, the undistributed-profits tax and the capital-gains tax. The former put a penalty on business earnings set aside for reserves or used for expansion and rehabilitation, and as a consequence undermined the stability of the business structure, caused fear, uncertainty, and loss of employment, and impeded recovery. The latter tax discouraged the investment of new funds in productive enterprise and put a blanket on virtually all capital transactions.

The undistributed-profits tax was enacted despite the warning of the Republican minority in Congress that it would have the precise adverse effects which actually have resulted from its operation. The present revenue revision is an attempt to rectify in some measure the serious blunder which the Democratic majority made 2 years ago in enacting this measure into law.

The administration must take the entire blame for the disaster which this unwise law has caused. It is, to use a common expression, "their baby." We of the Republican minority had nothing to do with its enactment. On the contrary, we did all in our power to defeat it, and to point out the dire consequences which would flow from its passage.

REPUBLICANS ATTEMPTED TO AMEND TAX BILL

When the pending revenue bill was before the House, we of the minority insisted that the iniquitous undistributed-profits tax should be repealed outright. In this stand, we had the united support of businessmen throughout the country, both small and large; of independent research organizations such as the Brookings Institution and the Twentieth Century Fund, and even of the American Federation of Labor. The administration majority in the House refused to repeal the tax outright, although they did drastically modify it. They retained just enough of the undistributed-profits-tax principle for "face saving" purposes.

The Democratic majority in the House failed to make any change in the capital gains provisions calculated to encourage capital transactions. We of the Republican minority insisted that the 12½-percent limit on capital gains, which was in effect from 1921 to 1934, be restored. It was our position that if this were done, it would be a boon to business expansion and reemployment, and at the same time result in increased revenue to the Government. In this stand, we also had the support of business and labor groups.

LABOR'S INTEREST IN TAXATION

It may seem strange to have labor fighting for a reduction of oppressive taxes on business, but the workingman evidently has come to realize that what hurts business is harmful to himself and everybody else. Perhaps our labor groups have been reading President Roosevelt's Pittsburgh speech of 1932, wherein he said:

"Taxes are paid in the sweat of every man who labors, because they are a burden on production and can be paid only by production. * * * Our workers may never see a tax bill, but they pay

in deductions from wages, in increased cost of what they buy, or (as now) in broad cessation of employment."

This is another quotation from Democratic sources that I would like to have the Republican National Committee publish as a campaign document.

PROPOSED TAX ON FAMILY CORPORATIONS

One provision of the new tax bill, as it was presented to the House, was too much even for many members of the President's own party to support. I refer to the proposed penalty tax on closely held or family corporations. This provision was unanimously opposed by the Republican Members of the House, and a sufficient number of Democrats joined with us to strike the provision from the bill by a large majority.

SENATE REWRITES BILL IN FORM ADVOCATED BY HOUSE REPUBLICANS

The revenue bill is now before the Senate, where it has undergone a very thorough revision at the hands of the Senate Finance Committee. The bill has been rewritten along the lines advocated by the Republican minority in the House. The undistributed-profits tax has been completely repealed and a flat tax has been imposed on capital gains in lieu of the present high surtax rates. The action of the Senate relieves the Republican minority in the House from any charge of carping criticism of the administration tax program.

When the administration's own partisans turn down the President's tax policies there must be something wrong with them. And, I might, add, this goes for other New Deal policies as well.

REPUBLICAN PARTY IN STRATEGIC POSITION ON TAX ISSUE

So, I repeat, that in the coming campaign, the Republican Party stands in a strategic position so far as the issue of taxation is concerned. In contrast with the tax increases and staggering deficits under the present administration, let me remind you of the years from 1921 to 1928, under Republican administrations, when we reduced the tax burden four successive times, and each time realized a surplus of revenue which was applied to a reduction of the public debt at the rate of a billion dollars a year.

II. THE TARIFF ISSUE

Let us now turn to the question of the administration's tariff policy. I shall begin with the enactment of the Tariff Act of 1930. Ever since this bill was passed, it has been the object of much unjust and unsupported criticism by the Democratic Party. Our Democratic friends were going to repeal it just as soon as they got into office. They have been in office now for 5 years, but it is still the law of the land, except as modified piecemeal under the trade-treaty program, to which I shall presently refer.

When the Democrats came into control of the House in 1931, they were asked why they did not repeal the law which they had so vehemently criticized. The answer was given by the late Henry T. Rainey, then majority leader of the House. He said:

"Lower this tariff drastically? You (Republicans) will not do it and we (Democrats) dare not do it with conditions as they are. We do not want this market flooded with the products of cheap labor in other countries."

Of course the purpose of the tariff is to prevent this very thing. No Democrat was ever more critical of Republican tariffs than the late Mr. Rainey, but when the time came that he had the power to change the Republican policy he did not dare do it. What has happened since that time?

In 1933 we heard rumors that the President was going to ask Congress for authority to enter into trade treaties and to reduce our tariffs thereunder in return for reciprocal concessions from foreign countries. For some reason or other, the proposal was not actually submitted to Congress until the next year. Then it was that the administration undertook to do piecemeal, through trade treaties, what it did not dare undertake directly through a general tariff reduction.

TRADE-TREATY LEGISLATION ENACTED OVER REPUBLICAN OPPOSITION

The Reciprocal Tariff Act of 1934, which was enacted over the vigorous protest of the Republican minority in both branches of Congress, constituted in effect a surrender to the Executive of the tariff- and treaty-making powers of the Congress in direct violation of the Constitution.

The act is without precedent in past reciprocity legislation, although it has been erroneously claimed by the administration that it is similar to the McKinley reciprocity legislation of the nineties. This is absolutely contrary to fact. Under McKinley reciprocity, Congress did not delegate its legislative powers over the tariff to the President. In the case of the authorization for executive agreements under the tariff acts of 1890 and 1897—which agreements were to be entered into by the President without further action by Congress—the Congress itself set forth in the statute both the items with respect to which reciprocal negotiations could be carried on and the precise tariff concessions or retaliations the President could make. The President himself had absolutely no discretion as to either. Moreover, in the case of the general authority given the President under the act of 1897 to enter into general trade treaties, it was provided that such treaties should not be effective until ratified by the Senate and approved by the House of Representatives.

TARIFF POWER OF CONGRESS UNCONSTITUTIONALLY DELEGATED TO PRESIDENT

In the case of the present trade treaties no congressional approval is permitted or required. The President is given a free hand both as to the articles to be affected and the amount of the reduction which shall be made in our tariff duties. No formula is set up in the act to guide and control the President in rate making, as is provided under the so-called flexible tariff provisions of the Tariff Acts of 1922 and 1930. The provision that the President shall not reduce any existing duty more than 50 percent is not a rate-making formula but simply a limitation on his legislative discretion.

OUR TRADE CONCESSIONS GIVEN FREE TO NONTREATY COUNTRIES

The present trade-treaty program is different in another respect. It provides for the extension of our treaty concessions to the products of all other countries except those which the President finds are actually discriminating against American commerce. Despite the fact that a large number of countries, according to the admission of high administration officials, are still discriminating against American products, only one country, Germany, is denied the benefit of our treaty concessions.

Because of the generalization of our concessions under the most-favored-nation clause, the present trade treaties are not truly reciprocal, since we give up much more than we receive. We get no concessions whatever from the countries which are given the benefit of our treaty concessions under the most-favored-nation clause. Hence it is no wonder that the trade-treaty program has resulted in a far greater increase in imports than in exports. I shall presently refer to the actual results of the operation of our trade treaties more in detail.

REPUBLICAN PARTY STANDS FOR M'KINLEY TYPE OF RECIPROCITY

There is another respect in which the present trade-treaty program differs from the Republican reciprocity policy under McKinley. In his inaugural address of March 4, 1897, President McKinley, in defining the purpose and object of reciprocity, said that the end in view was "always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves, and which do not involve any loss of labor to our own people, but tend to increase their employment."

That is the kind of reciprocity which I stand for, and it is the kind of reciprocity which our party stands for. McKinley reciprocity goes hand in hand with protection for American industries and American workingmen. New Deal reciprocity is an abandonment of protection and a step in the direction of free trade. It is not confined to the granting of concessions on the things we need and do not produce ourselves. On the contrary, most of the concessions that have been granted have been on competitive foreign products, the like of which we produce here in our own country. The importation of these competitive products at lowered rates of duty—in many cases at rates far below the difference in foreign and domestic production costs—involves a direct injury to our workers because it deprives them of the opportunity to produce the things that we consume in the home market. The present New Deal tariff program is calculated to seriously increase our unemployment problem.

TARIFF CONCESSIONS NOT CONFINED TO ALLEGED "EXCESSIVE" RATES

The Secretary of State, under whose direction the trade-treaty program is being carried on, has asserted that his only concern is with the reduction of alleged "excessively high" duties which constitute trade barriers. It will be recalled that the President said in a campaign speech at Baltimore that he knew of no excessively high duties on farm products, and did not intend that such duties should be reduced. Why was it then that under the Canadian and other trade treaties the administration proceeded to reduce our tariffs on a long list of agricultural products?

This was a clear-cut breach of faith of the part of the administration. Moreover, it is evidence that the trade-treaty program, contrary to what Secretary Hull has stated, is not concerned solely with the reduction of excessive tariffs. If it were the administration could not possibly have had any objection to limiting the President's power so as to preclude any reductions below the difference-in-cost-of-production differential, since no one could contend that a duty which merely equalized the competitive advantage of the foreign producer was excessive or constituted a trade barrier. However, the administration refused to be bound by such a limitation. I offered a motion to incorporate such a proviso to the Reciprocal Tariff Act when it was under consideration, but it was defeated by the administration majority.

LETTER OF SECRETARY HULL TO 15 NEW ENGLAND REPUBLICANS

Secretary Hull has since written a letter to 15 New England Congressmen, of whom I was one, replying to our request that any further treaty negotiations be deferred until foreign production costs could be ascertained. He asserted that to adopt the cost of production formula would wreck the whole treaty program. Of course it would do no such thing, but Secretary Hull just does not want any interference with his determined purpose to lower our tariff drastically all along the line in keeping with the free-trade theories to which he has so long adhered. The administration seems to be indifferent to the injury which this policy is working on American workers, on agriculture, and on industry.

ADVERSE EFFECTS OF TRADE TREATIES

Let us briefly review the general effects of the operation of the trade-treaty program to date. Has there been any net benefit to this country?

The Tariff Commission recently published a statement showing the increase in our trade with treaty countries from 1934 to 1936,

This table revealed that during this period, the increase in imports from these countries was more than double the increase in our exports to these countries, the actual figures being, respectively, $346,000,000 as against $161,000,000. During 1937, the ratio of increased imports to increased exports has been more nearly equalized, but the advantage still lies with the treaty countries.

In 1934, before the trade-treaty program had become operative, we had a favorable balance of trade, or excess of exports over imports, amounting to $478,000,000. In 1935, the first year under the treaty program, this favorable balance dropped to $235,000,000. In 1936, it almost disappeared, being a mere $33,000,000. This was due to the fact that under the treaty program our imports were increasing at a much faster rate than our exports.

During the first 7 months of 1937 our previous favorable balance of trade was turned into an unfavorable balance for the first time in 43 years. Through the month of July our imports exceeded our exports by $145,000,000. However, during the remainder of the year the foreign-trade situation completely changed. Our export trade picked up rapidly, and the year ended with a favorable trade balance of $262,000,000.

RECENT EXPORT INCREASE DUE TO SHIPMENT OF WAR MATERIALS

Was this trade spurt in the last 5 months of 1937 due to any beneficent influence of the Hull trade treaties? Not at all. The sharp increase in exports last year was not confined to treaty countries. Some of the largest gains in exports were to countries with which we have no trade treaties. For example, our exports to the United Kingdom increased by $94,000,000 over 1936. Exports to Japan increased by $84,000,000.

Now, here is the explanation for this sudden rise in exports, which has no connection with the trade treaty program: It so happens that a large part of this increase can be traced directly to the world armament program. Exports of war materials increased from $447,000,000 in 1936 to $776,000,000 in 1937, and this was the only thing that saved us from an adverse trade balance in 1937.

It is no answer to say that these war materials, which included aircraft, motor trucks, iron and steel scrap, pig iron, steel ingots, steel sheets, nonferrous metals, and petroleum, can also be used for peaceful pursuits. The fact is that they were not so used. Exports of aircraft last year were four times greater than in 1929, the peak year of our foreign trade. Exports of iron and steel scrap were 10 times as high as in 1929. Exports of pig iron were 20 times as great. Exports of steel ingots were nearly nine times as great, and so on. Anyone who would contend that the increase in these exports is not due to war and preparation for war in other countries is closing his eyes to an obvious fact. The State Department can claim no credit for the increase in these exports. They are not the result of the trade treaty program, and in any event we are told that this program is supposed to be in the interest of world peace.

Of course, the peace argument that is used in support of the present program is simply an effort to distract attention from its failure to achieve the purpose for which it was originally intended, namely, to expand our export markets.

FARMERS "SOLD DOWN RIVER" UNDER TRADE TREATIES

When the trade-treaty legislation was under consideration by Congress, the farmer was given to understand that he would be the chief beneficiary. The administration, through trade treaties, was going to regain for the farmer his lost world markets. What has happened? Last November, the Department of Agriculture published a report dealing with our foreign trade for the fiscal year ending June 30, 1937, which showed that for the first time in history imports of competitive farm products exceeded the total exports of farm products. The report further showed that while imports of competitive farm products had increased 35 percent over the previous fiscal year, total exports of farm products had declined by 4 percent. That is how the administration "helped" the farmer. On the one hand, he has seen his foreign markets decline still further, and on the other hand he has seen his domestic market given away to an ever-increasing extent to the foreign producer. Aside from its inconsistency with the domestic crop-curtailment policy of the administration, the trade-treaty program has truly resulted in "selling the American farmer down the river."

ADVERSE EFFECT OF TRADE TREATIES ON INDUSTRY

Industry, too, has been adversely affected by the trade treaties. Those which thus far have been entered into have resulted in taking away from domestic producers a large part of the home market for such products as cement, iron and steel manufactures, watches, textiles, paper products, and so on. The quantity index of imports of finished manufactures last year was only 2 points less than in 1929, the peak year of our foreign trade.

When the proposed British trade treaty is negotiated, the floodgates will be thrown wide open to foreign importations of competitive manufactured products, not alone from Great Britain, but from the whole world. It must not be forgotten that Japan and all other low-wage countries will receive the benefit of the concessions we make under our treaties.

The list of products under consideration for a reduction in duty under the proposed British treaty reads almost like a recitation of the entire Tariff Act. This treaty will in effect be tantamount to a horizontal reduction of our tariff on manufactured products from the world at large. On many of the products in the British trading list, our present tariff rates are pitifully inadequate. If they are to be reduced still further, it will mean ruin for many industries.

WHAT HURTS INDUSTRY HURTS LABOR

Since the trade-treaty program has been, and will continue to be, harmful to industry, it necessarily follows that it has been, and will continue to be, harmful to labor. Every single foreign product that is imported, the like of which we manufacture here in this country, deprives the American workingman of the chance to earn a livelihood by producing it. The closing of our factories by destructive foreign competition, brought about by the lowering of our tariff duties under trade treaties, means loss of employment to American labor. There has been no compensating increase in employment in industries engaged in the export trade. More men and women have already lost their jobs during the current Roosevelt depression than were ever employed in production for export.

With 13,000,000 unemployed tramping the streets looking for work, the administration is daily aggravating the unemployment problem by pursuing a foreign-trade policy that can only result in a greater loss of jobs for our own people. The trade-treaty program is simply helping to solve the unemployment problem of other lands.

Even in instances where tariff reductions do not actually cause American factories to close down and throw men and women out of work, they at least force American producers to lower their production costs in order to continue to compete for the home market, and this inevitably results in a lowering of our wage scale.

Thus it is that the security of our workers' jobs and the level of their wage scale is seriously jeopardized by the trade-treaty program.

REPUBLICANS HAVE ENDEAVORED TO PROTECT AMERICAN PRODUCERS

The attention of the farmer, the manufacturer, and the worker should be directed to the fact that the present trade-treaty program has been vigorously opposed at all times by the Republican Party. Attention should be called to the efforts of the members of the Republican minority in Congress to protect the interests of our own people by amendments to the trade-treaty legislation which would have precluded any reduction in our duties below the differential necessary to offset the foreign cost-of-production advantage and which would have required all trade treaties to be approved by the elected representatives of the people in Congress before becoming operative.

III. CONCLUSION

I conclude my remarks with these words: In the coming congressional elections this fall the administration will be strictly on the defensive regarding its tax and tariff policies. Under its tax policy the American citizen has been burdened with a crushing load of taxation, both seen and unseen, business and industry have been strangled, and workers have been thrown out of employment. Under its tariff policy our rich home market has been and is being surrendered to foreign producers, our industries are being destroyed, our workers thrown out of employment, and our standard of living reduced.

As Republicans we invite comparison between conditions as they existed under our tax and tariff policies and conditions as they are now. Heretofore the stock question asked of voters by all New Deal campaign orators has been "Do you want to go back to 1932?" Of course, they will not ask this question any more, because with the present Roosevelt depression we are already there.

I call attention to the fact that the goal which the present administration has constantly been seeking to achieve is to restore conditions as they were in 1926—when, as I recall, a Republican administration was in power. Those happy days of 1926, with great industrial and agricultural prosperity, high wages, low taxes, a greatly reduced national debt, and a profitable foreign trade, will only return when we have another Republican administration.

The General Welfare Bill

EXTENSION OF REMARKS

OF

HON. JOE HENDRICKS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 12, 1938

Mr. HENDRICKS. Mr. Speaker, in inserting these remarks in the RECORD today, I am doing so with the hope that certain statements and impressions resulting from my remarks on the floor of the House on March 29 may be cleared up.

In replying to the question as to why we were not given a hearing on H. R. 4199, Hon. ROBERT L. DOUGHTON, chairman of the Ways and Means Committee, said:

Another thing, the proponents of this legislation are divided. Some prefer one bill and some another. They do not agree among themselves.

I wish to correct this impression and say to Mr. DOUGHTON that the proponents to which he refers are not divided in

their support of H. R. 4199. True, one group proposes amendments to the bill, another opposes, but both groups are combined in their efforts to get a hearing on the bill, and we have by no means lessened our activity in this regard and do not propose to until we get action.

FASCIST THREAT

I have received many comments on my speech on the bill H. R. 4199, of March 29. The only adverse comment has come from members of the general welfare clubs, picking an argument with me because I said, "I have been a member of Townsend clubs for years and I never took an oath to any man. I do not believe that is one of the requirements." I believe these members are arguing about this for lack of excuse for a sensible argument. I say to them that my statement was in reply to one made by Mr. Gomar Smith indicating that the Townsend organization was a major fascist threat. I still say that I never took a pledge which would bind my allegiance to a man above my flag and my country and if members are asked to sign a pledge of allegiance to Dr. Townsend and the plan, no one with a thimble full of common sense would assume that this member placed his or her allegiance above that of flag and country and thereby turned Fascist. If these critics would spend more time promoting the cause, more would be accomplished.

I sincerely hope that friends of the general welfare bill will not write mean threatening letters to Members of Congress who are not friendly. I have had more difficulty in getting action on this bill because of such letters than from any other source. Let us use persuasion and if this does not work, then exercise your franchise at the polls. Do not use threats.

I deplore the circumstances leading up to the conviction of Dr. Townsend for contempt of the House of Representatives and predict that if he serves his sentence in jail, it will act as a boomerang on those that engineered the affair and instead of killing the plan it will rally additional thousands to the cause.

I again request that we who are interested in getting action on H. R. 4199 must cooperate 100 percent.

An Outline and Review by the Wisconsin State Federation of the Effects on the Building and Construction Trades Caused by W. P. A. Under Its Present Policy

EXTENSION OF REMARKS

OF

HON. GEORGE J. SCHNEIDER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 12, 1938

STATEMENT OF THE WISCONSIN STATE FEDERATION

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement:

The United States Government, along with State, county, and municipal governments, has for the past several years been trying to relieve the unemployment condition of this country, and in order to accomplish this aim has tried several different kinds of made-work programs; always trying, however, to confine these programs to work which was useful and of future value to the citizenship of this country. After several experimental programs which were of short duration, work programs finally were set up under the heading of P. W. A. and W. P. A., and were United States Government programs in which State, county, and city governments acted as sponsors of projects and received financial aid from the United States Government.

These programs differed in nature chiefly to the extent that under P. W. A. specific construction projects were submitted by the sponsors for P. W. A. approval, and if approved Federal funds financed a specified percentage of the project cost. This project was then completed by the normal method of the construction industry in accordance with the rules and regulations of P. W. A., and provided work opportunities for building-trades workers who were qualified mechanics, and while preference was given to relief recipients, it was not the chief requirement. This program did much to stimulate purchasing power and restore business activities, especially among small merchants and businessmen; also it made possible the payment of delinquent taxes by small-property owners, and in a general manner did a great deal toward restoring confidence among workers and contractors in the construction industry.

The construction industry apparently offered the most suitable opportunities and possibilities for any made-work programs, and therefore was made the chief center around which W. P. A. programs were also established. However, this program had an entirely different effect, and inasmuch as P. W. A. has been discontinued and W. P. A. is being increased, it warrants an analysis from the standpoint of what it has accomplished and what its effects might be on this industry, and whether or not it is desirable as a work program.

It is our opinion that while W. P. A. offers a more desirable method of supplying aid for persons in need of relief than direct relief, and also that much useful work can be done by this kind of a program, it does not and cannot solve the unemployment problem, and if it is continued on its present basis, it will create a far more serious condition than we now have.

We believe the discontinuance of P. W. A. was a grave mistake, as this program offered an opportunity for work which was necessary to be done under the normal conditions of the construction industry and allowed persons who were not as yet relief recipients an opportunity to earn a livelihood and meet their obligations among which oftentimes was the payment of taxes to the city, county, and State in which they were citizens. This is an all-important point, as it is absolutely necessary that any government be able to collect taxes or they will not be able to supply relief of any kind to citizens who have become dependent upon the Government for relief.

It is quite evident that a work program which makes it necessary that all resources accumulated in a lifetime of work in the form of a small homestead or life insurance be liquidated before the Government will provide a work opportunity is doomed to failure, as it is basically unsound and it is creating a nation of paupers by placing a premium on pauperism and discouraging people who have been substantial cittizens and taxpayers in their respective communities.

Insofar as correcting any of the existing economic conditions is concerned, W. P. A. has very little value, as it provides the workers with only a sufficient amount of money with which to keep body and soul together, and does not allow them to pay any debts or to accumulate any reserve or to purchase any commodities other than absolute necessities of life, such as food, shelter, fuel, and clothes.

We believe P. W. A. should be reestablished to meet the needs of those people who are not relief recipients and are in need of employment opportunities, and we believe the abuses of the purpose of W. P. A. should be corrected immediately, and for this reason we cite the following outline of our views covering W. P. A. and its purpose and our findings on its present effects.

The Works Progress Administration is an agency set up by the Government for the purpose of providing work opportunity for persons unemployed and in need of relief.

It was set up as an emergency measure with certain definite purposes to accomplish, and was not intended to interfere with the work opportunities of persons who were steadily employed by Government bodies, or to lessen work opportunities of persons who were not relief recipients.

These conclusions are reached by reading the administrative orders under which the program is being carried out, also the explanation of the President of the United States of his aims in proposing this work-relief program, and it is apparent that there was no intent on the part of the Government to have W. P. A. create a condition which would prove detrimental to any of the workers of the Nation.

We find, however, in some areas these aims and purposes are not being carried out fully, and that conditions now exist which are detrimental to the best interests of the workers engaged in the industries affected by W. P. A., and we therefore must protest against the continuance of these violations which we believe are not in accord with the intent and purposes of the Government.

We find that in some cases work which was normally done by regular employees of various departments of the city and county is now not being provided for in the yearly budget of these departments, with the result that there are no funds available for the purpose of paying these former employees, and as a result they are now either totally unemployed or on a part-time basis.

We find in many of these cases that the sponsors of W. P. A. projects either have included this work in a project submitted by them or have arranged projects in such a manner that the overlapping of the projects makes it possible to have a substantial amount of this work done by W. P. A. employees. We also find that in proposing projects, little or no attention is given to the actual unemployment situation or the types of workers who are actually on relief, and this brings about a situation which is one of the chief reasons for complaint. For example, a project is submitted by a sponsor which includes work which comes within the scope of several trades which have a very low percentage of unemployed, and very few persons qualified under the relief provisions.

Let us assume that the project has been approved and it is ready to proceed and we find a sufficient number of common laborers available and we also find some skilled mechanics available, not a sufficient number, however, to complete the project at a time desirable to the sponsor. In cases of this kind, we find a strong tendency to use persons who are not skilled and have never fully learned a trade, on work which should be done by skilled mechanics; this is a condition which is brought about by sponsors whose chief aim is to have work done by the use of Government funds rather than to use W. P. A. in a manner it was intended to be used.

We have received numerous complaints of various types of abuses and violations of the intent of this act, and have several suggestions to offer which we believe would bring about a correction of this condition.

1. A thorough investigation should be made at once of the curtailment of work opportunity of regular employees of sponsors of W. P. A. projects caused by the use of W. P. A. workers on work formerly done by these employees.

2. Also a survey should be made of present projects and workers engaged on these projects for the purpose of determining to what extent the provisions of the administrative order dealing with "properly qualified persons" is being violated.

3. Also all persons who are not skilled in the work to which they have been assigned should be immediately reclassified and reassigned to work for which they are qualified.

4. An agency should be established which can properly determine the proper trade classification based on practical examination by persons qualified to make such examination, and registrations for work should be based on the results of such an examination.

5. Sponsors of projects should be provided with the information contained in the work registration department covering skilled and unskilled workers for the purpose of guiding them in the selection of projects which will be based on actual unemployment conditions, and available types of workers; in this manner truly accomplish the purpose for which the act was intended.

It is our opinion that no project should be approved as a W. P. A. project unless the registration of unemployed persons on relief under trade classifications required by such project support the claim of the sponsor that there exists a need for such a project.

Also, if it is found after approval of any project, unemployment conditions have changed to such an extent that the project no longer could accomplish its purpose of providing work opportunities to qualified workers who are on relief, it is our opinion that this project should then be held in abeyance until such time as the need for it again exists.

In summarizing our views on this situation, it is our purpose to have W. P. A. serve in the manner we believe the Government intended it should, and that it should not interfere with the normal function of any department or industry, and should not interfere with the opportunities of workers who are not on relief to earn a livelihood for themselves and their families.

Neither should it create any condition which is detrimental to the future of skilled mechanics or any workers in any industry.

This is said with reference to the use of persons not properly qualified in capacities of mechanics and allowing W. P. A. to be used as a training ground for these persons. We believe that the best interests of all concerned could be best served if projects were submitted and approved on the basis of the types of workers available, rather than on a basis of the work which the sponsors of projects would like to have done and desire Government financing.

It is our opinion that the present method of determining approval of projects is inadequate, and creates a strong temptation to overlook the main purposes for the existence of W. P. A. on the part of the sponsors of projects.

We also believe that much good could be accomplished by the establishment of advisory committees composed of persons who are familiar with the conditions of the community and the industries affected by W. P. A. and recommend such committees be established.

It is our opinion that unless more adequate facilities are established, which provide a more efficient method of determining the actual situation and establishing a means of control, the entire purpose of the Government will be defeated and an immeasurable amount of permanent harm will be done.

We also believe that the building and construction industry has a right to expect protection from the United States Government insofar as its future is concerned by refraining from using it as the means of supplying work opportunities in this emergency to workers from all types and branches of industry, and at the expense of destroying potential work opportunities for building-trades mechanics for many years in the future.

We therefore respectfully petition the United States Government to reestablish P. W. A. and to regulate W. P. A. to confine it to its original purpose.

J. F. FRIEDRICK,
Wisconsin State Federation of Labor.
PETER T. SCHOEMANN,
President, Milwaukee Building and Construction Trades Council.
ARTHUR OLSEN,
Milwaukee Federated Trades Council.

The Reorganization Bill

EXTENSION OF REMARKS
OF
HON. JOSEPH E. CASEY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 12, 1938

RADIO ADDRESS OF HON. JOHN W. McCORMACK, OF MASSACHUSETTS

Mr. CASEY of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address made recently by my colleague from Massachusetts, Mr. McCORMACK:

Ladies and gentlemen of the radio audience, now that the fight on the reorganization bill is over, with the situation that followed the injection of false issues and misinformation, this bill, its merits, and what it sought to accomplish can be looked at from a rational, honest-minded and common-sense angle.

The purpose of the bill, and its only purpose, was to simplify and improve the public service; to bring about economy and efficiency in government. For over 30 years every President has attempted to bring this about.

The reorganization of the executive branch of the Federal Government is in the interest of all of our people. Certainly, it is in the interest of business and of the taxpayer. And yet, in this fight, we find some powerful business groups opposing a bill that heretofore they have favored, simply because they are opposed to President Roosevelt. I submit that such persons and groups are not honest in their position. I want you to particularly note that I said "some powerful business groups." That does not mean all businessmen, or business groups, but some—powerful financially—who seek to destroy the standing the President of the United States. Their opposition to this bill—and let us be honest with ourselves, now that the fight is over—is because they are opposed to Franklin D. Roosevelt.

Do not deceive yourselves on what is going on in Washington. This is the battleground for all of the forces in the country who are determined to destroy, if they can, President Roosevelt, and some of these forces, small in number, but powerful financially, will stop at nothing. Now that the reorganization bill is out of the way, they are starting their drive again, trying to put fear into the minds of the American people to prevent the passage of further legislation to relieve the suffering of our fellow beings and Americans, the unfortunate victims of the depression. This morning's Boston Globe carried the headline "Roosevelt foes map new drive."

The same forces tried to own or control the late Theodore Roosevelt. They could not do so, and he incurred their enmity. Alive, he was vilified; dead, he is a political saint. It is the same old story over again; trying to use the people to destroy a man who is fighting their battle; one who has the courage to resist the attempts of these powerful financial groups to continue their invisible control of our Government. These enemies have been made by President Roosevelt because he dared to fight your battle. The power that these groups possess is the money that they possess. Money can produce many strange results. Its improper use is one of the curses of mankind. In this case it is being spent to create uncertainty and fear, yes, if possible, hatred, in the minds of the very people for whom the President is fighting It has happened before in our political history. It is happening now. Whether or not it will succeed will depend upon the people of our country awakening to a realization of just what is happening.

In this fight, those powerful financial groups who do not constructively oppose, but who seek to destroy, know no limits or decency in their vicious attacks. All that persons in public life, fighting for the interests of their people, can rely upon is the ability of the people to detect the real motives and purposes of those who seek to destroy. The reaction to this attempt is already becoming evident. The people are commencing to understand. No such group can fool the people all of the time.

As far as our Republican friends in the Congress are concerned, I can briefly sum up their position. They are simply playing politics. They know that they are playing politics, and in private conversations they admit it. It is amusing to witness their opposition when in their last platform they favored a reorganization of the executive branch of the Government. They know we have around 133 departments and independent bureaus in Washington, running the country. They know that bureaucracy exists. They know that if bureaucracy is permitted to exist it will ultimately destroy any government. They know that a reorganization is necessary. They know that about 6 years ago they gave to former President Hoover greater powers of reorganization than the recent bill would have given to President Roosevelt. "Inconsistency" in

the minds of the Republican Members of the House, "thou art a virtue."

In conclusion, my friends, remember this: underlying this fight and others that will come is the desire and attempt of the reactionary forces of this country to again obtain their invisible control of our Government. They are trying to do it through instilling fear wherever they can, based upon misinformation, propaganda, anything—through the expenditure of large sums of money—to influence your vote along the lines they seek. What they seek is the nomination in 1940, in both the Democratic and Republican conventions, of a reactionary candidate in both parties, some one of whom will be elected, and through his submission to their wishes they will regain their invisible control of our Government. The Republicans and these groups are allies.

Now that we can view the recent fight from the angle of hindthought, we realize that the Republicans, for political purposes, and certain business groups, for other purposes, banded together, conveyed to the country misinformation as to the meaning and purpose of this legislation. All that the people need to have conveyed to them is the truth. The lessons that we can learn from this fight can be useful if we do not believe all kinds of propaganda that we will be subjected to in the future. If we investigate, use our own God-given judgment and do not let others do our thinking for us.

The Reorganization Bill

EXTENSION OF REMARKS

OF

HON. JOSEPH E. CASEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 12, 1938

RADIO ADDRESS OF HON. ARTHUR D. HEALEY, OF MASSACHUSETTS

Mr. CASEY of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address of Hon. ARTHUR D. HEALEY, of Massachusetts:

Good evening, ladies and gentlemen, I welcome this opportunity to address the citizens of Massachusetts and particularly my constituents of the Eighth Congressional District on this highly publicized question of reorganization and I thank the sponsors of this program for granting me and my colleagues this privilege.

Let me clear this point up at the very outset: That, despite misrepresentations widely circulated, the bill upon which we finally voted did not contain any language which even by the most imaginative interpretation could raise any question of Federal interference with education. The bill originally submitted merely sought to transfer the Office of Education from the Interior Department to a proposed department of welfare. The now existting Office of Education is a fact-finding agency which compiles statistical information of value to educational authorities and disseminates the same. This bill did not propose to add a single shred to the functions this agency already possesses. However, the provision in the bill alluding to education aroused some fears and the House wisely struck it out by amendment. So no one can ever again truthfully charge that this bill in any way, by any construction, interfered with or abridged the constitutional right of our people to educate their children as they see fit.

We contend that no question of any surrender of powers by Congress was involved in the bill upon which we, as Members of the House of Representatives, finally voted. The bill had been termed "a dictator bill" by the high-power propagandists. And these charges were repeated by many of the same Republican Members of Congress who in 1932 voted for even greater powers to President Hoover. The bill that we voted on contained this safeguarding provision—that any Executive order of the President must be first submitted to Congress and remain before it for 60 days while the Congress is in session before becoming effective. And further, I quote from section 407 of the amended bill, "*Provided further*, That if Congress, prior to the expiration of such 60-day period shall, by concurrent resolution, find that such Executive order, or any part thereof, is not in the public interest, such Executive order shall, to the extent of such finding, not become effective." In simple language this means that by a bare majority vote of both Houses of Congress any change in the existing statu quo of any Government agency made by the President under powers contained in the bill could have been absolutely prevented. In short, under the terms of the bill, the President was merely made the agent of Congress to organize, consolidate, and coordinate the far-flung sprawled-out Government agencies in order that the people might be better served by their Government. And Congress retained in itself the final and conclusive control over any changes.

The bill contained no question of economic or political philosophy. It presented to the House of Representatives these issues: Whether or not we should have a well-organized, coordinated, efficient Government, and whether we should establish a sound and up-to-date system of accounting for the disbursement of the people's money. Whether or not the people who have been complaining for over 40 years about the complexities and red tape of bureaucracy should finally be given the efficiency in government to which they are entitled and which, over a span of decades, four former Presidents have asked power to bring about.

When the smoke screen of propaganda has been dispelled by the light of truth, I am sure that the people will realize, in their calm, cool, and deliberate judgment, that the opposition to this measure was motivated not because of justifiable objections to its merits but in pursuance of a premeditated and well-conceived plan to destroy the confidence of the American people in their Chief Executive and to frustrate the further enactment of liberal and progressive legislation.

Three Supreme Court Decisions: One Acknowledges Right of Congress to Regulate Business; Two Reaffirm Freedom of Speech, Press, and Religion—Holding Company, New Negro Alliance, and Jehovah's Witnesses Cases

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 12, 1938

HISTORY SHATTERING IMPORTANCE OF RECENT SUPREME COURT DECISIONS

Mr. MAVERICK. Mr. Speaker, Supreme Court decisions for the past year have been of history-shattering importance. The whole tenor of Supreme Court decisions has changed from a reactionary viewpoint of protecting the concentration of big property interests toward the viewpoint of protecting the real civil, human, and property rights of the ordinary American.

It is customary to say that "the President lost his Supreme Court fight"—but that is not true. The fight that he initiated for more liberal decisions, for decisions more suited to the times and, to some extent, to public opinion, has to a large degree been won.

DECISIONS INVOLVE LIBERTY AND ECONOMIC RIGHTS

Call it influence of public opinion or "pressure," call it what you will—but the viewpoint of the Supreme Court has changed, and it has changed for the better. That is the reason I appreciate the initiation of the fight by President Roosevelt, and it now turns out that the number of the judges is not important.

Three extremely important decisions were rendered on March 28, 1938. One was on the Holding Company case (Electric Bond & Share Co.) and the other two on civil and religious rights, being the New Negro Alliance and Jehovah's Witnesses cases.

HOLDING COMPANY CASE—ECONOMIC DUTIES OF CONGRESS

I will take the Electric Bond & Share Co. case first. To discuss the technicalities would not be interesting. The Court did not pass on the constitutionality of the entire Utility Holding Company Act, but it did pass on the right of Congress to require holding companies to register, and also to forbid the use of the mails to holding companies who did not comply.

The Court said:

> When Congress lays down a valid rule to govern those engaged in transactions in interstate commerce, Congress may deny to those who violate the rule the right to engage in such transactions.

Further, the Court said that when Congress lays down a valid regulation pertinent to the use of the mails, it may withdraw the privilege of that use from those who disobey.

The important point in this case is that the Congress has had reaffirmed its right of effective regulation of industry and commerce, and of its duty to govern to the people. Following this line of reasoning, and believing as I do that every man is entitled to a job, the powers of Congress are very wide in its economic duty to the people.

Numerous other cases could be mentioned, all rendered since the fight on the Supreme Court; among them the Frazier-Lemke Act, held constitutional, which they had previously held unconstitutional; the minimum-wage case, also previously held unconstitutional; also the T. V. A., Wagner Labor Relations Act, and many others.

But let me proceed with the other two decisions handed down the same day as the Holding Company case. They concerned the liberty of press, speech, religion, the right to walk about the streets with signs and placards, or in the act of distributing printed matter; to advertise, to agitate—as a whole, these two cases concern the whole field of human rights. Inasmuch as important authorities are cited, I will include them for those who care to make the study.

JEHOVAH'S WITNESSES CASE—FREEDOM OF PRESS, RELIGION

The first case was the Jehovah's Witnesses case, known as Alma Lovell, appellant, against the City of Griffin, Ga. The city authorities arrested and convicted the defendant for distributing circulars about her religion or sect; she was sentenced to imprisonment for 50 days in default of payment of a fine of $50.

Since similar ordinances exist all over the country in hundreds of cities—all of them in direct violation of the Constitution of the United States—I insert from the court's decision, the whole ordinance of Griffin, Ga.:

SEC. 1. That the practice of distributing, either by hand or otherwise, circulars, handbooks, advertising, or literature of any kind, whether said articles are being delivered free, or whether same are being sold, within the limits of the city of Griffin, without first obtaining written permission from the city manager of the city of Griffin, such practice shall be deemed a nuisance, and punishable as an offense against the city of Griffin.

SEC. 2. The chief of police of the city of Griffin and the police force of the city of Griffin are hereby required and directed to suppress the same and to abate any nuisance as is described in the first section of this ordinance.

The Georgia courts held the ordinance and the conviction entirely constitutional.

FREEDOM OF SPEECH CANNOT BE VIOLATED BY STATE OR SUBDIVISION

When the case reached the Supreme Court, the Supreme Court held the ordinance absolutely unconstitutional, with a strong opinion by Mr. Chief Justice Hughes, and, among other things, said as follows:

Freedom of speech and freedom of the press, which are protected by the first amendment from infringement by Congress, are among the fundamental personal rights and liberties which are protected by the fourteenth amendment from invasion by State action. (*Gitlow* v. *New York*, 268 U. S. 652, 666; *Stromberg* v. *California*, 283 U. S. 359, 368; *Near* v. *Minnesota*, 283 U. S. 697, 707; *Grosjean* v. *American Press Co.*, 297 U. S. 233, 244; *De Jonge* v. *Oregon*, 299 U. S. 353, 364. See, also, *Palko* v. *Connecticut*, decided December 6, 1937.)

It is also well settled that municipal ordinances adopted under State authority constitute State action and are within the prohibition of the amendment. (*Raymond* v. *Chicago Union Traction Co.*, 207 U. S. 20; *Home Telephone & Telegraph Co.* v. *Los Angeles*, 227 U. S. 278; *Cuyahoga Power Co.* v. *Akron*, 240 U. S. 462.)

Then the Court commented upon the extreme broadness of any ordinance which prohibited the distribution of "circulars, handbooks, advertising, or literature of any kind," and that "literature" was a very wide and embracing term.

"STRIKES AT THE VERY FOUNDATION . . . LICENSE AND CENSORSHIP"

Then the Court said: "We think that the ordinance is invalid on its face."

And proceeded:

Whatever the motive which induced its adoption, its character is such that it strikes at the very foundation of the freedom of the press by subjecting it to license and censorship.

Then, concerning the history of the press, the Court said, in the following interesting manner:

The struggle for the freedom of the press was primarily directed against the power of the licensor. It was against that power that John Milton directed his assault by his "Appeal for the Liberty of Unlicensed Printing." And the liberty of the press became initially a right to publish "without a license what formerly could be published only with one." (See Widswar, "The Struggle for the Freedom of the Press.")

While this freedom from previous restraint upon publication cannot be regarded as exhausting the guaranty of liberty, the prevention of that restraint was a leading purpose in the adoption of the constitutional provision. (See *Patterson* v. *Colorado*, 205 U. S. 454, 462; *Near* v. *Minnesota*, 283 U. S. 697, 713–716; *Grosjean* v. *American Press Co.*, 297 U. S. 233, 245, 246.) Legislation of the type of the ordinance in question would restore the system of license and censorship in its baldest form.

LIBERTY OF PRESS NOT CONFINED TO NEWSPAPERS

This is followed by probably the most important part of the decision where it is said "that the liberty of the press was not confined to newspapers and periodicals." This is important, because many very poor people cannot afford to own even a small press, costing only a few hundred dollars. Others can only purchase printing in small sums, such as handbills, pamphlets, leaflets, and circulars.

THOMAS PAINE AND THE AMERICAN REVOLUTION

There are other implications in the words of the Court which follows, on which I will comment:

The liberty of the press is not confined to newspapers and periodicals. It necessarily embraces pamphlets and leaflets. These indeed have been historic weapons in the defense of liberty, as the pamphlets of Thomas Paine and others in our own history abundantly attest.

The press in its historic connotation comprehends every sort of publication which affords a vehicle of information and opinion. What we have had recent occasion to say with respect to the vital importance of protecting this essential liberty from every sort of infringement need not be repeated. (*Near* v. *Minnesota*, *supra*; *Grosjean* v. *American Press Co.*, *supra*; *De Jonge* v. *Oregan*, *supra*. See also, *Starr* v. *Brush*, 185 App. Div. (N. Y.) 261; *Dearborn Publishing Co.* v. *Fitzgerald*, 271 Fed. 479; *Ex parte Campbell*, 221 Pac. 952; *Coughlin* v. *Sullivan*, 100 N. J. L. 12. Compare *People* v. *Armstrong*, 73 Mich. 288; *City of Chicago* v. *Schultz*, 341 Ill. 208; *People* v. *Armentrout*, 118 Calif. App. 761.)

It will be noted that "Thomas Paine and others in our own history" were mentioned and that Thomas Paine was a revolutionary writer before the American Revolution. He is one of those who helped bring on our revolution against England.

Here the Court back-tracks the Constitution, in the actual belief and idea of our forefathers. Our forefathers had just cause of revolution against England. They tried to obtain justice by propaganda, appeals, and petitions. Not obtaining justice, they were forced to overt acts.

This means plainly that any kind of expression, written or verbal, can be made by any human being in the United States. Force, violence, or overt act was not considered—since all overt acts are covered and punishable under our statutes—but the right of the most unlimited expression was covered in the references to "Thomas Paine and others in our own history."

The decision concludes as follows:

The ordinance cannot be saved because it relates to distribution and not to publication. "Liberty of circulating is as essential to that freedom as liberty of publishing; indeed, without the circulation, the publication would be of little value." (*Ex parte Jackson*, 96 U. S. 727, 733.) The license tax in Grosjean against American Press Company, supra, was held invalid because of its direct tendency to restrict circulation.

As the ordinance is void on its face, it was not necessary for appellant to seek a permit under it. She was entitled to contest its validity in answer to the charge against her. (*Smith* v. *Cahoon*, 283 U. S. 553, 562.)

FORBID ONE "ISM" AND YOU CAN FORBID ALL "ISMS"

Alma Lovell was a member of a small religious organization or sect, the Jehovah's Witnesses, which from the viewpoint of wealth and power has no influence whatever in this country. That is worth remembering, because if persecution of one religious organization is permitted it will apply to any other religious organization or church.

Considering human nature what it is—and thinking about some happenings in the past few years—if religious liberties are not vigorously protected by the State, democratic government might well be destroyed, finding in its place either anarchy or absolutism. If one "ism" in the sense of views and civil rights, can be persecuted, then any other "ism" may share the same fate. Therefore, even from a selfish viewpoint, the rights of the weak and the persecuted, the religious and racial minorities, should be scrupulously protected.

NEGROES CAN PICKET—WHY NOT MEXICAN-AMERICAN OR ANY OTHER MINORITY?

The other case, which might be considered in connection with the foregoing, is the New Negro Alliance against Sanitary Grocery Co., Inc. This opinion was delivered by Mr.

Justice Roberts, known far and wide as the man who held the Agricultural Adjustment Act unconstitutional, and ordinarily is one of the most conservative men of the Court.

This concerned a case where Negroes were enjoined from picketing in Washington, D. C. It must be borne in mind that they had never had jobs with the store they were picketing, but were attempting to obtain such work. It was not what is usually known as a strike.

The Negroes walked the sidewalks and the streets around the stores of the grocery company with signs like this:

"Do Your Part! Buy Where You Can Work! No Negroes Employed Here!"

These people were attempting to force a policy on the stores to employ Negro clerks. It is true that the act concerns the Norris-LaGuardia Act, but from any viewpoint it is important because the case involved a racial minority, and that issue was brought in by the grocery company.

RACE, RELIGIOUS BELIEFS, NECESSITY TO BE FAIR

In my own district, as in other districts, racial minorities have been persecuted. American citizens, of Mexican extraction, have been banged over the head and put in jail for having placards, and picketing.

This particular case of the New Negro Alliance shows the right of Negroes to picket, specifically when they had no jobs at all and there was no strike. This is of great importance because some judges, in order to evade the constitutional rights of citizens, have conveniently held "no strike exists," and therefore the workers could not picket, i. e., walk down the streets, or have the right of freedom of press and speech.

The Court said:

The desire for fair and equitable conditions of employment on the part of persons of any race, color, or persuasion, and the removal of discriminations against them by reason of their race or religious beliefs is quite as important to those concerned as fairness and equity in terms and conditions of employment can be to trade or craft unions or any form of labor organization or association.

And further:

Race discrimination by an employer may reasonably be deemed more unfair and less excusable than discrimination against workers on the ground of union affiliation.

GOOD DECISIONS BY SUPREME COURT DO NOT SOLVE SELF-GOVERNMENT; DUTY OF CONGRESS

To sum up, it will be noted that the Court affirmed the right of Congress in matters of economic and business regulation, and upheld religious and civil, that is the whole vast wide range of human, rights. Especially important is the fact that the Georgia case was an unconstitutional act by a State, through the instrumentality of a city, and the other by a lower judge.

All this is important to know because Congress in no way violated any constitutional rights, and in the strict terms of the Constitution and Bill of Rights from the liberty viewpoint, Congress has practically never done so.

Important as these cases are, it does not solve self-government. As for the Supreme Court, it merely means that the Justices did their duty, and are taking their feet off the necks of the American people.

But they cannot legislate. The duty to legislate is with Congress, and that is the duty Congress should follow.

The Tennessee Valley Authority

EXTENSION OF REMARKS

OF

HON. HERMAN P. EBERHARTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 12, 1938

RADIO ADDRESS OF HON. HERMAN P. EBERHARTER, OF PENNSYLVANIA, APRIL 10, 1938

Mr. EBERHARTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address made by me on April 10:

Today I shall attempt to present a calm, dispassionate discussion of the Tennessee Valley Authority.

As you know, that extraordinary governmental establishment is shortly to be investigated by a joint committee of the United States Senate and the House of Representatives. The investigation was voted by both Houses of Congress to get at the facts of the Authority's operation throughout the last 5 years. It followed President Roosevelt's dismissal of Chairman Arthur E. Morgan after he stubbornly refused to present facts, if any, upon which he based his grave charges of dishonesty and want of integrity against his two fellow directors of the Authority, Harcourt A. Morgan and David E. Lilienthal.

Chairman Arthur Morgan monotonously repeated to the President the assertion that he would answer questions only to a committee of Congress.

Under the circumstances of Chairman Morgan's unprecedented attitude before the head of the Nation, there was nothing left for the President to do but to dismiss him. Similarly, there was nothing for Congress to do but to vote the investigation, which it promptly did. This action was called for, in justice not only to Chairman Morgan but to Mr. Harcourt Morgan and Mr. Lilienthal.

Vice President Garner and Speaker of the House BANKHEAD have appointed the members of the joint committee, and it is widely expected that they will do a thorough job. The personnel of the committee represents both major political parties, and an unbiased airing of the Authority's difficulties and problems should ensue.

Any discussion of the Tennessee Valley Authority must include a review of its objectives. It is a national project of conservation. Its far-reaching program was defined by Congress in the act creating it, as follows:

1. To develop a navigable channel from the mouth of the Tennessee River at Paducah, Ky., to Knoxville, Tenn., a distance of about 650 miles, to permit the use of boats with a 9-foot draft all year round.

2. To construct a series of dams for flood prevention, not only in the Tennessee Valley but which would have a beneficial effect in the lower Ohio Valley and the Mississippi as well.

3. To develop new, better, and cheaper forms of plant food or fertilizer at the wartime Muscle Shoals plants.

4. To carry on research demonstrations that may be properly and beneficially applied to other sections of the country.

5. To maintain certain Government properties in the Tennessee Valley in condition for emergency use in case of war.

6. To sell the surplus power generated at its dams, and in so doing to see that the benefit of low rates goes to the consumer.

It is obvious that the first provision, navigation, will open new markets to the agricultural and industrial interests of a great part of the Nation. Not only the Tennessee Valley, rich in raw materials, but other areas will be greatly benefited, and there is agreement as to the wisdom of creating this navigable channel.

There is also agreement that point 2 is a worthy national objective. No one begrudges the protection given by the dams to those of our fellow citizens who have lived for so many years in the harrowing fear of repeated floods causing human suffering, destruction of property, and a terrific expense to the entire country.

The third point mentioned, the fertilizer program, has already made a mighty contribution to the welfare of the entire Nation. There has been developed a concentrated phosphate fertilizer that contains from 60 to 70 percent of plant food. This is of vital importance to our farmers; and is important to us who live in the cities, whether we fully appreciate it or not. Phosphate is the single element without which our land cannot continue to feed our population. The time has passed when city dwellers can be indifferent to the problem of soil exhaustion. No country can survive, let alone advance, unless the fertility of its soil is conserved, and renewed. It may surprise you to know that a great area of our farmland has already been destroyed beyond recovery. But there remains a vast acreage which can be saved. The product mentioned is now being applied to the soil in 35 States. There is not a single one of us, who will not benefit when its use becomes universal on our farmlands—for we must remember that the conservation of land is essential to the security of all, to our children, and to succeeding generations.

In research demonstrations, the fourth point, many studies have been made which promise to reach real economic importance. One of these may give to the region a new and important industry, that of manufacturing pottery and dishes equal to any that can be imported.

None of these elements of the T. V. A.'s program have encountered any serious criticism. There is pretty general agreement that the navigation, the flood control, the fertilizer, the research and demonstration, and the military portions of the program, combine to form the most extensive effort ever undertaken to conserve our national wealth and resources.

Where the T. V. A. has come in for criticism is in the features of the program which involve the production and sale of electricity. It was to be expected that utilities would move against this threat to their domain. The extent to which the Government should enter the business of selling electricity to the consumer has for many years been a subject of debate.

It was a difference of opinion on this score which split the members of the Authority Board into two quarreling camps, with Chairman Morgan on one side and Messrs. Harcourt Morgan and Lilienthal on the other.

U. S. 454, 462; *Near* v. *Minnesota*, 283 U. S. 697, 713–716; *Grosjean* tary Grocery Co., Inc. This opinion was delivered by Mr.

Chairman Morgan has had a distinguished career as an engineer. He constructed the dams of the Miami Conservancy District in Ohio following the disastrous Dayton flood. His philosophy, with respect to the Government's selling power to consumers, is shown by his action in having tablets placed on the dams of that district bearing the legend that they will never be used for power development. We are, therefore, justified in believing that he is unalterably opposed to public ownership in the power industry.

On the other hand, Mr. Lilienthal rose to prominence as a liberal member of a Public Utility Commission which set new high marks in the regulation of power companies in the public interest. He possessed no bias with respect to the use of dams for the development of electric power for sale to homes and factories.

Each of the vast dams built by the T. V. A. is capable of generating enormous electrical power.

Now T. V. A. is directed by the act of Congress to develop this power primarily for the Army for operating the Government locks; but it is also directed to market the surplus amounts of power developed and to give preference to cities and towns and organizations of farmers, and to make certain that the ultimate consumer is served at rates which are fair and low. Eighteen municipalities are now being served with this surplus and contracts have been entered into by the Authority with eight more.

The sale of power by the T. V. A. to consumers places it in the position of competing with the utility interests. Instances can be cited where the utilities were forced to reduce their rates. Thus the influence of the Authority's power program is being felt throughout the Nation.

This is why the utilities are fighting the T. V. A.

The T. V. A. has been fought in the courts, and in Congress, because of its power program. It seems as though the utilities are bent upon killing the entire project, if necessary, to preserve the domain they have held so long. However, at this point, it seems pertinent to recall that the Authority has won every major court case in which it has been involved.

The first attempt of the utilities was to buy all of the surplus T. V. A. power at their own price. Under this plan, of course, the consumer and the housewife would get no break. The attempt failed.

It was Chairman Arthur Morgan who entered into negotiations with Mr. Wendell L. Willkie, head of that vast utility company, Commonwealth & Southern Power, with the view of purchasing that company's competing operations. It is said that Mr. Willkie made pledges to Chairman Morgan, which the utility's board of directors later kicked out the window. This, and the fact that Chairman Morgan, seemingly with the best intentions, engaged a former Insull utility executive, caused Mr. Harcourt Morgan and Mr. Lilienthal to severely criticize him.

Chairman Morgan's charges against his colleagues are somewhat vague. He principally has cited the attempt of Senator GEORGE BERRY of Tennessee to collect a huge sum from the Government for marble which was covered with the water falling from one of the T. V. A. dams. This claim has now been judicially declared worthless and Chairman Morgan has implied that the other two directors were, at one time, willing to make a settlement with Senator BERRY.

This indicates the complexity of the problem which the Congressional committee will tackle.

In the meantime, fortunately, the routine operations of the T. V. A. will go on without interruption. Underneath the trouble at the top, T. V. A. has functioned with unusual smoothness.

Now, what I would like to see this committee of Congress accomplish, and what I intend to urge upon those members in my personal acquaintance, is:

First. They should determine if there has been any dishonesty on the part of any T. V. A. personnel. This is generally considered unlikely. All responsible writers have clearly distinguished the difference between Teapot Dome and T. V. A.

Second. They should establish whether Chairman Morgan has been too friendly with the utilities; and whether Messrs. Harcourt Morgan and Lilienthal have been too stern with them.

Third. They should delve deeply into every activity of private utilities which may have been designed, or actuated by motives, to cripple or destroy the T. V. A. The T. V. A. represents the will of Congress, and any attempted frustration of its aims should be deeply explored.

In this, the committee will need at its command able investigating personnel. This investigation can reveal whether utilities have changed their methods. It can tell whether the utilities still believe they can work, with regard to the T. V. A., in the same manner as they once did, when it was proved that they had conducted a campaign in schools and colleges against public ownership of power.

It can show whether the utility financiers have sufficiently put their houses in order so as to be willing to face, unafraid, a congressional committee.

In short, a good investigating job will mean much to the American worker and housewife, and the high character and ability of the individual members of the committee is a guarantee that the public will soon get the true facts about T. V. A.

Effect of W. P. A. Policies on Workmen in Building and Construction Trades

EXTENSION OF REMARKS

OF

HON. VIRGINIA E. JENCKES

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 12, 1938

Mrs. JENCKES of Indiana. Mr. Speaker, I desire to invite the attention of this House of Representatives to a situation which affects the constituents of every Member of the Congress.

I refer to the effects on the building and construction tradesworkers caused by the operation of the Works Progress Administration under its present policy.

I desire to read into the RECORD a statement which was presented to me by a committee of labor leaders representing the American Federation of Labor and its affiliated organizations in the State of Indiana.

This committee has held a number of conferences with the high officials of the W. P. A. protesting against the encroachment of the noncraftsmen in the work which should be given to craftsmen. In this manner the wages paid to skilled and unskilled laborers are being dragged down to low levels through the policy of the W. P. A.

This is an outstanding conflict between two lines of effort directed toward recovery.

One line is being directed by social workers who are trained in giving away other people's money.

This group sincerely believes that as long as money lasts it should be doled out in order that workers might receive immediate employment at some sort of wages, regardless of whether it is a living wage or a wage upon which humans can barely exist.

The other group, who are industrialists, such as craftsmen, union labor leaders, and the manufacturers, are trained to create wealth, to create jobs which pay a wage commensurate with the standard of living in the United States, a wage which will provide buying power.

The industrialists desire to take the unemployed off the pauper, charity, and relief rolls of the cities, counties, States, and the Federal Government and place them on the pay rolls of industry, thereby relieving the taxpayer of an unbearable financial burden.

During the depression crisis the social worker rendered outstanding service to the American people, and the American people should be grateful.

The time has now come when the social worker should cooperate with industrialists, labor leaders, who are trained to create jobs and create wealth, in order that our workers may again regain their self-respect by earning a living in accordance with American standards of wages.

This is a subject of great interest to labor leaders in every State in the United States, and I hope my colleagues will present this subject to the labor leaders of the various States in order that they might make a sincere study and cooperate with the President and his administration, as well as the Administrator of the Works Progress Administration and the Congress.

The Works Progress Administration has rendered a great service to the American people under most trying circumstances. The time has now come when all relief agencies should begin to think of returning all of our unemployed to permanent jobs rather than be a continued burden on the taxpayers by permanently keeping our unemployed on a relief basis.

The committee of labor leaders from the State of Indiana was composed of Mr. Carl Mullen, president, American Federation of Labor of Indiana, Hammond, Ind.; Mr. Adolph

Fritz, secretary, American Federation of Labor of Indiana, Indianapolis, Ind.; J. J. Prendergast, South Bend, Ind.; Mr. Charles Kern, president, Indiana State Building Trades, Indianapolis, Ind.; Mr. Vergil Morris, international representative of the International Hodcarriers and Common Laborers Union of America, Terre Haute, Ind.; Mr. J. H. Etchison, Indianapolis, Ind.; Mr. Richard Volmerding, Fort Wayne, Ind.; Mr. Chester Kizer, Terre Haute, Ind.; Mr. T. J. Cavanaugh, Lafayette, Ind.; Mr. Dave Lewis, Fort Wayne, Ind.; Mr. George Eberle, president, Indiana State Labor Council, Hammond, Ind.; Mr. Henry Gabler, secretary-treasurer, Indiana State Building Trades, Hammond, Ind.

The following statement was authorized by this group and was presented to the high officials of the Works Progress Administration in Washington, D. C.:

A review of the effects on the building and construction trades workmen caused by the operation of W. P. A. under its present policy, with recommendations intended to eliminate the evil effects thereof in the future.

The construction industry apparently offered the most readily available opportunities and possibilities for made-work programs, and therefore has been the chief center around which C. W. A., F. E. R. A., P. W. A., and W. P. A. programs were established.

Now that the P. W. A. is being discontinued and W. P. A. is being expanded and extended further into the industry as the means of absorbing increasing numbers of relief recipients, it is imperative that we must give most careful consideration to the effects that it will have, temporary and permanent, on the industry, and whether or not it can in fairness be considered as a proper and desirable work program.

While it may be said that W. P. A. does offer a more desirable method of giving aid to persons in need of relief than does direct relief, it does not and cannot solve the unemployment problem, and if it is continued on its present basis it will create a far more serious condition than we now have, the effects of which will, during years to come, work to the detriment of the building and construction industry.

We believe the discontinuance of P. W. A. was a grave mistake, as this program offered an opportunity for work which was necessary to be done under the normal conditions of the construction industry and allowed persons who were not as yet relief recipients an opportunity to earn a livelihood and meet their obligations, among which oftentimes was the payment of taxes to the city, county, and State in which they were citizens. This is an all-important point, as it is absolutely necessary that any government be able to collect taxes or they will not be able to supply relief of any kind to citizens who have become dependent upon the Government for relief.

It is quite evident that a work program which makes it necessary that all resources accumulated in a lifetime of work in the form of a small homestead or life insurance be liquidated before the Government will provide a work opportunity is doomed to failure, as it is basically unsound, and it is creating a Nation of paupers by placing a premium on pauperism and discouraging people who have been substantial citizens and taxpayers in their respective communities.

Insofar as correcting any of the existing economic conditions is concerned, W. P. A. has very little value, as it provides the workers with only a sufficient amount of money with which to keep body and soul together, and does not allow them to pay any debts or to accumulate any reserve or to purchase any commodities other than absolutely necessities of life not even, in many cases, permitting the purchase of food, shelter, fuel, and clothes in necessary amounts.

We believe P. W. A. should be reestablished to meet the needs of those people who are not relief recipients and are in need of employment opportunities, and we believe the abuses of the purpose of W. P. A. should be corrected immediately, and for this reason we cite the following outline of our views covering W. P. A. and its purpose and our findings on its present effects.

The Works Progress Administration is an agency set up by the Government for the purpose of providing work opportunity for persons unemployed and in need of relief.

It was set up as an emergency measure with certain definite purposes to accomplish, and was not intended to interfere with the work opportunities of persons who were steadily employed by Government bodies, or to lessen work opportunities of persons who were not relief recipients.

These conclusions are reached by reading the administrative orders under which the program is being carried out, also the explanations of the President of the United States of his aims in proposing this work-relief program, and it is apparent that there was no intent on the part of the Government to have W. P. A. create a condition which would prove detrimental to any of the workers of the Nation.

We find, however, in some areas these aims and purposes are not being carried out fully, and that conditions now exist which are detrimental to the best interests of the workers engaged in the industries affected by W. P. A. and we therefore must protest against the continuance of these violations which we believe are not in accord with the intent and purposes of the Government.

We find that in some cases work which was normally done by regular employees of various departments of the city and county is now not being provided for in the yearly budget of these departments, with the result that there are no funds available for the purpose of paying these former employees, and as a result they are now either totally unemployed or on a part-time basis.

We find in many of these cases that the sponsors of W. P. A. projects either have included this work in a project submitted by them or have arranged projects in such a manner that the overlapping of the projects makes it possible to have a substantial amount of this work done by W. P. A. employees. We also find that in proposing projects little or no attention is given to the actual unemployment situation or the types of workers who are actually on relief, and this brings about a situation which is one of the chief reasons for complaint. For example, a project is submitted by a sponsor which includes work which comes within the scope of several trades which have a very low percentage of unemployed and very few persons qualified under the relief provisions.

Let us assume that the project has been approved and it is ready to proceed, and we find a sufficient number of laborers available, and we also find some skilled mechanics available; however, not a sufficient number of either qualified building laborers or mechanics to complete the project at a time desirable to the sponsor. In cases of this kind we find it common practice to use persons who are not skilled and who have not become qualified by experience or learned a trade or who have never ordinarily been employed in the industry.

This is a condition that is brought about by sponsors whose chief aim is not to assist in extending relief, but to have work done by the use of Government funds and not use W. P. A. in the manner it was intended to be used.

We therefore respectfully request that an administrative order be issued at once preventing the curtailment of work opportunity of regular employees through the use of W. P. A. workers by sponsors on work formerly done by such employees.

That strict enforcement be compelled of the administrative order dealing with "properly qualified persons" which is at present being ignored, and that all persons who are not qualified by experience and training as construction mechanics or laborers be immediately reclassified and reassigned to work for which they are qualified.

That W. P. A. serve in the manner we believe it was intended should at the time it was created, and not be permitted to interfere with the normal functioning of any department or any industry, and not interfere with the opportunities of workers who are not on relief to earn a livelihood for themselves and their families.

Neither should it create any condition which is detrimental to the future of skilled mechanics or any workers in any industry.

This is said with reference to the use of persons not properly qualified, in capacities of trained, experienced construction mechanics and laborers, and allowing W. P. A. to be used as a training ground for these persons. The continuation of such a policy by this or any other governmental department can only result in the charge that the Government is assisting in breaking down the working conditions, and the wage structure, the result of years of education and training, organized effort and cooperation through contractual relations that have existed between employers and workmen of the building and construction industry, thereby further lowering the standard of living of these citizens of the State of Indiana.

We are firmly convinced that the W. P. A. should withdraw from the construction industry as a force account employer of labor and that all such public construction should be done by contractors, secured through competitive bidding as provided by law and subject to the labor-protection laws of the Nation.

We hold that this industry has a right to look to our Government for protection, insofar as its future is concerned, by refraining from using it as the means of supplying work opportunities in this emergency of workers from other types or branches of industry, at the expense of destroying potential work opportunities for the building and construction workers for many years into the future.

We respectfully petition the United States Government to reestablish P. W. A. regulations on all construction projects and to so regulate W. P. A. as to confine it to its original purpose.

Views of workmen of the building and construction industry of Indiana is expressed in a conference in the city of Indianapolis, March 20, 1938, and ordered to be presented to the proper and interested officials and persons. The conference was composed of the representatives of the Indiana State Federation of Labor; Indiana State Building Trades Council; Indiana State Council of Carpenters; Indiana State Conference of Bricklayers, Masons, etc.; Indiana State Conference of Building and Construction Laborers; Indiana State Association of Plumbers and Steamfitters; Indiana State Council of Painters, Paperhangers, etc.; Indiana State Electrical Workers' League; and Indiana State Association of Operating Engineers.

Representatives of local building trades councils, composed of local unions of the 19 international building trades unions from Hammond, Gary, Michigan City, South Bend, Elkhart, Fort Wayne,

Peru, Lafayette, Logansport, Anderson, Muncie, Richmond, Lawrenceburg, Terre Haute, Brazil, Vincennes, Evansville, and Bloomington.

Also individuals from a number of the several hundred local unions that form the above councils.

I appeal to every Member of this House of Representatives to carefully study the above statement, because I sincerely believe the same conditions prevail among the craft unions in your own district.

If the American people are to be led back to prosperity again, we must consider the advice and seek the cooperation of our labor leaders, who are experienced and schooled in developing industries, and we must exert every effort to take our citizens off of the relief, charity, and pauper rolls of our municipalities, cities, States, and the Nation and put them back on the pay rolls of good, sound American industry, where they may enjoy good wages under good working conditions, and at the same time allow private industry to earn legitimate profits so that legitimate dividends might be paid on the investments of our American citizens, who have faith and confidence in the stability and securities of American industry as a source of investment for the surplus savings and surplus funds of the American people.

I thank you.

The Revenue Bill

EXTENSION OF REMARKS

OF

HON. GEORGE J. SCHNEIDER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 2, 1938

On the bill H. R. 9682, the revenue bill of 1938

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, on page 307, section 707, is the section providing for the exemption from taxation on filled cheese. The provision in this section amends the Filled Cheese Act, which has been the law since 1896. I am opposed to this section, because it is a serious matter that should not be dealt with in this tax bill. The Agricultural Committee of the House is the proper committee that should consider and report to this House whether or not the Filled Cheese Act should be amended. Those in the dairy industry best able to speak on this subject are opposed to this section. Secretary Wallace, of the Agricultural Department, is opposed to this provision. I have received letters from many of the leaders, all expressing opposition. The expression by Mr. Charles W. Holman in a letter to me a few days ago sets forth the position of that industry clearly and recommends it not be adopted. His letter is as follows:

THE NATIONAL COOPERATIVE MILK PRODUCERS' FEDERATION,
Washington, D. C., March 8, 1938.

MY DEAR CONGRESSMAN: In the revenue bill of 1938, which is now being debated by the House, a provision is contained (sec. 707) providing for exemption from the provisions of the Filled Cheese Act for certain compounds used for cheese spray purposes.

The Federal Anti-Filled Cheese Act was adopted on June 6, 1896. The purpose of this act was to protect the domestic consumer against the fraudulent sale of filled cheese, a product from which the butterfat had been removed and animal or vegetable fat used to replace it.

This act was also passed to protect our export markets. Because of the fraudulent sale of filled cheese abroad, domestic cheese producers had lost practically all European markets. This act has operated successfully since the date of enactment, and the proposed amendment is the first attempt to obtain exemption from its provisions.

While there is no question about the honesty of purpose behind Congressman THOMPSON'S amendment, it would open up the door wide to the fraudulent manufacture and sale of fake cheese and cheese spreads.

We have consulted our farmer groups engaged in the cheese business and also some of the large commercial cheese manufacturers. They are united in opposing any change in the Federal cheese law.

We are also advised that such a change does not meet with the approval of the United States Department of Agriculture.

It would be absolutely impossible to police the sale of compounds of cheese and vegetable oils exempted by Congressman THOMPSON'S proposal. There is no question in our minds but that this section would be used by unscrupulous manufacturers and retailers to pass off on the public fake cheese products and indeed fake cheese itself.

We would also like to call your attention to the fact that no opportunity for thorough investigation was afforded by the Ways and Means Committee. Congressman THOMPSON was the only witness. We are willing to try to work out legislation which will enable legitimate operators to develop a cheese spray but we think that this can only be done after exhaustive study of the subject by Congress and State and Federal agencies, and language worked out which, although providing a method for developing a cheese spray, would not open up the Federal cheese law to such a degree as would permit fraud and deception.

We, therefore, urge you to vote against the proposed amendment to the Filled Cheese Act.

Sincerely yours,

CHARLES W. HOLMAN,
Secretary, National Cooperative Milk Producers' Federation.

Wage Increase for Low-Paid Government Employees

EXTENSION OF REMARKS

OF

HON. JAMES M. FITZPATRICK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 12, 1938

LETTER FROM UNITED GOVERNMENT EMPLOYEES, INC.

Mr. FITZPATRICK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter I received from the United Government Employees, Inc., on April 4, in reference to my speech before their organization on Sunday, April 3:

UNITED GOVERNMENT EMPLOYEES, INC.,
Washington, D. C., April 4, 1938.

Congressman JAMES M. FITZPATRICK,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN FITZPATRICK: I have the honor to advise you, sir, that first place in the annals of our organization was unanimously adopted and enthusiastically recorded by appropriate resolution for you, following your address before the United Government employees Sunday forum, as the greatest benefactor of the long-forgotten, low-paid employees in the United States Government, regardless of race, creed, color, or previous condition.

We have had many distinguished persons honor us by their coming to speak, but never before did so noble and great a statesman of the living gospel of truth and brotherhood touch our very souls as your words of friendship and encouragement on yesterday. The profound and lasting beauty and goodness of your thoughts are so definitely mirrored in the official deeds and benefits to your fellow citizens during the past 2 years in particular through your championship of the far-reaching wage increase for more than 2,800 faithful but long-suffering, low-paid Government employees. The experience of hearing your words will continue to come back to us all as an echo reflecting the joy and laughter of little children who have been made happy by your humanitarian consideration of their fathers and mothers.

We will forever be your debtor and can only pray for that abundance for you and yours which has been so freely bestowed by you upon your fellowman.

Very sincerely yours,

EDGAR G. BROWN, *President.*

An Effectual National Defense

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 12, 1938

RADIO ADDRESS OF CAPT. ROBERT ALLEN GRIFFIN, COMMANDER OF MONTEREY PENINSULA POST, NO. 41, THE AMERICAN LEGION, DEPARTMENT OF CALIFORNIA

Mr. GEARHART. Mr. Speaker, authorized to do so by the unanimous consent of the entire membership of the House

today expressed, I am privileged to hand to the Public Printer for inclusion in the CONGRESSIONAL RECORD the text of a most interesting and thought-provoking speech which was delivered on February 16 last over the facilities of radio station KDON, of Monterey, Calif., by Capt. Robert Allen Griffin, present-day commander of Monterey Peninsula Post, No. 41, of the American Legion, Department of California, and later, on February 19, printed, as a consequence of innumerable requests, in the columns of the Monterey Peninsula Herald, a California journal of high influence. His contribution is timely indeed and will be regarded, I am sure, as invaluable.

WARNINGS

The new crisis in Austria, the tirades of a Mussolini against democracy, the megalomania of Nazi Hitler, the face of Soviet Russia again turned toward a goal of world revolution, the devastation of Spain, the frantic fear of France, the desperate rearming of England, the crushing of China, the threats and programs of the Japanese militarists—these phenomena of this extraordinary period of world history warn America, warn the American Government, warn the American people to be a nation strong in the might that is required to defend the right.

It is true that might has never made right.

It is true also that right has often succumbed before the power and brutality of might.

It is true that this arming, fearful world is not a world to our liking. But it is also true that to protect our own land, our own people, our own possessions and rights, we must know this world, and knowing it, prepare to deal with it in any emergency with the tools of the trade of war that may be forced upon a reluctant and peaceful American people.

WHAT UNITED STATES WANTS

This Nation asks of the world nothing but peace, offers nothing but the good will of a hard-working, notably peace-loving, and historically nonmilitary people.

This Nation aspires to the territories controlled or owned by no other power, whether weak or strong.

It desires to subjugate no other races, to implant its flag on no other shores, to force its commerce upon no land that does not desire to do commerce with it.

This Nation has no philosophy of force, no propaganda of superiority of race, no mission to impose its ways and its theories by force upon its neighbors.

WHAT OTHERS WANT

But this Nation knows that it has rightful trade for the legitimate and recognized benefit of its citizens and their industries to protect from violations of the international law and the treatics agreed upon between it and other governments.

It knows it has possessions that are coveted and that, if this country became weak and inept and soft, others would seize them.

It knows it has thousands of miles of an Atlantic seaboard that reaches from Maine to the Panama Canal, thousands more miles of a Pacific seaboard that reaches from Alaska and the Bering Sea to the Panama Canal; that its flag flies over the islands of Hawaii; that its protectorate responsibilities encompass the Philippine Archipelago.

It knows that it has vast wealth that is the envy of the world—a wealth that could be called upon to pay a mighty tribute out of the salary of a people if ever it met defeat in war—if ever its Navy succumbed to a foreign foe and its seaboards were exposed to devastation.

THE LEGION'S PART

The American Legion, representing the American people of all parts of this Nation as no other organization, civil or political, can represent the plain people of America, their ideals, and the security that has been won by the blood of men who have died for this country, joins in the demand for a Navy strong enough that there would be no question of a doubt of its success in battle if it is ever called upon to defend the integrity of the United States of America and its possessions.

The American Legion does not want that to be guesswork. It does not want a nice balance that leaves a question of doubt as to the outcome. It demands no question of a doubt that this fleet will sail the seas protecting the great American coast and its coastal cities after it has met any potential foe.

LEGION'S POSITION

The American Legion is composed of men, many of whom learned by bitter experience what it meant to enter a great war unprepared. Many of those men learned what it meant to be armed with foreign-made rifles, equipped with foreign-made machine guns—to bear American-made materials only at the conclusion of the World War and, in many instances, after the armistice.

The Legion demands, therefore, that in the air and on the land this Nation be equipped so that the agony of sending unprepared youths to war may be avoided if ever again a national emergency calls the men of America to the colors.

The Legion does not demand a gigantic Army. It does not demand an Army as large as the forces of the smallest countries in Europe. But it asks that the small professional armed forces of America be thoroughly equipped with the most modern implements of war, that they be trained as experts, the schooling force for any citizen army that may be called upon to leave home and plow to save the Nation.

The Legion asks that the air forces of the Army and the Navy be so manned and equipped, that this country can maintain superiority in the air above its lands and possessions and its men in the field, if ever called upon to do so. They want this, too, without any question of a doubt. Over its own people, its own lands, and its own armies, wherever they must fight, the Legion demands that America must rule the air.

The Legion sponsors the enlargement of the National Guard and its proper training. It stands behind the continued development of the Organized Reserves. It calls for no check in the military training in the Reserve Officers Training Corps of the land-grant colleges. It says that no youth is injured if he discovers at an early age that he has an obligation to his country. The Legion knows that no militarist is made out of the youth who learns to stand at attention, to carry himself as a man and a soldier, to obey commands, and to equip himself to give commands.

The blood of thousands of comrades who died on the field of battle, the suffering of the tens of thousands of comrades who were wounded and maimed, hundreds of whom fill our veterans' hospitals today; the knowledge of war and the hatred of war—these experiences are the foundation of the Legion's support for the national defense.

And the polls of public opinion carefully taken in this country in recent months by the Institute of Public Opinion, confirm that the American Legion, in this program for the national defense, represents the intelligence, the will, and the spirit of the American people.

We pray that our land may prosper in peace with its neighbors and with the world, that our statesmen in their wisdom will guide us from the path of war. We know too much about war to want war or to glorify its ways. More than most citizens we can say, "We hate war."

But in the name of our departed comrades we say, "If our land must rise in self-defense, let its youth be strong and prepared, let its shores and possessions be maintained free from attack, let its flag fly proudly as the guarantee of the perpetuation of justice, liberty, and democracy on this continent." Let victory be assured.

Labor Endorses R. A. (Lex) Green

EXTENSION OF REMARKS

OF

HON. ROBERT RAMSPECK

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday April 11, 1938

Mr. RAMSPECK. Mr. Speaker and my colleagues, it is most pleasing to all friends of labor to have the favorable response of labor for the aid of deserving colleagues. Labor plays an important part in the life of America. The gentleman from Florida [R. A. (LEX) GREEN] has recently been endorsed by the many labor groups, including the Standard Railroad Labor Legislative Association of Florida, the Brotherhood of Locomotive Firemen and Enginemen, the Brotherhood of Railway and Steamship Clerks, the Brotherhood of Boiler Makers, Shipbuilders, and others. Mr. GREEN has demonstrated his friendliness to labor and its cause over the many years he has been a Member of the House. Labor does not forget its friends. These endorsements are fitting tributes of which he is entirely worthy. Some of his endorsements follow.

FLORIDA STATE LEGISLATIVE BOARD,
BROTHERHOOD OF RAILROAD TRAINMEN,
New Smyrna, Fla., April 1, 1938.

Hon. R. A. GREEN,
Representative in Congress, House Office Building,
Washington, D. C.

DEAR MR. GREEN: I take great pleasure at this time in informing you that you have been unanimously and publicly endorsed for reelection by the New Standard Railroad Labor Legislative Association of Florida. This association recently formed will embrace the 21 standard labor organizations. Purposes of this association is to deal in legislative and political matters that not only affect our membership but the people as a whole.

Wishing you success and assuring you that our activities will be in your behalf.

Yours very truly,

C. L. STOWE,
Vice Chairman, Standard Railroad Labor Association.

pounds of cheese and vegetable oils exempted by Congressman

unanimous consent of the entire membership of the House

In the following letter I omit other congressional districts and Senate:

BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN,
Cleveland, Ohio, March 29, 1938.

G. B. THOMAS,
Chairman, Florida State Legislative Board,
704 Downing Street, New Smyrna, Fla.

DEAR SIR AND BROTHER: Careful consideration has been given to the political situation in Florida and I am writing to advise you of the action of our brotherhood with respect to candidates for the United States Senate and Congress in the coming primary election to be held on May 3.

The following candidates should be supported:

Second district: LEX GREEN (D.) * * *.

I earnestly urge that each and every member of our brotherhood take an active part and personal interest in the present campaign to the end that all members, their families and friends, as well as all other working men and women, will go to the polls on May 3.

Yours fraternally,

D. B. ROBERTSON.

American Policy of Nonintervention in Foreign Affairs

EXTENSION OF REMARKS
OF
HON. HAROLD KNUTSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 12, 1938

RADIO ADDRESS OF HON. HAROLD KNUTSON, OF MINNESOTA, WEDNESDAY, APRIL 6, 1938

Mr. KNUTSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by me over station WCCO, Minneapolis, Minn.:

Frequently I am asked if I would change the vote cast by me on April 6, 1917, against America's participation in the World War, in view of what has since happened. To one and all my reply is, "a thousand times no."

As I view it, nearly all of our present economic and political ills are due to our having participated in that tragic drama. Our participation in the war resulted in an orgy of inflation which was followed by a deflation that was most disastrous to agriculture and to all lines of industry and business. This deflation was later on followed by another spectacular inflation which culminated in the stock-market debacle in October 1929, throwing millions out of work. What has since happened is too painfully vivid in the minds of all Americans to need repetition at this time.

The thousands of bank failures that wiped out the life savings of our people, the many suicides, the tens of thousands of farm and home foreclosures, the innumerable business failures that took place during the decade following the signing of the armistice—all were, in a large measure, due to the war. Then, too, the staggering national debt that we must carry for the next three or four generations is altogether because of our taking part in that war.

On April 6, 1917, when the resolution to declare war was before the House, I had this to say:

"I shall vote against a declaration of war because I feel that we have no business meddling in European affairs; I shall vote against this resolution because it will mean entangling alliances that may at a future date endanger the Monroe Doctrine and embroil us in another holocaust such as they now have in Poland and Flanders; I shall vote against war because it is my understanding that it is the plan of the General Staff to send hundreds of thousands of our boys into the slaughter pens of Europe, many of them to be shot to pieces or rendered incapacitated for life; I shall vote against entering the war because it will impose upon our people a burden of taxes that will weigh down generations yet unborn; lastly, I shall vote against war because I know that a majority of the common people, who will have to do the fighting and pay the bills, do not want it."

At that time those of us who opposed America's entrance into the war were crucified upon the cross of hatred and misunderstanding because we dared to stand for what we conceived to be our plain duty and for the best interests of our people.

The expense of our actual participation in the war was nearly $40,000,000,000, which is almost $40 for every minute since the dawn of the Christian era. Since the signing of the armistice, we have spent approximately $11,000,000,000 in payment of bonuses, for hospitalization for the sick and wounded, and for pensions. Today our national debt is nearly thirty-eight billions and we are groaning under a tax load that is slowly but surely crushing our people.

I ask, How many realize that 436,065 of our boys have died as a result of their service in that war?

I ask, in all sincerity, Was it worth the price?

Back in 1917 we were told that it was to be a war to end all wars. How many wars, big and small, have been fought since the Treaty of Versailles was signed? So many that we cannot offhand recall them all.

Today major wars are being fought in Spain and in China. Their prosecution is marked with a barbarity that leaves the world cold and disgusted. Unfortified cities have been bombed and tens of thousands of defenseless women and children slaughtered in cold blood. We want none of that here.

Back in 1917 we were told that it was to be a war to make the world safe for democracy. Is it not true that democracy is at a lower ebb today than at any time in the past 150 years?

Today we find cruel dictatorships in all parts of the world and religious and racial persecutions unsurpassed in their ruthlessness. Free speech has been abolished; the press suppressed; churches closed to worship; millions banished. Everywhere intolerance is rampant and on all sides we hear the rattling of the sword as the dictators strut the stage.

Now we are feverishly arming for the next war, which is to be fought to make America safe for Americans, but I want to warn my countrymen that another excursion into the realm of international entanglements, such as we made back in 1917–18, will destroy our liberties and institutions as surely as the rising of tomorrow's sun. It cannot be otherwise.

Now our country is again being sprayed with propaganda, just as we were back in 1915 to 1917. Again we are having the usual flag waving that appeals to the emotions, but leaves the intellect cold. Daily we hear of blood-curdling barbarities in China, in Spain, in Ethiopia; daily we are told and retold how human beings are being killed and mutilated in those unhappy lands by ruthless and bloodthirsty dictators and that it is our Christian duty to go to the rescue of those who are being persecuted and suppressed.

We are told that we must arm ourselves to the teeth if we would escape the fate of China and Ethiopia; that our Navy is wholly inadequate for our national defense; that America must fulfill her glorious destiny and reestablish peace in a strife-torn world. In other words, our late allies would again drag us into the welter of another world war to pull their chestnuts out of the fire.

I ask you, is it the destiny of the American people to fill the role of policeman for a humanity that seems bent upon its own destruction; a humanity that appears incapable of learning from past experiences?

I say to you my friends that our Navy is adequate for our national needs; that we must not again permit ourselves to be used as a cat's-paw by any foreign nation; that we have troubles enough here at home to challenge our best efforts and that we would but be piling up additional troubles for ourselves were we to repeat our mistakes of the past.

With between twelve and fourteen million out of work; with several million young men and women who have graduated from our schools and colleges since 1929 and have never had a steady job; with millions of aged who are compelled to subsist on a beggarly allowance; with business stagnant, factories closed, the door of opportunity but partially open, it would seem that we have our hands full here at home with no time for matters that do not immediately affect us. As the Apostle Paul so well said, "But if any provideth not for his own, and specially for those of his own house, he hath denied the faith and is worse than an infidel."

My friends of the radio audience, the danger to our country and its institutions lies not across the seas but rather it is right here in our own midst. This danger has its roots in unemployment, in poverty, in unequal opportunity, in discrimination. These are fertile breeding grounds for a dissatisfaction that may burst into flames that will consume us. Our immediate job is to eradicate these evils before they get beyond control.

Today we are witnessing constant encroachment on the part of the Federal Government in Washington and unless this tendency is checked it will destroy our democratic form of government. We hear much of "planned economy." The farmer is to be regimented, also business and labor. Fellow Americans, let me warn you that planned economy is but the entering wedge for dictatorship. Under its operation we may become more efficient but I assure you much less happy and contented.

For more than 150 years we have lived under a form of government that has been the envy of the world. Under its operation we became the magnet that drew millions to these shores from less favored lands and I assure you that millions more would gladly come were the door opened to them. True, conditions with us are not what we would have them, but at that they are infinitely better than elsewhere.

Where can one find such a diffusion of knowledge? In what other country is there to be found a system of free education that is comparable to ours? What other people enjoy so many conveniences, such as the radio, the telephone, the automobile? What other land has a bathtub in nearly every home and a car in every garage?

As a matter of fact, my friends, the average citizen enjoys conveniences today that were denied the richest and mightiest potentate 100 years ago, and I can assure you that we are but at the threshold of a better and more perfect regime.

Let us set our own house in order. The good Lord knows that will keep us busy for many years to come. After we have secured for ourselves "the more abundant life" it will be time enough to turn our attention elsewhere.

If we are to remain at peace with the world it will be necessary for us to maintain peaceful relations with dictators as well as democracies.

To those who would take us on excursions abroad I say it is not for us to tell Japan, Russia, Germany, or Italy the sort of government that they should have. Neither is it our role to dictate to those peoples what they must do.

Can it be that before Japan went into Manchukuo, Italy into Ethiopia, and Germany into Austria the leaders, who are guiding the affairs of those countries, got their inspiration from our little excursion into Mexico nearly 100 years ago when we robbed a defenseless country of an empire that reaches from the Gulf of Mexico to the waters of the Pacific? Can it be that Mussolini gained his knowledge of how to exterminate a defenseless and primitive people by a study of Uncle Sam's treatment of the American Indian?

There is an old axiom that "people who live in glass houses should not throw stones." Well may we be guided by that bit of wisdom. It would also be well for us to ever remember that history has a way of repeating itself. Let us return to the old and sound American policy of nonintervention in foreign affairs. In that direction, and only in that direction, lies peace.

The Historical Development in the Evolution of the Social and Economic Program of the New Deal

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EXTENSION OF REMARKS

OF

HON. WILLIAM I. SIROVICH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 6, 1938

Mr. SIROVICH. Mr. Speaker, on Tuesday, April 5, 1938, on page 4787 of the CONGRESSIONAL RECORD, there appears the following colloquy:

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman from Kentucky yield to a question before he begins?

Mr. ROBSION of Kentucky. Yes; for a short question.

Mr. GRAY of Pennsylvania. And that is to ask the gentleman from Kentucky if he remembers how long it is since the distinguished gentleman from New York, Dr. SIROVICH, who addressed the Committee just before the gentleman from New York [Mr. O'CONNOR], delivered a speech in this House tracing the origin of the New Deal to Karl Marx?

Mr. ROBSION of Kentucky. The RECORD will show.

In order that the RECORD may speak for itself, permit me to state that on February 6, 1935, I delivered a speech on the floor of the House which I have captioned "The Historical Development in the Evolution of the Social and Economic Program of the New Deal." This address of mine was delivered for the purpose of tracing the struggle that mankind has gone through from Biblical times down to the present day. Let this speech, which follows, be my answer to my colleague from Pennsylvania [Mr. GRAY].

Mr. SIROVICH. Mr. Chairman, a great philosopher, scholar, and sage once remarked, "Some men are born great, others have greatness thrust upon them, and still others achieve greatness." We have with us, as chairman of the Subcommittee on Appropriations that has charge of the State, Labor, Commerce, and Justice Department appropriation bills, a gentleman who was not born great, who had not greatness thrust upon him, but one who, through his graciousness, magnanimity, and courteousness to his fellow Members of the House for the past 20 years, where he has served the best interests of our Nation, has won their admiration, their respect, and approval, as one of the most indefatigable, persevering workers, and as one of the most persistent and assiduous caretakers of the interests of the Appropriations Committee, in the person of our beloved colleague the distinguished Representative from the State of Alabama, WILLIAM B. OLIVER. [Applause.]

Mr. Chairman, may I call to the attention of this distinguished body, that 9 years ago that genial, gracious, courteous, and complacent Member of the House, Mr. OLIVER, granted me 1 hour to speak upon the subject of old-age pensions. Today it is significant that he again has granted me 45 minutes to speak to you upon the subject of the historic development in the evolution of the social and economic program of the New Deal. [Applause.]

The battle between the exploited and the exploiters is not new. It has been waged from the very beginning of history. The first conflict between those who wished to use the forces of might to overcome the forces of right and justice is recorded in the Bible. Therein it is related that Abraham's servants dug a well to get much-needed water in a country sparsely streamed. The Philistines came in numbers and filled the well with earth, and Isaac had to have it dug again. The Garrarites envied Isaac the possession of this well and they strove with the herdsmen of Isaac for its possession. So Isaac dug another well, and again there was strife for its possession, forecasting 50 centuries ago the modern method of exploiters of seizing the product of another man's labor to apply it to their own use and profit.

Today legalistic, economic, and furtive methods are used instead of the bow and arrow and the spear, but the results sought, of gain and profit without work, are the same.

History is full of the actions of the few against the many in order to obtain control and profit from other men's work through special grants of kings and queens, to nobles of their nations, of special privileges.

Queen Isabella did not grant authority and license to Columbus to discover a new world or to prove that the earth is round. Her object was to have him find a new western sea route to the Orient in order to secure its riches that she and Ferdinand might profit thereby.

Frobisher, Baffin, Davis, the Cabots, the Spanish Conquistadores in South and Central America and Mexico, were much more interested in the reputed Northwest Passage to China and the gold of the Orient and the gold and silver of the Incas, Aztecs, and Mayans than in any historic glory that might come to them from the discovery of new colonies. Exploitation and profit were the motives that animated their expeditions.

Special privilege to a few, to the exclusion of the many, was the foundation of all economic and commercial enterprises of the prime and secondary rulers who governed the nations of the civilized world in the days that succeeded the awakening of the Renaissance.

When Richelieu first came to the court of France his annual income was only 25,000 livres. At the end of his career this paltry sum had risen to 3,000,000 livres. Special grants for many purposes, all monopolistic, which Richelieu at first induced Louis XIII to make, and later issued on his own account, were the only apparent sources of this tremendous increase in income.

Louis XIII and his two successors, Louis XIV and Louis XV, thought it quite within their kingly rights to issue special grants for many purposes of profit to their favorites, and in all cases you may be sure that these kings were not averse, to put it mildly, to what in the common parlance of today is known as the "kick-back." In other words, the King shared in the profits of monopolistic enterprises, whether it was in France or in the French colonies beyond the seas.

The Louis were not alone in practicing this method of expanding their fortunes. Philip the Second, of Spain; Henry the Eighth, of England, he of the many wives and the inventor of divorce by decapitation; Elizabeth, his daughter-queen; the other rulers "by divine right," as they erroneously believed, or claimed to believe themselves to be, of all the countries of Europe, and I might include those of Africa, the Levant, and Asia, practiced the same art of "kick-back" on profits from exclusive grants and monopolies they made to favored ones in all lines of commercial enterprise.

The farmer bound to the land he tilled in England; the English artisan, restricted to his native town in the practice of his craft, and imprisoned, or at times hanged, if he ventured therefrom; the serf in Russia; the heavily taxed tradesmen in all countries; the small manufacturer; the exporter and importer of goods were all subject to a levy of some kind or nature, not for the benefit of the welfare of all the people of their nation but for the benefit of the privileged few.

But there were stirrings in the world of that day. Men began to think as the art of printing developed. As they thought out their problems of life it came to many of them that any method which regarded a chosen few as of more importance than the people at large must be wrong. At first their thoughts were chaotic and without focus. What was needed for the solution of the problems of that day was a mind that could analyze logically and then synthetize, or build up, some new method that would be for the benefit of the many rather than that of the few.

In active opposition to this era of special privilege a new era began, led first by Charles Louis de Secondat Montesquieu. He was born near Bordeaux, in France, in 1689 and died in 1755. His mother was of Gascon-English stock; his father a member of an important French family. Montesquieu was a lawyer by profession and was educated at Juilly and at Bordeaux. He contributed papers to the Bordeaux Academy on philosophy, politics, and natural science. His Lettres Persane were razor-edged with satire, and in them Montesquieu unmercifully pilloried the social, political, and ecclesiastical fallacies of his day. A series of pamphlets followed and then came from his pen the great work on which his fame is found, L'esprit des Loi (the Spirit of Law), which consisted of 31 books, of which 4 were devoted to economics.

Montesquieu was the founder of the sciences of comparative politics and the philosophy of history. Montesquieu's great impetus in his writings was a temperate and tolerant desire for human improvement and happiness. He was free from egotism, doctrinairism, visionary enthusiasm, and rigid systemism. His writings were avidly read by the submerged and semisubmerged classes of France and pointed the way to followers who came after him. Montesquieu was for equal opportunity for all human beings.

Voltaire was born in Paris in 1694 and died there in 1778. His career was a series of adventures in l'amour and exile. Deported to England in 1725, after release from the Bastile, where he was imprisoned because he dared to challenge the Chevalier de Rohan, he made many friends and occupied himself with intensive study of English manners and customs. Queen Caroline, queen of

George II, was his patroness for poetry. Voltaire met the Walpoles, Bolingbroke, Congreve, Pope, and other famous men and women of the time.

English toleration for free thought and personal eccentricity made a strong impression on Voltaire that remained with him through life and colored all his later views of church, state, and philosophy. Voltaire was never tolerant of pretense or sham in other men or methods, but in his own dealings with the world he was an adept in what the lawyers call "avoidance"; that is, he was a past master of veiling his true meaning in his dramas, poetry, and prose behind mists of satire and apparent frivolity.

While the writings of Montesquieu and Voltaire lack the direct forwardness of modern economists, and because the "machine age" had not come to being in the industrial world, their works today have only an academic interest and are not applicable to present conditions, yet these two men blazed a path through the forest of economic confusion of their time and opened up lines of new thought which was the new deal of their day. Because of their violent opposition to monopolistic and predatory control of industry and commerce their work led to the beginnings of the era of equal opportunity.

Contemporary with Montesquieu and Voltaire was Jean Jacques Rousseau, born in Geneva in 1712, living much in Paris and its environs, somewhat in England, variously in France. Rousseau's parents were French; his attitude toward life was based on conditions in France. Of all of Rousseau's writings Emile de L'Education and the Social Contract are best known today. Both created a great stir in Rousseau's time and after his death. Emile is a treatise rather than a novel, but it has a narrative backbone and as its title indicates dealt with a new deal in natural education, as opposed to the orthodox, artificial education given to pupils by the clerics of his time.

Rousseau's The Social Contract was based on the theory that all government should be based on the consent of the governed. The Social Contract was definitely opposed to monarchical government, and hence aroused the antagonism of the few whose alleged "divine right" was challenged and the vituperation of their satellites. The Social Contract was not logically worked out by Rousseau, but it contained the germs of an idea new to France, that the people of France, the common people, had as much "divine right" to govern themselves as the self-chosen and self-appointed individuals who ruled them had to such alleged right.

Rousseau demanded equality and social justice for all human beings. Voltaire attacked political interference by the church with the state and the rigid pseudo orthodoxy of the clericals. Montesquieu vehemently denounced the monarchical formula of his time and urged the substitution for monarchy of a constitutional and parliamentary government for France, deriving its power from the people of France, and may be credited with reviving the old Latin adage, "Vox populi: Vox Dei," and presenting anew the Italian aphorism "Voce d'uno; voce di niuno"—in English "One voice; no voice," referring to kings and monarchs.

The work of these three great Frenchmen led to a change in political, economic, and social thought that gave birth to our modern conception of the New Deal, and opened up a new stage of human development that may well be called "The era of equal opportunity." [Applause.]

Turning from France to England and considering certain effects and results of the War of the Roses leads me to think that more developed from that civil conflict than the struggle of the Houses of York and Lancaster for control of England and the English people. London and most of the trading and manufacturing towns and villages were Yorkist; the country folk were Lancastrian. Hereditary loyalty to the Crown was lined up against the hope and desire for sound and effective government in which all the people would have a part. The isolated country folk, to a great extent, were feudal tenantry who were used as pawns in the political and military games played by the great lords of England. The civil wars that harassed England and ran through the reigns of Henry VI, Edward IV, and Richard III, were the precursors of the Great Rebellion two centuries later. Out of the brutal and bloody fratricidal conflicts, after the decisive battle of Tewksbury, came stolid objection by the English people to feudal and military control of their lives, their freedom, and such property as they had.

In time Henry VII came to the throne and improvement in the lot of the common people came in with him. The Magna Carta opened up a new era to the higher classes; Henry's program opened up a new deal to the common people of England. England began to expand from an agricultural and home and small-shop industries country under Elizabeth, and the colonizing started in her reign continued through the reigns of the Stuarts and with it came a development of overseas export and import trade until English coal and iron and industrial products reached the ports of the world, carried thereto in English ships.

Feudalism, previously applied to the soil and the tillers of the soil, changed its methods and was now applied by the growing commercial classes in a modified form to artisans and craftsmen. The principle was the same, a bare subsistence, in the form of low wages and residence in employer-owned houses and purchases of necessities of life in employer owned or controlled stores.

Under the reigns of Anne, William and Mary, and the Georges in England that nation expanded territorially, commercially, financially, and economically, but this expansion was confined in its benefits to a select coterie of courtiers, nobles, and those who had achieved leadership in manufacturing, domestic trade, and foreign export. The beginning of the machine age in the early decades of the nineteenth century opened up a demand for cheap labor to run the machines. Factories were established and in them worked men, women, and children. One hundred hours a week of forced, sweated work was labor's 7-day stint. Women were used in the mines to haul out coal and actually were chained to the cars they pulled, crawling on hands and knees. Children at the age of 5 were put to work sorting coal at the stipples.

Labor was not a commodity; it was not as valuable as the cheapest of commodities. It was proletarian, in the Latin and Roman meaning of the word, which is breeders of children for work and as labor units and to serve in Great Britain's wars overseas. Men became senile at 40; women infertile at 35 years of age. Thirty years of work was expected of human beings, so children were set to labor at 5 years of age—at hard labor for long hours each day that stunted their bodies, dulled their minds, and dwarfed their souls. The man with the hoe became the child at the machine in the black country, the coal and iron country of midland England.

Merrie England changed to machined Great Britain, later to expand into the British Empire. Native population rose by millions. The land was in the possession of the few. The towns and cities became crowded with inhabitants. Factories sprang up everywhere. Old single-family houses became the slum housing of many families. In Elizabeth's time a shilling would buy a whole live sheep; in the regency and Victoria's early reign the same shilling would not buy a dressed forequarter of mutton.

Half a century before historic 1800, in Red Lion Street, in Houndsditch, London, there was born a prodigy male child to a London attorney and his provincial wife. At 3 years of age this child began the study of Latin. At 5 he spoke French and could play the violin. He was matriculated at Queen's College, Oxford University. He obtained his B. A. at 15 and the same year entered at Lincoln's Inn, one of the inns of Court and Chancery in London. The prodigy was Jeremy Bentham, and he remained a prodigy up to his death at 84 years of age. At Oxford young Bentham heard the great Blackstone lecture on law and his keen mind readily saw the fallacies of many of the rounded periods of the sonorous lexiphanic instructor. It was Bentham who said, "The greatest happiness of the greatest number is the foundation of all law and morality." Bentham also suggested the cutting of canals through the isthmuses of Suez and Panama. His great work was the Principles of Morals and Legislation published in 1789. Bentham protested against the treatment of the common people by civil and criminal law and practice, while he denounced the exemption of rich and powerful from liability to the law of his day. Bentham may be classified as the pioneer crusader for the new deal of his time, battling for civil and criminal justice for the poor.

Immanuel Kant, born in Konigsberg, in 1724, was the grandson of a Scot immigrant to Germany. At 57 he published his Critic of Pure Reason, 11 years after he had been granted the chair of logic metaphysics at Konigsberg. Two years later he published the Prolegomena, as an explanatory introduction to the Critic. In 1787 his slightly modified Critic appeared, and Kant made no further modifications. Kant played havoc with the alleged logic and reasoning of the century in which he was born and the one preceding it. His Critic, despite its frequent obscurity, its novel terminology, and its opposition to prevailing system, became a handbook of philosophy in Germany, especially among the younger students, who flocked to Konigsberg as a shrine of philosophy.

Kant enshrined reason in the throne of man's mind and he demolished the speciousness of previous systems of pseudophilosophy. His philosophy might be rendered in the vernacular as playing fair between man and man, and the substitution of logical common sense for the soporifics of metaphysics and ecclesiasticism. He knew English philosophy from Locke to Hume and was profoundly influenced by the teachings of Voltaire and Rousseau.

Kant, by introducing the era of logical and sensible understanding, was the great crusader of the new deal in philosophy.

Johann Wolfgang von Goethe, born at Frankfort on the Main, Germany, in 1749, of Thuringian stock. His great-grandfather was a horseshoer and blacksmith, his grandfather was a tailor and later an innkeeper; his father, Johann Kasper Goethe, became a lawyer and married the daughter of the burgomaster of Frankfort. From his mother Goethe received his genius. She was the ideal mother of a poet and littérateur, being possessed of a lively, impulsive disposition and remarkable imaginative power. Being only 18 when Johann was born, she was a young companion of Goethe's childhood and youth and balanced the stern, pedantic nature of Goethe's father, which, however, gave Goethe that "holy earnestness" and stability of character that served him so well during his life. The varied characteristics of his forbears gave Goethe a dual personality; the sturdiness of the farrier, the diplomacy of the innkeeper, the logic of the lawyer kept his feet on the ground while the position in life that came with his mother and her burgomaster father and their progenitors comraded Goethe with the higher classes.

Goethe's stay at the court of Weimar, his visit to Italy, his life in Switzerland, his idyllic affairs with women, his literary partnership with Schiller as coauthor of Xenien, and his constant self-search through intense introspection, combined with his lifelong search for the classic ideal in life, gave Goethe an understanding of men and women, conditions, and affairs which is admirably expressed in his drama, Torquato Tasso, in which the conflict of the poetic nature with the prosaic and practical world is transmuted into imperishable poetry.

Goethe was the new dealer of his day. His great contribution to educational progress was his assertion that it was the duty of the state so to educate its people that any one of them would be

qualified to rule that state. Goethe urged equality of education with the plea for equal opportunities for all for educational development without guaranteeing equal accomplishments as a result. Thus you behold the great contribution of these pioneers in the new deal, all members of the "brain trust" of their day, toward the intellectual development of Europe, subsequent to the Renaissance, whose main thought was equal opportunities in life for all the peoples of continental Europe.

The writings of these gifted and brilliant personages inspired Adam Smith, of England, and his followers, known as the "Manchester School," the cultured James Mill and his still more precocious son, John Stuart Mill, and also were the familiar reading of David Richardo, Jeremy Bentham, and Thomas Robert Malthus, whose Principle of Population created such a stir at the time of its publication. Malthus' proposition that "population increases in a geometrical ratio; food in an arithmetical ratio," has been proven fallacious.

His views, however, on rent and the effect of rent rates on the general public were of definite value and real importance. This was Malthus' contribution on the altar of the new deal of his period.

Adam Smith's great work, Wealth of Nations, made the treatises of most of his predecessors obsolete. Smith was given to deep and keen observation of social facts and to elicitation of the real significance of conditions in human affairs instead of drawing theoretical conclusions from abstract principles by elaborate chains of reasoning. Smith propounded as the premise of his work that "The annual labor of a nation is the source from which it derives its supply of the necessaries and conveniences of life." He did not contemplate labor as the only factor in production, but said that the greater applicability of labor to manufactures than to agriculture was the cause through which the agriculture lagged behind manufacture in economic development.

Describing all commerce in commodities as being barter at base, that is, the exchange of one thing for another thing, Smith asked: "What is the measure of value? What is the amount of one thing that will be given for another?" and answers his own question by saying, "Labor is the real measure of the exchangeable value of all commodities"; and also "Equal quantities of labor, at all times and places, are of equal value to the laborer. Labor, therefore, never varying in its fundamental value, is alone the ultimate and real standard by which the real value of all commodities can be estimated and compared at all times and places." This might be called today the labor dollar and was the contribution of Adam Smith to the new deal of his day.

Though Adam Smith died in 1790, before the machine age came into economic, industrial, and agricultural life, his premise that labor is the real measure of value of commodities holds good today.

The Manchester school of philosophical radicals, all great economists, adopted Smith's Wealth of Nations as their economic bible. Its principles made the followers of that school, particularly David Ricardo, fight against the long-entrenched privileges of the few and the denial of equal privilege to the many. The principle enunciated by them of equal opportunity for all and special privilege for none was the foundation on which was erected the superstructure of American democracy.

The men who developed American democracy, Franklin, Paine, Jefferson, Madison, Monroe were the pioneers of the political revolution in the American Colonies of England based on equal opportunities for all, special privileges for none.

The sparks of American democracy flew from west to east across the Atlantic and started a conflagration which set on fire the minds of Mirabeau, the Demosthenes of the French Revolution, and Lafayette, who made liberty, fraternity, and equality the political trinity of the French Revolution. These social, economic, and political ideals were the foundation on which was built the "new deal" in France.

Napoleon became dictator in France under a pledge to carry these ideals into execution. He changed his plan to conquest by force of arms, but after his exile to St. Helena these ideals were revived in France and have survived there ever since.

It remained for the Manchester School of philosophical radicals, who spoke at meetings throughout England in favor of rugged individualism, to set up a state of mind in the English people and in continental Europe that led eventually to the policy of laissez faire, an entirely unexpected result.

The policy of laissez faire, meaning in English, "Let us alone," grew in favor of the exploiting classes until, at the beginnings of the past century it had become the shibboleth of capitalists everywhere. Capital had built up a system of control of production and of the labor of the producing class that worked well for their profits but not so well for the classes that were being exploited. Capital wanted no change. "Let us alone," capitalists cried. "If you disturb methods of production and commerce, you will have the entire economic structure tumbling about our ears. Affairs are going along well. Why disturb them?" So laissez faire, or let us alone, was their constant slogan.

Manufacturing had prospered. Starting in a small way in little shops manufacturers expanded their establishments to care for increased demand for their goods. That meant the employment of more physical labor, but the introduction of machinery and its rapid adoption to production lessened this demand for labor. As establishments producing industrial commodities enlarged their field of operations, more capital was required. Single owners took in partners; partners formed companies; companies grew to corporations; and corporations combined with each other.

Banks began to be more than institutions for savings, and in a small way, at first, the commercial bank, as we know it today, came into being. Foreign exchange became an important branch of banking. Capital, as such, drew away from labor and assumed control of the economic and producing systems. The old, almost family relations between employer and employee passed away and between the head of the manufacturing establishment and the workers were interposed foremen and superintendents who were given direct charge of employees and exercised the right of hiring and firing workers. The capitalist sat in his counting room and seldom walked into the factory. He knew few of his workers. They ceased to be persons and became part of his machine of production.

Labor began to be exploited as a commodity and suffered therefrom. Children as young as 5 years of age were put to work in mines and factories from dawn to dark, and their frail bodies never saw the sun. Women were given hard labor to do. Working hours ran as high as 100 hours a week. In some of the lesser establishments, notably in London, the "help" were forced to live over the shop, that control of them and their movements might be made more secure in their employers. Economic servitude degenerated into a state that was practically economic slavery. If the working man or woman tried to improve their condition by agitation, they were imprisoned. Work people were confined to their own localities and not allowed to seek work elsewhere, and if they did, they were sent to prison.

Under feudalism persons of the working class had a certain amount of freedom of action and liberty, especially in England, and there particularly if they were yeomen of the bow, equivalent to the National Guard men of our day. Work was hard and long, but most of it was in the fields, and was not required in inclement weather. Under the new economic and industrial conditions there was little liberty and less freedom of action. Working people toiled so hard they were exhausted at the end of their labor day, which averaged 18 hours.

Since individuals could not agitate for better conditions of work there grew up gradually organizations of labor in the various trades, and collective bargaining came into operation. What 1 man was denied, 50 men could obtain by concerted action. The first strike was a daring innovation, entered into with trepidation on the part of the strikers and viewed with amazement first and great resentment later by employers. Labor sank to its lowest depths, and the disgraceful enslavement of English labor cried to heaven for redress.

A few members of middle and upper classes took up the cause of labor and so was inaugurated the "new deal" for the working class in an era of social reform. Affairs were much in the same condition in France and in continental Europe in the manufacturing nations. Ireland and Germany lost millions of workers by immigration to the United States—the America of freedom—where they prospered even at heavy labor.

Who were the leaders from the higher social classes who espoused the cause of labor? Claude Henri de Rouvroy, Comte de Saint-Simon, born in Paris in 1760 and dying there in 1825, is regarded as the founder of French socialism. At 19, with Lafayette, he aided the American Colonies in their revolution against the British King. He took no part in the French Revolution but was imprisoned in the Luxembourg during that time. Saint-Simon advocated an industrial state directed by modern science in which universal association would suppress war. His views were expressed in a treatise called "L'Industrie" and these views were further developed by Saint-Simon in a magazine he founded called "L'Organisateur"—the Organizer. Saint-Simon's great work was The New Christianity, in which he propounded as the comprehensive formula of the new Christianity this precept:

"The whole of society ought to strive toward the amelioration of the moral and physical existence of the poorest class; society ought to organize itself in the way best adapted for attaining this end."

The school of Saint-Simon improved on its founder's teachings. Saint-Simon was deficient in system, clearness, and consecutive strength. His views were expressed in a confused and vague manner. His system later was molded by many of the best students of the Ecole Polytechnique who condensed the chaos of Saint-Simon's thought and ideas into a compact system. Among his disciples was the distinguished and military Louis Blanc. Blanc thought that there were two forces in social life; one critical and negative, the other organic and constructive. The opposing concepts of individualism and collectivism were the two great social principles in Blanc's economic philosophy. The spirit of collectivism tends more and more to prevail over its opponent, rugged individualism, because collectivism extends from the associated family to the city, to the state, to the nation, and to the federation.

Louis Blanc contended that under rugged individualism of his day the industrial chiefs exploited the working class, the members of which, though nominally free, must accept the industrial baron's terms of wages and hours under pain of loss of jobs and starvation. The only remedies for this condition, according to the followers of Saint-Simon and Blanc, are the abolition of the laws of inheritance or the fixing of a maximum amount that can be inherited and the union of all the instruments of labor and labor itself into a social fund and social organization. Society as a whole, not the dining and dancing fragment, thus becomes the proprietor of all resources, natural and factored, and entrusts to social groups, headed by men of merit and ability, the management of the properties and the profits therefrom to go into a general fund for later distribution to the people. Men and, presumably, women were to be placed in the public service according to ability, rewarded according to their works, and with others of

like ilk forming a sort of social hierarchy, a spiritual-scientific-social leadership.

With these ideas Saint-Simon and Louis Blanc combined their famous "rehabilitation of the flesh," holding that the body of a human being was equal in importance with its animating spirit and should be given due honor and consideration. The body as well as the spirit was a creation of God. Saint-Simon gave all his millions to the organization of labor cooperative bodies where labor would divide and distribute its wages equally to all members. The project failed, and Saint-Simon died of a broken heart.

Louis Blanc was the precursor, or forerunner, of the Reconstruction Finance Corporation of the "new deal" in his day, for he was determined to loan the money of France to the working people for commerce, for business, and for industry. He was 90 years ahead of the modern "new deal."

The thoughts and actions of Saint-Simon and Louis Blanc contributed to the social and economic "new deal" of their day.

Francois Charles Marie Fourier, who projected the idea that social arrangements resulting from the principles of individualism and competition were essentially immoral and imperfect. Fourier proposed to substitute for these principles cooperation or united effort by means of which full and harmonious development might be given to human nature. He contended that his philosophy of harmony existed in the four great departments of creation—animal life, organic life, society, and the material universe. Fourier proposed to establish a series of phalanges, as he termed the cooperative bodies he planned. The phalanges were to consist of about 1,600 persons each, inhabiting a common building called a phalanstere which was to be set in the center of a plot of tillable ground which was to provide food for the group. Out of the common gain of the phalange a certain portion was to be given each member for subsistence. Of the rest five-twelfths were to go to labor, four-twelfths to capital, and three-twelfths to talent. Fourier's nebulous scheme was tried out in the United States but it failed, mainly because of public objection to the free-love principle contained in his program. Thus, we find Charles Fourier an abstract, theoretical contributor to the "new deal" of his day.

I have purposely recalled to your memory the theoretical background of the early crusaders who planned to better the situation of the working classes in order to give you a mental picture of the characteristics of these men and the conditions under which their work was initiated and carried on. It must be remembered that they were pioneers, groping after ideals that seemed utterly impractical to some and viciously revolutionary to those whose claims to special privilege were challenged. As a matter of actual fact not all the first reforms proposed were practical or even desirable, but they blazed a trail through unmapped country. Others followed who widened the trail to a path, to be followed by still later ones who made the path a posted road, and this road, by modern effort, has been enlarged to a New Deal highway, along which, under the inspiring and practical leadership of our beloved President, Franklin D. Roosevelt, Congress is now pursuing its way toward a greater and more humane destiny. [Applause.]

Let us turn from considerations of social theories to the practical appliction of methods for the betterment of humanity. This brings before us the phenomenal and remarkable work done by Robert Owen, first of Manchester, England, and later of New Lanark, Scotland, where he put into successful and profitable operation a new and humanized method of dealing with his work people. Love for a girl, the daughter of David Dale, who with Richard Arkwright, had established in 1784 a cotton mill at New Lanark, was the key that opened the door that led to Owen's great success. Owen induced his Manchester partners to buy the New Lanark mills. He married Dale's daughter and became manager and part owner of the mills. The falls of the Clyde furnished the water power that ran the cotton mill. About 2,000 Scots were employed, among them children to the number of 500, 5 and 6 years old, who were taken out of the poorhouses and charities of Edinburgh and Glasgow.

Dale treated these children well but the lot of the adults was not good. The grown employees were recruited from the lowest classes, as the respectable country people refused to submit to the long hours and heavy drudgery of the factories. Theft, drunkenness, and other vices were common; education and sanitation neglected; most families lived in one room. It was this population that Robert Owen set himself to elevate and ameliorate. He improved their houses, trained them in habits of cleanness, orderliness, and thrift and in this he was aided by his young wife. Owen opened a store, the first of the practical cooperative stores, where goods of the best quality were sold at a price just above cost. The sale of liquor was strictly regulated.

Owen began with the children. He opened the first of the infant schools in England. He gave the children general training, and the manners of the children became beautifully graceful, genial, and natural. Health, plenty, and contentment prevailed among all Owen's workpeople. The theories on which Owen worked were not new, but he developed a practical application to actual life conditions in an entirely new manner. Good feeling existed between Owen and his workers. And the business was highly profitable.

Some of Owen's plans involved considerable expense, which came out of profits, and this displeased his partners who wanted greater gains. Owen formed a new firm composed of persons who were willing to accept 5-percent return on their capital, and the factories went on to greater success.

Owen's first departure from philanthropy to social progress came in 1817 when he sent in a report to the House of Commons on the poor laws. The close of the Napoleonic wars brought great stagnation to manufacturing and trade in England, and methods of recovery were as much discussed at that time as they have been with us during our depression. Owen clearly traced the special causes connected with the Napoleonic wars that lead to the debacle in industry and trade. Owen asserted that the permanent cause of distress was to be found in the competition of human labor with machinery, and that the only effective remedy was the united action of workers and the subordination of machinery. This in the infancy of the machine age, when the problems of that time compared to those of today were like simple arithmetic to differential calculus.

To New Lanark to see how the new plan worked, to see the work people it affected, and to see the founder of the method of practicing equal opportunities in life for workers, instead of merely dreaming about it, the great ones of England and Europe came. The Duke of Kent, father of Queen Victoria; Nicholas, afterward Tsar of Russia; Lord Liverpool, Premier of Great Britain; many large employers of labor in England and the Continent were strong proponents of Owen's methods after they had seen the results he achieved.

Owen had the attention of all Great Britain and much of the rest of Europe when at a meeting in London he went out of his way to announce his hostility to all forms of accepted religion. It was not religion, per se, that Owen opposed, but much of the chicanery that was practiced in the name of religion. His words were misinterpreted and misunderstood and aroused the antagonism of many, so that Owen's career as a social reformer was halted.

Owen came to the United States and established a community in Indiana, calling it New Harmony. Due to its motley membership, ranging from the highly intelligent to vagrants and crotchety enthusiasts of all nationalities, instead of the closely blood-conditioned allied Scots of New Lanark, the Indiana community failed. Owen returned to London, and because of friction with some of his partners at New Lanark, notably William Allen, he resigned all connection with the Scottish enterprise. Now of limited means, Owen still continued his work for social progress and maintained his battle for secularism. The word "socialism" first became current through discussions in the Association of All Classes of All Nations formed by Owen in 1835.

Owen left four sons, all of whom became citizens of the United States of America. Of these, Robert Dale Owen became a Member of Congress in 1844 and the next year introduced the House bill that provided for the founding of the Smithsonian Institution. This son was a strong proponent of his father's teachings in his adopted country. Robert Owen deserves to receive the great credit of being the practical founder of the social and economic "new deal" of his day.

Heinrich Karl Marx and Friedrich Engels were so closely associated in their work that it is impossible to consider one without the other. Marx and Engels issued the call to the working classes to unite in communism, urging them to do so by telling them that they "had nothing to lose but their chains," and "let us exploit the exploiters and expropriate the expropriators." Of their writings in collaboration Das Kapital, which proposes to examine historically and critically the whole mechanism of capitalistic economics, is the work on which their fame rests. The first volume deals with the processes of producing capital, the second with the circulation of capital; the third with the movements of capital as a whole; and the fourth with the history of the theories concerning capital. Capital, according to Marx-Engels, is the means of appropriating surplus value, which is asserted to be created in the process of production only; it is a part of the value of the newly created product that is not given the workman who makes the product as the wage of his labor force. Surplus value is kept by capital. This surplus value is taken first by the employer and is split up, in the different phases of economic intercourse, into the profits of industrial enterprises, commercial or merchant's profits, interest, and ground rent.

Labor is held to have no value in itself, being only the measure of value; but the labor force of the workman has a value represented by the means required to maintain the worker in normal conditions of existence.

Marx-Engels divided capital into two classes—constant capital and variable capital. The first is represented by the plant, machinery, and raw material; the second is used in paying wages for labor force. It is the constant tendency of capitalistic production to reduce the amount paid out for wages and to increase the amount spent for machines. Marx-Engels asserted that the cost of changing raw material to a finished product appears to the practical mind of the manufacturer as the base or cash value of the product. Marx-Engels asserted, on the contrary, that the real law of value disappears in a society where commodities are bought and sold against money and not exchanged against other commodities.

The scientific achievement of Marx, where his work can be differentiated from that of Engels, in the methods, principles, and details of his investigations, is set forth in his philosophy of history. In this, it is now admitted, Marx broke new ground and opened up new ways and new outlooks. No one before Marx had so clearly shown the role of the productive agencies in historical evolution; nobody so masterfully showed their great determining influence on the forms and ideologies of social organisms. Marx

expounded a philosophy of history that has the same significance for the transformation, or evolution, of social organisms that the argument of Darwin had for the theory of the transformation of biological organisms. Marx, in other words, applied the same bases to the evolution of life conditions that Darwin applied to life itself.

Mr. Chairman, what is the economic philosophy of socialism as preached by Karl Marx through his famous work called "Das Kapital"?

First. Scientific socialism pleads for an economic administration where all land and material capital shall be public instead of private property.

Second. Where the state and not the individual capitalist shall be the employer of labor.

Third. Where all production and distribution shall be left, not as they are at the present time, subject to speculation and competition, but they must be regulated in conformity with a planned economy so that no one need be left idle, uncared for, ignorant, illiterate, or poor.

That is the doctrine that underlies orthodox socialism wherever it is preached and practiced by the disciples of Marx and Engels throughout the civilized world. These socialistic crusaders contend that economic necessity is an invisible whip that drives the worker to his daily toil and struggle. They contend that the modern toiler is only a slave with liberty to simply change his masters. The fundamental ideal of socialistic principles is that under the present capitalistic system labor must be exploited. As producers the workingmen are exploited for the capitalists. As consumers for the middle classes and as tenants for the landlords. Socialistic philosophy, therefore, concludes that the only solution of the labor is a complete disintegration of the entire capitalistic system. What are the five great socialistic ideals found in Marx's Kapital that permeate most of its pages?

First. The economic interpretation of history. That theory contends that underlying all conflicts between labor and capital, between nation and nation, is the economic cause. Marx and Engels believe that the economic interpretation of history is the only passkey which will unlock all the secrets of the past.

Second. The class struggle. Throughout the ages there has always been a conflict between freemen and slave, between lord and serf, between the guildmen and the journeymen, between the oppressor and the oppressed, between governors and the governed, and today throughout the civilized world this world depression shows exploitation of the many by the few.

Third, is the principle of surplus value. Surplus value, according to Marx and Engels, is the difference between what the laborer produces and what he gets. Wages, declare Marx and Engels, are but an illusion where the toiler gives a full day's work but in reality is only paid for part of the day. The surplus value, Marx contends, is confiscated by capitalist in the form of profits. Thus Karl Marx contends that the wealth of the Nation is being siphoned into the hands of a few, while millions suffer from unemployment, hunger, and want.

Fourth, the inevitability of socialism. Marx and his followers believe that because the wealth of the nations of the world has fallen into the hands of the few the economic condition of our people will become dislocated, unemployment will increase, and increasing misery and world crisis be the result. Into the ranks of the working classes, Marx contends, will fall the middle classes, shopkeepers, small farmers, who have been ground out of existence through the unjust and unfair distribution of wealth. The middle class, or white-collar brigade, will have to join the working classes, and the two fighting together will have to overthrow capital to save themselves from starvation and hunger.

Fifth, the principle of internationalism. Marx and Engels preach the gospel that the working people have nothing to lose but their chains; they have the whole world to win. Under their communistic manifesto they cry aloud for the working people of all countries of the world to unite. Marx and Engels believe that there is more in common between the toiling classes of the world than between the capitalists and workingmen of the same country.

This, in short, Mr. Speaker, constitutes the principles, ideals, and philosophy behind the socialistic concepts found in Karl Marx's Kapital.

The works of Marx and Engels marked the beginning of the class struggle. In them was made the earnest appeal for a "new deal" era of socialistic development for the workers.

All this was theory. The way was pointed out to practice, but practical application was not forthcoming. The doctrines of Marx-Engels spread to Belgium, France, and England, and in Germany. In Germany, the militant figure of Ferdinand Lassalle fought for the Marx-Engels socialistic program. Lassalle was born in 1825, dying in a duel in 1864. Lassalle's contributions saw three stages in the development of labor—the ancient and feudal period, which, through the subjection of the laborer, sought solidarity without freedom; the reign of capital and the middle classes, established in 1789, which sought freedom by destroying solidarity; and the "new deal" era, beginning in 1848, which would reconcile solidarity with freedom by the introduction of the principle of socialism.

After the death of Lassalle, August Bebel, Wilhelm Liebknecht, and other gathered adherents built up a tremendous social-democratic organization and spread the idea of socialism to bring equality to all mankind. It began to look as if a social revolution was ready to burst in Germany when Bismarck stepped in.

Bismarck, the man of blood and iron, was also a man of diplomacy and conciliation—when it served his purpose. The Iron Chancelor realized that Germany was living over a volcano because of the poverty of its people, especially its lower classes of workers, who were exploited and commercialized by capital and big industry. Though Bismarck was a reactionary and most conservative figure, with all his natural sympathies with monarchy and nobility, he realized that Germany was imperiled unless labor was given greater freedom, better wages, and greater security in life. Bismarck stole the socialistic program for social and economic security, introduced and passed laws in the Reich granting old-age pensions, widows' pensions, unemployment insurance, child-welfare methods, and sickness, accident, and health insurance, ostensibly for the benefit of the German workers but actually to preserve the capitalistic sovereignty of the German Empire in Germany. The legislation broke the backbone of the Socialist Party. Bismarck did what the Socialists only talked about. Action rather than words was always the Bismarckian method.

Thus we find from an unexpected source a practical application of the dreams of dreamers; but this result would never have occurred unless the disciples of the dreamers had become so strong that they might be able to make the dreams come true by force of arms and through bloody revolution.

For almost 100 years the policy of laissez faire (let us alone) of the capitalistic class had controlled the production and held down labor. Thus, Bismarck, the great Iron Chancelor of Germany, was the first distinguished reactionary statesman to throw laissez faire into the wastebasket. Then and there was born the "new deal" in Germany which developed compulsory interference by the state in disputes between labor and capital when capital overexploited labor and labor rebelled. Labor unions in Germany were recognized as legitimate in 1881, when Bismarck's "new deal" policy became effective.

In 1909 national strikes crippled England. Asquith and Lloyd George took control of the situation and became leaders of the liberal and progressive bloc in Parliament. These two statesmen realized the folly of laissez faire, which was leading the British Empire, and particularly England, to ruin. Twenty-eight years after Bismarck led the way in Germany Asquith and Lloyd George gave Great Britain the same "new-deal legislation" of Germany which rescued England from the slough of depression and brought prosperity to the British working classes.

In 1910 general riots broke out all over France. Strikes were called everywhere. The French working people demanded social and economic justice for those who toiled and labored in agriculture and industry. Revolution again was in the air. It remained for a socialistic trio, led by Waldeck Rousseau, Premier of France, and his two able and fearless associates, Clemenceau and Briand, to stem the tide of revolt by granting to French workmen the same benisons that had been granted German and English workers.

In 1913, at Albany, the capital of the great Empire State, the then Governor of the State, William Sulzer, appointed a commission to inquire into the subject of widows' pensions, child welfare, workmen's compensation, employers' liability, and other remedial methods. Governor Sulzer appointed the Honorable Alfred E. Smith, then speaker of the New York Assembly; Robert Wagner, leader of the New York Senate; James J. Walker, later mayor of New York; Judge Aaron J. Levy, justice of the New York Supreme Court; Franklin D. Roosevelt, then a member of the New York Senate; James Foley, surrogate of New York; Sophie Irene Loeb; Senator Martin McCue, a present Member of Congress; and a number of others, on this special commission.

They prepared and passed social and economic legislation in New York State. Similar legislation since has been adopted in 41 States of our Union.

Mr. Chairman, ladies and gentlemen of the Committee, that legislation and the results that flowed from it was the beginning of the New Deal. It made Smith four times Governor of New York and Franklin Delano Roosevelt twice Governor and paved the way for him to the Presidency. On December 8, 1927, in the House of Representatives, I introduced a bill to provide for old-age pensions and spoke for an hour on the subject before the House. The Reverend Francis J. McConnell, president of the Churches of Christ in America, ordered 100,000 copies of that speech and sent them broadcast throughout the Nation.

The following month, in January 1928, Franklin Delano Roosevelt was inaugurated Governor of the State of New York. Several months later Governor Roosevelt forced through the New York Legislature a law creating old-age pensions for the old fathers and mothers in New York State. Today, as President of the United States of America, Franklin Delano Roosevelt insists on Federal and State pensions for every man and woman who arrives at old age and who is deprived of economic security. To some of you, ladies and gentlemen of the House of Representatives, this philosophy is called the New Deal. To pioneers and veterans in the subject, it is the "old deal" put into operation and coming to fruition, as the New Deal of today. [Applause.]

Why have these humanitarian laws, old in Europe, new in our Capital at Washington, taken so long to germinate and develop in our Republic? In a recent interview with our beloved President of the United States I called to his attention the fact that China, India, and the United States were the only nations in the civilized world that were without old-age pensions. Let us escape from the company of India and China and join the onward march of progress with the other civilized nations of the world who have done justice to the old fathers and mothers of their country.

Mr. Chairman, in Europe most of the nations are composed of homogeneous people, and there is racial unity between them. The

population of the United States of America is heterogeneous. In New England are folk of English, Irish, German, Canadian, French, and Portuguese descent. In New York State Dutch and English, and in New York City the greatest cosmos of mankind the world has ever seen. New Jersey was settled by Swedes and English, as were early Pennsylvania and Delaware. Pennsylvania also had a large settlement of Germans in colony days and of Welsh and Irish miners, and later of Letts, Poles, and others in the mining sections. Virginia by English, as also the Carolinas. Maryland by English Catholics. Florida by Spaniards. Louisiana by French. The early Mississippi Valley settlements were by Spaniards and French. The region of the Great Lakes by Jesuits who carried religious training to the early settlers.

Since the early days every nationality in the world has contributed its quota to our heterogeneous population; yet, while we may have our difference in racial and religious beliefs and domestic customs, we love the country of our forbears, and high above everything else in life on our escutcheon we carry the Stars and Stripes and in our hearts, minds, and souls an adaptation of the Latin credo, "Civis Americanus sum"—I am an American citizen, the proudest heritage and the greatest tribute that an American can cherish in his heart, an American not only ready to die for his country in time of war but to live for it in time of peace and help it continue to be one nation, with liberty, justice, and economic security for all. [Applause.]

Mr. LUNDEEN. Will the gentleman yield?

Mr. SIROVICH. I yield to the gentleman.

Mr. LUNDEEN. I wish to say that I have been very much interested in the able and learned address of the distinguished gentleman from New York. In the light of what he has said about social conditions in his very eloquent address, I would like his opinion on the Lundeen unemployment, old-age, and social-insurance bill, H. R. 2827.

Mr. SIROVICH. In reply to the gentleman from Minnesota, I want to say that I have been working loyally, diligently, and faithfully for 10 years in this House for old-age pensions, social insurance, unemployment insurance, the clearance of slums, and every form of social legislation that would be instrumental in making the life of mankind better. In the Seventy-third Congress the distinguished gentleman from Minnesota introduced the Lundeen bill. No other such bill was before the House, and I gave it my earnest support as a Tammany Hall man. A petition to bring it before the House was at the Speaker's desk and I was one of the 30 men who signed that petition. I still consider the Lundeen bill as the only bill that would solve the social problem of old-age pensions and unemployment insurance.

Mr. GUYER. Will the gentleman yield?

Mr. SIROVICH. I yield to the gentleman from Kansas.

Mr. GUYER. Among the many things the gentleman mentioned was the workmen's compensation and child-welfare bills. They were passed under a Republican administration, were they not?

Mr. SIROVICH. Bills for that purpose had already been passed by the Democratic Legislature in New York, way back in the year 1913.

Mr. GUYER. I am talking about Congress, about Federal legislation. Is it not true that the workmen's compensation law and the child-welfare law were passed under Republican administrations?

Mr. SIROVICH. The child-welfare bill that you refer to permitted children under 16 years of age to work in the mills, the looms, the mines, and the factories, and the only child-welfare legislation ever enacted in this House of Representatives was the legislation of the National Recovery Act submitted by our beloved Democratic President, Franklin D. Roosevelt, in 1933, that forever outlawed and abolished completely child labor in our Republic. That was the great contribution of a Democratic House and Senate on the altar of child slavery, abolishing it completely in every State of the Union. [Applause.]

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. I am glad to yield to my distinguished colleague from Michigan.

Mr. MICHENER. The child-labor amendment which accomplishes everything that is accomplished in the abolishment of child labor under the existing law or regulation, was passed by a Republican Congress and was approved by most of the Republican States. Is not that true?

Mr. SIROVICH. It is only true insofar as that fight was aided and abetted by those who were social-minded on the Democratic side and who by their votes helped to pass this legislation even against Republican influence. When it came to enforcing child-labor legislation the Republican Party put men into key positions of power who nullified the act. That is why we found children under 16 years of age working in mills and mines and factories throughout various States of the Union, because of Republican dereliction, and their secret and determined desire not to enforce the child labor law. [Applause.]

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. Yes; I yield to my friend from Ohio.

Mr. HARLAN. In further comment on the question of the gentleman from Michigan [Mr. MICHENER] is it not an obvious thing also that the constitutional amendment was never even attempted until after two acts of the Democratic Congress under President Wilson attempting to keep child labor out of factories had been declared unconstitutional by the Supreme Court, and then a constitutional amendment was attempted, but has never had enough force back of it, through the Republican States very largely, and some Democratic, to carry it through.

Mr. SIROVICH. The gentleman is correct in his observation.

Mr. DOBBINS. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. Yes.

Mr. DOBBINS. I did not understand the inquiry of the gentleman from Michigan [Mr. MICHENER]. Did he say most of the Republican States, or both of the Republican States? [Laughter.]

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. Yes; I yield to my friend from West Virginia.

Mr. RANDOLPH. I have been intensely interested in the able address of the gentleman from New York. In connection with child labor I do want to say, however, that now is the real opportunity for this administration to throw its full weight into those States that are now considering the child-labor amendment. Does the gentleman believe that that should be done?

Mr. SIROVICH. Not only do I believe it, but if the gentleman will search the CONGRESSIONAL RECORD for the past 10 years, in many of my social-security addresses, he will find me always appealing for humane and social justice to every boy and girl, to accord them society's guaranty of not being compelled to work and toil while under 16 years of age.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. I would be delighted to yield to the distinguished gentleman from Wisconsin if I could get more time. Will the gentleman from New York yield me a little more time?

Mr. BACON. I yield the gentleman 2 minutes more.

Mr. SIROVICH. I yield first to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Chairman, I rise to ask the gentleman from New York to give the name of the gentleman to whom he referred in his early remarks.

Mr. SIROVICH. I have already referred to the able and distinguished people who assisted us in perfecting and developing old-age pensions, widows' pensions, child labor, child welfare, and workingmen's compensation proposals. In the New York State Legislature in 1912 there was a distinguished colleague of ours, who died only 2 weeks ago, Mr. Anthony Griffin, who also was a member of this Committee on Appropriations, and who worked very faithfully for social and humane legislation. Senator Martin McCue also served the best interests of his State in protecting the widows and orphans.

Mr. BOYLAN. And permit me to say to the gentleman that I also served on the same committee with Alfred E. Smith.

Mr. SIROVICH. I mentioned his name.

Mr. BOYLAN. And with Senator ROBERT F. WAGNER and the late lamented Sophie Irene Loeb and also Surrogate James Foley.

Mr. SIROVICH. All these noble men and women gave of their today that others might have their tomorrow. And for the benefit of my distinguished colleague, with all the modesty that I can command at my disposal, may I state that I happened to be a member of that original commission way back 25 years ago that wrote all this legislation. In those days I studied the prison institutions of our country and the orphan asylums; and that bill which I helped to write in the State of New York has now been adopted in 41 States of the Union, and I am proud to say that old-age pensions are now found in 28 States of the Union. [Applause.] I now yield to the gentleman from Wisconsin.

Mr. BOILEAU. Mr. Chairman, I understand that the New York State Legislature within the last day or two has turned down the child-labor amendment. Will the gentleman state whether that legislature is Democratic or Republican?

Mr. SIROVICH. My distinguished friend from Wisconsin is greatly misinformed. The New York State Legislature will be in session for the next 3 months and I am sure will very seriously consider the child-labor amendment and do justice to the cause. Justice crushed to the earth must rise again.

Mr. BOILEAU. I understood a senate committee pigeonholed the bill.

Mr. SIROVICH. We have had a lot of bills pigeonholed here in the Congress of the United States but the gentleman and I have tried valiantly and courageously to bring them on the floor of the House in spite of "gag" rules to the contrary notwithstanding. While there is life there is always hope, and I sincerely trust that the great Democratic Party that has always initiated social legislation will continue in the State of New York until it passes this deserving legislation. [Applause.]

Mr. Chairman, I desire to extend, through you to the Members of the House, my most earnest appreciation for the splendid attention they have given to me for the past hour, and for the very gracious way in which they have received my remarks. [Applause.]

Luther Patrick—A New Congressman

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 13, 1938

Mr. PATMAN. Mr. Speaker, every person on this House floor knows the problems and difficulties each Member is con-

fronted with on newly becoming a Member of Congress. Everyone here had to pass through that initial 2-year period in which he has very little opportunity to effectively participate, certainly in a capacity of leadership, regardless of how much leadership he may have in his make-up. This has always been true. No Member becoming a part of this deliberative group for the first time can be expected to be more than studious, industrious, and in a mood for learning.

In this connection I wish today to refer to one particular Congressman who came here from Alabama this last session of Congress. I refer to LUTHER PATRICK, of Alabama. No one could have come less heralded, yet in the short time since January 1937 he has been with this body he has made his warm and charming personality felt throughout the Congress. He has been placed on three committees—Mines and Mining, Executive Expenditures Committee, and Public Buildings and Grounds. The chairmen of these committees testify to the cheerful and willing way LUTHER PATRICK always attends the meetings of his committees and willingly works at whatever his hand finds to do. He can be depended on to attend. A short time ago when Chairman COCHRAN, of Missouri, chairman of the Committee on Expenditures in the Executive Departments, wished to press two bills into law on the same day, he chose the young Member, LUTHER PATRICK, who helped him get the bills with their facts before the House. PATRICK made four or five speeches on the floor that day, explaining the facts, figures, and purports of the bills. I agreed then and still say that as soon as he has had the experience every Congressman must have, LUTHER PATRICK is destined to be one of the outstanding lawmakers and leaders of this body. He is an excellent speaker, gets a clear grasp of the subject at issue, and can express views forcefully and with effect.

He was made a member of the Democratic cooperative forum in Washington, to which I belong, and one of the greatest and best Democratic agencies Washington can boast, and he had not been a member of the group but a few months till he was made one of its most valuable functuaries, notwithstanding his newness in this body. He has been sent to several points and into several States to state the position and program of the Democratic Party to the people and always enjoys the confidence and esteem of those in high command in this Nation.

I am not particularly acquainted with his record insofar as local activities in his district are concerned. I can state to him that each first termer must not expect the whole organization to spring to its feet and change the full order of things because he has reached Congress. I am informed that more than $5,000,000 of United States money have been spent in his district since he reached here, and that he has secured among other things an out-patient hospital unit six stories in height at the hands of this Nation. It has just been announced that the United States Housing Administration has allotted to the city of Birmingham in the last few days for housing projects the sum of $4,500,000, which compares most favorably with any amount allotted to any city in the entire Nation. It certainly shows that insofar as benefits are concerned that he and his district have suffered no discrimination. This certainly ought to satisfy any newcomer.

I merely insert this little statement and cite the case of this LUTHER PATRICK to illustrate the fact that even though a new arrival in Congress is restricted and circumscribed, still, if tactful and industrious, he will find it a medium through which many things flow and in which he can make himself felt and appreciated while his character and personality will be quite amply reflected.

In 1916 Champ Clark stated to this body:

THE MAKING OF A REPRESENTATIVE

REMARKS OF CHAMP CLARK AT THE WASHINGTON PRESS CLUB RECEPTION THURSDAY, MARCH 16, 1916

(Printed in CONGRESSIONAL RECORD, March 17, 1916)

It is a high honor to be a Representative in Congress, if for only one term, and with the number of terms the honor increases in geometrical rather than in arithmetical proportion. A Member's usefulness to his country should increase in the same proportion. A man has to learn to be a Representative just as he must learn to be a blacksmith, a carpenter, a farmer, an engineer, a lawyer, or a doctor.

"Poeta nascitur non fit"—a poet is born, not made—says Horace; but Congressmen—that is, useful and influential Congressmen—are made largely by experience and practice.

The old Charlotte district in Virginia knew this and kept John Randolph of Roanoke in the House till he became a great national figure. Then the Old Dominion sent him to the Senate and General Jackson sent him to St. Petersburg. There are sporadic cases of similar action in other districts.

It is an unwise performance for any district to change Representatives at short intervals. A new Congressman must begin at the foot of the class and spell up. Of course, the more brains, tact, energy, courage, and industry he has the quicker he will get up. If he possesses these qualities, and if his constituents will keep him in the House, he is as certain to rise as the sparks are to fly upward. No human power can keep him down. It is only fair and rational to assume that every Representative's constituents desire to see him among the "top-notchers."

Let us take the present House and see how long the men who hold the high places have served. I cannot name all, but will cite a few as samples.

Mr. Speaker Cannon is serving his fortieth year. He holds the record, or, in pugilistic parlance, "he holds the belt," for length of service in the House in our entire history. In several Congresses he was chairman of the great Committee on Appropriations and then was Speaker 8 years, only one man, Henry Clay, having been Speaker longer.

I am serving my twenty-second year; Minority Leader Mann is serving his twentieth year; Mr. Kitchin, chairman of Ways and Means, his sixteenth; Mr. Fitzgerald, chairman of Appropriations, his eighteenth; Mr. Moon, chairman of the Post Office and Post Roads, his twentieth; Mr. Jones, chairman of Insular Affairs and "father of the House," his twenty-sixth; Mr. Flood, chairman of Foreign Affairs, his sixteenth; Mr. Hay, chairman of Military Affairs, his twentieth; Mr. Glass, chairman of Banking and Currency, his sixteenth; Mr. Adamson, chairman of Interstate and Foreign Commerce, his twentieth; Mr. Stephens, chairman of Indian Affairs, his twentieth; Mr. Slayden, chairman of the Library, his twentieth; Mr. Henry, chairman of Rules, his twentieth; Mr. Lever, chairman of Agriculture, his sixteenth; Mr. Padgett, chairman of the Navy, his sixteenth; Mr. Lloyd, chairman of Accounts, his twentieth; and Mr. Sparkman, chairman of Rivers and Harbors, his twenty-second. There are other big chairmanships, but these will suffice to show that as a rule the big places go to old and experienced Members, for most of the men who rank close to the chairmen are old timers. The same thing holds good with reference to members of the minority. As an illustration, Messrs. Gillette and Cooper, who are serving their twenty-fourth year, are the ranking Republicans on Appropriations and Foreign Affairs, almost certain to be chairmen thereof should the Republicans ever again have a majority in the House, as in that event, in all probability, Mr. Mann will be Speaker, unless he is nominated for President next June.

Go through the whole list and you will find, with few exceptions, that the men of long service have the high places.

New England and the cities of Philadelphia and Pittsburgh have understood the value of long service all along, and, having elected a fairly good man to Congress, they keep him in the harness.

The Member of longest consecutive service is called "the father of the House." Five Philadelphians in immediate succession bore that honorable title—Randall, Kelley, O'Neill, Harmer, and Bingham. Then it went to Mr. Dalzell, of Pittsburgh. When General Bingham announced the death of General Harmer, his immediate predecessor as "father of the House," he stated that the five Philadelphia "fathers of the House" had served a total of 147 years, and he served 8 or 10 years after making that interesting statement.

In the second and third Congresses in which I served, Maine, with only four Members, had the Speakership and the chairmanship of the great Committees on Ways and Means, Navy, and Public Buildings and Grounds—a most remarkable circumstance, giving the Pine Tree State an influence in the House and the country out of all proportion to her population and wealth. These four men—Reed, Dingley, Boutelle, and Millikin—each served in the House 20 years or more. Other States might profit by her example.

No man should be elected to the House simply to gratify his ambition. All Members should be elected for the good of the country.

The best rule, it seems to me, is for a district to select a man with at least fair capacity, industrious, honest, energetic, sober, and courageous, and keep him here so long as he discharges his duties faithfully and well. Such a man will gradually rise to high position and influence in the House. His wide acquaintance with Members helps him amazingly in doing things.

I can speak freely on this subject without violating the proprieties, for my constituents have kept me here 22 years, and for 20 years have given me nominations without opposition, for all of which favors I thank them from the bottom of my heart. Their generous action and unwavering friendship have enabled me to devote all my time to the public service. I have not been compelled to spend any portion of my time in "mending my fences." My constituents have attended to that. God bless them.

One other thing. I do not know what committee assignments you new Members secured. If they are good, you are to be congratulated. If bad, do not be cast down. No congressional tenderfoot ever had poorer assignments than I had—Claims and Old Pensions—but I never complained or kicked. I went to work as though those committees suited me exactly. Here is an illustration of what may happen and how luck plays an important part. I was next to top Democrat on both Foreign Affairs and Patents for 8 years—never advanced a peg so far as committees went. Just when, at the beginning of the ninth year on those two committes, I was about to become top Democrat on Foreign Affairs, Hon. John Sharp Williams, then minority leader, assigned me to the foot of Ways and Means, and at the end of 4 years through the happenings of politics in five different States I jumped from the foot to the head of the Democratic minority on Ways and Means. So it may be with you. Events over which you have no control may advance you more rapidly than you dream of or hope for. My advice is this: "Whatever your hand finds to do, do it with your might."

Of course, while every word that matchless Democrat stated is now true as it was then, this present case of LUTHER PATRICK should be a challenge and a promise to those arriving for the first time to become a part of the Congress of the United States of America.

For Those in Need Abroad

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 13, 1938

EDITORIAL FROM THE NEW YORK HERALD TRIBUNE, APRIL 6, 1938

Mr. CELLER. Mr. Speaker, under extension of remarks I am happy to quote an editorial which appeared in the New York Herald Tribune of Wednesday, April 6, 1938:

Oppression of Jews in central European countries, which, in cold cruelty, outdoes the barbarism of the Dark Ages, goes on, unchecked by protests from other governments. Millions have been driven from their homes or professions; have been denied other means of livelihood; stripped of their property; their children excluded from public schools. They are forbidden to keep enough money to escape tyranny by emigrating, so that funds for that purpose must come from outside. Unable to seek another land, they must starve, or subsist on the meager charity of those only a little less destitute than themselves. These appalling conditions, which seem so unreal to those who live in a land of plenty, are grim actualities to the hapless victims. Of 3,400,000 Jews in Poland, for instance, a million are said to be starving; in Germany, the 360,000 who have not been able to cross the border seem doomed to destruction; in Rumania, 760,000 are threatened with boycott; and there are many thousand others in Austria, Lithuania, Latvia, and elsewhere, whose plight is also desperate.

The American Jewish Joint Distribution Committee, of which Edward M. M. Warburg is chairman for Greater New York, is undertaking to raise $2,040,000 in this district, as the city's share of the national quota of $5,100,000 for 1938, which is being collected under the national chairmanship of Jonah B. Wise. Large amounts have already been sent abroad by the committee. It has turned over $1,800,000 for economic development in Palestine, and additional funds for construction work. In Poland $900,000 was spent of the 1937 fund; German Jews received $694,000; those in Rumania, $97,000; and in refugee lands $850,000 was invested in vocational training, food, clothing, shelter, and medical attention. The figures are impressive, but the need is great. It is estimated that $11,650,000 will be needed this year for relief of distress, and for rehabilitation, as far as that is possible. In addition to the $5,100,000 which the American Jewish Joint Distribution Committee has undertaken to raise, there will thus remain a large balance which must be contributed by others. As is the custom with Jewish philanthropies, all sums given will be carefully spent and accounted for.

This great benevolent undertaking deserves the support of everyone who has a dollar to spare and who sympathizes with humanity in distress. All who do not believe a defenseless minority should be crushed to serve the purposes of a dictator will do well if they help to relieve the victims, and thus lessen a reproach to humanity. Campaign headquarters, to which contributions may be sent, is at 100 East Forty-second Street, New York.

Summary of the Business Education Bill

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 13, 1938

SUMMARY OF THE BUSINESS EDUCATION BILL INTRODUCED TODAY

Mr. PATMAN. Mr. Speaker, I am today introducing a bill to encourage education and research in problems of business and distribution. It is H. R. 10260 and may be summarized as follows:

An act to provide for cooperative work in business education in the various States between the Bureau of Foreign and Domestic Commerce and State universities.

To provide for the further development of business training among distributors, including manufacturers and retailers.

To provide for Federal aid in business research and in business extension work among independent retailers.

To provide for study and research of, and into, the practices of distribution.

To provide for the training of teachers and the payment of teachers' salaries in the teaching of distributive and business subjects in high schools and part-time schools.

In behalf of small-business men, as will promote greater efficiency, assure them a more secure economic position, assure the public an increasingly efficient system of distribution, and the consumer as low a cost of living as may be consistent with fair rewards to the producer.

This act is largely based on prior laws of years standing which have extended cooperative aid to agriculture, to wit, the act setting up agriculture experimental stations in the various States, the Smith-Lever Act providing for county agriculture agents, and in the Smith-Hughes Act providing for training of teachers and the teaching of agricultural subjects in the high schools.

In the same manner and in like amounts this act proposes to extend Federal aid to the States as follows:

To the United States Department of Commerce, for research, dissemination of information, and general supervision—the first year, $500,000, and graduating upward $100,000 per year to a maximum of $1,000,000 per year.

To each State, for the maintenance of a business and distribution research bureau in its State university—the first year, $20,000, and graduating upward $10,000 per year to a maximum of $60,000.

To the various States, for training of, and payment of, salaries of, extension workers among small, independent businessmen—the first year, $500,000, graduating upward $250,000 per year to a maximum of $3,000,000.

To the various States for training of teachers and payment of teachers' salaries in the teaching of business and distributive subjects in the high schools and part-time schools—the first year $500,000 graduating upward $250,000 per year to a maximum of $3,000,000.

The two first above are to be matched in equal amounts by the various States and the Federal aid is to be apportioned to the States in the ratio their total number of manufacturing, retailing, distributors, and service outlets bears to the total in the United States.

Administration of the act is to be under a State board consisting of at least three, but not limited to three members, of which there shall be the president, dean of the college of business administration, who shall be the chairman, and dean of the graduate school of the State university.

The Secretary of Commerce of the United States shall be charged with the general administration of the act.

Similar to the agriculture acts before mentioned, an outright appropriation of $10,000 per annum to each State is made for expenses of State administration.

It is the intent and purpose of the act that research and training as used in the act shall mean research, experimental investigation, tabulation, and dissemination of the results of same in, but not limited to, the science of advertising, consumer psychology, window display, interior display and arrangement, stock turn-over, stock control, distribution cost finding, distribution time study, traffic flow, salesmanship, installment selling, purchasing, business economics, finance and banking, and employer-employee relationship.

This proposed act further amends the George-Deen Act so as to bring all Federal aid having to do with education and research in problems of business and distribution as distinguished from purely vocational education and training, under the provisions of one act. Of the $12,000,000 appropriated under the George-Deen Act for vocational education, 10 percent, or $1,200,000, was designated for distributive pursuits. This act was the first to thus designate an appropriation for such purposes. The proposed act would simply amend this $1,200,000 out of the George-Deen Act and transfer it to be used as provided in this proposed business education and training act.

Jefferson's Birthday

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 13, 1938

Mr. CELLER. Mr. Speaker, we were all enthralled and highly encouraged by the messages of hope recently promulgated by President Roosevelt and Secretary of State Hull concerning political and religious refugees fleeing from benighted countries of Europe.

At the base of the Statue of Liberty in New York is a plaque containing the following glorious lines written by that great poetess, Emma Lazarus:

Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore,
Send these, the homeless, tempest-tossed, to me;
I lift my lamp beside the golden door.

I would forever hold up the lamp of welcome to the politically homeless and the victims of cruel political and religious tortures abroad. Our door should always remain open.

The great Jefferson, whose birthday we celebrate today, was deeply imbued with the spirit contained in the aforesaid poetry. President Roosevelt happily follows Jefferson's example.

THOMAS JEFFERSON—BIRTHDAY OF AN AMERICAN

Thomas Jefferson, third President of the United States and founder of what is now known as the Democratic Party, was born on April 13, 1743, 195 years ago this week. At this time, when efforts are being made to revive the principle of asylum for political and religious refugees in the United States, we recall that, although many American statesmen supported the principle of asylum for refugees, Thomas Jefferson, more than any other, helped to establish and maintain it as an American tradition.

It was Thomas Jefferson who proposed the draft of the Declaration of Independence containing this complaint against George III:

He has endeavored to prevent the population of these States; for that purpose obstructing the laws of naturalization of foreigners, refusing to pass others to encourage their migration hither. * * *

Later, the Federalist Party, with John Adams at its head, launched a campaign against foreigners, which resulted in the Alien and Sedition Acts of 1798. The acts lengthened the period of residence for naturalization to 14 years, and gave the President power to deport noncitizens "dangerous to the country." It was Thomas Jefferson who, with eloquent words and effective action, led the fight against the Alien and Sedition Acts, resulting in their repeal, and for the restoration of the principle of asylum.

In his inaugural address of 1801, Thomas Jefferson asked the famous rhetorical question:

Shall we refuse the unhappy fugitive from distress that hospitality which the savages of the wilderness extended to our forefathers arriving in this land? Shall oppressed humanity find no asylum on this globe?

The principle of asylum and equality of opportunity for immigrants enunciated by Thomas Jefferson was reaffirmed in the Democratic Party platforms of 1848, 1852, 1856, 1884, and 1892, in the following words:

That the liberal principles embodied by Jefferson in the Declaration of Independence and sanctioned in the Constitution, which makes ours the land of liberty and the asylum of the oppressed of every nation, have ever been cardinal principles in the Democratic faith.

Although efforts were made to preserve the principle of asylum, the increasing restrictions in the immigration laws and the increasingly drastic deportation laws have almost completely negated this principle of asylum. Not only do the politically persecuted find it extremely difficult to enter but many refugees who have managed to escape to the United States, whose entry was not entirely in accord with the immigration laws, have been arrested and threatened with deportation and persecution in the countries from which they came.

The American Committee for Protection of Foreign Born, which has been called upon in scores of cases of refugees who faced deportation, congratuates the Department of State and the Roosevelt administration for calling to the attention of the country and the world this high tradition of asylum for refugees, which has been neglected and almost forgotten.

It is not enough, however, to depend upon the discretion which the State and Labor Departments may be able to exercise in aiding refugees under the present laws. Every organization and every individual should support my right of asylum measure, H. R. 7640, to prevail upon Congress to restore upon the statute books the principles enunciated by Thomas Jefferson not only to guarantee that this country will accept its share of refugees from present-day tyrannies but that refugees who have escaped here may be free from the threat of deportation.

The Reorganization Bill

EXTENSION OF REMARKS
OF
HON. ROBERT LUCE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 13, 1938

RADIO ADDRESSES BY HON. JOSEPH W. MARTIN, JR., HON. CHARLES L. GIFFORD, AND HON. ROBERT LUCE, ALL OF MASSACHUSETTS, APRIL 11, 1938

Mr. LUCE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include radio addresses by my colleagues, Hon. JOSEPH W. MARTIN, JR., Hon. CHARLES L. GIFFORD, and by myself, all of Massachusetts, delivered April 11, 1938.

ADDRESS OF HON. JOSEPH W. MARTIN, JR., OF MASSACHUSETTS

America spoke, Congress responded, and the so-called Government reorganization bill was defeated.

The tremendous volume of opposition was clearly an unorganized and spontaneous outburst of disapproval by the rank and file citizens. They still cling firmly to the solid rocks of liberty, equality, economic and religious freedom, the right of self-government, and unrestricted education, which are the foundations of our constitutional democracy.

Vast powers were given the Executive during the emergency under positive assurances that they would be returned to the Congress when the emergency had passed. Instead, the Nation has witnessed a continuing policy of broadening and making permanent those temporary Executive powers.

The attempt of the executive department to seize power over the judiciary in the Court-packing proposal was not forgotten by the people. In its original form the so-called Government reorganization plan was intended as a companion act to the Court-packing bill. Therefore, even though the bill was finally modified somewhat, the citizens saw in it the same trend toward concentration of power which they had feared in the Court-packing bill, and which they have come to fear in any proposal that would take the administration of government away from its constitutional representative form and into the realm of political autocracy.

The menace that remained in the bill is attested by the fact that 108 Democrats joined the Republican Members of the House to defeat the measure. It was a very difficult thing for them, many of whom are the President's close personal friends, to oppose any measure sponsored by him. Only the deepest conviction of the dangers to constitutional government inherent in the proposed act, together with the overwhelming evidence that the people wanted no such measure passed, could have persuaded those 108 Democrats to vote as they did.

The administration, in last-hour efforts to secure passage of its plan, accepted amendments designed to disarm opposition. But the conviction was deep-seated throughout the country and among the Members of Congress that these concessions were a subterfuge to get the bill through the House and into conference, where the will of the people would be defeated and the broad powers for the executive department, which were amended out of the bill, would be restored to it.

The Members of Congress who voted against the bill are not opposed to a sound, nonpartisan, genuine reorganization of the governmental machinery designed to achieve increased economy and efficiency. The scheme which was defeated neither promised nor provided for any economy or any increased efficiency in governmental administration. On the contrary, it would have greatly increased the cost of government.

The citizens protested against the threat of ruin of the civil service, which could have taken place if the bill had passed. They do not want any individual or any group of individuals empowered to frustrate the merit system.

The people also want Congress to keep its control over the spending of public funds. Therefore they rebelled at the changed status of the Comptroller General's department, as provided in the bill.

Furthermore, they do not want any department of Government given such unlimited and undefined powers over their liberties as would have been vested in the proposed new department of public welfare, and they plainly said so.

We all realize this depression, with its 13,000,000 unemployed wage earners, cannot be cured until the Nation-wide fear of a departure from constitutional government and a sound economic system is allayed by a reversal of the administration's policy of trying to vest all economic and social control in the executive department.

The defeat of the reorganization bill was another great victory for constitutional government. This action by the Congress will aid recovery—a recovery not to be achieved by continuous governmental borrowing and spending and increased taxation, but by a renewed confidence, a revitalized business activity, and a resumption of private employment.

This is possible, now that the people are reassured that once again they possess their historic government of three coequal branches.

ADDRESS OF HON. CHARLES L. GIFFORD, OF MASSACHUSETTS

The long fight over the reorganization bill was a historic struggle. The people won.

Congressmen, who every 2 years are held accountable by their constituents, take heed when the people choose to express themselves.

Before the final vote was reached, the reorganization bill had been amended in the House so many times that it was but a husk of the measure originally demanded by the administration, yet frantic attempts were made to pass it so that it might be sent to conference. Therefore both the House and Senate bills had to be kept in mind. To the people, however, the bill had become primarily merely a symbol. To them it spelled an abandonment of legislative powers to the determination or the whim of the Executive.

During the days of the great emergency of 1933, Republicans were even more willing than Democrats to grant emergency powers to the President. However, to our utter consternation, none of the powers so granted 5 years ago have been relinquished by him. The attempt to seize control of the Supreme Court in addition arcused a great fear in the Nation. The extraordinary demands of the President for immediate Government reorganization were thrust upon us at about the same time that that other great issue was presented. I was one of the two Republican Members selected to serve on that Special Committee for Organization. Lest the people should become informed of those new extraordinary demands, the committee met for several weeks in executive session only and was not permitted to divulge what was transpiring even to their brother members.

It is indeed heartening to us that the Nation finally became aroused to the grave danger of further delegation of legislative powers to the Executive. Reorganization of some sort is undeniably desirable and essential. However, Congress painstakingly created the agencies involved, and it is the plain duty of the Congress itself to reorganize them when necessary.

Vast spending of borrowed funds and contemplated demands for additional billions mean a staggering debt upon the shoulders of even future generations of American citizens. The results of experimentations already made under the complete control of the Executive are most disheartening. Small wonder is it that the Nation now calls upon Congress to cease this wholesale delegation of power which has brought us to our present extremity.

The power granted to President Hoover in 1932 could be, and was, made utterly futile by the disapproval of only one branch of the Congress, and his painstaking recommendations were rejected with scant consideration.

The victory of last Friday caused values in our market places to rise rapidly, and if the Congress could now insist that a beginning be made to allay the great fear within the world of business, surely we might have reason to expect that this Nation, with its vast natural resources and manpower, with an unquestioned capacity for capable management, would quickly achieve a full recovery. It is indeed tragic that under existing conditions the business of the country should go up or down with the smiles or frowns of its Chief Executive.

In the recent struggle patriotic Democrats faced the loss of patronage and the allocation of largesses to their districts. The leaders themselves finally felt obliged to abandon the fight for the bill on its merits and made the main issue the preservation of the President's prestige. Although spectacularly planned, this failed of its purpose.

However, I have considerable anxiety lest in the forthcoming extraordinary demands for more billions for pump priming some Members of Congress who failed to support the administration last week may be overdesirous of reinstating themselves and yield to the new demands without due consideration, and it may well be that this grant of vast sums of money to be spent entirely at his own discretion might give the Executive more power than any reorganization bill. Nevertheless, for the moment the atmosphere is clearer; the people are encouraged by the realization that their representatives in Congress are responsive to genuine and thoughtful demands.

A nation's psychology has a tremendous bearing upon its well-being or its ill-being. Grave uncertainty as to the future of our country still exists. The people know that the spending of billions borrowed from their savings have dismally failed to achieve the objectives proclaimed by the spenders. Continued and insistent demands by the Executive for additional delegations of power to him, based on the claim that in the last election the people themselves delegated such authority by overwhelming vote, has heretofore bewildered the Congress. However, the avalanche of letters and telegrams recently received in opposition to such delegation of power—practically unanimous in opposition—went far to dispel this belief.

The people are awakening.

ADDRESS OF HON. ROBERT LUCE, OF MASSACHUSETTS

Autopsies are held to learn how the victim was killed. In the case of the reorganization bill it is clear that the fatal blow was struck by the people. Latest figures show that 333,000 telegrams in protest came to Congress, and there must have been twice that many signers of letters and petitions, making all told a million voters who spoke their minds.

They were men and women of all sorts and conditions, of diverse religious and political beliefs, all manner of occupations. There was no sign of conniving, of persuasion, of purchase. The suggestion that there was anything mercenary, venal, or corrupt in their action is absurd. They knew little about the details of the bill. They knew only that it meant giving more power to the President, and against this they were dead set. Nothing more heartening has happened since the uprising to save the Supreme Court. This time the people were even more indignant and determined. Hitler and Mussolini and Stalin loom before them. They are bound it shall not happen here.

With the crisis of 1933 Congress gave the President powers almost those of a dictator. The use of those powers has not brought us to prosperity. In 1933, 11,000,000 of our wage earners were unemployed. Today eleven or more million are unemployed. In 1933 the national debt was $21,000,000,000; today it is nearing twice that amount. Alone of all the countries of the world we are in the slough of another depression, perhaps in some particulars worse than the first, at any rate more dangerous, for we near the point where Government bonds may go below par. If that happens, look for trouble, indeed.

This has come about because part of the consuming public will not buy, part cannot buy, with the result that manufacturers dare not manufacture and merchants cannot sell. Why? Because all along the line everybody is afraid of what the Government may do next. This has paralyzed industry and business. The people sense this. In their righteous wrath they demand that experimenting shall stop, that regimentation shall stop. They demand that the men they have chosen to make their laws shall resume the making of laws. They told the President last year that he was not to run the Supreme Court. Now they have told him he is not to run Congress.

This may well be the turning point. If the thrifty men of our country, the born leaders, those who hire, those who sell, the adventurers large and small, will take this as proof that they may adventure safely, with reasonable chance of gain, with likelihood of enjoying the fruits of their labors, without the interference of untrained, impractical visionaries wholly ignorant of human nature, then the smoke may rise from the factory chimneys once more, the wheels may turn again, freight trains may lengthen, the holds of ships may be filled, shops may teem with customers, prosperity may rejoice the Nation.

Processing Tax Refunds Must Not Go to Professional Racketeers

EXTENSION OF REMARKS

OF

HON. JERRY J. O'CONNELL

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 13, 1938

Mr. O'CONNELL of Montana. Mr. Speaker, at the time of the Supreme Court decision on the Triple A in January 1936 about $300,000,000 of processing-tax money had been impounded by the courts. The result of the Supreme Court decisions in turning this money back to the processors was what has been aptly termed the greatest legalized steal in history. The processors, who had not borne the tax burden, were allowed to keep money they had collected which rightfully belonged to the Government.

About one hundred million of this $300,000,000 which the Government was not allowed to collect from processors was hog-processing taxes. The hog processors, as we know, collected the taxes either by passing the burden on to consumers in the form of higher prices for pork products, or back to the producers in the form of lower prices for hogs. A large part of this tax burden was undoubtedly borne by producers; however, the consumers were not relieved of the amount of the tax when it was removed. Neither did the price to the farmer reflect the removal.

RACKET ORGANIZATIONS FILCH FARMERS

This situation has been the basis for many proposals made to farmers to organize at a price to recover taxes which may have been deducted from prices that otherwise might have been paid for hogs which they sold. The price of organization, of course, in these instances, is a fat commission for the organizer.

Recognizing that farmers who cooperated in the Triple A corn-hog program received compensation in the form of benefit payments for any tax burden they might have borne, Resolution 202 introduced in the Senate and Resolution 474 introduced in the House propose processing-tax refunds only to those who did not cooperate in the program. This proposal discriminates against those who cooperated in adjusting production in order to secure fair prices. Farmers were receiving an average price of $3 when the program started, and an average price of about $9.50 when the decision was made. It would give a special privilege to those who refused to cooperate but who profited by the efforts made by other farmers. Proponents for this resolution have made a recent proposal for an amendment to the original resolution which would provide for making processing-tax refunds also to those who cooperated in the program. And, certainly, if anyone deserves a refund of processing taxes, if a refund is to be made, it is the man who cooperated in the program.

GOVERNMENT MUST PROTECT FARMERS FROM SHYSTERS

If farmers have a just claim and if payment of these claims can be made equitably, then I would be the first to vote for legislation which would make payment possible. But, if processing-tax refunds are to be made to farmers by the Government, then the Government should protect these farmers against the schemes of promoters to collect commissions on tax refunds. If the resolution to refund processing taxes comes up for vote, I shall offer an amendment making it illegal for any individual or organization to accept a fee or a commission on any refunds to farmers.

The Congress belongs to the people and no one is entitled to a commission for getting legislation passed. If the refunding of processing taxes to farmers is a legitimate demand, then this demand should come through legitimate farm organizations, not through professional promoters and lobbyists. The collection of fees from farmers to promote this legislation is an imposition on unsuspecting farmers and a disgrace and a reflection on Congress. If the promoters were really interested in the welfare of farmers rather than fat fees for themselves, they should bring suit for recovery against the packers who collected the hog processing taxes and kept the money.

SOLICITOR WHITE ISSUES WARNING

Maston G. White, Solicitor of the Department of Agriculture, commenting on the schemes to get money from farmers on the implied promise to get tax refunds, issued the following statement February 10, 1938. I quote:

It has been brought to my attention that certain organizations are soliciting money from farmers and are representing either that they can obtain refunds of processing taxes for farmers under existing legislation or that they can expedite the passage of legislation authorizing such tax refunds. Similar attempts to collect money from farmers upon the promise of obtaining refunds of processing taxes either under existing legislation or under laws which these persons hope will be passed have been made from time to time ever since January 6, 1936, when the Supreme Court declared the processing taxes to be invalid.

In connection with this matter it should be emphatically stated that there is no provision of existing law which authorizes or allows any refund of processing taxes to a farmer, regardless of whether he was a signer of an adjustment contract or a nonsigner, unless such farmer was the actual processor and himself paid the processing taxes to the collector of internal revenue and did not pass such taxes on to the consumer.

It should also be emphasized that if any legislation should be passed by the Congress authorizing or allowing any refund of processing taxes to a farmer, whether signer or nonsigner, on any basis other than that contained in present legislation, it would be unnecessary for the farmer, in securing his refund, to be represented by any intermediate agent.

Representations by any persons or organizations to the effect that they can, under existing law, obtain a refund of processing taxes for a farmer who was not a processor are false and misleading. Likewise, representations by any persons or organizations to the effect that they can, under any future law, obtain a refund of processing taxes for a farmer, whether signer or nonsigner, which the farmer himself could not obtain, are also false and misleading. Farmers should be warned not to allow themselves to be mulcted of funds upon such false promises.

LATEST RACKET ORGANIZATION EXPOSED

The latest organized effort to get farmers to let loose of their hard-earned money in the hope of getting tax refunds is being made through a craftily organized plan using the devices of the modern high-pressure selling campaign. In this organized effort to collect commissions from farmers we see enlisted the services of a radio station, legal talent, and a former farm organization official who was repudiated by the membership of his organization in the election of officers a year ago last fall.

The bait being held out to farmers is membership in a specially organized farm group to get legislation passed which will return processing taxes to farmers. The pay-off is 2 percent for the promoters of the amount the farmer claims, and an additional 6 percent if the farmer collects. The farmer signs a contract. The promoters do the rest.

No one knows how many thousands of dollars have been collected from farmers based on the expectancy of processing tax refunds. But we do know that the opportunity for graft is tremendous. The hog-processing tax started at 50 cents per hundredweight on November 5, 1933, and by March 1, 1934, was increased to $2.25 per hundredweight, where it remained until the Supreme Court decision of January 6, 1936.

BIG STEAL POSSIBLE FOR RACKETS

If you will refer to Senate Document 274, which lists A. A. A. payments over $10,000, you will find that there were 22 of these big payments in 1934. These 22 operators sold, in 1934, nearly 100,000 hogs. Assuming that these hogs were marketed after March 1, 1934, and that they averaged 200 pounds in weight, the processing tax at the rate of $2.25 per hundredweight would have amounted to $450,000. If you were a promoter and could collect 2 percent of this $450,000,

and later an additional 6 percent, making total fees of $36,000, from only 22 producers for only 1 year of the program, and God only knows how many more large producers there were who were not cooperators and of whom no records are available, then your interests would be centered on the big producers. You would find that the little fellow from whom you could collect fees amounting to only a few dollars, would not only keep you going in fine shape, but that the little fellow was necessary as a stage setting to create a public clamor so you could collect from the big operators.

The real problem involved in making processing tax refunds to farmers is how to make an equitable settlement of claims. The big producers have sales records on which to base claims. The little producers generally do not have records. One individual, testifying in favor of the resolution to refund processing taxes, has expressed the belief that not more than half of the hog producers would be able to prove their claims. Another was of the opinion that not more than one-third of the farmers would be able to prove their claims.

This matter, of course, is of no consequence to the promoters of tax-refund schemes. Do they ask a farmer whether or not he has sales records before they take his money? The promoters get their fees on the basis of the farmer's hopes.

CONGRESS MUST PROTECT SMALL FARMERS

If the rights of the small farmers are to be protected, Congress will have to do it. Obviously, the tax-refund promoters are interested in building up sentiment which will make it possible to collect from the big operators. This Congress has recognized and will continue to recognize the rights of small farmers.

The promoters of the tax-refund schemes have shown bad faith with farmers in clever schemes to enrich themselves. They have led farmers to believe that they can do something which individual farmers or legitimate farm organizations cannot do. They are, in effect, selling legislation. And I for one intend to do everything in my power to keep the promoters from profiting further at the expense of farmers.

MAKE THE BIG MEAT PACKERS PAY

If farmers have a just claim and settlement can be made in a manner that will not discriminate against the small producer, then by all means it should be done. But the money to make tax refunds should come, not from the Public Treasury, but from those who ran away with the processing tax loot—the big meat packers.

At the time of levying the "windfall" taxes to recover from the big meat processors money which they had collected from others, it was estimated that about $100,000,000 would be recovered. Actually, only $8,402,000 had been recovered by the end of 1937.

If the resolution to refund processing taxes to farmers is reported out of committee, I shall offer an amendment to tax the meat packers for the amount of processing taxes that were not recovered by the Government in order to provide funds for tax-refund payments to farmers.

Continuous Service Essential to Important Posts in the House of Representatives

EXTENSION OF REMARKS

OF

HON. GUY L. MOSER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 13, 1938

Mr. MOSER of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD of April 1, 1938, there was inserted a speech delivered by the late Hon. Champ Clark, of Missouri, former Speaker of the House of Representatives, on March 16, 1916, to newly elected Congressmen at the Washington Press Club.

By way of continuity, establishing that the logic of Mr. Clark's reasoning of 22 years ago applies with equal truth today, I submit the following:

Mr. SABATH, the "dean of the House" and ranking majority member of the Committee on Rules, is serving his thirty-second year; Mr. Speaker BANKHEAD is now serving his twenty-second year; Mr. RAYBURN, majority leader, is serving his twenty-sixth year; Mr. TAYLOR, chairman of the Committee on Appropriations, is serving his thirtieth year; Mr. DOUGHTON, chairman of the Committee on Ways and Means, is serving his twenty-eighth year; Mr. SUMNERS of Texas, chairman of the Committee on the Judiciary, is serving his twenty-sixth year; Mr. VINSON of Georgia, chairman of the Committee on Naval Affairs, is serving his twenty-sixth year; Mr. STEAGALL, chairman of the Committee on Banking and Currency, is serving his twenty-fourth year; Mr. LEA, chairman of the Committee on Interstate and Foreign Commerce, is serving his twenty-second year; Mr. BLAND, chairman of the Committee on Merchant Marine and Fisheries, is serving his twenty-second year; Mr. MANSFIELD, chairman of the Committee on Rivers and Harbors, is serving his twenty-second year; Mr. JONES, chairman of the Committee on Agriculture, is serving his twenty-second year; Mr. MEAD, chairman of the Committee on the Post Office and Post Roads, is serving his twentieth year; Mr. MCREYNOLDS, Chairman of the Committee on Foreign Affairs, is serving his sixteenth year; Mr. O'CONNOR of New York, chairman of the Committee on Rules, is serving his sixteenth year. The same thing still holds good with reference to the minority. By way of illustration, Mr. TREADWAY, ranking minority member of Ways and Means, is serving his twenty-sixth year; Mr. SNELL, minority leader, is serving his twenty-fourth year.

As in Champ Clark's time, "go through the list, and you will find, with few exceptions," the men of long service have the high places and the greatest opportunity for usefulness.

Reorganization Bill

EXTENSION OF REMARKS

OF

HON. H. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 8, 1938

Mr. VOORHIS. Mr. Speaker, after careful study of the reorganization bill, the reports of both the majority and minority members of the committee, and a large number of arguments against the bill, I was convinced that it was a good and constructive measure and one deserving of the support of anyone interested in the efficiency of American democratic government. There were some features of the bill, as originally presented to the House, which I did not like. But every one of these except one was eliminated by amendment on the floor. The bill which the House finally defeated by recommitting it was a fine constructive measure. I voted against recommittal and would have voted for the bill had it not been recommitted.

A VITAL DISTINCTION

There is a very great difference between having the Congress extend the powers of the President or broaden the scope of the work which may be undertaken by executive departments on the one hand and having the Congress instruct the President as Chief Executive to reorganize his own department in the interest of great efficiency and within the limitations of that department's power which have been set by Congress on the other hand. This bill did not do the first of these things. It did do the second one. According to the terms of the bill, no Presidential order would have been effective until it had been before Congress while in session for 60 days; and any such order could have been nullified by a simple majority of the Congress. There was not

one line in the bill which changed in any way the power of Congress to completely abolish whole departments, create new ones, or do anything that it might see fit to do regarding the structure of our Government.

IS THIS DICTATORSHIP?

The answer to dictatorship charges can be given in one sentence. The President of the United States cannot obtain one thin dime of money to run any department or agency of government unless Congress appropriates the money for him to use. This has been so from the beginning under the Constitution; it is so today; it will always be so as long as the American Nation endures and just that long we will have democratic government. The reorganization bill never in any of its forms proposed to change this in one iota.

THE MAIN ISSUE

The main issue with regard to this reorganization bill was whether or not American Government was to be simplified, its overlapping agencies eliminated, and the growth of bureaucracy checked. The people of America have a perfect right to complain if they do not obtain a full dollar's worth of Government services for every dollar they pay in taxes. The real purpose of this bill was to give them exactly that. President after President over a long period of time have sent messages to Congress urging these reforms. President Hoover, in particular, reiterated the need of reorganization of the executive department both during his term of office and since that time. Much as we might like to do so, we cannot escape the fact that the interdependence of modern life and the tremendous and complicated problems of this industrial age necessitate a broadening of the scope of governmental activities and an increasing reliance of the Nation as a whole upon the efficient functioning of the Government for its survival and the preservation of the good things in its life.

REORGANIZATION OF THE EXECUTIVE DEPARTMENT

The first part of the bill had to do with reorganization of the various bureaus and agencies in the executive department of our Government. That such reorganization must take place sometime if we are not to be confronted by an ever more complicated and top-heavy superstructure of overlapping bureaus is admitted by everyone, and, particularly, by some of those very forces which opposed this bill. For the Congress to undertake this job of reorganization would be impractical. Months of legislative work would be required, during which time the Congress would be subjected to pressure from all manner of special-interest groups. What is needed instead of this is a reorganization which follows a consistent and unified plan, carried out courageously from beginning to end. In the heat of argument over this measure a great many people seem to have forgotten that, after all, the President of the United States is charged by the Constitution itself with responsibility for the efficient conduct of the whole executive department of Government. He is the Chief Executive, responsible to and elected by the people of America. He is the logical person to put his own house in order. By the passage of this bill Congress would not have given the President increased power. The bill would not have changed in any way the extent of power or scope of activity of either the President or executive departments of Government. It simply charged the President with a new responsibility, giving him a period of 2 years in which to discharge it, and reserving to itself the right to veto any of his orders by legislative enactment.

It was specifically provided in the bill that the President's work of reorganization should not extend to such independent and quasi-judicial agencies of Government as are now and will continue to be especially charged by Congress with particular responsibilities apart from those of strictly executive departments which are responsible to the President. He could not have touched, in his reorganization work, the Interstate Commerce Commission, Federal Trade Commission, Federal Power Commission, Veterans' Administration, Securities and Exchange Commission, Engineer Corps of the United States Army, General Accounting Office, Office of Education, or any of the other independent agencies of Government. Within the field of strictly executive departments, and there alone, he was charged with the task of reorganization.

THE DEPARTMENT OF WELFARE

The bill created a new department of Government, namely, the department of welfare. In the past few years there has of necessity grown up a considerable body of new activities on the part of Government aimed at meeting the needs of the people in this period of unemployment, and of performing Government services which are absolutely essential to the Nation in this day and age. The conditions which make the creation of this department imperative are not in any sense creatures of the New Deal or Roosevelt administration. They are the result of fundamental economic and social forces and maladjustments which have been growing in this country over a long period of time. The creation of the department of welfare would have only been a recognition, long overdue, of these facts.

It should be pointed out in this connection that whatever agencies or governmental organizations might have been placed under the department of welfare, by the President, under the terms of this bill, would only have been able to carry on such activities and do such work as the Congress had previously empowered them to do. In this connection the bill said:

SEC. 5. The Secretary of Welfare shall administer the laws relating to any agency or function transferred to, or brought within the jurisdiction and control of, the Department of Welfare pursuant to law, which relate to public health and sanitation; the protection of the consumer, the relief of unemployment and of the hardship and suffering caused thereby; the relief of the needy and distressed; the assistance and benefits of the aged; and the relief and vocational rehabilitation of the physically disabled: *Provided*, That nothing in this section shall be construed to authorize the continuation of any temporary agency or function beyond the period authorized by law.

The creation of the department of welfare would have simply meant that hitherto uncoordinated activities having direct relationship, for example, to the problem of unemployment, would have been brought together under one roof. We have been dealing with unemployment for much too long a time as an emergency condition. The time certainly has arrived when we must face it as a major social problem and develop a basic and fundamental program for attacking and eliminating it. Among others, this is perhaps the best reason for the creation of the department of welfare.

THE CIVIL SERVICE

Much discussion has been centered around the question of whether there should be one administrator in charge of civil service, as provided in the bill, or a board of three men, as we have at present. Personally, I hoped the Ramspeck amendment providing for continuance of the present board of three Commissioners, who, in turn, would appoint an administrator, would be adopted by the House. I voted for that amendment. It was defeated. But another amendment, which was adopted, provided that the President should appoint the administrator from among the three candidates receiving the highest rating on an open competitive examination conducted by the civil-service board.

The civil-service provisions of the bill, briefly stated, would have empowered the President to bring under civil service groups of Government employees which have hitherto been outside it. Every friend of good government will recognize this as a constructive measure.

Under existing law every President has been empowered for years to take out of civil service, without giving any reason for so doing, employees who have been put under civil service by the Executive order of some other President. This bill specified that this power could be used by the President only in the case of temporary employees, those paid jointly by the Federal Government and some political subdivision, and two or three other similar categories of employees. Even in these cases the President would have been required under the terms of this bill, though he has not heretofore been required to do so, to state publicly his reasons for believing that the exclusion of such employees from the civil service was in the public interest. Obviously Congress

could by legislative enactment bring such employees under civil service at any time that it desired to do so. It is important to remember that all existing laws relating to civil-service employees of the Government, their compensation, retirement provisions, rights, and duties were not in any way affected by the bill.

In recent years criticism of our existing civil-service system has been increasing. Particularly, in view of the setting up of the civil-service board of seven members appointed by the President with the advice and consent of the Senate, it was to be expected that the passage of this bill would have been the means of extending the civil service to include thousands of Government employees not now covered by it and of improving greatly our whole civil-service system.

THE GENERAL ACCOUNTING OFFICE

The House reorganization bill provided for the continuance of the General Accounting Office as an independent agency of Government. It did not abolish the office of Comptroller General; nor did it, in my opinion, in any way lessen the control by Congress over the purse strings of the Nation. When the General Accounting Office was set up in 1921 it was hoped that the Comptroller General would be able to act as an effective check on any possible irregular expenditure of funds appropriated by Congress. In addition to the task of passing upon the legality and propriety of the expenditure of public moneys, it was expected that the Comptroller General would make regular reports to the Congress concerning these matters. As a practical matter of fact, what happened was that since the Comptroller General himself had previously signed warrants for expenditures by executive departments he never bothered to make an audit of his own work.

The net practical result has been that the office of the Comptroller General has become that of an official who has interpreted as he saw fit the meaning and intention of Congress in passing appropriations. But Congress has not received the careful audits and reports of executive expenditures to which it is entitled and which the Appropriations Committee certainly ought to have as a basis for the consideration of appropriation bills for ensuing years. The reorganization bill provided the necessary and logical division in the General Accounting Office between the Comptroller General, whose job it is to determine whether certain money is available for given expenditures, and to settle and adjust accounts and claims; and the auditor general, to whom the Comptroller General would have been required to promptly deliver copies of all certificates issued by him in the settlement of Government accounts, and of all advance decisions made by him, and who was given the particular function of making a complete audit of all executive expenditures which would have been delivered to Congress annually.

It is true that under the new bill the Comptroller General would have been appointed by the President. But in answer to the charge that this would have been a relinquishment on the part of Congress of its proper and necessary control over the purse strings of the Nation, a number of facts should be pointed out. First of all, the Comptroller General was to have been appointed for a term of 15 years. In the next place, the people of America elect the President just as they do the Congressmen, and the President is responsible to them for the careful and proper conduct of all the work of the executive officers. No President could possibly dismiss a Comptroller General except for excellent cause, for to do so would be to lay himself open to the most severe criticism. Moreover, under the new bill the Comptroller General would not have been as he is now, a virtual law unto himself, but his entire work would have been checked upon by the auditor general, who would not have been in any way responsible to the President but, on the other hand, an agent of Congress and removable only by a resolution of that body.

Under the terms of the bill the auditor general would have been required to report to Congress immediately any expenditure or any decision of the Comptroller General which he deemed either irregular, unauthorized, or even improvident. These immediate reports would, of course, have been in addition to the annual complete audit of executive expenditures. This new system which would have been set up by the new bill is to be contrasted with the present one, wherein the Comptroller General can make a preaudit if the head of a department asks for it, but where, as a matter of fact, not more than 3½ percent of all executive expenditures have been preaudited. And as a practical matter of fact, there exists no machinery for checking upon the action of the Comptroller General himself. And, as I have already stated, since control and audit of expenditures are entrusted to this same official, the practice of having him audit his own work and report on executive expenditures to Congress has just simply never developed. It appears to me that a moment's consideration will show that under the provisions of this reorganization bill Congress would have retained in theory quite as complete and in practice an even more complete control over the purse strings of the Nation than has existed up to the present time. The President cannot obtain a penny of money unless Congress appropriates it first. And the reports of the auditor general, who was to be responsible to Congress, and to it alone, would certainly have been a most effective method of restraining any executive official from making any expenditures which he did not believe the auditor general would deem proper. Finally, the work of the congressional appropriation committees could in future have been based upon the auditor general's reports had the bill been passed. It would no longer have been necessary, as it is now, for these committees to rely almost wholly upon the testimony of executive department officials themselves as to whether or not money has been carefully and properly spent.

Contrary to popular belief, the Comptroller General has never made a preaudit of executive expenditures excepting in cases where he was specifically asked to do so by the head of some department. Since the Office was set up the average percentage of executive expenditures which have been preaudited each year has been about 3½ percent.

Any system of controlling public expenditures must be judged largely by its results. The illegal expenditures connected with the Teapot Dome scandal were uncovered by a congressional investigation and not by the Comptroller General's office. That investigation would undoubtedly have taken place sooner than it did had a complete report and audit of executive expenditures, such as was provided in the reorganization bill, been made to Congress at the time. Furthermore, the recent case where some $83,000 of Government money was stolen by an individual through the clever device of drawing checks for a C. C. C. camp which did not exist, was not uncovered by the Comptroller General's office but by the executive agency itself.

A POLITICAL BATTLE OVER A NECESSARY REFORM

The fight over the reorganization bill has been long and bitter. Many people, throughout America, hardly any of whom have had opportunity to see the bill, opposed it with perfect sincerity, because they were grossly deceived as to what the bill actually was. That the bill received 196 votes in spite of the obstacles placed in its way and the tremendous barrage laid down against it seems to me a real tribute to the good sense of the Congress of the United States. These reforms in our governmental structure have been a long time overdue. It is to be regretted they could not come now.

The reorganization bill was defeated because of an intense campaign, well organized and well financed, against the measure. Newspapers all over the Nation seized this opportunity to paint the President as a would-be dictator and with an amazing disregard of the facts regarding the bill published frantic appeals to their readers to wire their Congressmen to vote against it. One of the principal papers in Los Angeles, Calif., came out with the following blast:

GUARD YOUR LIBERTIES—INSTRUCT CONGRESSMEN BY WIRE OR LETTER

The Government reorganization bill, which would authorize the President to reorganize the executive and departmental structure of Federal Government, without submitting his proposals to Congress, is before the House of Representatives for action.

This bill imposes autocratic powers in the President and virtually creates a dictatorship.

It radically changes our form of constitutional and representative government and means practically the death of American democracy.

It should be defeated.

Telegraph or write your Congressman in the House of Representatives immediately, telling him to vote against the reorganization bill which so vitally affects your interests and your liberties.

I find it very difficult to speak calmly about such a deliberate distortion of facts as that. There never was any draft of the reorganization bill which did not provide for Congress to be able to override any order of the President in some manner or other. Such phrases as "virtually creates a dictatorship" and "changes our form of constitutional and representative government" and "death of American democracy" are the kind of phrases used by utterly irresponsible men. This newspaper would undoubtedly think the freedom of the press was being interfered with if it were asked to point out what passages in the bill even remotely suggested such things. They could not find such passages because they were not in the bill.

Again, I received some fine, earnest letters from people asking me to vote against the bill because they did not like the three-man Civil Service Commission. The truth is, of course, that the bill itself ended the three-man board.

When the people of America have cooled off, when they have seen and read the bill, when they wake up to the way they have been deceived, there will, I believe, be a reaction that those who used this battle as a convenient means of undermining the confidence of the country in its Chief Executive have not calculated upon.

The General Welfare Bill

EXTENSION OF REMARKS
OF
HON. W. STERLING COLE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 13, 1938

LETTER TO A CONSTITUENT RELATIVE TO THE GENERAL WELFARE BILL

Mr. COLE of New York. Mr. Speaker, by permission granted me by the House, I include herewith a letter written by me in response to an inquiry of a constituent with regard to my attitude toward H. R. 4199:

HOUSE OF REPRESENTATIVES,
Washington, D. C., April 12, 1938.

E. W. PAINE,
Secretary-Treasurer, Townsend Club No. 1, Canisteo, N. Y.

DEAR MR. PAINE: Events of the past week have so completely engaged my attention that I have not had an opportunity to answer your recent letter in behalf of the Townsend Club of Canisteo requesting a statement as to my stand on the bill H. R. 4199, known as the General Welfare Act, which embodies the principles of the Townsend plan.

It is needless for me to say that the needs and the welfare of those nearing the sunset of advancing years are very close to my heart. All of my training from childhood until the present time has caused me to hold with respect and honor those who have preceded me along life's pathway, for the reason that advancing age carries with it the appealing mellowness of maturity colored by the hardship and happiness, labor, and love of a well-rounded life. That then is the one great reason why I am vitally interested in the problems that now beset those of more mature years.

You and those associated with you in this movement are waging a remarkable fight, and I realize that you are doing it not only for your own welfare but also for the welfare of those who are now young but who will all too soon become the members of another older generation. You have given your best to life and certainly merit a reward commensurate with your sacrifices.

Both as a private citizen and as your elected Representative, I have said repeatedly that the county home is a disgrace to the enlightened age in which we now live, serviceable though it may have been for an age now past, and I never see or hear of such an institution that it has not made me disheartened by the thought that such a thing should be allowed to exist. I trust sincerely that the day is not far distant when the last so-called home of this type shall have been wiped out both from sight and memory.

When one's labors have been all but concluded, it should be possible for one to be happy in the thought that folded hands will not bring separation from the loved scenes of life's activity or from those who have grown dear beyond measure by long association. Ties are broken easily in youth but in the full measure of maturity these ties are one's lifeblood, the golden threads that bind us to the past and enable us to lift our eyes to the future.

We all recognize that in this world there come adversities that all too often make impossible the accumulation of the necessary reserves to assure continuance of normal activities and interests when work is done, and I agree with those who declare that the Nation should guard the retiring generation as jealously and as gratefully as it guards the welfare of those who have sacrificed upon the field of battle.

The only disagreement at present appears to be in what manner this may be accomplished. As your Representative in Congress, it is my interest to meet your wishes in any manner that will not jeopardize the welfare and financial stability of those whom you hold near and dear, your children, who are now being called upon to face the most staggering debt in the Nation's history with lowering wages and unemployment rampant on every hand.

When I received your letter I wished sincerely that in addition to the study of law I had been educated in the technicalities of national finance and economics in order that I might be able to discuss H. R. 4199 as an expert. Since I am not an expert, I have but one recourse in the matter, and that is to withhold judgment until I can receive the benefit of information to be given by tax experts and economists, both those representing the Government and those of your own organization.

To get this information as quickly as possible, as well as to bring the matter to a conclusion without undue loss of time, I have joined with other deeply interested Representatives in asking the Ways and Means Committee for a hearing, and have received a number of letters from members of the Townsend units expressing their appreciation for my action, and I am deeply grateful for these evidences of their confidence. It is possible that the bill will be found unworkable in its present form, but that amendments will so alter the machinery of operation that it may be put into effect without sacrifice of essential principles. Not infrequently, meritorious bills are presented that require changes in structure to make them work for the greatest good of the greatest number; and if one promised to support only the original bill, he might be placed in the position of wrecking the very thing that he was attempting to save. Consequently, if I met your request to declare myself either for or against H. R. 4199, you would place me in the position of declaring that if the bill should be found unworkable, I would not support another bill that might work; and hence, I would be opposing the very thing you desire to achieve while seemingly working for your interests.

It is my wish that you entrust your interests to me as your Representative just as you would give me your full confidence if you retained me as your lawyer, resting assured that despite delays and despite conflicting reports from opposing factions, I am guarding your interests and will be proud to have a part in securing for those of advancing years that to which they are so richly entitled.

I would ask no greater tribute as my achievement of life's effort when my time comes to join the silent majority in the home eternal than to have it said of me that I contributed in some way toward making Home, Sweet Home a living and lasting reality.

With every good wish, I am, sincerely yours,

W. STERLING COLE, M. C.

Civilian Conservation Corps

EXTENSION OF REMARKS
OF
HON. JOHN J. DEMPSEY
OF NEW MEXICO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 13, 1938

LETTER AND STATEMENT FROM THE DEMING, N. MEX., CHAMBER OF COMMERCE

Mr. DEMPSEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter, together with the statement referred to therein:

CHAMBER OF COMMERCE,
Deming, N. Mex., April 8, 1938.

HON. JOHN J. DEMPSEY,
United States Representative for New Mexico,
Washington, D. C.

DEAR MR. DEMPSEY: I am mailing to you herewith a testimonial commending the work of the Civilian Conservation Corps, both

throughout the Nation and in the vicinity of Deming. I have been encouraged to send this to you by some who would like to see it in the CONGRESSIONAL RECORD.

I am also sending Senator HATCH a copy, suggesting that it be published in the RECORD. Senator CHAVEZ, I understand, is not in Washington at the present time.

Thanking you for your cordial cooperation in the past, and with kindest personal regards, I am,

Sincerely yours,

J. C. O'LEARY,
Secretary, Deming Chamber of Commerce.

AN APPRECIATION

It is a rare pleasure to have an opportunity to commend the Civilian Conservation Corps, both as a national institution and locally. This organization is now completing the fifth year of its existence and we think that no activity of the Federal Government has met with such universal approval.

Its establishment in 1933 came when the business depression was at its lowest ebb and unemployment was widespread. It gave hundreds of thousands of young Americans not only work then and since but it furnished them a new viewpoint of life. It directed their attention and their labor into channels which few of them had previously explored.

It placed them in our fields, forests, and mountains, in nature's own workshop, in God's free air and sunlight. There they were enabled to store up energy to carry them successfully through life.

It laid the foundation not only of better physical well-being but in the open places it furnished them with a perspective which they were unable to obtain in the crowded sections of our great cities. It opened a book where they might read and learn the story of Nature's wonderful processes.

It revealed to them and to us the appalling waste and misuse of the people's greatest inheritance, their land and their trees. The Civilian Conservation Corps provided the needed economy for their preservation and in many cases rescue from obliteration and extinction.

It checked the squandering of our capital asset. These young men of the Civilian Conservation Corps, under the wise direction of the United States Army, technical experts and aides, saved much for generations yet unborn, and by protective measures and example have probably forever prevented the dissipation of our greatest national resources.

We hope that the Civilian Conservation Corps may be maintained at its full strength. However, if it is found necessary to curtail the personnel and camp units in the national plan, we urge that camp DG–36–N be maintained.

It is located 8 miles east of Deming. It is the only camp situated in this immediate area, which is almost entirely a grazing country. The people of Deming and those who reside on these broad ranges are, to a large extent, dependent upon the cattle industry for a livelihood. They are indebted to the men of this camp for scores of protective and restorative works and projects.

The camp has been in existence for more than 2½ years. The future of the people of this county is largely bound up with the condition of its watershed and grazing lands. The value of healing measures which have been inaugurated by these enrollees cannot now be estimated nor can their far-reaching effects be visualized.

In the foothills of the encircling mountain range north of this city large storage dams have been constructed. In the lowlands have appeared scores of earthen storage reservoirs where cattle may water without a long trek to reach the meager supply in small streams and pools. Floodwaters captured in September 1937 in many of these basins will not be exhausted until the summer rains of 1938, when the reservoirs will again be filled.

Many springs have been rejuvenated and converted into drinking fountains of living water for cattle. Trails constructed in the mountains make these places accessible for herds, thereby preventing overgrazing in the low sections.

During its existence there have probably been 500 young men trained and provided with employment through Camp DG–36–N. Its total personnel now averages about 165 enrollees and supervisors. The suspension of their services would remove one of the most constructive elements in the preservation and upbuilding of this section.

We trust that in the interests of the young men of this camp themselves the benefits which it provides for them will not be discontinued. Their training in useful and serviceable citizenship is, after all, the greatest achievement of the Civilian Conservation Corps.

We have all been greatly edified here by the conduct of these enrollees, and there is not a businessman, county official, or peace officer who will not endorse our estimate of them and their supervision by their superiors. The useful service which they are rendering this community and Nation, and the training which they are receiving and responding to so conspicuously is one of the most essential needs in the preservation of our democracy. A large section of the youth of our Nation, through the Civilian Conservation Corps, has taken in stride the tempo of our great Government.

Our sincere wish is that the effect of the Civilian Conservation Corps on these men will not be retarded or even reduced, especially now, when all kinds of political nostrums are being offered as a substitute for representative government by countless international quacks.

POSTELLE COOPER,
President, Deming Chamber of Commerce,
Deming, N. Mex.
J. C. O'LEARY,
Secretary, Deming Chamber of Commerce,
Deming, N. Mex.

Battleships, Dictators, and Liberty

EXTENSION OF REMARKS
OF
HON. CHARLES R. ECKERT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 12, 1938

Mr. ECKERT. Mr. Speaker, the Congress has consumed much time and filled many pages of the CONGRESSIONAL RECORD in debate of the bill providing for the authorization of a large and bigger Navy. This bill has been inspired by the untoward events that have been taking place in other parts of the world. The fear is entertained that unless the United States is equipped with a Navy second to none there is danger that our country will fall a victim to the madness and ambitions of the dictators of Europe. The very thought of such an event is calculated to arouse fear and anxiety, and hence the demand for an adequate Navy for national defense.

Americans cherish as a precious heritage the institutions that are embodied in the governmental structure of their country. "America," in the words of Abraham Lincoln, "was conceived in liberty and dedicated to the proposition that all men are created equal." It is this ideal and this concept of America that endears the United States not only to her own people but to the lovers of liberty throughout the world.

But before putting our trust in guns and battleships for the protection of our liberties, let us make sure that the foes of liberty throughout the world—be they dictators or social systems that draw their strength from the power of might—are not the product of social and economic forces that constitute the real menace to liberty. Hitler, Mussolini, and Stalin, as symbols of might and foes of freedom and democracy, are the fruits of a disordered and maladjusted system of human society. The true defense of our liberties does not consist of guns and battleships, but in an ordered economic system in harmony with the underlying principles of civil government and free society. The hope and strength of America lie in the full and unrestricted enjoyment of liberty by all the people. For liberty means justice, and justice is the natural law.

The Department of Justice Building bears the inscription—

Justice is founded in the rights bestowed by Nature upon man. Liberty is maintained in the security of justice.

The primary right bestowed by Nature upon man is the equal right to the bounty of Nature. Where this right is withheld, justice is denied; and where justice is denied, there liberty fails.

It is suggested, therefore, that the reader will kindly read, with what church people call "prayerful meditation," this classic Ode to Liberty by Henry George, published in a recent issue of the Roman Forum, Los Angeles, Calif.:

We honor liberty in name and in form. We set up her statues and sound her praises. But we have not fully trusted her. And with our growth so grow her demands. She will have no half service! Liberty! It is a word to conjure with, not to vex the ear in empty boastings. For liberty means justice, and justice is the natural law—the law of health and symmetry and strength, of fraternity and cooperation.

They who look upon liberty as having accomplished her mission when she has abolished hereditary privileges and given men the ballot, who think of her as having no further relations to the everyday affairs of life, have not seen her real grandeur—to them the poets who have sung of her must seem rhapsodists, and her martyrs fools! As the sun is the lord of life, as well as of light;

as his beams not merely pierce the clouds, but support all growth, supply all motion, and call forth from what would otherwise be a cold and inert mass all the infinite diversities of being and beauty, so is liberty to mankind. It is not for an abstraction that men have toiled and died; that in every age the witnesses of liberty have stood forth, and the martyrs of liberty have suffered.

We speak of liberty as one thing, and of virtue, wealth, knowledge, invention, national strength, national independence as other things. But, of all these, liberty is the source, the mother, the necessary condition. She is to virtue what light is to color; to wealth what sunshine is to grain; to knowledge what eyes are to sight. She is the genius of invention, the brawn of national strength, the spirit of national independence. Where liberty rises, there virtue grows, wealth increases, knowledge expands, invention multiplies human powers, and in strength and spirit the freer nation rises among her neighbors as Saul amid his brethren—taller and fairer. Where liberty sinks, there virtue fades, wealth diminishes, knowledge is forgotten, invention ceases, and empires once mighty in arms and arts become a helpless prey to freer barbarians!

Only in broken gleams and partial light has the sun of liberty yet beamed among men, but all progress hath she called forth.

Liberty came to a race of slaves crouching under Egyptian whips, and led them forth from the House of Bondage. She hardened them in the desert and made of them a race of conquerors. The free spirit of the Mosaic law took their thinkers up to heights where they beheld the unity of God, and inspired their poets with strains that yet phrase the highest exaltations of thought. Liberty dawned on the Phoenician coast, and ships passed the Pillars of Hercules to plow the unknown sea. She shed a partial light on Greece, and marble grew to shapes of ideal beauty, words became the instruments of subtlest thought, and against the scanty militia of free cities the countless hosts of the great King broke like surges against a rock. She cast her beams on the 4-acre farms of Italian husbandmen, and born of her strength a power came forth that conquered the world. They glinted from shields of German warriors, and Augustus wept his legions. Out of the night that followed her eclipse, her slanting rays fell again on free cities, and a lost learning revived, modern civilization began, a new world was unveiled; and as liberty grew, so grew art, wealth, power, knowledge, and refinement. In the history of every nation we may read the same truth. It was the strength born of Magna Carta that won Crecy and Aigincourt. It was the revival of liberty from the despotism of the Tudors that glorified the Elizabethan age. It was the spirit that brought a crowned tyrant to the block that planted here the seed of a mighty tree. It was the energy of ancient freedom that, the moment it had gained unity, made Spain the mightiest power of the world, only to fall to the lowest depth of weakness when tyranny succeeded liberty. See, in France, all intellectual vigor dying under the tyranny of the seventeenth century to revive in splendor as liberty awoke in the eighteenth, and on the enfranchisement of French peasants in the great revolution, basing the wonderful strength that has in our time defied defeat.

Shall we not trust her?

In our times, as in times before, creep on the insidious forces that, producing inequality, destroy liberty. On the horizon the clouds begin to lower. Liberty calls to us again. We must follow her further; we must trust her fully. Either we must wholly accept her or she will not stay. It is not enough that men should vote; it is not enough that they should be theoretically equal before the law. They must have liberty to avail themselves of the opportunities and means of life; they must stand on equal terms with reference to the bounty of nature. Either this, or liberty withdraws her light. Either this, or darkness comes on, and the very forces that progress has evolved turn to powers that work destruction. This is the universal law. This is the lesson of the centuries. Unless its foundations be laid in justice, the social structure cannot stand.

Our primary social adjustment is a denial of justice. In allowing one man to own the land on which and from which other men must live, we have made them his bondsmen in a degree which increases as material progress goes on. This is the subtile alchemy that in ways they do not realize is extracting from the masses in every civilized country the fruits of their weary toil; that is instituting a harder and more hopeless slavery in place of that which has been destroyed; that is bringing political despotism out of political freedom, and must soon transmute democratic institutions into anarchy.

It is this that turns the blessings of material progress into a curse. It is this that crowds human beings into noisome cellars and squalid tenement houses; that fills prisons and brothels; that goads men with want and consumes them with greed; that robs women of the grace and beauty of perfect womanhood; that takes from little children the joy and innocence of life's morning.

Civilization so based cannot continue. The eternal laws of the universe forbid it. Ruins of dead empires testify, and the witness that is in every soul answers that it cannot be. It is something grander than benevolence, something more august than charity—it is Justice herself that demands of us to right this wrong. Justice that will not be denied; that cannot be put off—Justice that with the scales carries the sword. Shall we ward the stroke with liturgies and prayers? Shall we avert the decrees of immutable law by raising churches when hungry infants moan and weary mothers weep?

Though it may take the language of prayer, it is blasphemy that attributes to the inscrutable decrees of Providence the suffering and brutishness that come of poverty; that turns with folded hands to the All Father and lays on Him the responsibility for the want and crime of our great cities. We degrade the Everlasting. We slander the Just One. A merciful man would have better ordered the world; a just man would crush with his foot such an ulcerous ant hill. It is not the Almighty but we who are responsible for the vice and misery that fester amid our civilization. The Creator showers upon us his gifts—more than enough for all. But like swine scrambling for food, we tread them in the mire—tread them in the mire while we tear and rend each other.

In the very centers of our civilization today are want and suffering enough to make sick at heart whoever does not close his eyes and steel his nerves. Dare we turn to the Creator and ask Him to relieve it? Supposing the prayer were heard, and at the behest with which the universe sprang into being there should glow in the sun a greater power; new virtue fill the air; fresh vigor the soil; that for every blade of grass that now grows two should spring up, and the seed that now increases fiftyfold should increase a hundredfold. Would poverty be abated or want relieved? Manifestly no. Whatever benefit would accrue would be but temporary. The new powers streaming through the material universe could be utilized only through land. And land, being private property, the classes that now monopolize the bounty of the Creator would monopolize all the new bounty. Landowners would alone be benefited. Rents would increase, but wages would still tend to the starvation point.

This is not merely a deduction of political economy; it is a fact of experience. We know it because we have seen it. Within our own times, under our very eyes, that Power which is above all, and in all, and through all; that Power of which the whole universe is but the manifestation; that Power which maketh all things, and without which is not anything made that is made, has increased the bounty which men may enjoy, as truly as though the fertility of nature had been increased. Into the mind of one came the thought that harnessed steam for the service of mankind. To the inner ear of another was whispered the secret that compels the lightning to bear a message round the globe. In every direction have the laws of matter been revealed; in every department of industry have arisen arms of iron and fingers of steel, whose effect upon the production of wealth has been precisely the same as an increase in the fertility of nature. What has been the result? Simply that landowners get all the gain. The wonderful discoveries and inventions of our century have neither increased wages nor lightened toil. The effect has simply been to make the few richer; the many more helpless.

Can it be that the gifts of the Creator may be thus misappropriated with impunity? Is it a light thing that labor should be robbed of its earnings while greed rolls in wealth—that the many should want while the few are surfeited? Turn to history, and on every page may be read the lesson that such wrong never goes unpunished; that the Nemesis that follows injustice never falters nor sleeps. Look around today. Can this state of things continue? May we even say, "After us the deluge"? Nay; the pillars of the state are trembling even now, and the very foundations of society begin to quiver with pent-up forces that glow underneath. The struggle that must either revivify, or convulse in ruin, is near at hand, if it be not already begun.

The fiat has gone forth! With steam and electricity, and the new powers born of progress, forces have entered the world that will either compel us to a higher plane or overwhelm us, as nation after nation, as civilization after civilization have been overwhelmed before. It is the delusion which precedes destruction that sees in the popular unrest with which the civilized world is feverishly pulsing only the passing effect of ephemeral causes. Between democratic ideas and the aristocratic adjustments of society there is an irreconcilable conflict. Here in the United States, as there in Europe, it may be seen arising. We cannot go on permitting men to vote and forcing them to tramp. We cannot go on educating boys and girls in our public schools and then refusing them the right to earn an honest living. We cannot go on prating of the inalienable rights of man and then denying the inalienable right to the bounty of the Creator. Even now, in old bottles the new wine begins to ferment, and elemental forces gather for the strife.

But if, while there is yet time, we turn to Justice and obey her, if we trust Liberty and follow her, her dangers that now threaten must disappear, the forces that now menace will turn to agencies of elevation. Think of the powers now wasted; of the infinite fields of knowledge yet to be explored; of the possibilities of which the wondrous inventions of this century give us but a hint. With want destroyed; with greed changed to noble passions; with the fraternity that is born of equality taking the place of the jealousy and fear that now array men against each other; with mental power loosed by conditions that give to the humblest comfort and leisure; and who shall measure the heights to which our civilization may soar? Words fail the thought. It is the golden age of which poets have sung and high-raised seers have told in metaphor. It is the glorious vision which has always haunted man with gleams of fitful splendor. It is what he saw whose eyes at Patmos were closed in a trance. It is the culmination of Christianity—the city of God on earth, with its walls of jasper and its gates of pearl. It is the reign of the Prince of Peace.

Address to the Society of the Friendly Sons of St. Patrick

EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 29, 1938

ADDRESS OF HON. ALEXANDER I. RORKE, OF NEW YORK, AT PHILADELPHIA, MARCH 17, 1938

Mr. BLOOM. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by the Honorable Alexander I. Rorke at the one hundred and sixty-seventh annual banquet of the Society of the Friendly Sons of St. Patrick, at the Bellevue-Stratford Hotel, Philadelphia, Pa., on Thursday evening, March 17, 1938:

It is not a simple matter for a librarian and archivist to deliver a public address; it is perhaps not so difficult for a practicing attorney to do so; maybe it is easier for one of Irish ancestry to essay the task if he feels, like Mr. Dooley, that "man for man" he could hold his own with any individual in the audience; but when he beholds collectively the members of the oldest organization of Friendly Sons of St. Patrick in America—men who have been hearing responses to the toast "Ireland" for the past 167 years—is it any wonder that he should conclude that it was a sad day when he listened to the alluring, invitational blandishments of Michael Donahue, of Philadelphia Pa., who confidently assured him that you were the greatest, most sympathetic, and understanding gentlemen in America, who would listen rapturously to his few, but well appropriated, remarks and preserve them for the edification—or was it for the mystification?— of the generations—Democratic, Fascist, or Communist—yet to be born in the Keystone Commonwealth of the Nation.

However, his courege revived somewhat when a member, in strictest confidence, gave him his word of honor that many of the founders and most of the members who had joined this society prior to the war with Mexico would not be present in person tonight; but when he added the ominous reflection that, "of course, they will be here in spirit," and their ghost, like Banquo, frequently rises at the feast to mock the neophite who annually responds to "Ireland," one wonders just why Philadelphia is still called "the city of brotherly affection" and why, after all the 17th of March addresses are delivered in the United States, thoughtful people in Ireland sometimes cry out in anguish, "God save Ireland!"

Well, what is Ireland? The answer depends perhaps upon the individual's viewpoint. To the crass materialist Ireland is a patch of land on the Atlantic 300 miles long and 150 miles wide, divided into 4 Provinces, subdivided into some 32 counties, containing some three or four million souls; agriculturally minded in the south and industrially inclined in the north. To the poet and musician Ireland is "a little bit of heaven that fell from the sky one day"; it is "where the River Shannon flows" and "where the bells of Shandon sound so grand on the pleasant waters of the River Lee." To the Cromwellians Ireland is the place into which Satan and his rebellious angels were herded by an outraged Omnipotent. To the English in varying ages Ireland means a happy hunting ground for the adventurer, the undertaker, the confiscator, the hangman, the tax collector, penal laws, and servitude. To politicians of other countries it has been a fertile field for personal exploitation and profit. To most of the foreign historians Ireland has never existed. To the educators in most of the colleges and universities of the world Ireland is unknown; but to those to whom it is given to know Ireland today is seemingly the same as it has always been—just herself; her own Celtic men and women, with their history, culture, ideals, enthusiasms, imaginations, courage, dogged perseverance, and a perfect reliance upon divine Providence for the ultimate justification of their right to exist as a free, undivided, and independent people.

Ireland, judged by the materialistic standards of other countries, has been seemingly a most difficult nation to understand. If you tell the Irish how unwise they were to contend against the usurpations of the King, Parliament, and people of England, involving loss of life, land, and treasure, and opportunity to develop as a contented, prosperous entity within the British Empire, they will tell you that one hour of freedom accompanied by poverty and suffering was better for the soul of Ireland than ages of material prosperity with subserviency to any alien government.

Tell them they have been thoughtless in failing to acquire great riches first and spiritual regeneration afterward; they reply that peace of mind is preferable to the acquisition of money, and they rhapsodize with—

"The man that I work for is a richer man nor me;
But, somehow or other, with the world he can't agree;
He has lands and lawns and mansions and stately castles tall;
But I would not change places with my thatched-roofed cabin hall,
With its big turf fire and its floor swept clean—
There's no man more happy than myself, Patrick Keane—
With my baby in the cradle and I hear my dear wife say,
'Arrah go to sleep alauna, till I wet your daddy's tea.'"

Tell them they have been a belligerent people, quarreling among themselves and constantly disturbing the peace of England, and they suggest that throughout their entire career they wanted, and would have, peace even if they had to fight for it; and that the warfare between the Highlanders and the Lowlanders of Scotland and between the houses of York and Lancaster in England differed no whit from those in Ireland, and that the rival Irish clan system had distinct advantages particularly in that a foe that overwhelmed the clans of Leinster would still have the rival clans of Ulster, Connaught, and Munster to deal with. The Norman, William the Conqueror, defeated a united Saxon nation in England in one battle, Hastings, but they had a far different experience in Ireland.

Why, only yesterday a European dictator swallowed a small nation in 24 hours; 700 years ago the British bull dog attempted to swallow the Irish, with the result that he has had seven centuries of intestinal political indigestion, and all that he can boast of today as the result of his rashness are a few counties in northern Ireland.

Tell them what a fine thing it was for the English at the beginning of the reign of the late George V to restore the statue of St. Patrick to its pedestal in Parliament alongside those of St. Andrew, St. David, and St. George, and they will opine that that belated recognition of the greatest saint in the ecclesiastical calendar would have been more acceptable to them had the other three patron saints done public penance and returned into the body corporate of the church to which St. Patrick had always been faithful and from which they had separated in the days of the eighth of the Henrys and his daughter Elizabeth.

What kind of people are they that give thanks to the Lord for the trials they have endured, for the coercion and the suffering they have experienced, and for the iron will to endure them? A people that cannot abide the orgies of Hollywood or the divorce mills of Reno and yet who refuse to cast the first stone at any one connected with either place.

What a paradoxical people, seemingly mixing the dreary, the sordid, the material, and other realities of life with myths, legends, and sagas, never emerging from the ideals of childhood! Was it ridiculous of our parents here in America to relate to us myths, legends, sagas? Childish fables? Yes; but somehow or other when we now consider the realities, cares, and troubles of the present day do we not seek to divert our minds from the slings and arrows of outrageous fortune and the depression by falling back upon Snow White and the Seven Dwarfs and even upon wooden-headed Charlie McCarthy? Perhaps the Irish are the only race on earth that appreciates, and literally heeds, the suggestion that "Unless ye become as little children ye shall not abide with Me."

Why will the childlike Irish always be seeing the silver lining through each dark cloud shining? The age-long recitals of myths, legends, and sagas stirred the Irish imagination and helped the Irish to live long, clean, and healthy lives, and doubtless the lack of familiarity with them explains why so many other races—especially those domiciled in the United States—live such short and strenuous lives which they sometimes further abbreviate with carbon monoxide, the poison cup, the open window, or the cold deep of a neighboring river.

Tell them they have not been a cultured people amid the cultures of Britain and the continent. Lo! they unfold the history of a celtic culture that was ancient 2,000 years before an Anglo-Saxon set foot in Britain, and of which the British historian, Camden, says:

"They deduced their history from the most profound depths of remote antiquity, so that compared with that of Ireland the antiquities of all other nations are but novelty and their history is but a kind of infancy."

Culture! They had a passionate love of learning. Eight centuries before the Christian era they established a school of learning and a triennial parliament of chiefs, nobles, and scholars. They gave precedence to poets, historians, masters of arts and crafts, doctors, lawyers, and scribes.

The ancient pagan knights and Fenian militia, composed of the chivalry of Ireland, were more honorable than the feudal knights and barons of England and the continent, who lived and died violating their vows to serve God, the King, and womankind; but few were the Knights of the Red Branch or the Fenians who ever cried "craven" or who bore a "bar sinister" upon their shields.

Their hospitality was unrivaled, and Bede, English historian, writing of the year 664 A. D., says that the Irish willingly received the English, supplied them with food, books, and learning in Irish schools free of charge.

From St. Patrick's time schools and universities rose everywhere in Ireland, which became the "land of saints and scholars"; and when the Empire of Rome crumbled, and with it religion and culture, Ireland escaped the cataclysm; and when the storm blew over, Irish churchmen, teachers, and scholars went to Britain and

the continent, restored Christianity and education, and founded most of the great European schools, and these achievements compelled the mediaevalist, Darmesteter, to assert that:

"The classic tradition, to all appearance dead in Europe, burst into full flower in the Island of Saints. The Renaissance began in Ireland 700 years before it was known in Italy. And Armagh, the ecclesiastical capital of Ireland, was at one time the metropolis of civilization."

Despite the efforts to destroy culture in Ireland, that culture survives—and Columbia, Harvard, Notre Dame, Wisconsin, and other universities here and abroad are founding Celtic chairs to introduce and perpetuate Irish culture which the world today so badly needs.

What a persistent people! They never stayed beaten. For 300 years under the heel of the Dane, yet they struck gloriously on Good Friday in 1014 and hurled their oppressors into the sea; time after time in the last 700 years beaten into submission by Normans and by English, they rose again and again, and each time their conquest had to be begun all over. Maybe it was a case of the Irish not knowing how to quit, as when two men agreed to fight until one admitted defeat, and after an hour's savage and exhausting combat one cried "Sufficient," whereupon the other said, "I was trying to think of that word myself for the last half hour."

What a singular people to elect an American-born as the President of their country! Were there not enough Irishmen in Ireland to fill that billet? But, strangely enough, in addition, he becomes President of the Council of the League of Nations, and, stranger still—although England considered him a firebrand—his addresses to the Council have been declared by the unbiased statesmen and press of the world to be the greatest efforts for real world peace that have been delivered in over a century.

What a daring people! Their sagas, romances, and histories helped them to be youthful, cheerful, and hopeful during centuries of blood and iron and finally catapulted them into the mastery of the Free State after the rebellion of Easter week and now—in control of Eire in 1938—they are meeting at Downing Street and demanding that Ireland be one and not a dismembered and divided country.

"It can't be done," say some. "It can," say others. Some say, "England's necessity will compel her to abrogate the partition which she set up in the north of Ireland." Others assert that "Craigavon will never allow Ulster to consent." I wonder what his reactions would be were the Irish to offer him the prime ministership or the Presidency of a united Ireland—perhaps then "hand in hand, heart to heart, and all together" a united Ireland would march forward to its destiny.

What a queer sort of people are these Irish anyway. Have they no sense at all? One would imagine they would be up to date and do things in the modern manner, but surely they must be a benighted people, because only a few days ago they adopted a constitution and in that document declared themselves a Christian nation, conducting their affairs along the lines of Christian doctrine and ideals; and if you ask why they put such things in a state constitution, they reply that while others profess Christianity, Ireland as a nation practices what it preaches.

What a "penny-wise and pound foolish" peole. While every one of the so-called great countries of Europe was avoiding its financial obligation, either by use of the moratorium or downright default, these Irish—an odd people, surely—spurning the profitable example of others and clinging to an outmoded personal and national integrity, actually repaid the Irish loan of 1920–21, which had been raised during the active military struggle against the British, and added 25 percent interest on the amounts borrowed for good measure. Somehow or other the Irish and the Finns are brothers under the skin—they both hate a defaulter.

Their constitution adopted on December 29 last is the product of the best Irish minds—of a people who have in all ages demonstrated their aptitude for statesmanship—it is based upon a close study of the operation of all existing constitutions, including that of the United States. I hope it will operate successfully and that before long it will apply from Tyrone to Waterford and personify justice and equality to all under one flag.

But what chance have they economically? During the short period that they have been in control of their own economic system their industry has flowered, customs tariffs on imported goods have brought fine results, governmental fostering has created factories to supply the Irish demands, the Irish are actively at work and producing many articles of commerce never before made in Ireland. Behold the harnessing of the Shannon River bringing electric heat, light, and power to all parts of Ireland—electric lamps, razor blades, agricultural machinery, aluminum ware, china, and glass, boots and shoes, beet sugar, are but a few of the products now made in Ireland and which attest the fact that Ireland industrially "is now on her way"—and a trip to Ireland and the purchase of Irish products are concrete examples of an American's real interest in her welfare.

There is now greater need for a united Ireland than at any time since the beginning of the Christian era. One after another the governments of the world have been crashing. But yesterday—we had the Empire of Russia, the Empire of Austria Hungary, the Empire of Germany, and the Kingdoms of Spain and Portugal—now they are mingled with the "glory that was Greece" and the "grandeur that was Rome," and with their fall much of modern civilization has been destroyed and Christianity and civilization are threatened by communism, socialism, fascism, and irreligion.

The situation today is not unlike that which obtained after the destruction of the Roman Empire, and who shall say that Ireland is not destined in the near future to survey again a similar destruction and that she has not been preserved until the present-day world madness be passed to again restore culture, Christianity, and civilization to a broken world.

What have the Irish received from the world for all that they have done culturally and otherwise? They have earned and received the respect of all nations for the sacrifices they have made, for the Celtic spirit they have spread. But, more than that, these annual 17th of March celebrations, attended throughout the world by Christians, Jews, and pagans and others who sympathize with their hopes and aspirations have produced Ireland's greatest triumph; they prove that Ireland is today mistress of the greatest empire on earth—not a material empire of colonies conquered by shot and shell, by horse, by foot, artillery, gas, submarines, and aerial bombs, but a spiritual empire that has won the hearts and the souls and the love and the respect of all true men and women wherever the wild geese have flown—an empire of favorable world-wide public opinion—that wants England to go along with and not against Ireland; and some day, perhaps in your time and mine, for the present necessities of empires are creating strange situations, and England may be compelled to make war to preserve the rights of smaller nations, we may behold George VI, David Lloyd George, and Earl Craigavon of Ulster lifting their glasses to Eamonn de Valera and William T. Cosgrave and drinking to "Ireland—a united nation once again."

What reward shall the Irish receive on judgment day? Well, poets, orators, preachers, and politicians have speculated on that; Msgr. Fulton Sheen has opined that when the Irish approach the golden gate Christ will bestow upon them that smile which he denied unto all people when he was upon this earth; others less appreciative have expressed the opinion that the Irish will never enter the promised land; but the Irish themselves have no misgivings, because on that otherwise dreadful day they know, or at least suspect, that their own patron, St. Patrick himself, will judge the Irish, and from this we conclude that from now on all non-Irish peoples, including the English, may find it to their advantage to curry favor with them in this life; but, after all, that would not be necessary, because the Irish would plead for them with St. Patrick that they, too, might live forever.

"O Erin! The nations have fallen and thou art still young;
Thy sun is but rising while others are set;
And though slavery's cloud o'er the morning hath hung,
The full noon of freedom will beam round thee yet."

Wage and Hour bill

EXTENSION OF REMARKS
OF
HON. THOMAS F. FORD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 13, 1938

Mr. FORD of California. Mr. Speaker, I am greatly concerned over the delay in bringing to this House a wage and hour bill. I realize that the Committee on Labor is working on this bill, trying to frame it with a just regard to all interests in all parts of the country.

To me it is unthinkable for this Congress to adjourn without passing a bill that will put a floor under wages and a ceiling over hours. I think that 40–40 is highly desirable—that is, that the minimum wage be fixed at 40 cents an hour and the maximum week at 40 hours. This wage is certainly low enough, even for unskilled workers in struggling industries.

It has to be clearly understood that such a wage is strictly a minimum and does not in any way represent what the normal or average wage should be. Experience has shown that the adoption of a minimum wage invariably raises the pay of the lowest wage group, while having a tendency to raise wages in higher-paid groups. It thus acts as a lever, lifting wages all along the line, and thus raising the general standard of living.

We must have a higher standard of living. In this machine age our only hope of stability, of security, of prosperity, of the continued existence of democracy, is to raise the standard of living of our people so that production can be steadily increased along with the consuming power of the public.

I am convinced that many firms now paying starvation wages would gladly pay more if it were not for the cutthroat

competition of those whose one aim is to wring profits out of the exploitation of labor. Abolish the sweatshop, the business conducted on starvation wages, and on child labor and thus give honest businessmen a chance to pay decent wages without being ruined.

It is the first step that counts. Once wages are raised, with the consequent increase of purchasing power, business will be increased all along the line. And with the increase of output, of turn-over, of sales, the higher wage will cease to be a burden. And, I hope, a constant tendency to give the worker a larger and larger share of the products of his labor will be definitely established.

This is no Utopian dream but a great step forward, practical, definite, and in line with the demands of an age of enormous potential production, restricted only by the ability of our people to buy and use and enjoy the manifold good things that can be so readily supplied them.

I, for one, shall hate to go home and tell my people that because of the unfounded fears of a few honest men and of the unenlightened opposition of others who always oppose progress the Seventy-fifth Congress failed to open new jobs, new opportunities, and a new and better standard of living for all. We should pass a wage-hour bill now.

As to my own record on this, I am glad to be able to state that in the special session in November and December of 1937 I signed the petition to bring the Black-Connery bill to the floor for a vote. When it came to the House I spoke for the bill. And I voted against recommittal. But the bill was recommitted. Now I am urging that this House be again given the opportunity to vote on a wage-hour bill. I think that such a bill would pass at this time. Perhaps some compromise will be necessary. But, in the name of justice, of enlightenment, of fair play, let us take up this bill and pass it.

Thus we will go a long way to end the terrible conditions that force millions of our people to depend upon the dole when they should be employed in creating and distributing goods for all to enjoy.

What kind of civilization is this we are creating, with the majority of our people enjoying good incomes and a normal American standard of living and a large minority suffering from poverty, malnutrition, disease, and despair, due to our blind and cruel and senseless refusal to limit the hours of work and open jobs to all?

Let us do our duty and put an end to this. Let us end stagnation and despair and bring a new energy and a new hope to the dispossessed.

Importing Farm Products Makes Idle Acres In America

EXTENSION OF REMARKS

OF

HON. ALBERT G. RUTHERFORD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 13, 1938

Mr. RUTHERFORD. Mr. Speaker, the New Deal continues to sell the American farmer down the river for the benefit of the farmers of foreign lands. That fact is slowly but surely getting back to the farmers of all sections of the country, particularly to those living in the eastern and northeastern part, as is shown by the following editorial from the Susquehanna Transcript, published in Susquehanna, Pa., in my congressional district:

Farm products imported into the United States for consumption by the American people reached an astounding total last year.

During the past 5 years the imports have doubled. This means that produce which could be grown on American farms is brought into the United States while our farmers must look upon a demand which is already well supplied from abroad.

Here are just a few items showing the imports in 1932, and in 1937. Bear in mind as you read these items that these foods could be produced on American farms:

Item	Unit	Imports, 1932	Imports, 1937
Corn	Bushels	347,627	86,337,248
Wheat	Bushels	3,395	17,434,837
Barley, malt	Pounds	52,532,636	371,243,456
Rye	Bushels	87	206,860
Hay	Tons	13,858	146,149
Soybeans	Pounds	36,568,700	109,418,304
Butter	Pounds	1,052,598	11,110,762
Cattle	Head	97,040	494,943
Hogs	Pounds	34,155	16,555,218
Fresh pork	Pounds	1,657,500	20,876,569
Hams, bacon, etc	Pounds	3,015,489	47,422,022
Fresh beef	Pounds	796,594	4,665,558
Canned meats	Pounds	24,793,497	86,087,133
Total meat products	Pounds	46,749,702	191,906,012
Eggs in shell	Dozen	243,784	520,189
Dried yolks	Pounds	726,400	5,426,358
Frozen yolks	Pounds	422,060	1,482,862
Egg albumen	Pounds	1,275,790	2,844,073
Wool and mohair	Pounds	58,097,521	326,034,700
Dried milk	Pounds	59,620	2,924,157
Hides	Pounds	188,013,286	312,035,407
Inedible molasses	Gallons	155,888,307	301,449,599

After reading the above, is it any wonder that newspaper editors are asking pertinent questions, as they view idle farm lands and witness the passing of farms from private owners to county commissioners for unpaid taxes?

As stated in the editorial, every article mentioned in the list therein could have been produced by American farmers on their own land. If they had produced these products they would have had money with which to pay their taxes and the local, State, and National Governments would have benefited thereby and incidently the farms would not be passing from the individual owners to the county commissioners or other county boards for unpaid taxes. If the American farmer had produced these products they would have had money with which to buy the necessities of life and maybe a luxury or two. I cannot understand the New Deal policy of importing hogs, cattle, corn, wheat, meat, eggs, and so forth, from foreign lands, thus giving employment and money to the farmers of foreign lands when our own farmers can produce these very selfsame products. Why should not the American farmer have the American market? Why should the American farmer be paid to plant less corn, wheat, tobacco, and so forth, and asked to raise less stock and then buy these same things from the farmers of foreign countries? I think that it was Lincoln who said, "If you buy goods from a foreign country we have the goods and they have the money, but if you buy the same goods in America from an American we have both the goods and the money." I cannot understand the New Deal logic. They say that we must have imports from other countries to keep those countries feeling kindly toward us, yet the President and his New Deal friends have asked Congress to spend the largest peacetime funds to build up the biggest navy that we ever had. If the reciprocal-trade agreements will do the trick, why build a big navy? How long the American farmer will continue to sit by and see his market taken away from him by imports from foreign countries remains to be seen. I hope that they will wake up soon and demand a change. Since coming to Congress I have opposed and will continue to oppose all legislation which tends to take away from the American farmer his rightful markets. I believe that the American farmer should have the American market.

Congress Must Choose—The Wrong Way Out and the Right Way Out

EXTENSION OF REMARKS

OF

HON. ROBERT L. BACON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 13, 1938

EDITORIAL FROM THE NEW YORK TIMES, APRIL 13, 1938

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the New York Times:

No better news could possibly come from Washington than the reports of rising opposition in Congress against any new plan for the Government to "spend its way out of the depression." To plunge this country further into debt in another rash gamble with the national credit would be a policy of bankrupt statesmanship. It would mean risking loss of all control over the Federal Budget. It would mean postponing a show-down on the real factors which are responsible for the depression, so far as the policies of the Government are concerned.

The advocates of a new spending program argue that the Government "stopped spending too soon," and that this is the primary cause of the depression. It is true that the Government paid a soldiers' bonus in 1936 and has paid no soldiers' bonus since. It is also true that larger revenues derived from the heaviest taxes ever imposed in this country, together with the diversion of old-age insurance taxes to cover current expenditures in Washington, have reduced the size of the Government's deficit. But it is not true that the Government has cut down the rate of its spending by a single dollar, if allowance is made for the soldiers' bonus. Up to the first of this month the Government had spent a total of $5,676,000,000 during the current fiscal year. That is a larger figure than the figure for the same date of any year since Mr. Roosevelt has been in office, and the largest figure for that date in the whole peacetime history of the United States.

What evidence in the experience of other countries can be offered by those who advocate still more spending on top of all this present spending, in order to demonstrate their case that an administration heavily in debt, an administration which has never once balanced its Budget, ought now to step up its spending to a still higher rate? For 61 months the Roosevelt administration has been piling up successive deficits, and in all this time there have been just 16 months in which our index of business activity has reached an estimated normal. During this same period the British budget has been balanced or close to a balance at all times, and Britain has consistently been in a better industrial position than the United States. Canada has increased its spending much less than we have and has shown far greater improvement in nearly every field of business. It is in France that Government spending has been carried furthest among the great democracies, and France today is suffering periodically from financial crisis and continuously from a break-down of production.

There are other ways, better ways, and safer ways for Congress to aid the business of this country than to hazard the national credit in another panicky spending spree which might merely have the result of frightening away private capital many times as great as any conceivable amount of capital which the Government could possibly pour in. Let Congress address itself to the fundamentals of the present situation, and amend such legislation as is now hampering the recovery of business. Let it amend the Public Utilities Act—not in order to do away with Government regulation, which is essential, but in order to establish conditions under which private capital will once more be invested confidently in the expansion of a great industry. Let it amend the Wagner Act—not in order to turn the clock back to an antiunion policy, but in order to increase the responsibility of labor, and not merely of employers alone, in the process of collective bargaining. Let it amend the Tennessee Valley Act—not in order to do away with a valuable experiment in Government operation, but in order to establish scrupulously fair conditions of competition, with no hidden subsidies involved. Let it amend the Social Security Act—not for the purpose of destroying a great reform which was needed, but in order to abandon the fiction of a so-called reserve fund which does not exist in fact and in order to put the whole system on a pay-as-you-go basis. Let it proceed as rapidly as possible to put the financial affairs of the Government in order, and to bring its expenditures within its income, in order that there may be some early hope of escape from the crushing burdens of taxation.

Let Congress do these things and await the consequences of the steps which it will then have taken to restore confidence in this country. The pump of American industry can be primed with private capital, as it has been primed many times before, if Congress will clear the way for private enterprise to do the job.

The Reorganization Bill

EXTENSION OF REMARKS

OF

HON. ED. V. IZAC

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 13, 1938

Mr. IZAC. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit a copy of a letter I have today dispatched to a constituent of mine in San Diego, Calif., which gives briefly a summation of my views on the most controversial provisions of the reorganization bill, as follows:

DEAR FRIEND: Permit me to acknowledge receipt of your communication regarding the reorganization bill, which failed of passage in the House of Representatives Friday.

I made an independent study of this bill, and for 10 days attended every committee meeting and session of the House, striving to acquaint myself with every detail of the bill so I could vote intelligently. I am now convinced that this bill, with amendments as added by the House and as it appeared in its final form was a most commendable effort toward efficiency and economy in government. I further believe that your mature judgment will record its defeat as a most unfortunate occurrence.

I find that every President of the United States, both Republican and Democratic, since 1893 has urged a bill similar to the one we considered. President Roosevelt, not wanting to foist his ideas on the Congress, asked a committee to study the subject and make recommendations. This was done; and the select committees of the House and Senate, composed of some of the best minds in Congress, considered these recommendations and drafted a bill.

The two most controversial features were the provisions dealing with the civil service and the Comptroller General's office. At the present time the President appoints two Democrats and one Republican to the Civil Service Commission. He may discharge them at will. In the bill just defeated he could name one administrator with a board of seven—four Democrats and three Republicans—each with a term of 7 years, no two expiring in any one year. You can readily see that no one President in one term of office could appoint more than four on the board, the last one being named at the expiration of his term, too late to permit him to seize dictatorial powers over the civil service; so, rather than augmenting the power of the President, it would have reduced it.

This bill also provided for a board of appeals, for which civil-service employees have worked for many years. And in many other respects it seemed to bring the civil service nearer a real merit system.

Regarding the Comptroller General, the reorganization bill perpetuated him and his office in practically the same way as the present law; but instead of continuing him as the sole dictator of the correctness of his actions, he would be limited to the control over the money appropriated by Congress, and another officer, the auditor general, would audit the accounts and likewise see if the money could be legally spent in a certain way. That would have given us two safeguards. And if there was disagreement between the two officials regarding the intent of Congress as to the spending of money, the matter would then be referred back to Congress for clarification. Any businessman will agree that such a system is not only preferable but in reality the only way to avoid dictatorship in one office and have a double check on all money accounts. The Comptroller General would be the arm of the President, the auditor general the arm of Congress, each being a check on the other, which, I believe you will agree with me, is as it should be.

In conclusion let me express the belief that the verdict of history will be that Congress should have enacted such legislation years ago, and each succeeding Congress is derelict in not doing so at the earliest practicable moment.

I am, sincerely yours,

ED. V. IZAC.

Relief for Veterans and General Welfare Bill

EXTENSION OF REMARKS

OF

HON. LEX GREEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 12, 1938

Mr. GREEN. Mr. Speaker, I desire to call to the attention of my colleagues the importance of passage before adjournment of H. R. 1991. I introduced this bill early in the Seventy-fifth Congress. It provides for reenactment of provisions of the Disability Allowance Act, repealed in 1933. It restores pensions for all World War veterans who have disability of 10 percent or greater. For 10 percent disability it allows $12 per month and increases the amount gradually to $60 per month for total disability. Service connection is not required. The bill also has favorable provisions affecting service-connected cases. Recently I appeared before the committee and urged report and passage. I hope you will do likewise and get this bill out and pass it.

I have before the same committee H. R. 2728. It provides for pensions for widows and orphans of the non-service-connected. Some of the provisions of the bill recently passed the House. This bill is now in the other legislative branch. It should become law now. I voted to pass the bonus bill over the veto, and so did many of you. Now it is time for us to pass H. R. 1991.

Mr. Speaker, while I am on this subject, I want to call to the attention of the House that the old people of our

be produced on American farms:

the New York Times:

country are not getting adequate old-age pensions. In my State the pensions are very small in most cases. The way to cure this situation is to pass H. R. 4199, in its present form. I have urged the members of the Ways and Means Committee to hold hearings on this bill and have also signed the petition on the Speaker's desk to force consideration by the House. I urge you to get interested in this bill and help us to get it out and pass it.

The present Social Security Act is administered in my State under Florida State law. The Federal law does not ask for lien or mortgage on property of applicants, and I favor amendment prohibiting the Federal Government from taking any part of property collected from estate of pensioners under State law. Recently Hon. Frank Bane, Ex-executive Director of the Social Security Board, gave me an interesting ruling along this line. His communication follows:

Hon. LEX GREEN,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN GREEN: Your letter of April 4, 1938, addressed to Mr. Eliot, has been referred to me for reply.

Titles I, IV, and X of the Social Security Act authorize grants-in-aid to the States for their use in administering old-age assistance, aid to dependent children, and aid to the blind, respectively. Your understanding that actual administration is conducted solely by the State or the State agency itself is quite correct. Under the terms of the Federal statute the Social Security Board reviews the provisions of the State's plan and observes the course of its administration to the extent necessary to determine whether requirements of the Federal statute are being complied with.

In reply to your further question, the Social Security Act does not stipulate that any State shall require or provide in its plan for any lien or conveyance or for the giving of any security by the recipient in connection with the distribution of public assistance. In fact, the Board believes that the practice of taking assignments is, generally speaking, unwise, and it therefore seeks, rather, to discourage than to encourage this practice on the part of any State.

The only provision in the Social Security Act which appears to relate in any way to the point you have in mind is the stipulation in title I, which provides that in the event any State does actually effect any recovery of old-age assistance which it has previously paid to any recipient, it shall account to the United States for a proportionate share of the net recovery. This, I suppose, the State might be expected to do in any event.

As respects the Florida old-age assistance statute and plan, however, I have not been able to find that either the law or the plan as submitted to us by the State actually requires or conditions the granting of assistance upon a mortgage lien or assignment covering any portion of the applicant's real or personal property during his lifetime. However, the Florida statute apparently does give the State a lien upon assets found in the estate of a deceased recipient of assistance, provided he is not survived by a widow or minor children who may be liable to become public charges.

If for any reason you do not find that this letter fully answers the points that you have in mind, please advise me accordingly.

Very sincerely,

FRANK BANE, *Executive Director.*

Prosperity for the Automobile Industry Would Affect the Prosperity of All Industry in America

EXTENSION OF REMARKS

OF

HON. JERRY J. O'CONNELL

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 11, 1938

ARTICLE, "FAREWELL, JALLOPPY—I HOPE," BY JOSEPH E. PARKER

Mr. O'CONNELL of Montana. Mr. Speaker, I would like to call the attention of my colleagues to a plan which would bring prosperity to the automobile industry in America and would have a very far-reaching influence in bringing prosperity to many allied industries.

A careful review of statistics prepared by the Automobile Manufacturers Association shows the importance of the prosperity of the automobile industry to the general prosperity of our country.

Of all the steel manufactured in the United States, the automobile industry uses 57.8 percent of the strip, 35.8 percent of the bars, 41.6 percent of the sheets, 53 percent of the malleable iron, 60 percent of the alloy steel, and 20.3 percent of steel of all forms. Of other metals consumed in the United States, the industry uses 13.4 percent of the aluminum, 18.4 percent of the copper, 11.8 percent of the tin, 34.3 percent of the lead, 11.8 percent of the zinc, 29.7 percent of the nickel.

The automobile industry consumes 73 percent of all the plate glass manufactured in the United States, 46 percent of the upholstery leather produced; 8.9 percent of the cotton materials manufactured in the mills of the country go to make tires and other motor-vehicle equipment. Twenty million pounds of mohair is consumed in the United States each year, and 40 percent goes into the industry, to say nothing of 5.5 percent of all the hardwood produced in the country and 185,000,000 board feet of softwood lumber.

In addition, the industry uses 52 percent of all the lubricating oil consumed in the country and 89 percent of the gasoline, or approximately 20,000,000,000 gallons a year; 21 percent of all the glycerin consumed in the United States is used by the automobile industry, as well as 40,000,000 gallons of other antifreeze solutions. Add to this 52,220,000 yards of upholstery cloth, nearly 18,000,000 gallons of paint, 58,500,000 pounds of hair and padding—to say nothing of the myriad of other industries more or less affected.

I wish to include herein excerpts from the copyrighted plan devised by Joseph E. Parker, of Butte, Mont., which is known as the Parker plan. I believe that this plan is sound, that it would do much toward effecting recovery in the automobile industry, and would aid the 40,000 dealers in America who now seem to be facing bankruptcy because of the bugaboo of the used car.

The matters referred to are as follows:

I am not a political economist. I am just an average American citizen interested in the progress of my country, the prosperity of my business, and the welfare of my family which is tied up in it. As I sit in the quiet of my office in Butte, Mont.—the same oppressive quiet which pervades the offices of the 46,000 other retail automobile dealers in the United States—I am tremendously impressed with what seems to me an obvious remedy for many of the troubles of our day.

Doubtless when I mention the problem and my proposed remedy, the reader will think that I am looking at the world through my own little keyhole, and so I am. But all of us look at the world from our own keyholes. Naturally, each of us sees it from his own point of view, and as I have struggled over the thing for years, worried about my own business, and tried to find the solution for my own problems, I have felt that if Presidents and Congressmen, and Senators, and automobile tycoons, and steel manufacturers, rubber manufacturers, the operators of 50 allied industries, and the millions whom they employ would look through my keyhole for a while they would see what I see, and they would see a possible remedy so obvious as to make it seem foolish that we have never seen it before. I refer to a plan to take each year four or five million old second-hand cars off the highways and out of the way of progress, old second-, third-, fourth-, fifth-, or *n*th-hand cars, cars more than 7 years old but still in service and valued at around $50, known to the trade as "jalloppies."

The National Automobile Manufacturers' Association tells us that during 1937 there were 29,600,000 motor vehicles registered in the United States, and some 11,500,000 of these had been in use 7 years or more. We can't blame these old cars for all of the accidents. We know that speed and power and irresponsible drivers account for large numbers of them, but we do know that the jalloppies cause great numbers of them; and while it is difficult to deal by law with human nature, there is a way to rid the highways of the jalloppies. All one needs to do to understand why these old cars are such a menace on the highways is to visit the used-car lots of the dealers of America. Attached to the old car that sells for $50 or so is the label "as is." This means that the purchaser takes the car at his own risk. The car is in such condition that the dealer feels it would be a poor investment to recondition it. In nearly every instance the brakes need relining, the steering apparatus needs to be tightened up, headlights need to be adjusted. All of these things become the responsibility of the purchaser, but since he is only a $50 purchaser at best, he is able in most instances to make only such repairs as will get him along the highways in some fashion or other. The purchasers of the old jalloppies are naturally the most irresponsible ones. They are the ones who cannot afford to carry public liability, property

damage, or collision insurance. They are not only the cause of a great share of highway accidents but when an accident occurs there is involved an additional misfortune in that the victim has no chance to recoup anything for the injury to his car or to himself.

It is obvious that while in motion the old jalloppies jam the traffic, crowd the highways, and are a menace to the life and limb of the public at large; but when they are not in motion they are equally vicious from another angle. They jam the parking places, they disfigure the countryside with their unsightly carcasses. They squat in every nook and cranny of the storerooms of the 46,000 retail dealers in the United States. They represent the immovable and insurmountable obstacle in the path of success for the erstwhile successful automobile dealer. They are his nemesis, for when he has paid his overhead, including taxes, commissions to the salesmen, rent, interest on borrowed capital, and a thousand other incidental expenses involved in maintaining a high-class place of business, the $50 invested in the old jalloppy in many instances represents his entire net profit; and this monster, squatting in the space for which he pays rent, becomes a liability, increasing month by month. Cross-eyed and leering, it haunts his dreams and fills his days with worries and regrets. It is the millstone around his neck, the everlasting drag on his business.

Probably because they haven't known what to do about it, there seems to have been an attitude on the part of manufacturers to ignore the second-hand car problem. The policy has been to employ high-powered sales managers who fix quotas for the dealers of the country to sell under the penalty of losing the agency if the dealer does not produce. Consequently the dealer has been forced to accept his quota of new cars and scramble to sell them the best way he can. In desperation he takes in many an old car that he knows well enough he can never sell. Momentarily this seems better than losing his agency.

The experience of the average dealer selling the car that retails at a thousand dollars, say, involves a sale of not one car but three cars or more, not one sales contract but three sales contracts or more, with the elusive net profit finally winding up in the corner of the garage where the old jalloppy is parked. Of course, a few sales are made for cash, but these number less than 10 percent. To illustrate the situation, let's take round figures and approximate transactions representing a composite picture. Usually the retail dealer starts the thousand dollar transaction—with a prospective 20 percent, or $200, gross profit—by taking in exchange for the new car a $500 used car and a sales contract for $500. When the sales contract has been disposed of the cash obtained is applied toward paying the manufacturer for the car. The dealer's profit of $200 and $300 of his money are represented by the used car he has taken in on the first transaction. In the second transaction he disposes of the $500 used car, taking in trade a $200 used car and a sales contract for $300. At this stage of the game all of the dealer's profits, including his expenses incident to the various transactions, are represented by the $200 used car. In the third transaction he sells the $200 used car, receiving 15 percent cash, or $30, a sales contract for $120, and the old jalloppy.

Salesmen's commissions, rents, and other overhead expenses have by this time eaten up so much of his $200 gross profit that most of his net profit has yet to be obtained from the $50 jalloppy. But the sale of the old car is more difficult than the sale of the better cars. The dealer must either get all cash or take part cash and an installment contract, which is difficult to collect, because cars of this character are sold to less responsible purchasers. Frequently the entire value of such a sales contract, if the dealer is so unwise as to take one, is absorbed in the cost of collection. Many times after seven or eight tiresome trips to interview the purchaser and collect monthly installments the trail is lost and the jalloppy and its owner have vanished, the car furnishing the means by which the owner skips the country.

Frequently the manufacturers quote statistics showing that even in a year like 1937, 90 percent of the retail dealers show a profit and are therefore called successful, but they don't mention the fact that in a great majority of cases the profits of the so-called successful dealers are represented by an inventory of second-hand cars. The manufacturers, however, promptly eliminate the 10 percent of unsuccessful dealers by canceling their sales contracts, and take on new dealers, leaving the dealers thus stranded to worry about the problem of what in the world they will ever do with the second-hand cars.

The result in some instances is that the stock of old cars is sold at a sacrifice to purchasers who otherwise would take second-hand cars off the hands of the regular agency dealers. Many such unsuccessful dealers, however, having been dispossessed of their former high-class agency business, fence a vacant lot with chicken wire and use the stock of old cars to get into the second-hand business strictly, where, with expenses reduced to a minimum, no obligations to manufacturers or customers, they continue in business on a cut-price basis and thus become a permanent thorn in the side of the regular dealer. The regular dealer selling new cars has a clientele of purchasers who have done business with him for years. He owes his old customer good treatment. He must maintain good service for him and when the old customer comes in for a new model car, he feels he must hold his business by giving him a good price on the trade-in car. No sooner has he completed the transaction than he looks across the street to the lot of the second-hand dealer, once his competitor for new car sales, who is selling at a sacrifice price a car of the same year, model, and type which the dealer has just taken in. The dealer knows he is stuck for a loss. It is one of the misfortunes of his business, so he follows the chain of events, goes through a series of sales and trades, and winds up at the end of the sequence either with an outright loss on the deal which started with the old customer for the new model, or with nothing to show for his trouble but an old jalloppy grinning cross-eyed at him from a corner.

THE PARKER PLAN

For a long time I have been burning the midnight oil, studying a plan which I believe would meet every requirement, which would coordinate the efforts of all of the manufacturers of the United States in removing the jalloppies from the highways and which is the end would cost the Government nothing at all. Under this plan Congress would pass legislation authorizing the Government to pay $20 toward the junking of one jalloppy for each new car sold by any dealer in the United States, in consideration for the manufacturer of the new car, in turn, contributing $20 toward the junking of the jalloppy, the retail dealer himself taking care of the remainder of the cost.

In a good year America makes and sells from four and one-half to five and one-half million automobiles. The scrapping of one old car for each new one manufactured and sold would take out of circulation as many as one-half of all the cars in use 7 or more years of age. The junking of four or five million old cars under this plan would cost the Federal Government eighty to one hundred million dollars a year—somewhere near the cost of a single battleship—and on the face of the figures when compared to the expenditures being made for the stabilization of other industries, would result in benefits equal to many times the cost, to say nothing of saving the lives of many of the 40,000 killed in automobile accidents each year. But if in the face of these facts the Government, nevertheless, felt it ought to be Scotch with the automobile industry, all the Government needs to do is to remember that at the present time with its 3-percent sales tax on each new automobile sold—the $1,000 car selling for $800 at the factory—Uncle Sam is making an average of about $24 on each new car manufactured, and he could hike the sales tax 2½ percent, still make his $24 per new car and pay the entire cost of the plan in addition. If he wanted to venture a little into the scrap-metal business, as Japan has done—gathering material for the Sino-Japanese conflict—he could even make a profit on the deal. Congress would, of course, be the final architect and would determine the final details, but, so we may know that it could be worked out in a practical manner down to the smallest detail, let me suggest a procedure.

The scrapping yard would be supervised by a regular Government employee, or at unimportant points an employee of the United States post office, who would give a share of his time to it and who, at stated intervals—one day a week, for instance—would receive the cars, receipt for them, and hold them for the inspection of a factory representative.

Five certificates would be made out for each car destroyed. These would be signed by the superintendent of the scrap yard, by the factory representative of the new car sold, and by the dealer who scrapped the car. They would be sworn to before an officer of the law. One copy of the certificate, accompanied by the certificate of title, would be sent to the registrar of motor vehicles in the State in which the car was scrapped, enabling the registrar to cancel the number of the car so it could never again be registered. A second copy of the certificate would be sent to the manufacturer represented by the dealer who sold the new car and scrapped the old one. A third copy, for record purposes, would go to the manufacturer of the car destroyed. A fourth copy would go to the Department of Commerce in Washington. The fifth copy would be kept in the dealer's possession for his records. Thus the chain would be complete.

For illustration, if I sold a new Studebaker, taking in an old Chevrolet, and the Chevrolet is scrapped, the Studebaker Corporation, upon receipt of a copy of the certificate, would bill the United States Government for $20; the Studebaker Corporation would make its contribution of $20, and credit my account with $40. I would take the loss incurred, if any, above $40. When the Chevrolet Co. received its copy of the certificate it would mark the car "out of circulation." When the records showed that the great majority of cars of the particular model are no longer in use, the Chevrolet Co. would no longer manufacture parts. Dealers all over the country would turn back parts they have on hand, and large amounts of money involved unprofitably in parts for ancient equipment would thus be liberated. Since the whole thing would be done under the supervision of the United States Government, there would be a minimum of opportunity for fraud or deception.

HOW ABOUT INCREASED PRICES?

Since one of the objectives of the plan is to stimulate the manufacture and sale of new automobiles, the question naturally is asked, would not this plan increase the price of the new cars and thereby reduce the number of sales? The answer is, undoubtedly the plan would increase the cost of new automobiles by the $20 which the manufacturer must pay for each junked automobile, and possibly the Government might want to add to the present sales tax to cover Government expense. But if the plan did

increase the selling price of new cars by as much as $40, the cost increase would be uniform among the various makes of cars—all would have to make a mark-up alike—and an increase of $40 in the price of all automobiles would have little effect upon the number purchased.

The plan would not be compulsory. No manufacturer would be compelled to agree to the scrapping plan, but no manufacturer could afford to stay out. The possible price advantage to the nonparticipating manufacturer would be $20, but the advantage to the dealer for the manufacturer participating would be $40, and no jalloppies to worry about. Then the retail dealer selling cars for the manufacturer participating in the scrapping plan would have so distinct an advantage over his competitor that it would be to the advantage of all manufacturers to join in the plan. In any event it is easier to dispose of a new car at almost any kind of a price advance than to sell an old jalloppy for $50 and get the money. Besides, the dealer would have the money now invested in the old unsightly wrecks, invested in new cars. He could carry a better stock, have a better showroom. His salesmen, who must now spend a large share of their time haggling with cheap purchasers, horsetrading "spavined, sweenied, and one-eyed" automobiles, could concentrate on the sale of new cars. They would be better and happier salesmen. They would get better results. As for the loss which the dealer sustains when he junks an old car, a slight increase in his business would soon take up this loss. For illustration, the dealer who sells one hundred $1,000 cars per year, earning a gross profit of $200 per car, would undoubtedly be able to increase his business 10 percent and the 10 extra cars would give him gross profits equal to the cost of the junking of 1 old car for each new one he sells.

HOW ABOUT THE PURCHASER?

And what would become of the patient, tire-patching, handcranking, haywire-mending car owner who rides today in the old jalloppy? As a rule the $50 car he buys today from the harried automobile dealer is largely a snare and a delusion. Since the jalloppies are sold "as is" and are not reconditioned or guaranteed, the purchaser who gets one soon invests a considerable amount of money in repair bills. The dealer could place in the hands of these purchasers $100 or $150 cars. The jalloppy driver of today would, driving the better car, be better off spending a greater percentage of his money for installment payments on a good car than for hopeless repairs to the jalloppy he now owns. And because of better value in case of repossession the dealer is better justified in taking installment contracts.

EVEN THE PURCHASER SAVES THE COST

Since the lifetime of a car is 7 years or so, it is probable that experience would prove that the purchaser of the new car would save over the lifetime of the car enough to make up for the increased price through a reduction in rates for automobile insurance. An increase of $40 in the price of his car would be an average of about $6 a year for the car involved. The mounting losses covered by automobile insurance, which reached the astounding total in 1936 (figure for 1937 not yet available) of $274,414,517 in the United States, cost the automobile owners $559,227,421. Since the cost of accident insurance is based upon actuarial figures involving the number and cost of accidents, the cost of automobile insurance in the United States might be lessened a sufficient amount to make up for the increased cost of the car. Thus the junking of the old jalloppy would actually cost John Citizen nothing at all.

I may be looking through my own keyhole and I may be feeling too keenly the headaches of my own business, but I know that 46,000 retail dealers throughout the United States are having the same headaches that I am having. I know that this is a subject which deserves more attention than it has received. I know that a very great saving in the lives of our people from automobile accidents every year could be accomplished by it. The 40,000 fatal accidents are only an indication of the thousands who are maimed and injured for life of whom no accounting has been kept. I know that the good effects of a plan like this would be reflected throughout the length and breadth of our country. I know that recent periods of prosperity in our country have been due to the prosperity of our industrial enterprises. I know that if the difficulties of the retail automobile dealers of the country were relieved by taking the wrecks off their hands, there would be a great bulge in the automobile industry which would put the 150,000 automobile workers, recently laid off, back to work. It would immediately be reflected in other industries. It is impressive, indeed, when we consider how much this plan might affect the steel industry—the barometer of business in the United States—the rubber industry, 80 percent of which goes into the automobile business; the railroad business, which receives nearly five hundred million dollars from automotive freight annually in this country; all the various allied industries supplying raw materials and manufacturers' goods to the automobile industry. I believe it is one of the practical things which our Government could do at this time which would have a profound bearing upon the defeat of the recession, the prompt reemployment of thousands of workers, and the stabilization of industry and employment in the future.

NOTE.—I hope no one will get the impression that I am advocating Government control of the automobile industry, either from a manufacturer's or dealer's standpoint. I am as much opposed to any phase of Government control of the industry as anyone. The elimination of one old car for each new one manufactured and sold does not mean Government control in any sense of the word. The operation of the plan I have outlined would be under the control of people experienced in the automobile industry. It would cost the Government a comparatively small amount if the sales tax were not increased. If the sales tax were increased it would cost the Government nothing. I am not advocating a subsidy for the automobile industry—merely coordination, which only the Government can supply.

JOSEPH E. PARKER.

Rural Electrification in Florida

EXTENSION OF REMARKS
OF
HON. JOHN E. RANKIN
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Monday, April 11, 1938

Mr. RANKIN. Mr. Speaker, under permission granted me to extend my remarks in the RECORD, I am inserting a letter addressed to the distinguished gentleman from Florida [Mr. GREEN] on the subject of rural electrification.

The gentleman from Florida has been most diligent in his support of rural-electrification legislation and I am delighted to note that he has been successful in securing this project for the people of his own district.

I can say from experience that there is nothing a Congressman can do that will be of greater benefit to the people in the rural sections than to secure for them the blessings of cheap electricity. I congratulate the gentleman from Florida and hope that every other Member who represents a rural district will follow his example. The letter reads as follows:

RURAL ELECTRIFICATION ADMINISTRATION,
Washington, April 12, 1938.

Refer to: Florida 14, Clay, Alachua, Bradford, Putnam, and Union; Florida 15, Lafayette, Suwannee; Florida 20, Madison.

The Honorable LEX GREEN,
House of Representatives, Washington, D. C.

MY DEAR MR. CONGRESSMAN: Further reference is made to your interest in the above projects. On February 24, 1938, $205,000 was allocated for Florida 14. This will build approximately 143 miles of line to serve 390 signed customers and an additional 523 prospective customers. Included in this amount are funds to purchase and rehabilitate existing lines in and around Keystone Heights, as well as generating equipment in the town. It is expected that this project will be enlarged to take care of additional needs of this locality in the future as demand increases.

Florida 15, Lafayette, which includes Suwannee County, is now engaged in carrying out our preallotment procedure—securing customer contracts, right-of-way easements, and membership fees. When this work is done, a detailed engineering map will be prepared, which will show the exact location of every customer on the proposed lines.

The same applies to the Madison County application, Florida 20. When these last two named projects have gone through the steps mentioned above, we will give them every possible consideration.

Your aggressive effort and cooperation for these projects is appreciated. Florida 14 was the first project approved in Florida.

Yours very truly,

C. O. FALKENWALD,
Director, Examining Division.

The Canal Across Florida

EXTENSION OF REMARKS
OF
HON. JOHN McSWEENEY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, April 11, 1938

Mr. McSWEENEY. Mr. Speaker and my colleagues, of interest to all waterways improvement advocates is the Gulf-Atlantic Ship Canal across the State of Florida. After exhaustive study, the Chief of Army Engineers approved the project and hearings for some 2 months were held before the House Rivers and Harbors Committee. I participated in these hearings.

As Representative at Large from the great State of Ohio, I am deeply interested in this project. I feel it will be a great benefit to practically 75 percent of the people of America, and I am selfishly interested because I believe it will be of benefit to my people at home, to the great industries of my State of Ohio, and to our laboring men, and to those who toil in these industries. So I am very glad to cooperate in this movement which I think is entirely American and will eventually operate to the benefit of all Americans. For your information, I commend the following letter:

COMMITTEE ON RIVERS AND HARBORS,
HOUSE OF REPRESENTATIVES, UNITED STATES,
Washington, D. C., April 13, 1938.

Mr. H. H. BUCKMAN,
Consulting Engineer,
Atlantic-Gulf Ship Canal Authority, Jacksonville, Fla.

DEAR MR. BUCKMAN: I am in receipt of your letter of April 6, in which you refer to the Atlantic-Gulf Ship Canal across Florida and to the Steinhatchee River and Jacksonville turning basin projects.

In reply you are respectfully informed that the Steinhatchee and Jacksonville projects referred to were authorized in the river and harbor bill of 1937, and I understand that the appropriation to be made for river and harbor work for the coming fiscal year will probably take care of these two projects in full. I consider both of these projects as meritorious and joined with your Congressman, Mr. GREEN, in his efforts to have them approved.

In regard to the Atlantic-Gulf Ship Canal across Florida, as you are doubtless aware, that great project was approved by the Committee on Rivers and Harbors and is now pending upon the calendar. The project is rapidly gaining strength and has recently been recommended by Speaker BANKHEAD, Majority Leader RAYBURN, Majority Whip BOLAND, chairman of the Rules Committee O'CONNOR, and by Judge DRIVER, president of the National Rivers and Harbors Congress. Certainly a measure that has the support of these eminent gentlemen should be worthy of consideration by Congress and by the Nation. I will say that your Congressman, Mr. GREEN, who is the author of the canal bill, has been most aggressive in his efforts for this project. He is a high-ranking member of this committee and has been instrumental in obtaining important improvements for his district and State.

I consider the ship canal across Florida as a great project for national defense, as well as serving the interests of commerce. It was highly recommended by General Summerall, former Chief of Staff of the Army, and by other military and naval authorities. As an illustration of the part it would perform in national defense, I will call attention to the great Kiel Canal, which Germany constructed almost exclusively for military and naval purposes. If you will take the map of Florida and of the Denmark Peninsula, you will see that these two canals are almost identical. Certainly Germany considers the Kiel Canal of great national importance, and I believe it cannot be reasonably denied that the proposed canal across Florida would be equally important.

I am, with sincere regards,

Very truly yours,

J. J. MANSFIELD, *Chairman.*

Durkeeville Housing Project

EXTENSION OF REMARKS
OF
HON. SAM RAYBURN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 13, 1938

LETTER FROM L. W. ROBERT, JR., SECRETARY OF THE DEMOCRATIC NATIONAL COMMITTEE

Mr. RAYBURN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from Hon. L. W. Robert, Jr., addressed to me, and also a telegram from Mr. Robert to Mr. J. B. Hodges, Democratic State chairman of Florida:

DEMOCRATIC NATIONAL COMMITTEE,
Washington, April 12, 1938.

Hon. SAM RAYBURN,
United States House of Representatives, Washington, D. C.

DEAR SAM: Reference is made to alleged endorsements concerning the Durkeeville housing project at Jacksonville, Fla., and my letter to Col. J. B. Hodges, chairman of the State central committee of Florida, dated August 6, 1937.

A search of the records of the Democratic National Committee and the Department of the Interior reveals that Congressman R. A. (LEX) GREEN did not recommend John A. Simms or A. D. Maxie; further, that he actually protested these appointments.

My above-mentioned letter was based on erroneous information furnished by the Department of the Interior. Congressman GREEN's alleged endorsement of Simms and Maxie has been retracted by the Department of the Interior.

With warmest personal regards, I am,

Sincerely,

CHIP ROBERT,
LAWRENCE WOOD ROBERT, Jr.

MARCH 28, 1938.

J. B. HODGES,
Democratic State Chairman, Lake City, Fla.:

Reference made my letter to you dated August 6, 1937, regards certain employees Durkeeville housing project. Records of Democratic National Committee and Department of Interior reveal Congressman R. A. (LEX) GREEN did not recommend John A. Simms or A. D. Maxie. Records show GREEN protested said appointments. My letter based on erroneous information furnished by Department of Interior under dates of July 27, 1937, and August 6, 1937. Alleged endorsement of Simms and Maxie by Congressman GREEN has been retracted by the Department of Interior.

LAWRENCE WOOD ROBERT, Jr.,
Secretary, Democratic National Committee.

Air Base for Jacksonville, Fla.

EXTENSION OF REMARKS
OF
HON. JOHN M. O'CONNELL
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 13, 1938

Mr. O'CONNELL of Rhode Island. Mr. Speaker, the Committee on Naval Affairs, of which I am a member, feels justly proud of the recent passage of our huge naval-expansion bill. The American people are awake to the eminent need of our national defense and security. A very large percentage of the world's population is now at war. Our best assurance of security is national preparedness.

Looking to the security of our Nation, my colleague from Florida, Congressman LEX GREEN, has introduced H. R. 10032, which has for its purpose the establishing of a navy yard at Jacksonville, Fla. He has also introduced H. R. 10031, which has for its purpose the establishment at the same place of a naval air base. Members of our committee planned a few days ago to inspect there these possibilities. This meeting was necessarily postponed on account of important program in the House. Members of the committee plan to visit Jacksonville in the near future and inspect sites for the location there of these national-defense assets. We are deeply interested in adequate defense of the Southeast section of our country, and, in fact, all parts of it. We are interested in the possibilities at Jacksonville, Fla., and feel that Congressman GREEN is doing a great service in this matter for national defense.

Relief and Unemployment Recommendations

EXTENSION OF REMARKS
OF
HON. ALBEN W. BARKLEY
OF KENTUCKY
IN THE SENATE OF THE UNITED STATES
Thursday, April 14 (legislative day of Wednesday, January 5), 1938

RADIO ADDRESS OF THE PRESIDENT BROADCAST FROM THE WHITE HOUSE, THURSDAY EVENING, APRIL 14, 1938

Mr. BARKLEY. Mr. President, I ask unanimous consent that an address to be delivered tonight by the President of

the United States over a national broadcasting hook-up be printed in today's RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Five months have gone by since I last spoke to the people of the Nation about the state of the Nation.

I had hoped to be able to defer this talk until next week because, as we all know, this is Holy Week. But what I want to say to you, the people of the country, is of such immediate need and relates so closely to the lives of human beings and the prevention of human suffering that I have felt that there should be no delay. In this decision I have been strengthened by the thought that by speaking tonight there may be greater peace of mind and the hope of Easter may be more real at firesides everywhere, and that it is not inappropriate to encourage peace when so many of us are thinking of the Prince of Peace.

Five years ago we faced a very serious problem of economic and social recovery. For four and a half years that recovery proceeded apace. It is only in the past 7 months that it has received a visible set-back.

And it is only within the past 2 months, as we have waited patiently to see whether the forces of business itself would counteract it, that it has become apparent that Government itself can no longer safely fail to take aggressive Government steps to meet it.

This recession has not returned us to the disasters and suffering of the beginning of 1933. Your money in the bank is safe; farmers are no longer in deep distress and have greater purchasing power; dangers of security speculation have been minimized; national income is almost 50 percent higher than in 1932; and Government has an established and accepted responsibility for relief.

But I know that many of you have lost your jobs or have seen your friends or members of your families lose their jobs, and I do not propose that the Government shall pretend not to see these things. I know that the effect of our present difficulties has been uneven; that they have affected some groups and some localities seriously but that they have been scarcely felt in others. But I conceive the first duty of government is to protect the economic welfare of all the people in all sections and in all groups. I said in my message opening the last session of Congress that if private enterprise did not provide jobs this spring, government would take up the slack; that I would not let the people down. We have all learned the lesson that government cannot afford to wait until it has lost the power to act.

Therefore, I have sent a message of far-reaching importance to the Congress. I want to read to you tonight certain passages from that message, and to talk with you about them.

In that message I analyzed the causes of the collapse of 1929 in these words: "Overspeculation in and overproduction of practically every article or instrument used by man * * * millions of people had been put to work, but the products of their hands had exceeded the purchasing power of their pocketbooks * * *. Under the inexorable law of supply and demand, supplies so overran demand which would pay, that production was compelled to stop. Unemployment and closed factories resulted. Hence the tragic years from 1929 to 1933."

I pointed out to the Congress that the national income—not the Government's income but the total of the income of all the individual citizens and families of the United States—every farmer, every worker, every banker, every professional man, and every person who lived on income derived from investments—that national income amounted, in the year 1929, to $81,000,000,000. By 1932 this had fallen to $38,000,000,000. Gradually, and up to a few months ago, it had risen to a total of $68,000,000,000—a pretty good come-back from the low point.

I then said this to the Congress:

"But the very vigor of the recovery in both durable goods and consumers' goods brought into the picture early in 1937 certain highly undesirable practices, which were in large part responsible for the economic decline which began in the later months of that year. Again production outran the ability to buy.

"There were many reasons for this overproduction. One was fear—fear of war abroad, fear of inflation, fear of Nation-wide strikes. None of these fears have been borne out.

"* * * Production in many important lines of goods outran the ability of the public to purchase them. For example, through the winter and spring of 1937 cotton factories in hundreds of cases were running on a three-shift basis, piling up cotton goods in the factory and in the hands of middlemen and retailers. For example also, automobile manufacturers not only turned out a normal increase of finished cars, but encouraged the normal increase to run into abnormal figures, using every known method to push their sales. This meant, of course, that the steel mills of the Nation ran on a 24-hour basis and the tire companies and cotton factories speeded up to meet the same type of abnormally stimulated demand. The buying power of the Nation lagged behind.

"Thus by the autumn of 1937 the Nation again had stocks on hand which the consuming public could not buy because the purchasing power of the consuming public had not kept pace with the production.

"During the same period * * * the prices of many vital products had risen faster than was warranted. * * * In the case of many commodities the price to the consumer was raised well above the inflationary boom prices of 1929. In many lines of goods and materials prices got so high that buyers and builders ceased to buy or to build.

"* * * the economic process of getting out the raw materials, putting them through the manufacturing and finishing processes, selling them to the retailers, selling them to the consumer, and finally using them, got completely out of balance.

"* * * The laying off of workers came upon us last autumn and has been continuing at such a pace ever since that all of us, Government and banking and business and workers, and those faced with destitution, recognize the need for action."

All of this I said to the Congress today and I repeat it to you, the people of the country tonight.

I went on to point out to the Senate and the House of Representatives that all the energies of government and business must be directed to increasing the national income, to putting more people into private jobs, to giving security and a feeling of security to all people in all walks of life.

I am constantly thinking of all our people—unemployed and employed alike—of their human problems of food and clothing and homes and education and health and old age. You and I agree that security is our greatest need—the chance to work, the opportunity of making a reasonable profit in our business—whether it be a very small business or a larger one—the possibility of selling our farm products for enough money for our families to live on decently. I know these are the things that decide the well-being of all our people.

Therefore, I am determined to do all in my power to help you attain that security and because I know that the people themselves have a deep conviction that secure prosperity of that kind cannot be a lasting one except on a basis of business fair dealing and a basis where all from top to bottom share in prosperity, I repeated to the Congress today that neither it nor the Chief Executive can afford "to weaken or destroy great reforms which, during the past 5 years, have been effected on behalf of the American people. In our rehabilitation of the banking structure and of agriculture, in our provisions for adequate and cheaper credit for all types of business, in our acceptance of national responsibility for unemployment relief, in our strengthening of the credit of State and local government, in our encouragement of housing, slum clearance, and home ownership, in our supervision of stock exchanges and public utility holding companies and the issuance of new securities, in our provision for social security, the electorate of America wants no backward steps taken.

"We have recognized the right of labor to free organization, to collective bargaining; and machinery for the handling of labor relations is now in existence. The principles are established even though we can all admit that, through the evolution of time, administration and practices can be improved. Such improvement can come about most quickly and most peacefully through sincere efforts to understand and assist on the part of labor leaders and employers alike.

"Then ever-increasing evolution of human society will doubtless bring forth new problems which will require new adjustments. Our immediate task is to consolidate and maintain the gains achieved.

"In this situation there is no reason and no occasion for any American to allow his fears to be aroused or his energy and enterprise to be paralyzed by doubt or uncertainty."

I came to the conclusion that the present-day problem calls for action both by the Government and by the people, that we suffer from a failure of consumer demand because of lack of buying power. It is up to us to create an economic upturn.

"How and where can and should the Government help to start an upward spiral?"

I went on to propose three groups of measures, and I will summarize the recommendations.

First, I asked for certain appropriations which are intended to keep the Government expenditures for work relief and similar purposes during the coming fiscal year at the same rate of expenditure as at present. That includes additional money for the Works Progress Administration, additional funds for the Farm Security Administration, additional allotments for the National Youth Administration, and more money for the Civilian Conservation Corps, in order that it can maintain the existing number of camps now in operation.

These appropriations, made necessary by increased unemployment, will cost about a billion and a quarter more than the estimates which I sent to the Congress on the 3d of January.

Second, I told the Congress that the administration proposes to make additional bank reserves available for the credit needs of the country. About $1,400,000,000 of gold now in the Treasury will be used to pay these additional expenses of the Government, and three-quarters of a billion dollars of additional credit will be made available to the banks by reducing the reserves now required by the Federal Reserve Board.

These two steps taking care of relief needs and adding to bank credits are in our judgment insufficient by themselves to start the Nation on a sustained upward movement.

Therefore, I came to the third kind of Government action which I consider to be vital. I said to the Congress:

"You and I cannot afford to equip ourselves with two rounds of ammunition where three rounds are necessary. If we stop at relief and credit, we may find ourselves without ammunition before the

enemy is routed. If we are fully equipped with the third round of ammunition, we stand to win the battle against adversity."

The third proposal is to make definite additions to the purchasing power of the Nation by providing new work over and above the continuing of the old work.

First, to enable the United States Housing Authority to undertake the immediate construction of about $300,000,000 of additional slum clearance projects.

Second. To renew a public-works program by starting as quickly as possible about $1,000,000,000 worth of needed permanent public improvements in States, counties, and cities.

Third. To add $100,000,000 to the estimate for Federal-aid highways in excess of the amount I recommended in January.

Fourth. To add $37,000,000 over and above the former estimate of $63,000,000 for flood control and reclamation.

Fifth. To add $25,000,000 additional for Federal buildings in various parts of the country.

In recommending this program I am thinking not only of the immediate economic needs of the people of the Nation, but also of their personal liberties—the most precious possession of all Americans. I am thinking of our democracy and of the recent trend in other parts of the world away from the democratic ideal.

Democracy has disappeared in several other great nations—not because the people of those nations disliked democracy, but because they had grown tired of unemployment and insecurity, of seeing their children hungry while they sat helpless in the face of government confusion, government weakness, through lack of leadership in government. Finally, in desperation, they chose to sacrifice liberty in the hope of getting something to eat. We in America know that our own democratic institutions can be preserved and made to work. But in order to preserve them we need to act together, to meet the problems of the Nation boldly, and to prove that the practical operation of democratic government is equal to the task of protecting the security of the people.

Not only our future economic soundness but the very soundness of our democratic institutions depends on the determination of our Government to give employment to idle men. The people of America are in agreement in defending their liberties at any cost, and the first line of that defense lies in the protection of economic security. Your Government, seeking to protect democracy, must prove that government is stronger than the forces of business depression.

History proves that dictatorships do not grow out of strong and successful governments but out of weak and helpless ones. If by democratic methods people get a government strong enough to protect them from fear and starvation, their democracy succeeds, but if they do not they grow impatient. Therefore, the only sure bulwark of continuing liberty is a government strong enough to protect the interests of the people, and a people strong enough and well enough informed to maintain its sovereign control over its government.

We are a rich nation; we can afford to pay for security and prosperity without having to sacrifice our liberties into the bargain.

In the first century of our Republic we were short of capital, short of workers, and short of industrial production, but we were rich in free land, free timber, and free mineral wealth. The Federal Government rightly assumed the duty of promoting business and relieving depression by giving subsidies of land and other resources.

Thus, from our earliest days we have had a tradition of substantial Government help to our system of private enterprise. But today the Government no longer has vast tracts of rich land to give away and we have discovered that we must spend large sums to conserve our land from further erosion and our forests from further depletion. The situation is also very different from the old days, because now we have plenty of capital, banks and insurance companies loaded with idle money; plenty of industrial productive capacity and several millions of workers looking for jobs. It is following tradition as well as necessity, if Government strives to put idle money and idle men to work, to increase our public wealth and to build up the health and strength of the people—and to help our system of private enterprise to function.

It is going to cost something to get out of this recession this way but the profit of getting out of it will pay for the cost several times over. Lost working time is lost money. Every day that a workman is unemployed, or a machine is unused, or a business organization is marking time, is a loss to the Nation. Because of idle men and idle machines this Nation lost $100,000,000,000 between 1929 and the spring of 1933. This year you, the people of this country, are making about $12,000,000,000 less than last year.

If you think back to the experiences of the early years of this administration you will remember the doubts and fears expressed about the rising expenses of Government. But to the surprise of the doubters, as we proceeded to carry on the program which included Public Works and Work Relief, the country grew richer instead of poorer.

It is worth while to remember that the annual national people's income was $30,000,000,000 more in 1937 than in 1932. It is true that the national debt increased $16,000,000,000, but remember that in this increase must be included several billion dollars' worth of assets which eventually will reduce that debt and that many billion dollars of permanent public improvements—schools, roads, bridges, tunnels, public buildings, parks, and a host of other things meet your eye in every one of the 3,100 counties in the United States.

No doubt you will be told that the Government spending program of the past 5 years did not cause the increase in our national income. They will tell you that business revived because of private spending and investment. That is true in part, for the Government spent only a small part of the total. But that Government spending acted as a trigger to set off private activity. That is why the total addition to our national production and national income has been so much greater than the contribution of the Government itself.

In pursuance of that thought I said to the Congress today: "I want to make it clear that we do not believe that we can get an adequate rise in national income merely by investing, lending, or spending public funds. It is essential in our economy that private funds be put to work and all of us recognize that such funds are entitled to a fair profit."

As national income rises, "let us not forget that Government expenditures will go down and Government tax receipts will go up."

The Government contribution of land that we once made to business was the land of all the people. And the Government contribution of money which we now make to business ultimately comes out of the labor of all the people. It is, therefore, only sound morality, as well as a sound distribution of buying power, that the benefits of the prosperity coming from this use of the money of all the people should be distributed among all the people—at the bottom as well as at the top. Consequently, I am again expressing my hope that the Congress will enact at this session a wage and hour bill putting a floor under industrial wages and a limit on working hours—to insure a better distribution of our prosperity, a better distribution of available work, and a sounder distribution of buying power.

You may get all kinds of impressions in regard to the total cost of this new program, or in regard to the amount that will be added to the net national debt.

It is a big program. Last autumn, in a sincere effort to bring Government expenditures and Government income into closer balance, the Budget I worked out called for sharp decreases in Government spending.

In the light of present conditions those estimates were far too low. This new program adds $2,062,000,000 to direct Treasury expenditures and another $950,000,000 to Government loans—and the latter sum, because they are loans, will come back to the Treasury in the future.

The net effect on the debt of the Government is this—between now and July 1, 1939—15 months away—the Treasury will have to raise less than a billion and a half dollars of new money.

Such an addition to the net debt of the United States need not give concern to any citizen, for it will return to the people of the United States many times over in increased buying power and eventually in much greater Government tax receipts because of the increase in the citizen income.

What I said to the Congress in the close of my meassage I repeat to you.

"Let us unanimously recognize the fact that the Federal debt, whether it be twenty-five billions or forty billions, can only be paid if the Nation obtains a vastly increased citizen income. I repeat that if this citizen income can be raised to $80,000,000,000 a year, the National Government and the overwhelming majority of State and local governments will be 'out of the red.' The higher the national income goes, the faster will we be able to reduce the total of Federal and State and local debts. Viewed from every angle, today's purchasing power—the citizens' income of today—is not sufficient to drive the economic system at higher speed. Responsibility of government requires us at this time to supplement the normal processes and in so supplementing them to make sure that the addition is adequate. We must start again on a long, steady, upward incline in national income.

"* * * And in that process, which I believe is ready to start, let us avoid the pitfalls of the past—the overproduction, the overspeculation, and, indeed, all the extremes which we did not succeed in avoiding in 1929. In all of this, government cannot and should not act alone. Business must help. I am sure business will help.

"We need more than the materials of recovery. We need a united national will.

"We need to recognize nationally that the demands of no group, however just, can be satisfied unless that group is prepared to share in finding a way to produce the income from which they and all other groups can be paid. * * * You, as the Congress, I, as the President, must, by virtue of our offices, seek the national good by preserving the balance between all groups and all sections.

"We have at our disposal the national resources, the money, the skill of hand and head to raise our economic level—our citizens' income. Our capacity is limited only by our ability to work together. What is needed is the will.

"The time has come to bring that will into action with every driving force at our command. And I am determined to do my share.

"* * * Certain positive requirements seem to me to accompany the will—if we have that will.

"There is placed on all of us the duty of self-restraint. * * * That is the discipline of a democracy. Every patriotic citizen must say to himself or herself, that immoderate statement, appeals to

prejudice, the creation of unkindness, are offenses not against an individual or individuals, but offenses against the whole population of the United States. * * *

"Self-restraint implies restraint by articulate public opinion, trained to distinguish fact from falsehood, trained to believe that bitterness is never a useful instrument in public affairs. There can be no dictatorship by an individual or by a group in this Nation, save through division fostered by hate. Such division there must never be."

Finally I should like to say a personal word to you.

I never forget that I live in a house owned by all the American people and that I have been given their trust.

I try always to remember that their deepest problems are human. I constantly talk with those who come to tell me their own points of view—with those who manage the great industries and financial institutions of the country—with those who represent the farmer and the worker—and often with average citizens without high position who come to this house. And constantly I seek to look beyond the doors of the White House, beyond the officialdom of the National Capital, into the hopes and fears of men and women in their homes. I have traveled the country over many times. My friends, my enemies, my daily mail bring to me reports of what you are thinking and hoping. I want to be sure that neither battles nor burdens of office shall ever blind me to an intimate knowledge of the way the American people want to live and the simple purposes for which they put me here.

In these great problems of government I try not to forget that what really counts at the bottom of it all is that the men and women willing to work can have a decent job to take care of themselves and their homes and their children adequately; that the farmer, the factory worker, the storekeeper, the gas-station man, the manufacturer, the merchant—big and small—the banker who takes pride in the help he gives to the building of his community—that all these can be sure of a reasonable profit and safety for the savings they earn—not today nor tomorrow alone, but as far ahead as they can see.

I can hear your unspoken wonder as to where we are headed in this troubled world. I cannot expect all of the people to understand all of the people's problems—but it is my job to try to understand those problems.

I always try to remember that reconciling differences cannot satisfy everyone completely. Because I do not expect too much, I am not disappointed. But I know that I must never give up—that I must never let the greater interest of all the people down, merely because that might be for the moment the easiest personal way out.

I believe we have been right in the course we have charted. To abandon our purpose of building a greater, a more stable, and a more tolerant America would be to miss the tide, and perhaps to miss the port. I propose to sail ahead. I feel sure that your hopes and your help are with me. For to reach a port, we must sail—sail, not lie at anchor—sail, not drift.

Jefferson and the Function of Government

EXTENSION OF REMARKS

OF

HON. ALVA B. ADAMS

OF COLORADO

IN THE SENATE OF THE UNITED STATES

Thursday, April 14 (legislative day of Wednesday, January 5), 1938

RADIO ADDRESS BY HON. JOSEPH C. O'MAHONEY, OF WYOMING, APRIL 13, 1938

Mr. ADAMS. Mr. President, on yesterday, the anniversary of the birth of Thomas Jefferson, the Senator from Wyoming [Mr. O'MAHONEY] delivered an interesting address over the Columbia Broadcasting System, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This is the anniversary of the birth of Thomas Jefferson, the apostle of Americanism, as he has been called by one of his biographers. Because he was the apostle of Americanism, it is particularly appropriate at this crisis of world history, when throughout our country there is manifest a deep yearning for the complete establishment of American principles in government and economics, that we should all turn our minds to the contemplation of the ideals for which he stood.

In the language of one of the leaders of the era immediately following the Civil War, former Senator George Graham Vest, of Missouri, Jefferson "named for himself his own passports to immortality" when he wrote his own epitaph. Without doubt it has been the text of many a speech and many an editorial today. But it will bear repetition. No American should be ignorant of it, for within the compass of a few words it embodies the essence of the American creed.

Written in his own hand, this epitaph was found among his papers immediately after his death. It is now inscribed upon the monument that rises above his grave:

"Here was buried Thomas Jefferson, author of the Declaration of American Independence, of the statute of Virginia for religious freedom, and father of the University of Virginia."

Upon the tomb of no other man who ever lived in any nation or on any continent could that epitaph have been inscribed. Of no other man in all the history of mankind may it be said that he was the successful protagonist of the rights of man, of complete religious liberty, and of universal education. It was in America that these ends were achieved. It is in America that they must be preserved.

The democratic principle is under attack the world over. Force is supplanting reason. Whole nations and races are surrendering freedom, and humanity seems almost to be turning backward on the path of progress. Governments are arising which are founded not upon the "consent of the governed," but upon the power of the few to hold the many in subjection. Freedom of speech, freedom of religion, freedom of education, all are vanishing in the lands where the government has become more important than the citizen. If "government of the people, by the people, and for the people," to use the words of another great disciple of Americanism, is not indeed to "perish from the earth," we must make ourselves once again evangelists for the principles of Jefferson—free men, free religion, free education.

Throughout his long career, the author of the Declaration of Independence never wavered in his loyalty to the philosophy of that document; namely, that governments are instituted among men to be their servants, not to become their masters. Men have natural rights, he told us; rights that no government can take away; rights the preservation of which is the sole object of government. Holding these views, Jefferson was necessarily an advocate of the principle that there should be just as little government as possible. For this reason he advocated not only the distribution of powers but their decentralization and their retention close to the people. To him, government was primarily an instrumentality for the preservation of human freedom and should be so constituted as to eliminate, if possible, all danger of degenerating into despotism. Men everywhere should be free to work out their own destinies, and the purpose of government is to protect them from the invasion of this right from any source.

To this principle there can be no doubt; all Americans are devoted. Until recently they cherished the hope that it would be adopted everywhere and that all peoples could come under its sway. When we entered the World War we entertained the confident belief that we were making the world safe for democracy and now, within 20 years of the close of that conflict, we find democracy threatened almost with extinction and the inhabitants of every continent a prey to centralism.

If there be those who would establish here any of the current European forms of absolute government, they are comparatively few. There are Communists and Fascists and Nazis in America, to be sure, but their number is inconsiderable, and most of them, in all probability, have adopted their particular creeds because of the belief that the democratic form of government is no longer competent to protect men in the pursuit of happiness. Few or many, however, the best way to combat them is to demonstrate that democracy does work.

The first step toward this end is to comprehend the cause of modern turmoil. Just as Jefferson foresaw and prophesied the eventual abolition of slavery, so likewise he prophesied that when all the vacant land should be occupied and the people should cease to be principally agricultural, the test of democratic institutions would come. That change has taken place. We are no longer an agricultural population. Ours is now an industrial and urban civilization. Steam and electricity combined to work the transformation much more rapidly than Jefferson imagined. Whereas in 1790 all but one-sixteenth of the people of America lived in communities of less than 2,500 people or in the open country; 140 years later, in 1930, only four-tenths of the people lived in such areas. In the last 50 years the rural population of the United States has decreased from approximately 72 percent of the whole to only 43 percent. With this fundamental alteration of the structure of society, there has come a corresponding alteration of the demands upon government.

Concentration of population has been accompanied by economic concentration and likewise by concentration of government. With increasing centralization of the enterprises of the Nation in the cities has come an impairment of economic freedom and a consequent demand for greater and greater exercise of governmental authority. Largely, because of the rapid development and improvement of the means of transportation and communication, it has become progressively easier for enterprise concentrated in the cities to dominate the economic life of the Nation. A man on a long-distance telephone, a man in an airplane, a voice on the radio—these conquer both time and space. Geographical distinctions begin to disappear. The significance of State lines wanes. The Nation tends to become a consolidated whole and old-

fashioned local self-government becomes steadily less and less effective.

These are the things that are producing big business and big government. These are the things which in Europe are producing the modern despotism. These, however, are the things which America must learn to use to preserve democracy.

The contribution that America is called upon to make now to humanity is to demonstrate to the world that the far-flung modern urban civilization, depending as it does upon the collective utilization of the collective resources of whole peoples and continents, may be maintained without loss of essential human rights. It is a task for men of understanding and good will, for men who can rise above emotionalism. It is above all partisan and factional alliances. It cannot be achieved in a spirit of hatred or violence, but only by cooperation and mutual reliance.

Because in America the ideal of Jefferson for universal education has always been followed, the task will be the more easily performed. By emulating the example of the apostle of Americanism in whom prudence and moderation were mingled in extraordinary degree, we shall exemplify to the world that the greatest happiness of mankind is to be attained under the free democratic institutions of America.

Tennessee Valley Authority

EXTENSION OF REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Thursday, April 14 (legislative day of Wednesday, January 5), 1938

LETTER TO HON. VIC DONAHEY GIVING A BIRD'S-EYE VIEW OF THE T. V. A. SITUATION

Mr. McKELLAR. Mr President, a few days ago the Senator from Ohio [Mr. DONAHEY] asked me to give him, as he put it, a bird's-eye view of the T. V. A. situation, and, in compliance with his request, I have written him a letter containing facts which I think not only the Senator from Ohio but other Members of the Senate would like to know. I ask unanimous consent that the letter be printed in the Appendix of the RECORD, and I should like to have Senators read it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 9, 1938.

Hon. VIC DONAHEY,
United States Senate.

MY DEAR SENATOR: There have been so many misstatements about the cost of building the dams along the Tennessee River and its tributaries that I think you should have a picture of the exact facts as far as they are shown by the record.

Thus far we have spent $98,373,346.87 for three dams—the Wilson, Wheeler, and Norris Dams—and we have spent $128,053,923.13 on the building of six other dams not yet completed and for the fertilizer plants, the transmission lines, and the various other projects provided for in the two T. V. A. Acts. Of course, the amount lost on the two nitrate plants built for war purposes is not included in these figures, $92,600,932. That amount of $92,600,932 was lost, just like we lost on the building of ships and the building of airplanes and various other projects entered upon by reason of the war; and, of course, this sum of $92,600,932 cannot in any proper sense be charged to the T. V. A. or to any of its enterprises.

The following information is obtained from the record:

1. Concerning the cost of property owned by the United States in the Muscle Shoals area, I attach hereto the sheet marked "No. 1."

2. I attach a sheet marked "No. 2" as to the amount of appropriations.

3. I attach a sheet marked "No. 3" as to the number of dams completed.

4. I attach a sheet marked "No. 4" as to the number of dams not yet completed and the amount expended on them up to June 30, 1937.

5. The amount of income from the three dams already completed and running as estimated for this year. I attach a sheet marked "No. 5."

6. I attach a sheet marked "No. 6" showing various expenditures, which are fully explained therein.

7. I attach a sheet marked "No. 7" showing other items on which I do not have the figures.

8. I attach a sheet marked "No. 8" showing where the power will be sold after generation.

You will see from these statements that the Government has at present invested in the Wilson Dam, the Wheeler Dam at the shoals just above the Wilson Dam, and in the Norris Dam, all of which are running, $98,373,346.87, on which the estimated income for this year will be $5,250,000, and much of the power generated at these dams has not yet been contracted for, owing to lawsuits brought against the T. V. A.

Of course, there has been in the neighborhood of nearly $40,000,000 spent for the present fiscal year on the various incompleted dams and for the other purposes of the T. V. A.

The T. V. A. Act of 1933 authorized the issue of $50,000,000. The T. V. A. Act of 1935 authorized a further issue of $50,000,000, or $100,000,000 in all. I am informed that not $1 of these bonds has been issued.

You suggested that I furnish you a general picture of the situation, and I hope that you will find this picture in the enclosed attached pages Nos. 1 to 8, inclusive.

With kindest regards, I am

Very sincerely yours,

KENNETH MCKELLAR.

No. 1.—Cost of properties owned by the United States in the Muscle Shoals area

Nitrate plant No. 1	$11,332,125	
Steam plant	1,552,248	
Total		$12,884,373
Nitrate plant No. 2	57,350,496	
Steam plant at Sheffield	12,326,392	
Total	69,676,888	
The record shows that from this figure of total expenditures at nitrate plant No. 2, $6,468,013, representing cost of operations and value of inventories, should be subtracted, leaving, in round figures, an historical cost of nitrate plant No. 2 and steam plant of		63,208,875
Waco quarry (report revised to September 15, 1932)		856,941
Wilson Dam at war prices (War Department report, June 30, 1933)		46,950,743
Total		123,900,932

NOTE.—This total figure does not include $4,979,732, which was expended for a power installation at Gorgas Dam and a transmission line. These properties were, however, sold to the Alabama Power Co.

As directed by the statute, the Board, with the approval of the President, has fixed the present value of Wilson Dam at a figure of $31,300,000.

No. 2.—T. V. A. appropriations

Since the creation of the Tennessee Valley Authority the following money has been appropriated:

1934—Fourth Deficiency Act of 1933 (allocated by the President from N. I. R. A. funds)	$50,000,000
1935—Emergency Appropriation Act, 1935	25,000,000
1936—Second Deficiency Act of 1935	36,000,000
1937—First Deficiency Act of 1936	39,900,000
1938—Second deficiency appropriation bill for 1937	40,166,270
Contract authorization	4,000,000
Total	195,066,270
To this must be added $31,361,000, the estimated value of the Wilson Dam	31,361,000
Grand total	226,427,270

No. 3.—Dams completed

Wilson Dam	$31,361,000.00
Wheeler Dam	30,816,513.72
Norris Dam	36,195,833.15
Total	98,373,346.87

No. 4.—Incompleted dams and amount expended up to June 30, 1937

Pickwick Landing Dam and reservoirs	$20,890,147.71
Hiwassee Dam and reservoirs	2,795,917.91
Guntersville Dam and reservoirs	11,119,153.18
Chickamauga Dam and reservoirs	9,241,702.69
Other dam projects, including Gilbertsville Dam, which has just been started	1,375,083.42
Total	45,422,004.91

These were the figures up to June 30, 1937. Since that time the Pickwick Landing Dam has been nearly completed, and work on Guntersville and Chickamauga Dams progressed more than half way, and much work done on the other dams.

No. 5.—Income from completed dams

This last fall, Dr. Morgan and Mr. Blandford testified in the House hearings that the income for 1938 was estimated at $5,250,000 (House hearings for 1939, p. 1043).

This is the gross income from a portion of the product of only three dams Norris, Wilson, and Wheeler Dams. By reason of numerous lawsuits the T. V. A. has been unable yet to dispose of all

the power from these dams. These lawsuits have now been settled favorably to the T. V. A., and the income from the sale of power will continue to increase.

No. 6

Total appropriated for the T. V. A. dams, including the $31,361,000 estimated value of the Wilson Dam		$226,427,270.00
Sums expended for completed dams	$98,373,346.87	
Sums expended for uncompleted dams	45,422,004.91	
Sums expended or contracted for since the report of the Commission, June 30, 1937	44,167,270.00	
		187,962,621.78
Leaving a balance of		38,464,648.22

No. 7

Out of this balance of		$38,464,648.22
There are to be deducted in general terms:		
For fertilizer plants, manufacture, and the like	$13,311,120.00	
For transmission lines and substations	17,063,182.00	
Total		30,374,302.00
Leaving a balance of		8,090,346.22

From this must be deducted:

(1) The sums paid for personnel and expense required in the act;

(2) The cost of production of nitrates;

(3) Cost of promoting the general welfare of the valley; and

(4) All other expenditures.

I have trus tried to give you a picture of where the principal expenditures have been made.

No. 8.—Where the power will be sold after generation

(1) Memphis, which has already voted 17 to 1 and contracted for T. V. A. power, but which was delayed by injunction, will take an estimated amount of 50,000 kilowatts.

(2) Chattanooga, which has already voted 2½ to 1, and has either contracted or is about to contract for estimated 15,000 kilowatts.

(3) Knoxville, which has already voted and contracted to take some 15,000 kilowatts.

(4) Numerous other towns in the States of Mississippi, Tennessee, Alabama, and Georgia will take large amounts now that the injunctions have all been denied.

(5) It is difficult to see how Nashville, Tenn., Atlanta, Ga., Louisville, Ky., and Birmingham, Ala., which have made no efforts as yet to obtain T. V. A. power, can afford not to take power from the T. V. A.

(6) Innumerable private concerns which will take power.

(7) Rural electrification and cooperatives, and these are growing every day.

Thus it is seen that the difficulty of selling the power will not be great.

Radio Broadcasting

EXTENSION OF REMARKS

OF

HON. HOMER T. BONE

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, April 14 (legislative day of Wednesday, January 5), 1938

RADIO ADDRESS OF WILLIAM S. PALEY, PRESIDENT OF THE COLUMBIA BROADCASTING SYSTEM, INC.

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a recent address over the radio by William S. Paley, president of the Columbia Broadcasting System, Inc. I think the address will be of interest to the great army of radio listeners in the United States. Is is a very illuminating address, and explains the attitude of the company toward the radio problem.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Nearly everyone in America is interested in broadcasting. For that reason I am addressing my annual report as president of the Columbia Broadcasting System to the listening public as well as to our stockholders.

These are days of confusion and doubt about the patterns many things should take, and so I invite your attention to what has been achieved in American broadcasting by enlightened competitive private enterprise. I believe it is the judgment of most thoughtful people that in no other country and under no other plan of operation in the entire world has this new means of mass communication been used as effectively for the entertainment, the information, and the education of a whole people.

In face of this record, there has been an increasing degree of examination of the whole philosophy of the present system of broadcasting in America, and there have been a growing number of proposals that would, to my mind, cripple our operations in one way and another.

The broadcasters themselves are at fault for having failed to engage more generally in public discussion about the use of their medium. We owe it to the listener to tell him more frankly and fully about broadcasting, so that he may be in better position to form his own judgments as these proposals are considered from time to time.

We know we are not perfect. We have profited by criticism, and we shall continue to profit by it. It is only when one critic or another, to correct what he regards as a fault, proposes some approach to censorship, some measure that would weaken the whole structure of broadcasting, some effort to force everybody to hear what he thinks ought to be on the air, some mathematical formula for making programs good according to his own definition of good, that the broadcasters become disquieted.

Whether you are interested in the lighter side of entertainment, in classical things, in news, in public discussion, in education, or in all these things, you—the listener—are affected by every proposal of the kind I have just described. Our American system of broadcasting thus far has been developing as a stronger and stronger tool of democracy. Reshaped in the name of reform, it could become a far different thing.

The broadcasting industry should unite on a definite program of service, of progress, and of protection. Once it has such a program, the industry well may ask all political parties and all public-spirited men and women to help make that program effective. The newly organized National Association of Broadcasters, designed now to be truly representative of all elements in the industry, may well be the instrument for accomplishing what I have just proposed.

Let me now, with nearly 10 years of very active life in broadcasting behind me, give my views on some of the things in broadcasting about which it seems to me there has been confused thinking. As you probably all know, there is a Federal Communications Act. That act creates a Federal Communications Commission. That Commission in turn is empowered to license us to broadcast "in the public interest, convenience, and necessity." The proposals which I first want to discuss in a general way are of those types which, in their final and inevitable effect, would make the Congress or the Commission, by means of more and more regulation, the real determiner of what you shall hear on the air.

I have always believed that all sensible thinking about broadcasting must start with the knowledge that Federal regulation arose out of a single physical fact. I refer to the fact that the wave lengths over which we broadcast impinge upon each other, and therefore they had to be policed to prevent interference, which would spoil the listener's reception. To prevent this interference, the number of stations within the broadcast band had to be limited. Were it not for this necessary limitation of stations, there would be no more reason for a Federal commission to regulate broadcasting than there is for one to regulate newspapers or magazines or clothing stores or manufacturers of hardware.

Broadcasting, of course, should be subject to all legislation and regulation governing business in general. There are laws against indecency, fraudulent advertising, and the like, but if some new invention made the number of channels practically unlimited tomorrow, there would be no need for any special legislation or special regulation. This is true because this is what would happen: You would have all kinds of networks and all kinds of stations, just as today you have all kinds of newspapers and all kinds of magazines.

So I repeat that all special regulation of broadcasting should start from the premise that broadcasting is regulated at all only because there cannot be an unlimited number of broadcasters. If this is true, it follows that regulation should be limited to the bare necessities of the case and should never go beyond that.

By the bare necessities of the case I mean that since regulation arose out of the fact that facilities are limited, regulation should be devoted principally to making sure that facilities are used fairly and nonpartisanly. If this is done, the danger of monopoly, either through too great control of facilities by one group or because broadcasters themselves happen at some time to lean all in the same direction, will not exist. Later I shall try to show you that under our competitive private system program regulation is unnecessary. But first I want to develop my own conception of what I have described as the bare necessity of regulation.

The air has become one of our greatest mediums of public information and discussion. Subject to the limitations of program balance, it must remain so. Since this is true and since broadcasting, therefore, is bound to have an important effect on public opinion, the Columbia network has pledged itself not only to freedom of the air but to nonpartisanship and fairness of the air.

By freedom of the air we mean the right of any speaker to express his views, subject only to general laws and the laws of libel and slander, the rule that he may not seek to provoke racial or religious hatred, and the ordinary limitations of good taste and the decorum appropriate to the homes of the Nation.

By nonpartisanship we mean that broadcasting as an instrument of American democracy must forever be wholly, honestly, and militantly nonpartisan. This is true not only in politics but in the whole realm of arguable social ideas.

To put it another way, we must never have an editorial page, we must never seek to maintain views of our own, on any public question except broadcasting itself. Moreover, we must never try to further either side of any debatable question, regardless of our own private and personal sympathies. But, of course, I do not mean that any broadcaster as an individual may not on occasion express his own views on a controversial issue like any other citizen, governed by the principle of fairness, which I mentioned a moment ago, and which I am about to define.

By fairness we mean that no discussion must ever be one-sided so long as any qualified spokesman wants to take the other side. The party in power must never dominate the air. No majority must ever monopolize. Minorities must always have fair opportunities to express themselves.

These are doctrines to which we believe all broadcasters well may subscribe. I do not believe it would be amiss for the Commission, if it has the power, or the Congress, if the Commission does not have the power, to make adherence to these principles a prerequisite of having and holding a broadcasting license.

In advancing this thesis of freedom of the air, nonpartisanship of the air, and fairness of the air, let me say that I do not believe these things in practice are difficult of determination.

I have said that I think there should be a minimum of regulation. I have explained why I believe that simple rules of fair practice would justify that such regulation be kept at a minimum. I ask you to keep in mind that the public itself has always the most swift and potent means of regulating broadcasting so long as the industry is competitive and so long as each individual listener has strength enough to snap a switch or twist a dial. If broadcasting in America improves as steadily for another 10 years as it has during the past 10 under the stimulus of private competition and the growing realization on the part of the broadcaster of his public responsibility and his public opportunity, the authorities will in the end find deep satisfaction in having furthered another American triumph along traditionally democratic lines.

The next thing I believe is that there should be consistent public effort to strengthen and encourage network broadcasting. The miracle of radio lies in networks. That will always be true unless you can achieve a geographically even distribution of talent and can arrange that every great event—every human drama throughout the world—can be played simultaneously in every man's back yard. The greatest usefulness of radio lies in its ability to bring to all the Nation the best entertainment, the most authoritative discourse and discussion, the swiftest first-hand participation in the drama of the world, and to do those things you must have networks. In saying this I do not in any sense decry the local station and the usefulness with which it can serve its community. Both local stations and networks have contributed to the fact that 82 percent of the homes in America have radio receivers—a larger percentage than in any other country. Though it is true that stations with network service are listened to by vastly more people than those without it, we should not forget that even the smallest local stations very generally find striking opportunities of service in their own areas.

The Federal Communications Commission has just decided upon a full investigation of network broadcasting and the relationship of stations to networks. Because there has been so much talk of monopoly, I am glad they are about to get the facts, because I believe the facts will show that broadcasting would suffer very quickly if network operations were limited or hampered. There is no other way for the public to get the kind of radio broadcasting that dominates in America today. It is not physically possible and it is not feasible from a dollars and cents point of view. I can assure you that I can imagine no more intense competitive spirit than that which today drives the three sets of owners and management groups who operate the four existing Nation-wide networks. Those who regard a local station as the primary purpose of broadcasting and cry monopoly because part of the time of the local station is used in giving network service and because network programs have the right of way are taking a narrow local view, in my opinion, of the real contribution that network broadcasting makes to the public. There are a great many local stations not connected with any network, and no network even begins to use all the time of the stations affiliated with it or ever intends to.

I turn now to a question frequently raised and thus far never settled. How many broadcasting stations should a network be allowed to own? Confusion on this point arises, I believe, from fear that we might use facilities for propaganda purposes. I have already told you that we shall not. I have gone further and said that I believe no broadcaster should be allowed to, even if he wanted to. So even if you are one of those who see a danger in a chain of newspapers, I believe you cannot logically draw the parallel. I do know that you will not find local station standards higher than network standards. I do know that a network like Columbia, which first brought competition into the field and which is today the largest single network in the world, should always have adequate country-wide facilities so that its programs can easily be heard in all parts of the country. And further, we should be able to control the network's operations to a degree that makes them effective and responsible and economically sound.

Columbia at the present time is a network of 114 stations. Of these stations we own 8 and lease 1. All the others have voluntarily entered into contracts with us. If those of you who are sufficiently interested will ask around in any of the few communities in which we do own stations, I think you will find that we are more than welcome in the community. So I think our own operating and economic problems should govern our acquisition of stations and that there should not be a false assumption that the public interest is being endangered or monopoly is threatening when, now and then, we do buy or lease one.

There is also a question as to the price that should be paid for stations. Some have argued that the Federal Communications Commission should try to regulate such prices. I believe the Commission itself is perplexed on this point both as to law and as to duty. Certainly there is no clear mandate in the law. The law charges the Commission with seeing that licensees operate in the public interest, convenience, and necessity, but is silent on the question of sale prices. Naturally a decision on this point is of great importance to all broadcasters. I hope that the Commission will decide that it will not try to set up any regulations governing the price at which a radio station should be sold. The logic that the ordinary rules of business transactions should govern impresses me as the soundest public policy. We have ourselves been criticized because we paid a very large sum for a radio station in Los Angeles. The facts are that we needed better facilities out there, we could not get them for less, and we bought at the best price we could negotiate. I think we could have been more justly criticized had we refused to spend the money to better the network.

Frequently I draw my parallels from the newspapers. Would the public tolerate having some public agency fix the price at which newspapers could be sold with the purpose of keeping that price down? Would it be sound to say to a newspaper proprietor, "Make all the money you can while you are at it, but no matter how prosperous a property you build up, neither you nor your estate may ever sell it to advantage"? I do not think so. I think you would interpose too much human temptation to milk that property in a hurry. And I do not believe any kind of regulation or legislation could be sharp enough and shrewd enough to prevent such milking. I believe the same is true of radio stations. So long as buyer and seller know the terms of the license, I do not think it is a matter of public concern what Jones wants to pay for Brown's station, any more than it is a matter of public concern what Jones wants to pay for Brown's grocery store. And I believe it is much more important for Radio Brown to want to build up a valuable property, endowed with public trust and confidence and popular esteem, than it is for Grocery Store Brown. In thinking about this we must remember that the public pays nothing for radio service, and therefore it is unaffected by the values established for radio stations.

There is one more vital aspect of broadcasting that I want to discuss.

As you probably know, broadcasters operate under a licensing system—a license of only 6 months' duration. Every 6 months renewal applications are acted upon. Broadcasting is a creative business, and in many of its aspects more an art than a business. It is as unfair and as unwise to license it in this way as it would be to give men short-term licenses to publish newspapers, to write books or plays, or to make motion pictures. I feel quite sure that nobody really wants to keep broadcasting in a position where it might some day be faced with the necessity of pleasing those in power in order to continue to exist. I do not think it is wise for the American people to allow the whole broadcasting structure to continue to rest on such a weak foundation.

I know that licenses running over a period of years would be in the interest of broadcasting; I very earnestly believe that such long-term licenses would be in the interest of the public. I have already stated that I think a broadcaster should have to agree to freedom of the air, fairness of the air, and nonpartisanship of the air, as a condition to getting a license at all. So I say, give him a license over a term of years. That license requires that he operate in the public convenience, interest, and necessity. If after a full and open trial it is proved that he has not so operated, take the license away from him. This seems to me a stable, sensible, equitable plan of operation that harmonizes with our whole general way of administering affairs of this country. I propose this now because I believe in such a plan would lie ample public protection and at the same time it would put an end to the present sense of instability that is bad for all concerned.

I have not touched upon even the highlights of a year's work which involved more than 18,000 Columbia Network broadcasts, covering virtually every phase of our national interests—entertainment, both popular and classical; news and information; sports and education; religion; and a host of others. The planning, the thinking, and the hard work of a small army of people went into the creative advances, the technical improvements, and the widened spheres of entertainment which we achieved during the year. We have in preparation a complete analysis of what we have been doing and we shall be glad to send it to any listeners who would like to have it.

I have devoted my entire annual report to discussing some of the public phases of broadcasting because it seems important that they should be discussed at this time, and I have made this report to you, the radio audience, because, as I said at the outset, these public phases of broadcasting do not concern broadcasters alone.

America's great glory is freedom of the press, of speech, of assembly. None of these has been achieved accidentally or maintained idly. Today I believe it may fairly be said that freedom of broadcasting takes its place in importance alongside them. That is why I think Americans generally should be actively interested.

WILLIAM S. PALEY, *President.*

APRIL 5, 1938.

Taxation of Present Tax-Exempt Securities

EXTENSION OF REMARKS

OF

HON. ELBERT D. THOMAS

OF UTAH

IN THE SENATE OF THE UNITED STATES

Thursday, April 14 (legislative day of Wednesday, January 5), 1938

LETTER FROM A FORMER MEMBER OF THE HOUSE OF REPRESENTATIVES

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have inserted in the Appendix of the CONGRESSIONAL RECORD a letter written to me by a former Member of the House of Representatives. I make this request because the letter is timely and of universal interest, particularly in view of the message we received today from the President of the United States.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEW YORK, *April 11, 1938.*

HON. ELBERT THOMAS,
United States Senate, Washington, D. C.

MY DEAR SENATOR THOMAS: Just a line to congratulate you on what you are trying to do to make the owners of tax-exempt bonds pay their just share of the Federal income tax—and you are quite right and deserve commendation.

As the author of the sixteenth amendment to the Constitution I know what it says and what it means, viz: "The Congress shall have power to lay and collect taxes on incomes from whatever source derived." In the wording of this amendment I had the assistance of United States Senator Elihu Root and Representative Cordell Hull. No one in Congress misunderstood the meaning, and no source of income was exempted, any decisions of the courts to the contrary notwithstanding. I am satisfied that the United States Supreme Court, as constituted now, will so rule and hold.

As I figure it out, at least 20 percent of incomes now escape taxation, and it is a great injustice to the other income-tax payers. I hope you win out, and you certainly should do so if Congress wants to be fair, just, and equitable.

With all good wishes for your health and happiness, believe me, as ever,

Very sincerely your friend,

WM. SULZER.

Washington Airport

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Thursday, April 14 (legislative day of Wednesday, January 5), 1938

EDITORIALS IN THE WASHINGTON POST AND EVENING STAR, APRIL 12, 1938

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD two editorials, one appearing in the Washington Post, April 12, 1938, and the other in the Evening Star, April 12, 1938, dealing with the question of a local airport.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, April 12, 1938]

NEW HOPE FOR AN AIRPORT

Twelve-year-old hopes for action on the District airport problem revive with a letter addressed by President Roosevelt to the Senate and House Military Affairs Committees. He suggests that Military Road be closed temporarily to reduce the hazards of the present Washington-Hoover landing field. This is an altogether sensible proposal and one, in fact, which Congress has already approved.

The President goes on to declare his conviction that the Washington-Hoover field can never be made entirely safe. Again he will be sustained by virtually every person familiar with the problem. He recommends, accordingly, that Camp Springs in lower Maryland be developed as a permanent airport. The Navy Department has protested this proposal because of interference with its radio station at nearby Cheltenham. Presumably the President has assurances that these objections can be overcome. Even so, there remains the difficulty of reconciling at least one commercial air line to the 6-mile trip from downtown Washington to Camp Springs.

This last criticism at least can be overcome, as the President points out, by developing a second Capital airport at Gravelly Point. Washington, he notes fairly, probably can well use two landing fields as military and commercial aviation continue to grow in importance.

His estimate, however, that Gravelly Point would need 5 years for development as against a year and a half for Camp Springs seems exaggerated. A mere acceleration of the Army's Potomac dredging project could finish the necessary pumping at Gravelly Point within a relatively short period. Camp Springs, in contrast, will need a special appropriation and long condemnation proceedings before work can begin, since the Government's options on the site expired many months ago.

One point seems certain: If Gravelly Point is finally to become a model airport, work will have to stop on the Bureau of Public Roads' plant now rising on the ridge behind it. Bureau of Air Commerce experts, among others, have testified that the new buildings will create an air hazard. This being the case, the President can best further his constructive suggestions by effecting an immediate transfer of the projected road-testing station.

[From the Washington Evening Star, April 12, 1938.]

HELP FROM THE PRESIDENT

Washington owes a debt of thanks to President Roosevelt for his request to Congress for action this session on the long-pending local airport matter.

The President, approaching the problem from a realistic viewpoint of the difficulties involved, did not content himself with a mere request for action. He laid down a specific plan upon which there should be a general agreement of opinion.

The stumbling block in the way of local airport legislation since 1926, when the first bill was introduced authorizing development of the Gravelly Point site, always has been the question of the best location. The President, recognizing that there is no one site meeting all requirements for the ideal airport available in this vicinity, advocated two sites, one close to the downtown section, usable practically all of the time, the other farther out for bad weather operations.

Of the two, it would appear obvious that the close-in site is the more important from the standpoint of air transport needs and should be developed first or should be selected if Congress decides upon only one of the two sites. This close-in site, of course, is that at Gravelly Point. It has been approved, virtually without exception, by local aeronautical and civic organizations. Of all the 48 or more sites suggested through the years for a local airport, Gravelly Point always has been the preponderant favorite. Obviously, there must be good reasons for such long-continued support. The facts, according to testimony given at many congressional hearings, are that Gravelly Point meets a majority of all the requirements for an adequate air-transport terminal for Washington. Camp Springs site is superior in two respects—it is larger and it is on higher ground. These are largely offset by its greater distance from the city—a factor of vital consequence to the users of air transportation.

Congress should accede to the President's request for immediate action on this important matter. The need for an adequate, safe airport for the National Capital is not merely a local need. Location of a model terminal here should be a matter of national pride. It is fitting that the President should interest himself in this problem and not only Washington but the Nation should be grateful for this interest and the practical method of its expression.

The National Committee to Uphold Constitutional Government

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, April 14 (legislative day of Wednesday, January 5), 1938

EDITORIAL IN THE PORTLAND OREGONIAN, APRIL 7, 1938

Mr. SCHWELLENBACH. Mr. President, the Portland Oregonian is one of the oldest newspapers on the Pacific coast. It is and has been conservative and Republican in its policy. Because of this background, the editorial printed in that newspaper on April 7 on the National Committee to Uphold Constitutional Government is of particular interest. I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MISGUIDED EFFORT

The so-called National Committee to Uphold Constitutional Government has done and is doing vast harm to the movement to prevent passage of the reorganization bill in its present mischievous form. Through high-pressure propaganda methods, directed first at Senators and now against Representatives, it is hurting the cause it seeks to help.

The voluntary sending of telegrams and letters of protest to Senators and Representatives by individuals or groups who sincerely fear the effects of the proposed legislation upon constitutional government is one thing. That kind of effort is legitimate and right. But the organizing of a mass campaign directed by a highly paid secretary to flood Congress with thousands of telegrams prepaid by the organizers bears an aspect that is repugnant to fair-minded people. There is altogether too much of a show about it of attempted coercion and of vast expenditures of money by sources not in the open. Even if disclosures regarding this campaign do not actually cause passage of the bill there are bound to be later repercussions in lobbying investigations.

This Dr. Rumely, who fronts for the National Committee to Uphold Constitutional Government, is not much of an asset to any worthy public movement. He served a jail sentence back in the war years for having made false statements to the Alien Property Custodian in connection with his purchase of control of the New York Mail in 1915 with money furnished by an agent of the German Government. Surely sincere opposition to the pending reorganization bill could have found a better manager than he.

Governmental Spending

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, April 14 (legislative day of Wednesday, January 5), 1938

EDITORIAL IN THE NEW YORK TIMES, APRIL 9, 1938

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which was published in the New York Times of Saturday last under the heading "Still More Spending."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times of April 9, 1938]

STILL MORE SPENDING

On the question of "economy" versus "more spending," the President has yet to announce a final decision. But Harry Hopkins has implied a greatly extended spending program in asking, in the face of what would be rising relief ——— in any case, for a Federal program to put every employable jobless person on work relief. And the President is reported to be seriously considering a plan under which the Federal Government would, in addition, raise $1,500,000,000 through the issuance of bonds, and distribute this money to local governments as direct, non-interest-bearing loans, repayable at 2 percent a year over a period of 50 years. The local governments would spend the money for public works and improvements of various kinds.

These proposals are no doubt being put forward sincerely for the sake of economic recovery, but we cannot afford to overlook their extraordinary political advantages. To be able to spend and confer benefits on special groups without having to raise corresponding taxes to pay for these appropriations is the politicians' paradise. The program proposed will have the support of those Federal politicians who like to be in the position to confer favors, and of those local officials who like to receive them, and to point out to their constituents how their State or town is getting "something for nothing." Such a fund, in addition to presenting the possibility of conferring political favors at crucial points, has the further political merit that its enactment will be easier because the money is only to be "lent" and not given away. But the local borrower would not be restrained in its demands by considerations of interest cost, though the loss to the Federal Government would be a substantial one. That Government would itself have to borrow the money and pay interest on it; and interest even at 2½ percent over an average period of 25 years would be close to $1,000,000,000; all of which would be lost, even assuming that the program were carried out as planned. But as Arthur Krock pointed out on this page yesterday, the whole history and psychology of such debts indicate that soon or late they would be canceled. The political advantages of larger relief appropriations, administered entirely from Washington, are now too clear to need further explanation.

The economic advantages of the plan, however, are far from clear. In spite of the great vogue of the idea, there is no evidence that Government spending brings prosperity. No other peacetime Government in the country's history has ever spent remotely as much money as the Roosevelt administration. If Government spending were a sure prescription for prosperity, the country would now be enjoying such a boom as it has never known. Yet Great Britain, which has either balanced its budget or kept its budget very close to a balance since 1929, is in a much better industrial position compared with the predepression period than we are. Canada, which was spending only 32 percent more in 1937 than in 1929 while we were spending 150 percent more, has shown greater improvement in nearly every business index than we have. We ourselves, instead of trying to get out of the 1921 depression by spending, not only balanced the Budget but paid off more than a billion dollars of debt that year—and had a prompt and vigorous recovery. France, which has had a chronically unbalanced budget, has come to an increasingly intense economic and political crisis; but all parties, right and left, are struggling to surmount that crisis, not by more spending but by getting the budget under control.

The apostles of spending ignore all these indications of actual results because they have a fixed picture in their minds of a Government outpouring of money that "fills the void" left by private capital. This crude mechanical analogy persistently overlooks two facts. One is that even the huge sum of $4,000,000,000 (if not offset by higher taxes) would add less than 6 percent to the 1937 income of the American people. The other is this added Government spending, at the present stage, might merely create added uneasiness in the business community and frighten away many times its amount in private spending. The real problem of Government is to restore private confidence to the point where private spending (both for consumption goods and for new plant extensions that will create more jobs) will itself "take up the slack."

The Colorado River

EXTENSION OF REMARKS

OF

HON. HENRY F. ASHURST

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Thursday, April 14 (legislative day of Wednesday, January 5), 1938

LETTER TO THE ACTING SECRETARY OF STATE AND EDITORIALS

Mr. ASHURST. Mr. President, I ask to have printed in the Appendix of the RECORD a copy of a letter written by

myself on December 8, 1936, to Hon. R. Walton Moore, Acting Secretary of State, regarding the waters of the Colorado River, and also some editorials.

There being no objection, the letter and editorials were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE, COMMITTEE ON THE JUDICIARY,
Washington, D. C., December 8, 1936.

Referring to: Me 711.1216 M/921.

Hon. R. WALTON MOORE,
Acting Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: Your letter of December 1 received advising that the diplomatic negotiations between the United States and the Republic of Mexico regarding the equitable use of the waters of the Rio Grande have reached an impasse because of Mexico's contention that the consideration of questions pertaining to the lower Rio Grande must be coupled with questions relating to the Colorado River.

You further advise, in the said letter of December 1, that your Department has not hitherto seen its way clear to acquiesce in the Mexican contention.

Whilst your Department did not concede the propriety of the Mexican contention, you have, nevertheless, with unclouded vision, clearly perceived that the distribution of the waters of the Rio Grande is not and cannot be related to the problem of the waters of the Colorado River.

Moreover, you have in your endeavors to protect American rights been quite unimpressed by suggestions of Mexican diplomats that the question of the disposition of waters of the Rio Grande would come to a standstill unless coupled with the question of the disposition of the waters of the Colorado River.

The waters of the Rio Grande and the waters of the Colorado River are not related by propinquity, topography, physical geography, or otherwise, and a remote excursion of the imagination could not supply a shred of excuse for treating the waters of the Rio Grande and the waters of the Colorado River as a single problem or in an entirety.

Such of the waters of the Colorado River as are now permitted to Mexico by the United States are furnished to Mexico, neither by treaty nor by international law but by grace, amity, and neighborliness, although the actual American needs and requirements ultimately should and would consume and utilize all of the entire flow of the Colorado River.

The United States is under no obligation, by treaty, by international law, or otherwise, to recognize in Mexico a right to demand the continuous flow into Mexico of any of the waters of the Colorado River if such waters may be diverted within the United States for beneficial use within the United States. This has been the consistent position of our Government with reference to American rivers flowing into Mexico.

On December 12, 1895, Hon. Judson Harmon, Attorney General of the United States, at the request of the Department of State, interpreted Mexican treaties and international law as applied to Mexican claims for Rio Grande water. He held that there was no treaty or provision of international law which prohibited the United States from utilizing the waters of American streams so long as that water was on American soil. (See vol. 21, Ops. Atty. Gen. 274, et seq.)

On September 1, 1903, Hon. M. C. Burch, of the Department of Justice, wrote a report, at the request of the Department of State, regarding the protest of Mexico to the diversion of water from the Colorado River for use in the Yuma Valley, Ariz., and in the Imperial Valley, Calif., holding that there was no inhibition against American citizens using Colorado River water so long as the irrigation works were located entirely within the United States.

On August 20, 1919, the Secretary of State, Hon. Robert Lansing, reported to the chairman of the House Committee on Irrigation of Arid Lands upon the provisions of H. R. 6044, being a bill to assist in increasing the productive agricultural area of the Imperial Valley, and held that the use of the Colorado River water for this purpose was not a violation of treaty obligations of the United States to Mexico.

Under date of August 17, 1922, Hon. Charles E. Hughes, then Secretary of State, advised Hon. Herbert Hoover, then Chairman of the Colorado River Commission, along lines similar to those laid down in the report of Mr. Lansing. Mr. Hughes' letter is published in House Document 359, Seventy-first Congress, at pages 261, et seq.

The latest declaration of our Government is the report of the American section of the International Water Commission, United States and Mexico, and is found on page 65, and is as follows:

"It has always been held that a nation has a full right within its own territories of those resources which might be necessary for its development or for the comfort of its people. Any granting of a portion of such resources to another nation must be regarded as a voluntary act of friendship and comity."

See also the copious memorandum on American rights in the Colorado River, prepared by Mr. Karl F. Keeler, found at pages 192–282, House Document 359, Seventy-first Congress.

Whatever privileges Mexico may assert by amity and grace to waters of the Colorado River must be limited to the Colorado River in a state of nature. Mexico has no reservoir or dam sites within her boundary on the Colorado River where she could store any quantity of water and she cannot require the United States to supply such sites. Neither can she claim the benefit of storage works built within the United States through the expenditure of funds of the United States and for the avowed benefit of communities and citizens of the United States.

Before the approval of the so-called Boulder Dam Act, Mexico and the United States together had completely exhausted the available dependable annual flow of the Colorado River, in its state of nature, and Mexico's maximum beneficial use in any one year was 750,000 acre-feet.

It is a principle of law that a person who by his own efforts and expenditure of his own money increases the available water in a stream is entitled to control that increase. Accordingly, Mexico cannot claim the benefits of Boulder Dam or dictate the release of water therefrom.

Protracted and difficult contests in the courts and in Congress furnish ample evidence of the earnestness and the urgency of the American demands for the waters of the Colorado River. The Debler report, only recently compiled by the Reclamation Service, shows a complete utilization by the United States of the waters of the Colorado River. Mr. Debler has already drastically reduced the demands and ultimate requirements of some of the basin States in order to eke out the 750,000 acre-feet annually permitted to Mexico. Seven hundred and fifty thousand acre-feet of water annually is the maximum amount the Colorado River Basin States could by grace or otherwise surrender.

In returning my thanks for your polite attention in writing to me upon this subject, candor requires me to say that the proposal of the Department of State to create a committee of three—one member to be appointed by the Colorado River Basin States, one by the State of Texas, and one by the two thus chosen (subject to the approval of the Department of State) or by the Department of State—to formulate a basis of a treaty with Mexico (unless I have misconceived the question) would be opposed by the Colorado River Basin States for many reasons, among which are the following:

Senators from the Colorado River Basin States would be reluctant to restrict their future freedom of action by agreeing in advance that such committee shall decide how much water might remain in the Colorado River available for use in the seven Colorado River Basin States.

The proposal to create such committee is untenable—

(a) It proceeds upon the erroneous hypothesis that the Rio Grande Basin and the Colorado River Basin have identical problems and have interests of equal value at stake, whereas in fact the Colorado River Basin would be called upon only to give and supply water to Mexico whilst the Rio Grande Basin would be called upon only to receive water from Mexico.

(b) It accords to one State—Texas—equal representation with seven States of the Colorado River Basin.

(c) It assumes that the representative of the Department of State would be a neutral and disinterested third party, whilst the fact is the Department of State desires to negotiate a treaty for the equitable use of the waters of the Rio Grande and is harassed by intimations by Mexico that such treaty can be negotiated only by the United States surrendering to Mexico waters of the Colorado River in excess of the 750,000 acre-feet per annum.

(d) The proposal is impracticable, because the Colorado River Basin is divided into two definite groups with divergent interests, to wit, the upper basin and the lower basin. The lower basin is also divided into two groups with sharp conflict of interests, to wit, California and Nevada on the one side and Arizona on the other. In the present posture of affairs it would be almost outside the domain of possibility for the Colorado River Basin States to agree as to who should be the Colorado River Basin States member of such committee.

I respectfully decline to be a party to, or to support a treaty that would deprive the Colorado River Basin States of a vital portion of a natural resource belonging to them.

Pray accept assurances of my highest esteem and regard.

Yours respectfully,

HENRY F. ASHURST.

[From the Washington Daily News, January 14, 1931]

THE ASHURST PURCHASE

The late and eloquent Senator Daniel Webster once said on the Senate floor that he wouldn't give a dollar for the whole of Oregon. The also eloquent Senator HENRY FOUNTAIN ASHURST, of Arizona, has discovered in the far Southwest a treasure trove worth considerably more than a dollar. In a Senate resolution he proposes to instruct the State Department to open negotiations for the purchase of Lower California from Mexico.

A decade ago ASHURST spellbound the Senate on the same proposal. He expatiated polysyllabically upon the advantages of our owning great Magdelena Harbor, the gaping mouth of "the American Nile," the Colorado River, the now-arid acres that under the hand of our race would make the desert bloom and smile, the mineral, piscatorial, avian, and chelonian resources. Waxing anatomically

metaphorical he called this unfortunate land at once "Mexico's vermiform appendix" and Uncle Sam's "Achilles' heel." He left no doubt in anyone's mind that we need Lower California and Lower California needs us.

[From the Santa Rosa (Calif.) Republican, 1931]

WHAT 'TWOULD MEAN

A representative citizen of Santa Rosa, once a resident of southern California, said the other day that if the Government—through Congress—could be induced to adopt Senator ASHURST's plan to purchase Lower California from Mexico, the same as we purchased Alaska from Russia, the State of California, through its close proximity and natural "feeder" position, would, within less than 10 years, equal New York State in population—and greatly excel the Empire State in actual agricultural prosperity and financial wealth.

Besides, the ownership of Lower California by the Government would give us the greatest, safest, and best-protected naval and military base anywhere in the entire world. As a matter of national protection and security alone, Lower California would seem to be almost literally "worth its weight in gold."

[From Time, 1931]

APPENDIX AND HEEL

HENRY FOUNTAIN ASHURST has represented Arizona in the United States Senate since that Territory became a State in 1912. His tall figure, his shiny black hair, his resounding rhetoric, his theatrical byplay with black-corded glasses, have caused many an observer to mistake him for a Shakespearean actor. Today he is the senior Senator from the Southwest.

Like many another frontier politician, Senator ASHURST has long fired his imagination with dreams of United State territorial expansion. Last week he flustered the State Department, set Mexican officials to guffawing, by reviving his 12-year-old proposal that the United States purchase Lower California from Mexico. To the 58,338 desolate square miles thus acquired he would add another 10,000 square miles clipped from the Mexican State of Sonora and tacked on to his own Arizona to straighten its southern boundary. By his resolution the President would be "respectfully requested to open negotiations" for this international deal.

Of his proposal, Senator ASHURST had declared: "The peninsula is a vermiform appendix to Mexico. It is the heel—the Achilles' heel—to the United States."

[By Will C. Barnes in Arizona Republic]

This is the story of a young Arizona cowboy who discarded a worn pair of chaps and his favorite $14 cowboy boots to become one of the Nation's best known and most eloquent lawmakers, Senator HENRY F. ASHURST, "a master of genteel sarcasm, of consummate courtesy in debate, and the exponent of humor which sparkles like a flawless white diamond."

But he never has forgotten Arizona, with its great deserts, mountains, farms, ranches, and range lands. Even such a gift as a mere sprig of desert sage is enough to bring a tribute.

It was back in the year 1892, on the general range round-up, when there were no "chuck wagons" and cranky cooks of later years, but everyone came with a pack outfit or "greasy sack."

"Generally we all threw in together and cooked over one fire, borrowed from one another the necessary salt, sugar, and other edibles, and had a general good time," says Mr. Barnes, widely known as an Arizona historian, who relates this incident.

"We were over on the Mogollon Plateau near Mormon Lake. The round-up was to start the next day. The sound of a cowbell, the clatter of shod hoofs on the rocky trail came to our ears through the pines. Into the camp surged a remuda of six or eight saddle horses led by an old gray mare, her neck decorated with a heavy 6-inch cowbell.

"Each horse had a home-made rawhide hobble tied around its neck. On the mare's back was bedding, held in place by the regular 'diamond hitch.' Behind her trailed a long-legged, slab-sided colt. The instant his dam stopped, the colt lost no time in gathering in an evening meal, for which he had been making heartbreaking nickerings for some time.

"The cowboy behind the horses swung 'round and bunched them up under a big pine near the camp.

"He was a youngster of about 18 years, perhaps 6 feet tall, and weighed probably 125 pounds. His long legs were encased in an old pair of leather chaps showing signs of long use on a rough, busy range. When he stood up they struck him just at the ankles.

"On his feet was a pair of $14 boots—pride of his young life—from the favorite cowboy boot builder of those days, back in Coffeyville, Kans. The boots had slender, 3-inch 'underslug' heels, a silver 'two bit' piece screwed to the bottom of each. We sure were proud of ourselves in those days.

"'Old Bill Ashurst's kid,' someone remarked. Quickly the youth loosened the ropes that held the pack in place and dumped it on the ground. Then he joined the crowd about the fire. It was my first meeting with the youngster who later, through his own determination and will, was to become the Honorable HENRY F. ASHURST, senior United States Senator from Arizona.

"Recently I received a letter from a friend, enclosing some desert sage. Its fragrance fairly filled the room. Recalling the early range days, I sent the bit of desert sage on its travels once again; this time to Senator ASHURST in Washington.

"It must have reminded him of the old days on the western range, of a sagebrush campfire, the smell of burning hair around a branding fire, a Dutch oven full of 'sour dough' biscuits done to a turn, a huge pot of black coffee filling the air with enticing fragrance. He wrote:

"'DEAR OLD FRIEND: Surely you had the heart of a poet when you divined how much the sage means to me, and took time in this feverish world to send me a sprig of the same. It revived memories of a fascinating long ago, when we drove the thundering herds.'"

Small wonder he is referred to today as "a word embroiderer of the highest type; a master of word painting."

[From the Washington Post on Court bill]

The peak of studied elegance of manner, if there is such a thing, is reached by Senator HENRY F. ASHURST, Democrat, of Arizona, the debonair and balm-tongued chairman of the Judiciary Committee.

It is no secret that his genial and patient handling of the President's Court reorganization plan has reduced friction to a minimum at a time when senatorial nerves were exasperated raw.

Thus, with opponents and proponents snarling like bull wolves around the committee table, the sound of his rolling periods as he has gently trumpeted his rulings has served to soothe the near-surface savagery aroused by the President's Court bill.

[From the Washington Star on defeat of Court bill]

Mr. ASHURST confined his comment to one of his usual philosophical dissertations.

"Moderation, forbearance, and restraint are the virtues of victory, whilst patience and fortitude are the virtues of disaster," he said. "Almost any American citizen easily endures and quickly forgets disaster, but it requires character and noblesse oblige to endure victory.

"I hope to endure victory with becoming humility.

"Destiny distributes triumphs and defeats with charming nonchalance. Whether she awards victory or prescribes defeat is of little importance, but it is of very great importance how the individual receives and carries that which destiny distributes to him."

[From the Arizona Daily Star, September 4, 1937]

HENRY FOUNTAIN ASHURST promises that he will do plenty of talking as he returns to Arizona. He has always done plenty of talking—and very pleasant and effective talking at that. He talked himself into the United States Senate, where he has remained a seemingly immovable fixture for a great many years.

When he gets back to Arizona he will be asked to talk about his part in the attempt to pack the Supreme Court. And he will probably make many speeches ostensibly dealing with that subject. They will be entertaining addresses. He will carry his audience with him. He will gain the sympathy of hundreds—nay thousands.

In order to appreciate how empty an ASHURST speech often is, his hearers must go away from the spell of his golden voice and the vigor of his magnetic personality and think about the substance of what he has said. It is revealing to do as a reporter must do—go back to the office and attempt to set down in brief form exactly what he has said. Disillusionment is apt to follow. For such a process reveals that he says very little in these eloquent talks of his.

That, in fact, seems to be the secret of the ASHURST success. He can talk endlessly and delightfully and say nothing. And in spite of the fact that many of us will condemn and oppose him for the stand he took in the last session of Congress, we will listen to him explain and enjoy it.

After all, an amiable eloquence is far from being a vice. Despite the fact that his use of the almost lost art of oratory conceals rather than reveals his thoughts, he is capable of taking a definite stand in a controversy. As one of the leaders in the bitter and losing battle to pack the Supreme Court he revealed himself as a capable fighter despite his amiability.

There was plenty of anger and shouting in the Senate over the Court measure. Wild accusations flew—some of them aimed at ASHURST himself. But it is not on record that he ever lost his temper, said an unkind thing about an opponent—or altered his stand.

Even when opposing him, one must admire that kind of a fighter. The world would be a better place in which to live if all its battles were conducted in the spirit maintained by the Arizona Senator.

The Resurrection of Hungary

EXTENSION OF REMARKS

OF

HON. WILLIAM E. BORAH

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Thursday, April 14 (legislative day of Wednesday, January 5), 1938

ARTICLE BY DR. LOUIS K. BIRINYI, MARCH 25, 1938

Mr. BORAH. Mr. President, I ask to have printed in the Appendix of the RECORD an article entitled "The Resurrection of Hungary," published in the newspaper Bridgeport under date of March 25, 1938.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Bridgeport of Bridgeport, Conn., March 25, 1938]

The universally hated and despicably inhuman Treaty of Versailles, together with its accursed appendage, the unholy Treaty of Trianon, is dead. The funeral of these two documents that have disgraced Christian civilization during the last 20 long years will be held privately, without a single drop of tear shed, without a single word of prayer for their dishonorable memory, and without a single human life sacrificed on the altar of international indecency. Thank God for that!

The territorial and economic reorganization of southeastern Europe is now assured. The union of Germany and Austria proper can now be said to be an accomplished fact. There is every assurance that the necessary territorial and economic readjustments, east of Germany, will be completed within the near future. With this accomplished, peace in Europe will be attained, and it will be followed by prosperity, lasting at least for 25 years, a like of which has never been experienced by Europe. And European prosperity will be followed by an American prosperity, which will abolish poverty, suffering, privation, and starvation in this land of plenty.

No doubt there will be persons here and in Europe who will say that the territorial readjustments in an economic reorganization of southeastern Europe will be a "land grabbing" and "snatch racket," but that will be farthest from the truth. It will be remembered that 20 years ago the Paris Peace Conference dismembered the territory of historic Germany and cruelly mutilated the more than 1,000-year-old territory of Hungary. That was a plain international robbery and its cruelty was unprecedented in the history of Christian civilization. The inevitable result was international chaos and a universal economic bankruptcy.

It will be remembered further that the Paris Peace Conference robbed Hungary of more than two-thirds of her territory and more than one-half of her population. She was robbed of her coal and iron mines, factories, the best part of her wheatfields, timberland, grazing land, silver and gold mines, and salt mines, so that not a pinch of table-salt deposit was left for mutilated Hungary. It will be further remembered that as a result of this international brigandage suffering of unprecedented magnitude resulted in that cruelly mutilated country. Thousands upon thousands of children contracted tuberculosis as a result of lack of proper food; thousands of men and women died as a result of lack of necessary medical supplies. And the cruelest of all cruelties that human beings can force upon other human beings was the fact that newly born babes in mutilated Hungary had to be bundled up in ordinary tissue paper because there was no linen with which to cover these precious gifts of the God of Love.

And why were these sufferings visited upon the Hungarian people? Was it because they were bad people or deserved such a cruel treatment at the hands of Christian civilization? The ungodly Treaty of Versailles stated, without a blush, that the reason for this cruelty was that Germany and Hungary were responsible for the World War. But it has been proved, beyond the shadow of any honest doubt, that the indictment contained in the Treaty of Versailles was an intellectual inexactitude, or, in plain English, a fraud and a despicable lie.

The secret report of Balfour, the Secretary of Foreign Affairs of Britain, delivered by him to the British Cabinet in the spring of 1917, discloses the following: Balfour reported: "This war (the World War) has been described, and quite accurately I think, as a war against the world domination of Germany * * *." That is to say, the World War was fought to strangulate Germany economically. "We," said Balfour, "entered into treaties with Italy, Rumania, and Serbia, all of which affect Austria." That is to say, "We" (England) have decided to dismember Austria. "We (England) promised Serbia Bosnia and Herzegovina * * *. We promised Transylvania (one-third of Hungary) to Rumania, if she came in, though it is undeniable that to take away Transylvania and hand it to Rumania, would break up historic Hungary." It was "we" who promised the upper part of Hungary to the Czechs. And "the practical destruction of the Turkish Empire is undoubtedly one of the objects which "we" (England) desire to attain." And despite this admission on the part of the Minister of Foreign Affairs of England, it was written into the Treaty of Versailles, that Germany and Hungary were responsible for the World War.

This lie has cost Europe 20 years of chaos and suffering, and to us, the American people, 126,000 American boys killed and 234,000 wounded in the World War. In money it cost the American people $60,000,000,000, an amount of money with which you could buy all the American farms and still have left a large sum for farm machinery. Our Allies, whom we supported, still owe us $11,000,000,000 cold cash, and they refuse to pay us even interest on it. We were the "suckers" in the World War.

After 20 years of suffering, Hungary is now coming back into her own. Italy will magnanimously return to Hungary Fiume, so that she may have a seaport of her own. Jugoslavia will, with equal magnanimity, return to Hungary the Banat, the wheat field of Hungary. Not to be outdone in magnanimity, Czechoslovakia will return Upper Hungary to Hungary, so that there may be a common boundary line between Poland and Hungary. Rumania will either exercise an equal magnanimity or else Transylvania, one-third of historic Hungary, will declare her independence and reunite with Hungary. The people living in Upper Hungary and in Transylvania will have self-government, if they want it, but they will be economically united to Hungary. This will complete the resurrection of Hungary. The Lord be praised for that!

This process is neither "landgrabbing" nor is it "snatch racket." It is just returning stolen property to its rightful owners.

This will be followed by an economic union of all the countries east of Germany to the Black Sea and the Dardanelles, and all these will be followed by peace and prosperity of such magnitude a like of which Europe has never experienced. This will be God-sent to us Americans, because American prosperity will follow. There will be no more unemployment, suffering, privation, and starvation in this country. And we will manufacture clothes, foods, and other necessities of life and build homes instead of armaments and battleships, instruments of destruction. Once more Christian civilization will be one great and universal brotherhood, and in the place of international hatred and jealousy universal peace will rule regnant everywhere.

We have claimed throughout these long and mournful 20 years that the signal to world peace and world Christian brotherhood will be the resurrection of Hungary. This resurrection, thank God, is now in sight. On Easter morning, therefore, let us all go to church and each of us, according to our belief, give grateful thanks to God Almighty for the glorious resurrection of Hungary, world prosperity, and world peace.

Let us praise God, from whom all blessings flow.

Greetings to our brethren and sisters across the seas.

The Fair-Trade Movement

EXTENSION OF REMARKS

OF

HON. ROBERT J. BULKLEY

OF OHIO

IN THE SENATE OF THE UNITED STATES

Thursday, April 14 (legislative day of Wednesday, January 5), 1938

ADDRESS BY HON. ARTHUR CAPPER, OF KANSAS, IN NEW YORK, APRIL 4, 1938

Mr. BULKLEY. Mr. President, I ask to have printed in the RECORD a very able address delivered by the senior Senator from Kansas [Mr. CAPPER] at the banquet of the American Fair Trade League held at the Astor Hotel in New York City on April 4, 1933, on the fair-trade movement.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Mr. Chairman, friends in the fair-trade movement and in the radio audience, my belief in fair trade and fair-trade practices is based on two concepts, one that might be termed "ethical"; the other I would call "social."

From the ethical side, it manifestly is wrong to commit unfair-trade practices. Manifestly it is wrong to give rebates to one customer and make it up by higher prices to another or others. It is wrong to cut prices for the purpose of destroying a competitor. It is wrong to say to a purchaser, through advertising or by the mouth of a salesman, directly or by implication, that this standard dollar watch is not worth a dollar, but only worth 67 cents, as proof of which I am selling it, for today only, for 67 cents.

I have emphasized the "for today only" because that is the touchstone that shows the unfairness of such sales methods.

But I do not intend to preach a sermon tonight on the ethical questions involved in trade. We face more than abstract questions of right and wrong. I make no claim to being a sociologist, nor do I have a pet social system to unfold to you.

But I do hold that the welfare of individuals in our society is inextricably tied together with the welfare of society as a whole, and the welfare of the groups in that society.

Leaving the question of ethics entirely aside, let us take a look at the social consequences of fair-trade practices and unfair-trade practices.

Now I believe in the profit system. And so, I take it, do most of you.

But the profit system in which I believe is not a profit-and-loss system.

By that I mean simply this:

If the profit system means that my profit comes from someone else's loss, then the profit system is wrong; is doomed to failure; and inevitably the profit system will fail.

If the profit system in which we believe and under which and through which we are attempting to build up a permanent system built on trade is to survive, then all groups must share in the profits to which all contribute.

Now, in our society—leaving out certain dependents who are too young, or too old, or otherwise incapacitated for active participation—some of us are producers; some of us are middlemen; some of us have services to sell.

But, my friends, all of us are consumers.

Therefore, it seems to me pretty much A B C—and I hope I am not being guilty of oversimplification, which, of course, is a dangerous form of generalization—it seems to me pretty much A B C that our legislation, our trade practices, our customs and conventions, and contracts and understandings, in production, servicing, and distribution, must be based on a full realization that all of us are consumers.

In other words, trade practices that attempt to make profits for producers or profits for middlemen—or profits for producers and middlemen—but make these profits through losses to consumers, can result only finally in the destruction of the profit system and its replacement by some other motivating or guiding force in our system.

In other words, the objective of the profit system must be a profit for the consumer.

As I said a moment ago, that seems to me to be the ABC of our thinking.

And yet as I look back over my own span of active business life, and as I read history still further back, that has not been the foundation on which the profit system has been built.

We have been conducting our system of business on the basis of production and sale at a profit.

We must extend that to include production, distribution, sale, and purchase at a profit.

In fact, there has been an overemphasis on production. I live and do business in a section that primarily is agricultural. So I have noted what Uncle Sam has been doing to build up agriculture.

Up until the last few years the emphasis has been entirely on increased production—two blades of grass where one blade grew before.

But the profit system is not based primarily upon production, but upon distribution, upon exchange of products and services; in other words, upon trade.

I believe that under fair-trade practices, and a recognition of the fact that the ultimate profit must be a consumer's profit, the profit system can and will survive.

But I have come to believe that unfair-trade practices, which first destroy competitors and centralize wealth, income, and power in too few hands—these unfair-trade practices will in the end be the suicide of the profit system.

And very frankly, destruction of the profit system will destroy with it the civilization which we have attained, or at any rate which we have believed we were on our way toward attaining.

In other words, the promulgation and observance of fair-trade practice is vitally important to the preservation of the profits system and to the preservation of our form of government and our civilization.

What are fair-trade practices?

To be practical, what we probably will have to define is, What are unfair-trade practices?

As I see it, the great service that your Fair Trade League can do is to attempt that definition. After the definitions are made—and they will have to be changed from time to time as conditions change—the next step is to see that unfair-trade practices are not used.

I would like to believe that business itself can get rid of unfair-trade practices voluntarily.

But, as a practical matter, there will have to be some compulsion for the small percent not socially conscious, and that compulsion very likely will have to be governmental in character.

That has been the history of such advances as have been made toward fair-trade practices in nearly all fields. A majority comes to agree upon what is fair and what is unfair; compulsion has to be used upon the minority—generally few in numbers but large in power—who refuse to conform.

Railroad rebates had to be handled finally by the Government after it had been realized that for the benefit of a favored few the rate rebates were being used to destroy competitors and would result finally in bankrupting the railroads themselves.

Now, cutthroat prices, for the purpose of ruining competitors, are just as bad and just as fatal to business in the long run as the railroad rebates were.

That is why for years I urged the passage by Congress of the so-called Capper-Kelly fair-trade bill; that is why, as I see it, 42 State legislatures have realized the situation and have enacted similar fair-trade statutes applying, of course, to intrastate transactions only.

I think that in planning and advocating fair-trade legislation along these lines it is highly important that there be a general understanding of the difference between price maintenance on one manufacturer's products and attempts at price fixing of all products of the same kind.

Price maintenance under this definition does not destroy competition; in fact, it is predatory price cutting, such as "loss leaders," that destroys competition.

Price fixing would destroy competition. Price fixing is incompatible with the life of the profit system.

Putting it briefly, a law fixing the price of all soap of a certain grade would be price fixing, and is unsound. But a law prohibiting a dealer from selling a certain brand of a certain manufacturer's soap below the standard price, would be price maintenance, and as I see it is perfectly justifiable; in fact, might be necessary.

Justice Louis D. Brandeis said this in one sentence 25 years ago:

"If a dealer is selling unknown goods or goods under his own name, he alone should set the price; but when a dealer has to use somebody else's name or brand to sell the goods, then the owner of that name or brand has an interest which should be respected."

Justice Brandeis also said, and again I quote:

"The customer's gain from price cutting is only sporadic and temporary. The public generally is the loser; and the losses are often permanent."

Also, my friends, price cutting for the purpose of destroying competition is the road to monopoly. Predatory price cutting is only superficially competition. It is sporadic, temporary, delusive. It fails to protect the public. It ruins manufacturers, dealers, and down the road the consumer suffers heavily.

Before I close—my time is almost up—I am going to summarize in the words of Justice Brandeis in relation to predatory price cutting, which is what the Capper-Kelly legislation aimed to prohibit:

"America should be under no illusions as to the value or effect of (predatory) price cutting. It has been the most potent weapon of monopoly—a means of killing the small rival to which the great trusts have resorted most frequently. It is so simple, so effective. Far-seeing, organized capital secures by this means the cooperation of the short-sighted unorganized consumer to his own undoing. Thoughtless or weak, he yields to the temptation of trifling immediate gain; and, selling his birthright for a mess of pottage, becomes himself an instrument of monopoly."

That word "monopoly," my friends, stands for what I believe you and I, and the majority of the people of this country, believe is the instrument of destruction for the average man and the average business.

The cry of the farmers for protection and continuation of the "family-sized farm" is the protest against monopoly.

The cry from business for the protection and continuation of the small-business man is the protest against monopoly.

Monopoly is the enemy of fair trade, the enemy of competitive business, the enemy of the profit system, through the inevitable abuse of monopolistic powers to destroy fair trade, to destroy the little businessman, and finally monopoly if not curbed will destroy the profit system. I have no hostile feeling toward any business, large or small, which is trying to serve the public interest fairly. Bigness itself is not a crime, but bigness attained by unfair trade methods is contrary to the public welfare and it should be our constant aim everywhere in this great country to check and stop its vicious and destructive practices.

Of course, my friends, protection against predatory price cutting is only one angle of fair trade, but it is a highly important one, and I have emphasized it for that reason.

As a businessman and as a Member of the lawmaking body of this Government I am heart and soul with the objectives of your fair-trade movement and promise my help and support to any league that proposes to accomplish fair-trade practices in the interest of producer, middleman, and consumer all three.

Pan American Unity

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, April 14 (legislative day of Wednesday, January 5), 1938

ADDRESS BY THE PRESIDENT, PAN AMERICAN DAY, APRIL 14, 1938

Mr. BARKLEY. Mr. President, the President of the United States delivered an address at noon today before the governing board of the Pan American Union, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There could be no more fitting occasion than the present for me to greet my friends of the 20 other American republics. We have learned in this Western Hemisphere what community of interest really means. We have worked for it, created it, and we now glory in it. Properly, therefore, Pan American Day is set aside as an annual testimony to the significance which the American family of nations has for the world.

Never was that significance greater than today. The 21 American republics present proudly to the rest of the world a demonstration that the rule of justice and law can be substituted for the rule of force; that resort to war as an instrument of policy is not necessary; that international differences of all kinds can be solved through peaceful negotiation; that the sanctity of the pledged word faithfully observed and generously interpreted offers a system of security with freedom. The 300,000,000 citizens in the American republics are not different from other human beings. We have the same problems, the same differences, even the same material for controversy which exists elsewhere. Yet, we have undertaken contractual obligations to solve these normal human differences by maintaining peace; and that peace we are firmly resolved to maintain. It shall not be endangered by controversies within our family; and we will not permit it to be endangered from aggression coming from outside of our hemisphere.

This, a common objective of all of us, forms a lasting foundation for the maintenance of an international understanding unique in the world.

The American peoples, who today fortunately live as good neighbors, not only enjoy a privilege, but undertake a heavy responsibility. Fortunate in being remote from the tumult of conflicting doctrines and from the horrors of armed conflict—from the tragedies whose shadows lie heavy on the world, the American republics, nevertheless, face a grave test. If our good fortune is to continue, our will must be strong.

All of us gained independence because our fathers were willing to sacrifice their lives and all they possessed for a great ideal. Some part of that duty to sacrifice rests also on us. We have progressed far along the path that leads to government by the people in the interest of all the people. Our democratic system has conferred on all of us an inestimable gift of individual liberty within the law. We are vitally concerned with preserving the high standards of international restraint and morality, which the lesson of centuries has taught is the first requirement of peaceful relationships between nations.

Now, more than ever before, we of this American hemisphere must make plain that these principles, upon which so great a civilization is founded, are vibrant, productive, and dynamic. National and international law and morality are not the restraints of weaklings; they are signs of serene strength—confidence in our purpose and ability to maintain independence and democracy.

Particularly I am glad that in December of this present year representatives of all of our governments will once more assemble. This time it will be in the great capital of Peru. During these turbulent years the inter-American conferences have come to be an instrument for bringing ever closer the relationships between our several nations. In Lima we have a renewed opportunity to counsel together. I assure you that we in the United States have found peculiarly welcome the views, the opinions, the friendly advice of the statesmen of our sister republics. Public opinion in all of our countries benefits from learning with greater frequency and in greater extent the thoughts, the desires, the needs of the peoples of the other American nations.

In constant testimony of our mutual friendship and trust is the increasing progress in communications. The North Central, and South American voices which reach us through the air are those of friends. Only a short time ago the people of the United States were enabled to hear a gracious message broadcast to them by my friend the President of Argentina. A few days later they listened to the address delivered to them by the Minister of Foreign Affairs of Brazil, whom we had been privileged to have in Washington as Brazil's Ambassador during the past 3 years. His significant words were applauded in every American home.

Our ideal is democratic liberty. Our instrument is honor and friendship. Our method is increased understanding. Our basis is confidence. So and not otherwise, in common effort we safeguard in this new world the great rights of our liberties and build our civilization for the advancement of humanity throughout the world.

Debt Propaganda

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, April 14 (legislative day of Wednesday, January 5), 1938

EDITORIAL IN THE PHILADELPHIA RECORD, APRIL 12, 1938

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Philadelphia Record of April 12, 1938, entitled "Warning Against Debt Propaganda."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record, April 12, 1938]

WARNING AGAINST DEBT PROPAGANDA

Do you remember the agitation about the dangerously large national debt just after the World War?

We don't.

To be sure our memory was not failing, we asked this newspaper's library for all editorials appearing in conservative newspapers during 1919 pointing with alarm to the Federal debt. None could be found. It would have been unpatriotic to complain about the cost of the war.

But for the past several years it has been the chief stock in trade of conservative patrioteers to point with alarm to the growing national debt.

In view of the President's recent proposal to cure the recession with pump priming, you may expect a renewed onslaught of this dangerous-debt propaganda. Senator BYRD and Representative SNELL have already started with bitter denunciations of Government spending.

This editorial is a warning to our readers against this false propaganda. As a famous ex-liberal was wont to say, "Let's look at the record." That is the only way to save democracy from demagoguery.

The per capita net debt of the Federal Government on April 5 of this year was $213.04. The per capita net debt on August 31, 1919, was $242.57, or 14 percent greater than at the present time.

Below we print simplified balance sheets of the United States Government as of August 31, 1919, and April 5, 1938. From total indebtedness we deduct cash on hand and other current assets to give net indebtedness. That is the only sensible way to calculate debt of a business or a nation. If a man owed the bank $10,000 and had $5,000 to his credit in the bank, his net debt would be less than that of a man who owed the bank $8,000 but had only $1,000 on deposit.

Financial statement of the Government of the United States, Aug. 31, 1919

Total indebtedness to all holders of its obligations		$26,596,701,648
To offset this indebtedness:		
Cash on hand	$1,118,109,535	
Notes of the allied nations and foreign obligations with face value of $12,017,075,933.60, of which only Finland's is good	8,270,138	
Plant and equipment	1	
Total offsets		1,126,379,674
Net debt		25,470,321,974

Per capita net debt as applied to population of 105,003,065, midyear 1919, $242.57.

In 1919 the Government had a little more than one billion cash on hand. In 1938 cash on hand, plus the exchange stabilization fund, plus sterilized gold, all of which are the equivalent of cash, amounted to nearly $5,000,000,000. Whether there is any rea-

son for the Government carrying this huge cash balance we will discuss in another editorial.

Financial statement of the Government of the United States, Apr. 5, 1938

Total indebtedness to all holders of its obligations		$37,556,588,558
To offset this indebtedness:		
Cash on hand	$1,907,993,406	
Exchange stabilization fund	1,800,000,000	
Sterilized gold	1,162,974,522	
Cash and gold	4,890,967,928	
R. F. C. and other investments, par value $5,493,557,930, taken at 90 percent	4,944,202,137	
Finland's indebtedness	8,270,138	
Plant and equipment	1	
Total offsets		9,843,440,204
Net debt		27,713,148,354

Per capita net debt as applied to population of 130,085,000, January 1938, $213.04.

The net debt of the United States is now $2,000,000,000 more than it was at the close of the World War.

But in two decades the population has increased 25,000,000, so that the per capita debt is less now than it was then. Also the national income has increased so that the net debt in proportion to national income is less today than in 1919. Debt can only be considered intelligently in relation to population and income of the Nation. To say that Costa Rica is better off than the United States because it owes less would be nonsense.

* * * * * * *

Now as to the last item, plant and equipment carried at $1 on both balance sheets. When the United States came out of the World War it had little to show for its $25,000,000,000 increased indebtedness. Most of it had gone for munitions, and the rest for loans to its Allies, which proved uncollectible.

In the past 20 years the Government has added billions in permanent improvements in the shape of public buildings, power plants, bridges, highways, flood control, soil reclamation. If these were placed in the balance sheet at their true value, they would far exceed the $2,000,000,000 increase in net indebtedness.

A fair appraisal from a business standpoint would show the Government's net position vastly improved over 1919. Its credit and financial condition is the soundest of any nation on earth. Its net indebtedness is so far from the danger point that even to discuss such a possibility is silly.

* * * * * * *

Then why do the conservatives want to scare the people into thinking that the Federal debt is a menace?

Because when the Government goes in debt, it creates credit money and thereby dilutes the purchasing power of existing dollars and lowers interest rates. That is the reason the moneyed interests clamor for reduction of relief and other Government spending.

* * * * * * *

God help this Nation if it is to be governed by demagoguery and propaganda subsidized by selfish, short-sighted interests.

These truths can be set down as capable of mathematical proof:

The debt of this Nation is nowhere near the danger mark.

If it were proportionately as large as that of Great Britain or France, it would be over $100,000,000,000.

If the Government has erred at all, it is on the side of having spent less than enough to win the war against depression.

Let us hope that the Government will press forward with renewed courage on a definite program of fighting the depression as we fought the war, prepared to spend whatever is necessary to win—and win we shall!

Jefferson and the New Deal

EXTENSION OF REMARKS

OF

HON. JOHN H. OVERTON

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Thursday, April 14 (legislative day of Wednesday, January 5), 1938

RADIO ADDRESS BY HON. ALLEN J. ELLENDER, OF LOUISIANA, APRIL 14, 1938

Mr. OVERTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered today by my colleague [Mr. ELLENDER] on the subject of Jefferson and the New Deal.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, on yesterday, April 13, we observed the one hundred and ninety-fifth anniversary of the birth of the immortal Thomas Jefferson, a man whose political theories have had more influence upon the lives of the American people than those of any other person.

Little did the proud parents of Thomas Jefferson realize that their new-born son was destined to become the champion of a system under which human rights should be paramount to property rights, and that through this political philosophy would be established a stable republican form of government. It was Jefferson who discovered that our Federal Constitution did not provide for the protection of human rights. It was through Jefferson's efforts that the first 10 amendments to our basic law were adopted soon after the formation of our democracy, and in those 10 amendments the rights of the individual were recognized and protected. The framers of our Constitution seemingly placed property rights above the rights of the individual; and the foremost advocate of such a system was Alexander Hamilton, whose political doctrine has been encouraged and pursued by the Republican Party of today.

Jefferson instinctively knew that if property rights were recognized and protected at the expense of human rights, class legislation for the benefit of the privileged would necessarily follow; and I feel confident that a short review of our country's progress under Hamilton's theory of government will disclose that Jefferson was right.

The remarkable and almost unbelievable fact about Jefferson and his theory of democracy is that the principle was developed solely by and within himself. He had no past histories upon which to pattern his principles of government by the people and for the people. His theory of human rights was conceived at a time when the world was conscious of, and had known in the past, only that might was right; at a time when tyranny, oppression, and bloodshed were synonomous with government. His battle against aristocracy and entrenched wealth is an epoch in our American history. Even the struggle of our forefathers to sever the yoke that bound them to England becomes dwarfed in comparison. His was not a battle of swords and musketry and cannon; he fought for his principles with his pen, with his wits, with his great intellect and knowledge of human character; and he won over overwhelming odds because of his faith in his principles, because of his marvelous ability, and because righteousness and justice were on his side.

Jefferson's pathway in those days was not one strewn with roses. Like all the great reformers of history, he was lied about, abused, and intimidated. He had to battle the press, Federal judges, the powerful rich who were entrenched in high Government positions. His enemies called him everything under the sun—"American prototype of Robespierre," "'red' Jacobin," "evangelist of anarchy," "inciter of class hatred." It is easy to see that the enemies of democracy in the early days of our country's history did not differ in any great respect from its present-day enemies. The means and tactics employed by the Hamiltonians of Jefferson's time to preserve their own selfish ends are still employed by the present-day followers of Alexander Hamilton.

Ladies and gentlemen, I shall endeavor briefly to show that throughout the course of American history there has been the same conflict between the principles advocated by Hamilton and the principles advocated by Jefferson—a conflict of property rights versus human rights, of legislation for the benefit of the few versus legislation for the benefit of the masses. The great leaders of our Democratic Party have all adopted and fought for the principles of Jefferson, who stood up squarely for human rights. The tide of battle has risen and fallen; but always, when the rights of human beings are trampled upon by the privileged classes, a champion of the cause has come to the fore and regained for them some of their inherent rights.

After Jefferson there came the great Andrew Jackson, and then there came the great Woodrow Wilson, and today our President Franklin Delano Roosevelt. There can be no doubt that our President, in advocating the principles of the New Deal, is making every effort to carry out the ideals of Thomas Jefferson, the champion of human rights. What, after all, has the New Deal been attempting to do? Has it not tried to provide for the needs of the masses of our people? I venture to say that virtually every effort to help the underprivileged has come from the party founded by Jefferson, a party laboring not only to protect republican institutions but to make the Republic democratic, an instrumentality for the service of all the people.

As I mentioned a few minutes ago, in the early days after our country was founded two dominant parties or factions existed. One, led by Hamilton, believed that the stability of government rested on the support of the powerful, which support could best be secured by making the Government profitable to them. This faction advocated concentrating Government favor on the commercial and financial interests to the utter neglect of the agricultural interests, which then constituted the greater part of the Nation. The other, led by Jefferson, believed in "equal rights to all and special privileges to none," in the encouragement of agriculture and of commerce and industry as its handmaidens. Jefferson believed that governments are not the masters but the servants of the people governed; that governments must be responsive to the

necessities of the people; that governments which sacrifice the interests of the majority to the greed of a minority are but usurpations by the few. The immortal Jefferson believed that a government should operate for the benefit of the masses of its people and not for classes.

For many years our Government was operated upon that principle; but just prior to the time of Jackson the entrenched interests, the privileged interests, were gaining power. Some of my listeners are familiar, I am sure, with the Bank of the United States scandal, which occurred just at the time of the administration of President Jackson. You may recall that Biddle, the president of the bank, came to Washington and tried to have, and succeeded in having, the Congress renew the charter of the Bank of the United States. Jackson's famous veto message of the measure became a prophecy:

"Every man is equally entitled to protection by law; but when the laws undertake to add to these natural and just advantages artificial distinctions, to grant titles, gratuities, and exclusive privileges, to make the rich richer and the potent more powerful, the humble members of society—the farmers, mechanics, and laborers—who have neither the time nor the means of securing like favors to themselves, have a right to complain of the injustice of their Government."

My friend, a few years after Jackson's terse summary, the country was engaged in discussing the slavery question. That question split the Democratic Party. Then followed the unfortunate Civil War. What happened then? After that war the privileged interests of the country became entrenched. There developed a combination of the banks, railroads, and industry which came to the Congress and asked for special privileges so that they could survive the competition of production from across the seas.

They argued to the Congress, "Put a tariff on goods imported into our country so that we may be able to pay more money to our labor, and by reason of more money being paid to labor benefits will result to the farmer." That was the argument advanced by many who were interested in the industries of our country; and that was the reason why the Congress passed various tariff laws, some of which have weighed heavily on the American people, and particularly on the American farmers.

Ladies and gentlemen of the radio audience, I am not opposed to the tariff. I am for the tariff. I am interested, however, in seeing that the tariff shall not be used to benefit one class only. The tariff was put into effect in order to help industry, in order to help labor, and in order to help the farmer; but, instead of this procedure, it has been employed to make the few richer and more potent than they already were. I do not wonder that today we have in the United States so much concentration of wealth in the hands of the few.

Since the Civil War this rule of the privileged continued until Woodrow Wilson came upon the scene; and it was then that the Democratic Party rose into power, and tried to rectify the wrongs of the past. I am sure all are familiar with what President Wilson tried to do to relieve the distress of the farmer and the misery of the masses. Let me recall just a few of the things which were accomplished during his administration:

The income-tax law was passed, the purpose of which was to make those who could pay help bear the burden of running the Government.

The United States Tariff Commission was established during the Wilson administration. The establishment of that Commission was devised to rectify the mistakes of the past in connection with tariffs. The Commission was authorized to make investigations and studies and surveys upon tariff matters, and to furnish reports of such investigations to the President and to the Congress. Its chief purpose was then, and is today, to equalize the tariff so far as possible.

The farm-loan banks were instituted in order to help the farmer.

The Clayton Act was enacted to permit labor to organize.

The Federal Trade Commission Act was passed so as to provide for fair competition, and to protect small business from the merciless competition of industrial giants.

All that legislation was conceived during a Democratic administration to help relieve the masses of our people.

Also, during President Wilson's administration the Federal Reserve System was set up to provide for an elastic currency, to afford means of rediscounting commercial paper, and to establish an effective system of banking administration and supervision in the United States. This act saved the country from financial ruin, and may be referred to as the greatest piece of constructive statesmanship of the century.

Then during President Wilson's administration the World War came on. The cry was raised, "Let big business do the job of running the Government. It knows best." Under such a banner the Republican Party was again swept into office. Did it continue the good work begun by President Wilson? It did not. On the contrary, our Government abdicated as the protector of the rights of the ordinary man, and openly became the tool of big business. The 12 years that followed are among our history's blackest in the triumph of sodden, selfish special interests. The concentration of wealth among the few increased by leaps and bounds. The privileged element, in partnership with the Republican Party in power, was permitted to use the instrumentalities of Government for its own advantage, regardless of the effect on the average citizen. Labor gradually was losing much that it had gained by its own efforts through a generation of toil; and agriculture was plunging toward bankruptcy, with the Government offering it no assistance, but, instead, loading it down with excessive burdens.

Then followed the crash. Millions in our Nation were threatened with starvation. Selfish interests availed themselves of the plight of labor to deny and defy its rights. Agriculture was in a state of complete collapse; from twenty to thirty million farmers were removed from the purchasing class, and nothing was being done by the Government to save them. Then our present administration came to the rescue. The Democratic Party again set to work to repair the wreck left in the wake of Republican and Hamiltonian rule which had followed the term of office of President Wilson.

Time will not permit my enumerating all that the New Deal has accomplished. I must point out, however, that an earnest effort has been made by the New Deal to restore the Government to the principle laid down by Thomas Jefferson years ago—the principle of government by the people and for the people. Jefferson preached the gospel of legislation for the benefit of the masses and that the interests of the majority must not be sacrificed to the greed of a minority. He believed in equal rights to all and special privileges to none. He believed in the encouragement of agriculture on an equal basis with industry. We find in the New Deal program the embodiment of the same principles that were expounded by the immortal Jefferson.

The New Deal has extended a helping hand to the farmer. For his efforts in this direction alone, President Roosevelt is entitled to the thanks of an entire nation. That the farmer is still having a difficult time is admitted by all; but the important thing to remember is that the Federal Government has at last realized its obligation to the one-third of our population who feed and clothe the Nation. When it is realized that back in the year 1932, just before President Roosevelt took over control of the Government from the Republicans, the farmers, who comprise approximately one-third of our entire population, received only 5⅞ percent of the Nation's total income, we can understand the tremendous task that faced the New Deal in its efforts to raise agriculture to a level with other industries. I repeat, the task is not complete; but the important point is that agriculture has been recognized by the Federal Government, and with a continuation of the Democratic Party in power I am confident that farming will soon become a prosperous enterprise, and the farmer will be rewarded for his toil by a fair price for that which he grows.

The fight in behalf of the farmers is only one of the many efforts the New Deal is making to help the underprivileged. I shall mention briefly just a few of the others:

First, legislation in favor of the workingman. The right of labor to organize and negotiate for better working conditions has been recognized and encouraged by the New Deal. For the workers who, as a result of the depression, suddenly found themselves out of employment the New Deal has provided thousands of jobs by the inauguration of various public-works programs throughout the Nation. These public-works programs are designed so that the benefits of the completed projects will be enjoyed not by a privileged few but by everybody. They include public buildings, highways, playgrounds, national parks, irrigation and flood-control projects, and rural electrification.

For the poor unfortunates who are unable to work because of old age, blindness, and other physical disabilities the New Deal has provided funds to assist the States in relieving their suffering.

Old-age and unemployment insurance has been set up through the New Deal's social-security program for the protection of the active worker of today against the uncertainties of tomorrow.

A gigantic housing program has been initiated, under which each and every American worker can, through easy and reasonable credit arrangements, build a comfortable home for himself and his family. Low-cost housing projects are now under way to take the poor, underpaid workers out of the unhealty environments of the slums and place them in a clean, wholesome atmosphere at a monthly rental they can afford to pay out of their small earnings.

The New Deal has recognized the need for molding the youth of America into decent and law-abiding citizens, and much good for our youngsters has been accomplished through the National Youth Administration and the Civilian Conservation Corps.

Easy credit facilities have been made available to legitimate business enterprises through the medium of the Reconstruction Finance Corporation.

The investing public has at last been afforded protection from the unscrupulous money barons of Wall Street through the efficient functioning of the Securities and Exchange Commission.

I might name other worthy and lasting improvements in our social and economic set-up that have been brought about under the able administration of President Roosevelt, but I must bring my remarks to a close. Before leaving the air I wish to make this plea to our American people:

Do not let the age-old wailings of the Hamiltonians deceive you. The same hue and cry that is being voiced today against the New Deal by the Liberty Leaguers, by the rich and privileged minority who constitute the framework of the Republican Party, was raised against the immortal Thomas Jefferson when he fought for the rights of human beings as against wealth and property. Jefferson's cause was a just cause. He fought for right as against might, and the great Jefferson overcame powerful opposition to save his country from oppression and ruin. The same struggle is being waged again.

The Hamiltonians of today, disguised under new and high-sounding names, would deceive the free American people into believing that their doctrine, the doctrine of big business, is the sound way to prosperity. They take advantage of the present temporary lull in business to attempt to undermine the principles of Jeffersonian democracy. But the same tempters, the same privileged few, neglect to remind us that big business held sway from 1920 through 1932, and during that 12-year period the country was plunged into bankruptcy because of the insatiable greed and unscrupulous tactics of the money barons. The same selfish interests now would have us believe that big business has reformed; that while yesterday big business traded the birthright of the American people for a bag of gold and sold the American farmer and workingman "down the river," so to speak, today big business has been redeemed and is ready now to lead us to the promised land. Again I urge you, my American friends, do not be misled by these honeyed promises. Past history clearly shows who has been the friend of the underprivileged and of the masses. Thomas Jefferson conceived the principle of human rights and started the fight, and the flag of Democracy has been waved on high since Jefferson's time by such friends of the common people as Andrew Jackson, Woodrow Wilson, and today Franklin Delano Roosevelt.

The critics of Franklin Delano Roosevelt are loud in their denunciations of the man and his policies. They call him dictator, spendthrift, usurper of power. But let me quote now from the words of another of our country's great leaders, the famous Theodore Roosevelt. Heed well these words, spoken 28 years ago:

"It is not the critic who counts; not the man who points out how the strong man stumbled, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena; whose face is marred by dust and sweat and blood; who strives valiantly; who errs and comes short again and again; who knows the great enthusiasms, the great devotions, and spends himself in a worthy cause; who, at the best, knows in the end the triumph of high achievement; and who, at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory or defeat."

I thank you.

Normal Crop Sales in the Northwest as Provided by the Federal Crop-Insurance Program

EXTENSION OF REMARKS

OF

HON. DEWEY W. JOHNSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 14, 1938

Mr. JOHNSON of Minnesota. Mr. Speaker, with the passage today of the current Agricultural Department appropriation bill, the way is cleared for the launching of the Federal crop-insurance program, designed as the most constructive and the most forward-looking aid to agriculture that Congress has yet enacted.

I believe that the intent of this act is to provide a practical assurance that the farmer shall market a normal crop, regardless of what may befall in the way of natural handicaps.

I have been informed that shortly the Department of Agriculture will open in my home city, Minneapolis, a large office in one of the greatest primary wheat markets in the world. In my home city we have the largest grain-storage capacity of any city in the world, nearly 100,000,000 bushels; so it is natural, with the great grain market in Minneapolis and the necessity for storage facilities, that one of the major offices for crop insurance should be located in this primary market.

In this connection I wish to set forth nine salient facts about the crop-insurance program:

First. The program provides insurance protection against the hazards in the risky business of wheat growing such as most other businesses have long enjoyed.

Second. It is yield insurance, not price insurance, and premium and losses are paid in terms of bushels of wheat, not dollars.

Third. It protects the insured wheat grower by assuring him that he will have wheat to sell every year, regardless of crop failure.

Fourth. In surplus years insurance premiums provide an additional outlet for his wheat.

Fifth. It is a thrift program which puts aside a part of the crop for future need.

Sixth. Wheat reserves are subject to price manipulation. They are held outside of market channels and used only to pay losses to farmers.

Seventh. The program will tend to take more wheat off the market in surplus years and pay back wheat in years of scarcity. It is a stabilizing program.

Eighth. The cost to a farmer is according to the risk on his own farm and the county in which his farm is located.

Ninth. Crop insurance is not a subsidy program. The farmers pay the cost of the insurance with their premiums. The Government pays administration and cost of storage. The Government benefits, since stabilizing supplies is protection for consumers and a wheat industry insured against crop failure means eventually a lessening of the relief burden.

An analysis of the act and consideration of problems which the farmer must surmount if he is to achieve the rewards of normal production reveals the following:

Wheat growing is a hazardous business. Most of our high-quality milling wheat is grown in areas where the climate is rigorous. Such growing conditions produce a high quality of milling wheat, but it also imposes on the wheat grower frequent crop failures. Widespread bumper crops flood the markets with wheat and the price may be so low that the returns hardly cover the cost of growing. Adverse growing conditions leave many farmers with nothing to sell at the high prices that scarcity brings.

The wheat-growing industry is subject to violent ups and downs. Since 1919, the Nation's wheat crop has been as large as 952,000,000 bushels, and as small as 526,000,000 bushels. The acreage planted to wheat varied between 56,000,000 and about 80,000,000 acres. We have exported over 300,000,000 bushels in one year, and some years we did not produce enough for our own needs and we imported wheat. Income to wheat growers has varied widely. For example, farm income from wheat in 1919 was nine times as much as in 1932.

Wheat is grown by about 1,400,000 farmers in the United States. In the Great Plains States there is a heavy investment in wheat growing, and many years of adverses have put the wheat industry heavily in debt. The hopeless plight of many wheat farmers, for whom farming has been a succession of low prices one year and no crop the next, has put a heavy relief burden upon the Government.

Wheat helped build up the West. It was the pioneer's cash crop. It was exported in large quantities to pay back the money borrowed abroad to build western railways. The Great Plains wheat contributed much to the establishment of great urban centers—Kansas City, Minneapolis, Chicago, Buffalo, and Duluth. The channels of wheat trade are still the arteries that feed lifeblood to many communities and cities. Wheat income means much to the financial structure of the West.

A large farm investment and the economic soundness of many communities depend upon wheat income. And wheat income is at the mercy of the weather, which has brought many a crisis to the Great Plains. We are inclined to think of droughts in terms of what happened in 1934 and 1936. We are inclined to forget that drought is steady fare for the wheat grower. Since 1854 there have been 13 major droughts, and 9 of them were 6 years or less apart.

It is true there have been fat years—years in which there was a good crop and a good price; years in which wheat growers were able to pay up much of their obligation and through their purchases contribute prosperity to business. It is that kind of year that keeps hope alive in the wheat industry. But those years come too seldom. They are eaten up by the lean years, as the fat kine were eaten by the lean kine in Pharaoh's dream.

The troubled past makes it imperative for the wheat industry to set its house in order for the future.

INSURANCE PROTECTS MOST OTHER BUSINESSES

Most other industries and businesses prepare for their emergencies in advance by carrying insurance. Insurance

against crop failure was proposed for the farmer long ago, but it has been long in coming.

The Agricultural Adjustment Act of 1938 finally provided for making a start in Federal insurance. One of the titles in that act sets up the Federal Crop Insurance Corporation, and provides for wheat insurance beginning with the crop harvested in 1939.

The crop insurance program established under that act does two things. First, it guarantees the insured wheat grower against crop failure from unavoidable causes. That means that the insured wheat grower will have wheat to sell every year, regardless of whether he loses his crop because of drought, flood, hail, lightning, tornado, insects, or plant diseases.

And second, the insurance program is a stabilizing measure. It sets aside wheat for future emergencies. It helps to take surplus wheat in bumper years and put it aside outside of market channels for marketing in scarcity years. In surplus-crop years, it helps support the farmers' price. In years of crop failure, it gives him something to sell.

INSURANCE FOR ONE-HALF OR THREE-FOURTHS OF CROP

The program assures the insured farmer that he can be sure every year of either one-half or three-fourths of the average crop he grows on his farm. Insuring for one-half costs less than insuring for three-fourths of a crop. He is guaranteed a certain number of bushels, not a certain number of dollars. This is yield insurance, not price insurance.

The farmers' losses are paid from a reserve of wheat. This reserve is built up by the wheat that farmers pay in. In other words, while other insurance companies hold their reserves in the form of securities, the Federal Crop Insurance Corporation holds its reserves in the form of actual wheat. Only enough wheat is held in the reserves to pay off losses from crop failure.

The cost of the insurance to the farmer depends on the risk on his own farm and the county in which his farm is located. The good farmer who grows wheat on a good farm does not pay for the higher risk of the poor farmer who farms high-risk land. The insurance will cost about one-half bushel per acre on the best wheat land; 1 to 1½ bushels per acre on good wheat land; and 2 to 2¾ bushels per acre on poor wheat land.

CROP INSURANCE NOT A SUBSIDY PROGRAM

The crop insurance program for wheat was designed as a self-help program. The wheat premiums carry the cost of the insurance. Every insured wheat grower puts aside enough wheat to cover the prospective losses on his own farm. That means he is putting his own foundation under his own credit. The Government insurance program helps him to do this.

However, the Government has an interest in wheat-insurance coverage. A wheat industry which can take care of its own losses means a lessened relief burden for the Government. In addition, the establishment of wheat reserves for years of shortage means protection of consumers against scarcity prices. Accordingly, the Government makes a contribution to the program. It carries the cost of administration and the cost of storing the reserves. An appropriation was made in the act for this purpose.

INSURANCE RESERVES NOT A BURDEN ON PRICE

The framers of the Federal Crop Insurance Act were careful to prevent the wheat-insurance reserves from becoming a mounting price-depressing surplus. There was a recollection of the unfortunate Federal Farm Board experience.

Safeguards have been built around the wheat-insurance reserves. For one thing the amount of wheat accumulated in the insurance reserves is limited. Only enough is held to cover any loss that wheat growers might incur. The wheat reserves are not intended to take care of all the wheat surplus. They will accommodate only a part of the surplus needed to provide farmers with wheat in the event of crop failure. That is one check against the repetition of the Farm Board experience.

Another check exists in the fact that the reserves are not designed as a means of pegging prices. The provisions of the act specifically withhold from the Corporation the power to use the wheat reserves for price manipulation. There will be no buying and selling to rig the market.

Wheat gets into the reserves only when paid in as premiums. It gets out of the reserves only through the payment of losses to farmers who have suffered crop failure. Wheat may be released from the reserves to prevent deterioration, but in that event, it must be replaced by new wheat. Grain in one location may be sold, but it must be replaced by grain in another location.

PRESENT AVAILABLE FACILITIES USED

The insurance program does not involve the building of warehouses or the setting up of an elaborate organization to handle the program.

The reserves will be handled in local and terminal elevators, just as the present wheat carry-over is handled. An effort will be made to keep the wheat paid in as premiums as close as possible to the area that produced it.

Standard grades will be adopted as a means of measuring the premium. A farmer who pays in a higher grade of wheat pays fewer bushels.

The programs will be handled locally through the county committees. It is tied in closely with the agricultural-adjustment program, and for wheat was cited by Secretary of Agriculture, Henry A. Wallace, as an excellent approach to an ever-normal granary.

What the program can do for the wheat industry depends upon the number of farmers who participate. With half of the wheat acreage in the country covered by insurance, the wheat reserves are expected to vary from 50,000,000 to 100,000,000 bushels. These reserves back the guaranty that insured farmers will have wheat to sell every year at the going price. It means that the wheat crop a farmer plants is better security for his credit.

The part of the wheat crop that is not used but is put aside and carried over into the next year is the carry-over. The droughts of 1934 and 1936 which severely cut our wheat production served to demonstrate that the normal carry-over has been too small for safety. To carry over a larger amount in the normal channels of trade may mean a surplus that forces down the farmer's price. Crop insurance is a means of increasing the carry-over as protection for the consumers without driving down the farmer's price.

Crop insurance makes it possible to use a part of the surplus to insure farmers against crop failure from all unavoidable causes.

National Bituminous Coal Commission

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, April 14 (legislative day of Wednesday, January 5), 1938

EDITORIAL IN THE BALTIMORE EVENING SUN, APRIL 12, 1938

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial published in the Baltimore Evening Sun of April 12, 1938, dealing with the National Bituminous Coal Commission.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Evening Sun, Baltimore, Md., of April 12, 1938]

ANOTHER NEW DEAL BOTCH

C. F. Hosford's resignation last week from the glamorous post of Chairman of the National Bituminous Coal Commission caused

hardly a ripple outside Washington. It got enormously less attention than the departure of Dr. A. E. Morgan from his equally glamorous job with the T. V. A. The oversight was unfortunate, for the N. B. C. C., in its brief year of life, has performed prodigies of imbecility that make even the masterpieces of the T. V. A. seem pale and ineffectual.

Everybody knows, of course, that the soft-coal industry has been on its uppers for a long while past. In order to meet the competition of other sources of power, notably fuel oil and electricity, the producers have had to hold their prices down. Thus they have been making little or no money, and there has been heavy pressure to reduce the wages of the miners.

The theory behind the Guffey Act setting up the N. B. C. C. (the miners call it the Goofey Act) was that if a commission were empowered to fix minimum prices for soft coal, everything would be all right. The miners would get high wages, the operators would get high profits, and nobody would suffer but the consumer.

The Commission was sworn in last May. It consisted of the usual group of lame-duck politicians and friends of politicians. Its first job was to evade the Civil Service Act and build up a huge army of jobholders. It succeeded at this task gloriously. There are coal-mining towns in West Virginia where the largest office buildings are entirely devoted to housing these jobholders.

The business took approximately 6 months. It was accompanied by an incessant barrage of charges from disappointed politicians who had not succeeded in finding berths with the Commission for their hangers-on. Presently, it developed that there was a good deal of dissension within the Commission itself. Commissioners took to writing unkind letters about one another's motives, and some of their charges and countercharges began to stick.

Things got so bad by October that Chairman Hosford made the first of his numerous threats to resign. Then the President stepped in. He called all the Commissioners to the White House for a fireside chat. Shortly thereafter Chairman Hosford withdrew his resignation, and the Commissioners admitted that in the heat of their internecine controversies they had failed to keep their eyes on the ball—that is, they hadn't yet got around to the job of setting minimum prices for soft coal.

In December those minimum prices began to emerge. Instantly irate consumers rushed into court yelling protests and demanding injunctions.

Throughout January these suits developed as fast as the Commission could fix prices for the various types and qualities of coal. There were hundreds of them, representing thousands of consumers. Finally, in February, the Commission dammed the flood by scrapping its whole price structure and announcing that it would start all over again and this time conform to the law by giving consumers a hearing.

So the Commission is now just where it was 12 months ago, save that it has lost its Chairman and acquired an army of some 1,100 attorneys, examiners, special agents, supervisors, technical advisers, analysts, directors of statistics, administrative officers, chiefs of machine tabulation units, confidential clerks, and so on.

Well, suppose that at this point the Commission should decide to quit playing politics, bring its internal bickering to a close, and concoct a set of minimum prices for soft coal which would satisfy the demands of the law, if not of justice. Would the millennium follow?

It would not. However badly off the soft-coal industry may be, it is still controlled by the forces of competition. Its "stabilized" prices might yield a temporary profit for the coal owners, but any sign of rigidity in them would speed the movement from coal to other fuels. Thus in the end the real beneficiary would probably be the petroleum industry rather than the coal industry.

Meanwhile the market for soft coal is still declining. What does that mean for the miners? Unemployment.

High wages are fine if there is employment. If there is none, the highest wage scale in the world will buy no bread and butter.

Complete the Upper Mississippi River 9-Foot Channel Improvement Now, From the Minneapolis North City Limits to St. Louis, To Protect and Utilize a Great Investment Which Has Increased Our National Wealth by Many Times Its Cost in Benefits Soon To Be Realized by Agriculture, Industry, and Labor

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EXTENSION OF REMARKS

OF

HON. DEWEY W. JOHNSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 11, 1938

Mr. JOHNSON of Minnesota. Mr. Speaker, in pursuance of the privilege extended to me, I wish to have the RECORD show why it is imperatively necessary that sufficient money be appropriated at this session of the Congress to complete the 9-foot channel work in the upper Mississippi River so as to provide a constant and dependable channel depth of not less than 9 feet of navigable water, with suitable widths, between Minneapolis, Minn., and St. Louis, Mo.

From an engineering standpoint this project can be substantially completed in 1939 and fully completed in 1940. To complete the work without an interrupting delay of serious consequences and carry the work forward efficiently from and after July 1, 1938, all the money necessary to finish the project should be appropriated by this Congress and specifically allocated to the control of the United States Army Engineers at this time so as to permit the execution of contracts for the remaining work to be done. To this end I ask and plead for the support of my colleagues who have been pleasantly generous to this project during the past five years. I ask this support not only in the interest of the Upper Mississippi northwest area, but as a consideration immediately necessary to protect the prior acts of this and former Congresses and the present administration, in their past appropriations and allocation of funds that have been expended currently and liberally to fulfill a pledge of long standing and a pledge that has been reiterated upon many occasions.

The improvement of the Upper Mississippi River and other rivers has not been a party issue at any time. It has been endorsed and supported by all political groups in response to urgent appeals from both agriculture and industry. I am sure this united support will be continued until all of the necessary work is finished. There is immediate danger, however, of serious interruption because of the drastic cut in the Budget for nonmilitary activities during the fiscal year of 1939. As a matter of information I want to emphasize the fact that when existing contracts have been completed and the money appropriated and allocated has been spent, the Federal Government will have invested in this improvement approximately $145,000,000, of which about $135,000,000 has been allotted to the project within the period of the present administration. This vast investment will be of little or no value to either agriculture or industry or labor until the fully improved waterway is made available to commerce. All that is needed to complete the entire Upper Mississippi authorized project is $19,541,000. This amount is small as compared with the present investment and the great economic benefit to be derived from the project when fully completed. If this Congress will provide this seriously needed appropriation, the Army engineers can have all the necessary locks and dams in operation for the navigation season of 1939. The cleaning-up process and completion of the unfinished locks can be accomplished in 1940.

What I want to bring to the attention of this Congress, as forcefully as I can, is the serious consequences that are certain to follow a delay of the appropriation of the additional money needed to complete this project as rapidly as sound engineering will permit. In support of my urgent appeal for an appropriation by this Congress of $19,541,000, I want this RECORD to show, and I want my colleagues to know, something more of the history of this project and what its early completion will mean to agriculture and industry and labor within the productive area of the United States. First of all, the upper Mississippi River improvement represents only a portion of an improved waterway system of great magnitude that is very nearly completed. This improved waterway is known as the Mississippi waterway system, and embraces the Mississippi River between Minneapolis and the Gulf at New Orleans; the Missouri River between Sioux City and its mouth; the Illinois River between Lake Michigan, at Chicago, and its mouth; the Ohio River between Pittsburgh and its mouth; and the following tributaries: The St. Croix River, Tennessee River, Cumberland River, Green and Barron Rivers, Kentucky River, Big Sandy River, Kanawha River, Muskingum River, Allegheny River, and the Monongahela River. Approximately 4,000 miles of these connecting rivers have been authorized for improvement, calling for a depth of

not less than 9 feet. Two thousand miles have been authorized for improvement calling for a depth of not less than 6 feet. The most important of these improvements have been completed, as evidenced by the completed Ohio, Monongahela, Allegheny, Kanawha, Illinois, lower Mississippi, and much of the Missouri. The upper Mississippi River is also approaching completion, and important progress has been made in the improvement of the other rivers comprising the Mississippi system. Within the immediate territory tributary to this waterway system is produced the following commodities in the percentages shown:

Iron ore, 98 percent of the United States production.

Coal, 82 percent of the United States production.

Petroleum products, 72 percent of the United States production.

Zinc, 70 percent of the United States production.

Agricultural products, 70 percent of the United States production.

Lead, 50 percent of the United States production.

The shore line of this great waterway system is the soil of 19 States, as compared with the shore line of all coastal waters touching the soil of 20 States.

The Ohio River depth is controlled through the operation of 52 locks and dams. The Illinois River is controlled by 7 locks and dams. The upper Mississippi River will be controlled by 28 locks and dams. Twenty-four locks and 22 dams have been completed. Four of the six unfinished dams will be completed during the present summer. The remaining two will be completed in 1939 sufficiently to permit impounding water above them. The needed appropriation is to be used to acquire the land throughout the area to be flooded and build four necessary locks and incidental dredging and other finishing work.

I need not discuss the economic benefits that will come from a fully improved Mississippi waterway system, because this and former Congresses, in their wisdom, have found the improvement warranted and by regular legislative acts have authorized the improvement. However, it is pertinent to mention and it is well to bear in mind that the upper Mississippi River improved waterway is 90 or more cents per ton nearer to the Northwest agricultural area than any other waterway. With its connecting units, this system penetrates the heart of an area that absorbs tremendous quantities of the western agricultural surpluses. This improved waterway will be an important factor in the return of coal, iron, and steel products and other commodities needed in large volume by western agriculture and other industry.

The theory upon which navigable waters have been improved for transportation purposes embraces the fundamental principle that the dollar cost from producer to consumer must be reduced materially on several important commodities of commerce. Improved waterways, supplemented by adequate, modern water-front facilities and watercraft, can accomplish this purpose. To the extent that the dollar cost in transporting commerce can be reduced, it correspondingly improves the purchasing power of the producer or the consumer, or both. With increased purchasing power, the producer and consumer can acquire greater quantity of the articles of industry, thereby resulting in increased industrial production, increased employment, and increased tonnage for all forms of transportation. Where too much of the consumer's dollar is absorbed in unnecessary transportation cost for the movement of commerce essential to the existence of life, there is little or nothing left for the purchase of many important articles of industry. An empty purse, made so unnecessarily, results in the savage destruction of industry, industrial labor, and all forms of transportation. Basically, this is the root and evil of all unemployment, and spreads an ever-increasing burden upon all society in the desperate attempt to provide funds for necessary relief.

If agriculture, in some way, can increase its income sufficiently to permit it to purchase all of the articles of industry that it needs and wants, there would be no such thing as unemployment or relief appropriations, except for the disabled.

A fully improved waterway from the north city limits of Minneapolis to Pittsburgh, with adequate water-front facilities and watercraft, means that the cost of moving farm commodities can be reduced approximately $5 per ton. It means that coal and steel products can be moved at a saving of approximately $3 per ton. These savings, if reflected in the farmer's income, will mean that the farmers of the upper Mississippi River States will have annually an increased purchasing power of $300,000,000 to $500,000,000 with which to purchase the products of industrial labor. The principal thing that now stands in the way of early improvement throughout the upper river area is the small amount needed to complete the authorized 9-foot channel in the upper Mississippi River as rapidly as the engineers can prosecute the work. The last Congress appropriated $27,000,000 specifically for carrying forward this improvement, and additional funds have been made available under the present administration totaling approximately $135,000,000. This huge expenditure of public funds cannot be justified from any viewpoint if this improved waterway is not to be completed without delay.

As a Minnesota Farmer-Laborite, I am among the minority of this Congress, but the record of my vote will show that I have supported the present administration consistently, because I am a believer in the idea that it was necessary and it is still necessary for the Government to do certain important things before agriculture, industry, and labor can be unshackled from economic disruption, both past and present.

I say I have supported the President consistently because I am and have been with him wholeheartedly in his pronouncement that what we need and must have in the United States is "democracy and more democracy," and my votes have been conscientiously and consistently based on the principle that real democracy may be achieved only through vigorous maintenance of a strong representative government.

I am just as firmly convinced as ever that the Congress and this administration must show the way to provide employment for every citizen who is able to work.

I have long been interested in the improvement of our navigable waters, and have followed each of the major projects through their various periods of development with increasing enthusiasm, as to their ultimate benefit in our economic structure. I am sure also that they add to the total aggregate of our national wealth much more than the actual dollars and cents spent in their development.

I would, indeed, be remiss at this point if I did not pay tribute to the foresighted men in public and private life who have pioneered and fought in behalf of waterway transportation. We all know the efforts put forth by energetic Senator ERNEST LUNDEEN as a Member of Congress in behalf of this cause.

Nor can there be any person who does not know the great energy lent to the improvement of the Upper Mississippi River by our esteemed senior Senator from Minnesota, HENRIK SHIPSTEAD, who has battled for this development ever since he took his seat in the United States Senate 15 years ago.

Nor should all the laurels go to men in public life, but recognition should also be accorded such outstanding men in private life as Mr. Charles C. Webber, of Minneapolis, president of the Upper Mississippi Waterway Association, and the entire membership of his ardent and self-sacrificing board of directors. All of them have carried on ceaselessly in the great cause of water transportation and economic parity for the Middle West. I could also add the names of labor leaders and many others, including our Minneapolis city officials, and people in all the communities on all of these waterways, but the list would be too long.

In view of the foregoing, I sincerely hope the nonmilitary appropriation bill, to the extent herein outlined, will be given your unqualified support.

America Looking Forward

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 14, 1938

RADIO ADDRESS OF HON. JENNINGS RANDOLPH, OF WEST VIRGINIA, APRIL 11, 1938

Mr. RANDOLPH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address made by me over the National Broadcasting Co. network Monday, April 11, 1938:

For nearly 10 years millions of men and women in the United States have lacked the opportunity to produce and to earn their living except through Government relief. Other millions have had to work long hours to gain only a meager income. Business enterprise has suffered in proportion.

Emergency relief of various kinds has been provided, but the fundamental action to correct this deplorable situation has not yet been taken. This is partly because Nation-wide economic disaster was new to us in America and partly because no general agreement was reached on what action should be taken. Unfortunate delays caused by bickering and contention among special groups also played a part.

Not long ago many people felt that just getting the wheels of industry started once more was the only need. By spending billions of dollars business was placed on its feet again. Meanwhile, temporary relief jobs were provided for unemployed people. Thus, industrial activity was stimulated and business recovery seemed well advanced.

It is clear now that this alone was not enough.

When the welfare of the Nation is at stake, Americans always put away their petty quarrels and private ambitions to help achieve the nobler cause. Working together for the good of all, American businessmen, American workers, and American statesmen must now take the necessary action to meet the circumstances

Our experience of the past few months is sufficient evidence that more is required than just initial recovery to meet the needs of both business and labor. Once we achieve recovery, what must we do to keep it?

Two distinct lines of action are necessary to make recovery stick.

First, we must spread the available jobs that industry has to offer among as many workers as possible. Second, we must increase the total amount of work to be done in private industry. A supplementary program of public construction, where necessary to correct public works deficiencies, should also be included.

The attainment of these positive objectives will be marked by sure and sound results. While differences of opinion may exist over the precise methods to be employed in reaching them, the pathway to future prosperity for American workmen and American industry is clearly marked. We must now march forward. We must take constructive action.

Practically everyone who realizes the full extent of our task, agrees that when industry has a relatively small supply of jobs to offer, some means of splitting up the available jobs is necessary. This will tend to give all of the working population a chance to earn a living.

They also agree that some means of increasing the total supply of work in private industry is of vital importance. Here is where practical aid and sound encouragement of business enterprise must be applied. This requires the adoption of a long-range program to aid and encourage business and industry in its function of providing an adequate supply of work as well as in producing goods at prices within the reach of everyone.

What measures are being taken to achieve these obvious objectives?

So far, the chief methods employed have been temporary relief measures. They are a kind of economic "first aid" to be used in an emergency. The immediate effect in stimulating business and in providing jobs within a few weeks or months is their main purpose. Most of them do not achieve either the permanent spreading of available jobs nor a permanent increase in the total work to be done. After they have run their course, we find ourselves back where we started. Other first-aid measures must again be introduced.

As a member of the House Labor Subcommittee appointed to draft new wage and hour legislation, I have worked for many weeks to aid in perfecting a wage and hour bill which will, I hope, have committee support, pass the House, and go to conference with members of the Senate committee. The President will no doubt speedily sign such a needed measure.

It is estimated the passage of this bill by Congress will eventually provide jobs in private industry for nearly 5,000,000 unemployed men and women. It will also increase the income of millions of workers in the low-wage brackets so they can maintain a decent standard of living—many of them for the first time in their lives. This step is being taken to provide an opportunity for practically everyone to share in the available work to be done.

Adequate provisions for exemption where justified have been recommended so that no hardship will be imposed on industry or agriculture. Between the floor for wages and the ceiling for hours, there is plenty of room for the comfortable existence and well-being of industry.

After all, it is perfectly clear that if industry could offer an 8-hour-a-day job to every able-bodied worker in the Nation at a reasonable wage, we would have no need for either "first-aid" relief nor for spreading out the existing jobs. It is obvious that ways must be found to increase the total available work to be done. This fundamental step should no longer be delayed.

Businessmen and manufacturers have declared their willingness to raise $25,000,000,000 to put millions of men to work in private industry. The dollars are there. The workers are available. Most businessmen are willing to go ahead.

What then is holding up the march to prosperity?

Fear? No!—fear is not the fundamental barrier. Businessmen may be uncertain, but they were just as scared in 1929 when Mr. Hoover was President as they claim to be today with Franklin D. Roosevelt in the White House.

Private investment opportunities are not yet available to absorb the $25,000,000,000 or more that businessmen and manufacturers may be willing to spend. This is one of the chief obstacles. Some investment opportunities may be ready now, but assurance of stable or gradually increased purchasing power of the public is necessary to induce the expansion most of these opportunities represent.

Compared with the amount of money available for investment in new business enterprises, new factories, and new industries, few such opportunities of importance have appeared in recent years. The results of careful and authentic research support this observation.

The automobile, the motion picture and the radio were the last of a long line of new industries that formed the basis of one of the most prosperous periods in our history. Aviation and aircraft are the newest industries to open a real field for progress. The development of these new industries made possible the expansion of many existing industries. Conditions such as these, represent the foundation of business confidence.

Practically all such great industrial developments arise from scientific research. It is only natural, then, for us to turn to this great fountainhead of new industries to discover new opportunities for investment and the employment of our people. Besides the adoption of a long-range program to reach and tap this source, the close cooperation of industry, labor, and government is required.

The creation of new opportunities for workers and industry alike depends largely upon science. Many people have come to realize how great is the importance of science in our national economy.

Waldemar Kaempffert, science editor of the New York Times, declared recently that "our hope lies in science."

The well-known economic commentator, John T. Flynn, has often pointed out the need for opening up new investment channels, either in new industries or in the expansion of existing enterprises. Last week he declared, "We overlook that the maintenance of our general standard of prices and wages requires vast investment. This requires new investment-making inventions and a continuous flow of them." He warned that we had better begin to adjust ourselves to this necessity.

An anlysis of the hundreds of letters from small-business men, which appeared recently in the Capital Daily, showed that many of them realized the great importance of scientific research aimed at bringing forth new industries.

The urgent need of maintaining a continuous flow of new investment opportunities impressed me several years ago. The leading part that science and engineering have played in creating an untold number of these opportunities, convinced me that proper aid and encouragement directed in these channels would eventually yield a firm foundation for the return of permanent prosperity.

Early in 1936 I introduced a bill in Congress to bring Federal aid to scientists and inventors. In a revised form the (Randolph) scientific research bill (H. R. 7939) is now pending in Congress.

Hundreds of eminent scientists, engineers, and educators have voiced approval of its purposes. Many have offered valuable suggestions. Scientific and engineering groups are now making special studies that range from a general survey of "the impact of science upon society" to the details of this long-range program. The National Resources Committee is continuing its studies on grants-in-aid to science at the special request of the President.

The recommendations of these and other studies will be of great help in making further refinements of the scientific research bill and in bringing favorable action by Congress.

In a recent address before the annual meeting of the American Engineering Council, I pointed out that employers may be more than willing to give jobs to unemployed men, but that it is up to science and engineering to provide the needed employment opportunities.

Scientists and engineers should strive to create industry-making discoveries and inventions that will bring new jobs and open up

new investment opportunities. If Government and other aid can help them to be as successful in producing new industry-creating inventions and discoveries as they have been in turning out labor-saving devices, one of the greatest causes of fear and uncertainty that has harassed both industry and labor since 1929 would be removed.

All available scientific forces should set to work on the problem of developing new industry-creating inventions and discoveries. They should be given a clear road with full speed ahead. Government can help by providing a clearing house for these various groups in their work. It can also help by rendering judicious financial aid, as specific needs arise.

Schools should strive as far as possible to develop in their students a "creative" scientific mind. Not only this, but the personal incentive to make scientific and engineering research a life work must be made attractive enough to command the best talent in the present and future generations.

Leaders prominent in the fields of science seem to feel that if sums equal to a small percentage of the vast relief appropriations had been set aside 5 or 10 years ago to help science discover new industry-making, job-creating facts and inventions, a large part of the task of bringing forth the new opportunities we need today would have been accomplished.

This was not done. Today relief rolls are swelled with the unemployed.

Meanwhile, industry, labor, and government alike are faced with the responsibility of creating new opportunities.

The President's Message

EXTENSION OF REMARKS
OF
HON. THOMAS F. FORD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 14, 1938

Mr. FORD of California. Mr. Speaker, today we, the Members of the House of Representatives, face the grave problem of a troubled people at home and of war and turmoil abroad.

The primary question before the House is how effectively shall we meet the tremendous responsibilities that the prompt solution of our national problem demands.

Always in times of grave crises leadership is the first essential. We have that leadership in the White House in the person of President Roosevelt. We can profit by that leadership if we have vision and courage and the capacity to cooperate with and cheerfully support him.

It is my reasoned judgment that the vast majority of the American people believe in his wisdom, trust his judgment and agree with his objectives.

In a great Presidential message read to the House today, the President suggested a series of measures having for their purpose the reversing of the vicious downward spiral of deflation now in progress.

A prompt approval of these measures will, I believe, accomplish the very desirable end sought.

For that reason I sincerely hope that the Democratic majority in the House will close ranks and promptly enact the President's recommendation in substantially the form suggested in that message.

Three Hundredth Anniversary of the First Settlement of Swedes and Finns in America

EXTENSION OF REMARKS
OF
HON. FRANK E. HOOK
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 14, 1938

ADDRESS OF HON. EERO JÄRNEFELT, MINISTER FROM FINLAND TO THE UNITED STATES

Mr. HOOK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following remarks of Hon. Eero Järnefelt, Minister from Finland to the United States, at the Forefathers' Day Dinner given by the Commonwealth of Pennsylvania and the Swedish Colonial Society at the Benjamin Franklin Hotel, Philadelphia, Friday evening, April 8, 1938, commemorating the three hundredth anniversary of the first settlement of Swedes and Finns in America:

May I at the outset express the thanks of my Government to the invitation of the State of Pennsylvania to participate in this celebration of the three hundredth anniversary of your Commonwealth's beginnings? It is a happy occasion to come here tonight with your committee and the Swedish Colonial Society and join with you in commemoration of the historic events of so long ago. When Mr. Melvin extended the invitation in behalf of your State I was particularly pleased, for the earliest ties that bind Finland to the New World are more a part of present-day Pennsylvania than perhaps any other section of this great country. Let me explain. The earliest maps of the Dutch and Belgian map makers of what is now the eastern shore of the United States, of course, show the Delaware River colony of New Sweden. And on these maps we see a settlement designated Finland, so named by these pioneers from northern Europe in memory of their homeland. Today every vestige of that ancient community has disappeared. In the place of the log cabins that were the homes of these early Swedes and Finns, we see gigantic manufacturing establishments; instead of the broad cultivated fields waving with wheat or corn or tobacco, we have paved streets and modern homes of a substantial Pennsylvania city.

But even through the log cabins and the fields have disappeared, and these maps for the last 200-odd years have not borne the name of Finland upon them, yet something, I am certain, has survived this lapse of time.

When we picture these early colonists landing on these shores, stout-hearted and healthy and brave; cutting down the forest and building their log cabins and cultivating the land, must we not believe that as the stream of growing American life swallowed up this settlement and its people, there survived in those who followed them that same love of liberty and independence which brought them here; that there survived the industry and piety of home-loving folk; and the health and vigor of a peaceful people? I would not be true to the people of the country that I have the honor to represent, nor candid in my feelings, if I did not admit of these qualities as traditional in the Finnish people.

It is my privilege to make at this time an announcement of some importance, which is especially appropriate to this occasion.

There is now being completed, in Finland, at the hands of the foremost artist of our country, Mr. Vaino Aaltonen, a monument designed to commemorate the Finnish participation in this early settlement in America. This monument is to be a gift to the United States and to the Commonwealth of Pennsylvania from the people of Finland through their Government and from Americans of Finnish birth or antecedents.

The monument, sculptured from imperishable Finnish granite, will be shipped to this country next month. The site for its erection has been chosen in the city of Chester, Pa., in the area once covered by the farms of the little settlement called Finland. Through the good will and enterprise of the officials of the city of Chester the site has been chosen in a fine public park.

The unveiling of this monument will take place during the ceremonies commemorating the tercentenary of the Delaware River colonies next June.

I treasure the hope that Governor Earle and Mr. Melvin and others of your distinguished committee and your official family will be able to be there with us to celebrate the event. To me it will be a happy and felicitous occasion and should cement further the deep regard and affection in which the people of Finland hold the people of your great United States.

I thank you.

Liberalism in Government

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 14, 1938

ADDRESS OF HON. JENNINGS RANDOLPH BEFORE THE DEMOCRATIC STATE CONVENTION, AUGUSTA, MAINE, APRIL 9, 1938

Mr. RANDOLPH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me on April 9, 1938, before the Maine Democratic State convention:

Mr. Chairman, ladies and gentlemen of the convention—

"All power is inherent in the people; all free governments are founded in their authority and instituted for their benefit; they have therefore an inalienable and indefeasible right to institute government, and to alter, reform, or totally change the same, when their safety and happiness require it" (art. 1, sec. 2, Constitution of the State of Maine).

The excerpt from your State constitution which I have just quoted is an epitome of political philosophy. Embraced within its letter and spirit, we can discover the reason for man's existence as a social being, his purpose in the formation of, and submission to, a lawfully established government, and the objectives which he seeks to attain through the orderly processes of constitutional reservations and limitations. They are words which, though written over a century ago, today give a more fitting expression to the spirit of democracy than volumes of oratory which may be poured forth in their praise.

To us, assembled at this convention in the name of democracy, they are words of vindication and justification—a justification for the broad, humanitarian reforms inaugurated since the ascendancy of the Democratic Party to national power in 1932, and a vindication of the inherent right in the people of our Nation to dispose and direct the functions of government in order that the greatest good shall accrue to the greatest number of our citizens.

We are gathered, as were the framers of that Constitution, to justify and confirm that enlightened liberalism in government which is designed to secure to the people those primary, fundamental rights which transcend even the precious privileges of party and personal preference.

For 12 hectic years prior to 1932, that Nation had visited upon it the scourge of a false prosperity. During that time the people, lulled into a false sense of security, had permitted the powers of government to be exercised by undemocratic usurpers for the promotion of injustice and widespread economic disparities.

The American farmer was compelled to accept less for his product than the cost of production. One-fifth of the farms of the Nation were worked under the threatening shadow of mortgage foreclosures. In the field of finance, a chaos greater than this country had ever witnessed choked the streams of public and private credit. From 1928 to 1932 more banks had closed in failure than had ever closed before in world history. Industrial production had plummeted downward to slightly more than one-half of normal, and industrial employment had declined 40 percent. The wheels of industry and commerce had ceased to turn, and industrial paralysis was slowly petrifying the twin giants of American capital and American labor.

The business structure of the country was a hodgepodge of weird commercial practices. Outworn and unethical modes of business procedure and competition had permitted the accumulation of immense paper profits, and resulted in the strangulation of the smaller units of production and distribution.

The sweatshop, with its long hours and low wages, the unwholesome working conditions under which men and women were forced to labor, and the vicious competitive practices of unscrupulous business minorities were all looked upon with apathetic indifference by the preachers of the gospel of rugged individualism.

The reins of Government had passed from the hands of the people to the clutches of the economic privateers who placed profit above person and privilege above national welfare.

We are fully conscious of what happened when that reign of economic tyranny collapsed, because the very men who created it could not control the monsters of economic greed and political folly which they had spawned. The resounding impact of the crash was so terrific that even today the economic and industrial body of the Nation is still recovering from the blow inflicted upon it. In that hour America prayed for deliverance. And in the agony of its economic death throes, it turned for succor to that ancient party of the people and its inspired leader—the Democratic Party and Franklin D. Roosevelt.

We all know what happened. A lost faith in America and Americanism was rebuilt upon the bedrock of democratic foundations. The spark of hope for the future of America which had been quenched by the waters of Republican neglect was revived by bold strokes of political genius and fanned anew into the glowing flame of confidence.

And over and above all, there was the pervading spirit of charity—a practical charity which decreed that every man, woman, and child in America was entitled to his or her heritage of economic freedom and a means of livelihood.

In those days of restoration, the wisdom of the framers of your State Constitution, who followed our national charter as a model, was proven to be sound and farsighted. Let me quote their words to you again: "They (the people) have an inalienable and indefeasible right to institute government, and to alter, reform, or even totally change the same, when their safety and happiness require it."

Let me stress the particular words they choose—"Alter, reform, or even totally change." Did they not, in their foresight, envision a time when reform would be necessary? Did they not, with prophetic vision, discern the probable course of events which would necessitate alteration in the structure of government to meet the demands of a complex civilization? Remember that they were brave men who had recently severed all political ties with a tyrannical mother country. Should we have been less courageous in severing the shackles and bonds of an economic tyranny which threatened to destroy the very fiber of our Nation? They were not the disciples of the status quo. They were, in their own time, the Democratic Party of today—the true champions of a liberal, democratic government designed to perpetuate the ideals of freedom, justice, and equality.

We have kept faith with those pioneers of democracy. From March 4, 1933, down to the present day, we have endeavored to enact into law, within the bounds of the Constitution, such reforms and alterations as will prevent any recurrence of the excesses and abuses of so-called Republican normalcy.

First came the Banking Act, followed by the Federal Deposit Insurance Act, both designed and purposed to restore, not only the banks, but public confidence in the entire range of our financial institutions. Never again will the people of the State of Maine, or any other Commonwealth, see their life savings wiped out over night, and arise in the morning with only a closed bank door facing them in explanation of their pitiable plight. In the 4 years of Republicanism prior to March 1933, 7,000 banks closed their doors and bank deposits decreased by the stupendous amount of $15,000,000,000.

If the Democratic administration had contented itself merely with the correction of the abuses rampant in banking and financial circles, it would have earned the everlasting gratitude of the Nation. But by the processes of sane control and regulation, it has done that and more. Yet, only a few days ago, the Republican spokesman at Bangor demanded that the national administration retreat from this very policy of control and regulation. It is a matter for speculation whether he would have been so vehement in his demands had he consulted the 8,000,000 depositors in the 7,000 banks that closed between 1928 and 1932, thousands of them residents of the State of Maine.

Banks and banking are inanimate things. Let us turn our minds to the human grief and sorrow which the Democratic administration had pledged itself to alleviate. Did it keep faith with the people of America on that score? Let us look back to 1933 again. Every economic index in the Nation was on a downward course; between 15,000,000 and 16,000,000 Americans tramped the streets in idleness; hundreds of thousands of self-respecting American men faced the humiliation of bread lines, while their families lived intimately with the spectre of starvation; and all the while the Republican sages were blindly groping for a corner around which the promised land of prosperity would be found.

What, I ask, would the constitutional fathers of the Pine Tree State have done in those circumstances? You know the answer. Like the Democratic administration, they would not have hesitated to act—and if a Works Progress Administration and a Public Works Administration, and even a dozen other agencies had not been sufficient, they would have gone further and done more, because they believed that government is a servant of the people, whose every effort should be expended in ministering to the needs of its master.

Once again the wisdom of the people's choice was demonstrated. They had weighed their decision carefully, and with a full consciousness of the inability of the Republican regime to cope with the chaos it had produced, they returned the reins of government to hands qualified and capable to hold and direct them. Moreover, they confirmed the wisdom of their selection in 1934 and 1936. They knew that the Democratic Party was conscious of the fact that unemployment was a national problem and that it was the obligation of our Government to meet it in a national way.

We have always maintained that the first objective of a program of economic security is maximum employment in private industry at adequate wages. But where business fails to supply such employment we maintain with even greater emphasis that work at prevailing wages should be provided in cooperation with State and local governments on useful public projects, to the laudable ends that the national wealth may be permanently enhanced, the skill and energy of the worker may be utilized, his morale maintained, and the unemployed assured of the opportunity to earn the necessities of life.

We believe that these praiseworthy objectives fully justify every dollar spent by the Works Progress Administration, the Public Works Administration, the Civilian Conservation Corps, and the National Youth Administration. These agencies were created by the overwhelmingly Democratic Congress of the United States to fill the wide gap in the levels of unemployment which became increasingly alarming between 1929 and 1933. It cannot be denied, either by the opposition party or by business itself, that the national administration had no alternative but to create these agencies.

Our first objective was to provide a means whereby the unemployed in America could be guaranteed a minimum of social and physical well-being by affording to them the opportunities of constructive employment. In other words, we created a labor market, and we shall continue to provide that boon to the American people until the economic body of the Nation has fully recovered from the deadening diseases which prostrated it.

We hold no malice toward business and industry, but we believe that the leaders of business and industry were grossly misled by false prophets during the era of post-war extravagance. The pendulum is now swinging the other way, but until the industrial clock of the Nation is synchronized to keep time with the complex demands of modern days, we shall continue to provide, within reasonable limits, a relief which is commensurate with the malady it seeks to cure.

As for Maine itself, the effects of this sane policy are apparent on every hand. With the cooperation of State and local authorities, a full quota of Federal grants and subsidies has been put to most advantageous use. Throughout the length and breadth of the State, substantial improvements have been made in county and municipal physical equipment; in State road extension; in forest and park conservation; in recreational facilities; and in the development of the natural land and water resources peculiar to this section of the country.

Through the Public Works Administration, every city and town of any size in every county has, in one form or another, been enabled to carry forward necessary and beneficial public projects. These have filled the needs of the locality in which they are situated, but more than that, they have provided means for the utilization of all classes of skilled, semiskilled, and unskilled labor.

To prove to you that the Federal Government has not been neglectful or remiss toward Maine, let me briefly summarize the allotments of the P. W. A. through and including the date of August 31, 1937:

For State-wide projects Maine received a total of $3,666,796.

Androscoggin County received $175,000 for a post office at Lewiston.

For 12 projects throughout its area, Aroostook County received $64,046.

In Cumberland County $522,366 was allotted for 11 projects of a permanent nature.

In Hancock County, site of beautiful Acadia National Park, the sum of $287,028 was expended in permanently enhancing the natural beauty of that region through 23 worth-while projects.

In Kennebec County, home of our State capital, $1,161,706 was allotted for three projects, including the reconditioning and replacement of obsolete buildings.

Washington County received $131,354 for coastal improvements and a border station.

To York County the sum of $8,621,014 was allotted for construction of vessels, ordnance, and harbor craft in three projects.

In Knox County $99,585 was used in financing five projects of an enduring nature.

With other projects of a substantial character, these improvements entailed the allotment of $22,166,542 of Federal funds.

The question which naturally presents itself to our minds is this: Has this expenditure been justified? If it was spent merely for the purpose of spending money, we can all agree that the answer is "No." But if through this expenditure we have provided facilities for public purposes; if we have made a substantial contribution to the physical excellence of public property; if we have afforded opportunities for employment to the workers of Maine who were idle through no fault of their own; if, in other words, we have once again proved that government can serve the interests of its people—then the answer is emphatically "Yes."

As a supplement to this program of public works, the Federal Government has continued to operate, for relief purposes, the democratically created Works Progress Administration. Through this source, local authorities in Maine have been enabled to provide work for thousands who otherwise would be totally unemployed. While we are prone to think of this agency in terms of dollars spent, we cannot escape the fact that, in every community in which it operates, it has proven to be of inestimable social and moral value. It has permitted local government to function without unduly burdening the cost of local relief. It has provided for civic improvements which, though necessary, could not have been undertaken otherwise. Above all, it has provided jobs—jobs which have kept thousands of working men and women occupied in useful labor, thus meeting the demoralizing effects of enforced idleness.

How has Maine fared under the program of this branch of truly democratic government? Through February 28, 1938, $13,146,208 had been spent from Federal funds allocated to the Works Progress Administration in this State. Over four-fifths of this amount went directly into pay rolls. At the present time, there are approximately 7,314 persons employed in a wide variety of useful projects throughout the State. Out of this total, approximately 98 percent were recruited from the relief rolls.

Through September 30, 1937, approximately 45 percent of the total estimated cost of all W. P. A. projects in Maine had been expended on highway, road, and street projects. Chief among the other types of W. P. A. projects in Maine were sewer systems and other public utilities; airports, and women's work relief in sewing rooms.

Outside the field of construction, W. P. A. projects have also contributed materially to public welfare in Maine. More than 8,000,000 pounds of foodstuffs and 268,000 quarts of milk were distributed to needy recipients, and sewing-room projects produced nearly 600,000 articles, including over a half a million garments to be distributed to needy men, women, and children. Over 56,000 hot lunches were served to undernourished school children and about 22,000 public-school and library books have been renovated and rebound.

In the light of all these beneficial accomplishments, we can well inquire whether the Republican chant for decentralization means the decentralization of the people of the State of Maine from the Government to which they look for all of this material assistance as well as a means of livelihood. If that is the meaning of decentralization, then the Democratic Party wants none of it—and neither do the people of Maine.

There are two other agencies designed by the present Democratic administration to provide employment and both of them are most appropriately equipped for operation in the State of Maine. I refer to the Civilian Conservation Corps and the National Youth Administration.

In a State which boasts of such a wealth of forest and timberland, perhaps no more useful or valuable agency of government than a civilian conservation corps could have been created. This splendid service, which only last Tuesday celebrated its fifth year of efficient operation, has been an inestimable boon in the work of protecting and conserving the forest areas in Maine.

Since the inception of the C. C. C., a total of 12,800 Maine men have been given employment. During the month of February 1938, the average number of Maine enrollees working in Maine camps amounted to 1,562 youths. These sturdy American young men were engaged in the operation and maintenance of eight camps, situated in forests and parks. Long-range programs for advancing forest and park protection, forest improvements, and the development of public-recreational projects have been undertaken. The Civilian Conservation Corps is training its members for future useful citizenship and no more splendid work is being done anywhere than here in your own State.

Perhaps the greatest testimonial for this agency was delivered in the House of Representatives in Washington on Monday last when an additional appropriation was requested for the C. C. C. On the question to pass the motion for appropriating the sum requested, only 6 Members of Congress out of a total of 435 voted in the negative. Here is an endorsement which speaks volumes for the type of Government agency created by the Democratic administration. It is but another proof that it is entirely possible to act for the benefit of a class of our citizens who demanded action, and in so acting further the aims and purposes of democracy.

The National Youth Administration was set up and organized as a major instrument in the solution of the problems facing young people in this country. The State of Maine has received under this agency total funds in the amount of $784,579.86.

During the month of January, 672 school students in 186 secondary schools were being aided, while 481 college students in 18 colleges were participating in the benefits of this program.

One fact which is of outstanding interest in this connection is that 356 young men and women in Maine have left National Youth Administration works projects in the last 11 months for private employment.

Two of the most outstanding projects in the whole range of National Youth Administration endeavors are the construction project at the University of Maine and the educational-work project in Quoddy village at Eastport. National attention has been focused on these projects because of their unique nature. In both instances the resourceful quality of the character of young America has been cast into bold relief. We are led to believe that Federal money is well spent when we realize that we are therewith equipping the youth of the Nation with training and experience which will fit them for their proper place in life. In this regard, the Democratic Party is firmly convinced that the instrumentalities of government could not be put to any more practical or beneficial use.

Perhaps one of the greatest social measures ever enacted into the law of the land is the Social Security Act. This measure is designed to afford economic security to the millions of the American people who stand most in need of it. Broad in its humanitarian purposes, far reaching in its social and economic effects, this act was written, formulated, and enacted into law solely through the efforts of the Democratic Party. In the national platform of 1936, we pledged that "We are determined to erect a structure of economic security for all our people, making sure that this benefit shall keep step with the ever-increasing capacity of America to provide a high standard of living for all its citizens." These words, high in their promise to those classes of our people most worthy of such promise, are in perfect tune with your constitutional creed that government shall be reformed when the "safety and happiness" of the people shall require it.

We have remained steadfast in that determination. Here in Maine the benefits of the Social Security Act are in full operation. The old-age insurance program, which is directly administered by the Federal Government, is in full force and effect in your State. The remaining provisions call for Federal-State cooperation and Maine has now complied with Federal requirements and is thus participating in the benefits of unemployment compensation, old-age assistance, aid to the blind, aid to dependent children, and services for public health, crippled children, child welfare, and vocational rehabilitation. Behind every dollar spent under these various programs, there are the human stories of lives saved by adequate medical care, families enabled to remain united by means of financial security in old age, hope kept high throughout periods of unemployment, young lives rehabilitated for useful citizenship, and of joy and happiness brought into the lives of blind and crippled persons.

This is the type of sound, constructive government your Democratic administration has given the Nation. This is the manner and method in which democracy has been made to work—not for the benefit and privilege of the few—but for the service and benefit of all classes, be they poor, unemployed, underprivileged, sick, or blind.

Thus far we have recited the many accomplishments which the Democratic administration has achieved by constructive alteration and reform of governmental functions. The job is not

completed. Much remains to be done. Of the remaining tasks, there is none more important, more necessary, or more vital to the Stae of Maine, than the proposed wage and hour legislation.

There can be no doubt in the minds of the people that the administration in Washington has, and is, giving its full attention to this important subject. We have been fully conscious of the inequities of the existing order. As it is, we have given to the industrial workers of America concrete advantages much more substantial than the Republican dinner pail full of hopeless promises.

We have increased the pay rolls of the Nation's industries; we have enacted into the law of the land the laborer's right to collective bargaining and self-organization, free from the interference of his employer; we have provided the machinery of the Federal Government for the peaceful solution of labor disputes; we have placed the laboring classes of America in the path of equality; and we will not cease the struggle for the toiler's complete economic freedom until we have gained for him his proper place in the national sun.

We are aware that industry and commerce in Maine has suffered gravely from maladjustments in the economic order. But the evils attendant upon industry were so malignant in their character that time and careful diagnosis are necessary for their cure. We have committed ourselves to a program of correction and abolition of these evils; and I can safely warrant that in the near future there will be a composition of differences on the form which the proposed wage and hour bill will take. A wage and hour bill has already been passed in the Senate of the United States and we have every assurance that it will pass in the House of Representatives.

In this State and throughout New England, there has been a continuous movement of industry to other sections of the country, principally south. Many industrialists, lured to those sections where low wages prevail, have uprooted old established businesses in New England. In many instances, they did this, not because they desired to do so, but because they were unable to compete with the products thrown upon the market at a price far below their own cost of production. This situation was caused by the fair labor laws and good working conditions existing in some parts of our country and the substandard and bad working conditions existing in others.

In an attempt to raise the standard of the entire country and to allow no section to exploit men and women at the expense of another section, this administration strikes out boldly and accepts the challenge to aid those millions of unorganized and inarticulate workers who look to us for help. We will not let them down. This is the promise and pledge of the Democratic Party to labor and industry in Maine and the North. That pledge will not be broken.

For several years there has been a definite need throughout most sections of the United States, particularly in the larger centers, for a comprehensive housing program. This administration has made it possible and today thousands of apartments and homes are being constructed under the provisions of the act creating the Federal Housing Administration.

Coupled with this worth-while program has come a tremendous impetus for slum clearance. This is now being carried on through the United States Housing Authority.

Hundreds of thousands of low-income wage earners are being given the opportunity to participate in the rental of low-cost housing.

Everywhere, especially in congested areas, little children as well as parents are getting their first glimpse of sunlight in their homes as contrasted with the damp and dark cellarlike habitation of former days.

One of the greatest aids to industry has been and will continue to be the extension of the provisions of the Reconstruction Finance Corporation by this administration. Through this extension the R. F. C. has made available to needy industry funds which have brought about improvement and provided necessary capital.

Credit goes to this administration for the enactment of legislation which has liberalized the lending provisions of this Corporation so that small, independent business and industry could receive benefits which prior to the Roosevelt administration were confined almost entirely to large corporations. Wall Street, prior to 1933, received aid. But under the New Deal Main Street has been given its first recognition.

In this connection, I might say that the very ones who cry out against any Government regulation of industry and business are the ones who on more than one occasion have rushed to Washington to plead for financial assistance and democratic aid in a solution of their problems.

We have heard protests lately against the tax burden in the United States. Let these people who complain be reminded that the per capita tax in Canada, Great Britain, and France is much more than in our own country and the per capita debt in those countries is doubled and tripled in comparison with our own.

With the troubled conditions as they are throughout the world today, with wars raging in many parts of the globe, the great majority of the American citizenry feels safe under the guidance of this administration's foreign policies. They have confidence that in the cross currents of world affairs the United States will continue a well-chartered course of safety against foes—both from within and from without.

I have attempted to touch only the highlights of Democratic achievement and the reflections they have cast in the State of Maine. Let me impress upon you that these accomplishments are not campaign promises or political enticements. They are concrete, factual goals which have been realized within a comparatively short period. Compare them with the record of incompetence, dalliance, and futility which marked the preceding 12 years of Republican misrule, and then ask yourselves if you want a continuance of the inspired, humanized, and democratic Government now existing in the Nation, and strengthened by a democratic State government in Maine, or a return to the days of Government by entrenched economic minorities and their political footstools.

Democrats of this convention, I know your answer. The militant democracy of the State of Maine meets the challenge of the coming battle with renewed vigor. Efforts of the opposition to cause discord in our own ranks will not succeed. Eagerly we take our places, confident that the democratic form of government in America will continue gloriously, and with the further realization upon our part that there shall come a day when huts and hovels shall be changed into happy homes, when dreadful drudgery shall be changed into noble labor, and when those who have lived too long upon the ragged edges of life shall have more of the safety, security, and peace which is not for the few but for the many in this Republic.

Toward that goal we set our faces. We strike our tents and once more are on the march.

Rule or Ruin

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 14, 1938

Mr. REED of New York. Mr. Speaker, President Roosevelt has again shocked the public by his arbitrary demand that the discredited undistributed-profits tax and the capital-gains tax be retained in the pending revenue measure.

The action of the Senate in eliminating these two unsound principles met with the approval of the public, and from the moment the vote was taken business manifested a feeling of confidence.

The President, by his new demand that the pending tax bill retain its industrial discipline features, has again stopped plans for industrial development. This means more unemployment.

The new strategy of the President is to force Congress to ignore public sentiment and instead to either comply with his order as to the retention of the undistributed-profits tax and the capital-gains tax or to adjourn without enacting a revenue law.

This course, if followed, will leave the 1936 Tax Act, which has caused so much unemployment, in full force and effect. It is rumored in official sources that unless Congress does bow to the will of the President, that he will veto the measure, which will likewise leave the 1936 act in force. There are not enough votes in the Congress to pass the Senate bill over his veto, because the President can still exercise dictatorial power over more than one-third of the membership of the House of Representatives. I hope that the present vindictive and hostile attitude of President Roosevelt toward business will bring home to the public the danger of putting more power into the hands of a resentful, arbitrary Executive who insists upon the right to rule or ruin.

It must be apparent to any thoughtful citizen who cherishes his sovereign rights that if President Roosevelt will abuse the veto power to destroy such rights he would not have hesitated to misuse the vast powers he sought under the reorganization bill. The battle lines are tightly drawn as between a free people and a usurping Executive who denies that he aspires to dictatorship, but who in the next breath demands that Congress enact legislation injurious to and opposed by the public.

Jefferson and Roosevelt

EXTENSION OF REMARKS
OF
HON. SAM RAYBURN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 14, 1938

ADDRESS OF HON. JAMES A. FARLEY, APRIL 13, 1938

Mr. RAYBURN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of the Honorable James A. Farley on the one hundred and ninty-fifth anniversary of the birthday of Thomas Jefferson, delivered April 13, 1938:

It seems to me that on such occasions as this we are prone to look at the great figures of the past through a haze of history that makes them appear almost mythical or, at least, as beings of another world than that in which we live. They were supermen only by reason of their clearer thinking, greater courage, and a larger sense of public duty than the ordinary run of humanity. By reason of these qualities they became leaders, and, as they led wisely their fame has endured. We honor their memories because of the stones they laid in the great edifice of progress and civilization. Today we are honoring the memory of one because of our gratitude for what he did for us.

If it had not been for Thomas Jefferson this would have been a very different America. Perhaps it would not have been America at all.

Let us not think of him as an oil painting in stock and purple coat, but view him through modern eyes, as if he were still farming in Albemarle County, Va., practicing law and making his first essays in statesmanship in the colonial House of Burgesses.

Thomas Jefferson was a New Dealer, then and always. At a time when the law of his State put Quakers in the stocks, he was introducing measures for religious tolerance. When his fellow members of the landed aristocracy gravely spoke of the dangers of educating the common people, he was proposing a university for their schooling. When they were most concerned with the preservation of estates and families in the English fashion, he was agitating for the abolition of the law that made the eldest son the successor of all the property and honors. And when his own order was most jealous of its prerogatives, he conceived the principles later embodied in the Bill of Rights which humanized the Constitution of the United States and was the foundation of our civil liberty.

Jeffersonian democracy can be expressed in one word—Americanism.

Thomas Jefferson stood primarily for civil and religious liberty.

He stood for the absolute sovereignty of the people—and wrote it in the preamble of the Declaration of Independence.

He stood for the recognition of the economic rights of agriculture—and this runs like a golden thread through his entire correspondence.

He stood for the rule of the majority—but that is merely to repeat that he was an apostle of democracy.

He stood against privilege, against the age-old right of a favored few to use the instrumentalities of government to raise colossal fortunes through the legalized exploitation of the people.

He believed that the function of government is to assure the greatest good to the greatest number, and that any other kind of government leads to destruction.

He stood for that international peace which alone can come from a reasonable flow of commerce through all the customs of the world.

He stood for integrity in the public service—and no breath of scandal ever touched either of his two administrations.

He respected both man and money; but whenever a conflict of interests came he stood foursquare for man.

I am not referring to Franklin Roosevelt, though the description applies to him, and it is easy to confuse Jefferson and Roosevelt when you go down to the grass roots of their philosophy.

Jefferson stood for social justice, as does Roosevelt, because that is the only reliable insurance against social unrest and revolution.

Jefferson had the courage to find new trails. He knew that a constantly expanding nation cannot be put into a cement cast by one generation and long survive into another. He knew that while principles and objectives may be eternal, methods for their attainment must change to meet changed conditions.

But Jefferson was more than a political philosopher—he had the practical genius to give reality to his philosophy.

Dreamers are seldom doers, thinkers are seldom achievers; and it is because Jefferson, the thinker and the dreamer, was a doer and achiever that he has been hated by the enemies of democracy for more than a century and a half.

For Jefferson was the most practical politician of his age. His founding of what developed under Jackson into the Democratic Party was a miraculous achievement.

When the drift of government, in the early days of the Republic, was toward an oligarchy or plutocracy and away from democracy, he designed the Democratic Party to circumvent the drift.

And no man ever undertook to launch a political party under greater handicaps. The enemy was powerfully entrenched. It was a simple matter to mobilize and organize the enemies of popular government since they were men of large means, concentrated in the centers of population and easily accessible.

They did not have to be merged; they instinctively drew together and were held together by a common objective.

In Alexander Hamilton they had a leadership as brilliant as ever went forth to battle for the spoils of war.

Because they championed the cause of the rich and powerful their campaign coffers were filled to overflowing.

Because they plumed themselves on their aristocracy they drew the snobs who love to hang like cockleburs to the coattails of their betters.

Because of their control over credit they could coerce the small-business man to their support.

And they had the immeasurable advantage of being in possession. They held the fort and fought their defensive battle with superior weapons from behind the barricade of money bags.

That was the scene Jefferson surveyed when he set himself to the task of making this Republic a democratic nation.

The Nation was democratic, but the Democrats were scattered. They lived in the remote villages and on the farms. They were the workers of the cities, where workers had no dignity and few rights. They believed instinctively in democracy, fed on the free air of America, but no one had furnished them with the ammunition of facts and arguments with which to sustain or promote their cause.

And Jefferson determined to organize these scattered cohorts into an army; to mobilize the volunteers; to find leaders for them in every village and crossroads; to teach them discipline in thought and action; to make them march all one way, and that way the road to victory.

But how could he contact the scattered Democratic hosts? He could not use the telephone—there was none; nor the telegraph—there was none; nor the railroads to reach them personally—there were none; nor fly as now on the wings of the wind to the perfecting of his organization. And so he sat down at his desk with pen and paper and in personal letters laboriously set in motion the mighty movement that was to make this Nation a democratic instead of a plutocratic Republic.

It was he who anticipated the precinct committeeman and the district captains; for in his plan of organization there was to be a responsible leader at every cross road. He sought to draw into the organization the plowman in the furrow, the worker at the loom, the toiler on the wharf, as well as the lawyer and the merchant.

Thus the influence of democracy began to work and the Democratic Party gradually took shape.

But he knew an army cannot fight without ammunition, and that the ammunition of a political army is facts and arguments. And so he summoned to his side with unerring judgment the best brains in the party and set them to writing articles and pamphlets.

He raised money for their publication and distribution.

He launched and supported a newspaper, and the two Freneaus of New York and Charleston, the Baches and Duanes of Philadelphia, the Adamses of Boston, and the Spooners of Vermont inspired the workers with zeal.

He knew that in every campaign there must be a common plan; and to determine the common plan there must be a board of strategy in touch with sentiment in each community—and before he had finished there was a body, as yet unnamed, that developed into a Democratic national committee.

Thus he overcame the obstacles of distance, the difficulties of communication, and as though by waving of a magic wand the Democratic Party sprang into being—armed, munitioned, drilled, and militantly and brilliantly led.

Thrown into confusion and consternation by the miraculous emergence of a powerful organization dedicated to the triumph of democracy, the privileged few raised the stupid cry of faction, and Jefferson enrolled four-fifths of the American people into that faction.

Because he awakened the masses to their rights and duties, they called him a demagogue, and the demagogy of that day became the democracy of the next.

Because he brought the real producers of farm and shop within the circle of governmental interest, they said he had arrayed class against class, and he answered that the war he waged was for the extermination of class government.

But the natural wisdom and insight of the common people has always seen through the smoke screen of the forces of reaction and understood their motive.

Thus they swept Jefferson into power in a veritable revolution.

Thus they battered their way through the barricades of money bags, raised by the would-be plutocracy of their time, and bore Jackson on their backs to the seat of power.

And thus, in our day, they trampled over the prostrate forms of the Liberty Leaguers of 1936 and gave Roosevelt the most sweep-

ing mandate ever given to mortal man in the history of this country.

There is a lesson in all this: principles are the inspiration of battle, but you cannot win on principles without organization. From the grave at Monticello in these days comes the message of Jefferson—organize, organize thoroughly, move on like an army with banners, keep in step, and fight with a fervor worthy of the cause of democracy and humanity.

And be proud of this: The Democratic Party, born in 1790, almost a century and a half ago, has had dark days but never, in shame, has it thought to change its name; never has it been forced to hide itself behind an alias.

It found the proud Federalist Party powerful and glittering with the brilliancy of its leaders, and it supplanted it with real leaders, interested in the welfare of the masses.

It found the Whig Party with the old plutocratic principles hidden beneath a vest of many colors, and it saw it go to its final accounting unhonored and unsung.

And today the Republican Party has gone into a court of moral and political bankruptcy and applied for a receiver. Glenn Frank has been made receiver, but it's just too bad—there is nothing to receive.

It is all liabilities and no assets.

The fire on the hearth of the old Republican homestead no longer gives either heat or light. It has gone out.

The very doors are hanging loose on broken hinges. The cupboard is bare.

The old homestead is now for let, but no one wants to lease a dilapidated house haunted with memories of the sordid years that stretch like a desert waste between the mountain peaks of Woodrow Wilson and Franklin Roosevelt.

The Republican leaders are now imitating the confession trials of Moscow and are making confessions over the radio. Thus Governor Aiken admits that "today the Republican Party attracts neither the farmer nor the industrial worker," because, as he confesses, "to represent the people, one must know them."

And Senator VANDENBERG confesses that he is seeking the salvation of his party by making it a cross between fish and fowl, and is going to save American institutions by inviting the Liberty Leaguers to put their feet under its table for the enjoyment of the feast.

Why even Col. Frank Knox has awakened to the realization that his once proud party has lost caste, character, and public confidence because it has lost contact with the average man. The colonel has so much vision and penetration that he is in danger of deportation from the old Republican homestead as an undesirable alien. But we will give him a testimonial on one thing—he can make a perfect diagnosis. His confession, Moscow style, is patriotic and heartening, and we welcome him to the mourners' bench, will all our hearts. For—

"While the lamp holds out to burn,
The vilest sinner may return."

In their anxiety to find tenants for the old homestead Glenn Frank, the receiver, has issued a recent catalog of its alleged contents, and if ever that comes to the attention of the bureau of honest advertising he will be lucky to get off with 30 days.

What are the facts?

More than 8 years ago the Nation was confronted with the grave danger of a social and economic revolution which threatened the existence of American institutions.

The most vicious enemies of President Roosevelt will not have the temerity to deny that his courageous leadership saved us at the very brink of the precipice.

Imperative conditions forced us into new endeavors and some mistakes inevitably were made. But there has been no mistake in the purpose and no mistake in the goal which is a decent square deal for every one beneath the flag.

Certain achievements stand out like lighthouses on a dark night. First of all, we know we have restored the Government of the people, to the people for the equal service of all the people. Governor Aiken is right—"to represent the people, one must know them."

President Roosevelt has revived and fanned into a living flame the people's confidence in the efficiency of our institutions, after that confidence under Herbert Hoover had sunk to the lowest level in American history.

For the first time in generations, he has raised agriculture to an equality with industry, commerce, and finance. How that would have thrilled Jefferson who believed that the farmers and planters are the backbone of any civilization. The tiller of the soil has a dignity today that was denied him for half a century. And while all his problems have not been solved, they stand high on the program, and there they will remain until their satisfactory solution has been found.

The economic interests of the average man have been accorded a recognition by government they have not had since the days of Andrew Jackson.

We found ourselves far behind other people in meeting our obligations to organized society, and through the Social Security Act, Franklin Roosevelt has written his name indelibly high on the roll of the great humanitarians of history.

We are through with class government in America; we eliminate no class, and the real indictment against us by the reactionaries is that we include every class in the national patrimony.

Ten years ago Franklin Roosevelt saw there can be no sound prosperity that is sectional—it must be national; and no real and lasting prosperity that is a class prosperity—it must be a general prosperity or we shall not have national prosperity at all.

He saw in the complicated machinery of our complex civilization the inevitable dependence of each element on all the others. He realized that every branch of industry, and every class, that every producer, whether he labors with head, hand, or capital, is affected by the economic status of every other producer; and that the whole machine will ultimately slow down or stop if the smallest part fails to function smoothly.

And so he is the first statesman in generations to summon all men of good will, the manufacturer, the merchant, the banker, the broker, the farmer and planter, the worker in factory and mine, to an honest cooperative effort—for none of them can be truly served except through the service of the common good.

With the enormous resources with which God has endowed us, the only thing that can hold back general prosperity is a short-sighted refusal on the part of anyone to work in harmony toward the common good.

But one thing is certain: we are never, never going back to the economic anarchy of a few years ago.

We are never going back to the old philosophy of the pirate that "he may get who has the power and he may keep who can" regardless of the general welfare.

There has never been a progressive movement in the story of mankind that has not been embarrassed and obstructed by the die-hards holding out against the inevitable change of time and tide.

After Jefferson had won for democracy, the die-hards held out and sought by desperate means, even to treason, to wreck the popular Government he had created—but the people triumphed and democracy survived.

After Jackson won, the die-hards resorted to the methods of ruin, using thir control over credit to force us back on the mercies of the bank monoply—but the people triumphed again.

And since Roosevelt won by the greatest majority in history, the die-hards are mobilized in a last desperate attempt to wreck the reforms he has wrought, to end his efforts for the common good—but the people will triumph once more.

Fascism and communism are sweeping over Europe, destroying the freedom of speech, of the press, and of conscience because governments failed in their responsibilities. That is why the people in disgust and despair fell easy victims to the isms that curse and destroy. We are not going to let such a thing happen in America.

No system has yet been devised by the ingenuity of man that approaches democracy in the service of the people. We don't propose that the liberty and opportunity for which our fathers fought and died shall perish from our soil because we lack the initiative and the courage to put our house in order for its preservation.

The blessing of democracy that Jefferson brought us, that Jackson saved for us, that Roosevelt is saving for us now, is worth fighting for—for it is the cause of liberty and human rights.

We have the spirit of liberty in the soul of the people.

And the people have a leader who in humanity, in vision, in constructive genius and in courage looms above the apostles of all isms like a mountain peak above the pebbles at its base—and that leader is Roosevelt.

The British Civil Service System

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 14, 1938

Mr. SHANLEY. Mr. Speaker and my colleagues, I have heard so many references to the ideal civil-service system that exists in the English Government that I am impelled to ask the proponents of this praise these questions. Is it not true that the English system is premised upon general intelligence and training of the person seeking to become a civil servant rather than as it is in America upon the specific qualifications of the person for a particular position? Is it not one of the implications of the British system to exclude all those who have not been educated in a university?

I ask this last question because I have noticed that their examinations are in such collegiate subjects as history, philosophy, and languages, both ancient and modern. Certainly this seems to stress the educational and social advantages of the applicant much as our present examinations for the

foreign service. I may add that in America there has been no such aristocratic tradition in office as there has been in England. I ask these questions hoping that those who have made a study of this great subject will enlighten me. Those responses may well be the touchstone that may point out the difference between fictitious activity and genuine achievement in civil service and give the lie to those who are continually picturing the idyllic simplicity of the British system without understanding its bases.

The European Situation

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 11, 1938

SPEECH OF HON. HERBERT HOOVER BEFORE THE COUNCIL ON FOREIGN RELATIONS, AT NEW YORK, ON MARCH 31, 1938

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following very able, comprehensive, and interesting speech by former President Herbert Hoover on conditions in Europe and some constructive recommendations as to our foreign policies:

PART I

Over the years since the war I have received frequent invitations from many governments, cities, and universities in Europe who urged me to be their guest. This year I felt free to accept. It has been a unique honor to a private citizen of a foreign country. I come home deeply sensible both of their hospitality and their touching memory of American aid in times of war distress.

I welcomed the opportunity to observe at first hand the political, social, and economic forces now in motion 19 years after my last stay in Europe.

It seems unnecessary to state to an American audience that we are not isolated from the fateful forces that sweep through Europe. In 1917 we were directly enmeshed in Europe's great war. And you will not forget that fact that in 1931, after we had started to recover from our home-made slump, we were plunged into the deepest world-wide depression until then known to our history by the financial panic which swarmed out of Central Europe. While we cannot wholly protect ourselves against these intellectual, economic, or political forces, it is imperative that we understand them. Through understanding we can avoid some mistakes. We must abate some of their violence.

DISCLAIMS GIVING ADVICE TO FOREIGN PEOPLES

First of all, let me say I am not here tonight to tell governments or nations abroad what they should do. It is not the right of any American to advise foreign peoples as to their policies. But it is our duty to consider for ourselves the forces outside our borders which inevitably affect us.

In order that I may give to you my conclusions as to the American relation to these shifting European forces, I must first attempt to present to you a picture of them over the period of years which led to today's conditions.

As you are aware, I have had other direct experience in the European scene at different critical periods during the last 30 years.

The first of these periods was in professional work before the great war. That period was the golden age of Europe. Then Europe was progressive and virile. Through the impulses of modern invention, the standard of living and comfort was increasing. Through progressive thought, economic and social abuses were decreasing. Intellectual and spiritual freedom was on the march.

The second period of my contact with Europe was the first 2½ years of the war from 1914–17, when, in the name of America, I dealt with the heartbreaking backwash of war victims while the guns still boomed on the front. I moved freely on both sides of the battle line. I saw the rise of human brutality and its sinister employment of all the equipment of modern science. I witnessed the complete eclipse of everything that made for a better humanity.

RECALLS HIS EXPERIENCE AFTER THE ARMISTICE

Then came the armistice, and I had a third period of direct experience in Europe through Government service. Again I had a unique opportunity to see another era of great human forces in motion. That time it was my duty to administer, on behalf of our country, a great effort at cooperation with the former enemy governments—to restart the wheels of life in Europe. We joined hands with some 20 nations to restore communication, transportation, and credit, to aid agriculture and industry.

We sought to revive hope, to replace hate with sympathy. We fought a victorious fight against the most horrible famine and the worst sweep of pestilence since the Thirty Years' War, when a third of the people of Europe died. And we did much to nurse into promising youth the infant democracies which had sprung into being.

That intervention by America to heal the wounds of war was second only to our military intervention to end the war. Whatever the failures may have been since, we can take nothing but satisfaction at our effort to reconstruct both enemy and friend alike.

During the armistice period the world was filled with a sense of joyous relief, of hope, and confidence. The spirit of democracy and personal liberty had sprung into being over all Europe except in Russia. Freedom and government by the people seemed to us the guaranty of both progress and peace. Men thought a new and glowing period had dawned for humanity. They believed the forces of brutality had exhausted themselves. They thought that civilization, though grievously hurt, had learned an unforgettable lesson. I confess that I myself am on record as less optimistic because of the attitudes toward Germany.

REASONS FOR HIS VISIT TO EUROPE EXPLAINED

Now for the fourth period of my direct contact with Europe—19 years after the peace. While this journey has been one of glowing hospitality, it has not been a visit to review the splendors of cathedrals or castles, of art or scenery. I had no need to go to Europe to read statistics. We have plenty at home.

I had no need to go to Europe to learn the history of those 19 years. But I welcomed the opportunity of this visit to discuss the forces in motion with more than a hundred leaders whose friendship I had enjoyed in the past and probably another hundred whom I met for the first time.

In all I had these opportunities in 14 countries. It is impossible for mortal man wholly to evaluate such forces, even on the ground. It is possible, however, to learn more of the furniture in men's minds. And certainly with such contacts it is possible to form impressions of elusive yet potent movements which cannot be gained from this distance. And these forces are cumulating to affect our country greatly. They are cumulating to affect the very foundations of contemporary civilization itself.

PART II

Seven obvious forces or factors have come to the forefront in Europe over these 19 years.

The first of these is the rise of dictatorships—totalitarian, authoritarian, or centralized governments, all with so-called planned economies. Nationalism, militarism, and imperialism have certainly not diminished in 19 years. At one moment (if we include the Kerensky regime in Russia) over 500,000,000 people in Europe embraced these forms of democracy.

Today, if we apply the very simple tests of free speech, free press, free worship, and constitutional protection to individuals and minorities, then liberty has been eclipsed amongst about 370,000,000 of these people. But today there are 30,000,000 less people living under liberal institutions than there were before the war.

EUROPE OF TODAY CALLED RUMBLING WAR MACHINE

The second great movement today, partly cause and partly effect, is the race to arms. Every nation in Europe—Communist, Fascist, democratic—is now building for war or defense more feverishly than ever before in its history. In 5 years their expenditures have doubled from four to eight billion dollars annually. That is probably three times as much of their national substance as before the war. Europe today is a rumbling war machine, without the men yet in the trenches.

The third process in motion is increased government debts and deficits. There is hardly a balanced budget in Europe—that is, if we strip off the disguises of words. Government debts are increasing everywhere. Another inflation in some form seems inevitable.

The fourth movement is every European nation is striving for more and more self-sufficiency in industry and food production for either military reasons or to meet the necessity of planned economy. This applies not only to the Fascist and Communist areas but in some degree to even England and France.

The old-fashioned barrier to imports by simple tariffs has proved inadequate to protect these policies. New and far more effective walls have been erected around each nation by quotas, exchange controls, internal price-fixing, clearing agreements, and intergovernment agreements on both purchases and sales.

The fifth factor is the failure of the League of Nations as a potent force for peace, and its complete replacement by the old shifting balances of power. And they are certainly shifting.

The sixth of these forces is fear—fear by nations of one another, fear by governments of their citizens, fear by citizens of their governments, and the vague fear of people everywhere that general war is upon them again. And there is the fear of the promised massacre of civil populations from the air.

FAILURE OF MORALS TERRIBLE TO CONTEMPLATE

The seventh force is the steady increase in some nations of brutality, of terrorism, and disregard for both life and justice. Concentration camps, persecution of Jews, political trials, bombing

of civil populations are but the physical expression of an underlying failure of morals terrible to contemplate.

All in all, it is an alarming and disheartening picture. There is a brighter side. Their recovery from the depression has been better than ours. They have little unemployment. Some part of employment, especially in the authoritarian states, is due to a boom in armaments, nonproductive public works, and subsidized self-sufficiency programs.

And I do not believe general war is in immediate prospect. War preparations are not complete. The spirit is yet one of defense, not of offense. The power of military defense has so greatly increased over the power of offense that armies hesitate to move. New balances of power emerge to neutralize each other. Some groups still recollect the frightfulness of the Great War. Other groups are constantly working for peace and appeasement of the strains of Europe.

Many of their statesmen have skill and great devotion in guiding the frail craft of peace around the rocks in the rapids. But the world cannot go on forever building up for war and increasing fear and hate. Yet so long as there is peace there is hope. And my admiration goes out to those many leading men and women in Europe who are working so courageously and even heroically to preserve the peace.

PART III

These are the visible, apparent tides and moving storms. There are still deeper currents beneath them. I hardly need catalog them. They comprise all the inheritances of the war and, in fact, of history.

There were the injustices and unrealities of the peace treaties. There were the debts and post-war inflations that led up to the European financial collapse in 1931 with its enormous unemployment and misery, both to themselves and to us.

There has been one blunder after another. Not the least of them have been the lack of cooperation by the Allies with the struggling democracy of Germany; the rejection of the American proposals of disarmament in 1932 and the destruction of the currency conference of 1933.

MIXED POPULATIONS A TRADITIONAL PROBLEM

There is the ever-present fact of a thousand years of European history that on a score of boundaries there exist zones of mixed populations, each with its own age-old hates and aspirations. Whatever way these boundaries may be drawn, some people will be separated from their "fatherlands." Their agitations are perhaps the key to much European history and the key to one repeated war after another. Perhaps this was what George Washington had in mind in his Farewell Address.

There sounds constantly through this labyrinth the shrill note of new philosophies of government and the echoes of old orders of society disguised in new phrases. There are democracy, socialism, and communism of 57 varieties; there is fascism with its variations from soft to hard; there are autocratic forms all the way from disguised democracy through authoritarianism, totalitarianism to dictatorships and unlimited monarchy.

WARNINGS FOR AMERICA IN PLIGHT OF EUROPE

And these movements contain as many dangers for the American people as either the military forces or trade barriers of Europe. They require examination in any inquiry as to American policies.

I need not recall to you that after the war the first rise of hope to this distraught humanity was democracy. And the steps by which this liberty was lost are as important to the American people as what actually happens under despotism when it arrives. They indeed need to sink into the American mind.

No country started with the intention to sacrifice liberty. Each started to solve economic problems. In broad terms the steps are always the same. The economic system of Europe before and after the war was relatively free. There were many deep abuses. The new democracies brought resolute reforms on a large scale. But with the handicap of the miserable inheritances of the war Utopia did not come.

Then came socialism hand in hand with its bloody brother communism crying immediate Utopia in a wilderness of suffering people. They took advantage of the tolerance and freedoms of liberal institutions to mislead the people. Their methods were the preaching of class hate, the exaggeration of every abuse, the besmirching of every leader, blame for every ill that swept over their borders.

At the next step politicians arose by trying to compromise with these enemies of true liberalism. The result was government's constantly interfering with the proper functions of businessmen, labor, and farmers. By these compromises they further weakened the initiative and enterprise of the men who really made the system work. They destroyed that confidence and energy by which free economic systems are moved to great production. Finally came vast unemployment, conflict, and desperate people.

But socialism has not triumphed from its work. Socialism and its compromisers in Europe have invariably served only to demoralize democracies and open the door to reactionary forces.

FAMILIAR SLOGANS MARK BIRTH OF FASCISM

Italy produced fascism. Fascism promised a new Utopia through restored order, discipline, and planned economy, jobs and future for the youth. It is worthy of emphasis that fascism has already begun in the form of planned economy. And it was ushered in by the same cries and slogans that they were for the liberation of the common man.

With economic planning once started, each step has required another until it arrives at government dictation to business, to labor and farmers of wages, hours, production, consumption, prices, profits, finance, imports, and exports. Coercion becomes a necessary instrument, and then it is but a few steps to complete dictatorship. All opposition becomes treason.

Denounce it as we may as despotism and the destroyer of liberty and abhorrent to free men, yet the fascist form of government is today a raging power. Its acts are being rationalized into a philosophy. It has now embraced a sort of mysticism based on theories of racialism and nationalism. It is becoming a militant ideology. It does not hold within its original boundaries. Fourteen nations in Europe, with 240,000,000 people, have adopted these notions of fascism in major part.

APPARENT ACHIEVEMENTS OF NAZI PARTY CITED

In Germany fascism has had its most complete development under the iron rule of the Nazi party. In order better to understand the Nazi regime we must not overlook its apparent accomplishments. It has brought about a gigantic mobilization of a materialistic system at the hands of the government.

Great industrial wastes in strikes and materials have been eliminated. Great efforts have been obtained from the people in work and sacrifice of comfort. Progress has been made toward self-sufficiency. Some sort of employment and economic security has been brought to all who comply. And concentration camps give security to the balance.

New houses, jobs, and more recreation have been brought to the underprivileged. The support of a gigantic growing military machine has been successfully squeezed out of an already skimpy standard of living. Germany has been restored to a first-class military power. It is today feared throughout the world. Germany today burns with a prideful sense of restored self-esteem. Youth has been fired with new hopes and high emotions.

So far as material things are concerned the average German is today better off than 5 years ago. Yet to a lover of human liberty there is another side to even this picture. All the remaining democracies in Europe have made sounder and greater recovery from the depression than has Germany or any of the Fascist states in the same period. And the standard of living is higher in all the democratic states than in any of the Fascist states.

But for us there are deeper issues in all this. Under this regime the spirit of man is subordinated to the state. The individual must be developed into conformity with the national will as expressed by the leaders. Whatever is deemed by them as good for the state becomes the standard of justice, right, and morality. That has become the basis of law.

FOOLING ALL PEOPLE ALL THE TIME

And fascism has demonstrated a way to fool all the people all the time—by suppression of all criticism and free expression; and by drilling children and youth, stage by stage, to a governmentally prescribed mental attitude. A controlled press and organized propaganda have poured this new faith into the adults. It has stamped out, or controlled, every form of independent association from trades unions to universities. It has instituted a form of terrorism, for the fear of concentration camps is ever present.

Its darkest picture is expressed in the heart-breaking persecution of helpless Jews. Intellectual sterility and deadened initiative and individuality are its inevitable results. It is becoming a gigantic spartanism. And let no one believe it is about to collapse.

Parallel with the rise of the Fascist philosophy, Marxian socialism is a dying faith. They have some things in common. They are both enemies of liberty. The gigantic experiment in socialism in Russia is now devouring its own children and shedding rivers of blood. And it is moving steadily toward a sort of Fascist regime.

Now we must distill some conclusions as to what should be the American attitude toward all this maze of forces. We may divide our relations to them into three parts. Our relations to these forces politically, our relations to them economically, and our relations to them socially.

PART IV

I found most nations in Europe convinced that we would be inevitably drawn into the next great war as in the last. Some people build confident hope upon it. But every phase of this picture should harden our resolves that we keep out of other people's wars. Nations in Europe need to be convinced that this is our policy.

COLLECTIVE ACTION TO GAIN PEACE "DEAD"

Yet we are interested, vitally interested, in peace among other nations. The League of Nations, except as a most useful clearing house of economic and social information, is at least in a coma. Certainly the central idea that peace could be imposed by collective action employing military or economic force, is dead.

But these ideas of collective action now appear in a new form. I find in many quarters of Europe and some in America an insistence that, as democracy is endangered by the rise of dictatorships and authoritarian governments, therefore democracies should join in some sort of mutual undertaking for protective action. These ideas were greatly stimulated and encouraged by the word "quarantine" from these shores. Such proposals, if sincere, involve more than mere good words. Anything honest in that direction

implies the pledge of some sort of joint military or economic action by the United States with other powers. We may as well be blunt about it.

PROBLEMS INVOLVED IN ALLIANCES ABROAD

If we join with the two other powerful democracies, Great Britain and France, we are engaging ourselves in an alliance directed against Germany and Italy and all the satellites they can collect. But we are doing more than this. Great Britain has her own national and imperial problems and policies. Any commitment of ourselves will mean that we are dragged into these policies. France has her own special alliances and her own policies, including an alliance with Communist Russia. We would be supporting Stalin.

But more than all this, we would be fostering the worst thing that can happen to civilization, that is, the building up of a war between government faith or ideologies. Such a combination of democracies would at once result in combining the autocracies against the democracies. It could have all the hideous elements of old religious wars.

OTHERS' GOVERNMENTS NOT OUR BUSINESS

We should have none of it. If the world is to keep the peace, then we must keep peace with dictatorships as well as with popular governments. The forms of government which other peoples pass through in working out their destinies is not our business. You will recollect we were once animated by a desire to save the world for democracy. The only result that time was to sow dragons' teeth which sprang up into dictatorships. We can never herd the world into the paths of righteousness with the dogs of war.

While we should reject the whole idea of pledging our military or economic forces to any scheme for preserving peace by making war, we have both the obligation and the interest to organize and join in the collective moral forces to prevent war.

I know I will be told again that moral forces do not weigh much in a world of soldiers and battleships. But the greatest force for peace is still the public opinion of the world. That is a moral force. I will be told again that it has no weight. But I found everywhere an anxiety for the approval of world opinion. Every consequential nation supports at great expense a propaganda bureau for that purpose. The dictatorships especially devote themselves to it.

And why? Because the desire of nations for the good opinion of mankind is not dead. Secretary Hull's eloquent denunciation of international lawlessness was echoed in every newspaper in the world. Decency is still news.

I believe there are methods by which the moral forces for peace and international cooperation for progress could be better organized than they are today. At this moment of despair in the world the problems of armament and economic degeneration press dreadfully for solution.

PROPOSAL IS MADE ON WAR-DEBT PROBLEM

There is a measure for very modest but long-view action by our Government that could bring great benefits to us and to other nations. It would serve to reduce greatly the area of frictions upon our war debt problem. After the armistice we established credits for reconstruction and food to Poland, Belgium, Estonia, Latvia, Lithuania, Finland, Czechoslovakia, Hungary, Greece, Rumania, and Yugoslavia. Only Finland has stanchly maintained these payments. The others are awaiting the action of the large war debtors. There are likely to be difficulties over these matters for years to come.

I believe we should consider suggesting to these relief-credit countries as distinguished from the war-credit countries a readjustment of the debts and—

That each of them make these payments into a fund in their own country in their own currencies.

That this fund be used for extension of higher education, scientific research and for scholarships in their own universities; also for exchange of postgraduate students, professors, and scientific information between the United States and that country.

That these funds are to be administered jointly by Americans and their nationals.

There will thus be created a joint interest with us from which we will generate benefits far greater than we will otherwise receive. The cumulative effect over the years of building up a great body of influential men and women in those countries who would understand our country and believe in us would count greatly both in economic relations and in times of international emergency. And we shall have made a contribution to civilization which may be of no quick material value but which will serve as a great monument to our foresight.

In summary, in the larger issues of world relations, our watchwords should be absolute independence of political action and adequate preparedness. That course will serve the world best. It will serve our interests best. It will serve free men best.

PART V

In the field of international business we have much to think about. The prosperity of nations is the best antidote for the poisons of fear and hate. But that prosperity will be sadly limited as long as the present barriers to trade continue. They grow worse every month, and they directly affect our American workers and farmers every week.

BARRIERS TO COMMERCE APART FROM TARIFFS

I must amplify what I have already said as to these barriers. In these present-day barriers the old-fashioned tariff plays but a minor part. The infinitely more potent system of quotas, exchange restrictions and internal control of the buyer, erect a solid wall against imports. This wall is opened only through Government-controlled gates, for specified commodities from specified countries. It matters little how low the tariff of a foreign nation may be if our American producers cannot obtain permission to move goods through the gates of the quota or to obtain payment in our own currency for the goods. Nor are these new barriers limited to the despotisms. They are increasingly in use in European democracies as well.

At this moment our exports to over 300,000,000 people in Europe meet barriers far more potent than tariffs. And to another 200,000,000 they are partly controlled outside of tariffs. These additional trade barriers now affect nearly half of the world's commerce.

When we examine these barriers we find they have developed both offensive and defensive characteristics. Their main purpose is to force self-sufficiency in internal production. That is partly a measure of military defense. It is partly a measure to solve money exchange difficulties arising from unbalanced foreign trade and unbalanced budgets with their unstable currencies. Moreover, when governments undertake planned economy by managed currency production, wages and prices, they must also control both imports and exports.

In other words, one of the consequences of planned economy is to place foreign trade more and more in the hands of the government. Thus this part of the world commerce is steadily degenerating into one more implement of military and political policy.

SOME DANGERS SEEN IN RECIPROCITY TREATIES

Equal treatment of nations has been largely abandoned under these new devices. Quotas are being assigned between nations for other considerations, such as political affinity or credit advantages. For instance, the quota for automobile-tire imports recently has been traded around among European nations almost to our total exclusion. I fear the reciprocity treaties in mutual lowering of tariffs will work out a one-way road under the practices of these new barriers. Some part of our workers and farmers who have been accustomed to produce goods for export are going to be out of a job so long as these practices last.

There are four alternative courses. We can, in an effort to ameliorate our situation, put penalties on the shipment to us of goods from countries whose practices in these ways discriminate against our goods. Or we could take advantage of our vast resources and by more protection establish some self-containment of our own. Or we can resume the fundamental approach to world sanity and trade peace by international cooperation as planned for the conference of 1933. Or we can make up our minds to keep a part of our people on relief for a long time.

My own conviction is that the world muddle of unstable currencies has more to do with the maintenance of these artificial trade barriers than any other one factor. If the problem is to be corrected fundamentally on an international scale, it must be approached ultimately at this point.

COLLECTIVE ACTION FOR TRADE SUGGESTED

It is probable that courageous discussion and action among a group of nations might be an entering wedge to the jam of barriers. Gradually the trade of the world might be re-established from such a nucleus. And these questions are not economic abstractions. They create or destroy the jobs and the happiness of millions of our people.

PART VI

The third of our attitudes which I wish further to discuss is our American relationship to the vast ferment of new and old social philosophies which boils furiously throughout the world. The wholesale eclipse of democracy must concern us. Our national mission is to keep alight the lamp of true liberalism. But it is in the United States that we must keep it alight.

Every few centuries the world gives birth to new systems of government and life. Or it resurrects old systems under new phrases. In any event, they mostly revolve around two old and diametrically opposed concepts—that the development of the individual is the prime purpose of the state or the individual is the pawn of the state. On one hand the individual possesses rights and on the other he does not; in the one concept the state is the organized expression of the will of individuals within it, in the other the individual is but the transient property of the state.

TRUE LIBERALISM NOT MERE MIDDLE GROUND

True liberalism is not a mere middle ground between fascism and socialism. Both fascism and socialism hold to the other concept—that the individual is but the pawn of an all-wise, omnipotent state. Liberalism has no compromise with either of these two forms of the same concept.

Let no man believe in either of two popular misapprehensions so widespread in this country today. This philosophy of communism is not imposed suddenly, new born, from the bottom up. And this thing called fascism is not imposed suddenly, new born, from the top down. Both grew in prepared soils. Both are the aftermath of a gradual infection of democracy, a gradual perversion of true liberalism.

And let me again repeat that democracies are first infected by the plausible notions of "cure the business slump" through so-called economic planning. Every step in this direction requires another. Every step further demoralizes free economy. And step

by step more force and coercion must be applied until all liberty—economic and personal and political—is lost.

PLANNED ECONOMY AS A LINK TO FASCISM

Let no man mistake that we in America have until now avoided the infection of these European systems. If our own so-called planned economy is not an infection from the original stream of fascism, it is at least a remarkable coincidence.

The leader of German fascism in a speech last week hurled the taunt to democracies that "not a single decent nation has died for the sake of democratic formalities." To the extent that races do not actually die because they forfeit individual liberty, that may be true. But what is far more important is that when true liberty dies then justice and truth die. And intellectual progress and morality die also.

I have no doubt that fascism will fall sometime, just as Marxian socialism has failed already. The stifling of intellectual progress, the repression of the spirit of men, the destruction of initiative and enterprise will offset all the efficacies of planned economy. Even economic life cannot succeed where criticism has disappeared and where individual responsibility is constantly shirked for fear of the state. Even in Fascist countries liberal ideals are not dead and will not be downed. Every despotism today lives with fear of liberty at its heart—or there would be no concentration camps.

And I may add that, having listened in many countries to eulogies of planned economy and fascism and of their benefits to the common man, I detected in every case the hope that some day liberty might return. The spirits of Luther, of Goethe, of Schiller, of Mazzini, and Garibaldi are not dead.

REVITALIZATION URGED OF DEMOCRATIC IDEAL

Moreover there has been nothing shown me in Europe in elimination of wastes or better housing or security to workers or farmers or old age that we cannot do better under democracy, if we will. Though I had little need for confirmation in my faith, I pray God that this Nation may keep its anchors firmly grounded in intellectual liberty and spiritual freedom. These values can be preserved only by keeping government from the first pitfall of direction or participation in economic life—except that it shall sternly repress, by due process of law but not by edict, every abuse of liberty and honesty.

The protection of democracy is that we live it, that we revitalize it within our own borders, that we keep it clean of infections, that we wipe out its corruptions, that we incessantly fight its abuses, that we insist upon intellectual honesty, that we build its morals, that we keep out of war.

That is the greatest service that this Nation can give to the future of humanity.

Sterilized Gold

EXTENSION OF REMARKS

OF

HON. GEORGE D. O'BRIEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 14, 1938

Mr. O'BRIEN of Michigan. Mr. Speaker, on December 22, 1936, the Secretary of the Treasury created the inactive or sterilized gold fund in the United States Treasury.

From that date forward the gold acquisitions purchased for $35 per ounce were not paid for by the issuance of gold certificates but were paid for by Treasury obligations.

By June 30, 1937, the inactive or sterilized gold fund had reached $1,086,787,223.

During the summer of 1937 we were acquiring such gold for the inactive fund at the rate of $140,000,000 a month.

On June 14, 1937, I introduced H. R. 7516, a bill to direct the Secretary of the Treasury to pay for gold purchases with noninterest-bearing currency instead of with Government bonds, and providing as follows:

Whereas the Treasury of the United States is purchasing (in pursuance of the Gold Purchase Act of January 30, 1934) gold in the approximate amount of $140,000,000 each month and paying therefor with interest-bearing bonds of the United States; and

Whereas there is a great excess of gold in the Treasury compared with the circulating currency: Therefore

Be it enacted, etc., That the Secretary of the Treasury, with the approval of the President, is hereby directed to pay for all gold purchases by issuing gold certificates and depositing such gold certificates with the Federal Reserve Board, which shall thereupon issue noninterest-bearing Federal Reserve notes for the payment of such gold purchases.

On February 15, 1938, the amount of gold in the inactive fund had reached $1,213,602,937.83.

On February 14, 1938, the Treasury announced that the first $100,000,000 of gold acquired in each quarter of this year would not be sterilized. Instead, gold certificates would be issued. The excess over $100,000,000 in each quarter still goes into the inactive gold fund and no change is made in regard to the accumulated gold in the inactive fund.

On January 31, 1938, I introduced H. R. 9255, a bill to issue currency for the inactive gold in the United States Treasury, providing as follows:

Be it enacted, etc., That the Secretary of the Treasury, with the approval of the President, is hereby directed to issue gold certificates in an amount equal to the value of the gold in the inactive gold fund in the Treasury of the United States and deposit such gold certificates with the Federal Reserve Board, which shall thereupon issue to the Treasury of the United States noninterest-bearing Federal Reserve notes in the amount of such gold certificates.

By virtue of the Gold Reserve Act of January 30, 1934, all such sterilized gold is the property of the United States.

On December 22, 1936, when the sterilized-gold fund was created, it was done purposely as a deflationary measure to offset an anticipated inflation.

Since November 1937 we have been going through a severe deflation. It appears very plain that the deflationary policy of maintaining the sterilized-gold fund should be reversed.

At this time there is in the sterilized-gold fund $1,182,974,522.81. Since this gold is the property of the United States, currency can be issued for it and the money spent for public works or other measures to counteract the present deflation and start this additional currency flowing through the channels of trade and industry.

Sweetpotatoes—A New Cash Crop for South Mississippi

EXTENSION OF REMARKS

OF

HON. WILLIAM M. COLMER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 13, 1938

On the bill (H. R. 10238) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1939, and for other purposes

Mr. COLMER. Mr. Speaker, in the pending bill, the same being H. R. 10238, the Agricultural appropriation bill, is found an item appropriating $20,000 for a pilot dehydrating plant for future experimentation in connection with a Government experiment station at Laurel, Miss. I desire to call the attention of the membership to this item and to throw some light thereon.

I have on my desk in my office a little vial of starch. It is an insignificant appearing little bottle, but about it centers an interesting story, which with your permission I desire to dwell upon briefly.

In 1933 I had a conference with one Dr. F. H. Thurber, a chemist connected with the Bureau of Chemistry and Soils of the United States Department of Agriculture. Dr. Thurber gave me this little vial of starch which he had produced from sweetpotatoes in a small laboratory on the outskirts of the city of Washington. He enchanted me with a most interesting word picture of how he, working in conjunction with other chemists, had discovered that starch could be made from sweetpotatoes. Moreover, he advised me that the Department of Agriculture was considering the establishment of a factory to demonstrate the practical conversion of starch from the lowly sweetpotato on a commercially profitable basis. Many more conferences resulted with Dr. Thurber and with the heads of the various departments of the Agriculture Department. This laboratory experiment was finally authorized on a large scale, and Harry L. Hopkins as administrator of the relief forces agreed to furnish

the necessary funds therefor. When it became known that the plant would be constructed there was lively competition for its location in several of the Southern States.

LOCATED AT LAUREL, MISS.

Through the efforts of Senator HARRISON, the senior Senator from Mississippi, and myself, together with other interested parties, the plant was located at Laurel, Miss., and the Government in the 5 years since its beginning has expended in excess of $200,000 on this project.

A DEMONSTRATED SUCCESS

Mr. Speaker, on many occasions I have visited this plant at Laurel and have observed with increasing interest and pride its steady progress. From time to time it has been necessary to secure additional allocations of funds to continue the experimentation, because necessarily in a pioneering enterprise of this nature many changes in the plans had to be made from time to time. But I am happy to report to you today that this experiment, which started on the banks of the Potomac here, has demonstrated in the plant at Laurel that starch can be profitably and commercially produced from sweetpotatoes.

THE PLANT

The plant itself, as you may judge from the amount of expenditures heretofore made, is quite a sizable one. It was erected in 1934 with funds allotted by the Federal Emergency Relief Administration. It is leased at a nominal rental by the Mississippi Agricultural Experiment Station, to whom it was deeded, to a cooperative association of some 400 sweetpotato growers in the vicinity of Laurel, Jones County, Miss. It is operated under the chemical and technological supervision of the Bureau of Chemistry and Soils, United States Department of Agriculture.

PRODUCTION

The process was developed to the extent that during the harvesting season of 1936 it produced approximately 420,000 pounds of starch and 180,000 pounds of a dried byproduct pulp. The latter is a very nutritious food for cattle and was sold for dairy feed. In 1937 there were between 500,000 and 600,000 pounds of starch and a corresponding amount of the byproduct pulp produced. The present, or 1938, season promises to be the banner year for the production by the factory.

Already arrangements have been made to plant twice as many potatoes in the vicinity of the plant by the farmers this year as last year. At first the farmers, wisely, not being advised in the premises, were slow to respond. But the fact that they will plant more than twice the acreage this year is indicative of the fact that they, too, now see the possibilities of this new industry. Moreover, in the beginning the farmers were only paid 20 cents a bushel for their potatoes. Last year, through the assistance of the Agricultural Adjustment Administration, they were given a 10-cents-per-bushel additional payment for crop diversion.

USES OF STARCH

This starch product is of a very high quality and does not generally compete with the cornstarch produced in other sections of the country. Most of the starch now being produced in this factory is being consumed by cotton mills, but the laundries, particularly in Mississippi and Alabama, have learned that it makes a most satisfactory laundry starch. The textile mill located at Laurel has been using this starch almost exclusively for the past year or more, I am advised, with most satisfactory results. The Bureau of Chemistry and Soils has discovered that this starch can be used most effectively as a dextrin superior to that now imported and used as adhesives for postage stamps, labels, and envelopes.

PROFITABLE TO THE FARMERS

One of the most satisfactory results of this new enterprise is that it promises to be a boon to the Mississippi and other southern farmers in States where sweetpotatoes can be grown profitably. One of the crying needs in the South, with the increasing loss annually of our foreign markets, is the necessity for another cash crop than cotton in our Southern States. It has been estimated that at 30 cents per bushel the farmers in the vicinity of this plant receive a return of about $60 gross per acre on the average yield of 200 bushels of sweetpotatoes to the acre. This compared with around $40 per acre from cotton in that vicinity is most encouraging. However, by experimentation in the first years that potatoes have been raised for this purpose, the yields have increased from around 80 bushels per acre to as high as 450 to 500 bushels per acre. As a result it is readily seen that farmers in that vicinity growing sweetpotatoes for the starch plant in 1937 generally made a much greater profit per acre from their potatoes than they did from their cotton. This has resulted in considerable stimulation of the planting of potatoes in that section and has further stimulated the interest of farmers generally in this subject. In fact, as stated previously, there will be more acreage planted than the factory can possibly handle unless this dehydrating plant is installed before harvesting season.

DEHYDRATING PLANT

It was for this reason, Mr. Speaker, that we have been so energetically trying, in our efforts before the Appropriations Committee, the Budget, and the Department of Agriculture, to see to it that this appropriation of $20,000 for this dehydrating plant was placed in this bill and the funds made available at an early date. Heretofore the plant has been enabled to run only seasonably, that is to say that the plant could only operate during the harvesting season. The potatoes would not keep because of their peculiar nature and tendency to mold, and must, therefore, be ground immediately upon being harvested. Now, under the dehydrating process it will be practical to operate this and similar plants the year round. This dehydrating process is simply receiving the potatoes during the harvesting season, grinding them and subjecting them to the action of certain chemicals, either in vapor or in liquid form. The cell walls of the potato tissue thus become very permeable to liquid. As a result most of the juice of the potato can be pressed out by mechanical means. The Government chemists have discovered that the use of sulphur dioxide; that is, the fumes of burning sulphur, is the cheapest chemical to use; and that this process is much cheaper than the evaporation of water by heat. It is possible by this means to press out as much as 80 percent of the water in the sweetpotato in the form of juice; whereas, without this mechanical treatment, it is possible to only extract about one-tenth as much juice using the same pressure.

NECESSITY FOR THIS APPROPRIATION

My colleagues will, therefore, observe the necessity for this small appropriation of $20,000 in order to further continue the experimentation for this drying process. In other words, it appears that this is the final adjunct necessary to fully demonstrate the commercial practicability of the establishment of many such plants as we now have at Laurel. It will insure what we have hoped and dreamed of for the past several years, namely, the erection of hundreds of similar plants by private industry throughout Mississippi and other sweetpotato-growing States.

And, Mr. Speaker, in this connection I desire to make this public announcement of my gratitude to the members of the Appropriations Committee for their wisdom and their sympathetic hearing of our cause before the committee and the placing of this most meritorious item in this appropriations bill.

FUTURE OF THE INDUSTRY

That this experiment, and that is all that it has been up to this time and the only way that it could justify its construction and existence, has justified our faith in it is now unquestionable. We are all grateful to those wizards of chemistry, who in the silence of their laboratories have hour after hour and day after day conducted their experiments. We salute those who have had the wisdom and the foresight to go along in this worth-while undertaking to establish a new industry to benefit mankind and to help the farmers in finding a new market for an old product.

IMPORTATION OF STARCHES

The United States produces between 700,000,000 and 800,000,000 pounds of cornstarch annually, but domestic root starch is confined to a relatively small amount of white-potato starch, produced principally in Maine, and to sweet-potato starch, produced at the Laurel factory. On the other hand, the United States imports annually approximately 300,000,000 pounds of root starches. In fact, practically all of the starch that goes into our stamps is imported from the Netherlands and other countries producing these starches. This amounts to in excess of 700,000 pounds of cassava dextrin annually.

In view of the discovery of our chemists that this product made in the plant at Laurel is more desirable for making the glue that goes on the back of stamps than that which is imported, the question naturally arises as to why we should not use our own product. The answer is that this foreign starch can be produced so cheaply, due to cheap labor conditions, that the transportation charges can be paid from the Netherlands to this country and still undersell our home product. The next inquiry that arises is why not place an excise tax on the importation of these starches such as we impose on any other imported goods. Again, the trouble is that we run into the opposition of the policy of the administration's State Department. In its trade agreements the State Department has placed these starches on the free list.

Notwithstanding this, a few days ago, when the House was considering the Revenue Act of 1938, I offered an amendment to the bill which would have placed a 2½-cent excise tax on tapioca, cassava, and other imported starches. This was defeated by a small vote. But since this trade agreement expires in January of 1939, the Honorable CHESTER THOMPSON, who so ably represents the Fourteenth District of Illinois, and I hope that by that time we can get this tax on these foreign products.

In conclusion, Mr. Speaker, I believe that out of this experiment will grow an industry that will be a boon to our south Mississippi farmers and the upbuilding of those sections of the country where sweetpotatoes can be abundantly grown as in south Mississippi. It is estimated that 150 factories similar to the one at Laurel would be necessary to produce the starch which we now import. This, of course, would result not only in another cash crop and a diversification for our southern farmers, but it would mean the future industrial development of this section and the employment of thousands who now find it so difficult to find employment.

Moreover, I have hinted at some of the new uses that are being discovered for this product of the sweetpotato. We already have demonstrated that this starch and its byproducts can be used successfully and profitably on a large scale in our textile factories, furniture factories, as an adhesive for stamps, envelopes, and binding, laundries, as a dairy feed, and other uses too numerous to mention. Dr. Paine, of the Bureau of Chemistry and Soils, has pointed out that it is highly possible to convert the sugar obtained as a byproduct from the dehydrating process to alcohol by fermentation. The possibilities from future chemical research are almost unlimited. So I hope that I may be pardoned on this occasion if my enthusiasm for this industry leads me to predict that from this experiment there will grow a valuable and substantial industry that will revolutionize my section and make prosperous thousands of its citizenship.

Let's Look at the Record

EXTENSION OF REMARKS

OF

HON. MICHAEL J. STACK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 14, 1938

Mr. STACK. Mr. Speaker, as the representative of the people of the Sixth Congressional District—West Philadelphia—of the great State of Pennsylvania, I am herewith rendering an account of my stewardship in the Halls of Congress for the three sessions of the historical Seventy-fifth Congress.

As the distinguished Speaker and my colleagues here in the House, particularly those coming from the great State of Pennsylvania, know, the so-called leaders of my party back home have consistently opposed me for renomination and reelection to this great body, as they are now doing in the primary of May 17, 1938. The so-called Guffey organization and the so-called State Democratic organization having endorsed opponents to run against me in the primary.

Why these two political organizations are opposing me is their business, as it is also the business of the good people—the non "purchased" voters in my district to vote for and support me.

Ah, yes, I know that all the money, power, and political patronage of the Democratic Party, State and Federal, will be used against me. I also know I am a poor man and cannot fight back with money and political patronage—but with the help of the decent voters in my district I am confident we can, on May 17, 1938, repeat what we did April 28, 1936, when we beat them 2 to 1.

I live in my district and know my people—the business man, the professional man, and the workingman—as my friends and neighbors, who come to my office on Fifty-second Street, on my weekly trips to the district, to lay before me their wishes regarding legislation affecting the district or the country at large. I have tried to be their mouthpiece in Washington—I think I have kept the faith.

No boss or set of bosses can tell me how to vote in Congress except the people of my district—all the people in my district.

As our old friend the "Happy Warrior," Al Smith, used to say, "Let's look at the record."

As a veteran who fought and bled for his country I am and have been in favor of all reasonable veteran legislation, having introduced several bills in behalf of the veteran, particularly legislation for the benefit of the Military Order of the Purple Heart and for a new veterans' hospital in Philadelphia.

As a friend of the postal employees, I stood 100 percent behind my friend "JIM" MEAD, the distinguished chairman of the Post Office and Post Roads Committee, in his endeavor to help them.

The destitute and needy in my district—the one-third ill-clad, ill-fed, and ill-housed—have been and are my chief concern, and I have supported and will continue to support any legislation in their behalf. I am, however, against making a political football of the W. P. A., while those on relief, through no fault of their own, are still walking the streets of Philadelphia looking for the W. P. A. jobs they cannot get because they are not politically endorsed.

I am against starvation and sweatshop wages and introduced in the third session of this Congress the American Federation of Labor bill, H. R. 9628. I have a 100-percent record favorable to labor.

[American Federation of Labor. Executive council: President, William Green; secretary-treasurer, Frank Morrison; American Federation of Labor Building, Washington, D. C.

[First vice president, Frank Duffy, Carpenters' Building, Indianapolis, Ind.; second vice president, T. A. Rickert, 621 Bible House, New York, N. Y.; third vice president, Matthew Woll, 570 Lexington Avenue, New York, N. Y.; fourth vice president, John Coefield, Machinists' Building, Washington, D. C.; fifth vice president, Arthur O. Wharton, Machinists' Building, Washington, D. C.; sixth vice president, Joseph N. Weber, 1450 Broadway, New York, N. Y.; seventh vice president, G. M. Bugniazet, 1200 Fifteenth Street NW., Washington, D. C.; eighth vice president, George M. Harrison, Railway Clerks' Building, Cincinnati, Ohio; ninth vice president, Daniel J. Tobin, 222 East Michigan Street, Indianapolis, Ind.; tenth vice president, Harry C. Bates, 815 Fifteenth Street NW., Washington, D. C.; eleventh vice president, Edward J. Gainor, 408 American Federation of Labor Building, Washington, D. C.; twelfth vice president, W. D. Mahon, 260 Vernor Highway, East Detroit, Mich.; thirteenth vice president, Felix H. Knight, 400–403 Carmen's Building, Kansas City, Mo.; fourteenth vice president, George E. Browne, Earle Building, Washington, D. C.; fifteenth vice president, Edward Flore, 426 Woodbridge Avenue, Buffalo, N. Y.]

WASHINGTON, D. C., *April 13, 1938.*

HON. MICHAEL J. STACK,
Member, United States House of Representatives,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: I find from an examination of the record you made during all the years you have served as a Member of Congress that you have consistently supported all measures sponsored and approved by the American Federation of Labor. You have been a most able champion and advocate of the American Federation of Labor legislative program. Your record is 100 percent favorable to labor.

In order to be assured of your continued support of labor as a Member of Congress I am calling upon labor and all its friends in your congressional district to rally to your support and to serve in every possible way in bringing about your renomination and reelection to Congress. Please be assured of the earnest and undivided support of the American Federation of Labor in your campaign for renomination and reelection to Congress.

With all good wishes, I am,

Sincerely yours,

WM. GREEN,
President, American Federation of Labor.

All legislation in behalf of the Frankford Arsenal and the quartermaster depot was supported by me, and as a member of the powerful Naval Affairs Committee of the House I supported all reasonable legislation affecting the Navy, the navy yard in Philadelphia, and particularly the Naval Aircraft Factory in League Island, the only Government-owned aircraft factory in the United States.

As a veteran, I know and hate war, as was proved by my support of the Ludlow amendment, but I am for an adequate defense for the Army and Navy, but will not by my vote appropriate a nickel for aggression.

Security for the Old—Prosperity for All

EXTENSION OF REMARKS
OF
HON. ED. V. IZAC
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 14, 1938

Mr. IZAC. Mr. Speaker, because of our apparent inability to cope with the chaos existing at present in our economic system, I believe the time has come to take a drastic step along lines hitherto untried. I wish our people would become aroused over evils which, to my mind, are so pregnant with danger to our whole economic system and to the welfare of our country, rather than over legislation which, while desirable, is, nevertheless, of minor importance.

Great numbers are still unemployed, and there is still suffering and distress; and I do not believe that should be necessary, when as a Nation we are so capable of putting an end to such things. True it is, we do not all agree on methods for terminating these evils; but I am taking this opportunity to state as simply as I can what I believe we should do as quickly as possible to relieve the situation.

My colleagues, I have been convinced for a long time that three things must be done to promote peace and prosperity among our people: First, we must once and for all time outlaw child labor; second, we must, by proper legislation, provide a decent standard of wages for the laboring people of American and a fair profit for the farmers, steadily reducing the hours of labor until all of our people of proper age are given jobs, even if we have to go below the usually accepted 40-hour week; and, third, we must retire all those above the age of 60 on a Federal old-age pension uniformly distributed throughout the country.

I might here mention that I believe further that these objectives are predicated on immediate monetary reform which will provide a stable dollar without the fluctuations of volume of money now permitted because of the expansion and contraction of credit by private bankers. But I shall leave this consideration to a later date, limiting myself at present to discussion of the third objective, that of retirement of the old.

Now, Mr. Speaker, for 15 months about 100 Members of the House of Representatives have been interested in one bill which we believe better embodies the principles of old-age assistance and economic recovery than any other yet introduced. This bill is H. R. 4199. As many of my colleagues know, I have discussed privately with them the merits of this bill and have endeavored to influence their acceptance of the basic principles involved.

So today I want to state publicly a few of the reasons why I believe the enactment of this bill into law will be a tremendous step forward in the solution of our economic problems.

The principle of old-age pensions has been accepted and written into law under the Social Security Act. Surely a fine effort in the right direction. However, in most States the payments are inadequate and the administration of this feature is a most costly one. How much better to have an ample payment by the Federal Government without regard to State participation and have the payments go direct to the citizen without any intervening medium.

In other words, our bill provides that upon reaching the age of 60 years the citizen receives the full amount of the allocation without much of the money available being dissipated for administration purposes—no bureaus, no boards, no investigators. Just the God-given right of a citizen of the United States to receive a retirement annuity in return for a lifetime of service in the upbuilding of the Nation.

The effect of this one feature alone will so raise the morale of our people as to more than compensate for any sacrifice we may be called upon to make.

But there is another effect that I want to emphasize. When we retire all those above the age of 60 and outlaw the employment of children, we will increase by many millions the number of jobs for those within the working age limits. They are the ones who are raising families—they are the ones whose bodies are strong and mature and best able to bear the burden of the heat and day. They want to work and this will make it possible for them to do so.

The perfection of technological processes has reached such a point that we are steadily requiring fewer hands to do the work of the Nation. Why should not we reserve to those in the prime of life the custody of the means of production, retiring them in turn when they have arrived at the age when leisure may be enjoyed and an adequate economy be supplied by those remaining in service?

Mr. Speaker, I feel with deep conviction on this subject, and I trust consideration will be given to the wishes of those Members who are asking for an early opportunity to debate the merits of the General Welfare Act.

I have but briefly touched on two of the most obvious reasons for our request for consideration of H. R. 4199.

More will be forthcoming by my colleagues who feel as I do that now is the time to tackle those real fundamental problems upon whose solution depends the continued prosperity of our country and the welfare of our people.

So, as one Member of this House of Representatives, Seventy-fifth Congress, I pledge continued support of H. R. 4199.

Independent Bankers Endorse Federal Chain Store Tax Bill

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 14, 1938

Mr. PATMAN. Mr. Speaker, I am in receipt of a letter from Mr. Ben DuBois, Secretary, Independent Bankers Association, in which it is stated that his organization has

gone on record in favor of H. R. 9464, the Federal Chain Store Tax Bill.

The text of his letter is as follows:

THE INDEPENDENT BANKERS ASSOCIATION,
Washington, D. C., April 2, 1938.

Hon. WRIGHT PATMAN,
New House Office Building, Washington, D. C.

DEAR MR. PATMAN: Our organization wishes to record its approval of H. R. 9464, a bill providing for an excise tax on retail stores, and to commend you and the co-framers, co-authors, and co-sponsors of this bill for their activity in behalf of the independent merchants of this country. Our organization feels that the independent merchant is faced with the same monopolistic dangers as is independent banking, that the chain store is a dangerous form of centralization; that it represents an absentee ownership; that it takes from the community, and offers little in return; that it is destructive of the civic life of our small towns and villages; that any benefits which it may claim are but of temporary character, and that the general trend is destructive.

Mr. Patman, it should be realized that property rights should be broader, that more people must own things if property rights are to be respected. These monopolistic tendencies must be checked before we are brought to the brink of disaster.

Our association wishes to add its suport to those who are trying to preserve our American system, to those who realize the dangers of monopolies to a free people.

Yours very truly,

BEN DUBOIS,
Secretary.

This group is right in the belief that their problem is the same as the retail distributors. All the holding-company bankers and all of the branch bankers in this country are fighting the Federal chain-store-tax bill tooth and toe nail. It is their belief that the adoption of this bill will be an indication that branch and chain banks will be frowned upon and will probably be abolished next. There are lobbyists in Washington now, who are representing large banking groups, working in opposition to this proposal.

Local business, such as banking and retail distribution, should be preserved for local people.

Our bill, although it levies a tax on national corporate chains, affects seriously only a very small percentage of them. There are about 1,500 retail chain companies in the United States. The average chain company owns 35 retail units. Our bill, H. R. 9464, sponsored by 75 Members of the House, including myself from 33 different States, will affect greatly and seriously only about 20 national corporate chain companies. In other words, the bill will substantially restrict retail distribution to the boundaries of one State. The national companies will not be allowed to break up into State corporations under one holding company without being subject to the tax.

This is a fight between people who believe in the policy of live and let live, who believe that the young boys and girls of our country should have a fair chance and opportunity in life; that local business should be preserved for local citizens and those who believe in the kind of business that has helped to build our country on one side and a few people who control about 20 national corporate chain systems on the other side. The people who control these 20 national corporate chains are trying desperately to obtain the assistance of the smaller chains and individual retail businessmen whom they expect to be their next victims.

Recovery Without Taxes or Bonds

EXTENSION OF REMARKS
OF
HON. WILLIAM LEMKE
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 14, 1938

Mr. LEMKE. Mr. Speaker, I am going to talk on the subject of Recovery Without Taxes or Bonds. May I ask why an intelligent people should be burdened with either taxes or bonds? Why should our Government issue Federal Reserve notes and give them away for the cost of printing—seven-tenths of 1 cent per bill—and then issue interest-bearing tax-exempt bonds in order to get back part of its credit? If any businessman did this he would be adjudged insane.

Why should our Government issue $4,434,757,345 Federal Reserve notes and give them to the large bankers through the Federal Reserve Banking System for nothing except the cost of printing and then issue in addition $38,500,000,000 tax-exempt interest-bearing bonds and give them to these same bankers for a check book and a deposit book? These large bankers now have the $4,434,757,345 Federal Reserve notes and they also have the $38,500,000,000 tax-exempt interest-bearing bonds, and the Government is still in financial distress.

If our Government can issue Federal Reserve notes and give them to the large bankers for nothing, why can it not issue these same notes to pay its own obligations? If the Government would do this then the people would not have to tax themselves $1,400,000,000 a year to pay the interest on these tax-exempt bonds. Then there would not be 12,000,000 people out of employment and millions more on a disguised dole system. As Thomas Edison so ably said:

> If the Nation can issue a dollar bond it can issue a dollar bill.

May we ask what is money? What is its purpose and function? Money is not gold. Money is not silver. Money is not paper. Money, as such, has no intrinsic value—it is not wealth. It is a unit of exchange, a measure of values, a common denominator with which we measure the comparative values of commodities; it is a yardstick with which we measure the value of the things produced by the energy of a people.

Besides being a yardstick, a medium of exchange, money also represents the accumulated wealth of a nation. It serves as a storage of individual credit, produced by mental and physical energy, which may be exchanged for property. It serves as negotiable credit in the present or future acquisition of property, the value of which is measured by it as a yardstick.

Money is now made by law, made full legal tender by a sovereign government. It no longer has intrinsic value as such. It is a yardstick with which we measure and exchange present and future wealth. The Government should never give it away to anyone except for value received, for services rendered.

Article I, section 8, part 5, of the Constitution of the United States, reads:

> Congress shall have power to coin money, regulate the value thereof, and of foreign coin * * *.

In accordance with this mandate of the Constitution, I, during the 1933 special session of Congress, introduced a bill creating the Bank of the United States. I reintroduced it in every Congress since, and it is now pending before Congress.

This bank would transfer funds to the credit of the Treasury of the United States for public works and public expenditures as directed from time to time by acts of Congress. Thus it would put the United States upon a cash basis. It would use the money and the credit that belongs to us all for the benefit of us all in place of giving it away to a few individuals and borrowing it back again by issuing tax-exempt, interest-bearing bonds. It would end the tax-exempt, interest-bearing, bond-issuing racket once and for all. It would save the Federal Government and the State governments and the political subdivisions billions of dollars of interest taxes.

This bank would make loans to any State or Territory of the United States, or to any political subdivision thereof, for public improvements up to 30 percent of the assessed valuation of the property of any such State, Territory, or political subdivision. It would give preference to States, Territories, or political subdivisions whenever and wherever there is unemployment or where the wage scale for common labor falls below a living annual wage. It would enable us to establish an American standard of living for all of our citizens.

This bill provides that the bank, using its capital and other available funds as a revolving fund, shall take up the $38,000,000,000 of outstanding tax-exempt interest-bearing bonds and certificates of indebtedness. In other words, this bank, by using the money and credit that belongs to us all, would take up the Government's outstanding interest-bearing obligations and henceforth transact the Nation's business with cash. Our Government would no longer be compelled to pay $1,140,000,000 interest annually on its own money and credit. It would be freed from self-imposed bondage—debts, interest, and taxes.

If this bill becomes a law it will not be necessary for this Government ever again to issue tax-exempt interest-bearing bonds in order to borrow back its own credit. It will save the Nation billions of dollars in interest and taxes. It will save the revenues the Government now loses on tax-exempt bonds. It will enable States, counties, school districts, cities, and towns to refund their bonded indebtedness at a service charge at less than 1 percent in place of 5, 6, or 7 percent interest. It will get the Federal Government, State governments, and various political subdivisions out of debt. It will meet the requirements of the Constitution of the United States, "The Congress shall have power * * * to coin money and regulate the value thereof."

When the bill creating the Bank of the United States becomes a law it will give the Nation a banking system owned, operated, and controlled by our Government in its sovereign and governmental capacity. It will give to the people of this Nation at all times a sufficient currency—a medium of exchange so that the energies of all the able-bodied men and women can and will be utilized in the creation of new wealth. It will give us the "abundant life" rather than poverty by scarcity produced by the wanton destruction and ignorant curtailment of the production of wealth, through the insanity of official Washington.

By using the money and credit of this Nation for the benefit of all the people, the people will soon be able to pay up the $300,000,000,000 of public and private debts and save $15,000,000,000 each year in interest. There will then be no further need of the Federal Government, State governments, and other political subdivisions going into debt by issuing tax-exempt interest-bearing bonds. There will then be no further need of the people going into debt or buying on the installment plan, which has been the curse of this Nation—a human wrecking machine. We will then be able to go on a cash basis and devote our energies to producing and distributing wealth rather than to paying interest and debts. We will no longer be obliged to mortgage our own future or that of our children and grandchildren to a money and credit monopoly.

What a wonderful country this would be if we, as a whole, had started and continued on a cash basis ever since the Nation was established, if we had never permitted a lending class—a money trust—to exist. What a happy people we would be today if we had never permitted anyone to control and manipulate the money and credit of this Nation so as to destroy industry through bankruptcy and wreck millions of homes by mortgage foreclosures and evictions. What a difference it would have made for all of us if, in place of paying interest on $300,000,000,000 of public and private debts, our Government had provided us with sufficient money to do the Nation's business and remain on a cash basis.

It is self-evident that we cannot borrow or tax ourselves into permanent prosperity. Our monetary system has been responsible for all the panics and depressions. It is a dishonest system that has been permitted to continue only because of lack of understanding. We cannot permit our Government to continue to issue its money and credit and give it away for nothing and then borrow it back by issuing tax-exempt interest-bearing bonds.

When the public once understands that our monetary system is the cause of panics, depressions, and recessions then that unsound system can and will be changed. When the people realize that the money and credit of this Nation belong to us all and not to a favorite few, then that system will be abolished. Then there will be no need for taxes or bonds.

"No power on earth—so help me, God!—shall control the key to the Nation's funds but the United States Government itself."—President Andrew Jackson.

Land! Land! Has Always Been the Cry

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 14, 1938

Mr. MURDOCK of Arizona. Mr. Speaker, I rise in opposition to the substitute amendment of the gentleman from New York [Mr. TABER]. I propose to support the amendment of the gentleman from Oklahoma [Mr. JOHNSON]. Instead of cutting down on this worth-while appropriation, as the substitute amendment would do, we should extend the appropriation from $15,000,000 to $25,000,000 at the very least, according to the pending amendment, as many of my colleagues have said. This is but keeping faith with tenant farmers, according to the legislation of last year. Twenty-five million dollars is little enough for the beginning on the great work that lies ahead in our endeavor to help the tenant farmer.

We are told that the first words uttered by a white man, one of the crew of the great Captain Christopher Columbus as he approached the shores of America were the words "Land! Land!" That short word of four letters expresses the most significant term and concept in all of America's history from that moment in 1492 down to the present hour. It is a memorable fact that our land-hungered people have ever turned their eyes to wide horizons in their search for new land, better land, any kind of land on which to make a home. The presence of a great body of easily available land some place toward the west has induced the western movement so noticeable in America's economic growth and has made it possible for the average American to remain a free man and to escape the wage slavery so frequently associated with industrial development.

And now practically all land suitable for homes has been taken. Land-hungry citizens can no longer find areas to colonize easily. Worse still, much of our original farm land has been wasted, denuded, and destroyed. Our economic system has made it increasingly difficult for our farming folk to own the soil which they till and on which they live. To our shame let it be said that our Government has been exceedingly slow through the years about providing any financial arrangements to mitigate the evils of farm tenancy and to promote farm ownership. Prior to Woodrow Wilson's administration any American farmer who wished to own his acres had to pay from 8 to 12 percent interest on short-time loans, using the most fertile acres, constituting the best gilt-edged security known to American finance, to back all the money he borrowed. An effort was made during the first Wilson administration to make possible cheaper interest rates, better credit facilities on an amortization long-term plan so as to promote farm-home ownership.

The discreditable historical fact is that this greatest agricultural Nation on earth was behind most European nations in such a move. The British Parliament voted better terms for Irish tenants, and at an earlier period than 1916, than had been accorded the American farmer prior to the establishment of our Federal land banks. Even that was only a beginning of a new freedom under a Democratic administration and not as generous a consideration as our farmers should have had.

While I may not be willing to go all the way in the granting of governmental agricultural credit to all farmers, as proposed by some of my colleagues, I do want this Nation to

be as generous and as statesmanlike in the treatment of agriculture as the Government has been in the treatment of industry. The farm tenancy bill of last year was but a beginning, and a step in the right direction. Let us back it up now and hereafter with adequate appropriations.

The Acid Test of Loyalty of President and Congress to the People

EXTENSION OF REMARKS

OF

HON. HERBERT S. BIGELOW

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 14, 1938

RADIO ADDRESS OF HON. HERBERT S. BIGELOW, OF OHIO, AT CINCINNATI, OHIO, APRIL 15, 1938

A BITTER CRITIC

Mr. BIGELOW. Mr. Speaker, out of the 400 votes cast on the reorganization bill, the majority against it was 8. A switch of 5 votes could have changed the result. When a vote is that close it emphasizes the responsibility of every voter. Some people feel very earnestly—I may say they feel bitterly—that my vote was one that should have switched but did not. As a sample of one of these bitter criticisms, let me quote from one letter. This comes from an international officer of an A. F. of L. union. It says:

Brother BIGELOW: I had faith in you when I voted for you for city council (myself and family) and later supported you for Congress. You have betrayed your trust. You have lost the confidence of thousands in your district, and your predecessor will be elected to succeed you this fall. I had pictured you as one of the people and for the people—but you have shattered the picture—a deplorable action.

AN IMPROPER REQUEST

Now, I want to ask this trades-unionist, and the rest of you, this question: Is it proper to expect a Congressman to vote for a bill just because the President wants it? Is not that just as improper as to expect him to vote against a bill because the President wants it?

Had the so-called Boileau amendment been put in the reorganization bill, I would have voted for it, and so would many others who opposed it. With that amendment in, the bill would have carried by a safe margin.

That amendment provided that the President might consolidate and revamp the bureaus as he thought best, but that his action could not be effective and become law without an express vote of approval by Congress.

THE DIGNITY OF CONGRESS INVOLVED

The committee in charge would not agree to that condition. To exercise this final voice in the matter was clearly a legislative function. It seemed to me that Congress, in self-respect, could not do less than insist on its constitutional prerogative. The executive would certainly stand up for its prerogatives against the encroachment of Congress.

I know 20 of the best progressives in Congress, men who are wholeheartedly for Roosevelt, who hated to even seem to be voting against the supposed wishes of the President, but who vote "no" because this Boileau amendment was rejected.

After all, we were the Members of Congress. Under the Constitution we have certain well-defined powers and it did seem to me to be important to scrupulously respect this line between the powers of the Executive and the powers of Congress.

NO ONE WANTED TO "STALINIZE" US

But to those who took this view it was embarrassing to be supported by a great crowd of people who had no sound reasons, but who seemed to have been whipped into an hysteria by the claim that Roosevelt was grasping for dictatorial power and that our Government was about to be "Stalinized."

But, I ask you, should a Member turn and vote for a bill just because others oppose the bill for motives of which he does not approve?

Of course, it was a weird fight. It was a kind of brainstorm that the country had. Roosevelt has become a bogey in many minds. It is astounding to see how poisoned some people are against him. Some had no higher motive in this fight than to smear Roosevelt.

GOOD REASON FOR VIGILANCE

But the fact that this propaganda had the effect it did indicates that many people are worried lest fascism take root among us. Ordinarily such an issue would have passed unnoticed. But we have all seen how democracy has been swept aside throughout most of the world today, and we see it has been done by making the parliament a mere sounding board for the dictators. The executive has become the master of the parliaments in these dictatorships.

I think it is a good sign that the American people should be exercised about this tendency. I think that it is altogether wholesome that they should be suspicious and on the sharp lookout for any such trends in our Government.

Of course, I do not think Franklin Roosevelt had any sinister designs on our American ideal of a representative democracy. But in these times, especially when constitutional governments are being flouted in so many countries, it behooves us to be vigilant.

There are men in Congress who try to vote their best judgment regardless of the bully ragging that they are subjected to. You may think there is not any such animal in Congress, but there is. And those who wish to preserve constitutional government should not be too sweeping in their condemnation of men who on one vote or another do not happen to please them. We go a bit too far in assuming that about everybody in Congress is a political scalawag with whom we disagree. If there are that kind of men in Congress, who is more to blame than the people who sent them there?

THEY HUNG TOO MUCH ON THE PRESIDENT

It ought to be remembered that this reorganization bill was started a year and a half ago. Since then the mood of the people has changed, and, I think, justifiably so, in view of the wave of dictatorship that is sweeping throughout the world. This bill came up at a bad time. The administration killed the Ludlow amendment, which I think was infinitely more important than this bill. One argument they used against the Ludlow amendment was that it was not the time to propose such a bill. Well, the Ludlow resolution was started more than a year before. The case is the same with both these measures; they were introduced at a time when they might have been considered calmly, but they both came to a head at a most unfortunate time. I think the party leaders made a tactical mistake in pressing the reorganization bill, and I think they especially did wrong in hanging it all on the President as they did. I think that the bill was bunglingly drawn; that what might have been a saving amendment was rejected; and I think it was untimely.

UNEMPLOYMENT IS THE ISSUE

What I said on the floor in discussing this bill, and what I said before it came up, and what I continue to say is that the prestige of Mr. Roosevelt does not depend upon the fate of any such legislation. The prestige of Mr. Roosevelt, the fate of the Democratic Party, and what is important, the fate of the country depends upon what is going to be done about unemployment. This issue of unemployment is the acid test of the President's leadership and of the loyalty of Congressmen to the people who elected them.

Democracy cannot long survive with 13,000,000 workers and the 40,000,000 members of their families smitten by the blight of unemployment. And let me say to the business people, neither do I believe that this blight is going to disappear just because the excess-profits tax may be repealed, or a little reorganization bill is defeated.

WE WANT NO DIVIDENDS OF DEATH

European nations have solved this problem temporarily by turning themselves into vast munition plants. We do not want any such solution. People cannot eat battleships,

but battleships can eat the people. Europe's kind of employment will end in war. Their present feverish prosperity will be paid in dividends of death.

But now, glory be, the President has decided to move on this problem of unemployment. The Roosevelt of March 1933 speaks again. This is the big news of the week. Some of us in Congress have been growing impatient, waiting for this action.

But unemployment will not vanish merely by waving a wand, nor by the action of Congress in voting billions for pump priming. Most of the job will have to be done by the people at home in cooperating with the Government and preparing to make a prompt use of the money the Government will make available.

WE MUST COOPERATE FOR QUICK ACTION

Can cities accept these generous loans that the Government will be offering? Cities are restricted by laws governing their power of contracting debt. Owing to the red tape in which we are enmeshed, it may be years after a project is determined upon before a spade is put in the ground.

Haste in Congress will be in vain if there is to be this lag at the spending end. Take the rehousing projects, for example. We know at what a snail's pace these projects move. This is partly due to the resistance of private interests. I believe that our housing authorities and other such local spending bodies should strip for action. One thing that might be done is to put on the Housing Authority one or two representatives of the building-trades unions, men who are dead determined to get things going. In my broadcast next week I shall try to make a special report, in view of the President's proposals, as to what might be done to break through the red tape. If the thing cannot be done through the Housing Authority, we might make the dirt fly in some other way.

I am cooperating closely with Councilman Craig and with officials of the building trades. I have preliminary reports from Mr. Gradison and Mr. Marquette. I shall go over these matters with the housing authorities, with the chairman of the Flood Control Committee, with the Army engineers, and others here in Washington. This is our one big job. Washington and Cincinnati must work together to abolish the blight of unemployment.

Of this one thing I am convinced—the problem cannot be solved by the formulas offered to us by American businessmen. Their solution is amazingly naive. They think that everybody will soon be back to work if only the Congress will set Roosevelt down good and hard. They expected business to start with a bang once the reorganization bill was defeated. What philosophers! Business cannot solve this problem. The democratic mind of America must solve this problem, and we are determined that it shall be done through the instrumentality of a democratic government.

THE GLORY WE COVET FOR OUR PRESIDENT

If the President of the United States can take the lead in guaranteeing to every citizen of this Republic the right to a job he will save democracy; he will save western civilization. Let others organize armies and bomb cities and seize territories and strut and boast of their guilty glory. I covet another kind of glory for the President of the United States. I would that in this trial hour of our Republic the spirit of Jefferson and Lincoln might fall full upon him. I wish this spirit would move him to voice the unuttered prayers and light the hopes that are smothered in the hearts of our people. We could have twice the national income that we now have; every pair of hands could be set to work; streams of wealth could flow in all directions to irrigate the arid wastes and make deserts bloom and hearts rejoice. No more would there be the shame of forsaken fathers and mothers, crippled with age, searching in garbage cans for cast-off crusts and ungnawed bones. No more would be heard the cry of the children, unfed in a land of plenty, and looking with gaunt and accusing eyes at groaning banquet tables. Shall we sink into fascism and war and another dark age or shall we lead on to the glories of a new civilization that challenges? We need a great leader for this great hour. If Franklin Delano Roosevelt will lead with the daring that the crisis calls for, I will be among the most devoted of his followers.

Venereal Disease Control Will Go Far Toward Preventing a Criminal Waste of Public and Private Funds

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 14, 1938

STATEMENT OF HON. JOHN M. HOUSTON, OF KANSAS, BEFORE THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HOUSTON. Mr. Speaker, by unanimous consent I insert in the RECORD a statement I made today before the House Interstate and Foreign Commerce Committee relative to H. R. 9047, which would authorize appropriations for aid to States and local subdivisions for the control and prevention of venereal diseases:

Mr. Chairman, about a year ago, I spoke before the House of Representatives on the economics of syphilis. Here today, I briefly want to summarize two or three conclusions of that statement and indicate how this present bill for venereal-disease control will go far toward preventing a criminal waste of public and private funds.

Conservative estimates show that there are upward of 1,000,000 cases of syphilis acquired in the United States every year. There is twice as much gonorrhea as syphilis. What do these cases cost America?

Economists are unable to give a simple answer. It is difficult to estimate the direct costs of syphilis. We can hope to list but a few of the indirect costs. Syphilis, like war and depression, leaves broken bodies, broken homes, blighted prospects in otherwise hopeful lives. This wasted manpower cannot be calculated by ordinary bookkeeping methods. Much of it is reflected in poverty, relief, unemployment. Its cumulative effect on the generations of tomorrow cannot be measured.

But for the moment let us set down the few actual facts that we do have at hand.

Syphilis gives us 10 percent of our insane. There are 43,000 syphilitic mental and nervous patients in American hospitals—public and private—thousands more under home treatment. The cost of maintaining these patients alone is over $31,000,000 annually. But $31,000,000 for care of the patients does not count the cost to their families, the maintenance of indigent wives and children, the loss in producing power that would have made these sufferers useful members of society.

Syphilis gives us 40,000 deaths every year from heart disease. Each death from syphilitic heart disease, says the United States Public Health Service, represents a loss of from 19 to 23 years of life. Syphilis causes 4,500 deaths every year from paresis and another 1,100 from locomotor ataxia. Each death from paresis represents a loss of about 22 years of life. Each death from locomotor ataxia represents a loss of about 14 years of life. With the inroads of congenital syphilis, it is safe to say that the total death toll of syphilis each year in life-years would bring the total annual loss past the million mark—1,000,000 years of life expectancy lost because of syphilis each year.

I shall not attempt to estimate what those 1,000,000 years of life are worth in dollars and cents. What would it be worth to save them? Certainly $10, $15, $25 per life-year.

The American Social Hygiene Association conservatively estimates that 21,000,000 days a year are lost from work by syphilitics. That decrease in earning power makes a terrific cut into incomes that can ill afford to be cut.

Add to the economic losses the costs of treatments, hospitalization care, relief occasioned by the preventable disability of the breadwinner, losses to the employer. Add to that the cost of accidents and catastrophes due to failures of the human nervous system—accidents euphemistically referred to as human failures. Add to that the wasted millions which go to quacks and medicine fakers who would "restore lost manhood" or "cure female troubles"—many more millions than go to public health.

There, Mr. Chairman, is outlined a part of the cost of syphilis. I have not included the figures for gonorrhea, and there is more gonorrhea in this country than syphilis. I may mention in passing, however, that gonorrhea is perhaps the greatest single cause of sterility both in men and in women. As you know, because

of our aging population, because of declining birth rates, children are more valuable economically than ever before.

Mr. Chairman, there is no combination of figures that one can take in analyzing the cost of this problem of venereal disease that does not dwarf any sum which has been suggested for control.

The program for Federal appropriation proposed in this bill will not, of course, cure all our syphilis and gonorrhea. But with what the States and cities will add, it will care for a great many of those cases which cannot afford treatment. It will serve to educate the public to the need for treatment. It will send those who can afford treatment to their own physicians. It will aid to better medical education as to methods of treatment and diagnosis. It will serve the basic purpose of establishing a standard for effective control.

Despite the fact that the amount of syphilis in the United States is out of all proportion to the amount in many other countries, the disease is little more than holding its own here. Epidemiologists have found that for every present case of syphilis one new case will develop. The ratio is 1:1. In this bill we have an opportunity to reduce the ratio. By cutting it even a slight amount we will be well on our way toward eradicating syphilis from this Nation.

Syphilis recognizes no boundaries—State, regional, racial, social, or economic. The establishment of adequate treatment facilities for the medically indigent is essential if the control of syphilis is to be realized. Early and adequate treatment alone will break the chain of infection.

And now in very few words, Mr. Chairman, I want to suggest briefly what syphilis control as provided in this bill will mean.

First. It will prevent the wider spread of syphilis.

Second. It will eliminate the 10 percent of first admissions to mental institutions now occurring as a result of paresis.

Third. It will prevent the tremendous number of noneffective days due to syphilis occurring among those gainfully employed.

Fourth. It will add 17 percent to the life expectancy of white males with syphilis and 30 percent to that of the colored male.

Fifth. It will prevent the needless repetition of 160,000 cases of cardiovascular syphilis with their attendant 40,000 deaths each year resulting in an estimated loss of 800,000 to 850,000 years of life annually in the United States.

Sixth. It will prevent the prolonged period of disability preceding death from general paralysis of the insane, tabes dorsalis, and cardiovascular syphilis.

Seventh. It will protect the potential mothers of the United States from syphilis. At the present time there are 1,000,000 potential mothers in the United States who have or have had syphilis and have received an insufficient amount of treatment to prevent the transmission of syphilis to their children.

Eighth. It will prevent the annual loss of 25,000 stillbirths in the United States due to syphilis.

Ninth. It will prevent an increase in the present group of congenital syphilitic children who number 60,000 in the United States, one-third of whom, if left untreated, will develop partial or complete blindness.

Tenth. It will help the individual infected with syphilis to help himself obtain a "cure."

Eleventh. It will ultimately eliminate the wastefulness resulting from illness, early death, and the high cost of treatment for both early and late syphilis.

"Confusion" on the Floor of Congress—No Such Scene in Dictatorial Countries—Parliamentary Government, Freedom of Speech

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 14, 1938

Mr. MAVERICK. Mr. Speaker, I was in the gallery the other day looking down over the Chamber. A lady sitting next to me was horrified at the "confusion." I told her, however, that there was not as much confusion as there appeared.

In any event, I said, there was no such scene of "confusion" in the dictatorial countries. Indeed, talking is a part of our Government, and "parle," in the word "parliament," means "to talk."

That we can say and pray as we please is the most sacred and essential part of our Government, and it is worth while to remember that these rights are guaranteed in our Bill of Rights.

The first amendment to the Constitution, the first article of the Bill of Rights, is as follows:

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

It is extremely important that all persons realize that the rights embodied in this amendment are for everyone. It is not alone for those who belong to the elite, but for the poor and the weak, the "solid citizens" and the irresponsible ones. The glory of our country lies in human freedom for all.

World Trade

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Friday, April 15 (legislative day of Wednesday, January 5), 1938

ADDRESS OF HON. HUGH R. WILSON, AMERICAN AMBASSADOR AT BERLIN, AT A DINNER OF THE AMERICAN CHAMBER OF COMMERCE, APRIL 13, 1938

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered on the 13th of April by Hon. Hugh R. Wilson, American Ambassador to Germany, at a dinner of the American Chamber of Commerce in Berlin.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Within the last decade all countries have suffered from the devastating effects of an unparalleled depression. Under modern conditions of proximity and interdependence of nations, created through the increasing interchange of goods, services, scientific knowledge, and other achievements which transcend frontiers, no country can escape the destructive effects of economic collapse in any important area of the world.

From the earliest days of recorded history to the present time international commercial relations have been an increasingly important factor in promoting the welfare of mankind. Today there is no greater fallacy than the belief that foreign trade is neither necessary nor desirable, and that a nation can best promote its welfare by producing within its borders anything that it needs without regard to cost or quality. Even those nations which practice this policy, do so in default of foreign trade, and not as an end desirable in itself. The havoc that can be wrought by exaggerated protectionism has been amply demonstrated by the events of 8 years ago. I am convinced that the failure of the world to eliminate excessive obstructions to international commerce during the post-war period was to a high degree responsible for the ravages of an unprecedented depression.

Viewing the world scene as a whole, we are convinced that the removal of excessive trade barriers and the restoration of normal international commerce offer the best foundation for a stable structure of economic well-being and peace. World trade as a supplement to domestic commerce is the only method of raising the standard of living to a satisfactory level. Although there has been a substantial measure of uneven recovery from the low point of the depression, this recovery has unfortunately been based to a considerable extent upon armament measures and other artificial stimulants. There is still dangerous economic instability in many parts of the world.

We in America are now doing what we can toward remedying this situation and toward undoing the errors of the past. To attain this end we have embarked upon a course of policy and action designed to promote the return to normal and profitable commercial relations between countries. Such a policy contemplates suitable action in the field of foreign trade and of other essential international economic relations, combined with the fullest practical development of domestic economy. We conceive such a policy as being the essence of enlightened nationalism—a constructive and practical middle course between the extremes of sentimental internationalism and narrow isolation. We chose the method of negotiating reciprocal-trade agreements as the principal instrument of this policy. The choice was deliberate and based upon the profound conviction that no more effective and constructive method could be found. We are working on these agreements with determination and painstaking care. Much progress has been made, and we hope for more.

While much of the loss of American foreign trade has been caused by the general effects of the depression, it is clear that an

appreciable part of the decrease can be attributed to the following factors: (1) Foreign governments have imposed greatly increased import restrictions on some of the principal outlets for our goods; (2) our own excessive barriers against foreign products have curtailed in the past the ability of foreign countries to purchase our goods; and (3) many governments have diverted their purchases from us to our foreign competitors through discriminatory arrangements.

In the 17 trade agreements which the United States has negotiated we have handled these three aspects of the problem in the following way:

First, as to foreign restrictions, each agreement provides for a reduction of barriers against some articles we export and gives assurance against future increase of barriers of others. In each case we select commodities of which the United States is a major source of supply for the other country and in respect of which trade is particularly restricted by excessive customs treatment or seems likely to be unduly restricted in the future. Thus with each country we try to mitigate those specific restrictions which are the most harmful and whose removal is most likely to result in a real expansion of trade.

Second, as to American obstacles to foreign imports, we grant carefully considered tariff reductions, assurances against future tariff increases on certain items, and guaranties of equal treatment, such as we obtain in return. These reductions are granted only after the most careful study of the domestic effects. We have been able to make concessions which, with the counterpart conceded by the other country on items of interest to our export trade, have cleared the way for a greatly increased and mutually profitable trade with all of the consequent benefits of employment and business activity.

It is the third aspect, however, which I wish to stress today. That is the question of discrimination and its mitigation through the most-favored-nation clause. With the historic exception of Cuba each trade agreement provides for the reciprocal grant of nondiscriminatory treatment. This is accomplished by the inclusion of a provision guaranteeing the unconditional application of the most-favored-nation principle. This means that American exports to the countries concerned are assured automatically, just as favorable treatment as is accorded to the goods of any third country. Our trade is thus freed from the constant menace of destructive discrimination which, in the absence of such assurance, hangs over it like the sword of Damocles. International trade is now so involved in restrictions and special arrangements that great care is necessary in drafting the provisions to assure that this promise is a guarantee of actual nondiscrimination and not merely some plausible phraseology which permits actual discrimination. Careful assurances of this kind have been devised and are in effect in the general provisions of our trade agreements. In return, of course, we undertake to accord similar treatment to the goods coming to us from the other contracting party.

Important as are the immediate effects of the inclusion of the most-favored-nation clause in trade agreements between any two countries, it is of even more far-reaching significance when considered in its broader aspects. By this I mean that as this principle is more widely restored in the network of commercial treaties the more it eliminates the trade-diverting, trade-constricting effects of discriminatory treatment, and thus tends to increase the total volume of world trade. The effects of concessions granted reciprocally between two countries are extended through this principle to all other countries enjoying most-favored-nation treatment, with a cumulative effect on world trade. Furthermore, from the standpoint of international comity, unconditional most-favored-nation treatment tends to avoid misunderstandings, tariff and trade wars, and general disturbance and friction between nations arising from discrimination. The fair and equitable basis which it provides for international commerce and its general effects of mitigating trade barriers make it preeminently a policy of peace.

It has been asserted that this policy of generalizing trade-agreement concessions under the operation of the most-favored-nation principle would result in excessive increases of imports without sufficient corresponding advantage to export trade. This contention is strikingly refuted by the outcome of American foreign trade in 1937 when our imports increased over 1936 by some $60,000,000, while our exports rose by $890,000,000. During the year 1937 the United States increased materially its participation in world trade—both as an importer and as an exporter. We have now concluded reciprocal-trade agreements with countries which represent nearly two-fifths of our total foreign trade; negotiations for similar agreements are now in progress with several other countries, including the United Kingdom, which is our largest single market.

Perhaps I have been prolix on the subject of the trade agreements, hence I shall try to state the policy concisely—we negotiate with each country on those articles which are of particular interest to it in its shipments to the United States and on those of particular interest to us in our shipments to the foreign land. We negotiate on the basis of the unconditional most-favored-nation clause. There is the policy in a nutshell. On this basis we are prepared to conclude trade agreements with all nations of the world. Each nation which comes in widens the scope of reduction of tariffs and removal of barriers. The green pastures are extending ever more widely, and as each newcomer enters so much more good land is open to grazing. We in America believe in this policy, we shall work for it with the hope that every commercial nation in the world will find it advisable eventually to share in its benefits. When that time comes, not only will the well-being of the peoples be increased but the threat of war itself will be more remote.

I frequently hear it said that the United States has no foreign policy or at the most a negative one. Is our trade-agreement policy a zero? Is our hope of bringing the world within its benefits negative? But there are other and essential positive policies. President Roosevelt and Mr. Hull have created something new on the American continents, something that we who have served in South America longed for but never hoped to see; that is, a brotherhood between the American nations, a friendship and recognized community of interest—a direct outgrowth of the "good neighbor" policy.

In the conflict which unhappily prevails in China we have protected our citizens, we have protected American interests. We have been beset by diverse currents of American opinion, both by those who would have us warn our citizens that they are in a danger zone and then wash our hands of them, and by those who would have us collaborate with other nations in measures of pressure. Mr. Hull has pursued a consistent middle course. He knows that an appearance of weakness invites trouble; he knows that even if a government has washed its hands of its citizens, nevertheless if those citizens get into trouble, the American public would clamor for their protection, and no government would absolve itself of this obligation. On the other hand, he knows that the vast majority of our citizens do not wish to take part in means of pressure. So the American Government has followed a middle road, it has protected its citizens and its rights vigorously, stanchly, and consistently, it has used a tone which is both resolute and friendly.

There are people in our country who believe that we would under no circumstances go to war. There are also people who believe that our participation in any major conflict is inevitable. Neither of them can be sure of their assertions. The development of history alone will show which of them is right. Personally, I believe neither of them is entirely right. I know there are some things our Nation would fight for. I believe there is a possibility under wise leadership to keep the United States out of a great struggle. I admit the danger of our being drawn in; I do not admit the inevitability. Certainly our people want peace. Mr. Hull has declared "the preservation of peace is the cornerstone of our national policy." Through our trade-agreement program and through other forms of constructive international cooperation along economic lines, we are endeavoring to make effective such a policy. Our people want to follow the path of peace. It is our most ardent desire to remain at peace with every nation of the world, and we earnestly hope and pray that no nation will make it impossible for us to realize this desire.

The Existing Depression

EXTENSION OF REMARKS

OF

HON. H. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Friday, April 15 (legislative day of Wednesday, January 5), 1938

ADDRESS BY COL. FRANK KNOX AT WICHITA, KANS., APRIL 8, 1938

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Col. Frank Knox, publisher of the Chicago Daily News, at a meeting sponsored by the Lincoln Club of Sedgwick County, Kans., on Friday, April 8, at Wichita, Kans.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am going to talk to you tonight about the Roosevelt depression.

First of all, it is not a "recession." It is a real depression, a descent from a fairly high plane of recovery to depression levels, at a far swifter pace than in any other depression in our history. It is properly called the "Roosevelt depression" because it was caused by political, not economic, conditions. And the one man responsible for the political conditions which have caused the depression is Franklin D. Roosevelt.

I have read, as doubtless you have, too, a half dozen causes assigned for the abrupt change in business conditions, but if you analyze each one of these half dozen reasons supplied by the students of political economy, you will discover that each one of them stems back to political bases. In other words, all orthodox economists are agreed that underlying economic conditions were sound

for continued recovery. What upset the apple cart of business was an accumulation of political actions which destroyed confidence and dammed up the flow of capital. Despite what some of the New Dealers may say, this abrupt withdrawal of money from investment was not due to any countrywide conspiracy. It was due to a universal conviction on the part of everyone who had available savings to invest that the risk was too great to be taken, and that if success did attend the investment, too large a share of possible profits would be taken in the form of taxes. Out of this universal feeling, the first reflex was a break in the security market. But it was not confined by any means to the stock market. The great volume of money available for investment is in the hands of small investors scattered all over the country, and it was the determination of these hundreds of thousands of small investors to withhold their money from investment that precipitated the crisis. If you ask me how long the crisis is to last, I will answer that it will terminate when these hundreds of thousands of small investors regain their confidence.

Now, one of the prime causes for paralysis in the investment market was and is taxation. Numerous overlapping, punitive, and intolerably burdensome taxes.

You remember Mark Twain once said: "Everybody talks about the weather, but nobody does anything about it." Nowadays everybody is talking about taxes, and before we get back on our feet industrially, agriculturally, commercially, we must do something about them. It has been the steady increase in the burden of taxes which has done more to discourage and halt capital investment than any other single thing, and it is surely full time for us to do something about it, when we realize that the exactions of the tax collector now take an annual toll of not less than 28 percent of the total national income. If we were to pay as we spend, it would take a third of our total income. We are dangerously near the maximum tax burden that can be imposed without incurring the danger of national bankruptcy.

Not only are these taxes intolerably heavy, but in many cases they overlap, producing double taxation. For instance, we all pay sales taxes—Federal sales and State sales taxes. We all pay income taxes—Federal income taxes and, in many States, State income taxes. When we die our estate pays both a Federal and a State inheritance tax. And on our homes, our homesteads, our farms, our businesses we pay taxes both to State and local government. This list of double taxation could be indefinitely extended. The result is that the entire tax program of the country is in a state of incredible confusion, with a very slight, if any, check on the spending propensities of appropriating bodies. If we are to have an intelligible and bearable policy of taxation, we must undertake a drastic reform which must include the principle of separation of tax sources for the different classifications of government. The taxes for Federal purposes should be confined to certain definite sources; similarly, taxes for State should also be received from separate sources, and the same should be true of county and local taxes.

And these taxes must be so framed as to provide inescapable responsibility for the appropriating authority and make each taxpayer tax conscious. There is, for instance, no one more deluded than the citizen who thinks he escapes taxes because his income is insufficient to require a Federal income tax, or because he happens to live in a rented house instead of one which he owns himself. At the present time literally no one escapes his full share of the tax burden. It may be found in the price of a pair of shoes or in the bread and butter on the breakfast table. Nothing escapes. All pay. Our system of taxation should be such that no one could make any mistake about this. If we are ever again to achieve economy in government, it will only be when everyone has an interest in the spending of tax money by the Government. As things are now, we pay and pay and pay, but most of us are confused as to who is responsible, and have the most uncertain ideas as to how to check the abuse.

As it is, we pay double taxation on substantially everything we own, we buy, or we use. Furthermore, the employment by the Federal Government of double taxation is now being used for the purpose of emasculating State sovereignty and reducing all State authority to negligible proportions. Governor Lehman's appeal to Congress with respect to inheritance taxes is exactly a case in point. He said, with entire truth, that an inheritance tax was fundamentally a State tax, but yet it is being largely absorbed by the Federal Government. Happily this warning from the New York Governor was promptly heeded by the Senate Finance Committee. As I have said, the correction of these numerous abuses and a halt on the wild, irresponsible spending can only be achieved by a drastic reform of our whole tax policy. I therefore submit, not as a final solution but as a deliberately provocative proposal which may start some constructive thinking, the following tentative program:

First. Achieve separation of the principal sources of taxes by confining Federal taxes to customs receipts, internal revenue taxes on whisky and tobacco, and a general manufacturers' sales tax. The old cry against a sales tax is pretty well deflated when the fact is cited that almost half of all our present taxes are now sales taxes of one kind or another.

Second. Make income and inheritance taxes available solely for State purposes, with a provision that income taxes paid by corporations doing business in more than one State will be paid proportionately to each State as that State contributes to that corporation's income.

Third. Reserve all taxes on real and personal property exclusively for county and local government purposes.

Now, let us see what such a tax reform would accomplish. First, it would end double taxation. Second, it would make the collection of Federal taxes extremely simple and inexpensive, thus releasing the veritable horde of tax collectors who now live off what they take out of your pay check and mine. It would permit an immediate balancing of the Budget. Both internal revenue and customs receipts can be forecast within close limits, and the sum of the sales of all manufactured products can be very closely approximated. The tax percentage required, as applied to manufacturers' sales, could be figured readily, and a sum provided which would meet the needs of the Government. Since a sales tax would hit everyone, everyone would take an interest in the practice of economy by the Government, and be ready to punish extravagance.

The exclusive enjoyment of both income and inheritance taxes by the respective States would provide ample income, and in addition, by reserving these two sources of taxes for State purposes only, it would create a healthy rivalry between States in the "reasonableness" of income-tax rates. If one particular State, under demagogic control, imposed an unreasonably high income tax, some of its neighbor States would be sure to keep their income-tax rates reasonable and invite a migration of taxpayers, which would speedily correct the excessive rates in the offending State.

As to local taxes, there is peculiar virtue and appropriateness in reserving all direct taxes on real and personal property for county and local uses. In the first place, this is the most vital tax of all. It is applied against our homes, our farms, our businesses, and, if not managed carefully and prudently, can have disastrous effects. To confine taxes on real property and personal property to local government brings the taxing authority and the taxpayer close together, and it concentrates responsibility for high taxes on local officials, who can be made to promptly feel the weight of public disapproval.

Let me summarize. My suggestion is that the Federal Government be supported largely by a manufacturers' sales tax, that the State governments be supported by income and inheritance taxes, and that county and local governments exercise exclusive taxing authority over real and personal property.

Think it over. Talk it over with your neighbors. Perhaps you can think of something better. But don't be frightened from careful and deliberate consideration because it is drastic in its proposed changes. We must make some drastic changes in our taxing system or we inevitably face national bankruptcy and the collapse of our whole economic system.

I should like now to address myself to the subject of labor. It is the almost uniform practice of political speakers to deal with this critically important subject with extreme caution. They recognize that it is full of political dynamite. Consequently they pull their punches and usually fail to contribute in any way to a constructive solution of the labor problem.

Since I am a candidate for nothing on earth, I shall try to deal with this subject with utter frankness, and as honestly as I know how. I approach it as a man who came up from the ranks of labor. I know from personal experience what it means to support a family on a very low wage. Ever since I became an employer of labor I have practiced collective bargaining. I believe thoroughly in that principle, and I am gratified that the principle of collective bargaining is now written into our law, and that the Supreme Court has passed favorably upon its constitutionality. But while we have established the principle of collective bargaining and our courts have approved its constitutionality, it is entirely within the truth to say that we have no national labor policy.

The present Wagner law cannot be construed, in any sense, as a national labor policy. Its terms were dictated by one faction of organized labor—that headed by John Lewis and the C. I. O. As Lewis himself said, in brutally frank terms, he had been the greatest contributor to the campaign funds of the present administration, and therefore insisted he was entitled to consideration. The Wagner law was the result. It was passed to promote peace in industrial relations. It has fomented more strikes and more labor disturbances and created more dissension and fostered more class feeling than any piece of legislation ever written into the statute books of the United States. It is a thoroughly one-sided law, which defines unfair and illegal actions by employers and fixes the punishment for violation, but completely fails to define or punish any unfair or illegal act by labor organizations. In any effort to produce a satisfactory industrial relations situation this law would have to be completely overhauled and made fair and equitable to both sides in any labor controversy.

There is no more fundamental principle in American jurisprudence than the principle of fair play and equality before the law. The Wagner Act violates this fundamental in almost every particular.

The courts have sustained the principle of collective bargaining. But there are other rights which must be considered in industrial relations in addition to the right of collective bargaining. The right to strike is secure and is now confirmed in the law, but the right to work is just as sacred and just as fundamental. We must throw proper protection around that right. Protection should be afforded the worker against the exactions of the selfish, exploiting type of employer, but we must also provide protection for the worker who belongs or does not belong to a union, from the selfish, exploiting type of union organizer and labor leader. One is as important as the other.

Political demagogs have gone to extreme length to try to satisfy the demands of the C. I. O. labor bosses and the net result of this demagoguery has been to split labor into two warring camps.

What we must seek to provide is not exclusively what men like John Lewis demand. We also must give heed to the welfare of the men in the ranks. Frequently they need protection against unfair exactions from labor leaders as much as they need protection against the exactions of selfish employers. Corroborative of this point of view, in my own city of Chicago during the past 5 years there have been 16 murders directly attributable to attempts made by so-called labor leaders—actually they were gangsters—to muscle in on local workingmen's unions. Furthermore, in dealing with this problem of industrial relations we must never forget a third party is always present in every dispute, and is seldom considered. I refer to the public. The consumer is the one who pays a big share of the cost of every industrial dispute, and we must protect him against unreasonable combinations between industrial employers and big labor-union leaders, just as much as we should protect him against monopolistic practices within industry itself.

The aim of all labor legislation is to bring about cooperation in industry between worker and employer and to protect the interests of the workers in industry, the consumers of the product, and the investors in the industry concerned. Adequate treatment of the labor question fails if it does not include in its provisions protection for all three parties in interest.

In this connection, and in sharp contrast with the record made by the C. I. O. and its autocratic dictator, John Lewis, this is what the American Federation of Labor declares:

"The American Federation of Labor wants peace. It did everything possible short of submitting to minority rule to avert war. Despite repeated attempts at peaceful negotiation with the C. I. O., the A. F. of L. found itself balked by the imperious will of one man—John Lewis. While these futile negotiations were in progress, the American Federation of Labor, under the leadership of President Green, marshaled a large force of organizers and went to work in an orderly, disciplined way. It gained more than a million members, and still has them. It did not resort to sit-down strikes or other illegal methods. It respected contracts. It entrenched itself in the confidence of the workers, the employers, and the public."

The foregoing is a direct quotation from a statement recently made by the A. F. of L. With the spirit and purpose shown in these declarations, American business and industry can have no quarrel. It must be along these constructive lines that achievement of a sound American labor policy will come.

We would do well here in America in attempting to formulate an American labor policy to study the labor laws in England, where the labor movement is much older, much more successful, and much more effective than it is here. I spent some time last summer studying actual labor conditions in England and in talking with many of the principal labor leaders. Every one of them told me that there were two essentials which we would have to meet in American labor circles before we arrived at a satisfactory situation from the worker's standpoint. One was the teaching of discipline in the ranks of the labor unions themselves, and the other was the inculcation of a sense of responsibility in the union leaders.

To achieve these purposes in England, they have provided in their law for the licensing of labor unions as friendly societies. This does not require financial responsibility for damages caused in any legitimate strike. It does require, however, of union officials an annual accounting to their own members for every dollar of funds collected. It establishes the labor union as a responsible legal entity and requires from the labor union the same obligation to fulfill the terms of a contract made in behalf of its members as that required from the employing corporation with whom the contract is negotiated.

There is another phase of the British law which we might wisely imitate. When a strike threatens in England, the Government is required by law to immediately appoint a board of inquiry made up of men of standing who are in no way whatever connected with either side in the industrial dispute in question. The duty of this commission is to call both sides before it and afford the chance to both sides to present the facts as they conceive them to be. When this has been done, the commission issues a public report on the facts as brought out. Its duties are then finished. For effect, it relies upon the democratic principle that no strike can be successful that does not command public sympathy and support, and this commission's report is designed to supply the facts upon which the public can base its conclusions. This is a true application of the principle of democracy to labor relations. It is in thoroughgoing harmony with American principle.

Any indictment of the present Wagner Act would be incomplete if it ignored the fact that the law was drafted in an atmosphere of political hysteria and its provisions were dictated by men who hoped to profit politically by their action. It ignored entirely the principle of fair play and was bolstered by an undisguised appeal to class spirit. This is not the way to produce a sound and permanent labor policy, and American labor as a whole will find itself, if it persists in this reliance on politicians, just where organized labor in Germany found itself when it relied upon politicians to promote its purposes and achieve its objectives. German workingmen are now in chains. They obey the will of Hitler. The labor-union movement in Germany, once one of the greatest among industrial nations, has been completely obliterated. That will also be the fate of the American labor movement if it becomes the tool and plaything of designing politicians. Samuel Gompers, the wisest and greatest American labor leader in his day, never permitted the labor movement to become the adjunct of any political party. And it was under his leadership American labor won victories that made the lot of the American worker the envy of workers in every other nation.

The present President of the United States is a skillful politician. To attain success at the polls and in support of his measures before Congress he has not hesitated to create a class consciousness and to appeal to the class spirit thus provoked. To a degree never before true of a President of the United States, he has not hesitated to array labor against its employers, the farmer against the urban dweller, the poor against those more successful, and the entire agricultural region against commercial and financial enterprise.

It was in precise pursuit of just such tactics that he recently summoned a large number of small-business men to Washington. His obvious purpose was to again invoke the class spirit by alining the little-business man against the big-business man. Most unexpectedly, and most happily, this project failed, because little business, to his surprise, refused to play the part expected of it. It would not be his pliable tool in creating still more class hatred. In this encounter, those who love American institutions and believe in democracy can find great encouragement, for the group of little-business men, typical Americans from all over the country, did not hesitate to tell the President of the United States in the bluntest possible terms many things which big-business men had been afraid to tell him.

Furthermore, the recommendations which this group of little-business men left with the President revealed a clear understanding of democratic institutions, sound and positive views on economics, and a thoroughly progressive, but sane, attitude toward social problems. The Republican Party can find in the declarations of this group of small-business men admirable material out of which to construct a platform for its campaign this fall and in 1940.

Wichita is typical of the cities from which these men came, and I have no doubt they spoke the spirit of your city and the cities of your State just as they made vocal the opinions of small-business men in Illinois, Pennsylvania, and New York.

Take, for instance, some of their suggestions on the question of finances. They were not mealymouthed in their discussion of the absurd undivided-profits tax. They demanded its repeal. They did not hesitate to denounce the present capital-gains tax, and demanded its amendment and a reduction of the tax. They urged Government encouragement of investment of private capital in new enterprises. They asked that employer and employee alike be held responsible for the faithful observance of labor agreements. They urged that Government expenditures be reduced and the Budget balanced.

That program, if pursued, would end this depression in 90 days.

Dealing with social problems, they recognized the need of social reform as a part of progress, but they urged that it not be undertaken at so rapid a pace as to disrupt industry. They demanded that the relief administration be returned to local communities. They urged the strengthening and enforcement of all laws seeking to curb monopolies. They demanded the simplification of the old-age security tax, and they coupled with this a recommendation for the sharp reduction of the tax for unemployment in industries where employment was thoroughly stabilized. They challenged the wisdom of the pending wage and hour bill.

This is only a part of the sound program this group of little-business men laid before the President. It included within its limits a more understanding, intelligent comprehension of problems, both social and economic, as well as political, that confront America today than any emanation that has ever come out of Washington from the President or his "brain trust" advisers. It is round, able, practicable, and American. As we ponder it, we may thank God that small business in America is still animated by the very spirit that built America and made us the greatest, the most powerful, and the happiest nation in the world.

Rural Electrification

EXTENSION OF REMARKS

OF

HON. HOMER T. BONE

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, April 14 (legislative day of Wednesday, January 5), 1938

ARTICLE BY JUDSON KING, MARCH 31, 1938

Mr. BONE. Mr. President, in the March 31 issue of Public Utilities Fortnightly appeared a very interesting article on the R. E. A. by Judson King, one of the best-informed men in the United States on the question which he was discussing; that is, rural electrification. I ask that the article be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE R. E. A.—A NEW DEAL VENTURE IN HUMAN WELFARE WHICH MUST BE ASSAYED, IN THE OPINION OF THE AUTHOR, FROM THE HUMAN ANGLE AS WELL AS FROM THE VIEWPOINT OF THE BALANCE-SHEET MIND

(By Judson King)

The appearance of the second annual report of the Rural Electrification Administration, which has since February 1937 been under the direction of John M. Carmody, affords a good opportunity to take stock of this typical New Deal venture in human welfare. The R. E. A. is just that, and must be assayed from that angle as well as from the viewpoint of the balance-sheet mind.

Like other Government agencies which give an account of themselves, the report is optimistic without blinking the fact that there is heavy work and hard fighting ahead. It is refreshingly frank, especially the Administrator's letter of transmittal, and exemplifies his announced policy, constantly urged upon his staff, to "set everything out in the open."

Most arresting is the frequency with which the word "pioneering" or its equivalent occurs. The number of new paths broken, and new methods devised in the fields of engineering, of construction and management, of law, and so on, by the staff in devising a system of wide-scale low-cost electric service to American farms is surprising. Here we are called upon to envision the job, not of running a rural line out of a city or town down a well-settled road for 5 or 10 miles but of constructing networks of from 100 to 1,000 miles, covering in several cases from one to five counties. It is like comparing Boulder or Coulee with your hometown station. One gets the picture of a new enterprise, and hence from an unexpected source comes proof of the indifference of the private utilities to rural electrification in the past.

Checking the cold figures of accomplishment during the past year, one is forced to conclude that R. E. A. has finally struck its stride and is beginning to justify early expectations. Before getting into details and appraising the real value of R. E. A. as against its origin, its successes, and failures, and what the future holds, let us look at some totals as of December 31, 1937.

One hundred and twenty R. E. A. projects in 41 States are now electrifying some 50,000 rural homes which previously were unable to get electric service.

One hundred and sixty-five other projects are now under construction, which will by spring bring electricity to 150,000 more families.

Sixty-five thousand miles of rural lines have been built or are nearing completion to serve these 200,000 families, which means a happier life for around 875,000 people. R. E. A. loans totaled $75,000,000.[1]

Every dollar of the $95,000,000 appropriated by Congress up to the end of the fiscal year ending June 30, 1938, has been pressed into action or is "earmarked."

But the demand of the farmers for R. E. A. projects is so great that $90,000,000 more could have been spent or allocated to sound applications had the money been available.

The administrative cost of R. E. A. to the Federal Treasury to November 15, 1937, was $2,376,033, which figures to 2.5 percent of the investment.

The cash income resulting from R. E. A. activities to labor and outside industry in supplying raw material and manufactured appliances and products is estimated to total $187,000,000.

Meantime Edison Electric Institute reports indicate that the private utilities in 1936 and 1937 electrified twice as many farms as they did in the years prior to the advent of R. E. A.

All of which appears impressive. Most of us like to luxuriate in the idea of farmers having electricity, a thing long held a fantastic notion. But is it practical? After all, is not this a pumped-up political stunt? Could not and would not the utilities have done the job, and more efficiently? Has the Government any business in this field? Is there financial risk for the rest of us as taxpayers?

Answers to these very natural and proper questions require perspective—background. I shall waste no time over the necessity of farm electrification if agriculture is to keep in balance with modern civilization; or the fact that private enterprise has not met the need; or the right and duty of the Federal Government to supply that need.

The key question is, Why had not the job been done? Had the power companies attempted it? They had. In 1923 the National Electric Light Association itself set out to electrify rural America in most ambitious fashion.

At the meeting of the executive committee of the public relations national section on August 30 of that year we find record of an official report by M. H. Aylesworth, managing director of the N. E. L. A. (later president, National Broadcasting Co.):

"In connection with the rural-line-extension problem, Mr. Aylesworth outlined a joint program that will be carried on by the National Electric Light Association in cooperation with the American Farm Bureau Federation, the United States Department of Agriculture, and the Society of Agricultural Engineers. Mr. Aylesworth stated that a joint committee has been formed with headquarters at Chicago in charge of Mr. E. A. White, of the American Farm Bureau Federation. The purpose of the committee will be to study the rural-line-extension problem and the development of a program to inform the farmer the reason he is not receiving electricity."[2]

National headquarters were opened in Chicago adjoining the offices of the American Farm Bureau Federation, which joined the movement with enthusiasm. Branches were organized in 22 States. There were large committees of utility and public officials, State and National, farm leaders, college professors. The National Grange and other farm organizations joined. The committee did a vast amount of useful educational work. Its literature was impressive and voluminous. Each year Dr. White reported to the N. E. L. A., which paid his salary and expenses. We have no record of early financing, but from 1928 to 1933 the N. E. L. A. contributed to the committee $153,626.[3]

Then the Farm Bureau Federation withdrew. Why? Its officers will tell you that the utilities insisted upon charges and rates for service which the farmers could not afford to pay; that the companies were manifestly attempting to exploit the farmers as they had the city folks, and that after years of effort to get lower rates to no avail, the bureau quit. So did the Grange, and most of the Federal and farm agencies followed in 1935. In the 12 years only 611,000 additional farms, or about 50,000 per year, had been electrified in the entire Nation. At that rate it would have taken until the year 2000 to service half the farms of the United States, to say nothing of the other half.[4]

The American Farm Bureau Federation then turned to the Federal Government. At its sixteenth national convention in December 1934, it adopted a resolution which read, in part:

"We recommend that electrification of agriculture should be extended into every possible section of the country * * * that ways and means be provided through the Farm Credit Administration for financing at low interest rates cooperative electric light and power associations, farmers' mutual telephone companies, and similar cooperative organizations."

We cannot burden this article with notes of similar activities of other national, State, and local farm organizations, so let this resolution be symbolic of two things: That millions of farmers desired electric service which they could not get; and that they looked to Uncle Sam for help.

We need not condemn the utilities if they could not make desired profits. They were and are neither better nor worse than other public utilities or industry at large, big and little. Social responsibility has not been a tenet of either American business or the American masses. Censure arises, however, from opposition to the Government's undertaking what they refused to do. The parcel post, State and Federal farm loan agencies, the Federal Reserve System, the R. F. C., and other agencies are all on a par with R. E. A. in this respect—the Government did not move until private initiative had failed to meet the public need.

Thus it happened that President Roosevelt, by Executive order of May 11, 1935, created R. E. A., set aside $100,000,000 for building farm lines, and appointed Morris L. Cooke, Administrator. In that appointment the utilities had no reasonable cause for complaint or alarm. Mr. Cooke was no politician or radical theorist, but head of an engineering firm and a leading advocate of the Taylor system of scientific management. To be sure, he was a believer in regulated private ownership, had been a severe critic of untoward utility practices which he hoped to correct, such as unreasonable rates, complicated schedules, lack of cost accounting, and inflated securities; but he was not for public ownership and had taken no open part in behalf of the Boulder Dam and Muscle Shoals bills. It was his sincere belief that, since the utilities were well organized, had a trained personnel, were acquainted with their respective territories, and ready to go, the announced objective of taking "electricity to as many farmers as possible in the shortest possible time" could be attained much more readily by loaning the money to private companies than by waiting until farm cooperatives could be organized or until municipalities, power districts, or States could get into action. Municipalities or farm cooperatives which acted promptly would, of course, be given preference and welcomed; but on the grounds that the private companies supplied around 90 percent of the national power service, he and a majority of his staff planned to loan around 90 percent of the $100,000,000 to them, provided they would agree to certain reasonable conditions, such as area service without "cream skimming," simple schedules, elimination of high demand charges, economical construction, and sale of current to cooperatives when asked.

At first the industry hailed R. E. A., accepted Mr. Cooke's invitation to cooperate, appointed a special committee of utility executives, made surveys, and reported on July 24, 2 months after the start, that "in cooperation with the R. E. A. we believe the

[1] Construction is so rapid that these figures are already cold. March reports show 171 projects energized and 187 others under construction which are scheduled for completion by fall. This will make a total of 85,000 miles of line serving approximately 250,000 families, or over 1,000,000 people. Loans actually made and in use now total $86,890,427. Applications are mounting, and the 1938–39 appropriation by Congress will fall far short of meeting the demands from promising farm areas.

[2] See Federal Trade Commission Report of Utility Corporations, exhibit 3134, p. 224, being excerpts from minutes of the meetings of the committee.

[3] Trade Commission Report No. 61, exhibit No. 5584, p. 175.

[4] See E. E. I. Statistical Bulletin No. 4, 1937, table XVII, p. 18.

privately owned utilities can absorb the full $100,000,000 available under the work-relief appropriation for construction of additional rural facilities." But the keen eye of the Administrator detected, among others, a particularly large and irritating fly in this jar of ointment—an innocent-looking phrase, "The problem of the farmers is not one of rates but of financing the wiring and purchase of appliances." To that Cooke could not agree; but he thought differences could be ironed out and informed the public through a press release that, "The newly organized R. E. A. staff has been in constant touch with the industry's leaders and has sought in every way to cooperate," and hence, "without the loss of further time, cooperative action is now feasible." Vain hope. The bland power executives dilly-dallied for 5 months, and then said no.

Next, early in 1936, the Norris-Rayburn bill, extending R. E. A. for 10 years, was introduced. It is well known that Senator NORRIS was personally against loaning R. E. A. money to private companies; that he thought farmers should have the right to organize co-ops wherever they chose; and that it would take $100,000,000 a year to do an adequate job.

Administrator Cooke sincerely believed, with the majority of his staff, that there should be no duplication or competition; that there should be no extension of municipally owned lines or cooperatives built in areas already served by private companies; that R. E. A. should do no promotion work; and that $40,000,000 or $50,000,000 annually would be sufficient. RAYBURN and other Congressmen agreed with this, and NORRIS yielded in order to get some bill passed and R. E. A. placed on a permanent basis.

Considering the hostile state of public opinion, a wise industry would have embraced Mr. Cooke as a heaven-sent friend. Instead, after having delayed his program for 6 months through apparently insincere pretensions while they worked out their own program, they began building, and started warfare by constructing "spite lines," spreading false propaganda, and using every open and undercover tactic they could devise to block and wreck R. E. A. Mr. Cooke was able to loan only $1,970,750 of R. E. A. money to private utilities, and $876,450 of that was taken by subsidiaries of Associated Gas & Electric Co.

This manifestly is a concrete example of what most of the utilities mean when they propose "cooperation"—a fox-and-goose parade of extreme interest just now, when they are proposing to pool and cooperate and seek peace in other fields. There are a few exceptions, but not many.

Meantime farmers over the Nation were organizing electric cooperatives, and applications for loans were flooding R. E. A.'s Washington office. The R. E. A. legal and technical staffs, geared to the major objective of dealing with power corporations, had thus to readjust themselves to the quite different task of making loans to farm organizations. A majority of the staff, trained in the private-utility tradition of getting as much profit as possible out of consumers per dollar invested, found it difficult to think in terms of giving as much as possible and yet protecting the investment. The result was that there was still too much reliance on the good faith of the utilities in contracting for wholesale current promptly and at reasonable rates and in respect to other relations, with the net result that the work dragged. When December 31, 1936, came, while according to the first annual report $43,000,000 had been allocated to 218 projects and 109 local contracts totaling $24,000,000 had been executed, less than $5,000,000 actually paid out was building farm lines. Eighty-five of the first one hundred millions had been turned back.

It must be remembered that this first hundred million dollars came from the work-relief appropriation. It happily combined farm electrification with giving employment to thousands of white-collar and overall workers, plus millions of new business for many raw-material industries and electrical-appliance and equipment manufacturers. The depression was not over and doubtless the need for speedy action was an added reason for Mr. Cooke's desire to have private companies take over the major part of the R. E. A. job. Hence, in abusing, if, indeed, not betraying, his good will by needless delay, utility leaders struck a blow at recovery as well as at farm electrification. Their policy has apparently been delay and still more delay, exactly as in the case of the T. V. A. and the P. W. A., the latter through injunctions and extended litigation.

This was the situation when John M. Carmody became Administrator on February 15, 1937. As this writer sized it up at the time, the R. E. A. faced a hostile private industry; an uncertain press; many antagonistic State legislatures, governors, and public-utilities commissions; a divided Congress; farmer demands for three times the money Congress had appropriated; the necessity for new methods to handle the appalling task; chiselers without and within; and, finally, like every other Government agency or commission dealing with electricity, a split staff, part of which was eager to make R. E. A. a success by applying new techniques to the new conditions, the other part tradition bound, hesitant, or indifferent.

Administrator Cooke had resigned after risking his health from overwork on this and other duties laid upon him, including management of the World Power Conference. Mr. Carmody had been Deputy Administrator for 6 months. He had been much in the field and learned at first hand the farmers' electrical problems and the tricks employed to defeat their efforts to organize successful cooperatives. In that time he had reached some conclusions as to policies and the nature of a central office set-up necessary to make R. E. A. carry out the will of Congress and the people. Back of him lay nearly 20 years of practical managerial experience in basic industries such as coal, steel, and textiles. He had been accustomed to getting things done on time or knowing the reason why.

By returning to the 1937 report and recalling the new Administrator's press statements and public addresses, we may discover what his new policies were and what they are likely to be. When he took command, two things were threatening the R. E. A.—delay, which meant ultimate defeat; and misunderstanding on the part of farmers, Congress, and the public as to why it was taking so long to get cooperatives actually serving farms.

Carmody struck at misunderstanding by bringing "everything into the open." He began turning the light both on open opposition and underground sabotage. It made no difference whether it was a utility executive, a Governor, a State commission, a co-op board, a contractor, or a field or office employee. Take one instance: The Massachusetts Department of Public Utilities, on tortured legal grounds, killed a promising tricounty co-op organized by some 400 farmers, whom the private utilities had refused to serve and to whose project $225,000 had been allotted. In a letter to Chairman Webber, Carmody tore the decision to shreds and exposed to New England farmers its absurdity. The letter is printed as an appendix to the annual report, I suppose as an illustration of what a political State commission can do to block R. E. A.

A major source of delay has been the dilatory tactics of the utilities. "Red tape," it seems, is not an exclusive possession of Washington bureaucracy. Take an example: Around 60 percent of R. E. A. co-ops now buy their wholesale current from private companies. Formerly it took from 2 to 8 months to negotiate a contract. Utility lawyers presented contracts of interminable length and complexity, which even the Philadelphia lawyers on the R. E. A. legal staff found puzzling, to say nothing of co-op farm directors. The R. E. A. rate engineer and the project directors had first to endure endless bickering and then agree to a hold-up rate or get no current. Months of time were lost.

Carmody expressed "surprise that it takes the utilities so long to decide so simple a matter" and quickly ended such nonsense. He ordered his legal staff to prepare a brief, clear, but adequate standard contract form for utilities to sign, and announced that henceforth the R. E. A. would build its own generating plants when any company was too slow or too high in price. The result was magical. When utility executives saw this was no bluff they rushed to sign up, and wholesale rates have dropped from 25 percent to 40 percent. That is, where the old contracts were closed at around 2 cents per kilowatt-hour, the new ones are averaging around 1.2 cents—a life-and-death difference to many projects.

It takes time to organize a large emergency staff and reach the point of efficiency for any enterprise, private or public. In the case of R. E. A., the difficulty was further aggravated by the fact that a staff preparing itself to loan money to private corporations was suddenly switched to the far different task of helping set up and loan money to hundreds of farm cooperatives. Men had to acquire a new perspective and learn new techniques. Mistakes were made which had to be corrected, and months passed while farmers who had "signed up" swore because there was no light in their homes.

Twenty months of practical experience, then, had cleared the air. The R. E. A. and the farm co-ops had met not glad cooperation, but powerful resistance, both before and after projects were established. Says the Administrator in this report:

The job is only begun. Construction is only one phase. The statute requires that loans be self-liquidating. The Congress has placed this responsibility on the Administrator. He must assure himself by every reasonable means before a loan is made that the project is sound and will be prudently managed. He must follow through to assure repayment. To this end we utilize the services of a small staff of competent field engineers and auditors and agricultural engineers and home economists expert in the use of electricity to assist borrowers with management problems.

These projects are new. Most of them need rounding out. Income is just beginning to be appreciable. Each month shows some improvement, but plain common sense tells us it is extremely important for the Government that the agency it has set up to foster rural electrification be alert constantly with respect to the kind of management projects get from day to day.

The report reveals that during the last 10 months there has been a progressive reorganization and coordination of the whole R. E. A. administration—a general shake-up of activities and personnel. New divisions were created, others dropped or merged. The order went forth, "Speed up! Production!"

The former chief engineer resigned, and the post of coordinator of engineering was created. A new system was installed. The activities of the engineers in Washington now click with project engineers all over the country. "Engineering time is halved * * * reduced from 34 to 15 weeks," says the report. Again, "The moving belt * * * with a difference" arrests attention, indicating a new method of line construction. More pioneering. Henry Ford's famous belt in reverse. Too much to describe here. Result, "3 miles per day or better per crew instead of 1 mile." Again, "The cross-arm comes off," and other battleship gadgets long used by the private companies. Line attached on a pole top

pin.[5] Pole spans now 400 instead of 200 feet in length. Many new designs in construction. Result, line costs per mile drop from $1,200 or $1,500 to $850—another lifesaver for the co-ops.

"Examining division is set up." Why? Before a newly formed co-op can get an allotment of money, it must comply with many conditions proving it is a sound proposition. If slips are made, trouble and delay follow. This division checks to see that all requirements are fulfilled before a dollar is pledged or construction begun. Result, "the project gets off to a flying start." Time is conserved and expenses are being cut.

"Division of operations supervision." Another new one, which the report styles "a far-reaching change." "One of the duties is to see that projects secure efficient management and have ready access to the best operating practices known." Out of my personal knowledge of the fashion in which many municipal power plants and cooperatives of various kinds have been ditched, my guess is that this smooth official language means that care is being taken to prevent superintendents, engineers, and lawyers being "planted" in co-ops to wreck them through bad management.

Space will not permit mention of results from the new vigor with which the legal, finance, utilization, and information and research divisions are accomplishing their work. Some idea of its volume, however, may be gained from the fact that legislation in 48 States has to be studied and watched, 300,000 easements have been checked, 2,000 letters a week handled, and accurate information prepared and furnished to the projects to checkmate the increasing flood of false propaganda.

To repeat, I like the candor, the vigor, and, withal, the fine humility shown in this report. It does not blink the difficulties of the huge task ahead. It is applying modern business methods, as hundreds of commercial concerns dealing with the R. E. A. and its co-ops are discovering. Fair-minded utility executives can depend upon prompt decisions and action in respect to contracts for wholesale current or payment of bills. Others know subterfuge is futile. The faith of the American farmers in the R. E. A. is established. Projects are completed, and an average of 1,000 consumers a week are turning on lights for the first time. Also, the farmers are discovering that R. E. A. is no Santa Claus; that these debts must be paid and they must get busy and do their part. Education accompanies service, as well as welcomed and needed supervision. In short, it appears that R. E. A. is being managed as efficiently as a well-run private corporation. It is discarding moribund private methods and initiating new techniques which the utilities themselves are beginning to copy.

There remains the question, Will R. E. A. continue on a sound basis? Ernest R. Abrams, in the Fortnightly for January 6 last, raises the question, "Lending into Spending": Is it not inevitable that the farmers will fail with their co-ops; that an indulgent Congress will forgive them their debts, some reclamation history be repeated, and the American taxpayers be forced to foot the bill?

If the act contemplated the electrification of all farms in the Nation, there would be a sounder basis for the fear raised; but it does not. It is undeniable that for the past 20 years there have been millions of farmers living in compact areas whom the private utilities might have served at, say, a 6-percent profit on an honest investment. But they were not interested in 6 percent. These are the farmers who will be served under the present act. They can afford to pay and will pay. In fact, a few of the co-ops are even now showing surpluses. The business is there, imploring attention. The 1937 report shows $90,000,000 worth of applications in excess of money appropriated.

There are other large areas more sparsely settled and with lower incomes which necessitate subsidy in some form if these farmers are to receive the benefits of electricity. It is for Congress to decide when the time comes whether the national welfare demands that these farmers be helped. Even Ontario found it good public policy, and for the past 10 years the Provincial treasury has been advancing half the cost of farm lines and equipment—not to help the Hydro but to help the farmers.

That Administrator Carmody is exercising a banker's care in making R. E. A. loans appears from the fact that a majority of projects now in operation are already out of the red. This should gladden the hearts of Mr. Abrams and his friends and calm their fears, since it is quite remarkable that, although all but one of the projects have been energized less than a year and some of them only 1 or 2 months, so large a proportion is self-sustaining from the start. Only one or two of those which have not turned the corner are in trouble.

In starting R. E. A., Administrator Cooke laid down a basic principle that must be maintained—area service. But in territories now served by private companies "cream skimming" is still too much the rule with the majority and constitutes our greatest danger from the social viewpoint. For that reason, Senator McNary's bill, in my opinion, should be passed. It proposes to repeal the provision in the act which authorizes R. E. A. loans only "to persons in rural areas who are not receiving central-station service." That would make possible the creation of cooperatives anywhere and end "cream skimming" by bringing electric service and lower rates to the thousands of farmers who are now ignored by utilities.

[5] A good test for this construction came February 18, when the worst sleet storm in years hit northern Ohio. Three P. W. A. projects suffered only negligible damage, whereas Electrical World (March 5 issue) estimated more than $200,000 to telephone and power systems. Similar reports came from Texas, North Carolina, and the T. V. A. area.

The People Should Know Who Is Responsible for the Defeat of the Meritorious But Viciously Misrepresented Reorganization Bill

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 15, 1938

Mr. SABATH. Mr. Speaker, let us see who is responsible for the defeat of the meritorious and much-needed reorganization bill. On April 5 and April 6 I had this to say about the propaganda that has brought about the defeat of the measure.

On April 5 I said:

While I have observed throughout many years an ever-increasing effort on the part of professional lobbyists and propagandists, yet I have not dreamed that their efforts would reach such gigantic proportions and sink to such abysmal depths as they have regarding this bill. The abuses, misinformation, and falsehoods employed on this occasion have not in my day been equaled in intensity and scope, not even on the public-utility control bill, the Supreme Court bill, or the wage and hour bill.

Again, on April 6, in a speech on the floor of the House, I said:

It is perfectly apparent to me, ladies and gentlemen of the House, that we have reached the time when congressional action must be had to put an end to such outrageous propaganda and lobby abuses as have been practiced during the consideration of this reorganization bill. This politically inspired propaganda outrageously maligns the President merely in order to misrepresent the reorganization bill.

To summarize, let me say now that from the first I fully recognized the determination on the part of all the enemies of President Roosevelt to prevent any and all legislation to improve conditions in the United States that should be improved and that the President so sincerely desires to improve. So it should have caused little surprise that the reorganization bill was subjected to the most unscrupulous and wicked opposition. The bitter fight upon it emanated almost wholly from the Republican side, controlled as it is in its action by the avaricious vested interests who a year ago in a secret conference at New York ordained that Roosevelt and his aims to curb them, and to aid the masses, must be fought to the limit, and this notwithstanding the fact—and it is a fact that cannot be successfully denied—that during the years 1936 and 1937 the majority of our industries, under Roosevelt and a Democratic Congress, made greater profits than even in the banner year of 1928.

HERE IS WHAT REALLY IS BACK OF THE PROPAGANDA TO MISREPRESENT PRESIDENT ROOSEVELT

Why is it that the great corporations of this country are up in arms against the present administration? I will tell you. It is because they are asked to contribute their fair share in taxation for the maintenance of the Government. They are willing to have the Army, Navy, and Air Corps greatly increased, but they do not want to help foot the bill. They do not want to give their just proportion toward aiding the cities and States to feed the undernourished and unemployed, thousands of whom within the last 5 months they deliberately have laid off so that they may later hire them back at lower wages, and also to embarrass the President and discredit his administration. Big business is in a deliberate conspiracy either to rule the President and this Democratic administration or to ruin it. But I predict they will do neither.

These great industrial barons resent to the very marrow of their bones even the suggestion that the Government should to the smallest degree attempt to restrict the trusts and monopolies and combinations. They do not want the Government to control them, but, if you please, they want to control the Government. And their aim is to destroy and drive out of power any administration that will not permit them to do as they please. They have set about to force the

repeal of the capital-gains and undistributed-profits taxes, and to prevent fair and just wage and hour legislation, or, failing that, to crush this administration and make way for one that will do their bidding.

That is why they launched the vicious avalanche of propaganda against the proposed reorganization legislation. The bill itself justified no such extreme misrepresentation. Far stronger reorganization legislation was recommended by Presidents Taft, Wilson, and Hoover, and they never batted an eye in protest. It is Franklin D. Roosevelt and his administration whose scalps they are after; they really do not care a tinker's damn about the reorganization bill. They simply used it as a club to hurt Roosevelt. They used the great and powerful Republican press, employed special writers and publicists, set lobbies to work in all parts of the country, and even stooped to stir up racial and religious prejudices in order to bring about the defeat of the bill.

SINCE IT IS ALL POLITICS, THE REPUBLICANS CONCEIVABLY MAY BE EXCUSED

Mr. Speaker, I do not blame the Republicans too much for their part in this affair. They were not elected to support Roosevelt, especially where politics are involved. The Republican side of the House thought it was playing smart politics. But, in my opinion, once more they have blundered, because they will not be able successfully to utilize the hysteria they have created on their dishonest and dishonorable dictator issue.

But no one will ever know how much I regretted hearing fellow Democrats voting for the death of the reorganization bill, a measure that I feel is in the interest of every American, and the passage of which I had set my heart on, and most especially and particularly because the devils of Wall Street tried to use it to hurt Roosevelt.

Far be it from me to want to hurt any Democrat, no matter how he votes. I feel sure that any Member of the House, whether he be Republican or Democrat, will concede that whatever my failings, always I am for Democrats and the Democratic Party. I hope that fact will help them to realize my feelings now. I concede every Member must decide for himself what is best for him himself to do. It is, in fact, his conscientious duty to do so. For each of us in public life must make our own bed and then lie in it. But I am fearful that some of my colleagues, some of those that personally I like the best, have with the most sincere and honorable intentions made a mistake.

Republican and Wall Street propaganda has magnified this reorganization proposal out of all true proportions so far as its real importance is concerned. As a matter of strict fact, the bill is an almost colorless, milk-and-water, every-day type piece of legislation. It merely aims to do something that any real businessman, or even thrifty housewife, would have done long ago. It aims to bring about economy and efficiency, only that and nothing more.

If the truth must be told, in some respects ours has become a great, overgrown, cumbersome governmental machine, that at least in some respects has become wasteful and inefficient and needs overhauling. Eight Presidents have recommended a reorganization plan similar to that provided for in this bill. So, as a matter of fact, the idea did not originate with President Roosevelt at all. Indeed, he had little or nothing to do with it. I have been hearing this thing agitated ever since I first came to Congress 32 years ago. Let me say to my colleagues on both sides of the aisle that in the last 5 years we have supported far more drastic reform legislation than this—swallowed it, voted for it, and liked it.

SPEAKER BANKHEAD ACCURATELY PREDICTED WHAT HAS HAPPENED

None of us can justifiably say that we voted on this bill blindfolded. Member after Member foretold how the country would judge our votes. Our great Speaker [Mr. BANKHEAD], just before the vote was taken, said:

> You defeat this bill, and it has got to be done by Democratic votes if defeated, and watch the reaction in the public prints tomorrow, watch the editorials, and watch the headlines blazing across the papers all over this country, and you will see these words streaming across all those newspapers and in heavy type:
>
> "House of Representatives, by Democratic votes, has repudiated the President of the United States and has expressed the opinion that they cannot rely upon him."

How truly he predicted what would happen. I have before me a dozen large city newspapers. One of them says, in glaring headlines, "Roosevelt repudiated"; another, "Congress votes lack of confidence in the President"; still another headline reads, "Congress fails to support F. D. R."

Members may have fooled themselves, but they did not fool the gentlemen in the press gallery. The United Press dispatch, which I read on the first page of the Washington Daily News of April 9 and which was sent to 1,400 United Press newspaper clients throughout the country, leads off with this:

> The House was voting on whether or not it had confidence in the leadership of the White House.

Of course, that is not exactly accurate, because the Democrats, nor do I believe the Republicans either, who voted against the reorganization bill have lost confidence in Franklin D. Roosevelt. I know they have not. But those who voted to kill the bill were, apparently, stampeded by hundreds of telegrams and letters, 90 percent of which I believe came from Republicans, inspired by the big interests. But we all must now admit that our Speaker and our Democratic leader, the gentleman from Texas [Mr. RAYBURN] advised us correctly as to how Democratic votes against the bill would be construed by the Republican press.

If this vote had been had in a foreign parliament or legislature, it surely would have been heralded as a vote of lack of confidence in their government, and their president and entire cabinet would have been expected immediately to resign. What Democrat here seriously would wish President Roosevelt to resign? Not one, I am positive.

ROOSEVELT IS A REAL FRIEND OF THE MASSES

The thing that particularly riles me is that we did this thing that we had a right to believe would be interpreted against a really great man—Franklin D. Roosevelt. In my humble opinion he is the second greatest President the United States of America has ever had. For myself, I place only Thomas Jefferson above him. Jefferson championed religious liberty and free education at a time when their fates were in the balance, so I can never place any President above him.

But President Roosevelt has been a great President. He saved this form of government when in 1933 it was on the very brink of revolution. We all know that he is on the side of the common people, who, as Abraham Lincoln said, must have been the chosen of God, else he would not have made so many of them.

How we could embarrass so great and good a man when every one of us honors ourselves by standing by him, I cannot understand. If we cannot give him a vote of confidence, how can we ask the voters of our districts to give him and our party a vote of confidence? It is my serious conviction that another faux pas like that one of the Black Friday of April 8, and the next Democratic Presidential nomination will not be worth having.

I may be wrong—I know I am not infallible—but I feel that President Green, of the American Federation of Labor—and I like him—unintentionally made a mistake when he came out against the reorganization bill. There is politics back of this thing, and I am sure no one would regret more than President Green and the members of the American Federation of Labor if we discredit by a vote of lack of confidence our great humanitarian President and get in exchange an entirely different type of President than the one we have in the White House today.

That this debacle has been what the Republicans consider a victory for them, but which hallucination I do not agree with wholly, is indicated by the hundreds of press comments that have appeared throughout the Nation. Here is just a sample, typical of them all, which I quote from the Washington (D. C.) Post of the issue of April 10:

REPUBLICANS REJOICE

National Republican leaders joined in rejoicing at the bill's demise. They included former President Hoover and Dr. Glenn Frank, chairman of the committee of 100 that is drafting a new declaration of Republican Party principles. Hoover hailed the defeat as America's most "heartening news." Dr. Frank said that President Roosevelt's defeat was "wholesome."

THE NEWSPAPER, LABOR, TELLS THE TRUE STORY OF THE DEFEAT OF THE REORGANIZATION BILL

The newspaper, Labor, published within a stone's throw of the Capitol Building, justifiably having one of the largest circulations of any labor newspaper in the United States and edited by the Honorable Edward Keating, formerly a Congressman from Colorado and one of the shrewdest and truest friends of labor in America, tells the whole story of the defeat of the reorganization bill in its issue dated April 19. The article reads:

REORGANIZATION BILL LICKED; DICTATORSHIP CRY DID TRICK—VILIFICATION AND FALSEHOOD CHARGED BY BANKHEAD; MEAD CLAIMS TELEGRAMS CANCELED 28,000,000 VOTES

The administration suffered a major defeat over the week end when the House, by a vote of 204 to 196, killed the reorganization bill by sending it back to committee.

A significant feature of the voting was that while Democratic and Progressive ranks were shot to pieces, the Republicans voted solidly against the measure. Observers were unable to recall in recent years another instance of such party unanimity as the G. O. P. displayed. Republicans saw a chance to "soak Roosevelt," and took full advantage of it.

The Philadelphia Record revealed that a survey had disclosed that 95 percent of the newspapers had joined in a "game of destruction," inspired by the interests that hate Roosevelt, and that a careful scrutiny of their columns failed to disclose any attempt fairly to explain the bill's provisions.

PROPAGANDISTS KILLED BILL

Back of the newspapers was a lavishly financed propaganda bureau, directed by Frank E. Gannett, multimillionaire, labor-hating publisher, and Edward E. Rumely, who during the World War was convicted and sentenced to the penitentiary for disloyalty to this country.

As Labor has repeatedly pointed out, there was honest opposition to certain features of the bill, but it would have been unavailing had not the propagandists and their newspaper allies raised the cry of "dictator" and used it to pound Roosevelt.

Behind the entire campaign of "vilification and falsehood," the RECORD charged, "was the pent-up hatred of economic royalists against relief for the jobless, better conditions for the farmers, and protection of workers in their right to organize and to demand fair wages and reasonable hours."

TELEGRAMS CANCEL ELECTION

"Propaganda and deliberate distortion of the truth were used on a national scale to defeat the bill," declared Speaker WILLIAM B. BANKHEAD.

Congressman JAMES M. MEAD (Democrat, New York) insisted that "28,000,000 votes cast for the New Deal in 1936 were canceled by 150,000 telegrams."

Observers on Capitol Hill regard MEAD's estimate of the telegraphic barrage as conservative. The messages flowed in for 4 days, and the total number may have run between 175,000 and 200,000, and they cost not a cent less than $150,000.

Between 80 and 85 percent of the telegrams were not only inspired but were paid for by a source interested in killing the bill.

If the truth were known, it would probably show that the propaganda campaign during the last few days cost around $1,000,000.

Congressman THOMAS F. FORD (Democrat, California), a brilliant newspaperman who worked on the reactionary Los Angeles Times before he came to Congress, said no bill in recent times has been so "flagrantly" lied about.

REAL DICTATORSHIP DANGER

"The opposition," FORD added, "is crying dictatorship. There is a danger of dictatorship, but the would-be dictators are the minority which has become so determined to block the will of the people as expressed at the polls that it is resorting to concerted attacks on every suggestion made by the President and to paid propaganda intended to confuse and frighten the people.

"In this group of would-be dictators who are determined to rule or ruin are the Power Trust and the small but powerful group of industrial magnates whose strike against taxation is largely responsible for the recession.

"Economic royalists having amassed great fortunes along with the control of great corporations that threaten free government, have defied Congress to touch them through taxation, regulation, or any other method.

NOW RUNNING CONGRESS

"These are the dictators. They are dictating right now the course of events in this country. They are opposing not only taxation based on the just principle of ability to pay, but every effort to make the resources of this country available to its people. They oppose all just labor legislation, such as the wage and hour bill, the abolition of child labor and sweatshops.

"Since they could not win at the polls they are resolved to win by tricky propaganda in the controlled newspapers, by a concerted and never-ending series of attacks on the President.

"These enemies of the people believe that by defeating the reorganization bill they have struck a blow at the prestige of the President that will enable them to stop the New Deal in its tracks and get the power back in their hands."

Money and the Necessity of Its Value Being Regulated by Congress and Reasons Why Government Should Own the 12 Federal Reserve Banks

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1938

TESTIMONY OF HON. ROBERT L. OWEN BEFORE THE BANKING AND CURRENCY COMMITTEE OF THE HOUSE

Mr. PATMAN. Mr. Speaker, the Honorable Robert L. Owen, a former United States Senator from Oklahoma, testified before the Banking and Currency Committee of the House in favor of H. R. 7230, which is sponsored by more than 150 Members of the House of Representatives, including myself. This testimony was so interesting and instructive that it has created more attention than any testimony on this subject that I have ever known about. The fact that Senator Owen was chairman of the Banking and Currency Committee of the Senate when the Federal Reserve Act was passed, and the further fact that Senator Owen has had 48 years' experience as a director and president of a successful national bank permits him to give us the benefit of facts and experiences that are little known by some of the best-informed people in the country on the monetary subject.

His testimony is as follows:

GOVERNMENT OWNERSHIP OF THE 12 FEDERAL RESERVE BANKS

FRIDAY, MARCH 4, 1938

HOUSE OF REPRESENTATIVES,
COMMITTEE ON BANKING AND CURRENCY,
Washington, D. C.

The committee resumed hearings on H. R. 7230 at 10:55 a. m., Hon. HENRY B. STEAGALL (chairman) presiding.

Other members of the committee present: Messrs. GOLDSBOROUGH, REILLY, WILLIAMS, SPENCE, FORD of California, BROWN, PATMAN, MCKEOUGH, TRANSUE, LUCE, and CRAWFORD.

The CHAIRMAN. The committee will come to order.

Mr. PATMAN. Mr. Chairman——

The CHAIRMAN. We have with us this morning former Senator Robert L. Owen, of Oklahoma, who had a large part in financial legislation, due to his service in the Senate, especially in connection with the Federal Reserve Act, and who is so well known to you that I am sure there is no necessity for any extended introduction of him from me.

I want to say, Senator Owen, that we welcome your counsel in this committee; we have need of it, and we want you to feel at liberty to proceed as you desire, in your own way, in connection with this bill now under consideration. If you wish, the committee would be glad to have you proceed without interruption until such time as you wish to be interrogated.

You may proceed in your own way.

Mr. PATMAN. Mr. Chairman, you have already said in a better way than I could say what I had in mind, except this: That I feel that Senator Owen has given more thought and consideration to this subject than any other one man in America. I feel that he is one of the best-informed men in the world, if not the best, on our American monetary system. I feel that he has done more for the cause of reform of a dishonest monetary system than any other one man in America, and I feel deeply gratified to have him come before this committee and to have him give us his views and suggestions on this bill H. R. 7230.

The CHAIRMAN. All right, Senator Owen. We will be very glad to have you proceed.

STATEMENT OF HON. ROBERT L. OWEN, A FORMER UNITED STATES SENATOR FROM OKLAHOMA

Mr. OWEN. Is it agreeable to the chairman of the committee that I be seated?

The CHAIRMAN. Just as you prefer.

Mr. OWEN. I would prefer to sit.

The CHAIRMAN. You do that; suit your own comfort.

Mr. OWEN. Mr. Chairman and gentlemen of the committee, I think, for the record, it might be advisable with great brevity, to give a background of my interest in connection with this subject matter.

CATTLE PRICE FIXING

The first item of any importance in connection with it was an experience that I had in handling range cattle. During 7 years I sent 18,000 steers to the markets, and at the end of that time I came out of the same hole I went in. I discovered during that time that there were committees representing the packers who every morning would fix the price, especially for the cattle that day, and they fixed it at a point where, although I had a free range, and nearly 100,000 acres of magnificent grasslands, I made nothing; and I was deeply impressed by it, because the methods which were pursued in that matter had afflicted the producers of the United States and had impaired the national progress.

BANK PRESIDENT

In 1890, I, with some other friends, organized the first national bank which Oklahoma or Indian Territory had. For some reason they selected me as president of that bank, and I served 10 years as its president—which I do not mention as a qualification as a monetary expert, but, on the contrary, as a means by which not to know it, if I may use that term, because a banker does not think in terms of monetary science; he thinks in terms of making safe loans at good interest and collecting the interest and not losing the loan. He thinks in terms of his stockholders and his depositors.

BANK DIRECTOR 48 YEARS

I have been elected a director of that bank 48 times. So I have had some experience with the banks—not a great deal; I did not attend to the detail of the bank, even when I was president of it, but I directed its policy, and that bank, starting with a cash capital of $50,000, has paid over $2,000,000 in dividends, and it is doing very well now.

FRIEND OF BANKS

So I am not prejudiced against the banks. I am a friend of the banks. I do not sympathize with the policy of denouncing the banks for what has taken place in our country. They did their duty well. They have been most serviceable to the people of the United States, and I have deplored seeing them, through the weakness of the banking structure, lose 16,000 of their number in the last 20 years due to no substantial fault of the bankers. They have been victims of an unwise system which has ignored the wisdom of our forefathers, which has ignored the means by which our forefathers intended to protect us against the evils which they had witnessed in the past, and because of which they wrote into the Constitution of the United States an express direction to Congress to coin money and regulate the value thereof and put into the Constitution itself the broad powers in Congress exclusively to create money. I speak the language, in substance, of the United States Supreme Court in the Legal Tender cases.

ADVISED TO CONTRACT CREDIT IN 1893

In 1893 I received a circular letter advising me to contract credit, as the head of that bank, and to use the distress of the businessmen, due to the contraction of credit, to petition Congress, and to write letters to the Senators and Members of Congress urging them to repeal the Sherman Silver Purchasing Act, which was done a little later on, and the contraction which took place at that time caused 60 percent of the deposits of the little banks which we had there to vanish. The wholesalers called upon the local merchants to pay up, and pressure was put upon those who were in debt to liquidate their debt at whatever cost.

At the time I saw a pair of driving horses about 15 hands high selling in front of that bank for $10, for the simple reason that nobody wanted to buy and to be responsible for their care. There was an abundant number of horses, and there was a very small amount of money left in the country.

I mention that item because it was of extreme interest to me, and I found my reputation and that of my board of directors jeopardized by this contraction of credit deliberately brought about by circular letters sent all over the United States—confidential letters, I suppose they were, but it has been a long time since I saw that letter, and I do not remember the text, but the text was published in many places, and I put the text of that letter in a book which I sent to every member of this committee, called "Stabilized Dollars." I sent you that book on the 9th of January a year ago, 1937, in the hope that some of you would have time to read it, and I believe that some of you may have read some of it.

Mr. GOLDSBOROUGH. I assure you that I have read it with a great deal of profit, and I have used it as a reference book on occasions, and I know of no work that has been more highly complimented to me by monetary experts.

Mr. OWEN. I congratulate myself that it is sowing seed.

Mr. PATMAN. I have had the same experience as Mr. GOLDSBOROUGH. It is a very useful and constructive work.

Mr. OWEN. It was a sowing of seed.

PLANK IN DEMOCRATIC PLATFORM

In 1896, deeply impressed with the monopolies which were afflicting the country, and with the means by which they were successful in the control of the money supply, I went before the Democratic national convention. I was then a member of the Democratic National Committee, elected in 1892, and in 1896 I went to the convention, and before the committee on resolutions I made a resolute fight, demanding that the convention commit itself to the protection of this country against panics, and I showed them a way how, which I had gotten from a man named St. John, which was to provide for the easy convertibility of bonds of the United States into the money of the United States in times of panics. I got that principle also from the Bank of England.

I was defeated in the first fight. In the second contest to the same end I got the support of Allen Thurman, of Ohio, and of Charles S. Thomas, of Colorado, and of William J. Bryan, of Nebraska, and the committee yielded to pressure and adopted the plank I proposed. Senator George, from Mississippi, came in and made a strong speech against it on the ground that it was new, that it was novel, that it had not been considered by the Democratic Party leaders, and they did not know what the result might be of that kind of a plank, and that it might be taken advantage of to expand and contract money by the New York bankers, and it was dangerous, and that they had better leave it out—and they did, and I stood like Casabianca on the burning deck; I was the only one that stood persistently for that, but it did not go through.

MONETARY PLANS OF FOREIGN COUNTRIES STUDIED

I went to Europe in 1898, and spent 4 months in London, Paris, and Berlin examining methods by which the banks of those great countries controlled the supply of credit. They all had plans, of which I made a careful record. I came back and wrote many articles for the public press, showing how these principles could be adapted to the American system of banking, giving public control in stabilizing credit. I put some of them in the CONGRESSIONAL RECORD when I became a Senator, in 1907. See CONGRESSIONAL RECORD, February 25, 1908.

The Bank of England, chartered under the law of 1846, met with a sudden panic in 1847. In that contingency they were not permitted to issue money or credit except against gold, outside of a limited number of pounds of their original capital stock, and the directors went to the Ministers of the Crown, and in the ministerial meeting they passed a ministerial permit authorizing the Bank of England, regardless of its chartered law, to issue credit or money and 5-pound notes against other securities than gold and without limit. It was, in effect, an authority of government to the bank of issue to create unlimited money against assets of a sound bankable character.

The moment that that ministerial permit was declared, the businessmen of Great Britain were advised, upon the authority of the Government itself, that they would be able to get money against sound bankable assets, and as a matter of course their fear disappeared, the urgent demand of many to liquidate current obligations was abated, and the panic disappeared almost immediately.

The same thing took place in 1857. The same thing was repeated in 1866, when Overend, Gurney & Co. failed. The same thing was repeated in 1890, when Behring Bros. failed, a commercial wreckage that went to the ends of the earth. The people of England have had this means of quick remedy for a long, long time. I undertook to bring that to the attention of the people of the United States, and when I came into the Senate and took my seat on December 16, 1907, I was there for the purpose of promoting a sound banking system in the United States. That is what I came to the Senate for. That is my chief purpose.

PROPOSED BILL PRECEDING FEDERAL RESERVE ACT

Within 90 days from my entry into the Senate, I discussed the Vreeland-Aldrich bill, which had been offered by Mr. Nelson W. Aldrich, the chairman of the Committee on Finance, as a means of meeting the panic of 1907, a panic artificially created, deliberately created. I gave a record of the facts in the book that I sent you. I pointed out to you the fact that a man who knew what he was talking about came and told me in January 1907 that there was going to be a big squeeze in stocks and bonds, and I asked him how much of a squeeze, because I knew that he knew, and he grinned and said, "Just enough of a squeeze to make the fellows let loose that cannot hold on," and I followed it with interest and care. In the meantime I notified my bank to reef its sails and to strengthen its collateral from borrowers, and to call nobody, but to protect the bank against the contingency of loss. The bank lost nothing, but many others did lose.

It was a grievous loss, and a picture of it was painted by Mr. Aldrich on the floor of the Senate that has not been surpassed as a dramatic statement of great power, and which he urged as an argument for the Vreeland-Aldrich bill, which provided for regional currency associations by which the banks associated together in regional groups could add their bank assets as a basis for the issue of money. This was a principle of the British system to which I have previously referred.

I analyzed that bill, recognized its good qualities gladly, and said that I would support it if necessary, but I pointed out its weak spots, that it had many constrictions in it, so as to make it difficult for an individual bank to get the proper supply of money against sound bankable assets, and I urged its amendment on that occasion. I think it might be of interest in this connection to say I advocated on the floor of the Senate, in a 3-hour speech,

that the United States Government should exercise supervisory control over the banking system, that all money should be legal tender, that bank deposits should be guaranteed, that the United States should issue the money of the country, that no bank should be allowed to lend money for speculation in securities in the stock market, and that the security exchanges should be put under public control. That speech was made last Friday 30 years ago, on the 25th of February 1908.

I advocated an emergency currency fund, the quick conversion of United States bonds into currency through the Treasury of the United States by permit of the Secretary of the Treasury in times of panic or great emergency. In this address (CONGRESSIONAL RECORD, p. 2427, February 25, 1908), I said:

"In discussing this matter, Mr. President, it should always be kept in mind that it is not the welfare of the bank or of the depositor, however desirable these questions are in fact, that should be considered, but the real question to be considered is:

"The prevention of panic.

"The protection and promotion of our national commerce.

"The firm establishment of stability in business affairs.

"The maintenance in active operation of the productive energies of the Nation.

"Panic is like a stampede in a theater at the cry of fire. The remedy is, first, a fireproof building; second, abundant avenues of escape, wide open."

MONETARY COMMISSION APPOINTED

On the 25th of March 1908 I demanded on the floor of the Senate a committee that should be charged with the duty of studying this system of banking, so as to advise the Senate of the United States what was the best means by which to strengthen our national banking structure. Mr. Aldrich then and there, on the floor of the Senate, acquiesced in the suggestion, and I had had a previous agreement with him that he would do so, and the Monetary Commission was the consequence. They studied the subject matter for 4 years.

ENORMOUS AMOUNT OF STUDY

I am reciting this history because I want this committee to realize the enormous amount of study which has been given to this question by the authorities of the United States through the Congress of the United States. That committee reported in 32 volumes after 4 years of study, and 2,500 auxiliary books which they had collected from the ends of the earth relating to banking systems all over the world. Those books are all in the Congressional Library now for those who are interested in the subject matter. They brought in a bill called the National Monetary Commission bill and did a great deal of work to excite public interest in it, and it was a bill which had very substantial merit. It had the demerit, I thought, that it left the management of the banking system, which provides the money of the country, entirely in the hands of privately owned banks. I did not think that that was wise, because the policy of the banks is exactly the reverse of what the policy of the Government would be in the matter of expanding and contracting credit.

MONEY NECESSARY TO TRANSACT BUSINESS

Under our system of government we have built up a structure which was perfectly natural and which I do not feel disposed to criticize in any harsh way whatever. The Government of the United States naturally and normally failed to provide the people of the country with an adequate supply of the medium of exchange to meet the requirements, constantly expanding year by year, of products and services which had to be exchanged by the people with each other. The Congress of the United States did not realize that. The people were compelled to realize it by their own necessities. They had to have money in order to transact their business. They transacted a great deal of business without any money. The individual citizen would go to his merchant and say "I have not any money at present, but I will have money after a certain time from the proceeds of my labor, from my cattle, from my hogs, and cotton crop, etc., and I want you to credit me and let me come to the store and get what I need for my supplies while I am preparing the crop, etc.," and an entry on the books of the merchant served the purpose of money and the going in and getting the goods at the store and having them charged served the purpose of money, but it was not adequate.

In a civilization such as we have developed, wherein you will find in an ordinary department store tens of thousands of different articles made by modern machinery in enormous volume, to exchange those products with the people who would like to buy those products is absolutely impossible without an adequate supply of money with which to do it.

Under this system which we have built up, the banks, when times are good and prosperous, begin to expand credit, and as they expand credit, the expansion grows on itself, and they expand to excess, and when they expand to excess it has the effect of causing property values to rise correspondingly, and then it is soon discovered that these values are too high, and there comes a reaction, and the reaction excites great fear, and the depositors and the banks alike through the process of fear, contract the credit, which means the money of the country, and they contract that to great excess, and because of that excessive contraction they bring about the destruction of property values, they bring about the weakening of the security upon which the banks have made loans, they weaken the solvency of the borrowers, they frighten the banks who have their capital in jeopardy, and the banks naturally contract credit and ask to have the loans liquidated, and prudent borrowers make haste to liquidate when they anticipate conditions of this character.

GOVERNMENT SHOULD BE IN POSITION TO CORRECT INFLATION

For that reason the policy which works against the interests of the people in this field needs to be corrected by some power greater than that of the banks, who cannot cooperate with each other in such a matter. The only power that can do that adequately is the power of the United States, of all of the people, and the policy of the United States should be, when an undue expansion takes place, or what is called inflation, when the word "inflation" is properly used—when undue expansion takes place the Government ought to be in a position to correct that in order to prevent interference with the normal relations of debtor and creditor and the normal relation of the buying and selling of goods which is necessary to achieve and maintain uniform, maximum production.

Therefore the policy of the Reserve Board and of the Reserve banks should be to correct these unhealthy tendencies when they occur injuriously to the public interest. For that reason the Government of the United States ought to have control of the Federal Reserve System in such a way that they could make effective the policy to which I refer.

PATMAN BILL—H. R. 7230

It is for that reason that I approve the Patman bill, which provides for taking over the 12 Federal Reserve banks under the ownership of the United States Government or by the people of the United States whose interests are so vitally and deeply affected by the panics which have occurred from time to time—I believe now some 25 times since we established this Government, and 3 times in the last 20 years, 1921, 1932, 1937—excruciating periods of suffering for millions of people.

SUICIDES AND PANICS

In the depression of 1932 I want to call the attention of this committee to the fact that the suffering was so extreme that the personal suicides increased to 22,000 per annum, an increase of 14,000 above the previous record, many of which were even then due to the conditions in this country which made poverty so unendurable that people preferred to die rather than to live.

I am not going to describe the effects of these last three panics beyond calling to your attention, with the greatest possible brevity, the fact that the first year of the panic of 1921 caused a loss in the products and services which the people previously enjoyed of $15,000,000,000. That is a recorded fact, not a theory.

The loss of products and services under the panics of 1929 to 1936 amounted to $164,000,000,000 of products and services that might otherwise have been enjoyed.

PANIC OF 1937

The panic of 1937 has been more sudden and more violent than any which preceded it, and the effect on production has been more violent.

Let me call your attention, gentlemen of the committee, to the record found in the files of the Federal Reserve Bureau of Research, the index of physical production. I sent a letter to the members of this committee by mail, with which was a copy of the report of Sir Reginald McKenna, former Chancelor of the British Exchequer. In that he said that the index of physical production, or the actual physical production of Great Britain, had increased in 5 years under managed money 50 percent. That is 10 percent per annum under a system of managed money, where the people were supplied with a sufficient amount of money to transact their current business.

Our index of physical production was set at 100 by the Calvin Coolidge administration for the average of the years 1923 to 1925. That index of physical production is an index that should normally rise without any assistance or special assistance on the part of Government, not less than 4 percent per annum. The index of physical production that should be 4 percent per annum each year should be followed by a 4-percent increase, so it compounds itself as you proceed; and, taking 1924 as a basis, the index should have increased from 1924 to 1937 by 13 times 4 percent, plus the actual compounding percent, or about 68 percent. I have made the calculation. That is substantially correct.

The index of physical production, without the assistance of anyone, and without panics, should have been for 1937, 168.

GREAT BRITAIN UNDER MANAGED MONEY

While we did substantial service in overcoming some of the effects of the depression, our index of industrial production last May reached 122. Then it went down, down, down, and now it is 79. We have lost 43 points, or about 35 percent in the index of physical production since last May, and I hope that you will read the letter which I sent you, enclosing the statement from Sir Reginald McKenna. He is a high authority. He was Chancelor of the British Exchequer. He has had charge of the London City & Midland Bank for 25 years or more, the largest commercial bank in the world, I believe, over 3,000 branches, over two billions of deposits.

I know Sir Reginald McKenna very well. I had the honor of visiting with him in London immediately after the armistice in 1918. He was associated with Sir Edward Holden, also formerly Chancelor of the British Exchequer, and who at that time was the head of the London City & Midland Bank, and those two were deeply interested in the Federal Reserve banks which had

financed the war to the extent of $40,000,000,000 without any disturbance of credit conditions in the United States, although the bankers assured the Government that it would be impossible to raise over two billions when the war started, but we raised forty billions without difficulty under the Federal Reserve System. So the act was well drawn for national emergencies.

At that time Sir Edward Holden and Sir Reginald McKenna spent 2 days with me, talking about the Federal Reserve System, the Federal Reserve Act, its management, etc. They gave me a banquet at the Hotel Cecil, with 60 financiers and the leading representatives of the British Treasury there, and Sir John Bradford was there, and Sir Robert Chalmers, and various dignitaries, and for 3 hours I answered their questions with regard to the operation of the Federal Reserve Act, and they were deeply impressed with it, and an effort was made to amend the charter of the Bank of England to give it greater powers to correspond with the powers we have given the Federal Reserve System. But the English are very conservative, and no change in the charter was made.

I recite this because I think it is of importance for the committee to realize the importance of the present experience of Great Britain for the last 5 or 6 years in managed money. They have accomplished some very important results. They have restored prosperity reasonably. They have increased their physical production 50 percent, and that is a colossal transaction. They have reemployed over 2,000,000 of workmen in the last 5 years under that system, who previously were unemployed. They have given the businessmen of Great Britain a 2-percent annual rate on the use of money, and our businessmen have got to compete with that 2-percent rate when they come into competitive conditions in the world's markets with the products of English industry.

PANIC OF 1920

Now, in 1920, on May 18, in Washington City, at a secret meeting of certain members of the Federal Reserve Board and 36 class A directors of the Federal Reserve banks, and 12 members of the Federal Advisory Council, they had an all-day meeting. The minutes of that meeting fill a small book of some 60 or 70 pages and will be found in Senate Document 318, published in February 1923. I recommend that to your careful perusal. You will find there where they deliberately agreed to contract credit and currency, to drastically contract it.

On the floor of the Senate, between January and June 1920, knowing that they were secretly working for the contraction of credit and currency, I entered 11 different protests, verbally and in writing, against that policy. I want history to record that fact. I pointed out to the Senate and to the people of the United States that if they permitted that kind of treatment, they would first experience a serious depression, bringing sorrow and grief to the people of the United States, and if that was persisted in, through the private management of that institution, they should not be surprised if the people of the United States would demand that the Federal Reserve System should be turned into banks of discount and deposit. I am opposed to that remedy, but the remedy proposed by the Patman bill, to take over these banks, is for the purpose of preventing private interests, by cajolery, by intrigue, by cleverness in social relationships, and in the scientific use of economic jargon, to control the policy of an institution that ought to be exclusively employed in the welfare of all of the people of the United States, and not permitted to be used to promote the interests of those who speculate in money.

SPECULATORS IN MONEY

I speak respectfully of those who speculate in money. In a certain intellectual sense, they have my admiration, not that all of them are deserving of admiration, but they follow with reasonable alacrity when the leaders set the pace, and what they do is simple enough. Just what they did at that secret meeting on May 18, 1920, and which they were able to write into the records of one of our great and patriotic political parties, was this: On the 10th of June 1920, there was written into a platform of one of our great parties a provision that that party would carry on a persistent fight against the high cost of living by the courageous and intelligent deflation of overexpanded credit and currency. Well, they contracted, and the general price level, the all-commodity index, which in May was 167—and I confess it was too high; I confess it was at that time 37 percent too high because of the speculation in commodities following the World War, when there was a scarcity of commodities, but from 167, by the contraction of credit and currency, that index fell to 93 the following June, 74 points.

Then, under Calvin Coolidge, we had a serious attempt to stabilize the value of money, and they set standards that were believed to be sound and fair; they set the standard of 100 for the price level of 1926; and under Benjamin Strong's management, he being the governor of the the Federal Reserve Bank of New York, in which he controlled credit in a substantial degree through his influence directly or indirectly over the great banks of New York who cooperated with him, we had an era of very substantial prosperity, but in that era there took place a very unusual thing which followed the great distress of the panic of 1921.

In the panic of 1921 our great industrial companies discovered that they had not a sufficient amount of reserve money to bear the stress of the sudden loss of business, when their expenses went on and their income was reduced subnormally. They therefore put on a campaign to correct that condition which they regarded naturally as an evil, to expand their cash reserves, and the best way to do it was to sell their stocks and bonds to the public. So, great campaigns were put on to sell stocks and bonds to the public. These great institutions were admirably managed for the most part. They were money-making concerns. They deserved the confidence of the public as investments, and the public bought the stocks to an extent which I think is not generally understood, but which was put into the record of this committee in the hearings on the Goldsborough bill in 1932, in which Mr. Goldenweiser, the Director of the Bureau of Research of the Federal Reserve Board, testified while I was on the stand that these industrial corporations had sold to the public over $50,000,000,000 of stock.

It was a grand performance, representing the highest skill and activity humanly possible, and the great institutions had so much cash on hand that they looked around to see how they could employ it and get some interest on it.

Nothing was easier. The call-money market was absorbing all the money that anybody was willing to lend, and at increasingly high rates of interest. The margins were abundant, 40 and 50 percent. The security could be sold overnight. There did not appear to be any risk in it whatever, and so attractive was it that they not only took money which was held as reserves by the industrial corporations but they also attracted money from the small banks all over the country.

I found that my own bank, of which I was a director, had $1,000,000 loaned up there. When I discovered it, I objected to it very seriously, and it was withdrawn, but my directors told me that they did not have any demand for it at home, and they were getting a high rate of interest on call, and the margins were abundant, and it was safe, and they could do it through their correspondent in New York without difficulty, and they did not see any reason why they should not make that money.

The CHAIRMAN. Do you remember how high the call-money rates went at that time?

Mr. OWEN. The highest point which I recall was about 25 percent, just about the time of the crash.

Now, I do not blame anybody——

The CHAIRMAN. What is the highest rate of interest that your bank received on call money in New York?

Mr. OWEN. I do not remember. I think at the time it was somewhere around 8 percent, but the rate did run up to a point above 20 percent; and those processes represent human nature in action. I do not think it advisable to criticize the motives of people who do the natural thing under the conditions under which they are living, and I am not willing to do it, because I do not like to impugn motives of individuals; I do not think it is wise and just to do it, as a rule, but I am calling the attention of this committee to these things because of their bearing upon the importance now of taking over these Reserve banks without any nonsense about it, for the reason that you have then an instrumentality subject to the control and the influence of the Congress of the United States in the discharge of its constitutional duty of regulating the value of money. You cannot regulate the value of money except by regulating the flow of credit in the form of demand bank deposits in circulation. The demand bank deposits not in circulation do not function as a medium of exchange. They function as a warehouse receipt and as a measure of value.

Money has several different aspects. One of its aspects is a medium of exchange—the great aspect. Another is a measure of value, and the third is purely as investment.

INVEST IN MONEY INSTEAD OF PROPERTY

There are many men who have the wisdom to know that they can invest in money just as profitably as they can invest in property. There are men who know that money can increase in its purchasing power in terms of stocks 100, 200, and 300 percent, just as well as men who know that stock can increase from a low price 100, 200, and 300 percent, and this last panic which took place, I think, was clearly due, first, to the general condition of hoarding credits which had been built up through the terrible agony of 1931, 1932, 1933, and 1934, when men hoarded demand bank deposits.

In 1932 and 1933 they hoarded pocket money on such a colossal scale that there were over 1,000 communities in the country, collected by the Department of Commerce, who resorted to barter exchanges and to the issuance of the scrip money. The Chase National Bank has on exhibit to any of you gentlemen who would care to see it in New York, 2,000 pieces of scrip money issued in violation of statute law, but in accordance with the law of self-preservation, which rises above statute law. The scrip money was issued on paper, on leather, on wood, and on metal, and it was due to the hoarding of pocket money which did not exist in sufficient quantity to enable the people to carry on. The clearing houses during this period authorized the issue of clearing-house certificates to an extent of over $600,000,000.

But the real hoarding which takes place, which is most dangerous, which is most harmful to our commerce and industry, is the invisible hoarding of demand bank deposits, and how shall we ascertain to what extent that invisible hoarding is taking place? Fortunately we have the actual figures. There were twenty-four and a fraction billion dollars of demand bank deposits in 1929 which were active, in circulation. One thousand two hundred and twenty-seven billion dollars of checks were circulated during that year and debited on the books of the banks of the United States, measuring the flow and activity of that twenty-four and a half billion dollars of demand bank deposits in all the banks of the United States in 1929, but when the people became frightened, it

fell to nine hundred billion in 1930, and in 1932 it fell to four hundred and fifty billions, and in 1933 to four hundred and thirty billions. In the meantime, the deposits themselves decreased very substantially, but the decrease was more largely in the hoarding than in the contraction of the actual volume of demand bank deposits. But in 1936, when the demand bank deposits had crept gradually to twenty-four and a fraction billions, the total of checks debited against the books of the banks was $611,000,000,000. Last year it was $637,000,000,000, but I call your attention to the morning Post, the morning Record, which shows that the clearances of last week were 26 percent below what they were a year ago.

Now, that contraction of demand bank deposits is a thing which can only be controlled by an instrumentality in the hands of the Congress of the United States.

RESERVE REQUIREMENTS OF BANKS RAISED

Let us look at what took place in 1937, when the Federal Reserve Board called upon the banks to raise their reserves to twice what they had been before—it created a reactionary impression that promoted contraction. When they did that, some of the banks sold their bonds and there was a corresponding contraction of credit to the extent of nearly two billions. The amount I estimated from January 6 to August 13 was one thousand eight hundred and fifty millions, but that was not the most important matter. The important matter was the cause of the policy of contraction which was broadly advocated during the spring of 1937 by Mr. Morgenthau in his address at the Harvard Conference on the 27th of February 1937, which was advocated by Mr. Wallace, of the Agricultural Department, and three of his assistants who spoke over the radio protesting against the prices of the country being too high. The sagacious gentlemen who were experts in monetary science and who study monetary science for the purpose of making a living out of it, advised their clients who speculate in money—and perhaps the word "speculate" might be regarded by some as offensive, so I might say those who merchandise in money and who merchandise in stocks as a means of merchandizing in money, converting money into stocks and stocks into money, and money into stocks, and back and forth from one to another—these monetary experts of New York, of Chicago, of Boston, and San Francisco naturally and wisely had the sane common sense to advise their clients who had accumulated stocks with the expectation of the stocks remaining stable and going higher—they advised them to sell their stocks, not to do it too fast, not to disturb the confidence of the purchasing public, but to sell their stocks as rapidly as it could be discreetly done, without glutting the market.

GOOD WAY TO MAKE MONEY

That was done on a tremendous scale, and gentlemen of sagacity conveyed their stocks to gentlemen of less sagacity, who in turn conveyed those stocks to gentlemen of still less sagacity as the market went step by step down the hill, and the more learned and sagacious gentlemen accumulated cash in the form of demand bank deposits which they held in storage, not earning any interest, but on the theory that the money which they were accumulating would increase in purchasing power, in terms of the various stocks which they were selling, and we saw under this process United States Steel go from 126 down to under 50. So that the dollars which were accumulated by the sale of United States Steel at 126, when it went down to 50, could buy about two and a half times as much steel stock as they had sold.

Isn't that common sense and a good way to make money? Is there even any moral objection to it, in the ordinary use of the word "moral" as used in the business world? It is a matter of judgment. Men who think property is going down sell it and acquire property that they think is going up, and then the same thing will reverse itself, and when the thing gets down to the bottom, and the gentlemen who have accumulated money invest the money in stocks at the low price, that money begins to flow again, and as the stock market rises in consequence of this the money will flow more and more actively, and the money which has been hoarded for the purpose of a rise in purchasing power, for the purpose of buying first-class real estate under mortgage in the New York centers and elsewhere, when that has been gratified and the money which has been accumulated in this way has been judiciously invested in property, then we will see a reversal of the matter, and money will begin to flow into rising property.

Now, when the United States takes the step of saying that it is going to give the people of the United States stable money; that they are going to establish a money system which will furnish the people of the United States with a medium sufficient to easily move all of their products and services from and to each other—when they agree that they will do what the Goldsborough bill of 1932 proposed to do—you will see the money which is frozen with a view to its rise in value begin to move, because then they will know that the end of the depression paralysis is at hand and that there will be a rise in the value of property. You will then release this frozen money.

But that is not enough. This is not just one case of which we are speaking. We are speaking now of a national policy for all time by which the hope expressed by the President of the United States to the London Monetary Conference in 1933 shall be really achieved, when we shall have a dollar whose purchasing, debt-paying power shall be the same from one generation to another. That is a noble and humane ideal. It is one easily capable of achievement. It is one which I believe will be accomplished now under the patriotism and courage and intelligence of this committee and of this Congress and of the present Senate.

I want to say this: That the time for study of this matter has to be drawn to a close. I remind you that on this question the committee of which I was chairman in 1913 took 3,000 pages of testimony to establish a system that would give stability to the purchasing power of money and in the debt-paying power of money.

In my committee in 1914 a thousand pages of testimony was taken on the control of the security exchanges. Under Mr. GOLDSBOROUGH'S efforts, nearly 3,000 pages of testimony was taken in the study of this question. The subject matter is now understood by thousands.

STABLE PRICE LEVEL DESIRED

I wrote into the bill which was introduced by me in the Senate on the 26th day of June 1913 a provision that the powers of the system should be employed to promote a stable price level, which meant a dollar of stable purchasing debt-paying power. George Shibley was responsible for that ideal, a grand and noble man, a student—and a great student—of monetary science, who wrote a book of wonderful merit in 1896, called Honest Money. It was a prophecy. It was the sowing of seed. George Shibley is not here now, but the evidence which was taken at that time, in 1913, sustained the wisdom of the policy.

OPPOSITION

But there were those who did not want stable money. There were powerful interests that preferred to have the management of money left exclusively in the hands of those who understood the money business. There were those who desired to retain private control over these questions. In their view, it was better for the public interest. In their view, it held out the opportunity for profit, and, our system being based on the profit system, they thought it should be encouraged to the highest degree so as to hold out the greatest possible profits to those who were energetic and sagacious.

I shall not quarrel with their view of the matter, except to point out that my chief antagonists in liberalizing the Federal Reserve Bank Act of 1913 were guided by these forces, through Mr. H. Parker Willis, who did not believe in the quantitative theory and who derided the idea of the public regulation of the value of money.

I was not able to keep that item in the Federal Reserve bill. It was stricken out in the House. I was unable to replace it in the Senate. But the act functioned, nevertheless, fairly well until the conservative element who believed in the private control, who believed in the view entertained by those who presented the bill, drawn by the National Monetary Commission, were successful in modifying to that extent the Federal Reserve Act of 1913, but not to impair its real meaning of supervisory control by the Government of the United States over the system, but when they got charge of the personnel of the Federal Reserve Board, through Mr. Paul Warburg, and Mr. W. P. G. Harding, and Mr. Strauss, and Mr. Adolf Miller they were able to have that secret meeting on the 18th of May 1920, and bring about a contraction so violent that it threw 5,000,000 people out of employment; and the same forces, unrestrained in the stock market, expanding credit to great excess between 1926 and 1929, raised the price of stocks to a fantastic point where they would not possibly earn dividends, and therefore wise bankers constantly warned those who were buying such stocks of the danger of it, and it resulted in a sudden change of public opinion on October 23, 1929, with the crash which followed.

PRESIDENT HOOVER ADVISED

I did my utmost to protect Mr. Hoover against that. I spent a month preparing for his special use a memorandum, 16 printed pages with 12 charts, which I presented to him at a luncheon in May 1929, warning him of what was going to take place in the stock market, urging him to study the question or to have his experts study it, so as to abate what otherwise would happen with colossal violence, and urging him to prepare to correct the reaction when it took place.

The chairman of this committee will remember that I gave him a copy of that memorandum several years ago. I do not know whether he retained it or not, but he will recall it surely. It was a very interesting memorandum, at the close of it, because I said to Mr. Hoover at the close of it that if he failed to meet the exigencies pointed out in the letter it would discredit him and his political prestige, and greatly impair the prestige of the party to which he belonged. I had supported Mr. Hoover for the Presidency of the United States on the ground that he was more thoroughly equipped for that post, because of his own service in Commerce and abroad, and I thought he would have appreciated the message I gave him.

But I only refer to that as a historical matter, which is worth while to consider, since the political consequences of not giving the people of this country relief against a depression are just as certain as the night that follows the day; and I say to this committee, and I say to this Congress that if this Congress fails now to give relief it will be just too bad.

POLITICAL INDEX

I want to say more, and that is that it would be very unwise to treat this matter as a partisan matter. I want to compliment Mr. GOLDSBOROUGH for the great work he did in bringing about a better relation and understanding of these matters by the examination which he caused from 1922 on up to 1932, and the bill which

he then presented, with the approval of the Committee on Banking and Currency of the House—and I believe it was practically a unanimous report. It was debated 2 days in the House, a very simple bill, declaring it to be the policy of the United States to restore and maintain the value of money according to the standards of 1921 and 1929, and directing the Secretary of the Treasury, the officers of the Federal Reserve Board, and the Reserve banks to make effective that policy. That was all, but enough, and it passed, not by a partisan vote. There were 117 Republicans who voted for that measure. That measure was treated as our great leaders on both sides would have it treated and should have it treated, as a nonpartisan patriotic measure intended to protect the people of this country from the agony of repeated depressions which have taken place and vexed our souls so frequently in the past. As I say, 117 Republicans voted for that bill, and it passed by 289 to 60, and of the 60 who voted against it only 12, by the will of the people, remain in the Congress.

I think that this is a pretty good political index for those who know how to measure political signs. The people of this country are studying this matter, and they understand it a great deal better than the public press realizes. It is a favorite hobby with the public press to say that nobody understands the question of money. Nothing could be more erroneous than that statement. Millions of people in the United States understand it. The British people understand it, and they are regulating the value of their money now to their great advantage. The Swedes understand it; they are doing the same thing. These seeds which have been sowed by the Shibleys and the Goldsboroughs and others are bringing their reward in the public knowledge.

This committee understand this matter perfectly well. I have not the slightest doubt of that. I have not the slightest doubt that every man on this committee understands it perfectly well. You may differ as to some of the details, but surely you cannot differ as to the fundamental facts with regard to the matter.

QUANTITATIVE THEORY OF MONEY

The Goldsborough bill was based on the quantitative theory of money and on the regulation of the value of money and proposed to carry out the Constitution of the United States, which gave Congress the exclusive right to create money and to regulate the value thereof. It was based not only upon the right and duty of Congress to regulate the value of money but the power of Congress to regulate the value of money by regulating the volume of money in the form of credit and currency, and in the form of demand bank deposits and currency functioning as money.

There are those who disbelieve in the quantitative theory. There are those who do not believe it is possible to regulate the value of money.

Even so distinguished a gentleman as the former chairman of this committee, now in the Senate, expressed that view on the 8th of July 1932, in an attack on the Goldsborough bill, when he said substantially that the quantitative theory had been repeatedly exploded, and that the theory of regulating the value of money was all Greek to him, and he did not understand the Greek language at all.

Well, I sometimes seem to speak Greek. I have often found that I was speaking Greek by talking and not being understood, and many men do that; they assume a background of knowledge on the part of one to whom they speak, and unless the background is there, the language will not be understood, and one should not condemn other men because they differ in opinion and do not understand. If you look into their background, you will find that their premises are different. I would not condemn the national committee on monetary policy, which represents some 66 economists, of many universities of the United States, who have protested against the question of managed money, because they say, in substance, that money does not control the value of commodities or property, that money is comparatively stable, and they will prove it by taking the records and showing that the money in circulation outside of the Treasury is comparatively stable, and was not only stable during the depression of 1929 to 1936 but actually rose a billion dollars—over a billion dollars from June 30, 1929, to 1936. The money actually increased while commodity values and the value of farm products went down to below half of what they had been before.

What do they mean by money? They mean by money, currency, and they do not mean anything else but currency.

J. P. Morgan said before the Pujo committee in December 1912 that gold was money, and nothing else is, and Mr. Barney Baruch, in his magnificent illustrated article of November 25, 1933, in the Saturday Evening Post, declared that inflation was the enemy of mankind, and described as inflation any expansion of money not based on gold redemption.

Those views men have a right to entertain, but when they have those views they have a background of premises entirely different from another man who has a different set of premises in mind, and you have to know both premises.

DEFINITION OF MONEY

When I talk about money I do not talk about currency in your pocket only. I know that that kind of money transacts less than 5 percent of our business in the United States, and I know that demand bank deposits as a basis of checks transact 95 percent and more of the business of this country, and therefore when I speak of money I practically ignore currency, because it only occupies a relatively small position. I speak in terms of demand bank deposits. I think that men should be respectful to each other's opinions and not impugn motives merely because you differ in opinion in regard to an economic question.

Now, it is for these reasons, and as a means of giving a stability to the debt-paying purchasing power of money, and for carrying out the principles of the Goldsborough bill of 1932, that I advocate and favor the absolute control of the Federal Reserve banks by the Government, so that the agency shall be itself under the control of Congress.

PRIVATE BANKERS' INFLUENCE WITH FEDERAL RESERVE

At the present time the Federal Reserve Board get their salaries paid by the privately owned banks. That is not a good system. At the present time the privately owned banks can veto any act of the Federal Reserve Board in the matter of open-market operations, because they have five private citizens as members of the open-market committee against five public functionaries on the Federal Reserve Board. The Federal Reserve Board cannot move.

What kind of a system is that? It does not meet my approval. I protested against it at the time the Bank Act of 1935 was passed. Woodrow Wilson refused to agree that there should be any bankers put on the Federal Reserve Board. The bankers wanted to have the right to nominate a certain number of them. He refused to do that, on the very reasonable ground that the public control was a public matter, belonging to the whole of the people of the United States, and that in undertaking to regulate the value of money and to regulate the flow of credit to the banks the public had an interest that was not necessarily the same as that of the bankers, or that the bankers might have, and he refused to agree to that. That was in 1913.

So it has proved to be to the disadvantage of the public that the personnel of the Federal Reserve Board should be influenced so largely by bankers. I quoted in the book that I sent to the members of this committee from Mr. Paul Warburg, showing exactly how he and his conservative friends had finally got control of the policies of the Reserve Board. I remind you of that, and ask you to keep it in mind in considering these questions.

OWNERSHIP OF MEMBER BANKS NOT SOUGHT

Now, there is a very important distinction between the ownership of Federal Reserve banks and the ownership of member banks. The member banks are engaged in the transaction of banking business. The Federal Reserve banks should be engaged in the monetary business, in regulating the flow of credit, so as to protect the welfare of all of the people of the United States, and especially the interests of those who are engaged in banking in any line.

This system, in my opinion, should be so framed not only as to take over the Reserve banks—and the reasons given by Mr. PATMAN in his address I thought were excellent—but in addition to them I want to call attention to this: Under the management of our banking system that has heretofore prevailed by the nature of their business they expand to excess against the public interest and they contract to excess against the public interest and they are incapable of helping that. They follow the law of human nature, the law of profit and of safety. You cannot expect them to cooperate. They are not charged with any political responsibility.

I have a great respect for them and great sympathy for them, but they cannot be charged with that political duty, and the United States, through its powers, should have for its policy precisely the reverse of what naturally takes place with the banks. The banks naturally expand to excess through optimism; they naturally contract to excess through pessimism, and the United States Government, knowing that, and knowing that it is against the public interest, knowing that it inflicts dreadful losses, knowing that it is the mother of poverty, and that without those processes we could absolutely abolish poverty in this country and raise the standard of living to a higher point than civilization has ever conceived—knowing all that, it is high time that the Government should exercise its power to neutralize this uncontrollable tendency to expand to excess, this uncontrollable tendency to contract to excess by the member banks and by the nonmember banks.

For that reason and for the reason of keeping the Government of the United States out of the banking business, and keeping the Government of the United States in the monetary business, and keeping the bankers out of the monetary business and keeping them in the banking business, I trust that this bill will be so drawn as to use the powers of the system for the complete protection of every banker of this country, big and little. The least of these should be the object of the greatest solicitude, because they are the ones who down in the little country home furnish the accommodation for every little-business man who wants to borrow money in small amounts, money needed to transact their business, and to be safe in making the loan, and have plenty of time with which to liquidate it, so that their plans may be made with dependable security. There is no reason why the great powers of this system should not be employed to give absolute protection to every one of these little banks against the possibility of squeezing which might arise from any cause.

We contemplate a new system entirely. The background of the past must not be used in contemplating the system proposed by the bills now before this committee. In the past we had no protection whatever from these recurring depressions. They were just taken as a matter of course, and people got to regard them as an act of God. They were due to the processes of human nature, the desire for profits, and the desire to have safety from loss. Those are human qualities created by Nature itself, and

against that tendency we must have an instrumentality endowed with power and with wisdom to safeguard all of our people.

We are all a great family here, drawn from the ends of the earth, of every race, of every color, of every previous political condition. We have come here seeking liberty, seeking happiness under a charter that guarantees freedom of speech, freedom of assembly, freedom of the press, freedom of religion, the right to life and liberty and the pursuit of happiness; and how sadly we have failed to carry out the great purposes of the charter is exhibited by the pathetic words of the President of the United States, who has told us over and over again that over a third of our Nation is underfed, underclothed, and undersheltered.

And look at the wreckage which we have permitted to take place in the last 20 years. It is a shocking record, discreditable in the highest degree to our intelligence, but not incapable of complete and perfect repair.

We are now face to face with a condition which again has emphasized upon the attention of the American people the importance of this matter. I therefore welcome the depression of 1937. Yes; it has caused many to suicide; that is true. It has caused many bankruptcies—yes, that is true. It has taken the last hope away from many who thought that they were going to escape from the happenings of 1929 and 1936—that is true, too. But it takes a national catastrophe to move the American people into action, and they are beginning to move now; they are beginning to move in this committee, and in this House of Representatives, and I hope that the movement will end here for the good of this Nation.

Now, Mr. Chairman, I have given a brief sketch of this matter. I have given the principal reason which I think justifies the taking over of these banks, the important and financial reason that the United States is furnishing four and one-half billions of dollars of money to these banks, and the member banks have a credit in the form of stock in the amount of $132,000,000, and that is sufficient to answer any question as to the relative investment in these banks. The real value of the banks is the charter granted by the Congress of the United States. The right of the United States to amend the act at any time is proven by this, that you can liquidate these banks at will, you can liquidate the Federal Reserve Board at will.

I favor the enlargement of the Federal Reserve Board as proposed by the Patman bill, because I think it will be beneficial. I doubt the advisability of putting on as voting members the officials who are otherwise charged with very great responsibilities. I think the same end could be accomplished by having a representative properly qualified to attend monthly meetings of the Reserve Board, so that the Departments of Agriculture, of Commerce, of Labor, and of the Treasury should be kept in a position of cooperation and coordination with the economic views of the Federal Reserve Board and its actions, and so that they might mutually advise each other. I think that that could be accomplished very well without giving them the voting power and putting the responsibility of voting upon them. I think the responsibility should be entirely upon the Board.

I think that there should be another step taken in connection with the Board. I think there should be in this bill a provision by which the House of Representatives and/or the Senate of the United States, by simple resolution, could call on the President of the United States to nominate a successor to any or all the members of the Board that are not functioning to the satisfaction of the Congress of the United States, whose special agents they are, and I think it is necessary to do that in order to have it understood that they are representing the will and the positive direction of the representatives of the people of the United States, and that they are not there in the attitude of using their own judgment contrary to the will of the Congress of the United States, or indifferently to the will of the Congress of the United States.

When the Goldsborough Act was passed in 1932, and the campaign which followed resulted in the defeat of Mr. Hoover by 7,000,000 votes, although he had previously been elected by a majority of 7,000,000, those votes were of Republican and disinterested citizens who changed from one party to the other because they relied upon the action taken by the House of Representatives, assuring them of the restoration of the price level of 1921 and 1929 average, and the stabilization of the value of money. On that platform Mr. Roosevelt was elected, and it is written into that platform in terms that ought never to be forgotten, where it pledged sound currency at all hazards, and he interpreted sound currency correctly, and in that platform, the very first paragraph, were written words which I shall never forget and with which I was intimately familiar at the time they were written, that the depression was due to the indefensible expansion and contraction of credit for private profit, at the expense of the public.

I think that the latter part could as well be omitted. It was the indefensible expansion and contraction of credit that caused the disaster, regardless of the alleged motive which might to some extent have existed and to a very great extent might not, but the political aspect of it was in the latter part of the sentence; but I remind the committee that when the action was taken to contract currency and credit in 1920 and 1921, the Democratic Party in 1924 wrote an elaborate plank connecting that action of indefensible contraction of credit with the destruction visited upon the farmer and businessman, and urged the restoration of the Federal Reserve System for the purpose for which it was intended.

I think that that platform might well be written into this record as a reminder, and I ask the permission of the chairman to insert that platform of 1924.

The CHAIRMAN. It will be made a part of the record.

Mr. OWEN. It will act as an historical reminder on this question. Is there any objection?

The CHAIRMAN. I say, it will be inserted.

Mr. OWEN. Now, Mr. Chairman, if there are any questions that any of the members of the committee would care to ask, I would be very glad to try to answer them.

In recommending that the Congress retain the right to remove members of the Federal Reserve Board at will by a vote of no confidence, I do so believing that our experience with the Federal Reserve Board since the passage of the Federal Reserve Act makes this safeguard necessary. And with great brevity, I recall a few of the important facts which justify Congress in retaining the power to remove.

In 1920 the Reserve Board deliberately caused the panic of 1921. The Reserve Board in the most substantial manner contributed to the panic of 1929–32. In 1932 the Reserve Board vigorously fought the Goldsborough bill, which expressed the overwhelming will of the House of Representatives. In 1933, Congress having given the administration the power to expand credit and currency $6,000,000,000, the Reserve Board used its influence with the administration to prevent this necessary expansion. From March 15, 1933, to March 14, 1934, the Reserve banks, under the supervisory control of the Federal Reserve Board, contracted credit and currency $2,700,000,000.

In January 1934 the Reserve Board advised $2,000,000,000 of gold be withdrawn as a basis of credit expansion in the United States and its sequestration as an international stabilization fund for the impossible purpose of stabilizing the pound sterling and the French franc. The futility of this action has been demonstrated in the last 18 months by the French franc falling in purchasing power approximately 50 percent. The Reserve Board was responsible for the advice which sterilized a billion and one-half of gold in order to prevent it being used as a basis of credit expansion. The Reserve Board, in its supervisory control of the Federal Reserve banks—having the power to expand credit so greatly needed—has refused to expand the credits of the Federal Reserve banks and has not used the powers given to the Board by the Banking Act of 1935. The Reserve Board, having power through its influence with the President to prevent private persons being put on the open-market committee, did not use its power to prevent that interference with public control. It is, I think, quite well known that the present Governor of the Federal Reserve Board does not believe in the quantitative theory—does not believe that the Government can exercise the power to regulate the value of money. He believes that the banks should have the power to expand the money supply and of course to contract it. He does not believe in the principles laid down by the Goldsborough bill of 1932, upon which Mr. Roosevelt was elected.

RESERVE BOARD OFFERS NO PLAN

The Reserve Board has offered no plan for correcting this depression and is letting nature take its course. No plan is being offered by the Federal Reserve Board, or the Treasury Department, to end this destructive depression. On the contrary the policies which have been declared by the Federal Reserve Board have contributed in a grave manner to producing the depression of 1937. Ever since the passage of the Banking Act of 1935 the Chairman of the Federal Reserve Board has been warning the country against inflation, using the odious term "inflation" to condemn any expansion at a time when nearly one-half of our demand bank deposits were being hoarded. The Federal Reserve authorities were not only responsible for the failure of the President to expand the credit authorized by Congress in the Thomas amendment of 1933, but persistently assured the President during 1934, 1935, and 1936 that the banks were full of money and there was no need for any expansion of the money supply of the country. The Federal Reserve Board by opposing any expansion of credit encouraged people who were hoarding demand bank deposits to hold their cash in anticipation of its increased purchasing power.

Our check money supply in 1929 was one thousand two hundred and thirty billions. It fell to four hundred and thirty billions in 1933, slowly increased to six hundred billions in 1936 and to about six hundred and thirty billions in 1937. The last report of clearings in February 1938 was a fall of about 25 percent from a year ago.

The depression of 1937 was due, in my humble judgment, in large part to the attitude of the Federal Reserve Board and the Secretary of the Treasury in pursuing a contraction policy. This was done by demanding a cessation of public expenditures and the balancing of the Budget by cutting down public expenditures for that purpose, instead of pursuing a policy of expanding the money supply and thereby raising the price level, and thereby raising employment and wages. Mr. Morgenthau, in his Harvard conference speech, minimized the monetary factor; demanded contraction to balance the Budget; stated the noblest objectives of the President; but stated also that such objectives were very difficult of achievement, if not impossible. The Board of Governors of the Federal Reserve System followed up this policy of Mr. Morgenthau by declaring similar views in its letter to Senator SMITH, of the Committee on Agriculture in the Senate, opposing the proposal of Senator THOMAS to establish a monetary policy. The result of these policies by the Reserve Board was to give the experts operating on the security exchanges good reason to believe that there would be a recession of prices.

The administration was led to declare that the prices were too high because some of the monopoly prices had risen to excess. This was a contraction policy. As a consequence sagacious men took the lead on the stock exchanges and sold their stocks which they expected to go down in price and bought dollars by selling stock believing that the dollars would rise in purchasing power in terms of the same stocks. They were quite right about it. And as the process of selling stocks brought about a falling market, the fear of loss and the hope of gain lead to a wholesale selling of stocks and to a wholesale accumulation of cash credit in exchange of such stocks. The depression was caused by the same forces that have always caused depressions.

It is painful and distasteful to call your attention to these historical facts, but it seems to be necessary in order to put an end to such untoward circumstances and to establish a system which Congress advised in the Goldsborough bill of May 2, 1932, when, by a vote of 289 to 60, they demanded the restoration of the normal predepression price level and its maintenance. This can only be done by expanding credit to a predepression normal and maintaining it. England has verified the truth of the theory of the Goldsborough bill. The report of Sir Reginald McKenna to the stockholders of the Midland Bank, to which I have called your attention, demonstrates the method and the favorable results.

(The report of Sir Reginald McKenna is as follows:)

EXTRACTS FROM THE ADDRESS OF THE RIGHT HONORABLE REGINALD MCKENNA, CHAIRMAN OF THE MIDLAND BANK, JANUARY 26, 1938, AS GIVEN IN THE LONDON ECONOMIST, JANUARY 29, 1938

"My Lords, ladies, and gentlemen, the year 1937 opened with a good prospect of sustained business improvement. The industrial outlook was so promising, indeed, that fears were expressed of a coming boom. There were signs of growing speculations on the stock exchange and in raw materials; some commodities, particularly metals, had made a disturbing jump. Speculation, however, was speedily checked by a reduction in the quantity of money, and a decline in prices followed. The decline went so far as to cause some anxiety, and, although the quantity of money was later restored, the closing months of the year that had opened buoyantly were marked by a more subdued outlook.

"DEPRESSING AMERICAN INFLUENCES

"Meanwhile depressing influences had been at work in the United States. In April President Roosevelt declared that some prices, particularly of the nonferrous metals, were too high. At the same time the gold scare, based largely on unjustified inferences from that statement, gave rise to fears of a restrictive monetary policy and precipitated a general decline in stock exchange quotations and primary commodity prices. But what might have been no more than a temporary break developed in the United States into a real business recession. The confidence of industrialists, already disturbed by the policy of the Government, became seriously shaken, and capital construction was arrested. Happily, no similar obstacle to business enterprise is present in Great Britain, and there is no indication here that the drop in stock exchange quotations and commodity prices will lead to a comparable decline in general trade.

"It is natural that a set-back first in prices and then in trade should be taken to confirm the fears of people who are dubious about both the theory and practice of a managed currency. Management has meant cheap and abundant money, and in their view long-continued cheap money must lead to overexpansion of industry and trade, which has its inevitable reaction in a slump. The alleged benefits of cheap money, they tell us, have been exaggerated, while the danger of inflation is always present. Now they see that a fall in prices and a drop in employment have taken place while money is still cheap, and they regard this as definite condemnation of a managed currency.

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"* * * Much had to be learned and is being learned, but, however difficult it may be to put on one side the ideas to which long usage of the gold standard has accustomed us, we find in practice that the system is working smoothly. In the light of our present knowledge a managed currency can no longer be regarded as a mere temporary makeshift while the gold standard is in abeyance.

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"* * * It will be remembered that the gold standard, having been suspended on the outbreak of war, was brought into operation again in April 1925. It was maintained for over 6 years, until September 1931, when once again it was suspended. For the first time we then set about controlling our currency without any active effort to restore the gold standard. We started a true experiment in management, and the experiment has now lasted for a period almost precisely as long as the restored gold standard was in operation; that is, for rather over 6 years from September 1931 to the present time. In answering the question, then, how have we fared, we can compare our economic condition during two equal periods, one on gold and the other under management.

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"* * * When the demands upon the Exchequer are as heavy as they are today, both for national defense and social services, I cannot imagine any Chancelor of the Exchequer closing his eyes to the immense economy in the service of the debt that has been made as a result of monetary policy.

"The relative degree of cheapness and abundance of money in the two periods is indicated by a comparison of the bank rate and the quantity of bank deposits. From 1925 to 1931 the average bank rate was approximately 4$^{9}/_{16}$ percent. On the abandonment of the gold standard the rate was raised to 6 percent as a precautionary measure which was soon found to be unnecessary. It was lowered by stages until at the end of June 1932 it stood at 2 percent, where it has remained ever since. There were no less than 16 changes of bank rate in the first period of 6 years, all of them consequent upon the obligation imposed on the Bank of England to protect its meager gold stock. The subsequent stability at 2 percent has lasted over 5½ years. No previous period of stability of so long duration can be found in the last hundred years, a fact which suggests that the frequent description of present money rates as abnormal is hardly justified. It is difficult to draw a line between the normal and the abnormal, but a rate which is now in its sixth year and shows no likelihood of variation in the early future might perhaps put in a claim to being no more abnormal than any other. The effect of freedom from the restrictions imposed by the gold standard is no less apparent in the quantity of money than in the rate paid for its use. Bank deposits, which were about £1,800,000,000 on the average for 1931, rose to nearly £2,300,000,000 in 1937.

"TRADE AND EMPLOYMENT

"The increase in purchasing power shown by this growth of deposits has been as beneficial to industry and trade as to the Treasury. If we resume our comparison and consider our condition at the beginning and end of each of the 6-year periods, the conclusion is inescapable that, whatever other forces may have been in operation, a managed currency is at least consistent with flourishing trade. Let us look first at weekly wage rates, taking rates in 1924 as the basic figure of 100. In 1925 the corresponding figure was 102; by 1931 it had fallen below 97; but by last year it had risen again above 103. Taking the same year as the basis, profits, according to Sir Josiah Stamp's calculation, stood at 104 in 1925, dropped to 77 in 1931, but rose again to 120 in 1936, the last year for which this index is available. The figures of industrial production repeat the same story in another form—a decline over the first 6 years and a rise in the second by perhaps 50 percent. Thus, it is evident that, while business was on balance dropping away in the earlier period, it was steadily improving in the later.

"Wages and profits are a measure of the incomes of the mass of the population. Production measures the degree in which our industrial capacity is being used; it governs the total of employment and unemployment, the returns for which make perhaps a more striking comparison than any others. Between 1925 and 1931 the total of our insured workers rose by 1,200,000, but the employed fell by 200,000, and the unemployed rose in consequence by 1,400,000. This was how we stood at the end of the first 6-year period. In the second the insured workers increased by a further 800,000, but the number of those employed grew by as much as 2,100,000, thus reducing the unemployed by well over a million. What a contrast, a decline in employment of 200,000 in the first period; an increase of 2,100,000 in the second. No figures could be more convincing; no figures could exemplify more clearly the change in our economic condition in the two periods. We have still some way to go before we shall be utilizing our full productive capacity, but the experience of the past 6 years indicates that in currency and credit policy we have not been led astray in using the opportunities for intelligent management which the departure from gold presented. I have not suggested, and I would not for a moment do so, that the pronounced improvement in our position as between the two periods is due solely to the change in the monetary system. But I do suggest that there is nothing in our present condition to indicate that the change has been other than for the better or that it is fraught with unknown perils in the future."

Mr. OWEN. I enclose for your information a table from 1920 to 1937 giving the annual figures for the volume of check money employed, the price level, the index of physical products, the volume of currency in circulation, the dollar index, and the amount of exports which show how economic consequences follow the money supply. It should be remembered that from 1926 to 1930 the expansion of credit took place almost exclusively in the security exchanges and not in the wholesale commodity markets.

Expansion and contraction of the money supply

Year	Checks [1]	Price level	Physical products	Currency [1]	Dollar index	Exports [1]
1920	702	166.5	87	5.2	60	8.2
1921	575	93.4	67	4.6	107	4.5
1922	624	96.3	85	4.2	103	3.8
1923	666	100.3	101	4.5	99	4.2
1924	694	94.9	95	4.6	105	4.6
1925	795	103.0	104	4.5	97	4.9
1926	845	100.4	91	4.6	100	4.8
1927	920	94.1	93	4.6	106	4.9
1928	1,074	96.7	96	4.5	105	5.2
1929	1,230	95.2	100	4.5	105	5.2
1930	900	86.8	92	4.2	115	3.3
1931	660	72.1	78	4.5	138	2.4
1932	450	63.9	61	5.4	156	1.6
1933	430	65.0	57	5.4	153	1.7
1934	470	74.6	63	5.4	134	2.1
1935	530	79.8	91	5.6	125	2.3
1936	611	80.6	109	6.2	124	2.4
1937	634	81.7	(Dec.)79	6.4	122	3.2

[1] Amounts in billions and decimals thereof.

The importance of a legislative mandate is that monetary policy should be a matter of statute law upon which businessmen may predicate their future contracts with dependable security on a dol-

lar of uniform, permanent, debt-paying, purchasing power. No monetary policy declared by an executive officer, even of the President himself, has the permanence which is required as a basis of dependable security. An Executive policy may be changed at any time, but a policy fixed by statute law cannot be changed except by the Congress itself. If the policy merely depended upon the Secretary of the Treasury, or the Governor of the Federal Reserve Board, these officers may die, may resign, may change their minds, and there is no dependable security in such a policy.

I deem it advisable to call your attention to the action of the Secretary of the Treasury when over eight hundred millions of maturing obligations of the United States fell due September 15, 1937. He refused to take advantage of the maturity by liquidating the debt with bank credit in the Reserve banks, which would have saved the taxpayers the interest on such securities, would have helped relieve the Budget, and would have expanded demand bank deposits by eight hundred millions and offset to that extent eight hundred millions of demand bank deposits hoarded by the operations on the stock exchanges. And again in March 1938 he is repeating this process of negation and refusal to expand. The Reserve banks are following this same policy of refusing to expand and are selling Government bonds of a higher rate of interest to the banks and taking up the short-term notes that bear a low rate, thus transferring to the banks the earnings on these bonds. This is against the interest of Budget balancing and is giving favors to private interests at the expense of the public interest.

In my humble judgment the sale of baby bonds by the Treasury is a means by which the small depositor having demand deposits can be induced to part with their demand bank deposits and thereby diminishing the purchasing power of small depositors. It will be remembered that the chairman of the Board of Governors held that the payment of the soldiers' bonus was a dangerous "inflationary" movement, although I understand he now advocates expending a billion dollars in cash as a means of stopping the downward course of depression. This attitude seems to me all the more remarkable since the soldiers' bonus was paid almost exclusively in bonds and not in cash. If these bonds issued in payment of the soldiers' bonus, or other bonds for that matter, were now bought for cash credit by the Reserve banks, it would convert such bonds into liquid money, which the country so greatly needs.

It should be remembered that the normal increase of the business of the United States, before interrupted by depression, is 4 percent per annum. Therefore, from 1926 to date there should have been a normal expansion of credit for use in the wholesale commodity markets and for the general transaction of legitimate business, of approximately 50 percent. Instead of which, under the management of the Reserve banks and the Federal Reserve Board and the Secretary of the Treasury, we had a contraction of our check money by two-thirds from 1929 to 1933, with universal ruin as a consequence. A year ago, before this committee, I gave tables showing the maldistribution of demand bank deposits subject to check by consumers. Those interested in this matter should see these tables in the hearings on the Goldsborough bill of a year ago.

I thank you, Mr. Chairman and gentlemen of the committee, for your courtesy in inviting my views with regard to this matter. I shall now be glad to answer any questions which you may desire to ask.

Mr. LUCE. I have a question, Mr. Chairman.

The CHAIRMAN. We have been so deeply interested in your statement that we have departed from the ordinary practice of the committee, which is to adjourn soon after the meeting of the House. It so happens today that the House has a matter before it in which every member of the committee is interested. Notwithstanding that, we have gone 35 minutes beyond the usual time because of our pleasure in listening to your address. But we must adjourn now. The committee will be glad to have you come back at your convenience, if the members desire to interrogate you.

(Thereupon, after an informal discussion off the record, it was agreed that the witness would present himself for questioning on Monday, March 14, and the committee then adjourned until Monday morning, March 7, 1938, to then take up another matter at 10:30 o'clock.)

War or Peace

EXTENSION OF REMARKS

OF

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 14, 1938

RADIO ADDRESS OF HON. KNUTE HILL, OF WASHINGTON, APRIL 12, 1938

Mr. HILL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address made by me over WOL and affiliated stations of the Inter-City Broadcasting network, Tuesday, April 12, 1938:

War has no legitimate place in a Christian civilized world. It is as outworn and outlawed as fist fights are in an orderly society. This is admitted by all nations that signed the Kellogg-Briand Peace Pacts. It is also evident from the fact that aggressor nations today do not formally declare war—they seize territory and murder the owners just as common criminals do in society.

War does not solve the world's political or economic problems, it only aggravates them and makes them more complicated. These problems demand reason, forbearance, and cooperation, all of which are supplanted by confusion, malice, and insane hatred in time of war. And calm judgment gives way at peace conferences to bitter recriminations.

War is as destructive as tornadoes, hurricanes, and earthquakes are. But wars are man made and can be eliminated while the latter are the result of the fury of the elements, and man can only repair the devastating damage caused by uncontrollable nature.

In 1917 we entered the World War to "make the world safe for democracy" in the words of a great idealist. On the contrary President Wilson was out-maneuvered and out-played at the peace conference by the wily diplomats of Europe, his 14 points were consigned to the wastepaper basket and his League of Nations became a byword. Today that world is seething with dictatorship and wars are drenching the soil of both Europe and Asia with human blood. Our entry into that war not only cost the taxpayers of this country $50,000,000,000, the loss of millions of the flower of its youth on foreign battlefields and returning veterans gassed and diseased from the trenches, but also was the chief cause of the 1929 depression. Senators NORRIS and LA FOLLETTE were everlastingly right in their contention that the greatest urge for our entry into the World War was not so much the desire to help the down-trodden peoples of Europe as it was to protect the investments of international bankers abroad, the damnable enrichment of war profiteers at home, and to distract the attention of our people from our own economic troubles. Had President Wilson directed his splendid talents and energies and expended the taxpayers' money in the solution of our economic problems, there could have been no depression with its suffering and destitution and bewilderment.

Is it selfish for the United States to refuse to enter into the world conflict to aid democracies and oppressed peoples? We tried it once and failed miserably. We had better "sweep before our own door," and the old saying, "Charity begins at home," applies here. Foreign wars can be none of our affair.

Can we trust the remaining democracies of the world? Our confidence has been shamefully violated in the past. Remember Versailles. Remember the twelve billions still due us while these European nations have been wasting our loans to them on rearmament. Economic sanctions against aggressors? The democracies of Europe had their opportunity in 1931 when Japan seized Manchuria, in 1935 when Italy raped Ethiopia, and in 1937 when Japan again invaded China. The democracies of Europe are either too frightened by the temporary power of dictators or too greedy for the profits of trade.

Are we as a Nation in danger? To the north we have a peaceable and friendly neighbor whose people have a common interest with ours. To the south we have a neighbor which if permitted to work out its own problems has no thought of warfare. If the Hearsts and the Standard Oil companies of this country seek investment in Mexico let them do so at their own risk, and let them abide by the Constitution and laws of Mexico. (Several years ago a small company was formed in my home town and invested several thousand dollars in Mexican land. Later we found that the Constitution of Mexico did not permit foreigners to secure title to land in Mexico. We took our medicine and did not call on United States troops to punish Mexico.) To the east we have the broad Atlantic across which it would be a foolhardy attempt for a Mussolini or a Hitler to transport an army capable of conquering the most powerful country in the world. Moreover, those dictators have and will have their hands full in Europe. To the west is the expansive Pacific. It is ridiculous to even suggest that there is any danger from a Japanese invasion. Japan insists on Asia for the Asiatics. Is that anything else but an oriental Monroe Doctrine? Again, Japan is having her hands full with an embattled and determined China which considers herself a considerable part of the Asiatics. Furthermore, the people of Japan will not remain docile if the war lords seek conquest across the Pacific.

What is adequate defense? We all want adequate defense. Such men as Admiral Sims and Generals Rivers and Hagood state in unmistakable language that our present naval defense is adequate. Admiral William S. Sims, commander of the American Fleet in European waters during the World War, has stated that the United States is safe from attack because—and I quote:

"No foreign power or group of powers can operate across the oceans and stand a chance in combat with the American Navy and planes operating from home bases."

Gen. William C. Rivers has written:

"* * * Neither Japan nor America has enough merchant ships for fleet auxiliaries should there be a desire to send an armada across 6,500 miles of sea. We have 488 merchant vessels in foreign trade. The fleet alone would need 900 such ships—to transport an army there would be required some 2,500 additional merchant ships. The Panama Canal is more than 9,000 miles from Japan and 2,000 miles directly south of New York. The passage

of an armada to the Canal across such a vast area as the mid-Pacific would be an adventure so fraught with difficulties as to be impracticable.

"We are assembling in the North Pacific Ocean what I believe is the greatest aggregation of fighting ships and combat airplanes the world has ever seen in one spot. I feel that by no use of the imagination can one correctly say that our battle assemblage in the North Pacific Ocean is required for the defense of Alaska, the Hawaiias, the continental United States, and the Panama Canal, our normal line of defense in the event of a war. * * * The only method of using such a battle armada as we retain in the North Pacific Ocean against any other power in the Pacific is by applying the illusory and dangerous doctrine of some extremists—that an aggressive offense is always the best defense. Such a doctrine may well at times evoke a war through the provocation of such armament."

General Johnson Hagood wrote:

"But no such force (able to inflict damage) could come across the Atlantic Ocean, because there is no nation that has a sufficient army and at the same time a sufficient number of ships and a navy to support it."

And lastly, listen to Gen. Smedley Butler, the "fighting marine", who says that any invading nation would have to bring over 1,000,000 men and use 7,500,000 tons of ocean-going craft to transport supplies, where the whole ocean-going merchant fleet of all the nations of the world is not that much, according to his figures.

Let us have aircraft, antiaircraft, mines, submarines, and light cruisers instead of hulks of battleships which cost $80,000,000 and can be used mostly in foreign waters where $200,000 enemy bombers can sink them in 5 minutes.

Some men, even Senator BORAH, insist on the freedom of the seas. That is our right, but how foolhardy to insist on it when the nations traversing the seven seas are at war and all the international laws and treaties are scraps of paper. I have an inalienable right as a citizen to walk down the public street. But when warring factions are killing each other on that street, it is the part of prudence and wisdom for me to refrain from insisting on my right.

When and if the world becomes sane again, then the responsible nations may organize an international police force to capture, and an international tribunal to punish international outlaws the same as our G-men and Federal courts punish kidnapers. Until we have a real world peace conference at which a weary world can then plan for lasting peace, our United States had better stay out.

In conclusion may I say that we have the problems of unemployment, agriculture, labor, and finance to solve. Let us devote our intelligence, our energies, our wealth toward the solution of these problems. They challenge our highest courage and our best efforts. We have at our very door the enemies of want and poverty, of ignorance and indifference, of crime and disease, of special privilege and injustice, of economic waste and prodigal misuse of our national resources, of religious intolerance and partisan persecution, of natural disturbances, and national ills. Let us dedicate our very lives in a war without quarter against these formidable adversaries, and posterity will in gratitude honor such service.

The Congress and the Defeat of the Reorganization Bill

EXTENSION OF REMARKS

OF

HON. BERT LORD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1938

RADIO ADDRESS OF HON. HAMILTON FISH, OF NEW YORK, ON APRIL 13, 1938

Mr. LORD. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following radio address of Hon. HAMILTON FISH, of New York, delivered over the Columbia Broadcasting System Wednesday evening, April 13, 1938:

I do not believe that President Roosevelt could have rendered any greater disservice to the Democratic Party, not even if he joined the Republican Party, than by forcing the consideration of the reorganization bill at this time, in the midst of an economic crisis instead of trying to solve our serious domestic problems and putting our wage earners back to work.

Who demanded the immediate consideration of the reorganization bill in addition to the President of the United States? No great organizations asked for it. The President alone insisted on the passage of the bill, which granted him vast additional powers, particularly over the civil service, the Comptroller General's office, and welfare funds. Did the farmers or labor make any demands for the bill? Both the National Grange and the American Federation of Labor opposed the bill vigorously. Did the American people make any demands either by petition, in the press, or in any way whatsoever? Certainly neither small nor big business urged it.

The reorganization bill was in an entirely different category from the Court-packing plan or the utilities bill. When the utility bill was being considered in the House of Representatives and the Supreme Court packing plan was being voted on in the Senate organized labor was behind the President on both proposals, as were other groups throughout the country. I do not know of any organized group for the reorganization bill except the Communist Party and its official organ, the Daily Worker.

The reason the American people were opposed to the reorganization bill is not that they cared much about the phraseology or the details. They did not know exactly what was in the bill and, furthermore, they did not care. All they knew was that this bill gave huge additional powers to the President and was a further delegation by the Congress of its legislative powers to the President to set up a one-man government.

The fact is that the President has an obsession for power that amounts to a virtual passion and a consuming appetite and keeps demanding more and more from Congress. President Roosevelt has had far more power than any other President, yet he is solely responsible for the present depression. If he should resign and Vice President Garner should become President, I am convinced that confidence would be restored throughout the Nation in less than 30 days. Why should Congress continue to surrender and abdicate its legislative functions to the Chief Executive and leave itself with no more legislative authority than Gandhi has clothing? The time has come for Congress to recapture and take back some of the powers delegated to President Roosevelt in the emergency and thereby restore representative government and our three separate and independent branches of government. It is not a question of either the Democratic or Republican Party but it is a great American issue transcending party lines as to whether we want to preserve our American system conceived under our Constitution or become a regimented state.

On April 6 we celebrated the twenty-first anniversary of our entrance into the World War. Some of us who were in that war were told that we were fighting to make the world safe for democracy. What a travesty. What a farce. What a mockery. Most of the European nations have gone to the left or to the right into autocracies and dictatorships, such as fascism, nazi-ism, and communism; and now the Congress, 21 years after our entrance into the World War, was compelled to consider the reorganization bill which follows in the footsteps of those foreign nations, not to make the world safe for democracy but to give still greater power to the President and help to set up a supergovernment. That is why the American people protested. They do not want to afford even any chance or opportunity to the President to form an autocratic or one-man government. The reorganization bill was the symbol of absolutism and dictatorship, and the people would have none of it, and therefore rose up and smashed it. Moreover, the reorganization bill would have been a permanent law and was not merely an emergency measure. It gave permanent power to the President; and if we want to admit, for the sake of argument, that President Roosevelt has no dictatorial complex—which I am unwilling to admit—how can we guarantee that a future President may not want to use these for dictatorial purposes? He might be inclined to fascism, nazi-ism, or even to communism.

The American people showed by their protests, which was a healthy and fine example of democracy in action, that they believed in our free institutions and would not compromise with popular government by taking any chances on setting up an autocratic one-man or supergovernment in the United States. The answer is that the American people are still free and propose to maintain their rights and liberties under the Constitution, among which is the right of petition. It was a great victory for the people.

What is the trouble with the country? There is only one trouble, and that is that this administration has hounded, hampered, and harassed business, abused and vilified it to such an extent that confidence has been destroyed. There is plenty of money in the banks. Nobody denies that. There are many millions of dollars right now in the banks of all our cities that could be used to encourage business activities, but because this administration has destroyed confidence the banks are fearful and business is afraid to borrow, as it does not know what to do with the money. Business does not know when more punitive taxes will be levied upon it. It does not know if it will be permitted to make reasonable and legitimate profits. We are now in the midst of an economic crisis, a crisis in every way as serious as that of 1929.

The American people are wondering what has happened to the Congress and its legislative functions. They are wondering what the Congress proposes to do to solve our economic problems. They want to know what our plans are, what our program is, to solve these economic problems, revive business, and reemploy labor.

They want to know why the Congress wasted time on the reorganization bill, and on the supernavy bill, and has not been considering one single constructive program to check the depression, to restore confidence and provide jobs for loyal American wage earners. The truth is that the New Dealers, that the President, that the administration leaders have no program, have no plan, and have nothing even to propose to Congress. That is the tragedy of the whole situation.

It is utterly impossible within the limits of 15 minutes to express my views and sentiments adequately regarding the defeat of the reorganization bill, the economic fallacies and failures of the New Deal, and the unsound financial policies imposed upon the Nation by President Roosevelt which have destroyed confidence and substituted fear among the American people. The time has come for some plain speaking in an effort to solve our economic problems, restore confidence, and to put our wage earners back to work. The American people are growing tired and impatient with the alibis and excuses offered by President Roosevelt for the existing depression, with 13,000,000 unemployed and 5,000,000 more on part time after the expenditure of $20,000,000,000. They are disgusted and disillusioned with the utter lack of leadership in the New Deal administration, that suggests no plans to solve the economic crisis except a reorganization bill granting huge additional powers to the President, and which does not put one single American back to work. In his first inaugural address, on March 4, 1933, President Roosevelt said, "The only thing we have to fear is fear" and that "our greatest primary task is to put people to work." Today, after 5 years of the New Deal, there is, unfortunately, a widespread fear of President Roosevelt and his policies, which have been the main causes of the new depression. I do not believe in mincing words. We are in the midst of a Government-made Roosevelt depression, not a recession or, as the President called it a few months ago, a "mere assumption." It is not a myth to those who have lost their jobs or their money, and in many cases both. The American people insist that the President state clearly and without evasions what he proposes to do to restore confidence and stimulate business activities in order to provide for the reemployment of labor.

President Roosevelt will have ample opportunity tomorrow night over the radio to tell the people just what he proposes to do to allay fear of his administration and what constructive plans he proposes in order to encourage private enterprise and increase buying power, which is the only way to solve our economic difficulties.

Our people are entitled to know the facts. They are exhausted by promises. What they want is action and jobs. There has been too many fireside chats, too many promises, too many alibis, and no concrete evidence to show for the vast sums already spent.

I do not blame the great mass of Americans for having voted for President Roosevelt, in view of his repeated promises to them to provide steady employment. But, in spite of the expenditure of billions of dollars, we have actually more unemployed today than at the outset of the New Deal administration.

The wage earners are only just beginning to realize that they have been betrayed and lulled into a political coma by honeyed words over the radio. President Roosevelt has not only succeeded in creating more class hatred in 5 years than all other administrations combined since the birth of our Republic, but also by attacks on business and through punitive taxes bordering on confiscation he has supplanted the old American spirit of private initiative and enterprise with the New Deal ideology, based on fear, reprisal, and collectivism. The net result has been to cripple industry, to close factories, and to add to the army of unemployed.

I have referred a number of times to the lack of confidence and stated that confidence and employment are one and inseparable. What do I mean by confidence—is it just a vague psychological term or something more? To me confidence means putting our financial house in order, encouraging American industry based on private initiative and enterprise, and doing away with excessive and punitive taxes like the undistributed-profits and capital-gains taxes which prevents the flow of much-needed capital to expand business activities and develop new enterprises.

In order to restore confidence there must be an end to Executive usurpation, collectivism, class hatred, and Government competition with business.

The New Deal has no financial policy except to pile debt upon debt and deficit upon deficit by borrowing billions upon billions through issuance of tax-exempt securities until the national debt is $38,000,000,000.

The President now proposes to spend four billions more of borrowed money as a temporary stimulant, which is only a shot in the arm, and leads straight to the shoals of inflation, repudiation, bankruptcy, and financial chaos, but may help in electing New Dealers to Congress this fall, as Santa Claus is always popular and effective when used for campaign purposes.

Reciprocal-Trade Treaties

EXTENSION OF REMARKS

OF

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1938

AMERICA'S WAGE EARNERS' PROTECTIVE CONFERENCE

Mr. KNUTSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement of M. J. Flynn, executive secretary, America's Wage Earners' Protective Conference, delivered before the Committee for Reciprocity Information, March 15, 1938, opposing our entry into reciprocal-trade treaties which result in depriving American workers of job opportunities. This organization is composed exclusively of national and international unions affiliated with the American Federation of Labor.

Mr. Chairman, speaking for and in behalf of the organized workers, members of national and international unions, affiliated with the American Federation of Labor, the products of which compete in the American market with the products of workers in foreign lands, we wish to most emphatically protest against our entry into a reciprocal-trade treaty with Great Britain—the United Kingdom—whereby products of Great Britain—the United Kingdom—its colonies and other countries, will be landed in American markets at total landed costs which are less than our costs of production of comparable or competitive articles.

We have no particular interest in any or all items other than to aid, first, in making possible employment opportunities for America's workers; second, to enhance the purchasing power of America's workers; third, to secure better wages, shorter hours, and better working conditions for those in America, the products of which compete in the American market with the products of foreign workers.

To the worker dependent upon a job for his livelihood, the entry into our country of products of foreign workers at total landed costs, which are less than our costs of production of comparable or competitive goods, in simple language means that foreigners have literally invaded our market and transferred our job opportunities to foreign lands.

With some ten or twelve millions of workers unable to secure any work, with additional millions on part time, and with some two or three millions dependent upon Government relief (which is the average organized worker's last resort), we sincerely feel that it is hard to believe that any American official would agree to the landing in the American market of products of foreign workers at total landed costs which are less than our costs of production of comparable or competitive goods, the products of our own workers.

President Roosevelt has publicly asked private industry to help provide work for some of our unemployed millions.

Work cannot, and we do not believe will be provided while industry has reason to believe that purchasers can have delivered to them comparable goods produced in foreign countries at prices which are less than our costs of production.

Labor seeks the opportunity to work at wages and under conditions which will permit of decent comfort at least. This is not any new policy or philosophy on the part of the organized workers affiliated with the American Federation of Labor. It is, in fact, a historical policy.

This policy was initiated long before most of us here were born. The American Federation of Labor was the pioneer in seeking and securing the enactment of a restrictive immigration law, was the pioneer in seeking and securing the enactment of the Asiatic Exclusion Act.

Our purpose, then, is the same as our present policy, namely, to protect the job opportunities of America's workers.

Great stress has been laid by some free-trade theorists and by some economists on our need of foreign trade. These men seemingly overlook the fact that not only should figures be taken into consideration but the human element as well.

Surely, it is not helpful to those millions of our unemployed to read of how many millions of dollars our exports supposedly exceed our imports, or the fact that American moneys invested in foreign plants return dividends of 10, 12, or more percent.

In the first place, from the workers' interest, namely job opportunities, the figures as to our imports and exports are, to say the least, misleading. Our exports are based on dollar value or value in the United States, while our imports are based on the supposed value of the article in the country from which such articles are imported.

Surely it is not helpful to the unemployed shoe workers in Massachusetts and other States, receiving 60 cents or more per hour, to learn of the profits of the Bata shoe monopoly in Czechoslovakia, paying the shoe workers on a speed-up basis an average wage of 20 cents an hour. However, you might imagine the worker's feelings when he finds that his Government, or those acting for it, have virtually assured the sale in the American market of some 4,000,000 pairs of shoes at a total landed cost of less than 90 cents per pair, when the same shoes cannot be produced in American shoe factories for less than $1.10 to $1.30 per pair.

The flat-glass workers of Ohio, West Virginia, Pennsylvania, Indiana, and other States, 50 percent or more unemployed, with common labor, under collective agreement between organized workers and management, receiving minimum wages of 58 cents per hour; with skilled workers receiving, under collective agreement, a minimum wage of $1.25 an hour—surely have reason to wonder when they find the products of the cartelized or trust-controlled glass industry of Belgium and Czechoslovakia, the workers of which receive less than 20 cents an hour, landed in the United States while our mills or factories are closed down or working part time.

American flat-glass workers are not only deprived of work by this transfer of their job opportunities to the much lower wage paid workers of Belgium and Czechoslovakia, but, in addition

thereto, their collective agreement with their employers provides or did provide that the present wage contract expire 60 days after the setting of new tariff rates.

The glass-bottle blowers, with almost a 100-percent organization of American workers and with a minimum wage in machine plants of 60 cents for common labor; the hand-craft, glass-bottle blowers, American workers dependent on the American perfume-bottle industry, most of them over 50 years of age, producing a commodity purchased only by those to whom costs are of little consequence—surely have reason to wonder when they find that their job opportunities have been transferred to other countries, with workers paid 20 cents an hour, by act of their own Government.

The pottery and china workers of our country are forced even now to compete with comparable or competitive products of 25-cents-a-day Japanese labor controlling some 40 percent of the American market. American skilled pottery workers average better than $1 an hour, and common labor receives through collective agreement a minimum wage of 42¾ cents an hour and a 40-hour workweek. Is it surprising that they wonder why our Government seemingly has so little interest in whether or not they can retain their job opportunities?

The flint-glass workers, highly organized, with a heritage of almost complete organization stretching back over a period of 40 years, with annual wage agreements with their employer wherein the skilled workers receive $1 or more per hour while the common labor receives 40 cents an hour or more, and with industrial strife minimized to almost the zero point, also have reason to wonder why their job opportunities are sacrificed, or at least threatened, and for what.

The hat and cap makers of our country, highly organized, and with wage scales of from three to five times the wages paid workers in foreign lands producing comparable or competitive products sold in our American market; the printing-trades workers, with some 40 percent unemployed, as well as many others, are keenly watching this Utopian experiment carried on at the expense of their job opportunities.

American labor is not for embargoes, as some wish to represent. They are unalterably, and without the slightest apology to anyone, for a policy that will protect the job opportunities of America's workers. They are opposed to any policy the result of which transfers the job opportunities of American workers to workers in foreign countries.

America's organized workers are not dreamers. They realize they live in a very practical world. They have made many sacrifices to learn that most employers provide employment only when they derive a profit thereby. American workers also realize that purchasers for their products are available only when such purchasers know that the American product, for the most part, is available at a price comparable with similar or comparable products of foreign countries.

Government figures disclose the millions unemployed, and our elected officials' action in providing billions of dollars for relief for those unable to secure employment is definite proof of the actualities which confront even the most highly organized workers when they consider asking for higher wages, shorter hours, or better working conditions.

Without hesitancy we say to this committee, to the negotiators of the State Department, yes, to President Roosevelt, to whom alone the Congress delegated this unusual power, we are opposed to our Government entering into trade treaties with foreign nations, which trade treaties will or may result in the transfer of the job opportunities of our American workers to foreign countries.

It might be well for those representing our Government to have in mind not only the action and expressed intent of the Congress in enacting the Tariff Act of 1930, but also the intent behind the enactment of our restrictive immigration law and our Asiatic Exclusion Act. Incidentally, these matters have never been made the subject of partisan dispute.

Mr. Chairman, we contend that when our Government enters into a reciprocal-trade treaty with foreign nations which results in the landing in the United States of comparable or competitive American products at total costs which are less than our costs of production, they have nullified the expressed intent of laws enacted by our duly elected officials in that the Restrictive Immigration Act and the Tariff Act expressly provide for the protection of the job opportunities of America's workers.

Mr. Chairman, the organized workers of America are alert to what is happening. They have not been found wanting when called upon to assist their fellow workers, those employed in producing farm products.

When legislation was proposed in the interest of the farmers and believing that such legislation might be helpful in increasing our national purchasing power, even though such legislation provided for increased costs for the workers, we were not selfish enough to oppose this legislation.

Stress has been laid on the necessity for opening up markets in foreign lands for our surplus farm products. To that we are not opposed except when such action means robbing America's workers of their job opportunities.

We have entered into some 16 trade treaties under this most unusual delegation of power to President Roosevelt, and the question has been raised, if industry has been injured and workers deprived of their jobs, then who have benefited.

Among the beneficiaries are:

(1) The international bankers, who derive their profits through the purchase and sale of credits and exchange.

(2) Large industrialists, such as Remington Rand, who refuse to comply with our own laws and recognize the right of their workers to organize and bargain collectively. Yet, despite this flaunting of our laws, we find our State Department negotiators seeking to enrich such concerns by promoting their sale in foreign markets.

(3) Automobile manufacturers, provided with a market in our own country which permits of mass production, due, first, to the better wages paid, and, secondly, to the expenditure of billions of dollars in road building, almost all of which is paid in taxes not by the rich, but by the masses who purchase gasoline to use in these cars.

(4) The canning industry, an industry which was well described by Congressman Connery as the greatest exploiter of labor in America; and

(5) American concerns with plants in foreign countries. Illustrative of this group we might take the Chicago Beef Trust which imported in 1936 some 90,000,000 pounds of canned meats from their wholly owned subsidiaries in Paraguay, Argentina, and Uruguay at total landed costs which the representative of the Department of Agriculture will tell you were more than 6 cents per pound less than costs of production of even a lesser grade of beef grown on American farms and canned by American workers.

While the Congress had enacted legislation to help the American farmers secure higher prices for their products provided the farmer will restrict farm production, we find that economic royalists, with plants in foreign countries, using corn oil processed in their foreign plants and delivered at their American plants at a total cost equivalent to some 13 cents a bushel for corn, or, a cost comparable to the freight charge for transporting a bushel of corn from the corn area to the Atlantic seaboard.

It might be said that we had a drought in corn production. Yet it will not be contended that there was any drought in cotton or cottonseed. Last year we imported enough cottonseed oil that if produced from Texas cottonseed, which is most plentiful, Texas farmers would have had an added income of some $20,000,000.

Labor is willing to and has assumed higher costs of living due to their dependence on American farm products. We are perfectly aware of and we are not asking for reductions in the present tariff rates on farm products.

We paid the processing taxes, having been kidded into believing they helped the American farmers. We will pay the subsidies levied for the benefit of the farmer. We recognize the right of the American farmer to a standard of living comparable to that of the American worker.

We know that American labor is the best customer the American farmer has.

We are advised by farm-organization representatives that the American farmers have not asked President Roosevelt or those representing him to provide markets in foreign countries for American farm products through our entry into trade treaties which will result in transferring the jobs of our American workers to those in foreign lands.

In closing, we sincerely protest against our country's entry into any trade treaty which results in the entry of foreign-made goods comparable or competitive with products of American workers at total landed costs which are less than our costs of production.

To labor such means that our job has been transferred to workers in foreign countries.

National Traffic Safety Contest

EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1938

ADDRESS OF GOV. CHARLES F. HURLEY, OF MASSACHUSETTS, APRIL 12, 1938

Mrs. ROGERS of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Gov. Charles F. Hurley, of Massachusetts, at the National Safety Council dinner, Hotel Mayflower, Washington, D. C., April 12, 1938:

As Governor of the great Commonwealth of Massachusetts I am proud to receive in the name of our great State and in behalf of our people this plaque emblematic of victory in the 1937 national traffic safety contest.

I have a deep realization of the honor which is ours in Massachusetts to be named winner of the grand award by the National Safety Council, and let me say that the 4,000,000 people of our

State share equally my pride and happiness in representing them here in the Nation's Capital on this occasion.

In this same contest the city of Boston, the leading metropolis of our State, received the honor of second prize for cities of 500,000 population or more. This gratifying Nation-wide recognition of our efforts in reducing accidents and fatalities was of course achieved because of wholehearted cooperation by our citizens, both motorists and pedestrians.

In my first inaugural address as Governor I made an appeal to the citizens of our State to bend every effort to solve the traffic-accident problem, and the response has been happily beyond expectations.

We marshaled every agency which was vitally or even remotely concerned with the problem, coordinated their activities to the end that the utmost efficiency be achieved, and in addition, we maintained a steady publicity campaign in order that the public in general be constantly reminded of the aims sought to be accomplished.

Special attention was paid to those two heavy contributors to motor fatalities, namely, excess speed and driving while under the influence of intoxicants.

The registry of motor vehicles, working in close unity with State and local police, suspended the driving licenses of all persons who were reported for exceeding 55 miles an hour on any highway, 50 miles an hour at night, or 45 miles on wet streets day or night.

As a result, the registry suspended approximately 22,000 driving licenses for speeding and other offenses. The registry also suspended nearly 7,000 drivers who were convicted in court of drunken driving, or on complaint of police or inspectors that such persons were operating while under the influence of liquor.

In addition, a concerted effort was made to keep motor vehicles with faulty equipment, especially defective brakes, off our highways, and in Massachusetts we now have compulsory semiannual inspection of automobile equipment, as well as a constant check-up by a force of men who appear at any time unannounced on our highways to make inspections.

The public works department contributed its share in the campaign by exerting every effort to facilitate the movement of traffic, the addition of hundreds of miles of white guide lines, the installation of standardized traffic signs and automatic signal beacons, the prompt removal of snow and ice from the highways, the designing of new highways, divided roads, overpasses, underpasses, and other safety factors wherever possible.

Perhaps one of our greatest gains in the field of public safety has been accomplished with the children of school age. Here the sharp and decided drop in fatal accidents can be attributed to the safety education in our schools.

From a study of national statistics we learn that the high-school age is one of the most dangerous periods during life. Drowning, firearm, and recreational accidents reach their peak during these years, while the high point in traffic accidents is reached just above high-school age. Much time and energy has been devoted during the past year to the introduction of a general course for high-school students. This work has been done by means of many private interviews with principals, the issuing of two bulletins suggesting courses to be followed, lectures to assemblies, and showing of films, conferences with high-school faculties, and advising committees at work upon courses of study to be used in their particular localities.

Massachusetts was among the first of the 22 States which now have State courses of study in highway safety to issue such a course. This course was published in 1935, and at the close of 1937 about 80 percent of the high schools in the Commonwealth had adopted it. At the close of 1938 we hope to report 100 percent of the high schools as teaching this course.

During the past year more attention has been given to the instruction of teachers of safety. A course was given for elementary-school teachers at the summer session of the State Teachers College at Hyannis. Lectures on the best methods of teaching safety have been delivered to students in the State teachers colleges and to groups of teachers at the institutes held in several communities. Three conferences were held for the high-school teachers at which demonstrations, lectures, films, and discussion periods were in charge of national experts in the field of safety education.

A course has been developed for members of adult alien classes, with the thought in mind that these members may use such information in keeping themselves and their families free from accidents.

With the knowledge that safety education has been responsible for the reduction in child fatalities in the past, we shall go forward in the coming year with a more extended program, keeping ever in mind the basic aim of all such education, namely, the saving of human lives.

Finally, and as a climax to this work carried on during the year, I organized on October 1, 1937, a 4 months' highway safety campaign, sponsored by a committee of 100 prominent officials and citizens. This number was eventually augmented to more than a thousand men and women who served on local committees.

In conclusion, may I say that no activity in the manifold duties as Governor of my State has afforded me greater interest nor more profound satisfaction than this intensive drive to save our people from the ghastly consequences of the careless, thoughtless, and reckless conduct of a relatively small number, and I know that we all agree that no amount of time, money, nor effort is too great to spend in safeguarding the lives and safety of our people.

Are We in Danger of War?

EXTENSION OF REMARKS

OF

HON. RAYMOND J. CANNON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1938

RADIO ADDRESS OF HON. RAYMOND J. CANNON, OF WISCONSIN, ON MARCH 29, 1938

Mr. CANNON of Wisconsin. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on March 29:

During the past few weeks this question has haunted the lives of millions of our people. We are living in momentous and revolutionary times. The stupendous forces back of it all make a historical event—in fact, the greatest in all world history—greater by far and more terrible than the ages of Caesar and Napoleon.

The world is now living under a shadow of another great European war—not as a remote and theoretical possibility, but as a vivid, living menace. It has been just about 5 years now since the Nazis came into power, and those 5 years have been filled with one crisis after another, each more violent and more terrible than the one before. Now, for the first time in those 5 years, it seems a crisis has arisen which is unquestionably capable of setting off the vast explosion.

The present situation in Europe is the gravest situation which has faced the modern world since July 24, 1914.

Within a few weeks the forces of fascism have struck twice—in Austria and in Spain. Adolf Hitler is the symbol of these forces—the moving spirit behind the gigantic tides which are sweeping over all Europe, battering down old boundaries, old ideals, old ways of life.

Opposed to Hitlerism are forces in the democratic nations of Europe—in France, Britain, and Czechoslovakia—which see in the victory of the German leader a threat to themselves. There are, besides Czechoslovakia, other nations in eastern and southeastern Europe which are determined to preserve their national independence and territorial integrity. Whether these bulwarks of democracy will stop the German advance is the great question for the future of Europe.

The spirit of Hitler has covered a large part of central Europe—from the sand dunes and lakes of East Prussia to the towering Alpine peaks along the Brenner Pass; from the North Sea to Vienna and beyond to the plains of Hungary, the swastika flies defiantly.

The swastika today is more than a symbol of resurgent nationalism of a nation determined to get back that which was lost during the World War. (Austria, by the way, was no part of Germany before the war.) The swastika is a symbol of a way of life, a force determined to achieve its aims. It is the symbol of a mighty army and a mighty air force; of youth in uniform, of racial intolerance, of the belief in might is right, of a Germany which would call the signals to which all of Europe must respond. There is no denying the strength behind the swastika. To be sure, not all Germans are ardent supporters of Hitler. Many, in their homes, where they do not fear the secret police, are sad, depressed, dejected, and weary; but out on the streets of Germany, especially when Hitler rides by accompanied by his soldiers on parade, and they are generally always on parade, we see fanatic joy on the faces of the crowd and a machinelike precision and determination on the faces of the marching men.

Go to the beautiful pine and lake regions around Berlin, where the Hitler youth—boys in their teens—are practicing the art of war; go to the Rhine, where swastikas fly from medieval castles to the mountain tops of Bavaria. Make no mistake about all of this—it may be wrong, but it is sincere.

Few careers in history have been more dramatic than that of Adolf Hitler. A little more than 5 years ago people talked of him as a wild-eyed fanatic who would soon pass out of the picture. Today he is the most dominant figure in all of Europe, a dictator whose every move stirs and electrifies the entire world.

On November 11, 1918, at 11 a. m., the great World War ended. Hitler fought in that great war with the Kaiser's armies, and when the greatest conflict that ever took place since the beginning of time had ended, it was said that never again would soldiers' blood be poured out on the battlefield. And yet, my friends, only a few years have passed by and tonight we find Europe in the throes of another great turmoil.

The German soldiers were told that they fought to defend their fatherland—for the glory and honor of country; they were promised an easy victory and an early peace. Weeks of bloody war turned into months, and the months of war turned into years, but victory and peace never came.

In 1917 the allied nations faced a breakdown and defeat. Submarine campaigns brought the people of Britain to within a few

days of starvation. Despair and rebellion flared on the battlefronts and in the industries of Europe. In America rose Wilson, who was said to be the new Messiah, preaching the gospel that a new and better world would surely arise from the great war. The exhausted and starving people listened once more. They were told that they were fighting a war to end war—a war to make the entire world safe for democracy. The allied soldiers, with their crushed and bleeding hearts, fought on and on, and the deadlock was broken by the power of America. Then, in 1918, Europe stood on the brink of collapse; mines, factories, forests, cities, rich lands, all lay devastated. The soldiers could stand it no longer and they rose up against their statesmen and their generals. Then the governments failed. The words of Lenin demanding the abolition of the way of life which had given birth to war, shaped new goals for the hungry and crushed and despairing. To block the people from these goals, with the armies mauling away, the great war lords reached out for peace and the Treaty of Versailles.

From that great peace conference emerged no new world order, but from it the people gave assent to the economic and political domination of the victor powers. From the war there emerged new world empires maintained by force, leading the world swiftly to fiercer struggles between the nations. The war to end war gave way to the peace preventing peace—and the Treaty of Versailles has many crimes and much bloodshed to account for.

Tonight the swastika emblem of might floats over the churches and homes of a Christian people, and Adolf Hitler acquires 10,000,000 servants to the Nazi creed, while thousands of Austrians and Jews, who but only yesterday were happy and free men and women, now hide and cringe in fear and terror from the unescapable persecution, torture, and misery to be inflicted upon them by the cohorts of new Germany.

Czechoslovakia, having defied the master of Europe, cannot hope to escape his vindictive hatred, and the Czechs and Jews of that sad and unhappy country will join the hundreds of thousands of helpless and persecuted "men without a country," in Nazi prison camps, in hiding, or in aimless and helpless flight from the merciless determination of one man to destroy all humans not of his own race, and to establish himself as the master of man.

The fox of Berlin has outsmarted the lion of Italy.

France torn by internal strife and dissension, will be hard pressed to maintain civil peace within her own borders, and will be fortunate to maintain her own independence and escape being crushed under the wheels of the Nazi engine of destruction.

England has chosen a path that can only lead, if followed through, to her eventual adoption of fascism or of obeying Hitler's demand for "political freedom for Germans abroad" and permit the formation of a Nazi party, which, in time, will make England subservient to, if not a dependent of, Nazi Germany.

It is a matter of common knowledge that both Hitler and Mussolini are rendering aid and comfort to General Franco.

The whole world recently shuddered and trembled with horror on hearing of the bombardment of Barcelona. The Spanish people have turned their heads toward our country and have asked us to raise our voice against the extermination of the civilian population of Barcelona. In some instances, more than a thousand innocent women and little children were slaughtered in a single day. In the bombing of Barcelona the war reached the apex of its horror and shame. So terrible, so tragic, and so destructive was this bombing that the head of the Roman Catholic Church in order to protect women and children made a personal appeal to General Franco to refrain from the use of the deadly bombs. Neither side comes to this crisis with clean hands. Both have previously bombed defenseless cities. It is true that the bombing had "a military objective"—to force a civilian demand for surrender, to weaken and destroy the morale of the soldiers at the front.

A mother, with a crushed and bleeding heart, may make a sorrowful appeal to God for peace when she sees her child that had such dear and sweet little ways reduced to mangled flesh before her reeling vision—and of all the tragedies of life, the saddest and most cruel is a mother's good-bye to her dead child. A man may be ready to accept any terms that would end the agony, the grief, and the sorrow when he looks on the things that a moment before were also men, torn to bloody rags by bombs dropped unaimed from the heavens, by bombs apparently deliberately timed to render unavailing even the last desperate attempt to escape by falling flat. They are part of the new art, the new science of war. War on children. War on women. War on the old and the weak. War on the sick and the crippled. War against humanity. War that defiles the banners, that stains forever the honor of those that conduct it.

Who would care to shake the blood-stained hand of one of the "knights of the air" who had pulled the lever dropping a deadly bomb on the roof of a hospital, wiping out the lives of the sick, the weak, the crippled, or, perhaps, into a schoolyard where hundreds of little innocent children were at play, sending them into eternity without a moment's warning? Who would do such men honor? Who would not, with horror and disgust, turn away from them and from their masters whose bidding they did?

And that is the fate which our people fear is fast approaching for our country. To preserve and pass on to our children the heritage of democracy that is theirs, to maintain here in America human liberty which is fast disappearing from the earth, to maintain our status and respect as men, only one course is open. We must carry on as our fathers did before us. We must unite, regardless of racial dissent, religious beliefs, color, or political affiliation, into one united American front, to defend and advance American democracy. The professional politician should be retired, be he President or a lesser representative, who through greed or power plays partisan politics at the expense of human misery.

All the large nations of Europe are rearming as fast as possible for air, land, and sea fighting, and when they think they are prepared, it is doubtful if any one of them would hesitate to attack us if they felt they could be successful. The ultimate results of the Treaty of Versailles show us, conclusively, that we cannot trust or depend on any one of them. Irony would ask us what was the use of it all and of all the sacrifices we made some 20 years ago. All of the great ideals for which we sent the young manhood of our Nation to the bloody battlefields of France, and the succor we gave to the millions of stricken people after the war, are all lost and forgotten. A free, fraternal, peace-loving Europe is now a sham and a colossal mockery, and it would be laughable if it were not so sad and tragic for the millions of the poor and unfortunate. In the present gloomy and sorrowful hour, with the world electrified with hate, greed, and madness, one wonders what will happen next.

The German occupation of Austria makes it impossible for us to any longer be mistaken about the kind of world we live in. We see now, beyond error, that the outstanding question in world affairs is not, as we have assumed, the morality of systems of government.

The great fact is that we are living in a period of the breaking of nations. If then, America is to take part at all in the shaping of world affairs, she can do so effectively only by using the methods which are now to the front. Only direct action, diplomatic or otherwise, really counts at the present time. The lessons of these recent weeks are, I think, wholesome.

The eclipse of the League of Nations has to be recognized. Relations between England and America should be frank and cordial, but certainly not too cordial, and any alliance, of any character, from our point of view, is strictly undesirable. With the surges of influence in Europe, we have little to do. Nazi-ism and fascism, as systems of human society, must work out their own ends.

In the security and isolation, which may not be so secure as we fondly believe, there is hope for America to survive as a democracy, even though the rest of the world embraces the belief that only supermen are capable of guiding the destinies of their people, but only if the American people themselves wish to continue this democracy.

A highly trained, efficient organization, united in a common cause and merciless in suppressing, by individuals of unorganized groups, any attempts to oppose its purpose, is the secret of the dictators' success and their rise to power. Hitler, Mussolini, and Stalin follow that procedure.

Now, as the requiem of democratic Austria is being chanted by Nazi legions, as the rumble and thunder of Nazi tanks and marching Nazi feet shake the soil of Europe, while hundreds of Nazi war planes cast their terrifying shadow over the land, Adolf Hitler, on the 12th day of March 1938, in a world-wide radio hook-up, defies the universe, and demands, under penalty of his displeasure, the political freedom of Germans in all the countries of the world. He demands the very freedom which he stubbornly denies them at home.

Another lasting and memorable page has been written in the history of the world that will go down through the ages.

Legislative Control Over Public Moneys of the United States

EXTENSION OF REMARKS

OF

HON. GEORGE J. SCHNEIDER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 8, 1938

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, both the so-called reorganization bill, S. 3331, as it passed the Senate and as it is proposed to be amended by the House Select Committee on Government Reorganization, and H. R. 8276, which was reported August 19, 1937, by the Select Committee on Government Reorganization, by repealing in part the Budget and Accounting Act of 1921 (42 Stat. 23, 27) as it relates to the General Accounting Office, would deprive the people, through their elected representatives in Congress assembled, of all control over the uses of public money which the taxpayers have paid into the Treasury and would establish such a system of control by the spending agencies as has never existed in the United States Government and as

has not existed in England since the Subsidy Act of 1624, which became law during the reign of James I.

THIS STRUGGLE OF ANCIENT ORIGIN

When the fathers met in Philadelphia in the summer of 1787 to attempt some solution of the state of almost anarchy then prevailing, they were familiar with the struggle between the rulers and the taxpayers over the control of public money. Kings of England to 1624, and intermittently thereafter to the American Revolution, claimed and exercised the right in some instances to levy and collect taxes on the people. They also claimed and exercised in many instances the right to spend the money collected from taxes in any way that they saw fit, with the result that the national debt was constantly increasing and the taxes were likewise constantly increasing. Some of the noblest pages of Anglo-Saxon history show the struggle between kings and commons over the control of the public purse, and in that struggle both a king and some of the commons lost their heads.

LESSONS OF THE REVOLUTIONARY WAR PERIOD

These men of Philadelphia in 1787 were thoroughly familiar with this history of English liberty, and they were familiar with the provisions in the constitutions of the Thirteen States, placing in the hands of the elected representatives of the people the control over the raising of public money by means of taxation and over the drawing of the money from the State treasuries to be spent by the administrative officers of their respective governments. They were also familiar with the fact that Washington's men starved at Valley Forge while public moneys were being wasted by the spending agencies of the Central Government. The conditions became so bad that the Congress of the Confederation was forced to establish a system of control in the Congress to force compliance with the ordinances, or laws, of the Congress in spending and accounting for public money. That control system was in operation when the Constitution of the United States was written and adopted.

CONSTITUTIONAL BASIS FOR EXISTING LAW

It was provided in the Constitution, article I, that the Congress shall have the power to lay and collect taxes, duties, imposts, and excises to pay the debts and provide for the common defense and general welfare of the United States; to borrow money on the credit of the United States; and that all bills for raising revenue shall originate in the House of Representatives. Also, that no money shall be drawn from the Treasury of the United States but in consequence of appropriations made by law, with the requirement that a regular statement and account of the receipts and expenditures of all public money shall be published from time to time. Unquestionably the purpose of these provisions in the Constitution of the United States was to reserve in the people, through their elected representatives, all control over the raising and drawing of public money from the Treasury.

EARLY STATUTORY DEVELOPMENT

One of the first statutes enacted by the First Congress, which met under the Constitution in 1789, was for the creation of the Treasury Department. That law brought over under the Treasury the accounting system of the Comptroller and Auditor largely as it existed under the Articles of Confederation, and, contrary to all other statutes thereafter enacted, the head of the Treasury Department was required to report direct to the Congress. The heads of all other departments except the Treasury report to the President, and he transmits their reports to the Congress; but in the case of the Secretary of the Treasury the law has been, since 1789, that he must make his report direct to the elected representatives of the people in Congress assembled.

That accounting system established in the act of September 2, 1789 (1 Stat. 65), provided that all accounts and claims for and against the United States should be settled and adjusted by the Auditor and Comptroller of the Treasury, and that no money could be drawn from the Treasury, even after an appropriation had been made, without the countersignature of the Comptroller of the Treasury. However, the Federal Government was very small at the time, and, though it had little revenue and practically no activity except to maintain peace and order, James Madison, the father of the Constitution, objected to the accounting officers being placed in the Treasury Department. He stated in the course of the debate in the First Congress on the bill which became the act of September 1789 that the duties of the Comptroller were not purely of an executive nature; and the Supreme Court of the United States, in the *Humphrey case* (295 U. S. 602), referred to this debate as showing that there were officers in the Federal Government who were not Members of Congress or of the judiciary but who were not administrative or executive officers.

That accounting system of September 2, 1789, was revised and strengthened in the act of March 3, 1817 (3 Stat. 366), providing two comptrollers and a number of auditors, whose numbers were finally fixed at six. This act of March 3, 1817, remained in effect until the Dockery Act of July 3, 1894 (28 Stat. 208), and that act continued in effect until the Budget and Accounting Act of June 10, 1921.

CONGRESS HAS CONTROLLED FOR 150 YEARS

During the entire period from 1789 to this good day in 1938 the spending agencies of the Government had no right to secure any money from the Public Treasury, even after it was appropriated, until the warrant for that purpose had been countersigned by the Comptroller. Also, during this long period of 150 years all claims and accounts for and against the Government have been settled and adjusted by the accounting officers, and they have been charged with the duty of superintending the collection of any balances certified by them to be due the United States. What is more, the law has provided that the court must receive in evidence a transcript of the account settled by the accounting officers and that courts must give judgments for the balances certified due unless the courts should consider that the settlement is contrary to law.

PRESENT LAW IS STRICTLY CONSTITUTIONAL

It has been argued by the proponents of the Senate provisions of S. 3331, by the proponents of the amendments from the House Select Committee on Government Reorganization to this bill, and by the proponents of H. R. 8276, that the present Budget and Accounting Act of June 10, 1921, is unconstitutional for the reason that it is not a legislative function to control the spending of the public money.

I utterly reject any such argument as unfounded in law and contrary to the practice of 150 years. During the period from September 2, 1789, to July 1, 1921, when the accounting officers were bureau officials of the Treasury Department, no President or Secretary of the Treasury, or any other executive officer of the Government claimed or exercised the authority to revise and review the settlement of the accounting officers or their refusal to countersign warrants drawing money from the Public Treasury. In opinions of October 20, 1823, and January 13, 1824 (1 Op. Attys. Gen. 624; id. 636), Attorney General William Wirt advised the President that they had no such authority. On December 14, 1831, April 5, 1832, and December 18, 1832, Attorney General Roger B. Taney, later Chief Justice of the Supreme Court of the United States, advised President Jackson that he did not have such authority. Similar advice was given on March 15, 1847, by Attorney General Nathan Clifford, who afterward became an Associate Justice of the Supreme Court of the United States, and that advice was later given by Attorney General Alfonso Taft, father of President, and later Chief Justice, Taft, in opinions of August 2, 1876, and February 7, 1877. What is more, President Andrew Jackson expressly refused on July 1, 1833, to exercise such authority, saying that—

> The decision of the Second Comptroller is final over whose decision the President has no power except by removal.

President Polk also expressly declined on August 9, 1845, to review a decision of the Comptroller, saying that he—

> Declined to interfere upon the general ground that Congress has expressly given the authority to settle the claims to the accounting officers of the Treasury Department, and I have no right to control these officers in the performance of their duties.

History records no instance where any President of the United States attempted to exercise control over the decisions of the Comptroller, and if there was nothing else, this unbroken practice of 150 years—so in keeping with the Anglo-Saxon traditions and the practice in the Thirteen Colonies before the Revolutionary War—would establish beyond doubt that the accounting for public money is a legislative function to be exercised either by the Congress or through such agents as it should establish for that purpose.

CONSTITUTIONAL LIMITATION ON SPENDING

Bear in mind that article I, section 9, of the Constitution, relating to the power of the Congress, expressly provides that—

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

This constitutional responsibility is not found in article II of the Constitution relating to the powers of the Chief Executive, and it is the constitutional duty of the Congress to see that no money is drawn from the Treasury but in consequence of, or in accordance with, appropriations made by law.

For 150 years the Congress has stationed at the door of the Treasury a Comptroller with mandate to him not to countersign any warrants to draw the money from the Treasury except for purposes authorized by law and with a further mandate to him to see that no spending agent of the Government receives credit on the books of the United States for any moneys drawn from the Treasury which he does not spend in accordance with law. That is now the duty of the Comptroller General of the United States, the head of the General Accounting Office, and to protect him in the performance of that duty the Budget and Accounting Act of 1921 prohibits his removal except by impeachment or by a joint resolution of the House and Senate. The Comptrollers did not have that protection against removal prior to the Budget and Accounting Act of 1921, and they would not have it if either the Vinson bill, H. R. 8276, or the reorganization bill, S. 3331, should become law, with no provision therein to protect the Comptroller General against removal. It is frankly stated by the proponents of the legislation that the purpose is to subject the Comptroller General or the Director of the Budget, in S. 3331 as it passed the Senate, to the removal power of the President, and this on the basis of the argument that the spending of public money is an executive function; that is, that the control over the Comptroller should be in the spending agency.

Any such argument and any such change in the law would absolutely deprive the people of their control over the drawing of public money from the Treasury to the same extent that they were deprived of that power prior to the English Subsidy Act of 1624.

ESTABLISHED PRINCIPLE OF CHECKS AND BALANCES THREATENED

The drawing of public money from the Treasury and the spending of public money are two separate and distinct acts. Under the Budget and Accounting Act of 1921 the Comptroller General has no authority in the spending of public money. His authority goes to the drawing of public money from the Treasury. If the Congress does not have the constitutional authority over the drawing of public money from the Treasury when not in accordance with appropriations made by law, then the system of checks and balances supposed to have been established by the Constitution is nonexistent and the Constitution does not mean what it says in article I, section 9, thereof, that no money "shall be drawn from the Treasury but in consequence of appropriations made by law."

In the governments of the States and municipalities the procedure is that a taxpayer may maintain a taxpayers' bill to enjoin public officers from spending public money contrary to law, but the Supreme Court of the United States in the Massachusetts and Frothingham cases held that neither a State nor a taxpayer could enjoin an official of the United States from withdrawing money from the public Treasury and spending it for purposes contrary to the Constitution. Since the people cannot themselves directly prevent the withdrawal of public money from the Treasury for purposes believed to be unlawful, the courts cannot review such action and the people are helpless as to the spending of their public money unless they may exercise that control through their elected representatives in Congress. If such control cannot be exercised through their elected representatives, the people are without protection against the squandering of their tax money or money borrowed on the faith and credit of the United States. Also, the people who pay the taxes have a right to direct, in laws enacted by the Congress, the purposes for which public money shall be spent, and if it is not so spent, the people have the right through their own agent to see that proper action is taken to collect the money spent contrary to law and to redeposit it in the Treasury.

Congress has provided in the permanent law from time to time since 1789 how public moneys shall be expended, and it has been the duty of the accounting officers since 1789, and is now the duty of the Comptroller General to deny credit for any expenditure not in accordance with the law.

COMPTROLLER BECOMES FOOTBALL OF POLITICS

The so-called Vinson bill, H. R. 8276, and the Senate reorganization bill, S. 3331, insofar as the latter bill relates to the General Accounting Office, would destroy that control procedure over the withdrawal of the public money from the Treasury. The destruction would take place through the subjection of the Comptroller General to the removal power of the President and through the enactment into law of the plain right that it is an executive function to control expenditure of the public money, which means that it is an Executive right to withdraw the money from the Treasury. Neither bill would give to any officer other than the spending agencies the right to see for the Congress that no money is drawn from the Public Treasury except in consequence of appropriations by law.

Further, since the Comptroller General is to be made a political officer, doubtless to be removed with each change of administration, that official would not have an opportunity to learn the tremendous duties and responsibilities of the office in charge of the settlement and adjustment of claims for and against the United States. One of the purposes of the Budget and Accounting Act in providing the tenure of 15 years for the Comptroller General was to enable him to learn his duties and continue in office for a reasonable length of time after he had learned them so that he would be of use to the people of the United States.

RECOVERY OF ILLEGAL PAYMENTS IMPOSSIBLE

The so-called auditor general, which both the Byrnes bill, S. 3331, and the Vinson bill, H. R. 8276, provide, would be practically worthless as a public official. This auditor general would not have the authority to prevent the withdrawal of public money from the Treasury when it was proposed to do so contrary to appropriations made by law or even when there were no appropriations whatever. The auditor general could do nothing except examine accounts and claims after they had been settled and make a report to Congress. Congress could do nothing after it received the report except to change the law, and if the spending agents could ignore the law in the first instance, they undoubtedly would ignore it after it had been changed. Even under the Budget and Accounting Act of 1921 the Congress has difficulty with spending agents who do not always observe the law in the disbursement of public money. The Congress is being constantly importuned by disbursing agents who have illegally spent the public money for the enactment of private bills authorizing the Comptroller General to credit the amount in their accounts after they had been caught in violating the law. Congress has no control over the prosecution of suits against the United States, as that is an executive function, and if Congress is unable to have an officer responsible to it to prevent the withdrawal of public moneys from the Treasury save in consequence of appropriations made by law, it would also be without authority to employ attorneys to prosecute claims against disbursing officers to recover erroneous and illegal payments. Again Congress would have no control over the settlement of accounts, and if that settlement is to

be made a responsibility of the spending agencies themselves—as contemplated by H. R. 8276 and S. 3331—there doubtless would be no balances to collect. The spending agents of the Government are not going to charge each other with erroneous and illegal payments, with the result that all of the payments, whether legal or illegal, would be credited in the accounts unless some poor devil of a disbursing officer should incur the displeasure of his associates in the spending agencies of the Government, and then he probably would be charged whether he should have been or not.

REVERSION TO ANTIQUATED SYSTEM

In addition to all of the foregoing weaknesses in H. R. 8276 and S. 3331 and the reversal of a governmental practice more than 300 years old, both of these bills would revert to a procedure of triplicate and, in some instances, quadruplicate examination of accounts and claims which broke down of its own weight prior to 1894. Under the act of March 3, 1817, as amended, accounts and claims received, and now receive, an administrative examination; that is, these accounts and claims are examined by employees in the respective spending agencies of the Government. After such examination these accounts and claims were, and are, forwarded to the accounting officers for audit and settlement as provided by law. Prior to July 31, 1894, the auditor made an examination and transmitted his examined accounts to one of the two Comptrollers for settlement. The Comptroller made the settlement. This triplicate system of examination of accounts was so cumbersome and slow that unsettled accounts and claims accumulated to such an extent that the accounting system was hopelessly behind with its work. The Dockery Commission made an extended investigation of such triplicate system of examination of claims and accounts and recommended that one of the examinations be abolished. Republican Secretary of the Treasury Foster joined in that recommendation, and his successor, Democratic Secretary of the Treasury John G. Carlisle, agreed with both the Dockery Commission and Secretary Foster. Finally, there was enacted the act of July 31, 1894, which abolished the authority of the Comptroller to make settlement and only permitted him to review the settlement made by the auditor if and when the head of a department, a disbursing officer whose accounts were involved, or a claimant should request such review.

These two bills, H. R. 8276 and S. 3331, would reestablish that triplicate system of examination of accounts and would, in fact, add a fourth examination in some instances as to certain matters. The bills do not abolish the administrative examination of accounts and claims. That administrative examination is continued. It would require the auditor general to make an examination of accounts and transmit the same to the Comptroller in H. R. 8276 or to the Director of the Budget in the Byrnes bill, S. 3331, for settlement. This gives us three examinations. In addition to that, the auditor general would be required to examine the certificates of settlement made by the Comptroller under the House bill and by the Director of the Budget under the Senate bill, which would give us a fourth examination. There is no possible excuse for such retrogressions in the conduct of public affairs or in going back to a system existing prior to 1894 which failed to function and had to be abolished, at a time when the expenditures of the Government aggregated but a fraction of present-day expenditures. If such a system of triplicate examination of claims and accounts failed and was so unanimously condemned by the joint committee of Congress known as the Dockery Commission and by two Secretaries of the Treasury, what possible hope could there be in the breast of any man that a triplicate and, in some instances, a quadruplicate system would function as is proposed in either of these bills?

LITIGATION AVOIDED AND BUSINESS ASSISTED BY PRESENT METHOD

Mr. Speaker, I have not discussed the fact that the existing General Accounting Office, independent of control of the spending agencies, has been able to generally satisfy the businessmen of the country and thus result in a lowering of cost of doing business with the United States. However, I do wish to refer to the fact that in 17 years of work but a small handful of cases has been taken to the courts. It is stated upon reliable authority that the number of such cases would not exceed 2,000 during the 17-year period, and notwithstanding the General Accounting Office has settled literally millions of claims during that period. If the spending agents had authority to settle their own claims, who can doubt that they would attempt to "cover up" their own mistakes and result in flooding the courts with a vast number of cases? The Bureau of Internal Revenue and the Customs Service now settle their own cases, and since 1924 there have been approximately 100,000 cases appealed from the Commissioner of Internal Revenue, and during the last fiscal year there were approximately 70,000 cases appealed to the Customs Court from the collectors of customs. I might mention at this point that the Customs Service has nine comptrollers under the control of the Customs Service who are supposed to perform substantially the same functions for that Service that the General Accounting Office performs for the balance of the governmental agencies, and it is evident that these comptrollers of customs have not functioned as efficiently as the General Accounting Office or there would not have been so many cases in the Customs Court.

COMPLAINTS OF ARBITRARY DECISIONS COME FROM SPENDING AGENTS, NOT FROM BUSINESS

It is a singular fact that businessmen and attorneys who have business before the General Accounting Office have not been before the committees of Congress complaining as to alleged arbitrary action or inefficiency in the General Accounting Office. On the contrary, the complaint has been from some of the spending agents and by the three municipal law experts who composed the President's Committee on Administrative Management, and in whose brains this monstrosity originated.

PRESENT SYSTEM SERVES OUR BEST TRADITIONS FOR ECONOMY AND EFFICIENCY

Mr. Speaker, there is one further point I desire to make in this connection, and then I am done. It is claimed that the General Accounting Office has not furnished Congress with a detailed report. I insist that such report would be a duplication of work and would serve no useful purpose even if the Members of Congress had the time from their many other duties to devote to an examination of further reports.

Under our system of government the spending agencies are required to make a showing to the Budget Bureau as to their needs for appropriations. These needs are broken down by the Budget Bureau and we are furnished annually with a volume of several thousand pages showing in detail the expenditures which are proposed to be made. When the Budget has been transmitted to the Congress and the several appropriations bills have been prepared, the spending agencies are required to come before the various subcommittees of the Committees on Appropriations in both the House of Representatives and in the Senate and justify, if they can, their requests for appropriations. If they make a satisfactory showing of the need for particular funds, the appropriation, or authority to make the expenditure, is contained in the appropriation bills and enacted into law. In other words, the Committees on Appropriations of the two Houses of Congress in effect preaudit the proposed expenditures. If the spending agencies comply with the law and spend the public money for the purposes for which appropriated, there is no need for the General Accounting Office to submit a report to Congress which no one would read showing that the law was observed in the expenditure of funds. If the law is observed in making such expenditures, the items should be credited in the account or paid and the Congress advised only of those instances where the law has been violated. This showing can best be made to the Committees on Appropriations when the same spending agencies are before Congress requesting additional appropriations. However, these committees have not made the use of the General Accounting Office that they should have made or could make, but the fault in that respect

is not with the General Accounting Office but with the membership of the Committees on Appropriations.

In conclusion, Mr. Speaker, I insist that the General Accounting Office, as it now exists, is not only in the best traditions of economy and efficiency with respect to the withdrawal of public money from the Treasury, but that it has ably and conscientiously performed its duties. Such few mistakes as may have been made are not the fault of the system, but must be charged to the personnel operating the system. Better personnel cannot be secured by abolishing the office, as proposed in the Byrnes bill, or by dividing it up as proposed in the Vinson bill. Further, the withdrawal of public money from the Treasury is a legislative function, and the Congress has no right to disregard its constitutional duty to see that no money is drawn from the Public Treasury save in consequence of appropriations by law.

Politicians Watch Out

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1938

EDITORIAL IN THE EASTERN DEALER, PHILADELPHIA, PA., APRIL 7, 1938

Mr. PATMAN. Mr. Speaker, the following editorial appeared in the Eastern Dealer, a publication of Philadelphia, Pa., April 7, 1938, in answer to an editorial in Collier's magazine headed Politicians Watch Out:

GANGING UP ON THE PATMAN PROPOSAL

Most of our big magazines and newspapers decry what they call propaganda when any group attempts to put over a new idea or when the freedom of America is, in their judgment, threatened; and we must wonder if periodicals like Printer's Ink, Collier's, Saturday Evening Post, Liberty, etc., think they are really serving the interest of the public in attacking proposed legislation or if their attack is made in the interest of special people, mostly big shots in finance.

The April 1 issue of Collier's joins the ganging by a flaming editorial headed "Politicians Watch Out," the main purpose of which is to revive the bogey about the American standard of living, for these great editors express fear that America is going to the dogs when it attemps by law to correct wrongs to the most of us in America.

Leave us alone, is the cry of the small gang who seek to continue their graft and wax rich. Any effort to change the old order is an attack on the American way, according to the spokesmen of greed.

In closing his editorial, the editor says: "Before we destroy, we shall do well to assure ourselves that our own standard of living won't suffer." In this we agree, only it comes very late. When chain, mail-order, and department stores were destroying the retail business of merchants we never heard a peep out of these national magazines.

No argument is advanced that meets with truth, tends to show that the public has been benefited by the selling policies of the well-backed financial distributors of merchandise.

Follow through on what has happened here in America when bank money has been used to finance competition which destroys. We have as a consequence large aggregations and combinations in every line of business, and truth stands out to declare that they have destroyed the true American standards, for fairness is the basis of the American way.

Collier's defends big business and mentions how radio was a gift of big business, and how it saved the public on price, for, as they say, we now can buy a radio set for $37.50 the equal to what formerly sold for $200; so let us discuss radio.

One of the first large producers of radio sets was Atwater Kent, right here in Philadelphia. He secured financial backing and succeeded amazingly, according to all reports. If the public benefited, Mr. Kent benefited handsomely, for now he and his family are socialites of the high order. The manufacturing plant he erected covers acres, and in its day employed many thousands of workers. When Mr. Kent made his pile, without warning to the employees, the plant was closed and today remains closed, a monument to greed, for during the days when Mr. Kent was accumulating huge profits the factory had very competent men in every department, and when it became apparent that Mr. Kent had enough and was fixing to quit, he was implored to arrange matters so the factory could continue and continue to employ men and women.

"No," said Mr. Kent, and without warning the employees were out of work and many on relief.

The American way has been to show malice toward none and charity for all. The American way has been to be good neighbors and not to kill off your neighbors. It is pure effrontery for Collier's to put out ideas as expressed in their editorial.

They mention automobile construction and how the big combinations have decreased the cost to the public, but we have read very often how the insiders in automobile making have enjoyed huge profits. How about the dealer who sells automobiles? Do you find many of them who are not over two jumps ahead of the sheriff?

These advocates of "leave us alone" are a menace to the future of America, for we shall retain our American plan of government that insures freedom to all, and which is based on the sure ground of correcting evils by law and not by force.

Flooding Congress with telegrams of protest fools no one. Everything has been tried out to defeat any needed reform—all the few want is to be left alone to do as they damn please.

The chain store as developed in America had but one object, and that was to destroy competition. To claim that they had saved money to the buying public is not borne out by the statements of their profits.

Public investigation has well proved that the purpose of the chain store, especially in food values, was to destroy manufacturers of food products and replace with factories of their own to manufacture private brands.

To defend such organizations is far from the American way. The proposed law now before Congress to tax the chains out of business is the legal way to rid America of unfair competition. Our courts have endorsed the plan. Every merchant should endorse the plan.

The effrontery of Collier's is shown by the statement in the editorial as follows:

"The approach of Congress to proposals such as the Patman chain-store bill is purely political. Nobody in Congress pays any attention to any other consideration. Whether consumers get better service or worse service, whether prices are higher or lower under one system or the other, is distinctly outside the range of political interest."

It would not be political to have again in Congress men sent there like Aldrich, Platt, Grundy, etc., whose sole purpose was to see that special interests were protected by law; but when the public is to be protected, then it is political.

All these magazines would deplore a revolution in America just as all of us, but they are helping in every possible way to bring about such a result.

They never discuss men out of work, men unable to support their families. They are always against any effort to give the man who works protection against unfairness.

The Eastern Dealer never has believed in an organized campaign to influence legislation, but against such an appeal as made by Collier's it might be well if we suggest a letter to WRIGHT PATMAN, Washington, D. C., saying you are not for the Collier idea.

A Constitutional Amendment Is Needed if Federal Tax Exemption Is To Be Ended in Respect to State Bonds

EXTENSION OF REMARKS

OF

HON. ROBERT L. BACON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1938

EDITORIAL FROM THE NEW YORK HERALD TRIBUNE AND EXCERPTS FROM A SPEECH BY HON. WILLIAM E. BORAH

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the New York Herald Tribune and also extracts from a speech delivered by Senator BORAH in the Senate of the United States February 10, 1910. The editorial comments favorably on Senator BORAH's speech.

In view of recent proposals of a Federal law to tax State bonds and State salaries, this editorial and the reprinting of Senator BORAH's speech is timely.

[From the New York Herald Tribune]

MORE DREAMS OF GRANDEUR

Such a proposal as President Roosevelt now blandly puts forward to ignore the Constitution of the United States and the Supreme Court's consistent interpretation of it for well over a century of decisions and pass a Federal law imposing taxes on

State bonds and State salaries is discouraging and dismaying. Just when every one of Mr. Roosevelt's fellow citizens—critics and supporters alike—had begun to hope that he had set at least one foot on the earth and was preparing to abandon his earlier dreams of grandeur, up he goes once more. "Dictating" is a mild word for such carefree disregard of law and precedent.

We print elsewhere on this page the eloquent argument with which, in 1910, Senator BORAH anticipated and demolished the President's interpretation of the income-tax amendment. Mr. Roosevelt singles out the phrase in the sixteenth amendment, "from whatever source derived," says he understands what it means and, ignoring the rest of the amendment and the rest of the Constitution, announces his intention to tax State obligations and officers thereunder. Incidentally he would toss the Supreme Court out the window. But that is a detail. He has tried to do that before.

We commend to our readers the whole admirable structure of Senator BORAH's plea. It was followed by an extraordinary scene in the Senate. The Senator from Idaho was congratulated from every side upon his masterly effort—Senator Root was among those to grasp his hand. The proposed amendment was then under consideration by the States and Senator BORAH feared its ultimate defeat. But he had no question as to what would be its interpretation if adopted. Nor has the Supreme Court had any doubts.

The broad doctrine was originally laid down by Chief Justice Marshall in 1819 in the historic case of *McCulloch* v. *Maryland*. That was the converse of the present question. In this great opinion the Chief Justice held for a unanimous Court that the State of Maryland could not tax the notes of the Bank of the United States (chartered by the Federal Government in 1816). To quote in full the noble sentence to which Senator BORAH referred and which well expresses the spirit of the opinion:

"There is no express provision for the case, but the claim has been sustained on a principle which so entirely pervades the Constitution, is so intermixed with the materials which compose it, so interwoven with its web, so blended with its texture, as to be incapable of being separated from it, without rending it into shreds."

The cogent reasoning of this case was later applied to protect State obligations and salaries from Federal taxation and possible destruction thereby. The exemption was, in short, made mutual. There are sound arguments for holding that all exemption of bonds from taxation is an economic mistake. Senator BORAH himself recently set about ending such exemption with respect to Federal taxation of future Federal obligations. The right of Washington to do this is, of course, beyond questioning. But clearly, if Federal tax exemption is to be ended in respect to State bonds—and vice versa—a constitutional amendment is needed.

The President has before displayed his complete lack of legal background. It is no news that his is not—to phrase the idea politely—a great legal mind. What is far more distressing, coming at the present time, is the fresh demonstration of his scorn of the whole structure of the American governmental system. That the great minds of the Supreme Court have held against his view for 120 years means nothing to him. What he wants he wants, and what right has anybody to oppose him?

Fortunately the Congress still stands and so does the Supreme Court. It is to fine minds and courageous characters in these two arms of the Federal Government that the country now looks for its protection and must continue to look if this latest outburst of wanting the moon accurately represents the state of Mr. Roosevelt's mind.

[From a speech delivered by Senator BORAH in the Senate of the United States, February 10, 1910]

"FROM WHATEVER SOURCE DERIVED"

I undertake to say, without fear of successful contradiction from the authorities, that the National Government has no more jurisdiction as a governmental fact over the functions of a State government than it has over the property across the line in Canada as a territorial fact. They are not within its power or control. Until we revise the Constitution as a whole, take the instrument up and revise it and definitely announce that these separate and independent sovereignties are no longer to be so, no court will ever hold that you can interpret the taxing clause of the Constitution so as to destroy those sovereignties. As Judge Nelson said in one case:

"The General Government and the States, although both exist within the same territorial limits, are separate and distinct sovereignties, acting separately and independently of each other within their respective spheres. The former in its appropriate sphere is supreme. But the States within the limit of their power as granted, or in the language of the tenth amendment preserved, are as independent of the General Government as that Government within its sphere is independent of the States."

Chief Justice Marshall, in laying down the rule of taxation in the case to which I have already called attention, says in another part of the decision:

"All subjects over which the sovereign power of a State extend are objects of taxation. But those over which it does not extend are, upon the soundest principles, exempt from taxation. This proposition may almost be pronounced self-evident. Sovereignty of a State extends to everything which exists by its own authority or is introduced by its permission; but does it extend to those means which are employed by Congress to carry into execution the powers conferred on that body by the people of the United States? We think it demonstrable that it does not."

Take this ruling of the Chief Justice, which has been repeated in substance and in principle so often since, put it down by the side of the proposed amendment to the Constitution, and construe that amendment in the light of that principle, that only those things over which each sovereignty has jurisdiction and control are subject to taxation, what possible fear can there arise in the mind of any man that the Supreme Court will say that out of the words "from whatever source derived" comes the power to do as Marshall said, "rend the whole fabric into shreds"? * * *

In conclusion, on this phase of the subject I submit:

First. That the proposed amendment adds nothing to the taxing power of the National Government. This power was complete, unfettered, plenary before. It can be no more than that should this proposed amendment be adopted.

Second. The proposed amendment does not deal or purport to deal with the question of power which is already complete, but simply with the manner and method of exercising and using that power.

Third. No one has ever questioned the power of the National Government to lay an income tax, for, as was said by Justice White, the question has always been "whether an admittedly unlimited power to tax has been established according to the instruction as to the method," and it was to remedy the method alone that the amendment was submitted.

Fourth. The words "from whatever source" add nothing to the force of the amendment. It would, in constitutional parlance, be just the same if it said "to lay and collect taxes on incomes without apportionment," for who could then say that you would not have the right to lay taxes upon all incomes? The present taxing power would not be a particle stronger if it stated "to lay and collect taxes upon all property from whatever source."

Fifth. To construe the proposed amendment so as to enable us to tax the instrumentalities of the State would do violence to the rules laid down by the Supreme Court for a hundred years, wrench the whole Constitution from its harmonious proportions, and destroy the object and purpose for which the whole instrument was framed.

Sixth. To construe it to cover those incomes from sources within the jurisdiction and control of the sovereignty laying the tax is to construe it in harmony with the principles given us by Marshall and followed from that hour to this.

The Washington Airport

EXTENSION OF REMARKS

OF

HON. ANDREW J. MAY

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1938

LETTER FROM THE PRESIDENT

Mr. MAY. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following letter received by me from the President of the United States:

THE WHITE HOUSE,
Washington, April 9, 1938.

MY DEAR MR. CHAIRMAN: I am writing you again in regard to the serious, long-standing failure to get an adequate airport or airports for the National Capital.

The situation is such that if a serious accident takes place the blame will fall, I fear, on the Congress itself.

If you do not mind my offering unsolicited but, I believe, practical advice, here it is:

(a) The present Washington-Hoover field can never be made of permanent service for commercial planes entering or leaving the Capital—because of its low altitude and the impossibility of providing long enough runways in all directions. Until a better field or fields can be provided, we shall have to continue the use of the Washington-Hoover Airport, and I am entirely willing, as a temporary matter, to have the Military Road closed and any other slight temporary improvements made. This, however, is of course, not a final solution.

(b) We need to get a full-sized, all-weather airport as quickly as possible. I have surveyed all available sites and conclude that the Camp Springs site is the only one which can be bought at a reasonable figure and put into actual operation inside of a year and a half. It requires little grading and the work can be done in large part by W. P. A. labor. At the Camp Springs site we should buy at least 2,000 acres of land, and on this land we can get runways of any required length in all directions.

Objection has been raised by the Navy Department because of the radio receiving station 5 miles away. This matter, I think, we can work out in conference between your committee and the Naval Affairs Committee, and it should not prohibit us from using what is, by all odds, the best all-weather airport for planes of every size.

(c) The only objection to Camp Springs is its distance from the center of the hotel and shopping district. The Capital of the United States need not, and should not, be limited to one airport. For commercial and military reasons we should have two.

I, therefore, recommend that the Gravelly Point site be also developed. This is primarily a pumping proposition. It is infinitely better than the Washington-Hoover field, but is not a 100-percent site for long-distance flying or flying when there is a river fog. It would take 4 or 5 years to complete the Gravelly Point airport, as the fill would have to be high and require a long time to settle. Nevertheless, I think that if the work is spread over 4 or 5 years the annual cost will not be heavy and the Capital will have another airport which could be used under good weather conditions, which, incidentally, occur over 75 percent of the time. Also, the Gravelly Point site is only 10 or 12 minutes from the center of things, as against 30 minutes to the Camp Springs site.

It is because I visualize this subject not only as one of immediate emergency to prevent serious accidents, but also as one which looks to greatly increased air traffic in the future, that I hope quick action can be taken at this session.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

HON. ANDREW J. MAY,
Chairman, Military Affairs Committee,
House of Representatives, Washington, D. C.

Father's Day Should Receive Official Recognition

EXTENSION OF REMARKS
OF
HON. CHARLES H. LEAVY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, April 18, 1938

Mr. LEAVY. Mr. Speaker, a short time ago I introduced House Joint Resolution 634, wherein it was provided that the third Sunday in June shall be recognized throughout the Nation as Father's Day, just as we have been recognizing the second Sunday in May as Mother's Day, under the provisions of House Joint Resolution 25, which was enacted by the Sixty-third Congress.

SPOKANE WOMAN ORIGINATED IDEA

I feel that it is particularly appropriate that I should urge upon the Congress the enactment of this resolution since a constituent of mine, Mrs. John Bruce Dodd, who was born and reared in the Fifth Congressional District of Washington, which I have the honor to represent, is the originator of the idea of Father's Day, and she, with a fine group of associates, has worked faithfully and consistently for national recognition of this day for many years.

FATHER'S PLACE

On April 7, 1938, there appeared in the Wilbur Register, of Wilbur, Lincoln County, Wash., a comment written by the capable and genial editor of that paper, W. W. Gillies, concerning the significance of Father's Day, which, though written in a somewhat humorous vein, contains much sound thought, and I am pleased to make it a part of my remarks at this time. The article to which I refer is as follows:

The Register was favored this week by a friendly call from Mrs. John Bruce Dodd, of Spokane, the lady who originated the idea of Father's Day. Being a father, one realizes that he should be paid a small tribute one day during the year, for on the other 364 days he has to pay, and pay, and pay for this, that, and the other.

So far as we are able to see from long experience in this world, dad is usually at the short end of the horn. He does a lot of blowing but seldom hears any pure notes from the other end of the said horn. If there are any sounds emanating in his direction, they are usually sour.

About the only time a man gets any attention is when he is born. As a baby boy he is usually pretty cute and much made over by the opposite sex. In a few years, however, he is usually referred to as an ornery brat, and from that period on isn't given any serious thought. When he gets married, aside from the mere mention that he is there, nothing is said about him in the news stories. When his first-born arrives, the paper merely says that so and so was born to Mr. and Mrs. Blank but the people who read it know his small part in the borning business, and all the sympathy goes out to the mother.

From then on he just works the old treadmill daily. The wife tells him what to wear, what to eat, and how to behave, ably supplemented by the daughters, who shunt him out to the kitchen when company arrives, where he is forced to play solitaire or twiddle his thumbs, as he pleases. He is told several times a day that he is an old grouch or a granny, depending on his temperament, and is consulted about nothing in the family scheme of things.

Yes, we did. We shook hands with Mrs. Dodd twice. She is a darned smart woman.

The Political Situation in Pennsylvania

EXTENSION OF REMARKS
OF
HON. NOAH M. MASON
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, April 18, 1938

EDITORIAL FROM THE JOHNSTOWN (PA.) DEMOCRAT, APRIL 11, 1938

Mr. MASON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial which appeared in the Johnstown Democrat, of Johnstown, Pa., on April 11:

WHY GUFFEY PLOTS TO SACRIFICE HIS PARTY
(By the editor of the Democrat)

Why did Senator JOSEPH F. GUFFEY double-cross his C. I. O. friends by saddling them with the candidacy of S. Davis Wilson, Philadelphia strutter and political roustabout? GUFFEY knows Wilson is a dead horse who has lain too long in the political sun and should be buried, not exhibited. GUFFEY knows that, because GUFFEY's smart. He knows Wilson's labor record is full of holes big enough to permit John L. Lewis and all his cohorts to march through them without bowing their heads.

Why did Senator GUFFEY burden his slate with Judge Ralph Smith, the Pittsburgh opportunist? Smith's strength lies in the Pinchot camp and always has. GUFFEY knows that, because GUFFEY's smart.

Why—actually—did Senator GUFFEY select S. Davis Wilson as his candidate for United States Senator and Judge Ralph Smith as his candidate for Lieutenant Governor? In a Democratic primary, both men are a liability. And GUFFEY knows that, for GUFFEY's smart.

Why did Senator GUFFEY, high priest of the organization cult, leave the organization after he had preached regularity for 30 years?

Why did Senator GUFFEY publicly promise he would support the organization primary ticket and then as publicly break his word?

Why did Senator GUFFEY publicly promise he would support George H. Earle for United States Senator and then repudiate his promise in the face of the fact that when Governor Earle returned from Europe a few months ago, GUFFEY rushed to the docks to greet the returning traveler and pledge his allegiance?

These are all questions which cry out for an answer. They present problems for which members of the Democratic rank and file in Pennsylvania must find a satisfactory solution. For when a man who is smart does things which on the surface seem to be inexplicably stupid, there is invariably a reason. Smart men do not assassinate their political associates without cause. They do not betray from sheer malevolence. Political cutthroats deceive and destroy for only two reasons—to get money and to serve ambition. Senator GUFFEY, like Brutus, is ambitious.

What is Senator GUFFEY's ambition now? Repudiated, discredited, unhorsed, dethroned, and humiliated in his own State, the Senator's ambition is to retain his position in the national political arena. Magazines, newspaper editors, and platform speakers have depicted Senator GUFFEY as a boss who held the Commonwealth of Pennsylvania in the hollow of his hand and who dominated political thought and action at the National Capital. Senator GUFFEY has been pictured as the man who nominated Roosevelt, and he has taken this idle, casual praise seriously.

Obviously, the only way Senator GUFFEY can maintain his status upon the national political front is to emerge from the pending factional melee in a position to control Pennsylvania's delegation to the next national convention. If Senator GUFFEY can control and manipulate political events to the end that the Democratic State organization and Chairman Lawrence are discredited, and if as a result of the same maneuvers, John L. Lewis and the C. I. O. are likewise defeated and discredited, the only boss remaining in the picture will be the junior Senator from Pennsylvania, JOSEPH F. GUFFEY.

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Even though Pennsylvania Democrats are licked all along the line, JOE GUFFEY will still be Senator and, as such, will control Federal patronage. GUFFEY believes patronage is power. If the pending contests within the ranks of the Democratic Party result in Democratic defeat, GUFFEY will be in a position to say, "well, boys, you see what happens when you scorn smart advice and don't go along with the old man."

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However, in order to control the situation, even though Charles Alvin Jones and Tom Kennedy were both defeated either at the primary or at the general election, Senator GUFFEY will need the right kind of an instrument. What is that instrument? It is Senator GUFFEY's candidacy for Vice President. As a candidate for Vice President, when the time comes, Senator GUFFEY and his friends believe that no matter what happens in this State this year the senatorial plotter will be able to recapture the organization and once again reign supreme. However, Mr. GUFFEY and his friends realize the Senator cannot be again enthroned as Pennsylvania's Democratic boss if either Charles Alvin Jones or Thomas Kennedy is elected Governor of the Keystone tSate.

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What does all of this mean in practical terms? It means that in order to regain his leadership and enter the national political arena as Pennsylvania's choice for Vice President, Senator GUFFEY is willing to sacrifice the governorship—is willing to sacrifice the 27,000 jobholders—is willing to sacrifice Pennsylvania's Democratic Congressmen as well as the Democratic candidates for the general assembly, who may fall in the midst of the melee. No more cold-blooded, ruthless, selfish, sordid political plot was ever concocted in the history of American politics since the days of Aaron Burr.

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Senator GUFFEY's design once again to rise to power upon the rungs of party and factional defeat remained a theory until the plan was confirmed in GUFFEY's own Washington office. Every soul which descends into the depths is accompanied by a familiar spirit which leads it down, and down. Senator GUFFEY's familiar spirit is one R. H. Bailey, styled secretary but who is actually the Senator's senatorial self. Bailey, like GUFFEY, is ambitious and—possibly—avaricious. It was he who sold Senator GUFFEY the idea of becoming Pennsylvania's chief executive. Bailey, who knows his Washington, had perhaps become tired of browbeating Democratic Congressmen and otherwise functioning as Senator behind the scenes. Why not be Governor behind the scenes? The Keystone State is a rich political fief. The man who conquered and exploited it would have something worthwhile. Besides, who could tell what bright prospects awaited a Pennsylvania Democratic Senator who could step from Washington into the executive mansion at Harrisburg by a mere wave of the hand?

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Being Governor of Pennsylvania wasn't an idea original with the Senator. When he isn't insane with rage, GUFFEY's smart. Left to himself, he would have known that a Guffey-Earle slate wasn't in the wood. But the senatorial secretary sold the Senator the notion. The Guffey gubernatorial boom went smash and carried the Senator down with it. Overnight the supposedly all-powerful boss became a pathetic figure—a man, insane with rage, who plotted revenge. Senator GUFFEY, under the man Bailey's tutelage, set about reforming his lines. The Senator crossed the chasm between honor and dishonor on a shaky bridge constructed of broken promises and committed himself to a gubernatorial candidacy which his spokesmen in his own office have cynically repudiated.

Here's the circumstance—the hitherto missing link which confirms the theory of Senator GUFFEY's Vice-Presidential ambitions and establishes it as a fact: A Congressman from the State of Pennsylvania some weeks ago called at Senator GUFFEY's office for the purpose of discussing the primary situation. The visiting Congressman was told a primary victory for Tom Kennedy was in the bag. "We've got the votes and we've got the money and we'll get the votes out," was the statement made by the Guffey spokesman.

"But," rejoined the Congressman, "you don't think you can elect your man, do you, even if you nominate him?"

"Don't be foolish. What's the difference?" was the reply. "Suppose we don't elect him. We're out to make GUFFEY Vice President and we're counting you in. Don't you see? The Senator will emerge a winner no matter what happens."

Such was the substance of the interview. And perhaps it all works out—from the stunted, distorted Guffey point of view. If Charles Alvin Jones is defeated in the primary, Democratic State Chairman Lawrence and all his cohorts will have been duly slapped down.

If Tom Kennedy is defeated in the primary and Jones wins, John L. Lewis and his C. I. O. following will have been slapped down. If Kennedy wins in the primary and loses in the election, Democratic State Chairman Lawrence, John L. Lewis, and their following will have been slapped down—and Senator GUFFEY, riding his boom for the Vice-Presidency, will be in a position to make his bid for power, capture the Pennsylvania delegation to the Democratic national convention in 1940, and save his face at Washington as Pennsylvania's rehabilitated boss.

Taken all in all, it would seem to be a great scheme—if it works.

As We Fought the War

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1938

EDITORIAL IN THE PHILADELPHIA RECORD, APRIL 15, 1938

Mr. HOUSTON. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include a ringing editorial from the Philadelphia Record of April 15, 1938:

Uncle Sam is going to fight this depression as he fought the war—by spending enough to win.

That is the greatest news for American unemployed, for American businessmen, for the American people, since Roosevelt's re-election.

President Roosevelt's inspiring message to Congress, proposing a $5,000,000,000 attack upon the recession, is also a great victory for the liberals in and out of his administration.

The Record is glad that, after months of doubt, the President has returned to the program advocated by this newspaper and has taken the steps we have urged him to take to revive business:

(1) A forthright spending program, with no attempt to balance the Budget until business volume is raised, unemployment reduced, to normal.

(2) Expansion of bank credit by desterilization of gold together with reduction in reserve requirements of the Federal Reserve System.

(3) Resumption of the Federal Public Works program.

The shackles of deflationary policy are off. Credit, the lifeblood of business, is to be set free once more. Purchasing power will be placed where it is most needed—in the hands of consumers. Abandoned is the gold sterilization folly, and reserve requirements are cut—by only 25 percent of the three billions they were increased last year—but cut in spite of Reserve Chairman Eccles' obstinacy.

The bookkeeper's slogan, "Balance the Budget" gives way to the statesman's objective, "A job for every man."

The fight is on in earnest and not, thank God, with half measures. As the President so wisely said:

"You and I cannot afford to equip ourselves with two rounds of ammunition where three rounds are necessary."

It is important for every citizen to understand the President's program. This editorial is written, of course, in advance of his fireside chat in which he is expected to further explain his proposals.

The Roosevelt program is in three major parts:

1. Direct Government spending:

The President asks $1,250,000,000 for W. P. A. for the first 7 months of the fiscal year beginning July 1—a sum which will prevent any further cuts and permit some rehiring of W. P. A. workers.

Continuation, without previously proposed reduction, of present appropriations for such other Federal agencies as the National Youth Administration, C. C. C., Farm Security Administration.

Additional appropriations—increases over last year—of thirty-seven millions for flood control, twenty-five millions for Federal buildings, one hundred millions for highways.

2. Indirect Government spending through public works:

Expenditure of $450,000,000, plus loans to a total of $1,000,000,000 to States and municipalities for public works, the loans on a noninterest basis or its equivalent.

Expansion of the existing housing program to cover $300,000,000 of additional projects.

3. Thawing more than two billions of frozen credit:

Desterilization of $1,400,000,000 of Treasury gold, plus reduction of reserve requirements by three-quarters of a billion dollars—"to make additional bank resources available for the credit needs of the country."

Here, then, is a broad campaign—through every economic agency, on every economic front. The sums of money involved are not nearly as important as the fact that the administration has turned its back upon the deflationary policies which were sold to the Treasury and Federal Reserve Board over a year ago by monetary reactionaries.

Big as the figures in the President's message may seem, taken in proportion to the wealth and resources of this Nation they embrace a program which is, if anything, very restrained and a far cry from the wild pictures of runaway inflation already being hung upon the front pages of the conservative press by those who are out to wreck Roosevelt even if it should mean wrecking the Nation with him.

The Roosevelt campaign must win.

It will win—if the American people refuse to let the reactionaries confuse their minds on the question of debt. Already the cries go up that this program will cost money, will increase the national debt, will bring on a "wheelbarrow inflation."

The people must recognize this propaganda for what it is—a malicious attempt to lure the Nation to its own destruction.

The way to combat that propaganda is with the clear light of truth, the irrefutable logic of facts. That is why the Record published its editorial, Warning Against Debt Propaganda, last Saturday, why it will publish others of similar import.

Our people will not be fooled—

Not if they understand that the President proposes to spend a sum for recovery less by far than the sums which were spent to win the World War, for which 25 billions of debt was incurred in less than 3 years.

Not if they bear in mind that the per-capita debt in the United States of America today is less than what it was at the close of that costly war.

Above all, let our people remember that recovery money is not wasted.

The President's foes try to encourage that notion. But the dollars spent for recovery so far have borne fruit in bridges, buildings, parks, hospitals, flood-control dams, airports, sewage plants—and a thousand other improvements, every one of which is returning to Americans a real dividend in more civilized living.

The President is fighting your battle.

To protect your job, and the job of your neighbor, and to give a job to the neighbor next door to him.

Keep that in mind when the guns of reaction begin to roar. Stand by him as he has stood by you.

Amazing Growth and Commercial Development of the Ports of Texas

EXTENSION OF REMARKS
OF
HON. JOSEPH J. MANSFIELD
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1938

LETTER FROM COL. FRANK S. BESSON, GALVESTON, TEX.

Mr. MANSFIELD. Mr. Speaker, under the leave granted, I present a letter from Col. Frank S. Besson, United States district engineer at Galveston, in regard to the vast growing commerce on the Gulf of Mexico passing through the ports on the coast of Texas during the calendar year 1937. Colonel Besson's letter is as follows:

WAR DEPARTMENT,
UNITED STATES ENGINEER OFFICE,
Galveston, Tex., April 9, 1938.

Hon. J. J. MANSFIELD,
House of Representatives, Washington, D. C.

DEAR JUDGE MANSFIELD: Enclosed is a statistical statement of commerce of the principal Texas ports for the calendar year 1937. I would invite your attention to the total of over 97,000,000 tons. Comparable figures for several years past are as follows:

[Figures to nearest million]

	Tons
1936	79,000,000
1935	65,000,000
1934	59,000,000
1933	57,000,000
1932	49,000,000
1931	49,000,000
1930	50,000,000
1929	50,000,000
1928	45,000,000
1927	41,000,000

It must be a matter of satisfaction to you to know that due to the efforts of your committee this great development has been made possible. It is, indeed, gratifying to a member of the Corps of Engineers to know that our work has borne such fruit.

I am sending a copy of this statement to the Senators from Texas and the Representatives from the coastal areas. If you think others would be interested in the same, will you kindly advise me?

With kindest regards,

Very sincerely,

F. S. BESSON,
Lieutenant Colonel, Corps of Engineers, U. S. A.,
District Engineer.

The statement accompanying Colonel Besson's letter gives full detail of all commerce of the Texas ports for the year 1937, including foreign, coastwise, and intercoastal. The summaries of tonnage and values for the several ports are as follows:

Statement of tonnage and value through the following ports and waterways for the calendar year ending Dec. 31, 1937

Ports and waterways	Grand total	
	Tons	Value
Calendar year, 1937:		
Corpus Christi, Tex.	5,923,002	$133,349,701
Ingleside Terminal, Tex.	664,580	8,667,899
Port Aransas, Tex.[1]	7,513,289	68,797,389
Freeport, Tex.	306,412	4,969,585
Galveston, Tex.	4,992,150	435,154,438
Houston, Tex. (Houston Ship Channel)	26,855,739	643,552,407
Texas City, Tex.	9,444,100	109,535,880
Sabine Pass Harbor, Tex.	627,345	5,779,088
Port Arthur, Tex.	20,084,641	267,708,318
Beaumont, Tex. (Neches River)	20,467,642	234,293,950
Orange, Tex. (Sabine River)	73,884	3,136,007
Brownsville, Tex.	54,679	7,076,898
Port Isabel, Tex.	356,910	5,890,309
Total	97,364,073	1,927,911,869
The Louisiana-Texas Intracoastal Waterway (Sabine River-Galveston Bay section):		
Calendar year—		
1935	238,404	6,568,014
1936	793,877	20,008,204
1937	1,021,450	33,678,467

[1] Includes Harbor Island, Tex.

This enormous traffic to and from the States of the great South and central West, passing through the Texas ports, is of comparatively recent origin. A very large proportion of it has developed within the past two or three decades. In 1900 this tonnage was 2,114,002 tons, valued at $224,719,003. Practically all of this was at Galveston, other Texas ports not having been improved at that time. By 1910 Houston, Sabine-Neches, Freeport, and Port Aransas having been partially improved, the Texas-Gulf tonnage grew to 23,070,127 tons, valued at $1,422,089,775. In 1937, as shown by the statement of Colonel Besson, this commerce approximated 100,000,000 tons in volume, and $2,000,000,000 in value. This remarkable development in so short a time is without a parallel in all the world.

This commerce consists of the products of the farm, factory, mill, mine, and forest, and embraces cotton, corn, wheat, rice, sugar, wool, oil, gasoline, sulphur, structural steel, vegetables, citrus and tropical fruits, and other articles.

This great volume of trade passing through the ports of Texas is in no sense of the word to be considered as exclusively Texas commerce. Much of the farm and mine products in the outgoing commerce had its origin in other States. Much of the incoming trade had its destination in other States. These Texas ports were but the gateways through which it passed. In that capacity they served the Nation as a whole.

While much of the out-borne trade of the Texas ports was the product of States other than Texas, yet it is a fact that Texas has produced a large proportion of it. The Texas cotton production last year was 5,158,412 bales, or nearly one-third the normal cotton production of the United States. Practically all of the cotton of Texas, with its great volume of cottonseed products, enters into the foreign and coastwise trade.

Of the United States petroleum production of last year, Texas furnished slightly more than 52 percent. Under the proration by the Texas Railway Commission, 500,000,000 barrels were permitted to enter into general commerce, nearly all of which, in some form, entered into the Gulf trade. This oil was produced in 132 counties, whose fields embrace 79,000 producing wells.

I am advised by Col. E. O. Thompson, chairman of the State Railway Commission of Texas, that 11,000 operators are engaged in oil production, furnishing labor to many additional thousands who receive the highest scale of wages paid by any industry in that State.

The consumers in all the States have been the beneficiaries of the low cost of transportation made available by the

development of the ports of Texas. I will give one illustration only. Facts developed at recent hearings before the Committees on Rivers and Harbors and of the Merchant Marine show that the average retail price of gasoline in 1936 was 17.82 cents per gallon, and but for the cheap water transportation in the petroleum trade it would have sold at an average of 39.12 cents per gallon.

These figures were obtained from the actual operations of a company whose traffic exceeded 8,000,000,000 ton-miles in the year 1936. Our expenditures for navigation improvements are infinitesimal when compared with the resultant savings to the people on the single item of gasoline. Various other commodities will show somewhat similar results.

Congress has made liberal provision in recent years for the improvement of the Texas ports, though the expenditures have been comparatively small in proportion to the amount of traffic accommodated. The channels and harbors now have depths of 32 to 34 feet, which is slightly less than the prevailing depths at the major Atlantic and Pacific ports, at all of which a depth of 35 feet or more has been provided.

Colonel Besson's statement with reference to the traffic on the Louisiana-Texas Intracoastal Waterway is significant. This channel, connecting the Texas ports with the Mississippi River, has been in operation 3 years as far as Galveston, that portion of the waterway from Galveston to Corpus Christi now being under construction. From Colonel Besson's statement it will be seen that the commerce on the completed section between Galveston and the Louisiana border during the 3 years of operation has been as follows:

Calendar year	Tons	Value
1935	238,404	$6,568,014
1936	793,877	20,008,204
1937	1,021,450	23,678,467

Certainly this shows very satisfactory results on this section of the great inland system, which has been in operation for only 3 years, and which is not yet completed to its destination.

The Wage-Hour Bill and Recovery Program

EXTENSION OF REMARKS
OF
HON. CLIFTON A. WOODRUM
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1938

Mr. WOODRUM. Mr. Speaker, I have had many inquiries from interested parties relative to the wage-hour bill, which has been rereported to the House by the Committee of Labor. I voted to recommit this bill to the committee when it was recently before the House for consideration, because I believed that it contained provisions and restrictions which would not be helpful to the people whom I represent.

The new bill is equally as objectionable. Entirely aside from the merit of the legislation, I think it is an inopportune time to force this issue upon Congress again. This view is shared by many of the most ardent advocates of labor. No administration of the Federal Government in the past 50 years has been so concerned in trying to help labor and protect its rights as the present administration. The problem that we have at the moment—and it is a very real problem—is to try to provide employment for some of the twelve to fourteen million unemployed who are seeking work.

We are told that business should be reassured, and I agree to that. There has been too much loose talk on both sides of the fence. It has not been one-sided by any manner of means, and I am hoping that now there will be a moratorium on calling people names.

Reassurance to business, however, is not enough. The railroads need freight and passengers to haul; the textile plants and other manufacturing plants need customers for their goods that are piled up in the warehouse; the merchants need to hear the sweet song of the cash register again; and there is only one way that this can be done, and that is for people to have money to spend. If the unemployed are put back to work, money goes into circulation; and it is idle and ridiculous to say that this does not help. No one claims that it is a permanent cure, but it certainly meets an acute condition, and that is what we face at the moment.

THE RECOVERY PROGRAM

I have not in any sense of the word abandoned my position of insisting upon a balanced Federal Budget and a curtailment of Government expenses wherever it can be done. I do feel, however, that some immediate steps must be taken to start us on the upgrade again and to give business and industry an opportunity to absorb some of the terrific load of unemployed. I believe the President's program will do that.

A newspaper dispatch under an Associated Press heading, dated April 16, informs us that Virginia has received since 1933 to December 31, 1937, the sum of $409,695,740 from the Federal Government, in all forms of relief payments, work relief, loans, and so forth. Much of the sum is in the form of loans and credit which will ultimately come back to the Treasury, and it is perfectly idle and ridiculous to say that these funds have not relieved the situation in our State. There is not a merchant or businessman who was not helped through the depression by these payments. Some of the projects may have been ill-advised. I am not debating the merit of one of them, but every dollar that was paid out went into the regular channels of trade and business.

Under the present program, we undertake to provide work relief for two and one-half of the twelve or fourteen millions unemployed. We hope industry can absorb the rest of it. In order to help industry put men back to work the recovery program will enable States, cities, and counties to go forward with useful and permanent public improvements, further aid to State highways, approved flood-control projects, needed public buildings, credit facilities to small business, and so forth.

I regret as much as anyone that such a program is necessary, but I have failed to observe in any of the criticism of this program any constructive suggestions of an alternative. One good friend writes me as follows:

> If you will reassure business and get the people back to work everything will be fine.

That is a splendid suggestion. We have reassured business but my friend failed to tell me what to do to give the people jobs. This program is for that purpose and if it is as successful as we hope it will be, then it will be worth what it costs.

Out at Walter Reed Hospital there is a very fine American boy who has been critically ill for 13 months from injuries received in an airplane accident while in line of duty. He is fighting for his life. A few days ago the doctors gave him a transfusion. They did not expect it to permanently cure him but it did help and he is still fighting. And so it is with Uncle Sam today—sweet kind words whispered in his ear are fine, but he needs something to put him on his feet, and the mere fact that we set him on his feet once and he stumbled again is not a logical argument against giving him another chance.

For information and to preserve the figures, I hereto attach the newspaper article to which I referred above.

FEDERAL GRANTS HEAVY IN STATE—VIRGINIA HAS RECEIVED $409,000,000 SINCE 1932

WASHINGTON, April 16.—Figures made public by Senator BARKLEY (Democrat, Kentucky), majority leader of the Senate, showed today the grand total of Federal grants, loans, and insured loans in Virginia from new and emergency appropriations between March 4, 1933, and December 31, 1937, amounted to $409,695,740.

The figure included $266,592,337 in Federal expenditures, $115,530,208 in loans, and $27,523,195 in loans insured.

USED AS SYMBOL

The tabulation was presented by Senator BARKLEY in recognition of Jefferson's birthday "to illustrate how the present administration has carried out the principle of Thomas Jefferson that we should unite in common efforts for the common good."

Expenditures from new and emergency appropriations for the period in Virginia included $13,839,007 through the Agricultural Adjustment Administration; $21,094 through the Farm Security Administration; $11,855,284 through the Civil Works Administration; $26,302,851 through the Federal Emergency Relief Administration; $70,788,276 through the Civilian Conservation Corps; $26,903,997 through the Bureau of Public Roads; $1,315,504 through the Social Security Board; $72,807,368 through the Public Works Administration; $29,629,018 through the Works Progress Administration; $11,670,976 through the other features of the Emergency Relief Appropriation Acts of 1935, 1936, and 1937; and $1,448,962 for public buildings.

CLOSED LOANS LISTED

Closed loans included $25,586,066 through the Reconstruction Finance Corporation; $32,377,372 through the Farm Credit Administration; $2,215,699 through the Commodity Credit Administration; $2,208,608 through the Farm Security Administration; $37,695,414 through the Home Owners' Loan Corporation; $9,942,008 through the Public Works Administration; $1,716,800 through the Rural Electrification Administration; and $2,838,241 through the Federal Reserve Board.

Insured loans included $7,381,946 through title I of the Federal Housing Act and $20,141,249 through title II.

The Future of Federalism in the United States

EXTENSION OF REMARKS

OF

HON. E. E. COX

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1938

ARTICLE BY EDNA M. ZOLLARS

Mr. COX. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following report covering lectures given by Prof. Harold J. Laski, of the London School of Economics, upon the Future of Federalism in the United States, by Edna M. Zollars:

Two distinct impressions are left in the mind of the listener after the series of five lectures given by Prof. Harold J. Laski in Washington, D. C., two of which were given in Constitution Hall, April 7 and 8, respectively, and three at George Washington University, April 5, 11, and 12 at the invitation of Professor Acheson, of that university. These impressions may be summed up as follows:

(1) That capitalism is unequal to making necessary reforms and changes for the benefit of all the people and therefore the alternative is socialism.

(2) That, unless socialism is achieved through building up of executive power by subordination of the legislative branch and by repudiation of the doctrine of "judicial review" (judicial determination of the constitutionality of legislation), conflict is inevitable.

Professor Laski states he believes the hope of the world lies in the United States and Russia as the two great "democracies." Questioned as to why he included Russia, his reply was that without disregard of Russia's internal problems, her masses were gradually being raised to a gradually rising standard of living, a process which he believed to be continuous and eventually of tremendous effect.

Professor Laski also conducted a series of three round-table meetings dealing with the subjects of government intervention in economic affairs, foreign relations, and civil service, to which were invited certain Members of Congress, Government officials, newspaper representatives, and interested left-wing organizations. This reporter's request to observe was turned down upon the basis that invitations to the round tables had been closed. It was well known that the organization she represented worked to preserve the present form of government and to uphold the Constitution.

The two meetings in Constitution Hall and the first two lectures at George Washington University were largely repetitious in content and for that reason no distinction is made in this report. A more detailed report follows:

Professor Laski began with the definitions of "state," "sovereignty," "government," "society," and their implications upon which he built the structure of his theory. State was defined as that "which embodies the real will of society, a territorial society that is divided into government and subjects, the government claiming the power of sovereignty," real will being, in turn, defined as the "general will" of society. Sovereignty was defined as "the supreme coercive force in society," and government as "that body of persons exercising that supreme coercive power of the state." Society itself was defined as "interrelationships of men in all their complexities." From these definitions he deduces that the state in order to exercise sovereignty cannot brook any interference from any group, especially that declared to be in control of economic power, termed the "owners of instruments of power," in the exercise of the state's sovereign power. Otherwise, the state does not possess sovereignty.

The state, according to Professor Laski, must be in a position to take "positive action" against all who would obstruct its authority through its government. The general assumption was that such positive action would be for the general welfare of society. Admitting and listing at great length the benefits the United States had received under its constitutional form of government, Professor Laski maintains, however, that the Constitution has outlived its usefulness and is inadequate to modern needs, since it limits the power to take positive action. The benefits which have been received he attributes to the fact that the capitalistic system has been enjoying a period of "expanding economy." Now capitalism is experiencing what he terms to be a "contracting economy," and because it protects property as against public welfare, it must now give way to socialism.

Taking up the means by which the sort of state he favors might be accomplished in the United States, Professor Laski began with the premise that a state with a quasi-sovereign power in the modern world is obsolete. "To leave to such a quasi-sovereign state the control of the major economic forces in life and the future of the people of the United States is incompatible with achievement of the social welfare of the people in the United States."

Professor Laski lists the things the state must be able to do as follows: (1) Must be able to go into business with full power no matter what the content of the matter it proposes to take into its charge; (2) must be able to subordinate the rights of property to the common weal; (3) there must be a full right of government to embark upon a venture of planned economy; (4) must be able to insist upon uniform application of certain minimum standards uniformly applied throughout the country, for example: in matters of education, wages, hours, public health, housing, factory conditions, etc.; (5) to maintain the right of the state to use its taxing power to uphold the sovereign power; (6) there must be a full power to deal with monopolies to retain the power of the American people over their own destiny; (7) the power to use full machinery of the state to mitigate the consequences of social inequality.

To accomplish these purposes for the state, Professor Laski would (1) abolish state sovereignty as it is now known under the separate States, justifying such action upon the basis that with the present distribution of power the states may become "the residuary guardians of those who stand in the way of social welfare"; (2) abolish the doctrine of judicial review—that is, the power of the courts to pass upon the constitutionality of legislation—as he claims the courts may be "translating private prejudices into public convictions" in their rulings; (3) Congress must be subordinated to the executive branch of the Government in order that the executive branch may be unhampered in its taking of positive action declared to be necessary. Declaring that the United States must "recognize that the epoch of federalism in its historic phase is over and the epoch of decentralization has arrived," Professor Laski seems to visualize his system as the State being a central depository of power administered through regional framework, preserving State lines for functioning, but without power of sovereignty.

Defining the right of the people to mean "the opportunity of man to be himself at his best" and naming such rights, Professor Laski claims the state must furnish to its people (1) the right to work, including at reasonable hours and for adequate wages; (2) the right of freedom of speech and of association with others of like mind and to impress that viewpoint upon those making up the government; (3) the right to education; (4) the right to share in the operation of political power; (5) the right to share directly in forming conditions under which one lives.

By reason of the hold upon the State by those possessing economic power, a protection of the status quo is assumed in fact to be a denial of these privileges and to obtain them, Professor Laski states, "There must be either abdication of those who own the instruments of power or conflict between those who own the instruments of power and those who would use such instruments of power in a fashion that those who own them are not in agreement."

Answering the criticism that concentration of power is the high road to despotism, Professor Laski claims that so long as the right of the people to change the character of their government is maintained; so long as freedom of speech, assembly, and press is maintained; so long as opposition may perform adequately, there can be no fear of despotism. However, Professor Laski made no recommendation as to how such rights could be maintained in the face of a state possessing both economic and political power. To a question from the audience on this point his reply was that there was nothing so absolute as absolutism, and the questioner was referred to his writings. The question put to him had been whether he was not suggesting in fact the setting up of a political oligarchy to take over the powers of a so-called economic oligarchy, since government policy making must necessarily be in the hands of a small group, and whether this combination of economic and

political power could not be used to crush any opposition as well as to redound to the supposed benefit of the people. Another question asking what specific machinery he would suggest should be set up to protect the listed named rights to the people remained unanswered.

To the criticism that his suggestion was one of excessive centralization, Professor Laski replied that "The state must be prepared to expand the necessary standards within the framework of uniformity."

To the criticism that extension of governmental enterprise is wasteful and bureaucratic, Professor Laski countered with the question as to whether industry was noted for its efficiency and lack of waste.

In response to questions, Professor Laski confessed to being a member of the Gas Workers' Union in England, a radical, left-wing member of the English Labor Party, and an admirer of Russia, although he disclaimed being a Communist or having any affiliation with the Communist Party.

The third lecture at George Washington University was upon the subject The State in the International World. Claiming that necessary international lawmaking, which he termed "cosmopolitan lawmaking," cannot be accomplished by sovereign states who by the very reason of their sovereignty will brook no interference with that sovereign power, Professor Laski declares it to be necessary to relieve nations of their sovereign power upon international questions. From implication, economic problems might well be termed international questions, although Professor Laski made no attempt to draw the line between that which might be considered national and that which would be considered international questions. Citing the League of Nations as an example, he claimed that to be effective the League should be able to characterize its acts by that "supreme coercive power of the state." Socialistic states were declared to be the only ones capable of being governed internationally, since states subscribing to the system of capitalism were declared to be necessarily imperialistic in policy, as shown by a long list of recited historical events. The policy of collective security, according to Professor Laski, is not possible to capitalistic nations.

A student asked if the proposition confronting nations today and described by Professor Laski was not in a larger way the same problem faced by the 13 capitalist colonies of the United States, each of which claimed sovereignty, and yet were able to unite for the common good. Professor Laski replied that the proposition was the same, but he claimed the solution was reached for different (unnamed) reasons.

A Fireside Talk

EXTENSION OF REMARKS
OF
HON. LESLIE C. ARENDS
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, April 18, 1938

EDITORIAL FROM THE CHRISTIAN SCIENCE MONITOR

Mr. ARENDS. Mr. Speaker, under leave to extend my remarks, I include the following editorial from the Christian Science Monitor of April 13, 1938.

This editorial bears reading on the part of the Members of Congress. It states clearly and definitely what a fireside chat from the President might well contain. It was written and published before the fireside chat of the President on Friday evening, April 15, and hits at the basic reasons for the condition of our country today, such condition being due mostly to fear on the part of the public.

Any statement from the President that we have nothing to fear must be borne out, not by word of mouth but by action on his part. We all recall the old axiom that actions speak louder than words.

[From the Christian Science Monitor of April 13, 1938]

A FIRESIDE TALK

The President of the United States has announced that he will make a fireside talk. We do not know what he will say, we do not presume to outline what words he should use, but we believe many Americans would respond if in this critical time he found it possible to say something like this:

My friends, I want to talk with you freely and frankly about the affairs of our country. The business recession, caused partly by mistakes of my administration, partly by the mistakes of businessmen and labor groups, has produced a situation demanding common counsel and united action. To tackle it effectively we must have confidence, confidence in the Nation and in one another.

There are sound economic bases for confidence. Industry is in far better condition than in 1933. Our banks are firm. The income of American farmers has risen $6,000,000,000. The Government's debt is $15,000,000,000 greater, but many private debts have been cleared up. Few businesses are carrying an excess of fixed charges. The Federal Government is now moving to help the more heavily burdened railroads.

Two months ago I pointed out that some prices are out of line and that monopoly-supported prices are impeding a free exchange of goods. In some measure this must also be said of wages. But many of the excessive inventories which were built up last year on expectations of price rises have now been reduced. In the main we are in a sound economic position and well prepared to go ahead.

The underlying reason we do not go ahead is fear. And I have recently been told that I am the cause of much fear. Now, some of this kind of fear among businessmen is built up for political purposes. Some of it is unreasoning and will continue no matter what course the Government takes. I do not intend to surrender any essential of my general program in an effort to satisfy the gentlemen who demand complete license to exploit the people. Men who are living in the past, who think that they cannot safely invest unless assured that the lid is completely off, will have to continue to fear.

But, as I have said before, I believe this type of businessman comprises no more than 5 percent of the total in America. If there is fear among others which can be removed by a clearer statement of purposes, I want to remove it. No one who understands the exigencies of Government will demand that I chart the course in detail; in politics the psychological uncertainties are at least as great as in business. In the long run I am sure only of my continued purpose to obtain by democratic and constitutional means a fairer division of the national income of this country, to improve insofar as Federal legislation can do it the condition of the ill-fed, ill-housed, and ill-clothed.

I recognize that an increase in the amount to be divided is as necessary as a fairer division. In my annual message to Congress I said that "cooperation cannot be conscripted." Neither can capital under our form of government, except to the extent that taxes may be levied for relief and recovery expenditures. I am not going to change the form of government, and the size of our national debt renders unwise any large-scale levy to finance recovery. Recovery in the main must be achieved by private enterprise and private spending.

I have today sent to Congress a program for public expenditures to meet relief and recovery needs. I hope that we can discuss this program with candor and without political exaggerations. The necessity of continuing relief is going to postpone again the Budget balance we were approaching last year. But the plan for relief merely continues for 7 months the rate of spending which has been found necessary this year. This is a relief rather than a recovery measure.

Looking to recovery, we are working out plans for loans to small business and to cities and towns. It may become necessary later to go into a public-works program. Some steps of this kind appear more feasible than the alternative of deflating prices and wages. But while an appropriation for this purpose may be taken as an authorization, the amount actually spent on public works should be limited to projects that can be definitely depended on to prove self-liquidating. Soundness as Government investments rather than political expediency will be the basis for allotting projects. And to any such program I should be glad to have Congress attach a provision that if there is an early upturn of business, the program shall be curtailed.

But I should like you to know that our main hope for recovery lies not in any pump-priming program but in the encouragement of long-term private investment. The economists tell us that pump-priming money goes chiefly to necessities, does little to revive other important categories of business, either in the luxury classification or the heavy industries.

One hope for long-term private investment is in public-utility development. Executives of utility companies have told me that $3,000,000,000 worth of new equipment could be used within a few months if they had more definite assurance as to the limits of the Government's purposes in the field of public ownership and operation. In particular they would like to be sure that Federal operations will not be extended into additional areas. I cannot make commitments for future administrations, but I have no intention of expanding the public-ownership program.

Other brakes on private investment are said to be excessive labor demands, the one-sidedness of the Wagner Act, and fears of a Federal wage and hour law. With few exceptions unions are showing more moderation and cooperation with employers. My administration will encourage that disposition. In the effort to keep businesses going, many workers have accepted wage cuts. I will support any reasonable steps to amend the Wagner Act to make unions equally responsible with employers.

At the same time I consider it necessary that workers should have the protection of the Labor Relations Board to insure that employers who conceded the theory of collective bargaining do not deny its practice. Congress shows no disposition to pass any wage and hour bill this session nor any stringent labor measure until the whole temper of the country changes.

Further encouragement for business should be found in the new tax bill. This takes off several levies which businessmen

believe are causing uncertainty about profits on long-term investment. As a further recovery effort I favor temporary suspension of the present pay-roll taxes for old-age insurance under the Social Security Act.

In outlining this program I wish to assure you that your Government is bent neither on wild inflationary measures nor dictatorial enslavement of free enterprise. I want to make clear a definite appreciation of business problems and to offer positive steps to help with them. I assure those who will examine in future the actual working of the Federal Government that they will find increased cooperation between the legislative and executive branches to promote economic recovery through constitutional means. I invite businessmen and citizens generally to make fair-minded examination and in the meantime to join in cooperative effort toward this end.

Attacks either on business or government which excite exaggerated fears and undermine confidence are a disservice to the Nation. To establish the essential moral foundations for confidence requires of all of us an honest facing of facts, some efforts to rise above personal or partisan bitterness, and willingness to join in a common stand against business difficulties which would disintegrate the economic and social life of the Nation. Those are the basic ingredients of recovery.

Cost of Living Under the Townsend Recovery Plan

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1938

Mr. BURDICK. Mr. Speaker, those who oppose the Townsend recovery plan have made much of the assertion that if the plan were adopted the cost of living would rise sharply and there would be more disorder than ever. This assertion has caused many to waiver in this fight for economic recovery, and the statement should be analyzed, and this erroneous conclusion shown up to the light of reason.

Let me caution the public generally that any attempt to put buying power at the bottom of the social heap will be met by obstinate opposition, and, therefore, the public should determine first from what source these intentionally made conclusions spring. As an example of propaganda against the Townsend recovery plan, the present Social Security Act was passed very hurriedly, and those who suggested it and worked for its passage had in mind the ulterior purpose of heading off the Townsend plan, which was then showing its power for the first time. Since the Social Security Act has turned out to be nothing but an abject dole for the aged, the public can see that the Social Security Act did not make any substitute whatever for the Townsend recovery plan. In fact, we are just where we were before the Social Security Act was passed insofar as we have either relieved the aged or brought about a recovery of the Nation's business.

The people back home should not be too much concerned with some objection to or substitute for the Townsend recovery plan. The last objection—that the cost of living will rise too high—let me say that you should not be taken by surprise by this argument. My purpose here is to answer that argument and analyze the conclusions of those who make the argument.

Lest we be confused as to what the argument is, let me repeat what the question is: That the passage of the Townsend recovery plan will cause an immediate and pyramided rise in the cost of living. I state that no such result will follow the passage of this act.

Since the tax money will be distributed by the aged out in the "grass roots," let us see how the plan will work out there. The last distributor in that area is the small-store keeper or grocer. The Townsend recovery plan provides for a 2-percent transaction tax on all transactions; that is where the money comes from which is turned over to the aged monthly to spend. The grocer argues, that since this tax has caused a slight increase in the price of sugar, flour, meats, and other necessities, that to protect himself he will pass the tax on the consumer by increasing the old price. This method will be the first impulse the distributor will have. Should the storekeeper, however, have a full understanding of what the Townsend recovery plan is, he will not pass on any of the tax in increased prices. He will understand that the plan is to bring about recovery, bring business back to the prosperous level where it once was or increase it. He will refuse to increase the price of his merchandise; it may cost him more, but he sells at the old price and makes more money than he ever did before. That seems impossible, but below is the reason for it:

Store overhead, fixed and certain, $1,800 for the year.

Total business—before the Townsend plan—$8,000 for the year.

Let us say that the business now done by this store is $8,000 annually and that would be more than the average store with the same overhead as is mentioned above is doing.

This same store with the same overhead could do $16,000 annual business if it had customers enough. It has not enough customers because there is no buying power down low under the social heap where this little store is located. This store could do $20,000 in business with the same overhead.

Now, we will assume that the Townsend recovery plan is in operation and the old people in that community begin to spend their monthly allowance from the transaction tax. There is now buying power in the local community; the store fills up with customers; goods begin to move. While before the storekeeper sat on the counter with his feet dangling, waiting for customers, he is now busy passing out merchandise. Just how much would that business increase? The estimates that have been presented to committees here in Congress fix the increase at 20 percent per month. Regardless of estimates of learned economists—and they all admit a substantial increase in business—we know as a matter of common knowledge that the business of that store will increase just as soon as the people have money with which to buy. No one questions but what there are thousands of necessary wants that the people cannot now satisfy.

Assuming that during the whole 12 months there would only be an increase in the business of 100 percent during the year, there would be a business turnover of $16,000 while before it was $8,000. If the business should increase at the rate of 20 percent per month as the economists predict, the total business during the year would amount to over $37,000.

Taking the increase to be only $8,000—and that must be admitted to be conservative—the storekeeper would have $3,200 profit, figuring a 20-percent gross profit. Out of this profit the storekeeper would have to absorb the Townsend recovery tax on $16,000 gross business, or $320. The new business increase of $8,000 would bring a new income of $1,600 gross profit. Deducting the tax of $320 would leave a net balance of $1,280, which the storekeeper would receive during the year that he was not receiving before and, at the same time, he did not increase the price of his merchandise.

It should not take the wholesaler long to understand this principle of business—namely that increased business at a low price is better than small business at a high price. All along the line from manufacturing to final distribution the principle of increased business would obtain and finally there would be no increase at all anywhere in the price of goods under the operation of the Townsend recovery plan.

We have such examples all around us if we would stop and look. The case of gasoline is an example of the working of the transaction tax, which has girded this country with some of the best roads in the world, and employed millions, and at the same time the tax has not been felt, nor has the tax increased the price of gasoline from the starting point when no tax was levied. Besides building roads, this gasoline tax is gradually being transferred into the general fund to take care of all expenses of Government.

From 1919 to 1922 the tax on gasoline, on the average in the United States, ranged from 0.09 of 1 cent per gallon to

0.38 cent per gallon, and during that period the price of gasoline to the consumers ranged in price from 23 cents per gallon to 32 cents per gallon.

From 1922 to 1926, the tax rose from 0.38 cent to 2.41 cents per gallon and during the same period, the price to the consumer dropped—including the tax—from 28 cents per gallon to 24 cents.

From 1926 to 1937, the tax on gasoline rose from 2.41 cents per gallon to 5.36 cents per gallon, and yet the price to the consumer dropped from 24 cents per gallon—tax included—to 18 cents per gallon.

The income from gasoline tax in 1919 amounted to $1,000,000; in 1936, $900,000,000; in 1937, to over $1,000,000,000.

In other words, in the year 1937 taxes to the extent of over $1,000,000,000 were taken from motorists to build roads, bridges, and pay general Government expenses, and still the price to the consumer was less than it was before there was any tax imposed.

The answer to this remarkable record is that with the increase of business which the motor age ushered in, the price went down in accordance with the bulk of business transacted. The tax was not noticed and at the same time the country accomplished the wonders of the age in road and bridge building. It is plain that the volume of business and not the price income determines the net results of success.

Just so with business in general, the transaction tax redistributed at the bottom of the social structure, will give volume of business, and volume of business will control the price, and at the same time give employment to millions who find themselves out of work on a stagnated business system.

When we add to this that approximately 5,000,000 of our people over 60 years of age are now employed, who would leave other fields of labor upon the passage of the Townsend recovery plan, would yield their places to 5,000,000 younger people who cannot now find employment, the most obstinate and unthinking individual must be convinced, even against his will, that there will be real recovery following in the wake of the passage of this bill.

The President sent a message to Congress Thursday asking for more money to prime up business. In all, more than $4,000,000,000 is asked for in new appropriations. We agree with the President that over 13,000,000 are out of a job, who should have one and who want one, but we cannot agree that any more priming from the top will bring any lasting good. The appropriations for P. W. A. and C. C. C. camps will give a mere daily sustenance to many hundred thousands but our experience in the last 5 years has demonstrated that temporary "sandwiches" to the needy does not in the least settle the unemployment situation, nor does it put back buying power at the "grass roots." If the President would listen to the Townsend recovery program and recommend an appropriation of $1,600,000,000 to care for the first month's payments under the Townsend recovery plan, the further expenditure of public funds will be unnecessary, and the country will be saved $2,400,000,000 and the business of the country permanently restored. Even should the President not feel inclined to make recommendations for such an appropriation of this first month's payments he can at least let the Townsend recovery plan pass. If it does pass without an appropriation, the business of the country will revive in a few months, and if it is his desire to improve conditions now, the first month's appropriation would immediately, and within 24 hours after the checks were received, revive every business in the United States. Stores would be busy distributing, plants would be busy manufacturing, transportation systems would be doing business instead of asking Congress to give them $300,000,000 to keep going; millions now out of employment would find employment the next day, and the whole business structure of the country would take on new life. This is not a dream, but a fact based upon a careful analysis of what is wrong, the logical and sane process of removing the cause of those wrongs.

Pump Priming Threatens Our Religious and Charitable Institutions

EXTENSION OF REMARKS

OF

HON. BRUCE BARTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1938

TELEGRAM FROM REV. WILBERT W. WHITE, D. D.

Mr. BARTON. Mr. Speaker, one tragic result of pump priming and consequent strangling taxation is the threatened destruction of America's religious, educational, and charitable institutions through the drying up of donations and bequests. Every American who is interested in a church, college, hospital, or any other charity dependent for support on private gifts and bequests should read the following telegram from Rev. Wilbert W. White, D. D., president of the Biblical Seminary of New York:

Hon. BRUCE BARTON,
House of Representatives:

Hope this will prove to be Good Friday and not Black Friday for the country at large and for the small-business man in particular, to which class I belong. As president of the Biblical Seminary in New York I face the closing of 38 years of creative work with apprehension concerning future existence unless your honorable body known as the Congress of the United States succeeds in bringing promptly to an end the pump-priming policy of the Government. I was brought up on a farm in Wayne County, Ohio. The family lived on what it earned, not on borrowed money. As a religious institution representing the Christian public in general, we are opposed to Government aid. Supertaxation of our usual givers is heading us into oblivion. This is an S O S call.

WILBERT W. WHITE.

Wisconsin's Objection to Cancelation of 1939 Federal Aid

EXTENSION OF REMARKS

OF

HON. HARRY SAUTHOFF

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1938

LETTER FROM THE COMMISSIONER OF HIGHWAYS OF WISCONSIN

Mr. SAUTHOFF. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following letter from the commissioner of highways of Wisconsin:

The proposal to reduce or postpone the 1939 allotment of Federal aid for highways which was authorized by Congress on June 16, 1936, is a proposal to break faith with the States which have planned and undertaken extensive highway construction programs with reliance upon such authorization. It is a proposal to break faith with the political subdivisions of the States which have issued bonds and otherwise cooperated with the States in undertaking such highway construction programs, also with reliance upon the authorization by Congress. It also is a proposal to break faith with thousands of citizens of the United States who are dependent upon the highway industry for their livelihood, and a proposal to deny, in a great measure, the rapid improvement and safeguarding of the highways of the Nation which is so urgently demanded by the millions of its citizens constituting the traveling public. That is the situation as we see it in Wisconsin, and it is firmly believed that it represents the attitude which will be found to exist throughout the Nation.

An explanation of some of the State of Wisconsin highway laws and the methods employed in financing the State's share of Federal-aid projects will be of assistance in understanding how

highway construction in Wisconsin would be affected by a reduction in the 1939 Federal-aid allotment as has been proposed.

Under Wisconsin laws the total receipts from motor-vehicle registration fees and motor-fuel taxes are definitely allotted for various specified highway activities and aids, any balance being available for maintenance and construction on the State trunk highway system and for matching and supplementing Federal aid on Federal projects.

Among the definite allotments provided by the statutes is an amount of $8,000,000 apportioned and placed to the credit of the several counties for construction on the State trunk highway system in such counties and to retire the bonds previously issued by such counties and expended in constructing State trunk highways. After providing for retiring the county bonds maturing, the portion of this $8,000,000 allotment remaining available for construction on State trunk highways in the several counties is approximately $4,000,000. These funds must be expended in the counties to which they are apportioned and may be used to match or supplement Federal aid on Federal projects located in such counties.

Other allotments which may be used to match or supplement Federal aid are an amount not exceeding $900,000 annually for large bridges which meet certain qualifications, and an amount of $100,000 annually for the State's share of railroad grade-crossing improvements.

After providing for the definite allotments specified in the statutes, and after setting aside the funds required for maintaining the State trunk-highway system and for snow removal, the balance of the highway revenues remaining as a State fund for State trunk-highway construction amounted to $1,985,000 in the fiscal year 1937. As previously stated, this amount may also be used to match or supplement Federal aid.

Under the constitution and laws of Wisconsin the State may not become indebted for highway construction, but the counties may issue bonds and pay the proceeds to the State to be used for construction on the State trunk-highway system and to match and supplement Federal aid on Federal projects in such counties. The bonds, as they mature, are retired from future allotments to such counties from the $8,000,000 appropriation for State trunk highways previously mentioned.

Relying upon the 2 years of Federal-aid allotments for highways authorized by Congress on June 16, 1936, and by making use of the county's power to issue bonds, it has been possible for the State highway commission, with the cooperation of the counties, to undertake comprehensive highway programs in several of the counties and to plan the financing of such programs with county bonds, 1938 and 1939 Federal aid, and the State allotments previously discussed. These programs are not confined to Federal projects, but also include construction on State trunk highways which are not on the Federal system. The county bonds involved in such programs are authorized by the counties with the understanding that the State funds and Federal aid involved in the programs will be provided as planned, so that all projects included in such programs in various sections of the counties may be completed.

The 1938 Federal aid, of which Wisconsin's apportionment is $3,107,000, was allocated to projects for expenditure, with other funds, as follows:

1938 Federal aid	$3,107,000
County bonds of 11 counties	1,169,000
Allotments to counties for State trunk-highway system in 21 counties	1,743,000
State grade-crossing funds	133,000
State large-bridge funds	495,000
State fund for State trunk-highway construction	527,000
Total	7,174,000

The reason that the State funds required to finance a program are about 25 percent greater than the amount of the Federal funds is due to the fact that there are several items of cost, notably right-of-way and preliminary engineering, in which the Federal funds do not participate.

The status of the Federal funds under the 1938 Federal-aid program at the present time is as follows:

Allotted to projects completed or under contract	$1,859,400
Allotted to projects approved for contract by the U. S. Bureau of Public Roads	231,300
Allotted to projects on which approval has been requested	163,000
Allotted to projects to be undertaken in the spring of 1938	853,300
Total Wisconsin apportionment of 1938 Federal aid	3,107,000

The 1938 Federal-aid program contained a great deal of grading or first-stage construction. It is planned to pave and complete 12 of such projects using 1939 Federal aid and other funds and involving a total cost of approximately $2,575,000, as follows:

1939 Federal aid	$1,200,000
County bonds of 5 counties	171,000
Allotment to counties for State trunk highways in 9 counties	817,000
State large-bridge funds	150,000
State fund for State trunk-highway construction	237,000
	2,575,000

The 1939 Federal aid of which Wisconsin's apportionment is $3,030,000 is tentatively allocated to projects for expenditure with other funds, including the 12 paving projects mentioned above, as follows:

1939 Federal aid	$3,030,000
County bonds of 13 counties	1,324,000
Allotments to counties for State trunk highways in 25 counties	2,000,000
State large-bridge funds	150,000
State fund for State trunk-highway construction	651,000
	7,155,000

From the above analysis it is apparent that any appreciable decrease in the 1939 Federal-aid allotment would make it necessary to postpone the paving of the 12 projects previously graded, since without the 1939 Federal aid, the funds on any one project would not be sufficient to finance such project. The allotment to counties for State trunk highways cannot be transferred between these projects, since the portion allocated to any one county cannot be expended in any other county. Likewise the bonds of any one county cannot be expended in any other county.

A decrease in the 1939 Federal-aid allotment would materially decrease the 1938 and 1939 highway construction in Wisconsin with a corresponding decrease in employment. The decrease in total construction would be much greater than the amount of the reduction in Federal aid. The allotments to counties for State trunk highways have been allocated by the county boards and the State highway commission, and county bonds have been authorized by county boards or by referendum vote, for specific projects. Many of the projects form part of the comprehensive construction programs undertaken by the State in cooperation with the counties as previously explained. If Federal-aid allotments are reduced or postponed, the construction of many of such projects will have to be postponed until Federal or other funds become available so that the projects may be completed in their entirety as originally planned

It is evident that the 1939 Federal aid is urgently needed in Wisconsin to complete the work which has already been undertaken, but the highway needs of this State are much greater. Commendable progress has been made, and the Federal aid authorized by Congress has played no small part; but the job of providing adequate, safe highways to meet the needs and demands of the traveling public is far from completed. In order that the necessary highway construction may be continued and encouraged, it is believed that annual allotments of Federal aid should be continued as in the past. In order to secure efficiency and permit adequate planning of highway construction, such annual allotments should be authorized 2 years in advance of the date on which they are to be made available for expenditure as was done in the Hayden-Cartwright Act of June 16, 1936.

It is our firm belief that the citizens of Wisconsin and of the entire Nation look to their representatives in Congress to make adequate provision for annual allotments of Federal aid for highways, and thus assist in continuing the achievements of the past of which we, as a Nation, may be so justly proud.

Respectfully submitted.

STATE HIGHWAY COMMISSION OF WISCONSIN,
By THOS. J. PATTISON, *Secretary*.

George W. Norris

EXTENSION OF REMARKS
OF
HON. HOMER T. BONE
OF WASHINGTON
IN THE SENATE OF THE UNITED STATES

Tuesday, April 19 (legislative day of Wednesday, January 5), 1938

RADIO TRIBUTE TO HON. GEORGE W. NORRIS, BY DOROTHY THOMPSON

Mr. BONE. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD a tribute to one of the greatest statesmen America has ever known, the senior Senator from Nebraska [Mr. NORRIS]. This tribute was broadcast over the radio on April 1, 1938, by a well-known commentator, Dorothy Thompson.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

I want to talk tonight about a well-known American. I haven't chosen to talk about him because I believe in everything he believes in. I don't. But I have chosen him because he is one of the most attractive figures in American life. First of all, he couldn't possibly be anything but an American. He's the sort of human being that this continent at its best produces. The whole

personality of the man was summed up by Senator CAPPER, of Kansas, who said, "He's a living, perambulating Declaration of Independence in human form." Of course, he was talking about Senator GEORGE WILLIAM NORRIS, of Nebraska, the only American who has kept himself in the United States Senate by perennially committing political suicide.

Senator NORRIS is supposed to be a Republican, so he committed suicide in 1926 by campaigning against Philadelphia's great Republican boss, Vare. He committed it again in 1928 by supporting Al Smith. He committed it in 1936 by refusing a nomination on either the Republican or Democratic tickets and running for reelection as a lone wolf. He has committed suicide and come back to life so often that his exasperated opponents in their desperation finally put up a grocery clerk named George W. Norris to run against him in the 1930 primary, and that made the people of Nebraska so sore that Senator NORRIS' last revival from political death was particularly strong, and he will now be in the Senate until he is 81 years old.

It was in April 1917 that Senator NORRIS committed the most spectacular of his many political suicides. He was one of a small band of six men in the Senate—a "little group of willful men" they were called by Woodrow Wilson—who voted against America's entry into the World War. It is hard now to realize the tremendous upcry that went up at that time against Senator NORRIS. To the newspapers of Nebraska he was everything from a skunk to a traitor, but when the howling died down a little and a man's voice could be heard above the storm, Senator NORRIS asked the Governor of his State to call an election so that the people might decide whether they wanted him to stay in the Senate or take a back seat on the farm as a result of his vote. The Governor refused. But that didn't satisfy the Senator. He had to know whether the people wanted him or not; whether they thought, as the newspapers said, that he was everything from a skunk to a traitor. There was only one way to find out. Face the people and let them decide. So Senator NORRIS went to the capital of Nebraska, hired a hall in the good old-fashioned American way, and let fly without pulling a punch. The people cheered wildly. They sent their Senator back to Washington, and then they sent their sons off to fight the war that their Senator opposed.

Twenty-one years have passed since the tragic days of 1917. Now the world again fears war. And once more Senator NORRIS seems to be preparing to cut his political throat. A few days ago in the debate on the naval bill, this man who had once faced the hatred and contempt of America for his opposition to war, made an extraordinary statement. Extraordinary, that is, for him. He said: "I believe there is more justification for war today than there was in 1917, but I do not think there is anywhere near sufficient justification. I would vote the same now as I did then. But we see outlawry replacing justice and reason in other parts of the world. Sooner or later we may have to face it." And if, unhappily, America ever does have to face it, you may be certain that Senator NORRIS will face it without one eye on the issue and the other eye on the ballot box.

I hope that I'm not conveying the impression that Senator NORRIS is a man who is chronically "agin" the Government. He is and always will be an independent, with his loyalty primarily to his conscience and his country rather than to his party and his constituents. But this has not made him merely a useful member of the opposition, nor a snapper at the heels of the administration in power. When he leaves the Senate and retires to private life—if Nebraska will ever let him leave—the United States will have something to remember him by.

For one thing Senator NORRIS put through the twentieth amendment to the Constitution. By it he killed for all time the wildest of American life that had survived untouched for many generations—the so-called "lame ducks," Members of Congress who had been defeated for reelection but continued to serve out the unexpired remnant of their term. This simply meant that men who had been turned down by their constituents nonetheless continued to legislate for the very people who had turned them down and for the country at large. This absurd situation was brought to an end by the twentieth amendment. Under it when a Congressman is downed by the voters of his district, or the President by the country, he goes out promptly at the end of his term and his successor comes in.

Senator NORRIS is one of the busiest men in Washington, but that hasn't kept him from keeping an eye on Nebraska. Not for votes—he gets them without asking—but for legislation which will improve Nebraska and be an example to other States. As everybody knows, the average American State legislature wheezes, snorts, and leaks steam like an old-fashioned wood-burning locomotive. It's slow to start, breaks down on the upgrades, and although it runs on an easy schedule usually comes into the station late. And sometimes the wood won't burn in the firebox because it's infested with termites, diguised as lobbyists and pressure groups, which, like the garden variety of politicians, are blind but destructive. But this is an age of streamlining, and Senator NORRIS thought that if Nebraska got rid of some of the useless ornament and curlicues on its State legislature it would run faster with less fuel and do more work with less wheezing. So he proposed that it become a unicameral legislature. A body without a separate senate and house, but just one house composed of a small group of men. Senator NORRIS liked the small-group idea for two reasons: It would cut out a lot of unnecessary talk and buck passing; and the public could keep its eye fastened on a small crowd more easily than a large crowd. The number of legislators was to be reduced from 133 to 43. Naturally that made the legislators sore because if the proposal passed some of them would lose their jobs, and they whacked the bushes and the cornfields in their attempt to defeat it. But the unicameral proposal was enacted, very largely by Senator NORRIS' efforts. And only the best members of the old legislature were reelected. Today the entire United States is watching with great interest Nebraska's experiment in simplified, streamlined legislatures, and if it works there it is probable that some more State legislators will lose their jobs in other States of the Nation.

Down in Tennessee tonight the impounded waters of the Tennessee River flow over a gigantic dam—the Norris Dam—creating electric power for the Tennessee Valley as part of America's first great experiment in public ownership. And Senator NORRIS, more than any other man in public life, is responsible for the T. V. A. Whether it will prove in the long run to be a good thing or a bad thing for the country, whether the present act will stand or be revised, only time will tell. And Senator NORRIS himself is not cocksure about it. He is not cocksure about anything. He is far too wise, and he has seen too much in his 75 years to be arrogant. One of the phrases that falls most often from his lips is this: "I may be wrong."

But whatever happens to the legislation that Senator NORRIS has sponsored, his whole life has been a magnificent example of what we once proudly called the highest type of American. A devoted civil servant, he has remained a poor man with but little except his salary for the support of himself and his wife. A courageous man, he has voted the way his conscience dictated without regard to consequences. A sincere man, he has spoken with blunt frankness whenever the circumstances seemed to call for frank speaking, and that, in his eyes, is all the time. An acute and seasoned observer, he does not expect miracles of virtue either from government or men. A man of great modesty, he has never played to the gallery. And these are achievements as imperishable as stone and far more important than legislation.

But, above all, Senator NORRIS' career is heartily encouraging in this respect: It proves that the people of the United States do not prefer demagogues and charlatans to honest, courageous politicians when they have the chance to choose, not between two demagogues, but between the demogague and the honest man. If better men run for public office, Senator NORRIS' career proves that they can be elected and remain elected.

The General Welfare Act

EXTENSION OF REMARKS

OF

HON. GOMER SMITH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1938

Mr. SMITH of Oklahoma. Mr. Speaker, I requested time today to speak in behalf of H. R. 4199, a bill now pending, which is known as the General Welfare Act. In my judgment, this bill presents to Congress one of the most important legislative proposals that has ever been on the calendar. In my opinion, the Members of the House of Representatives have turned thumbs down on this bill, not because they understand it and oppose its terms and provisions, but largely because of the fact that an organization built around a person has made that individual obnoxious and so objectionable to many of the Representatives of the American people that his very name and sponsorship precludes a fair hearing for H. R. 4199. I will, in the allotted time, seek to present a picture of the organization which originated as O. A. R. P., Ltd., and is now known as the Townsend National Recovery Plan, Inc. I intend to do it in detail for the purpose of the RECORD, having been so requested by many of my colleagues who desire to have someone familiar with the facts put such a statement in the RECORD for the information of the American people who are interested in this movement, so that they, being fully informed, will be better able to meet and answer the insidious propaganda which is now being used by the Townsend national organization against Members of Congress who will be up for reelection very soon.

The Townsend organization, through its national leadership, is now engaged in a campaign of opposition to many of the Members of the House, who have from the beginning been the strongest friends and the most able advocates of the

General Welfare Act, men who, notwithstanding their work for this legislative proposal, are now being branded as "traitors and betrayers" of the movement, merely because they, in the performance of legislative functions, have refused to be dominated and ordered about by Dr. Townsend and to follow his judgment and leadership on other legislation not even remotely related to the General Welfare Act itself.

It is, indeed, an unpleasant thing to publicly discuss and criticize any man, and my distaste for such a task has caused me, until just recently, to hold my tongue; but when, in the course of things, a man who is the leader of an organized movement so forgets himself as to indulge in a brutal and unfounded attack upon the men who have done most for the organization which he pretends to represent, then even his most worshipful supporters must agree that he has let down the barriers and invited a presentation of the facts. If, in such a presentation, the evidence challenges both his good sense and his integrity, then I submit he has only himself and his own conduct to blame.

I recall to your mind that I was the national vice president of the Townsend organization until shortly after the Cleveland national convention of that body, and have, therefore, had unusual opportunity to know this subject at first hand. During the heyday of the O. A. R. P., when there were thousands of clubs and millions of members in America, I was working with the organization here in Washington with offices in the Southern Building. I feel that I had some little part in outlining the plans and helping to do the work that made that organization big. Yet, in company with every other man who ever attempted to do anything in this old-age movement without compensation or reward, I was in due time eliminated because I would not submit to the personal domination of the doctor, and because I was not among those who believed that an American citizen ought to take an oath of allegiance to any particular man, in office or out.

I am well aware of the fact that this speech will cause Dr. Townsend and all of the money makers who are associated with him in his organization to start a bitter attack upon me personally, and I feel sure that they will be able to stir up in the hearts of many of the fine old folks who believe so implicitly in the doctor a hysterical hatred of me which will probably cause many of the old folks to cast this message aside without even reading it.

I am among those who understand that Dr. Townsend has developed a "messiah complex," and that many of his followers worship and adore him with such blind devotion as to be utterly beyond the pale of reason or consistent judgment. Indeed, we see the doctor pictured in his organization's propaganda between photographs of Washington and Lincoln, and I have ofttimes wondered how long it will be before the doctor and the propagandists of his organization will begin to use a picture of the Savior of Mankind in their literature. Certainly, any sane-thinking citizen of America, in or out of the Townsend organization, ought to be growing weary of this deification of a man. Every member of such organization ought to ask the question, "Am I loyal to a plan or to a man?" In answering that question for myself, I want you to know that I am now, ever have been, and always will be loyal to the plan—that is, to the general fundamental principles enunciated in the General Welfare Act—and that no attack, however bitter, will take me out of the fight. I will continue to advocate and work for a federalized old-age pension system based upon those fundamental principles as long as I am permitted to live in this great country of ours.

This program, as it is now presented, did not originate in the mind of any one man. It is the evolutionary development and outgrowth of the best thought of lawyers, doctors, merchants, farmers, and workers—men and women of fine, high ideals in every State of this Union, who have given of their time and thought to this great humanitarian proposal, the fundamentals of which are embraced in the General Welfare Act introduced in this Congress by the gentleman from Pennsylvania [Mr. CROSBY]. It is my well-considered opinion that this old-age pension legislation would have been passed long ago had it not been for the arbitrary and high-handed tactics of Dr. Townsend and his organization leaders which, coupled with the irresponsible and erratic changes of course pursued by the doctor, have given the foes of this measure the necessary ammunition to mislead and bias the minds not only of many Members of Congress but also of a great many citizens of this Nation against the plan and proposals which we are espousing.

Before one challenges the foregoing statement he should at least give consideration to the reasons and to the evidence, if you please, which I claim justifies such an assertion. I shall attempt, in orderly form, to present the reasons and the evidence which, to my mind, completely justifies such a conclusion:

First. I wonder how many of you know that the officers and members of the Townsend National Recovery Plan, Inc., are required to take an oath of allegiance not only to a plan but to a man? I wonder how many of the ninety-odd Members of this body, who have indicated by their signatures a willingness and desire to support H. R. 4199, have experienced within the last few days the pleasure of having a lobbyist from the west coast charge them, Members of Congress, as "traitors and betrayers" and with being disloyal to the doctor, merely because they, as advocates of the General Welfare Act, who, in their anxiety to obtain a federalized old-age-pension plan for the old folks of America, were willing to accept some slight modifications and amendments, which in no way altered or changed the fundamental principles of the General Welfare Act.

Dr. Townsend and his official organization are unwilling to have the House consider the legislation unless they take it just as it is. They are apparently unaware of the fact that many patriotic Representatives, who have a friendly disposition toward this legislation, might think of amendments which would strengthen and improve the legislation. They apparently refuse to recognize the fact that no legislation is ever passed just as originally written, and that those who come to a legislative body with a program must expect that suggestions for amendments will be made, and these suggestions ought to be considered seriously and conscientiously. But no; they just want to drive through, and everyone who does not follow along and take the medicine as doled out by the doctor and the Townsend Weekly is labeled as a traitor to the cause.

Less than 2 years ago, because of its tremendous size and style of organization, the Townsend Club was looked upon by many believers in our democratic system of government as a major Fascist threat to this country of ours.

I call your attention to a speech of the gentleman from Florida [Mr. HENDRICKS], a portion of which was copied on the front page of the last Townsend Weekly, in which the gentleman from Florida challenged my statement that "the officers and members were required to take an oath of allegiance to Dr. Townsend." This challenge perhaps infers a lack of veracity and certainly implies—if the question of truthfulness be eliminated—a question of information.

To see whether I am right and the gentleman from Florida is wrong, or vice versa, let us examine the evidence. I have before me a booklet containing 32 pages of printed matter, in addition to its cover or binding. On the front of the book, we find the following:

TOWNSEND CLUB MANUAL

ENACTMENT MEANS PROSPERITY—CONSTITUTION, BYLAWS, AND PLAN OF ORGANIZATION—OFFICIAL PUBLICATION

(Copyright 1937 by Townsend National Recovery Plan, Inc., 720 North Michigan Avenue, Chicago, Ill. Price 10 cents)

On the inside of the cover we find an index which is as follows:

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Pages 1 to 4, inclusive, embrace a greeting which is signed by Dr. F. E. Townsend. Pages 5 to 8, inclusive, and one-half of page 9 contain a statement of the objectives and purposes of the Townsend organization. The lower half of page 9 discusses the constitution and bylaws of the organization. Pages 10 to 23, inclusive, contain the constitution of the organization. Pages 24 to 32, inclusive, contain the bylaws and order of business for club meetings, also for congressional-district conventions, suggestions to clubs, how Townsend clubs may be financed, and Townsend National Legion.

On the back of the cover we find the following:

PLEDGE OF ALLEGIANCE TO THE FLAG

(To be taken at the opening of each meeting.)

I pledge allegiance to the flag of the United States of America and to the Republic for which it stands; one Nation indivisible, with liberty and justice for all.

THE TOWNSEND PLEDGE

(To be taken at the close of each meeting.)

The Townsend plan will succeed. I therefore pledge my allegiance to its principles, to its founder, Dr. Francis E. Townsend, to its leaders, and to all loyal coworkers, and rededicate myself to maintain the democratic spirit and form of government in America!

The original of this official publication of the Townsend organization to which I have referred, and part of the contents quoted in this speech, is marked "Exhibit I" and attached to the original of this speech and filed as a part of the permanent RECORD.

I am willing that this official publication of the organization shall determine the veracity or sureness of information, as the case may be, between the gentleman from Florida [Mr. HENDRICKS] and myself. I call your attention first to page 11, to a portion of article 3 of the constitution, from which I quote in part:

The Townsend pledge to be taken at the close of each meeting—"The Townsend plan will succeed. I therefore pledge my allegiance to its principles, to its founder, Dr. Francis E. Townsend," etc.

Section 4 of the constitution, on page 12 of the booklet referred to, provides that any member may be expelled or banished from the club for a violation of the Townsend pledge.

Referring to section 3 of article 17 of the constitution, which is found on page 22 of this official booklet, we find the following, referring to delegates elected to conventions:

All delegates chosen to vote at such conventions must reaffirm their allegiance to the flag, to the Townsend organization, and to Dr. Francis E. Townsend, its founder.

On page 22, article 18 of the constitution, we find the following oath of office for all Townsend officers:

Every person who is elected or appointed to any office whatever, in the Townsend organization, under the leadership of Dr. Francis E. Townsend—whether such person be a local club officer, member of the advisory board, member of the congressional district board, congressional district manager, or authorized speaker or employee for the Townsend organization, must take the following oath of office. The oath may be administered by any Townsend Club member and it may be made a dignified and impressive ceremony. Any person refusing to take the oath of office is immediately disqualified to fill the position to which he or she has been elected or appointed.

(Officers will raise their right hands.)

Do you [read name or names] solemnly swear (or affirm) that during your term of office you will be loyal in every way to the Townsend plan; that you will support, be guided by, and cooperate with the Townsend National Recovery Plan, Inc., through its regularly constituted officers; that you will foster and promote the Townsend plan as defined and explained by the founder and leader of the Townsend movement, Dr. Francis E. Townsend; and that you will help to maintain the democratic spirit and form of government in America in accordance with the Constitution of the United States for the general welfare of all the people, so help you God? Answer, I do.

Do you agree that any violation of your oath of office shall be sufficient grounds for your resignation or removal from office? Answer, I do.

Article 19 on page 23 deals with the removal of officers and provides that all officers—local, congressional district, State, and National shall be subject to removal from office for violation, among other things, of "their allegiance to Dr. Francis E. Townsend."

In view of the foregoing, I would suggest that even the gentleman who challenged my statement must concede his lack of information, at least upon this particular subject.

Second. It is a fact too well indicated by history to require citation of authorities or instances that tyrants and destroyers of democracy throughout the ages have always proclaimed themselves as leaders set apart to accomplish some great humanitarian work and have always adopted the flag of their country as their sacred emblem. They always seek to inject a religious note, understanding as they do that an appeal to wishful thinking and emotions, coupled with the thought that every God-fearing, patriotic, flag-loving citizen is in their group, thus predicating their organization's very foundation and growth on a rank emotionalism which, at the end of the story, always leaves a saddened and disillusioned people. I mention this because Dr. Townsend has furnished our opponents with a cause which might justify them in the charge that this organization's prayers were not in good faith, and that the leaders of the organization itself cared nothing in fact for the American system of government.

I hasten to add that my experience in this movement has convinced me of the intense patriotic Americanism of the rank and file of membership. I know that they are honest, God-fearing people, and that their prayers for social justice are in fact sincere and heartfelt.

If there be any hypocrisy in the organization, it lies in the hearts of the leaders of the movement who have willingly, for a little transitory profit from advertising, taken money and published advertising which gives opponents ammunition with which to attack the integrity and good faith of the whole movement. I ask the question, Should an organization dedicated to patriotism and Americanism, one which claims to be a Christian organization, take money to publish and disseminate propaganda of a hostile system? Should they, for pay, be willing to become the agents of communism in America? Even for the limited purpose of helping to spread that organization's educational literature or propaganda? I answer this question in the negative. We all know that communism, as such, seeks to destroy systems of government such as we have now. Communism seeks the overthrow of Christianity, the elimination of God from any consideration of mankind. Communism would destroy our flag and abolish our democratic system of government.

My statement that Dr. Townsend had permitted the publication of communistic advertisements for profit was denied;

was challenged as being untrue. Again, I submit the evidence. I refer you to the Townsend Weekly, the issue of Monday, July 29, 1935. Page 14 contains a half-page advertisement. All of page 14 is attached to the original of this speech marked "Exhibit II" as a public document so that same can be examined by any who desire to doubt or challenge the accuracy of my statement. The advertisement is headed by the question "What do you really know about Russia?" In the lower corner of the advertisement we find a coupon:

Soviet Russia Today, desk 26.
824 Broadway, N. Y. C.

Enclosed is $1. Please send me a year's subscription Soviet Russia Today, together with your two pamphlets Socialist Planning in Soviet Russia and On Understanding Soviet Russia, by Corliss Lamont. Give me full details of your contest in which I may win a free trip to the Soviet Union and $200 in cash prizes.

Name_____
Address_____
City_____ State_____

Canada and foreign $1.50.

Above the coupon we find the following language quoted exactly from the advertisement:

FREE TRIP TO THE SOVIET UNION

Right now this magazine is holding a contest which you may easily win. The first prize is a free trip to the Soviet Union. Send us $1 today and we will enter your subscription for a whole year to this splendid magazine. We will also send you, free, the two important pamphlets shown above by Corliss Lamont which will give you a complete understanding of what is going on in the Soviet Union and why; and how it affects you. Send your order today.

You might be interested in going back to that date and finding a copy of the magazine entitled "Soviet Russia Today," in which event you will find that the magazine was offering a free trip to the Soviet Union to those American citizens who would engage in a contest as organizers for the Communist Party, and that the prizes, to wit, the trips to Russia, were to be awarded the most effective organizers.

I reiterate that just as long as Dr. Townsend and his name are synonymous with the old-age pension program in America, just that long will the old folks have to wait for more progressive legislation, not only because his name and activities are a handicap but, in my judgment, for the added reason that the Townsend organization, which is now builded as a commercial enterprise, selling newspapers and collecting funds for private people, is built around a corps of men who have jobs—they are making money out of the old people of America, pretending to support and further this old-age pension program. These men very naturally do not want to lose their jobs. They therefore adopt attitudes and policies calculated to stir up opposition; they make unreasonable attacks upon effective proponents of the measure. They know very well that once we have an adequate federalized national old-age pension law, they will all be out of a job. I want the folks in the State of Oklahoma and wherever else this message may go to understand that as an advocate of H. R. 4199 I have been and am loyal. I want a program to give adequate old-age pensions to the American people, to give peace and security to the old folks who are now on our hands, before they die. I know the men who signed the G. W. A. steering committee resolution, pledging support to the bill, are loyal, but they are not going to swallow any pledge of allegiance to any particular man or to any particular organization.

Let us go back and discuss the organization from the beginning, try to follow its growth and its activities as it became powerful. Let us analyze the various activities, the shift of policies, and its purposes as stated from time to time, to the end that we may see, if possible, where the mistakes were made. Let us try to determine who must bear the responsibility for the erratic and ineffective course pursued by this great and powerful group of American citizens. I must remind you that this organization came into existence as a nonpartisan body. All American citizens, regardless of faith and without reference to political affiliations or beliefs, were invited to membership. All were advised that it was a nonpartisan, nonpolitical organization, interested in one thing alone, to wit: The spreading of information and education with reference to the old-age-pension program, having a desire to present a united front to all political organizations in behalf of the program. This was the idea behind the movement. It grew by leaps and bounds so long as this plan of nonpartisanship was followed. When the time came for the plan to be considered in Congress, and my good friend the gentleman from California [Mr. McGROARTY] introduced the bill, it was publicized all over America as the McGroarty bill. Later, when the bill was improved and amended, Mr. McGROARTY again introduced it. But, after rendering this service for the organization, lo and behold! when he came up for reelection, the gentleman from California and many of the Members of the House of both parties who had worked and helped in this movement found that the organization headed by the good doctor was in the field actively opposing them, endorsing and supporting some other candidate. The treatment accorded the gentleman from California does not stand alone, but as shown later in this speech is typical of the reward that may be expected by Members of Congress who have supported and worked for the legislative program of this organization from the beginning.

My colleague from California [Mr. SHEPPARD], who has been and is still a strong and able advocate of the General Welfare Act, will verify my statement that during the first session of the Seventy-fifth Congress, while he and 22 other Members of Congress were in conference with Dr. Townsend in the city of Washington, Dr. Townsend did then attempt to dictate to these Members of Congress what their attitude should be on other legislation, then pending, which had no relation whatever to the General Welfare Act. The doctor at that time had so far forgotten his interest in the aged people that he stated to these assembled Congressmen that other legislation then pending was, in his judgment, much more important than any old-age pension plan; and answering a direct question put to him by the gentleman from California [Mr. SHEPPARD] the doctor stated that "he would go into his—SHEPPARD'S—district and campaign against him and would do the same to any other Congressman who differed with him on pending legislation"; and that this he would do, notwithstanding the fact that they stood loyally behind the General Welfare Act. The doctor was informed by Mr. SHEPPARD and others of their intention to exercise their own judgment, and so this gentleman from California and other Members of Congress, who took the same position he did on other legislation, were, notwithstanding their loyalty to the General Welfare Act, branded as "traitors and betrayers" and have been continuously attacked by the doctor and his organization ever since.

From the foregoing it is not unreasonable to assume that the doctor expects all Members of Congress to subscribe to the Townsend Weekly, to breathlessly await its weekly arrival, and to follow implicitly and unquestionably the legislative policies and program laid down by "the leader." Any Congressman who fails so to do can immediately be banished from membership in any Townsend Club to which he might belong under the provision which provides for removal for failure to fully abide by the personal oath of allegiance to the doctor. Even the gentleman from Pennsylvania [Mr. CROSBY] is now being attacked. The doctor and his leaders are attempting to discredit and defeat him, and this notwithstanding the fact that the General Welfare Act itself bears his name as author and as the man who introduced it in the House. I might go on interminably if time permitted, finding individual cases to show that this has been the common fate of practically every Member of the House who has tried in good faith to carry this legislation through.

Notwithstanding the organization's pledge of nonpartisanship, it very shortly became a very partisan organization, and this over the objection of Mr. Clements and myself, who, with the doctor, made up the board of directors at that time. Mr. Clements agreed with me in insisting that in

the course of the primary election then coming up all Members of the House who were known supporters of the bill should be supported, but by this time the good doctor had decided that the gentleman from California [Mr. McGROARTY] had received too much publicity as a result of his sponsorship of the McGroarty bill, and since the doctor had no intention of sharing the affection of the old folks with Mr. McGROARTY, he decided that gentleman should be eliminated, and he gave orders for his organization to oppose him, both in the primary and in the general election. Fortunately, the people in his congressional district had more faith in the integrity and ability of their Congressman than they had in the leadership opposing him, and he was reelected notwithstanding the doctor's opposition.

In many other instances which I could cite if necessary, Members of Congress who had worked diligently for the McGroarty bill returned home to find that the doctor and his organization had endorsed an opponent. Shortly after the national conventions of the major parties had been held, Dr. Townsend made a trip to Topeka, Kans., where he visited and consulted with Mr. Landon, then the Governor of the State of Kansas and the Presidential nominee of the Republican Party. Nothing came of this conference except a statement to the press of the Nation, which was issued by Mr. Landon, in which he advised the American people that he was not for the Townsend plan and had told the doctor so.

Shortly thereafter at a meeting of the board of directors of the organization held in Washington, D. C., the doctor joined Mr. Clements and myself in a statement to the press advising that the organization would take no active part in the Presidential contest but would remain truly nonpartisan and attempt no interference with the right of members to cast their vote in accordance with their individual affiliations or beliefs; that the organization, as such, would interest itself only in the election of Members of Congress who were favorable to the old-age-pension program. Within a very few days after this press release the doctor boarded a plane and flew to California. No one in national headquarters knew when or where he was going, or why. Upon his arrival in California he announced himself as a candidate for President of the United States; and it then developed that initial petitions for the organization of the Townsend Party and the nomination of the doctor as its candidate for President had already been printed and widely circulated in the State. The organization of this proposed third-party movement, and the printing and circulation of the petitions went forward under the direction of Sheridan Downey, an attorney of Sacramento, Calif., who was acting directly in accordance with Dr. Townsend's orders.

Dr. Townsend knew very well when he and his board of directors issued the press statement from Washington announcing the organization's nonpartisanship in the Presidential race that the board of directors were sincere and in good faith in the matter. He also knew that the third-party movement was going ahead in accordance with his directions in California and that he had no intention of keeping his pledge, but to the contrary intended to do just what he did, to wit, make a sudden trip to California and announce himself as a candidate for President. This foolish gesture made it necessary for me to go to California, where, with the able assistance of Sheridan Downey and Senator Frank Arbuckle, of Los Angeles, we were able to convince the doctor of the utter futility of a third-party movement, and to obtain from him an order to recall from circulation and destroy the third-party petition. The doctor was at that time fully convinced that he could and would be elected President of the United States, and he agreed to withdraw his candidacy only after we had shown him conclusively, from a legal standpoint, that any third party then organized would be unable to get its ticket on the ballot in more than 19 of the 48 States.

It was just a few weeks after this occurrence that Dr. Townsend conceived the idea of joining forces with Father Coughlin and his League for Social Justice. However, Father Coughlin, in a very straightforward manner, advised the doctor that he could not go along with him, and devoted one of his Sunday afternoon radio speeches to a critical discussion of the Townsend program and an explanation as to why he—Father Coughlin—could not support the Townsend movement.

The next development was the threatened congressional investigation. In the meantime, at my insistence, the board of directors had been enlarged to provide each section of the Nation with representation on the board. A board of directors meeting was called at Baltimore, Md., where the doctor outlined a plan of strategy which astonished most of the board members. He stated, in substance, that he hoped Congress would order an investigation; that he had directed his friends in Congress to keep the matter stirred up so that an investigation would be ordered. If they did, and called the doctor as a witness, it was his plan to appear, but to walk out of the investigation and defy Congress and its investigating committee, which strategy, he thought, would greatly strengthen him and his movement. The doctor's plan of strategy was agreed upon at this board of directors' meeting, notwithstanding that same was opposed by nearly every member of the board who was not at the time on the doctor's pay roll.

I mention the foregoing for several reasons. In the first place, the facts and circumstances related by me were well known to the investigating committee when the hearing started. Secondly, I think it is well to understand, since the doctor is assuming a martyr's position, that he has no one to blame but himself, for his planned walk-out was determined upon long before he had ever been subpenaed as a witness. Notwithstanding the stated facts, I think it would be a very foolish thing for this body to let him go to jail. He is, after all, an old man, and it is my hope that the gentleman from Missouri [Mr. BELL] and his committee will take appropriate steps to the end that a suspension of sentence, or a pardon, may be granted.

It was during the congressional investigation that the Rev. Gerald L. K. Smith, of Louisiana, self-styled successor of the late Huey Long, self-appointed leader of the "share-the-wealth" clubs, came into association with Dr. Townsend, and it was but a short time thereafter that the alliance between Gerald Smith, Father Coughlin, and Dr. Townsend became public knowledge. A call was out for the national convention of the Townsend organization to be held in Cleveland. Several thousand delegates and many other thousands of members of the organization attended this great convention. Just prior to the convention, the Union Party had been organized and selected a candidate for President of the United States. Father Coughlin, as the recognized leader of the League for Social Justice, had pledged the support of himself and his organization to this third-party movement. Gerald Smith, as the pretended leader of the "share-the-wealth" group, had done likewise. Dr. Townsend had pledged himself and the Townsend organization, and it was the intention of these three gentlemen to obtain the passage of a resolution at the Cleveland convention, pledging support to this new third-party movement.

A picture of that convention and its activities must stand out clearly in the mind of every person who attended it as the greatest spectacle of political demagoguery ever presented to the American people. To the sound of stirring music, mixed with clicking of the moving picture camera, the three musketeers came down the center aisle arm in arm, Dr. Townsend in the center, with the radio priest hanging onto one side of him and the Ku Klux preacher from Louisiana on the other—advancing down the aisle with beaming smiles, shedding almost the radiance of a halo. Thus it was that these three sanctified gentlemen mounted the platform with a fixed determination to sell the old people of America down the river in a political trade-out. But fortunately they did not get by with it. The gentleman from California [Mr. SHEPPARD], myself, and several other gentlemen, both Democrat and Republican, who are Members of this House, were present at that convention. The issues squarely presented to the delegates were Dr. Townsend's resolution asking for

endorsement of the Union Party and its nominee; my resolution condemning the third-party movement and restating the organization's nonpartisanship. The result speaks for itself. The convention turned down Dr. Townsend; it refused to follow the leadership of Father Coughlin, Gerald Smith, and Dr. Townsend. The convention overwhelmingly adopted my resolution which was ably supported at the convention by the gentleman from California [Mr. SHEPPARD] and many others.

I have discussed the convention merely for the purpose of pointing out to you that the doctor refused to go along with his own organization; that notwithstanding the resolution of the Cleveland convention condemning the third-party movement, that within a week after the convention closed the doctor started a speaking tour, sometimes with Father Coughlin and sometimes with Gerald Smith, and that he and these gentlemen made all the campaign that was ever made for the Union Party and its nominee. As further proof of the doctor's sound political judgment, I call your attention to the fact that shortly before closing the campaign he abandoned Father Coughlin, Gerald Smith, and the third-party movement, and made a speech on a national radio hook-up demanding the defeat of Mr. Roosevelt and the election of the Republican nominee Mr. Landon.

At this point I want to call your attention to the fact that Dr. Townsend, from the day this movement started, down to now, has never made a personal sacrifice of any kind. It has all been to his benefit. Just prior to the inception of this movement he had lost his position as physician for some municipality in California. He had abandoned the practice of his profession. He was out of a job and broke. Mr. Earl Clements, the cofounder of the movement, gave him a place as a real-estate salesman and furnished free office space as this pension movement got under way; but from the day it was started down to this hour, growing in intensity, gaining wealth, power, and strength, the organization has been taking the money and keeping it—not using it for the promotion of the program. The millions of dollars collected from the old folks of America has not been used effectively for the program but has been used largely to promote the interest of just a few people. They keep the money for themselves. They use part of the money to oppose the reelection of the movement's best supporters in Congress. They continue to promise the old people $200 a month, and such of the organization as is left is being more brazenly operated now than it was even before the congressional investigation, because before the investigation there were some men on the board of directors who tried to keep it in line. Now there is not a soul—it is purely a one-man show.

Let us discuss this $200-a-month propaganda which everyone must agree is the thing which caused the plan to be labeled as a "crackpot scheme." Do you know—and you cannot get it over to the newspapers, apparently—that the several bills introduced in the House embodying the Townsend plan in legislative form never provided for a $200-a-month pension? The bill introduced by the gentleman from California [Mr. MCGROARTY], which was the original bill, merely contained the provision for a prorated pension which should "not in any event exceed $200 a month." The General Welfare Act contains exactly the same provision. A flat demand for $200 a month, or any other definite sum, is not and never has been the plan. The responsible leaders of the Townsend organization never authorized or sanctioned the talk about a $200-a-month pension. There are many Members of the House present today who were at the first national convention of the movement at Chicago who came again to the second convention at Cleveland. They, in common with every delegate who was present, will remember that I discussed and stressed the danger inherent in permitting speakers to discuss a $200-a-month program and insisted that the people be told the truth about the legislation proposed. The folks who were interested in the plan discussed the facts and told the truth; the promoters and racketeers who were interested only in making money are directly responsible for the "$200 a month or nothing" propaganda. Even Dr. Townsend just a few months ago, in discussing this matter with a congressional committee, admitted that the $200-a-month proposal was not the plan. He stated to that congressional committee—and I quote his exact language:

> The $200 proposal is like a wisp of straw on a stick tied to the head of a cow. The cow will chase the wisp of straw and never get it.

The above quotation is taken from the CONGRESSIONAL RECORD of Saturday, August 21, 1937.

The foregoing statement proves conclusively that the doctor, from the beginning, understood the plan and knew that it provided merely for a pay-as-you-go pension program to be prorated among those eligible to receive it out of whatever sum was collected from the tax program provided in the bill. The pension racketeers are beginning to fear that Congress may pass the General Welfare Act, as amended. They know that enactment would destroy the lucrative employment of those who are now engaged in no other business than making a living out of the old and the poor in America. They are not interested in the old folks; not really interested in pensions. They have no interest in any reasonable or rational program. They are interested in one thing alone; that is, keeping their jobs, and they, therefore, set out to stir up strife, dissension, and conflict to the end that all progressive legislation on old-age pensions be blocked, or at least indefinitely postponed. It is my belief that the many old-age pension organizations in America who are engaged in supporting these parasites are doing more harm to the pension movement than are all their active enemies. The old folks are honest. They want the program enacted, and so do I. It is with this in mind that I assert my position for the old folks, and it is for this reason that I have been and am willing to carry the abuse which comes to one who opposes the racketeer. I am sure that the old-age pension clubs, once they really get the facts, will understand that they are being led by a bunch of wolves in sheep's clothing. Once they have the facts and know the truth they will refuse to follow this false leadership and will rally to the support of the general-welfare program, to the end that a reasonable, rational, federalized old-age pension law be enacted in the United States.

In addition to what has been said, and without too much repetition, let us consider some additional reasons why Dr. Townsend's leadership cannot be effective:

First. He, as head of his organization, permitted the things to exist that were exposed by the investigating committee, giving the movement a bad name and making it synonymous with racketeering in the minds of most Congressmen.

Second. He personally reported to the Chicago convention that no employee of the organization, including himself, was drawing to exceed $50 per week and expenses, whereas the evidence from his own books established the falsity of this statement and proved that he personally was drawing a salary of $1,250 weekly, in addition to his expenses and in addition to the profits made by the Townsend Weekly.

Third. He continuously depicts the bill as a $200 a month flat pension measure, thus making it synonymous with "crackpotism" in the minds of most Congressmen.

Fourth. He has never had a consistent political policy but has usually been found in the field fighting those who have done most for his program in Congress.

Fifth. He has endeavored to dictate to Members of Congress how they should vote on other issues extraneous to the General Welfare Act.

Sixth. He has endeavored to force upon Congress a seven-point program having nothing to do with old-age pensions and involving such controversial issues as immigration and the tariff.

Seventh. He abandoned the battle for the General Welfare Act from June 4, 1937, to November 15, 1937, and went about the country promoting a constitutional amendment and insisting that the General Welfare Act was unconstitutional.

Eighth. He came back into the picture when he saw that the General Welfare Act was making real progress in Congress without him, and now attempts to discredit the Members who made this progress possible.

Ninth. He, although personally invited by the congressional steering committee for the General Welfare Act, refused to attend a conference of pension forces on January 10, 1938, and refused to join the "common front" move for the enactment of the General Welfare Act at this session of Congress.

Tenth. He has instructed his followers to wire and write their Congressmen to defeat the bill rather than accept any modifying amendments which would make it acceptable to the Members of Congress who are now opposing it.

Eleventh. He has endeavored to "high pressure" the bill through with no appeal to the intellect or reason of the Congressmen, telling them flatly that they must pass this measure just as it is written or be prepared to meet Dr. Townsend in the field supporting an opponent in the next election.

This course of conduct has made it impossible for the Members of Congress to give any serious consideration to Dr. Townsend and to his promises or threats. He, indeed, is like a will-o'-the-wisp here today and gone tomorrow, and no one can tell today what he will propose tomorrow.

When the gentleman from Pennsylvania [Mr. CROSBY] introduced the General Welfare Act in Congress, he and the gentleman from California [Mr. SHEPPARD] got together with Members who were known to be for the measure and organized a steering committee of 40 members, designed to work for this legislation and press for its passage. The gentleman from Pennsylvania [Mr. CROSBY] was elected chairman of this group and the gentleman from California [Mr. SHEPPARD] was selected as floor leader for the group. The executive committee of the group, after a vote to this effect by the group, issued an invitation to all old-age pension organizations requesting them to come to Washington and attend a conference on January 10, 1938. They desired to organize a common-front movement and attempt to obtain passage of the General Welfare Act before the adjournment of this session. I think all the major pension organizations in the United States, with the exception of the Townsend organization, appeared pursuant to this invitation. Dr. Townsend refused to come or to send a representative. In the course of this conference several amendments to the General Welfare Act were suggested; amendments which, in my judgment, have no effect whatever upon the fundamentals of the bill, but which if accepted would bring greatly added support to the measure. Among others, the able gentleman from Wisconsin [Mr. BOILEAU], who is the leader of the Progressive Party bloc in the House, objected to the transactions tax, and suggested an amendment substituting a gross-income tax therefor. I opposed the amendment, but the conference voted unanimously to accept the amendment, and notwithstanding my belief that the transactions tax would produce more revenue, I can readily see that there is, in fact, but little difference between the two proposals, and since the amendment brought powerful support to the movement which we otherwise could not get, it was, and is my judgment, that the conference acted wisely in accepting this amendment. Some Members of the House insisted that the "forced spending clause" in the General Welfare Act was unconstitutional, and by accepting an amendment to take this unimportant provision out of the General Welfare Act we acquired more and additional support.

Another amendment eliminated the words "not to exceed $200 per month" and this amendment was accepted by the conference for the reason that the elimination of these words could have no possible effect upon the proposed legislation. It would eliminate a great deal of criticism and misunderstanding and let the plan stand as it actually has always been, to-wit: a pay-as-you-go program with every eligible citizen receiving a check for his pro rata share of the amount collected. Upon acceptance of these amendments we were able almost immediately to increase the steering committee membership to 60 Members of Congress, and to get many Members of Congress who had heretofore been against the bill to sign letters asking the Ways and Means Committee of the House to give us an immediate hearing on the bill.

It is my firm belief that such a hearing would have been granted in this session had it not been for the antagonistic and hostile attitude of Dr. Townsend and his Washington lobbyist. Let us examine the record and find out if we can who is entitled to credit for the remarkable progress made under such adverse circumstances. Handicapped at every step of the way by the Doctor with his stupid opposition and foolish maneuvers, Arthur L. Johnson, as chairman of the General Welfare Act legislative committee, has remained on the job an entire year. With the aid of the gentleman from Pennsylvania [Mr. CROSBY] and the gentleman from California [Mr. SHEPPARD], and other members of the steering committee, Arthur Johnson personally secured 144 signatures of Members of Congress to his petition addressed to Representative DOUGHTON, who is chairman of the Ways and Means Committee. I, personally, secured the signatures of the Oklahoma delegation.

My colleagues Messrs. MASSINGALE and JOHNSON and myself were the only members of the Oklahoma delegation who participated in the conference of January 10, 1938. However, in very short order, I was able to secure the signatures of the other seven Congressmen from Oklahoma, which makes Oklahoma the thirteenth State in the Union with a unanimous congressional delegation behind the request for a hearing on the General Welfare Act. This makes a total of 151 signatures, all of which were presented to the Ways and Means Committee by Mr. Arthur L. Johnson. Mr. Johnson, working with the steering committee, has been able to build up, within the last few months, from 97 signatures to 122 Congressman HARRY SHEPPARD's discharge petition which is on the Speaker's desk, and from 45 signatures to 90 the General Welfare Act steering committee resolution pledging support to the bill. All this is real progress toward enactment and the work was all done, not by Dr. Townsend or the Townsend organization, but by the General Welfare Act congressional steering committee and by Mr. Johnson.

This worth-while work and splendid progress, of course, could not escape an attack by the wrecking crew of the Townsend organization, and so we find on March 8, 1938, at the behest of the doctor and his Washington lobbyist, a meeting was called for the apparent purpose of properly labeling those of us who have been doing the work of H. R. 4199. This meeting was held by a few Congressmen who proceeded to organize a committee of their own which they called the "Loyal Legislative Committee for H. R. 4199." The gentleman from Pennsylvania [Mr. CROSBY], the author of the measure, and the gentleman from California [Mr. SHEPPARD], the floor leader for the measure, and the steering committee of 60 Members all were ignored. This small group elected a chairman of their own, to wit, the gentleman from Florida [Mr. HENDRICKS] who made a written report of the meeting which was thereafter carried in the Townsend Weekly, which he signs "Respectfully, JOE HENDRICKS, Chairman, Loyal Legislative Committee for H. R. 4199."

The only reasonable or possible inference to be drawn from this document is that the gentleman from Florida [Mr. HENDRICKS] and the few members of his committee are loyal to Dr. Townsend and his program and that all of us who, as Members of Congress, have done the real work in behalf of the measure are disloyal. Thus you can see once again Dr. Townsend has sabotaged the "united or common front" movement and deliberately caused a rift in the ranks of those Members of Congress who are anxious to get an immediate Federal pension law passed that will make adequate provision for the aged mothers and fathers of America. The document bearing the signatures of the gentleman from Florida [Mr. HENDRICKS], who is the chairman of the self-styled loyal committee, is marked "Exhibit 3," and is attached to the original of this speech and filed therewith.

Those who are interested in old-age pension legislation should, above all things, insist on being told the truth. Many

of them expected, and still expect, this session of Congress to pass the General Welfare Act. They have been misled by propaganda as to the actual strength of Dr. Townsend in the United States Congress. Just 2 or 3 weeks ago, over in Pittsburgh, Pa., a mass meeting was addressed by Dr. Townsend's representative in that congressional district. The card bears the name Dr. J. A. Robb. He calls himself an economist and lecturer. He, as the representative of Dr. Townsend, is now in charge of the congressional district represented by the gentleman from Pennsylvania [Mr. CROSBY], who is the author of the General Welfare Act, and Robb is now engaged in organizing the Townsend group in opposition to the author of their bill and making every effort to defeat him in the forthcoming primary. This man Robb, in his speech, told the crowd at Pittsburgh that the Townsend organization now has "199 Members of Congress who are rallying to Dr. Townsend's banner; 199 loyal Members of Congress. We only need 18 or 19 more and then we will get you $200 a month." Such brazen falsehoods uttered by such poltroons keep the whole movement disturbed and has caused many able, worth-while workers to quit the movement in disgust. So much for Dr. Townsend and his organization.

Now, notwithstanding the work done for the General Welfare Act, those of us who have given time, study, and thought to this program will have to go home at the adjournment of this session of the Congress and tell our people that we could not even get a hearing. Will you put us in that position? We plead for a hearing on the General Welfare Act before this Congress adjourns. You will find that we will resort to no threats. You will find us in an attitude of trying to reason the thing out with you; that we will be ready to accept any sensible amendment that may be offered by the committee. Should we not be able to go home, Republicans and Democrats alike, and say to our people that we have presented a program so reasonable that the Ways and Means Committee wants to give us a hearing? There is not one of you, my colleagues, who, deep down in your heart, is not for an adequate pension for the aged. Your prejudice is only against impossible ideas. Your prejudice is against the tactics which have been used upon you. This prejudice will disappear in the light of pure reason if we can show you our bill will bring to the old people, 60 years of age and above, a reasonable and adequate universal annuity which will guarantee them a reasonable standard of living and real social security. This can be done on a pay-as-you-go basis without the appropriation of money from the Treasury and without the issuance of bonds which would increase the public debt. There is nothing unreasonable about it, and if you will give us a hearing I am sure that the next session of Congress will pass a bill with such provisions.

The President of the United States deserves the real credit for making the people of the Nation pension-minded by actually getting us started on the road to social security by means of the Social Security Act. It was a big step in the right direction, but the Social Security Act itself is a total failure. It is totally inadequate to meet the needs of the situation and the actuarial basis, with its pay-roll tax as well as the "means test" under the State-aid features, are wrong. Its principles can and will be extended sooner or later by the adoption of the General Welfare Act, and it is our hope that the General Welfare Act, when it is presented in its final form for passage, will appeal to all groups and all classes as a measure for the benefit of the whole Nation and will make for security and happiness for everyone in this poverty-stricken land of abundance.

Some Members of the House think we have an old-age-pension law, but we have none. We have a division in the Social Security Act known as the Old-Age Assistance Division. Members of the House in discussing the matter with me have expressed surprise when I tell them that the Old-Age Assistance Division is not a pension in any sense of the word. It is purely a pauper's payment, charity doled out in accordance with need. It is being operated in such a way that it is right now about to become a major national scandal. In the old days those of us interested in the great national sport were very fond of the development which gave baseball its triple play. Those of us who remember that famous trio will recall Tinker to Evers to Chance. In this connection I say to you that the social-security set-up we have now in Washington, if permitted to continue much longer in the course they are pursuing, will absolutely destroy this Democratic administration. The young, immature bureaucrats in that Department have developed a real finesse on the triple play for patronage, far beyond the triple play of Tinker to Evers to Chance. It is no longer Tinker to Evers to Chance. In discussing the effectiveness of this inner combination we must change the names and say, "Altmeyer to Aaronson to Resnick."

We who believe in the general welfare program feel that we ought to have a completely federalized old-age pension system, taken out of politics entirely. When we consider the structure of the present law, it is a shameful thing to see how it has been mishandled, and this is particularly true in view of the fact that it was given to us under the progressive leadership of Mr. Roosevelt and was the first step forward we had made so far as old-age security in this country was concerned. I pay tribute to him, to his efforts, and to his leadership. I believe the President's fondest hope is that he will be remembered for a program sponsored and put over for the benefit of the lame, the blind, and the aged. I think it is near to his heart and that he wants it to work.

Those of us who are Members of Congress, who have information and know, at least in part, what is wrong, are derelict in our duty to our party and to our President if we keep our mouths shut until the day this breaks as a national scandal in the face of the administration. We ought to do something now. If you examine the situation you can readily understand that the men and women of America are paying enough in tax money now to provide a substantial old-age pension if the aged people could get it. It would be a real saving to the taxpayers if we would pass a federalized pension program. Why do I make that statement? For the simple reason that under the set-up as now organized we have at the head of the list one great Federal bureau of three divisions housed here in Washington and in Baltimore; subservient to that we have 48 State laws and 48 State bureaus. These State bureaus, operating with Federal aid, are required to function in accordance with rules and regulations made here in Washington by the Social Security Board. Thus we have 49 major bureaus to start with; in addition to this we have 3,070 county assistance boards, one for every county in America.

Then, add to that the thousands of experts, case-workers, or visitors, many of them young ladies from the colleges and seminaries in the northeastern part of the United States who know nothing about raising a family or attending to a household except what they learned in school. I do not know how the people of your district take it, but these highly sophisticated young ladies of such fine education do not get along so well with the mothers and fathers of my district down in Oklahoma. In the State of Oklahoma, we have special types of taxes going into a fund to make up a portion which, matched by Federal allotment, gives us our old-age pension fund. It was surprisingly developed here in a hearing the other day that we have some 72,000 persons on the rolls most of them drawing $7.20 to $15 per month. Many of them get the magnificent sum of $1.50 per month as a pension under the Old Age Security Act. Six to seven dollars per month is about the usual amount. A few of them, if they have good friends or know the members of the county assistance board, may get as much as $15 per month. Few get a little more; very few ever get $30.

Of that 72,000 who are drawing pension money, the Social Security Board says at least one-third or probably one-half were not eligible to get any money at all. Why are they on

the roll? They are on that roll because just as surely as you build a gigantic political machine with 49 bureaus and 3,070 subservient organizations, it will develop into nothing more or less than a political racket and this is true whether it be in charge of Republicans or Democrats. The politicians will put their kinsfolk on the pay roll and make places for their friends. Oklahoma is not the only State with that kind of trouble. Its situation is typical. The condition is just the same in practically every State in the Union. A very able man, Mr. Hughes, who headed the Accounting Department of the Social Security Board here in Washington, lost his job. Why? Because he found irregularities in the State of Illinois, irregularities which, in his judgment, demanded and called for prosecution. He let it be known that he was going to seek some indictments. But Mr. Altmeyer and his bureaucrats strangled him and demoted him. Was anybody indicted in Illinois or prosecuted for stealing State and Federal money? Not on your life! Gentlemen, it is a game—a splendid game—to take the people's tax money and to deprive the old folks of the hope they have for an adequate and secure old age by giving the money to the politicians.

In the great State of Ohio one of the leaders of the Ohio assistance pension groups, charged with the official activities of the Board, stated that they had 17,000 chisellers on the roll of the State of Ohio. I would like to see the rolls of Pennsylvania and Missouri and maybe Arkansas. I do not think it is any one State. I think it is just the same everywhere. We are all pretty much alike under the skin. One State is no worse or better than the rest. I mention this merely to show that this present system of ours cannot do the job. Would it not be better for us to take the old-age angle out of the security set-up? Would it not be better to have a completely federalized old-age pension system without any bureaus at all?

Somebody always wants to know how you can do that? I will tell you how it can be done. Adopt this plan, supported by so many Members of the House, the amended General Welfare Act. It is simply this: We are asking the Government of the United States to set up in the Treasury Department a great mutual cooperative insurance company to insure the American people against old-age insecurity. Let them buy an annuity—make them buy it by a tax program. Some say, "Is not that socialism?" Others ask, "Is it constitutional?" Others inquire, "How can it be done?" My answer is, "It has been done."

We, as a people, have a short memory. During the war under the leadership of President Wilson, the Congress created a great mutual cooperative in the Treasury Department called the War Risk Insurance Bureau. From the highest general down to the lowest private in the Army or Navy, we made no inquiry as to whether he wanted an insurance policy. The Government merely said, "You are going to take it whether you want it or not so that you will have it." We put the money in that bureau, earmarking the fund credited to the war-risk insurance and this, you can see, is nothing on earth but an annuity program on a mutual basis. Some insurance men, during war days, said, "If the Government adopts that policy it will put the insurance companies out of business." Up to that time, the average insurance policy sold in the United States was about $1,000, but when the United States Government put a standard value on the doughboy's life, the insurance business began to boom and has grown by leaps and bounds ever since then.

This old-age program which we advocate will not hurt the insurance companies. To the contrary, it will help them very much. We say, just put that fund over in the Treasury Department. When an American citizen pays taxes, whether it be the transaction tax, the gross-income tax, or some other tax, we shall say, "Whatever that tax is, Mr. Citizen, when you pay it you are paying your insurance premium for an old-age annuity program just as you would buy a policy from the Lincoln Life and Accident, or the Travelers, or some other big insurance company now engaged in the business of selling annuities." Some may inquire, "Will that not be competing with them?" I say, to the contrary, it will be the greatest thing on earth for them, because it will make America annuity conscious. Those of us who have professions, whether lawyers, doctors, or politicians—those of us who have more income than the average folks—would never be satisfied with such an annuity as the General Welfare Act will provide. Not on your life! Those of us who have had sufficient income would turn the matter over in our minds and say to ourselves, "When we get ready to retire we will have this annuity that the Government made us buy, but let us go here to some good company now and spend some of our money and buy an additional annuity so that when we get to the retirement age we can live in accordance with the standards of life we have been used to." It would be a great thing for the insurance companies.

How would you go about it? What would you require for this program? It would require nothing except that a person be 60 years of age or over, a citizen of the United States, who renders himself eligible to take the annuity by withdrawing from all productive labor and competitive business so that his job or place may be taken by a younger person. We will merely have a registration and put you on the pension rolls as an industrial veteran, handling your case on exactly the same basis as retired soldiers or disabled veterans. I know of no reason on earth why the man who works in the mine or the foundry, or the oil field, contributing 35 or 40 years of productive labor, giving his life's service to the building up of the wealth and property of this country, should not be considered as a veteran of industry when he is old, broken down, or retired. I say he should receive a pension on the same basis as the man who serves his country in time of war.

You may inquire, "How would you get them registered?" The answer is, just have a field day and register them. It would not cost anything to speak of. We do not need any big bureaus. Some pretend to think that it would be a tremendous job, but such is not the case. Do you not remember when Congress passed the Selective Service Act at the beginning of our participation in the World War? Under the terms of this law all male citizens of military age were required to be registered and classified. Do you not remember that President Wilson issued a proclamation and called upon the lawyers of this country to organize legal advisory boards in their respective counties? Have you forgotten that, without any expense to the Government at all, in a very short period of time, without a hired hand or a bit of paid help, we registered and classified for military service every male citizen of eligible age in the whole United States of America? I say that if in that day we had energy and patriotism enough to use that method to register and classify the youth of America to die, then after a lapse of 20 years, with that experience behind us, we ought to have energy and patriotism enough to do the same thing and register all the aged of America for a proper pension so that they might live in this country of ours and not die, as so many of them are now doing, from pure want and neglect.

Let us abandon the old-age assistance program of the Social Security Act, eliminate the 49 bureaus and the 3,070 county set-ups, with all their employees. Let us pay the taxpayers' money to the old folks and not to the politicians.

Under our plan all of these bureaus would be destroyed. The Commissioner of Internal Revenue has branch offices and agents everywhere in the land. They collect all other Federal taxes. Let them collect this tax for old-age pensions, then put the money in the hands of the Treasury Department, have it earmarked, and provide in the law that it cannot be appropriated by Congress or used for any other purpose than for "pensions." Make it a special fund set aside for a particular purpose. Provide for a 4-month reserve, require each month's collection to be set aside as a particular fund, so that when we begin to operate in the payment of this pension we will have funds numbered 1,

2, 3, 4, each number representing the particular fund of a given month. In the fifth month begin to pay. Number your payment periods also and pay the first pension out of collection period No. 1, and so forth, so that each payment period would correspond in number to the collection period of the fund collected 4 months before the payment. Determine the amount of the pension by taking the number of people who are eligible as shown by the registration rolls. Do not permit any month's collection to be overdrawn, but divide the number of eligible persons into the amount of money available and thus determine the prorated amount which each is entitled to receive. Then have the Treasury Department make out the checks on this fund, put the checks in the post office, and let them be delivered by the United States mail. This program would eliminate pauper's pensions. It would make the old folks of America feel like self-respecting citizens. They would understand that the payment represented, not a gift of charity, but, to the contrary, a well-earned payment out of an annuity fund earned over an active life wherein 35 or 40 years were devoted to producing the wealth which made possible the payment of the annuity. Such a program would make all of the old folks equal. They would not be required to scratch the back of any politician.

This program requires not one single new bureau or department and would absolutely eliminate and destroy the multiple bureaus and jobs which have arisen under the social-security bill as now operated. This plan would give old-age security to every American citizen. If you are a businessman, ask yourself would you not prefer to pay a 2-percent transaction tax or gross-income tax every month than to pay a 6-percent pay-roll tax, plus a sales tax, plus the multiple and various taxes that are now required under the social-security program as it stands? The tax we propose is a simple one, it would not require the services of an auditor. You would not be required to spend all your waking hours making reports to overlapping Federal departments. And another thing, the tax collected under our plan would protect you and your family, whereas the pay-roll tax particularly excludes domestic help, casual laborers, and farmers, and excludes the businessmen who are required to pay one-half of the tax. They and their families are paying something for nothing under the present system. It certainly appears to me that the reasonable and intelligent businessmen of America ought to get busy and demand that the present social-security law be repealed and that the General Welfare Act be passed in its stead.

In closing, let us view the picture of present conditions at home through the eyes of President Roosevelt as he drew it for us in his second inauguration address:

> In this Nation I see tens of millions of its citizens—a substantial part of its whole population—who at this very moment are denied the greater part of what the very lowest standards of today call the necessities of life.
>
> I see millions of families trying to live on incomes so meager that the pall of family disaster hangs over them day by day.
>
> I see millions whose daily lives in city and on farm continue under conditions labeled indecent by a so-called polite society half a century ago.
>
> I see millions denied education, recreation, and the opportunity to better their lot and the lot of their children.
>
> I see millions lacking the means to buy the product of the farm and factory and by their poverty denying work and productiveness to many other millions.
>
> I see one-third of a nation ill-housed, ill-clad, ill-nourished.

This picture is as true today as it was on Inauguration Day. It is our duty as Members of Congress to destroy this picture. Poverty and want can and ought to be abolished in America. As a part of a program to bring social justice to the people of the United States, let us, at an early date, pass this General Welfare Act and establish a system of old-age security for every American citizen as a matter of law. Let us translate our national wealth into a spreading volume of human comforts heretofore unknown. Let us insist that the lowest standard of living be raised far above the level of mere existence. Then the raging battle between fascism and communism for the prospective carcass of a free people will cease and it will be great to proclaim anew the Americanism of our forefathers. The blight of hunger will give way to healthy minds and robust bodies, bountifuly nurtured from Mother Nature's abundant storehouse. Then only will we be justified in saying that the principles of true Christianity have prevailed "and our people under God shall have a new birth of freedom," freed from the shackles of economic slavery.

Planting of a Scarlet Oak Tree by Daughters of the American Revolution

EXTENSION OF REMARKS

OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1938

ADDRESS OF HON. A. WILLIS ROBERTSON, OF VIRGINIA, AT WASHINGTON, D. C., ON APRIL 19, 1938

Mr. ROBERTSON. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address made by me at the planting of a scarlet oak tree by the Daughters of the American Revolution on the grounds of the Supreme Court Building in Washington April 19, 1938:

Madame Chairman, distinguished guests, ladies, and gentlemen, it was indeed a happy thought for the descendants of those who fought for freedom and framed for us a Constitution under which we enjoy constitutional liberty to dedicate on these historic grounds, to the perpetuity of constitutional government, a noble oak.

Trees are the oldest living things on earth, and are, therefore, fitting emblems of institutions which we wish to see endure. Sequoia trees in California have been definitely ascertained to be as much as 4,000 years old, and next June a tree in the Sequoia National Park will be dedicated to the memory of that great American woman, Susan B. Anthony, which is estimated to be at least 3,000 years old. What better monument could there be to the progress of mankind than a noble tree that knew the sunshine and the rain long before King Solomon floated the tall cedars of Lebanon to Joppa for his marvelous temple and that has withstood all of the vicissitudes of the elements through the intervening centuries?

The scientists, who apparently derive pleasure from a rationalistic philosophy of life, tell us that the earth was probably formed by a mighty star passing close to the sun at great speed, pulling from the sun's surface a great chunk of matter that became suspended in the universe and later known to us as the earth. For me, a simpler and more satisfying belief, especially since our scientists have as yet offered no rational explanation of the existence of the sun, is the story of creation as recounted in Genesis. Those of us who believe that story believe that God created the earth and all living things thereon. We believe it was no mere accident that the earth was so formed that a part of it was dry land and a part of it seas, and the whole so shaped, as Solomon tells us, that all of the rivers of the earth flow into the sea yet the sea is never filled. Neither do we believe it was any mere accident that God made the earth habitable for man by producing trees before he produced man. Being a fundamentalist in my beliefs, I accept the story of Genesis that on the third day of creation, whether that day be 24 hours or 24 billion hours, before he created any other living thing God created grass, shrubs, and every kind of tree that yields seed. Therefore, the tree is not only the oldest living thing on earth, but it likewise was the first living thing.

Our meager knowledge of the Garden of Eden is almost limited to the fact that it contained trees. The flaming sword that drove Adam and Eve from the Garden of Eden spared the trees. A great painter has pictured Eve in old age being borne on a stretcher, and pointing to a clump of trees in the distance she appears to be saying to her son Seth: "That is paradise." For us, trees should ever be symbolic of paradise regained.

The story of the use of trees is the story of civilization. When early mankind learned to use trees in the making of ships his real progress commenced. Long before the Egyptians invented the wheel, ships made of trees were man's principal means of transportation. Not only were they the bearers of the early commerce

of the world but likewise the bearers of the world's discoverers. Without ships there would have been no discovery of America and there would have been no settlement of the white man at Jamestown and Plymouth. And what a contribution trees made to the life of those early pioneers. They furnished homes and the furniture of those homes. They furnished fire, and at times their nuts and berries furnished food. They preserved the flow and purity of the drinking water, and the decomposititon of their leaves through the centuries built up the fertility of the soil. Every town in America started as a town of wooden houses, and even the first iron horse was fired with wood and run upon wooden rails. With little capital and no factories the colonists found the timber resources of the land constituted their principal wealth, and the working of that timber their principal activity.

Through the use of the magnificant white oak and live oak trees of North America, we as a young Nation produced the clipper ship that threatened the supremecy of Great Britain upon the high seas. In fact, before the Revolutionary War British shipping interests became so alarmed over our rapidly growing commerce that Parliament passed an act prohibiting the import in the colonies of the products of the West Indies except in British bottoms.

Of the great variety of trees that the American settler found in this new land of promise, the oak was the most important and the one with which he was the most familiar. To me it is a significant fact that wherever we find the oak we find a sturdy, independent, and liberty-loving people—a type of people that has made the greatest progress in civilization. One of the grounds of complaint preferred by the barons against King John was the fact that he had set aside for royal use some of the finest oak forests of England, denying to the people even the pleasure of hunting in those forests. And late in the seventeenth century England attempted to reserve for the use of the Royal Navy the choicest timber in the New England territory, marking with the Crown symbol—the broad arrow—the finest oaks. That invasion of New England liberty helped to bring on the Revolutionary War. It is, therefore, but natural that the character of the oaks represents to us strength, permanence, and independence.

Of the 55 species of oak which are native to North America, the scarlet oak is one of the prettiest and most showy, while partaking of the inherent sturdiness of the oak family. When the Midas hand of fall touches the greenness of our mountainsides and our hardwood trees in gold and crimson dresses bid farewell to summer, the maple, the black gum, and the dogwood must yield the crown to the scarlet oak, the most brilliant of all and the last to part with its finery.

But it is not primarily as an ornament that we are dedicating here today a member of the oak family. We have selected the oak because it symbolizes our struggle for liberty and our inherited English system of self-government.

"What gnarled stretch, what depth of shade, is his!
There needs no crown to mark the forest's king;
How in his leaves outshines full summer's bliss!
Sun, storm, rain, dew, to him their tribute bring,
Which he with such benignant royalty
Accepts, as overpayeth what is lent;
All nature seems his vassal proud to be,
And cunning only for his ornament.

* * * * * * *

"So, from oft converse with life's wintry gales,
Should man learn how to clasp with tougher roots
The inspiring earth; how otherwise avails
The leaf-creating sap that sunward shoots?
So every year that falls with noiseless flake
Should fill old scars upon the stormward side,
And make hoar age revered for age's sake,
Not for traditions of youth's leafy pride."

Our Nation has experienced 7 lean years, 7 troublesome years. No longer is there free land in the West for those who find themselves displaced in industry. Through a prodigal and most unwise use of a great sustaining resource, our forests, the millions who depend upon the soil for a livelihood have found their income greatly reduced. Never was there greater need for the people of this Nation to take stock of the natural resources that are left and to renew their allegiance to the soil from whence comes all true wealth. And in doing so, we should likewise take stock of those principles of character which are best exemplified in the character of the oak. We need in our land today a rebirth of the pioneer spirit; a rebirth of sturdiness, independence, and self-reliance; a rebirth of the fundamental belief that the prosperity of a Nation comes and can only come from toil and self-sacrifice. Whether you are a rationalist or a fundamentalist, I believe you will agree with me that no act of the Congress can repeal this law of Genesis: "In the sweat of thy face shalt thou eat bread until thou return unto the ground." When we face life's wintry gales, we should learn from the sturdy oak, the uncrowned king of the forests, how to "clasp with tougher roots the inspiring earth."

May the tree that we are planting today also teach us how to protect and preserve with greater faith, with greater confidence, and with greater strength the form of government handed down to us by our Revolutionary ancestors. There are some in our land today who take that form of government for granted and are indifferent as to its blessings. There are some who are openly opposed to it, but, fortunately, their number is relatively small. There is still another group which, to my mind, is even more dangerous than either of those I have mentioned; namely, the group while professing to believe in constitutional government would nevertheless undermine in insidious ways the great instrument under which that form of government has been enjoyed in this country for a century and a half. Men of that type are not new to this age.

The great statesman Daniel Webster knew and recognized them in his day and time. Standing on the steps of the Capitol on the one-hundredth anniversary of the birth of our greatest American, George Washington, Daniel Webster said of the destruction of the Constitution: "Other misfortunes may be borne, or their effects overcome. If disastrous wars should sweep our commerce from the ocean, another generation may renew it; if it exhaust our Treasury, future industry may replenish it; if it desolate and lay waste our fields, still under a new cultivation, they will grow green again, and ripen to future harvests. It were but a trifle even if the walls of yonder Capitol were to crumble, if its lofty pillars should fall, and its gorgeous decorations be all covered by the dust of the valley. All these may be rebuilt. But who shall reconstruct the fabric of demolished government? Who shall rear again the well-proportioned columns of constitutional liberty? Who shall frame together the skillful architecture which unites national sovereignty with State rights, individual security, and public prosperity? No; if these columns fall, they will be raised not again. Like the Coliseum and the Parthenon, they will be destined to a mournful, and a melancholy immortality. Bitterer tears, however, will flow over them than were ever shed over the monuments of Roman or Grecian art; for they will be the monuments of a more glorious edifice than Greece or Rome ever saw, the edifice of constitutional American liberty."

In planting this oak tree on the grounds of the Supreme Court Building the Daughters of the American Revolution serve notice on all who may seek, openly or covertly, to destroy or undermine our edifice of constitutional American liberty, "We have just begun to fight." Constitutional American liberty is our richest heritage. We intend to pass it on to those who come after us.

Implications of the New Deal

EXTENSION OF REMARKS

OF

HON. CHARLES A. HALLECK

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1938

ARTICLE BY GEORGE ADE

Mr. HALLECK. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD I include the following brief article written by one of the outstanding citizens of my district, George Ade, for the Greenwich Times, of Greenwich, Conn.:

IMPLICATIONS OF THE NEW DEAL

(By George Ade)

Possibly I may find it difficult to explain clearly my reasons for finding fault with the New Deal. Many people I admire and respect have been under attack by the revised governmental agencies at Washington, but the sniping has come from so many directions and has been so well ambushed that even those who are dodging bullets can only wonder what all the shooting is about. That the captains of industry, manufacturing moguls, and all the leaders of big business have been attacked viciously and submitted to a withering fire there can be no doubt. If they had not been attacked so fiercely, they would not now be dazed, bewildered, disheartened, and entrapped. Even while the President says that the miscreants to be punished number only a "handful," his lieutenants and spokesmen put such a general curse on employers of labor that we are asked to regard just about every fellow who faces a pay roll as a public enemy. Ever since the New Deal was inaugurated the attack on big business has been largely by implication, but it has been effective in stirring up class hatreds and bringing many well-meaning citizens into disrepute. Albert Chevalier used to sing a song to the effect "that it ain't exactly wot 'e sez, but the nahsty way 'e sez it." When any separate group has been indirectly accused of nearly all the crimes in the calendar it cannot fail to become conscious of the fact that it is under indictment. The members of the group may be free of a sense of guilt, but they cannot help being scared and discouraged.

Take, for example, the implication to be read, between the lines of New Deal propaganda, that the captains of industry and the traders in Wall Street were responsible for the calamitous smash-up of 1929. If you can recall what happened prior to the bursting of the boom, you must know that the entire population was living in a fool's paradise. The happy belief that prosperity would continue indefinitely was shared by statesmen in Washington, workers in the factories, merchants and traders of all dimensions, white-collar employees, and all others who sought wealth and happiness. When the harrowing "depression" arrived the suffering was general and many of the victims who jumped out of windows happened to be the very ones who are now blamed for the disaster. Isn't it probably true that even the most gifted astrologers and diagnosticians are seldom able to predict a sudden slump in business and give proper warning? This must be the case for we are now suffering from a "recession" which arrived from nowhere last September, much to the confusion of many prophets who said that we were on the high road to full recovery with no obstacles in sight.

A preposterous implication, frequently heard, is that big business deliberately planned the "recession" in order to annoy the administration at Washington and discredit the New Deal. In other words the important corporations and big industrial plants deliberately cut their own arteries because they suspected that the boys in Washington didn't like the sight of blood. Such a suggestion does not make sense. At the recent conferences in Washington the men representing both big business and little business said that the set-back resulted from overregulation and uncertainty regarding future attacks from the White House. They want assurances of cooperation instead of veiled threats of new and more drastic "reforms."

How about the claim that whatever recovery had been effected up to the recent "recession" may be credited to the New Deal? The records indicate that the most wholesome improvements in general business conditions were made after the Supreme Court had nullified some of the important New Deal measures. I think that the history of various panicky periods in the past will indicate that the patient is due to recover confidence and get back to normal well-being after about 6 years of readjustment. As a mere spectator on the side lines, I venture the opinion that the patent medicines prescribed by the New Deal have retarded recovery instead of hastening it. Too much rash doctoring and too much dosing with untested remedies.

The provisions of the Wagner Act and many decisions of the N. L. R. B. carry a suggestion that employers, as a class, may be counted upon to indulge in trickery and underhanded methods to cheat labor and lower wages. The presumption of guilt attaches to the employer while the unionized employees are assumed to be so square and aboveboard that they are not to be held to account for breaking agreements and calling strikes of a most disturbing and violent character. The whole arrangement is too one-sided. Why not compel each party in a controversy over wages and hours to assume full responsibility for what it says and does?

Is it possible to increase wages and shorten hours without raising the cost of production? Not unless we invent a new kind of arithmetic. Let us make to organized labor every possible concession which will help to fill out the pay envelope and improve living conditions, but let us do so with the clear understanding that the consumers will provide the extra funds to support our generosity.

It happens that I am a graduate of Purdue University, one of our very best schools of engineering. Many of our alumni have become important figures in the management of large corporations. Almost without exception they came to college from farms or small towns and they have succeeded by reason of hard work, sound methods, ingenuity, and an observance of those good old cardinal virtues which were once so popular. They attached themselves to important concerns and took humble jobs and were not helped by money, family influence, or social prestige. They made good because they made themselves useful and knew their stuff. All of their old-time associates on the campus have been very proud of them. We knew them as sincere, ambitious, honest, and determined youngsters. Now they are sitting in offices and pulling down big salaries and directing the efforts of thousands of subordinates. They are shining examples of what a lad may achieve under the beneficent workings of what has been called the American system. Having kept tab on our prize exhibits and being convinced that they retain the sterling qualities which we admired in them so long ago, we are disturbed to learn, from spokesmen of the New Deal, that somewhere and somehow on their upward climb they were converted into Tories, economic royalists, cruel taskmasters, and unfeeling tyrants. We refuse to believe any such nonsense. We know the boys too well to believe that each of them is now a Simon Legree. We believe that they are still square shooters. They are too close to the soil and too recently familiar with hard physical labor to have lost all sympathy for and understanding of the people on their pay rolls. We feel sure that they want to do what is right and have too much sense to attempt to do what is impossible. When they are branded as miscreants we retaliate by suggesting that they may be victims of cruel innuendo and prejudiced testimony.

In conclusion, some of us refuse to accept the implication that every man who sits at a desk and is making an effort to protect the interests of certain stockholders is a villain, while the man on relief is a hero who has been robbed of his heritage. Ever since I followed the leadership of Theodore Roosevelt I have believed that human rights are more important than property rights. Every decent citizen is in sympathy with efforts to improve conditions for those who are ill housed, not properly clad, not abundantly fed. But this same decent citizen, if he has a modicum of common sense and has observed the workings of human nature, must be ready to admit that a good many of the have-nots are calling for relief because they are totally lacking in initiative, willingness to work, and even a rudimentary form of ambition. They are dependent because they choose to be dependents. Any man running for office would not dare to say as much but any candid man who has watched the relief agencies in operation cannot say anything else. We wish that the New Deal would soft pedal the implication that our fellow citizen who has arrrived somewhere is probably a bad egg while the down-and-outer is on his uppers because some one has deliberately robbed him.

The Trade-Treaty Program

EXTENSION OF REMARKS

OF

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1938

RADIO ADDRESS BY HON. ALLEN T. TREADWAY, OF MASSACHUSETTS, ON APRIL 17, 1938

Mr. TREADWAY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address made by me on Sunday last:

The administration's trade-treaty program not only involves an unconstitutional delegation to the President of the tariff and treaty-making powers of Congress, but it sets up an autocratic control over American agriculture, industry, and labor.

The improvident methods under which it is being carried on are resulting in the gradual surrender of our rich home market to foreign producers, in the destruction of our domestic industries, in loss of employment for our workers, and in a lowering of our high working and living standards.

Although the primary responsibility for the trade treaties rests with the President and his Secretary of State, the actual negotiation is carried on by an impractical group of theorists and economists, who are not responsible in any way to the people, and who sit behind closed doors with foreign agents to exercise the power of economic life and death over every American industry dependent upon tariff protection.

The elected representatives of the people in Congress have no opportunity whatever to approve or reject the treaties, no matter how seriously they may injure the interests of our own citizens. The tariff concessions made under the treaties are not even made known to the public or to affected industries until the treaties are signed by the President and thus made effective so far as this country is concerned. The whole procedure, in my opinion, is unconstitutional and un-American.

Tariff duties sufficient to equalize the cost-of-production advantage of foreign countries are vitally necessary to the continued existence of large branches of American agriculture and industry and to the maintenance of American living and working standards. Hence it follows that the welfare of all our people is jeopardized by the present trade-treaty program, under which there is being brought about—without regard to such differences in foreign and domestic production costs—a downward revision of the tariff on foreign products which compete directly with those of our own farms and factories.

American manufacturing and labor groups, particularly in New England, are greatly alarmed over the proposed trade treaty with Great Britain, which promises to be the most far-reaching of any. The list of articles under consideration for a reduction in duty covers several hundred competitive foreign products, the increased importation of which would adversely affect all the major New England industries, including shoes, leather goods, cotton and woolen goods, paper, and various manufactures of iron and steel.

Despite the protestation of the State Department that our tariff duties constitute a trade barrier, the fact is that the quantity index of our imports of finished manufactures last year was only 2 points less than in 1929. In many instances, existing duties are wholly inadequate to offset the foreign competitive advantage.

The proposed British treaty apparently will throw open the floodgates and swamp the American market with the products not only of Great Britain but of the rest of the world.

With the original object of the trade-treaty program, namely, the expansion of our export trade, there can, of course, be no quarrel. But there is no net gain to this country if increased foreign markets are to be gained by surrendering the domestic market to foreign competition. Under the present methods we cannot even expect to gain as much as we give up, since the tariff concessions which we make under treaties with particular countries are extended freely to the whole world, save Germany alone, whereas we receive trade concessions only from the treaty countries. Moreover, our treaty negotiators seem to be utterly indifferent as to whether the treaties are to our advantage or not. Assistant Secretary of State Sayre has presumed to state that the purpose of the program must be broader than "mere horse trading" or the securing of what he terms "selfish trade advantages."

As an example of the type of bargaining that is being done in behalf of this country, I cite the recent treaty with Czechoslovakia. Our treaty negotiators gave up duty concessions on 54 items covering 48 percent of Czechoslovakia's exports to the United States. We obtained from Czechoslovakia duty concessions on only 18 items, covering but 7.8 percent of our exports to that country. Six of these items will continue to be subject to an import quota. Among other things, the Czech treaty reduces the duty on American cars to a minimum of $595, subject to an import quota of 1,600 per year. One of the principal concessions made by the United States was on certain types of shoes.

On January 22 our friend Mr. Buell made a speech in Boston, in which he said:

"The forthcoming treaty with Czechoslovakia will undoubtedly increase the export of American cars and may put back to work several thousand auto workers in Detroit. Now, it is this class of worker who buys the cheaper class of shoe. And the increased purchasing power in Detroit will lead to more purchases of goods from New England."

In the first place, it is only going to take about 160 workers—not several thousand—to produce the 1,600 cars that we will be permitted to send to Czechoslovakia, if we can find that many buyers there. I wonder how many Czech shoe workers there are who can afford to pay $595 tariff on an automobile, not to mention the purchase price, or who can even afford to run one, with gasoline costing several times what it does in this country? Even if we are able to sell the 1,600 cars, the infinitesimal increase in employment in Detroit will be nothing compared to the huge loss of employment and purchasing power among New England workers whose product is displaced by imports from Czechoslovakia. Moreover, any gain in auto exports to that country would be offset many times by the reduction of auto sales in New England. Finally, any increased purchasing power which might come to Detroit workers will not be spent on New England goods, but on Czechoslovakian shoes. New England is out of the picture except to the extent that her shoe industry is injured under the treaty.

Up to the present time, the trade-treaty program has resulted in increasing our imports to a much greater extent than our exports. Our favorable balance of trade fell from $478,000,000 in 1934 to only $33,000,000 in 1936. We were only saved from an adverse trade balance last year by reason of the sharp increase in exports of war materials, which, of course, cannot be credited to the treaty program.

In criticizing the present trade-treaty program, I do not wish to be understood as being opposed altogether to tariff reciprocity. I strongly favor the type of reciprocity advocated and put into effect by President McKinley. McKinley reciprocity involved no delegation of tariff or treaty-making power to the President, nor did it involve any duty reductions on competitive foreign articles. It went hand in hand with the protective tariff policy, and its purpose, as explained by McKinley, was "the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves and which do not involve any loss of labor to our own people, but tend to increase their employment."

Foreign countries now enjoy free access to our market for two-thirds the value of the products which they sell us. In my opinion, we should use our free list in bargaining for foreign markets for our surpluses, and not continue the suicidal policy of the present administration of making concessions on competitive imports.

The record of the last 4 years proves that trade treaties do not bring about world peace, but affect adversely the wages of American workmen.

In the short space of 8 minutes it has been impossible to cover the countless objections to, and fallacies underlying, the present treaty program. In this discussion the gentleman speaking on the other side takes the theoretical and idealistic viewpoint. I take the practical viewpoint that increased imports of competitive products means less work and lower wages for our own people.

How Shall Desterilized Gold Be Used?

EXTENSION OF REMARKS
OF
HON. H. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1938

Mr. VOORHIS. Mr. Speaker, the message from the President on unemployment was a most timely and powerful message not alone to the Congress but to the American people.

Among other things, the President suggested the desterilization of $1,400,000,000 of gold. He also suggested loans by the Public Works Administration to States and counties at no interest for the purpose of enabling them to finance public works.

I believe these two proposals should be tied together.

The Federal Reserve banks are required to maintain a 40-percent gold reserve behind outstanding Federal Reserve notes.

Why should not the Treasury of the United States use the $1,400,000,000 of gold as reserve for an expansion of Government credit to the States and counties and, I would add, to Federal agencies carrying on self-liquidating public works? Thus we would have available, if we applied the same ratio of expansion as that permitted the Federal Reserve banks, some $3,500,000,000 of Government credit for such advances as the President has proposed. And the Federal debt would not be increased. No bonds would need to be sold. The gold would still remain in every respect the property of the United States Government. As the money was repaid by the borrowers a revolving fund could be set up which could, with careful management, be kept intact for use in future crises similar to the present one.

To my mind, this is the sort of continuing machinery for dealing with unemployment which we must consider.

Vocational Education

EXTENSION OF REMARKS
OF
HON. SAM HOBBS
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1938

WATT T. BROWN, PIONEER IN VOCATIONAL EDUCATION

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein an article written by an eminent newspaperman of Gadsden, Ala., upon the subject of the contribution to the cause of vocational education which has been made by a distinguished constituent of mine, a former State senator and Lieutenant Governor of Alabama, the Honorable Watt T. Brown.

Vocational education is so dear to the hearts of this Congress, which has increased the Federal appropriation therefor by $10,000,000, and to the hearts of the people generally, that I feel that this article may prove of interest to the many who desire to know more about the pioneering so ably done in the early days of the fight for this type of education.

What time can accomplish if a matter is kept properly before the public and its principles are right—even though advocated chiefly by one individual—was never better demonstrated than

in the development of the program of vocational education in the United States.

In 1905 Hon. Watt T. Brown, a businessman of Ragland, Ala., while a member of the Alabama Legislature, started a campaign for more practical education among the masses. His idea was to teach and train in all vocations that the people need or desire in order that they can better earn the bread of independence and lighten many burdens of life.

He has never ceased to labor in behalf of his ideal and today the great system of vocational education stands as a monument and tribute to his vision and practical pursuit of his goal.

The Alabama School of Trades at Gadsden, Ala., was his first great accomplishment in his program and it is being assisted today in his work through funds made available by the Federal Government as a result of legislation adopted in furtherance of the program Mr. Brown received.

This school, which was given recognition among other ways by the L. & N. Railway naming a station there "Trade School," is this year operating on an expanded program under the recently enacted George-Dean measure which has enabled it to teach in a practical way more of the agricultural trades. Additional land is being provided to carry out the program under the new set-up, which today is making possible the carrying out of details in the program as Mr. Brown conceived it many years ago.

In 1910 Mr. Brown was elected State senator and was appointed chairman of the education committee of that body. He drew and had passed a bill establishing the Alabama School of Trades at Ragland. It was signed by the Governor of the State April 10, 1911. Its maintenance appropriation was made dependent on condition of the State treasury and the money was not made available until 1924, and the institution opened its doors in 1925. Before it was opened the State education department thought a different location might be better for the school to do the important work that was outlined. Senator Brown, who was chairman of the board of control, readily agreed to allow the legislature to amend the act looking to a better location. After looking over many sites Gadsden, Ala., was selected.

Under terms of the school act of 1930 the control passed to the State board of education. At this time the education department had the act amended creating an advisory board of three. The founder, Hon. Watt T. Brown, was named in the act as chairman for life, the other members to be appointed by the Governor.

The school is doing wonderful work, but even today money is needed to pay teachers' salaries in order to care for boys on the waiting list.

Committees from several States have visited the institution with a view of starting similar schools.

In August 1913 Mr. Brown began a campaign for national legislation by going to Washington, conferring with several Senators and Congressmen, and calling attention to the need of the country as a whole having education and training in a more practical way. He called attention to what Alabama had already started to do.

Congressman Oscar W. Underwood, who was chairman of the Ways and Means Committee and of great influence, became very much interested and advised Senator Brown when he returned to Alabama to call together the heads of all agricultural schools and others doing vocational work and get together on a bill. Underwood said he would introduce the bill in Congress and try to have it passed. This was all carried out, a bill was drawn by Senator Brown and offered to a committee of five of which he was chairman. It was accepted in full and sent to Underwood in December 1913, signed by the whole committee.

At this time Senator Hoke Smith, of Georgia, had introduced a resolution in the Senate to have the President appoint a commission to study the question with the object of drawing a bill. Underwood held up the Brown bill to see what would become of the Smith resolution. This went through and a commission was appointed. Senator Brown was strongly recommended for one of the commission, but only one layman was put on. The bill drawn by the commission followed the Brown bill closely. The Smith-Lever and the Smith-Hughes separate bills were all covered in the Brown bill as one. This legislation passed Congress and became law in 1917.

Senator Brown in 1919 introduced and put through the legislature the Alabama bills matching Federal funds with State funds to get the benefit of these bills as required in the law.

When in 1914 Mr. Brown ran for the short term of United States Senator, the principal feature in his platform was better vocational training for the masses and cheaper money for the man of small means.

In Senator Brown's files today are hundreds of letters from leaders in every field—educational, political, business, and industrial. They endorsed his plan and offered assistance in the campaign to bring greater opportunity to the vast majority of boys who would never be able to attend college, and most of whom would never find it possible to go through high school.

Throughout the years-long fight for this type of education Senator Brown has stressed one word above all others—"practical." He wants the boys and their families and their country to have the fullest possible benefit from their labor.

When the national commission was to be appointed for the purpose of drafting legislation, recommendations sent to President Woodrow Wilson urging appointment of Mr. Brown came from many leaders in the South, including Dr. George H. Denny, president of the University of Alabama; H. L. Whitfield, president of the Mississippi Industrial Institute; Isaac W. Hill, former superintendent of education for Alabama; Clark Howell, editor of the Atlanta Constitution; S. Davis Warfield, president of the Southern Settlement and Development Organization and also president of the Seobard Airline Railway; W. P. G. Harding; John Skelton Williams; W. W. Finley, president of the Southern Railway, and many others.

The history of Mr. Brown's fight for vocational education goes back to the early days of that movement in the National Legislature. He conferred with and advised Senator Page, of Vermont, in the early part of the century when Mr. Page introduced one of the first vocational education bills in the United States Senate. The original bill by Senator Page went through Republican administration without passage and when a Democratic Congress took control, Mr. Brown carried his fight into that body and the Smith-Lever and Smith-Hughes bills were the outgrowth.

That Mr. Brown's work had received wide recognition even prior to inauguration of his campaign for national legislation is evident in letters and statements made at the time by those who observed and were interested in education in those days. One such letter was written November 7, 1913, by Clark Howell, then editor of the Atlanta Constitution, to President Wilson recommending warmly the appointment of Mr. Brown as a member of the Industrial Commission. Mr. Howell, publishing a great newspaper in the home State of Senator Hoke Smith, stressed the long fight Mr. Brown had waged and pointed out his qualifications in these words.

"Mr. Brown is a member of the Alabama Senate and chairman of the educational committee. He is a practical businessman and probably more experienced than any man in Alabama, if not in the whole South, along the special line of work of the proposed commission.

"Mr. Brown has been very actively engaged in pressing the importance of industrial education—not theoretically but practically. At his instance one of the best schools of that kind in the South has been established, and Mr. Brown is chairman of the board of the Alabama School of Trades.

"If you looked through the South, I do not believe you could possibly find a man who combines more qualifications to serve on this commission than Mr. Brown."

About the same time S. Davies Warfield, president of the Seaboard Railway, was writing President Wilson as follows:

"Knowing Mr. Brown's eminent fitness for a place on such a commission, I would * * * call your attention to the work which has been performed by him already in connection with the subjects that would be dealt with by the commission."

W. W. Finley, president of the Southern Railway, endorsing the work of Senator Brown, wrote him that—

"The industrial opportunities of the Southeast are so great that I feel sure a school conducted along the lines you propose would be of great value."

In the record of the proceedings of the seventeenth conference for education in the South, held in Louisville, Ky., in 1914, we find a report of an address by Mr. Brown in which his early vision is expressed in this excerpt.

"Education to be effective must be practical in its bearings upon the home, the farm, and the factory, and national in outlook. Our schools are face to face with the stern duty of preparing the youth of the land for social efficiency, and if we would derive the best results, we must give the kind of education the children need. In farming centers we should have schools dealing with the problems of farm life, in the cities schools which teach business principles, and in the mineral districts schools adapted to that section. * * * Of course, everyone should have a common-school education to the extent they will use in their daily lives, but to this must be added other important essentials, the practical side, the knowing how to do and make things. Teaching along theoretical lines only and leaving off the practical side is of little value."

An old letterhead designed and printed for use of the Alabama School of Trades when it was first authorized carries a graphic design depicting the purposes of the vocational education program as Senator Brown conceived it, and it has been developed throughout the country today. It points the way for the development of young and untrained boys, first in theory, then in the practical learning of agriculture, stock raising, mechanics, dairying, and poultry raising, showing the emphasis put on the fundamental production occupations.

The program has gone a long way since those early days, and has been expanded to include every sort of practical training in all the trades of farm and factory and all kinds of professions and occupations for the men who labor.

Railroads, the American Hotel Association, large manufacturers, and many others displayed a keen interest in this work many years ago and because of its demonstrated value are still giving it their support and endorsement.

Senator Brown contends that this type of education and training is the best method of achieving more equitable distribution of wealth among the masses, by raising the earning power of the people. He believes that it is the best method of settling differences between capital and labor, and the bringing about of a better balanced distribution of agriculture and industry; and is the best solution of the wage and hour question.

He also believes the Government could accomplish a great deal and is missing a wonderful opportunity in not teaching and giv-

ing practical training along vocational education lines to boys in the Civilian Conservation Corps camps.

When these young men are thrown back into citizenship, they will be better prepared to meet the conditions of life.

Senator Brown is in the coal-mining business, and has been for many years; he is now residing at Wattsville, Ala., a town named in his honor by the Seaboard Air Line Railway.

H. R. 9800 (Formerly H. R. 8585), Bill for Monetary Control

EXTENSION OF REMARKS

OF

HON. CHARLES G. BINDERUP

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 13, 1938

Mr. BINDERUP. Mr. Speaker, under leave to extend my remarks, I include a resolution passed by Goodrich Local, No. 5, United Rubber Workers of America, numbering about 1,500 members, of Akron, Ohio, also report of legislative committee of Evergreen Grange, of Diller, Oreg., both of which favor the enactment by Congress of the above legislation.

They are as follows:

RESOLUTION

Whereas we the officers and members of Local No. 5, U. R. W. A., numbering more than 11,000 rubber workers in the city of Akron, Ohio, being fully convinced that a drastic change in the control and operation of our monetary system is as vital to the future preservation and stability of our country as the blood stream is essential to the human body; and

Whereas we believe that H. R. 9800, as introduced by Mr. BINDERUP, of Nebraska, provides the proper means of restoring to the American people the necessary financial security, and paves the way for renewing and perpetuating a greater and finer democracy in these United States of America: Therefore be it

Resolved, That this organization forward copies of the resolution as drafted and adopted to the following United States Congressmen petitioning their support for H. R. 9800: Representative CHARLES G. BINDERUP, of Nebraska; Senator ROBERT J. BULKLEY, of Ohio; Senator ROBERT F. WAGNER, of New York; Senator ROBERT M. LA FOLLETTE, of Wisconsin; Representative JERRY J. O'CONNELL, of Montana; Representative JOHN T. BERNARD, of Minnesota; Representative DOW W. HARTER, of Ohio; Representative JOHN MCSWEENEY, of Ohio; Representative MICHAEL J. KIRWAN, of Ohio; Representative ROBERT CROSSER, of Ohio; Representative LAURENCE E. IMHOFF, of Ohio.

REPORT OF LEGISLATIVE COMMITTEE TO EVERGREEN GRANGE

DILLARD, OREG., *March 28, 1938.*

The legislative committee of Evergreen Grange has studied the bills now before Congress, H. R. 8585, H. R. 7230, and S. 1990, and consider these bills worthy of Grange support.

Of the three bills we especially favor H. R. 8585, as it is more comprehensive and fills the need of money reform more completely. Therefore, we urge the adoption of this report by Evergreen Grange, and State and National Grange.

J. B. DAVIS.
J. D. CHAPPELLE
A. B. RICE.

Government Reorganization Bill

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1938

Mr. MEAD. Mr. Speaker, now that the excitement stirred up by propaganda in opposition to the reorganization bill has quieted down, I desire to make a brief explanation of the provisions of the measure and to answer several of the more important objections made against the bill.

Reorganization is not a new proposal, nor is it to be considered as one of the creations of the New Deal. Presidents since 1893 have pointed to the need of Federal reorganization. Time and again Congress has considered this subject, and within recent years Presidents Wilson, Hoover, and Roosevelt were authorized to rearrange our Federal agencies.

The charge of dictatorship often cited by critics as a principal objection to the bill has no foundation in fact. A careful examination of the text of the bill will not sustain such a charge. As a matter of fact, the civil-service provisions of the bill, as well as the sections relating to the new Comptroller General set-up, leave the President with less power than he enjoys at the present time.

It is true that the Senate bill presented no opportunity for the Congress to review Presidential orders, but this situation was corrected in the House bill. The bill as recommitted required that all Presidential orders lay before the Congress for a period of 60 days; and Congress was also given the authority to set aside such orders by a mere majority vote of its members.

A brief summary of the House reorganization bill will serve to dissipate much of the misunderstanding and misapprehension which has been built up by the opposition or by the critics of the administration.

The five principal provisions of the House bill include:

(a) Authorizing the President to appoint six secretaries.

This should involve no additional expense, because the President is allowed three secretaries at the present time, and he is also furnished with assistants charged to other departments of the Government.

(b) Authorizing the President to reorganize the 133 existing Federal agencies, boards, and commissions, many of which perform functions which are interfering, overlapping, or duplicating.

These agencies have grown and developed throughout a number of administrations, and Presidents Theodore Roosevelt, Taft, Wilson, Coolidge, and Hoover appealed to Congress for opportunity to perfect a more orderly and more rational set-up. We have a dozen forest services, several separate consumers' councils, numerous legal divisions and purchasing agencies, all of which prevent efficient administration.

(c) Creating a department of welfare.

This, like the other provisions of the bill, presents nothing new. Practically every President since the turn of the century has recommended the creation of a department of welfare. It is necessary to house some 25 or 30 related agencies.

Many of the States of the Union, and practically all the advanced nations of the world, have a welfare department. Its creation by the Federal Government would unite and coordinate the sprawling, inefficient agencies that now exist.

(d) Creating a comptroller general and placing that office in the executive department; also creating an auditor general, who is to be the agent of the legislative branch, and who will make his reports on executive expenditures to the Congress.

When it is considered that we were without a comptroller general for the first 131 years of our country's existence, and when it is considered that the present Comptroller makes but a sketchy, meager report of expenditures to the Congress—not over 3 percent of the total—this system is surely a vast improvement over the old order.

The new set-up is in harmony with the decisions of the courts. The comptroller will be the Executive's monitor of expenditures, while the auditor general will serve in like capacity for Congress. The comptroller general will continue the present preaudit system, while the auditor general will give to Congress, for the first time in the history of the Nation, a complete accounting of all expenditures.

(e) Authorizing the reorganization of the present Civil Service Commission.

In keeping with modern trends, both in governmental and private activities, and following the recommendations made by the advanced opinion of our time, there is recommended

the creation of a civil-service administration which will include a chief personnel director with an assistant and an advisory board of seven members.

Both the personnel director and the deputy personnel director will be selected as a result of civil-service examinations. They will be appointed by the President and confirmed by the Senate of the United States, and they will hold office subject to the proper discharge of their responsibilities for a period of 7 years.

The civil-service advisory board, charged with the duty of protecting, expanding, and improving the merit system, will be appointed for a period of 7 years, with staggered terms, and with no more than four members of the same political party.

In addition to the board, and for the further protection of the civil-service employees, there will be set up in the various departments of the Government, boards of appeal and review, whose responsibility it will be to hear the complaints and the grievances of the employees arising out of efficiency ratings.

Many endorsements and communications have been received and placed in the CONGRESSIONAL RECORD from national groups interested in the advancement of the merit system, as well as from labor groups and Federal-employee organizations. Included in this list are to be found the National Junior Chamber of Commerce, the League of Women Voters, the National Civil Service Reform League, the National Association of Postal Supervisors, the National Federation of Federal Employees, the United National Association of Post Office Clerks, the United Federal Workers, the Non-Classified Federal Association, the Federation of Architects, Engineers, Chemists, and Technicians, as well as numerous other individual organizations and unions.

Another misunderstood provision of the bill was that which provided for the transfer of the Bureau of Education from the Department of the Interior to the new department of welfare. It was assumed by some that authority was included in the bill to expand the activities of the Bureau of Education. It was charged by others that a virtual dictatorship over private and parochial schools would be set up in these United States.

An examination of the text of the bill indicates that such charges are without foundation, and that no new authority would be granted the Bureau of Education under the provisions of the reorganization bill. It would merely permit of the transfer of this agency from the Department of the Interior—where it is associated with such activities as mines, coal, oil, and parks—over to a department which would house other social, scientific, and welfare agencies.

The charge that it would in any way interfere with the authority of our State departments or local boards of education cannot be substantiated by the facts.

The fear that it will diminish the freedom now enjoyed by our parochial schools is discounted by numerous statements from high church authorities. There can be found in the CONGRESSIONAL RECORD statements by the Right Reverend Monsignor Michael J. Ready, general secretary, National Catholic Welfare Conference, Washington, D. C., and the Right Reverend Archbishop Edward Mooney, of Detroit, Mich., as well as by His Eminence Cardinal Mundelein, of Chicago, all indicating that they have carefully considered the provisions of the bill and found no interference with the welfare or the freedom now enjoyed by the parochial schools of the Nation.

Now that the bill has been recomitted for further study, I trust that our citizens will give this measure the fair and impartial consideration it merits.

The admonition of President Hoover in 1932, when his reorganization proposal was set aside by the House of Representatives, is as full of meaning today as when it was uttered. The President on that occasion made it emphatic that no reorganization would become effective unless the Congress of the United States gave to his successor much larger powers of independent action than had been given to any President in the past.

We must penetrate deeper and look beyond the propaganda which has been fostered against this measure; and in keeping with true Democratic ideals and traditions we must advance with steady but careful progress in improving the efficiency of our Government.

Every element of our population, realizing the withering fire that has been leveled against the democratic nations throughout the world, must make a constructive contribution to the improvement of our institutions, to the end that our Government will serve as an example for the world to follow.

The Highway of Tomorrow

EXTENSION OF REMARKS

OF

HON. JOHN McSWEENEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1938

STATEMENTS OF THE ORIGINATOR OF THE SUPERHIGHWAY PLAN

Mr. McSWEENEY. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following statements of Mr. Steiner, who is the originator of the cross-country superhighway plan, and has appeared twice before congressional committees explaining his plan. He is an extensive traveler and has written four books outlining the highway of tomorrow made possible by the ideal of today:

Seeing the need of finding employment for idle men and continued vitalizing of industry as a means of national recovery, I conceived the idea about 5 or 6 years ago of building large highways for the Nation, that would bring benefits to all classes in all sections for years to come.

I wrote to President Roosevelt nearly 5 years ago and received a very complimentary reply to my letter from Louis McHenry Howe, his devoted Secretary at that time. Later, however, I received a letter from the Chief of the Bureau of Roads of the Agriculture Department, saying we had no need for superhighways in this country. We, however, did not allow this to discourage us, and in my endeavors and in my travels, which were quite extensive at that time, and coming in contact with all classes of people in all sections of the country, I became convinced all the more of the need of superhighways, and I then began to present my plans and ideas to Members of Congress with the result that my good friend, Congressman JENNINGS RANDOLPH, from the State of West Virginia, introduced House Joint Resolution 542 in the Seventy-fourth Congress, and the introduction of this resolution March 24, 1936, and the hearing, April 29, at which time on invitation by the Honorable WILBURN CARTWRIGHT, of Oklahoma, chairman of the Committee on Roads, I had the privilege of addressing the committee outlining the full plan, its purposes and possibilities, which resulted in publicity in practically all the newspapers of the country.

This convinced me all the more of the need of this great project in order to catch up with the streamline age in which we are living. You know we are living in a very fast age, but only about 65 percent of our population can maintain the standard of living that is now upon us. We, therefore, must do something to enable the remaining 35 percent to have a purchasing power to enable them to catch up with the times, and when this is done we will have have no depression, consequently no unemployed. Machinery that is now taking the place of men would not be a curse but a blessing to mankind. I wish we could go further into the economic question.

However, to make a long story short, we are proposing the building of a great transcontinental coast-to-coast superhighway from Boston to San Francisco, that will be 538 miles shorter than any existing highways between these great cities, and 550 miles shorter than any existing railroads, making this a very valuable asset to the United States Government for military purposes as we will be able to transport our armies and army equipment to either coast within just a few hours' time.

We are going to make this superhighway, which will be the finest and greatest road in the world, not only self-supporting, but self-liquidating, by charging not a toll, but a small super and deluxe tax of one-fourth cent per mile to automobiles for the privilege of driving on a highway without red lights, railroad

crossings, short curves, steep grades, city streets, no truck on auto road, no danger of crashing into cars coming from the opposite direction, or driving in from driveways or cross roads, a road at least 10 percent shorter than any ordinary road, well lighted for safe and comfortable night driving, and besides the pleasure of driving on a road with at least 400 percent greater safety, you will save possibly 50 percent of your time, and likewise 50 percent of your traveling expenses, hence every dollar you invest in this super and deluxe tax will save you many dollars, as the shortened distance will create a saving on gasoline that will take care of all super and deluxe tax you have paid. We will charge a small bridge toll, however, this will not be an additional burden as you pay bridge tolls on most of the ordinary roads. You will, however, not be required to stop and pay bridge tolls along the way, as all your tolls will be paid at the place of entry before you reach the main highway.

In addition to this great east and west superhighway you will have north and south highways from the metropolitan district of New York and the Great Lakes regions to Florida, and from the Canadian border in Minnesota to Laredo, Tex., connecting with the Pan American highway leading toward Central and South America. These north and south highways will be equally as efficient as the great transcontinental highway, all of which will be 450 feet right-of-way, which will be bought and paid for in cash, and on real estate, taxes will be paid to the States and counties, thus assisting them in their taxation burdens. On this right-of-way will be 45 feet paved for private cars only, 55 feet to be paved for trucks and busses capable of carrying 50 or more tons, 20 feet between with barrier fence in center for parking and entrance and exit ramps, 10 feet on the outside of each road for parking and ramps, with a barrier fence on the outside, 30 feet allowed for ditches, drainage, cuts and fills, and roadbed protection, 125 feet on each side for landscaping and beautifying and preserving the natural scenery of the country.

This wide right-of-way will take care of keeping private property from monopolizing the sides of the road and giving it the appearance of a city all the way, and still the 125 feet is not too wide to see over and get the benefit of natural scenery and prevent the monotony of a park all the way, which might happen with a wider right-of-way.

May we say that the investment of our country's excess resources will not interfere with any present or ordinary roads, or any plans or appropriations intended for improving present roads and the building of additional farm-to-market roads. Neither will it detract from the popularity of any ordinary roads, as these great roads will be free from all buildings except in community centers, which community centers will be located approximately every 12 miles, depending, of course, on the lay and contour of the land. There will be 3,000 feet by 3,000 feet service centers which may be considered as Government parks, where sites will be leased for the erection of gasoline stations, repair shops, restaurants, and all kinds of recreations. May we say that improving these service centers will require the investment of vast sums of private capital in the building of gasoline stations, repair shops, restaurants, and other improvements. It is fair to estimate that there will be several thousand gasoline stations needed, and all of them, as well as all other improvements, will be erected on highly restricted architectural plans and the lessees, including the large gasoline companies, will be required to buy brick and hire bricklayers, lumber and hire carpenters, plumbing supplies and hire plumbers, electrical wiring and fixtures and appliances and hire electricians, and for the gasoline stations many tanks and pumps will be required, and, of course, they will be manufactured in many of the manufacturing plants of the country. In addition to the ordinary labor required for excavating and installing the tanks and pumps, much additional labor will be required in other directions. All of these equipments must be transported by the railroads and trucking companies, which obviously will add to their prosperity.

All industry and business will be stimulated to such an extent that large profits will be the result and from large profits corresponding and even larger income taxes will be realized as in addition to larger income taxes by industry paying income taxes, it will develop many smaller businesses into income-tax payers. Many will thus have higher incomes and, in fact, those who are now on relief and are a burden to their Government will be earning sufficient wages to not only provide for their own wants, but may also become income-tax payers, especially if the brackets stay where they are now. And, of course, the leasing of these sites will increase our revenue which, together with the revenue from automobiles paying small tolls and much larger tolls from commercializing the truck and bus roads, and from franchises to common carriers and airplane companies for the use of our lighted highways for the operation of airplanes, will produce revenue sufficient to take care of our total $12,000,000,000 bond issue, together with the interest on the bonds, and allowing ample maintenance, policing, patroling, lighting, taxes, and all other expenses.

May we say that this will enable you to make long distance trips with safety and pleasure heretofore unknown, and in conclusion, we believe that if we are to maintain the high standard of civilization, the American order of social justice must be placed on a sounder basis, and as our proposal provides for the building of these great superhighways by the investment of idle resources without the Government investing one penny, this will be the panacea for a restless people, many without work, and it will constitute the missing link for permanent prosperity.

Kosher Poultry and the Consumer

EXTENSION OF REMARKS

OF

HON. ROYAL S. COPELAND

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, April 20, 1938

ADDRESS OF WILLIAM F. MORGAN, JR., COMMISSIONER OF MARKETS OF NEW YORK CITY

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the commissioner of markets of New York City, Mr. William Fellowes Morgan, Jr., on a very interesting subject.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We visit a typical New York City Jewish home on a Friday afternoon and find Mrs. Kosher Consumer cooking chicken for her family. According to her faith, some kind of food that may be called a luxury should be eaten on the Sabbath, and poultry suits the occasion. This family is one of the 77 percent of New York's Jewish population who eat poultry killed in accordance with kosher law, but this percentage is becoming increasingly smaller each year.

The demand for live poultry in our city is predicated on the Jewish population, which has remained stationary while the younger generation is definitely not demanding live poultry. This housewife has paid her neighborhood kosher meat dealer 34 cents a pound for poultry. Yet, the farmer who raised the fowl in Indiana or any of the 38 States supplying the city, was paid 17 cents a pound, an average price. What happened to make up the difference?

We bring the chicken back to life, take him once again to the farm and follow it to the housewife's kitchen.

When the fowl became ready for market, a huckster called at the farm and bought a number of heads of poultry from the grower. After calling upon a number of farms in his particular route or district, the huckster brought his entire collection of poultry to a country agent or central market receiver. Our chicken is now just one of the thousands of birds placed in special baskets waiting for the agent to make up his truck load, which weighs 7,000 pounds, ready for the New York market. For the trouble entailed in this assemblage, the huckster and country agent are taking 1 cent a pound.

Our feathered friend is now on its way to the New York City market. The country agent owns the truck, and his men operate it. Formerly the agent shipped his poultry by railroad via the patent car, but he soon found that the new trend of shipping by truck was suited to poultry and cheaper than rail. Sixty percent of all live poultry reaching our city today arrives by truck and the railroad is practically limited to long hauls. For bringing the chickens into New York 1¾ cents is added to our poultry price, but that is not all, while en route some of the poultry died, and most of the others became thinner due to improper feeding and congestion. This item, invisible as it may be, is paid by the consumer. The industry calls it shrinkage and a trifle more than 1 cent is added to the pound price.

After riding the highway for hundreds of miles, the bird arrived at West Washington Market where the New York City receivers are located. It is now worth almost 21 cents a pound. The West Washington Market, known to old New Yorkers as "the goose market," is owned by the municipality and administered by the department of markets. Peeping through a basket, but still on the country agent's truck, the fowl saw four men making coops ready for their arrival. These men are employed by the receiver, and known to the trade as "stand men." They transfer the poultry from the country agent's basket to the receiver's coop and make themselves generally useful around the platform or stand, nailing coops and stacking them. These men belong to the International Brotherhood of Teamsters, Chauffeurs, Stablemen and Helper's Union, Local 167. When this local was organized back in 1916, the stand men were receiving $15 a week for their labor. They are now getting $47.50 a week. Due to this labor operation alone the fowl takes on one-fourth cent a pound more.

To facilitate handling and before the stand men touched the fowl, two loaders, members of Local 435 of the Carmen and Handlers' Union, jumped on the country agent's truck and removed the baskets, which were piled high on the truck to the tailboard. Until recently there was no such loader labor, but because of the trend toward trucking rather than shipping by rail, the industry has been forced by the labor unions to take on these loaders who formerly worked on patent freight cars, and who would otherwise be unemployed. In other words, this is an item forced on

by labor to make up for the difference saved by the shipper and applying it toward the support of unemployed laborers whose work has been curtailed.

After inspection by United States Department of Agriculture veterinarians, at a cost of 8 cents a coop, our fowl was grabbed by a stand man and placed in a coop, which was rented at the rate of 65 cents each by the receiver. Once in this crate, it was brought onto a scale and weighed by a weighmaster who belongs to Weighmaster's Union, Local 404, and receives a weekly salary of $50. The receiver hoped to get 1 cent a pound for himself on the outright purchase, but this particular sale was on commission, and the receiver charged the weighing, inspection, coop rental, and unloading to the country shipper, after taking 1 cent for himself as commission. The fowl became just a bit more expensive, and is now worth 22¾ cents a pound.

Fowl cannot stand around idle; it must be moved fast, and the faster it gets to the dinner table, the cheaper it will cost in the end. Having been notified of the arrival of the fowls, the wholesaler or slaughterhouse operator (one of the 250 in New York City) dispatched his truck to the West Washington Market. The men who labor in and around the slaughterhouse, who drive the truck and assist generally, also belong to Local 167. They receive regular compensation of $94 every 2 weeks, the same as the stand men at West Washington Market.

The fowl was brought to the slaughterhouse and made ready for execution according to the Jewish dietary law. The act was actually done by a schochet who is certified by a rabbi as a suitable person to perform the ritual and is a representative of the synagogue in the performance of this rite. The act of ritual slaughtering consists of cutting through the windpipe and gullet. The veins along both sides of the neck of the bird must be pierced at the time of slaughter. The many details of the act of ritual slaughter may be found in the Talmud. For this service the schochet was paid a flat half cent a pound but his killing is limited to no more than 12,000 pounds a week. He is a member of the Schochtim Union, Local 370, which has an agreement with the operators of slaughterhouses guaranteeing the schochet a minimum wage of $45 a week. Besides maintaining a schochet and laborers, the slaughterer must maintain a staff of salesmen and office workers, who are also unionized and belong to Local 662 of the Poultry Workers' Union.

After slaughter a metal tag was attached to the chicken's leg certifying that it was kosher-killed. The person who affixed this tag or plumba is a member of the Plumbeerers' Union. For this tag alone one-quarter cent was added to our cost. At the present time there is so much controversy revolving around this charge that the fee is being held up due to a test case in actual litigation. After payment of labor, administration, miscellaneous expenses, shrinkage, and other costs of maintenance, plus a profit of one-quarter cent a pound for himself, the slaughterhouse man adds another one-half cent to the pound. In the meantime, the price of the fowl steadily rose to a new price of a little more than 25 cents.

Our fowl now hangs in a kosher butcher-shop window. Here the selling of kosher meat is restricted to persons of the Jewish faith.

On Friday morning our housewife bought this fowl and found it to weigh 4 pounds, an average-size bird. The retailer sold it to her at 33 cents per pound, feathers and all. His margin was 7 cents a pound, which included, besides his profit, all his overhead. His salesman and plucker belong to Poultry Workers' Union 662 and are paid according to union wage scale. Not satisfied with his $27 a week salary, the plucker made a demand from the housewife of a 5-cent charge for plucking the chicken. This added 1¼ cents to every pound. The fowl finally cost the consumer $1.36, or 34 cents a pound.

At home Mrs. Consumer soaked and salted the fowl to draw all the blood from the meat, another ordinance pertaining to the preparation of kosher food.

Dinner will be ready before sundown.

New York City is the biggest poultry market in the world. Last year 358,000,000 pounds of poultry arrived in our markets, 45 percent of which came in alive. Until recently live poultry exceeded the dressed variety, but within the last few years it has lost its grounds to its nearest competitor, the dressed poultry. The continued high cost of live poultry is one of the important contributing causes.

With the decline of volume the need for labor in handling live poultry should have declined, but labor in this instance has consistently refused to follow the trend.

Criticism of labor in the poultry trade should be taken as constructive and in furtherance of its welfare. Unfortunately, labor in this industry formerly suffered because of its association with notorious racketeers. This definitely does not exist today. The incarceration of "Tootsie" Herbert, followed by a general house cleaning from within, has given live-poultry labor a clean bill of health. The industry at this time is only suffering from a "cut the nose to spite the face" situation.

In its eager concern to make work, certain strenuous policies and restrictive rules have been forced on the industry. The number of men that an employer must use and the establishment of a spread-the-work policy are having dangerous effects on the entire trade.

Several weeks ago the poultry receivers were forced by a threat to strike to employ extra men as loaders. Officials of the unions involved frankly admit that this was done for no other reason than to give work to unemployed members. While the cost per pound for this labor may be a small fraction, it has nevertheless added to the industry's pay roll. If the receiver works on a commission basis, this extra item passes back to the country shipper. Loud protests have already been received from shippers throughout the country, rebelling against the payment of this charge. The result may well be a diversion of poultry to other cities or to the dressed-poultry plants, and as a result prices for live poultry in this city will rise further.

Forcing unnecessary labor in any food industry can only mean an increase in the cost of living for the housewife. New York City consumers are being penalized for the unemployment in the live-poultry trade. New Yorkers are known to be generous toward their unemployed, but any extra hidden tax in the form of unnecessary labor is hardly a fair item for them to shoulder. The consumer should at least be acquainted with these facts and be heard from.

At a recent hearing held in the offices of the department of markets labor officials refused to either admit or deny that a big percentage of their membership are residents of New Jersey and recipients of relief in that State. They were asked by me to submit a list showing the residence of each member for purposes of a check-up. This was promised to reach my office the following day. Nothing has come of it, and the unions now flatly refuse to open their membership books for inspection. If it is true, as it seems, that the laborers live in New Jersey, it is an outrage that New York City housewives must assume the responsibility of providing relief for residents of a neighboring jurisdiction.

Labor's toll in the live-poultry business is extremely out of proportion to other industries. Ten percent of the average retail price paid by the live-poultry consumer goes toward handling, and this does not include country labor and transportation to the city. If the coal industry were to give labor this same proportion, coal would be selling in the neighborhood of $75 a ton. Fish, fruit, and vegetables, which are just as perishable as live poultry and must have as much handling, give only 5 percent of the retail price to labor. A dressed chicken could be kept in a freezer 1 year and a half for the same 3½ cents per pound that live poultry gives to labor, and this including all expenses.

The most discouraging note is the harmful effect that these charges have on the industry, for these same rates do not apply to its competitive industries. This has completely broken down the competitive position of live poultry and in turn caused a decline of volume.

As commissioner of markets, it is my first duty to keep the cost of living as low as possible. In conjunction with this duty, it is necessary to analyze or break down that span that exists between the farmer and the consumer. The live-poultry industry presents an excellent example of a span entirely out of proportion. This span should be shortened for the benefit of the consumer. Labor must do its part in staying within an equitable share of the consumer's dollar, and not abet in keeping the price of live poultry within the luxury range.

Refusal to change its policy will mean higher prices for live poultry and a curtailment of productivity, which can mean only one thing—more unemployment.

The U. S. S. "St. Louis"—New Cruiser Launched at Newport News, Va., Friday, April 15

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 18, 1938

Mr. COCHRAN. Mr. Speaker, it was over 100 years ago—to be exact, February 12, 1827—that the city of St. Louis, which I have the honor to represent, in part, was recognized by the Navy Department, a second-class sloop of war being named the U. S. S. *St. Louis*. With the exception of the period covering the last 16 years, the name St. Louis has been on a Navy vessel since that time.

Last Friday, as Miss Nancy Lee Morrill broke a bottle of champagne across the bow and said, "I christen you *St. Louis*," a new U. S. S. *St. Louis*, latest word in cruisers,

was launched at the yard of the Newport News Shipbuilding & Drydock Co., Newport News, Va., and the metropolis of the Middle West is again represented in the United States Navy. As the vessel smoothly and silently moved down the ways into the James River, whistles shrieked and several thousand cheered.

The launching was a novelty to some two dozen guests from St. Louis and Missouri. Homer L. Ferguson, president of the corporation, who constructed the vessel, warmly congratulated the sponsor as she crashed a bottle of Cook's Imperial Champagne, made by the American Wine Co., in St. Louis since 1859, against the bow plate, saying, "It was perfect." Miss Morrill, confident of her ability to do a good job, listened attentively to instructions given by Mr. Ferguson and told him she would not be a disappointment. She kept her word.

Mr. Ferguson said Miss Morrill's technique was "as neat as he had ever seen." He has had charge of many launchings.

Commander Herbert Dumstrey, chaplain, naval training station, naval operating base of Norfolk, offered the following prayer just before the hydraulic presses started the *St. Louis* down the ways:

Eternal God, creator of the universe and governor of nations, we have met here to launch this vessel into the service of a nation founded upon the principles of the freedom of religion and the brotherhood of man. Most heartily we beseech Thee with Thy favor to behold and bless Thy servant the President of these United States and all the officers of our Government, and so replenish them with Thy spirit that they may always incline to Thy will and walk in Thy ways.

We dedicate this vessel not to the service of war but rather in the interests of peace. "When a strong man armed keepeth his palace, his goods are in peace." We pray that on duty assigned this vessel shall never turn back, but ever shall sweep to the swift completion of her allotted task. In victory may mercy temper triumph and in extremity may no friend or foe ever look in vain to her for succor.

Graciously bless the officers and men of our Navy. May love of country be engraven on their hearts and may their severe toils be duly appreciated by a grateful nation. Behind the day's duty may they ever see the mighty outline of the Republic itself, which has stood for the glory of God and the peace of the world. If ever our ships of war should be engaged in battle, grant that their struggles may only be under an enforced necessity for the defense of what is right.

Hasten the time when the principles of holy religion shall so prevail upon all nations that none shall wage war for the purpose of aggression and none shall need it as a means of defense.

These blessings we ask through the merits of our Redeemer.

Miss Morrill, daughter of Mr. and Mrs. Charles Morrill, of St. Louis, was selected to christen the ship by Mayor Bernard Dickmann, who attended the launching. The sponsor, crowned queen at the Veiled Prophet Ball in St. Louis last October, had two attendants, Miss Theodosia Stark and Miss Virginia Unsell, nieces of Gov. Lloyd Stark, of Missouri, who graduated from the Naval Academy and served in the Navy for a number of years.

The luncheon party following the launching, given by Mr. Ferguson, was held at the James River Country Club, several hundred attending, including many officers of the Navy. The toast of Mayor Dickmann, "Here's to the *St. Louis*; may she be a peacetime ship," was warmly applauded. Mayor Dickmann served with the marines during the war.

A history of the vessels named after St. Louis follows:

U. S. S. "ST. LOUIS," FIRST OF THE NAME IN THE UNITED STATES NAVY

The *St. Louis* was a second-class sloop of war of 700 tons and 20 guns. Her length was 127 feet, beam 33.9 feet, hold 15.6 feet. She was built at the Washington Navy Yard at a cost of about $116,123, having been commenced on February 12, 1827, and launched on August 16, 1828.

From 1828 to 1845 the *St. Louis* served in the Pacific Squadron of Commodore Jacob Jones, the West India Squadron, the Pacific Squadron, and the East India Squadron of Commodore Foxhall A. Parker, at the time the commercial treaty was being negotiated with China.

During the following 3 years the vessel was in ordinary at the navy yard, Norfolk, Va., where she was rebuilt and lengthened 13 feet.

The *St. Louis* served in the Brazil, Mediterranean, African, and home squadrons from 1848 to 1860. During the early part of the Mediterranean cruise, on July 2, 1853, Commander Duncan N. Ingraham of the *St. Louis* compelled the commander of the Austrian frigate *Hussar* to release Martin Koszta, the Hungarian patriot who had announced his intention of becoming an American citizen.

On April 12, 1861, while attached to the home squadron, the *St. Louis* took part in the reinforcement of Fort Pickens, and on September 5, with the *Brooklyn*, captured the brig *Macao*.

On January 31, 1862, the *St. Louis* was recommissioned at Philadelphia and sent to the special-service squadron. She cruised in search of Confederate privateers and served on blockade duty until May 12, 1865, when placed out of commission at Philadelphia.

From 1867 until 1893 she served as receiving ship at the navy yard, League Island, Pa. In 1894 the *St. Louis* was loaned to the Naval Militia of the State of Pennsylvania. On November 30, 1904, while still in a loan status her name was changed to *Keystone State*.

On August 9, 1906, the *Keystone State* (*St. Louis*) was stricken from the Navy list and ordered sold. On June 5, 1907, sealed bids for her purchase were opened and she was subsequently sold to Joseph G. Hitner, of Philadelphia, Pa., the highest bidder, for $2,210.

SECOND U. S. S. "ST. LOUIS"

The United States ironclad *St. Louis* was a gunboat of 512 tons built by James E. Eads, St. Louis, Mo., under contract with the War Department, and launched in January 1862.

The U. S. S. *St. Louis* was one of the vessels of the flotilla in western waters, an Army organization under general naval command, and which was transferred to the Navy Department on October 1, 1862, under the name of the Mississippi Squadron.

On September 8, 1862, the name of the *St. Louis* was changed to the *Baron De Kalb*, there being another vessel named *St. Louis* in the Navy.

The *Baron De Kalb* served in the Mississippi Squadron until July 13, 1863, when sunk by a Confederate torpedo during operations below Yazoo City, Miss.

THIRD U. S. S. "ST. LOUIS"

The steamer *St. Louis* was a steel schooner built in 1895 at Philadelphia, Pa., by William Cramp & Sons for the International Navigation Co. The *St. Louis* and *St. Paul*, which were built in the same yard, were the first American-built ocean liners. Their construction was carried out under an agreement with the Navy Department which provided that they would be available for use as auxiliary cruisers in case of war.

The *St. Louis* was 535 feet 6 inches long, 63 feet in breadth, 25 feet mean draft. Her displacement was 14,910 tons; speed, 22 knots; batteries, four 5-inch R. F. G. and eight 6 pounders.

During the Spanish-American War the *St. Louis* was chartered by the Navy. She was commissioned at New York, N. Y., on April 24, 1898, and employed on special service between the United States and Cuba. During May 1898 she was employed in cable-cutting operations near Cuba, succeeding on May 20 in cutting the French cable to Cuba. Later for 48 days she was taken over by the War Department to carry troops.

On September 2, 1898, the U. S. S. *St. Louis* was placed out of commission and returned to her owners, after which she resumed her peacetime role as a trans-Atlantic steamer.

After severance of diplomatic relations with Germany in 1917 the steamer *St. Louis* was one of the first merchant

vessels equipped with guns. She operated as an armed guard vessel from March 14, 1917, to April 18, 1918.

On the later date her name was changed to *Louisville* and she was taken over by and commissioned in the Navy on April 25, 1918. The *Louisville* operated as a transport during the entire period of the World War and was returned to her owners on September 11, 1919.

FOURTH U. S. S. "ST. LOUIS"

The first-class cruiser *St. Louis* was authorized June 7, 1900; the keel was laid July 31, 1902, and she was built by Neefie & Levy, Philadelphia, Pa. She was launched May 6, 1905, and first placed in commission August 18, 1906. This vessel was of the following dimensions: Length, 424 feet; breadth, 66 feet; mean draft, 22 feet; displacement, 9,700; trial speed, 22.13 knots. She mounted fourteen 6-inch, 50-caliber guns as main battery.

After being placed in commission her shake-down cruise lasted through March 1907, when routine operations were carried out. She sailed from Hampton Roads May 25, 1907, for Rio de Janiero, Brazil. Departing this port July 5, 1907, she made her way through the Straits of Magellan for San Francisco, Calif., for duty with the Pacific Fleet.

A special cruise was made to Hawaii in June 1908, returning Hon. James R. Garfield, Secretary of the Interior, to San Francisco. After an extended period of repairs at Puget Sound she rejoined the Pacific Fleet in June 1909. Another cruise was made to Honolulu, including Fiji and Samoa, returning to the west coast in September 1909, and she was shortly afterward placed in reserve.

She was attached to the Pacific Reserve Squadron in December 1911 and conducted routine operations.

The *St. Louis* was receiving ship at San Francisco from April 1914 to February 1916. She sailed for Hawaii in July and was stationed there when the United States entered the World War.

This vessel got promptly under way for the east coast via the Panama Canal and arrived at Philadelphia May 29, 1917.

She sailed June 17, 1917, as escort to the fourth group of the first American Expeditionary Force to France. Upon her return she engaged in fleet maneuvers until October, when she departed from Halifax, Nova Scotia, for Plymouth, England, with members of the Commission on Coordination of War Activities to Great Britain. Shortly after returning to the United States she sailed from New York as escort to a convoy of merchant ships. Five subsequent convoy trips were made before the armistice.

From December 18, 1918, until July 14, 1919, the *St. Louis* operated with the cruiser and transport force, returning troops from France. Six round trips were made, during which 8,437 passengers were returned.

After her war service this vessel was placed in reduced commission at the Philadelphia Navy Yard until October 10, 1920, when she sailed for Constantinople, where she was attached to the United States naval forces operating in Turkish waters and did duty in connection with the evacuation of southern Russia.

The *St. Louis* returned to Philadelphia November 11, 1921, and was placed out of commission there March 3, 1922.

FIFTH U. S. S. "ST. LOUIS"

The U. S. S. *St. Louis*, light cruiser No. 49, was launched at the Newport News Shipbuilding & Dry Dock Co., Newport News, Va., at 10 a. m., April 15, 1938.

The tonnage of this vessel is 10,000 tons; she is 600 feet in length and has a beam of 61 feet 7 inches and a draft of 22 feet.

The vessel has 100,000 horsepower, which will provide a speed of 32.5 knots. Nine hundred men will be necessary to man the ship, which will carry fifteen 6-inch guns, eight 5-inch gun, .38-caliber antiaircraft guns, machine guns, and four aircraft with two catapults. The cost of the new *St. Louis* will be $12,000,000.

William P. Connery, Jr.

MEMORIAL ADDRESS
OF
HON. LAWRENCE J. CONNERY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 20, 1938

On the life, character, and public service of Hon. WILLIAM P. CONNERY, Jr., late a Representative from the State of Massachusetts

Mr. CONNERY. Mr. Speaker, eulogies rich in rhetorical beauty and graceful language, as well as those couched in the simple phrases of the ordinary man's vocabulary, have been pronounced in tribute to the memory of the late WILLIAM PATRICK CONNERY, Jr., Member of Congress for 15 years representing the Seventh Congressional District of Massachusetts.

Headed by the President of the United States, who said—

In the untimely passing of Congressman CONNERY the Nation loses an able man and conscientious legislator whose service can ill be spared. An earnest champion of the rights of the underprivileged as chairman of the House Labor Committee, he literally wore himself out in his effort to find in national legislation a solution for an age-old problem which would be just and equitable to the rights of capital and labor—

every branch of the Government had its representative voicing the respect and admiration held for him as a statesman. The tremendous outpouring of veterans, making his last journey the largest military funeral cortege ever seen in the East, silently paying final tribute behind muffled drums, testified to the esteem in which he was held by his comrades-in-arms. More than 300 sets of resolutions, covering almost every craft and trade in the United States, still show in unmistakable language the loss the laboring man felt in his passing. Little children vied with their gray-haired elders in telling of his many little everyday kindnesses to them.

So, then, no words of mine can increase that wealth of respect, admiration, gratitude, and esteem, and for that reason I will make no attempt at oratory in paying honor to Congressman WILLIAM P. CONNERY, Jr. Rather will I spend some happy moments in retrospection and by unfolding for you a life, so full of real living, pay very humble but loving tribute to my buddy, pal, and idolized brother, Billy.

Before me constantly are limned the words of the much hackneyed quotation "Nature made but one such man and then she broke the mold." There will never be another BILLY CONNERY. Combine the simplicity of the really great, the wit and humor of the cultured Celt, a warm sympathy for the underprivileged, a huge capacity for making friends and keeping them, every quality necessary for leadership, with honesty, integrity, personality, and decency and you have a composite picture of BILLY CONNERY.

BILLY was born in Lynn, Mass., on August 24, 1888, the son of William P. Connery, Sr., and Mary Haven Connery. Our father was also born in Lynn, but in many ways was more Irish than my mother, who was born in Thurles, County Tipperary, Ireland. They were both highly respected in the city of Lynn, and my father played an important part in the community, serving his city as mayor for 2 years. From them both BILLY inherited the sterling characteristics which made him so great.

His early education he received from the Sisters of Notre Dame and the Christian Brothers at St. Mary's School, Lynn, and at the age of 13 he matriculated for his first year of high school at Montreal College, where he quickly learned to read, write, and converse in French. He spent 2 years there and in his junior year entered Holy Cross Preparatory School at Worcester, Mass., and 2 years later continued at the college. He was elected president of his class every year while at Holy Cross and was hailed as the most popular leader at that institution. Under the tutelage of the Jesuits he developed a re-

markable philosophy of life and death which determined and motivated his way of living. Perhaps that philosophy can best be explained by this statement of his which he repeated so often:

A little whiff of pneumonia, 6 feet of ground, and then the only thing that matters is how much good you have done for your fellow man while on this earth. Eternity is a long time.

From the Jesuits he received also his first beginnings in oratory and dramatics, and while at college he won several prizes for declamation and took part in many college dramas.

A flair for acting, no doubt inherited from my father who had spent some of his early years on the stage, found BILLY in 1909 making his choice of acting as a profession. From that year until 1916 he toured the country with several of George M. Cohan's popular plays, did two or three seasons as a monologist in vaudeville, and then left the stage temporarily to accept a position in one of the General Electric plants located in East Boston. He was weary of traveling and wanted to be home.

In 1912 he married the daughter of an old friend of our father, Marie Antoinette LeGault, and in her he found an ideal understanding wife and loving companion. They were very happy and she shared his confidence as no one else did. One month before he died they celebrated their twenty-fifth wedding anniversary. Several times they were keenly disappointed in the loss of babies at birth, but on June 3, 1927, a lovely little girl, Marie Therese, was born to them and their happiness was complete. BILLY was a wonderful father. Not alone did he provide his little daughter with the many little things all children desire, but he loved to read to her and talk to her. He used to tell her how fortunate she was to have a good home, plenty to eat, and luxuries that many other little girls as good as she did not have. Every Wednesday he wrote her a letter in his own handwriting and they were masterpieces of fatherly love and guidance. She has them all tied with ribbon, and they will be her treasure house in the future. I mention this to show how important little things were to BILLY.

BILLY enlisted in Company A of the One Hundred and First Infantry of the Yankee Division in September 1917. I was already a sergeant of that company, and he joined it so that we would not be separated during the war. His record as a soldier is history. The records of this House contain testimonials to his courage, fearlessness, ability, and kindness.

Among his comrades in France he was "Cheer-up Billy," fatherly adviser to all, even his elders; comforter of the wounded and dying; always with a ready smile, no matter how dark the outlook; courageous and brave under fire. He was beloved by every one of the 30,000 men who proudly served in the Yankee Division. He had proven his devotion to them when he refused an officer's commission; his work was among them, he felt, and he preferred to remain an enlisted man in the ranks in order to carry on that work.

Our Colonel Logan promoted him to the highest enlisted-man grade in the regiment—senior color sergeant, One Hundred and First Infantry. In recent years, after repeated reelections to this House, and after many additional honors had been heaped upon him, I have often heard him repeat that the greatest honor ever bestowed upon him was when he was made the regimental bearer of the Stars and Stripes of the One Hundred and First Infantry. Such was his patriotism.

His love for his buddies and his complete understanding of their problems made him one of the earliest champions of the veterans in Congress. He carried on his fight for them through those early years, never lessening one bit when outnumbered, never appalled or silenced because of political expediency. He was a fair and clean fighter and true to his ideals.

After BILLY was mustered out of service he returned to vaudeville on the Keith circuit and did a fine monolog, telling stories and singing songs. You who knew him as a story teller, I am sure, agree with many connoisseurs of story telling that he was excellent. He had hundreds of stories and loved to tell them. He started gathering them when he was a youngster and with his remarkable retention could recall them at will. He was the center of attraction at every gathering and often cheered many a person with his ready wit and smile. He had a fine singing voice and a collection of songs equally as entertaining as his stories. At our family gatherings he would sing for hours, going from one song to another.

He gave up the theatrical life because he wanted the home life he had missed during the war, and he retired from it in 1919. He started in the wholesale candy-making business and continued in it until his election to Congress in 1922.

He was elected on a clear-cut platform which he outlined in very few words: "100 percent labor, 100 percent veterans, 100 percent justice for all the people all of the time." Not many in public office ever lived up to campaign promises any better than BILLY CONNERY did. The veterans, labor, and the underprivileged know how conscientiously he held to that platform throughout his entire service in Congress.

His greatest characteristic was his integrity. His word was his bond. He never hedged, evaded, or ducked an issue in his life. He was scrupulously honest and completely sincere. Deeply religious, he lived religion instead of talking it.

All kinds of honors were heaped on him while he lived. He knew popularity as few men know it. With success mounting yearly he never lost the underlying philosophy of his life. To quote Kipling, he "could walk with kings yet keep the common touch." He was "Billy" to everyone who knew him.

To me he was everything that one brother could wish for in another. A shining model of all that was fine in life, he was no prude, and we shared many happy hours together planning, exchanging ideas, campaigning in both war and politics, loving each other deeply, and understanding each other completely. He gave me so much to be proud of and such a fine example to follow that at times I have almost despaired of ever reaching his ideals. Yet, fully cognizant of what those ideals are, I have accepted the challenge so tragically flung to me by his death. While deeply conscious of a loss that can never be filled in my life, I feel that his undying spirit is still with me; and my inability to express adequately in few words the fullness of my heart in tribute to him must, of necessity and of intense desire, make my eulogy of him dissolve itself into a sacred promise to him to follow along the path he so gloriously leveled for me, and that while I fill his honored position in the House of Representatives, his philosophy of life will not have passed on with him. May his soul rest in peace.

Robert Potter Hill

MEMORIAL ADDRESS
OF
HON. LYLE H. BOREN
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1938

On the life, character, and public service of Hon. ROBERT POTTER HILL, late a Representative from the State of Oklahoma

Mr. BOREN. Mr. Speaker, we have assembled to devote an hour to tribute and a day to faithful memory for those of our colleagues who have departed these Halls as one might take a lamp and seek the couch of rest and retirement while we stay a little longer to cover up the embers that still burn.

In these Halls, each stair, each room, I find no place that does not breathe some gracious memory of my friend R. P. HILL, Congressman from the Fifth District of Oklahoma. In the memory of every man who knew him there lives the knowledge of kindly deeds, his great capacity for friendship, and a generosity which knew no stint nor bound. He was respected and appreciated by all of his colleagues, and most of you enjoyed the ties of intimate friendship with him, but

I sat with him in the cloak room, beside him on the floor, and before him at the Speaker's rostrum. In the tasks that were our daily burdens I have borrowed of his wisdom and vast experience. We were linked by the strongest ties of friendship; our ties were almost that of father to son.

Mr. Speaker, Memory stands today at my elbow and touches my attention to the many splendid hours of our association. Unspoken and unspeakable, I must leave unsaid the unwordable messages of honor, tribute, and eternal appreciation for a great, noble, and generous friend.

R. P. HILL was one of the few men awarded the rare honor of serving in the United States Congress as the choice of two different States of this great Union. Once the State of Illinois honored him by electing him to this great body and rewarded herself in receiving the products of his tireless energy and his devoted service. Then he joined the westward march of population lending aid to the development of our national destiny and after a score of years as a builder of a great new State, he was selected by the people of Oklahoma to serve them here. Oklahoma knew his great courage and indomitable will and he served with great fidelity and tireless energy the trust bestowed. The people of Oklahoma respected and loved him. They remember his public service with appreciation and gratitude and they miss him sadly.

The spear of the prince and the staff of the pauper must lie at last together. The tasks of the day at eventide are laid aside. At last there is rest when the task is done, but not in death; there is no death. The stars go down to rise again upon fairer shore. The closing of these doors but open on another room. I bid my friend adieu only as one says good night to one who seeks the other room—rest for a tired soul.

In the long vista of years to roll,
With me his memory nor his honor fade
And though other land retain his soul,
He lives also here—
In the results of his deeds and friendships made.

Government-Inspired Propaganda

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, April 21 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS BY HON. RUSH D. HOLT, OF WEST VIRGINIA, APRIL 18, 1938

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the Appendix a radio address delivered by me on April 18, 1938, on the subject Government-Inspired Propaganda.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

During the recent consideration of the Government reorganization bill, the issue of propaganda was raised again. The dormant lobby committee, known as the Black committee, was revived to investigate. The President of the United States was happy to announce that the Senate could not be purchased by telegrams. Everything was aimed to convince the citizens of the country that the propaganda was all on one side. The lobby committee showed no interest in checking the Government-inspired propaganda.

Before discussing the methods of the Government, I desire to say something about the telegrams and letters sent to Members of Congress. I am not one who believes the country will be destroyed because the citizens take an interest in their Government. To the contrary, I welcome the interest as a healthy condition. Take a look at the map of the world and point to the democracies and you will find that the right to petition has not been restricted there. Then point to the dictatorships and you will find that the people have been deprived of that right. When the right of individuals to send their protests to the Members of Congress was questioned, I wrote a letter, part of which I would like to read to you. It said:

"The attitude of those in control of the administration program that the individual citizens of America have no right to protest is a dangerous 'straw in the wind.' It was so important to the men who founded the Government that they wrote into the Constitution that right. The fear that has been instilled is bad for democracy. Individuals write and call me in opposition to the legislation and then caution me not to mention their names for fear of punishment. That is true of other Senators. Has it come to the place in this country that has always been the pride of those who believe in freedom that citizens fear to exercise their constitutional rights?

"You paid for your telegram. The pressure for the passage of the bill was paid for out of the Public Treasury, and you will have to pay part of that. You will have to pay for the needless expenditure of money that has been spent to please administration supporters.

"The right to petition is yours. Use it. Nothing will do more to carry out the wishes of the people than constantly keeping in touch with the action of your Government and expressing your approval or disapproval of the action. A man who fears the right of petition is not a believer in the principle of democracy. By writing your representatives in Washington you will contribute your share to making this a better government.

"Don't fear the attack upon your constitutional right. Exercise it more freely. The pressure here is to take the power away from the people. It is your duty and the duty of all other good American citizens to exert your influence to see that the power that is yours will not be further removed from your control through usurpation and delegation.

"I believe in the right to petition. I believe in the right of all others to petition. Any man who will try to take that right away from you is opposing democracy.

"This is your country. This is your Government. It is not just the Government of those elected or appointed to office. Your right is just as sacred as their right."

It has been estimated that 330,000 telegrams were received by Members of Congress during the reorganization fight and that the cost of these wires would amount to approximately $165,000. Compare that cost with the cost of one of the projects dangled before Members of Congress by the administration. Let us compare the lobbying to which they are objecting with the Government propaganda. It is interesting to check some of the telegrams received. Here are two read to the United States Senate by Senator FRAZIER, of North Dakota:

"Please support the President's administration bill that we may have W. P. A. in North Dakota next year."

And another one:

"Owing to the economic conditions in North Dakota, we urge you to support the President's administration bill for the continuance of the work program in North Dakota."

They were signed by county commissioners. These wires point out very clearly that the officials had been told that the works program was dependent upon the Senator's vote on the administrative program. Yet these spokesmen talk about a lobby using unfair propaganda. Here was the relief fund used as a club to try to drive a Member of the United States Senate to vote for a bill. This is just one of the instances where relief workers have been or would be punished to convince the Senators that it was advisable to take orders. That is part of the Government-inspired propaganda. Could it have been because Harry Hopkins was slated as head of the department of public welfare that the W. P. A. high command was so interested in the passage of the bill?

Let us look at other approaches to the people back home. First, look at the use of the press. Brookings Institution estimates that 250 press agents in certain governmental departments in Washington draw yearly salaries totaling $717,000. The head of a publicity unit in one agency said it was necessary to have 19 public relations experts and 16 employees in the editorial division of his bureau. However, it is impossible to get the exact total spent for public relations as the staffs in the different bureaus, commissions, and departments list the employees assigned to this work by every title. You will find them as administrative assistants, secretaries, statistical experts, one as a motorcycle messenger, and by many other names.

During 3 months of the campaign year of 1936, the agencies sent out more than 4,700 different news releases. Thousands of individuals whose duties are publicity are paid out of the Public Treasury. The amount spent will reach into the millions. Then, add to the Washington staff the large publicity units in every State and you will realize how extensive are the operations.

The best way to explain how the public is reached is to quote direct from a confidential paper given to the directors of information in the various States by the Works Progress Administration. It states:

"The American public gains most of its information and therefore formulates most of its opinions from daily and weekly newspapers. News, particularly localized news, about policies and projects of the W. P. A. will always have ready access to newspaper columns, simply because it is news. Therefore, the newspapers are the standard medium for reporting to the public on what W. P. A. is doing."

"At least one capable, experienced newspaperman, preferably one who has had extensive managerial experience and preferably one who has worked in the State W. P. A. headquarters city and knows

the personnel of the newspapers and press associations should be in every State information service. If it is not advisable for administrative reasons or because of his lack of the right temperament for leadership to make him the head of the information service, he should have such rank and salary as will enable him to meet the editors and reporters on equal terms."

It further outlines how rural papers should be given advantage of localized news. To reach certain types of periodicals such as labor, farm, religious, or professional they state:

"In order to avoid wasting time preparing material that might be unsuitable for the particular publication it is advisable to consult the editor in advance regarding the right 'slant' to be taken in the article."

May I again quote from this confidential report:

"Presentation by speech has one great advantage over the majority of methods of presentation by the printed word, especially in the cases of newspapers and periodicals. The advantage is that in speeches before assemblies and speeches over the radio it is permissible, without violating any of the canons of good taste, to editorialize—express opinions—much more than is possible in articles for newspapers and other publications."

Time does not permit any lengthy discussion of the subject. Let us now look at the approach through motion pictures. The purpose, of course, is the "putting forward of the best of the agency." That is natural. However, the fact remains that they do act as an agency to sell the program pictures. If the program is sold the administration gains support, and the Congressman who supports the program is benefited. There are hundreds of films available. I have a recent list showing 371 titles, but this is an incomplete list. The purpose is best explained by reading the Department statement:

"It is proposed that motion pictures, charts, models, and other forms of visual representation shall be employed as well as the printed and spoken word (newspapers, radio, and other similar media) in giving to the people a full and complete story." Of course, the fullness and completeness of it depends upon the individual employed.

Another approach is through the radio. This is an excellent opportunity to reach a large audience. During 6 months of the 1936 campaign the W. P. A. programs were used on 500 stations. The program for the 1938 election year calls for an even greater usage of the air waves. Of course, the program does not say "Vote for a particular individual," but the listener is shown that it is advisable to support the Congressman who in turn supports the W. P. A. program. One W. P. A. official very frankly stated:

"The objective here, as with our movies, is to sell the W. P. A. spending program as a sound, economic investment." If they do sell it as such, the administration gains.

Every community has one or more propagandists whose duties are to do a governmental service, but who actually have as their tasks the promotion of the administration. It is your money that pays their salaries to do a certain job, but the administration considers that the money is payment also for services as political propagandists.

The bosses on relief projects have as part of their duty the spreading of the administration story. They are not top-flight exponents, but their duties call for them to relay the message from high circles down to the relief workers. A relief worker wrote to me today as follows:

"I have been working on the W. P. A. under Mr. ———, foreman, and a short time ago he told me and other men that every man on the job ought to vote and support the party who was helping them; that if they did not so vote they did not deserve any job and would not have any, but would be dismissed from work."

I admit that this incident is not the work of a shrewd or polished propagandist, but he delivered the message. His wage was higher because of his extra duties to get the workers in line for the continuation of the expenditure.

The purpose of all these methods is to get pressure from back home exerted on the Members of Congress in order that they will support the administration program 100 percent.

If there is any doubt, they have a direct approach in Washington. The Government officials stationed at the Nation's Capital call on the Members of Congress. These officials are the "buttonhole" squad. They call Members off the floor and see them in their offices. Usually patronage and projects are discussed, particularly if there is an important legislative fight. They have a place of contact right off the Chamber where Members can be reached easily. The "buttonhole" squad, although changing their personnel, depending upon the fight, is directed by high administrative order.

Another effective means is by the telephone. The message from the White House usually takes significance when a few votes are needed and the Member in question is not listed definitely for or against the proposal under discussion.

One large newspaper said during the reorganization fight:

"Not only were department heads in evidence in the cloakrooms but there was open buttonholing on the floor, and the extreme device of having Governors of Eastern and Western States telephone their Senators urging them to line up against the Wheeler amendment."

There will be no investigation by the present Lobby Committee of that type of propagandizing.

The purpose of the propaganda is to control the legislative branch. The machine has developed to such a proportion that many Members are afraid to challenge its power. Government-inspired propaganda is growing at lightning speed. Its growth increases its power. Its power means a further increase in its growth.

The administration does not allow the public to forget its program. Through the press, through the radio, through every avenue of information and approach, the American people are given tastes of the propaganda. Its purpose is to lull into acceptance those not interested, stimulate those who follow, and smear those who oppose.

Christian Faith and National Defense

EXTENSION OF REMARKS

OF

HON. M. M. LOGAN

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, April 21 (legislative day of Wednesday, April 20), 1938

EDITORIAL FROM WESTERN RECORDER, APRIL 14, 1938

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the Western Recorder of April 14, 1938, entitled "Christian Faith and National Defense." The Western Recorder is the official organ of the Baptist denomination in Kentucky.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Western Recorder, April 14, 1938]

CHRISTIAN FAITH AND NATIONAL DEFENSE

On March 2, Hon. M. M. LOGAN, United States Senator from Kentucky, made an address in the Senate on Religion and National Defense, in which he contended that religious pacifists in America are misrepresenting the spirit of the teachings of the New Testament faith and doing great disservice to our Nation. To us the Senator's speech is statesmanly and convincing.

In a subsequent issue we hope to republish the address. Senator LOGAN is known in Kentucky as a Baptist and a Christian who lives the faith he professes. We feel honored in this timely utterance made by a Kentucky Baptist in the legislative halls at Washington. In it he expresses his unshaken belief in the Bible, in God, and in Christ's deity and vicarious offering for sin.

In his introduction he says: "I have been deeply disappointed in the attitude of Christendom in this Nation on the question [of pacifism], and I hope I may now call their attention seriously to the probable harm they are doing to their own cause and to the Nation."

Almost certainly the propaganda atmosphere sought to be created in the name of religion among the Senators and Representatives has been mainly by the Federal Council of Churches. Its record in this direction has been unequaled. Most of the rest of it has probably come from small elements within denominations (not the great mass of the believers in them) which cooperate with this Federal Council of Churches. We have no hesitancy in saying that extremely few pacifist agitators have made themselves felt on this subject at Washington from among Baptists in the South, southern Presbyterians, or American Lutherans. Lutherans and southern Baptists have never had membership in the Federal Council, and southern Presbyterians had withdrawn from it.

Still more significant, if Senator Logan could examine into the belief of the great mass of membership in practically every one of the religious bodies associated with the Federal Council of Churches, he would find that the pressure brought to bear on the Government and legislators at Washington misrepresents them. It is from a self-selected, self-appointed group of leaders, and not from the large but comparatively voiceless majority of church members. The whole scheme of trying to influence Government in the name of religious pacifism in America is directed by groups that do not represent the actual thought of sincere, Bible-believing Christians in this country.

The Senator could establish by the New Testament, as well as the Old, that God in His revelation has not promised that man would ever be able to achieve a warless world. Aside from deductions pacifist religionists unwarrantedly draw from what our Savior said in the Sermon on the Mount about turning the other cheek, pacifists get no support out of the Bible. Much that our Lord and the apostles taught affirms or definitely implies that we shall have wars until the end.

Not that this lack of Bible support chills modern rationalists, who still call themselves Christians. For they do not believe we have in the Bible the inspired revelation of God, but only man's stumbling evolutionary efforts toward finding God. All Bible-believing Christians ought to know this. If they did, these sophistical utopian propagandists, some of whom are even

emissaries of the Russian Commune, which is itself armed to the teeth for war, would be valued according to their unbelief or hypocrisy.

Senator LOGAN expresses the conviction that Christianity is now in a bad way in the world. He instances Russia and Germany and Spain. He also pictures Japan as hating Christianity (which is undoubtedly true of the ruling class), and the danger that this "nation gone mad" will conquer China—which we pray and believe it will fail to do. He also warns Christians that vital Christian belief is in a worse way in this country than they seem to be aware.

Then he offers to our common sense the statement that there would have been no war in China if China had been armed for war. And there would have been none in Ethiopia if the imperial ambition of the Italian dictator had known the Ethiopians were armed with strength to chase his troops out. It was purely a war of conquest and imperial greed. It is nonsense and piffle, the long favorite argument of pacifists that the way to keep out of war is not to be armed. But they no longer trumpet this argument. The predicament of China and Ethiopia has closed their mouths. Toward the close of this address the Senator said:

"It may be that my political life will be the forfeit of my saying these things. But I would myself be unfaithful to the trust imposed in me if I should listen to the voice of those who beseech me to leave our people in a position where they may be the easy prey of those not bound by the law of God, who do not believe in the teachings of Christ, and who adhere to the doctrine that might makes right."

Senator LOGAN does not seem to know his Kentucky from the religious angle as well as do Christian ministers in this State. We feel no hesitancy in assuring him that while real Christians are the last of all people to dabble in politics that would (if it could) whip Caesar into carrying out their fertile religious theories of utopian civil government, yet as God-fearing men and women they have long been hungering, with too few opportunities to express themselves at the polls to that end, for public servants who will vote for what they believe to be right, even though they are impressively propagandized with implied threats by religionists who seek to control civil governments by their own theories, and not by attending to the high business of making Christian citizens, which God requires of them.

The writer has not met Senator LOGAN personally. But solely on the basis of this address and our knowledge of his life as a Christian citizen and public servant, if we had many votes, we would cast them all for his retention in public service. But far better than that, there are tens of thousands of his fellow Kentuckians, men and women, who fear God and believe the Bible and whose hope for time and eternity is in the Christ of the Bible, who feel this as strongly as we do.

Constructive Program of Public Health

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Thursday, April 21 (legislative day of Wednesday, April 20), 1938

ARTICLE BY JOSEPH F. THORNING, PH. D., EMMITSBURG, MD.

Mr. WALSH. Mr. President, I ask unanimous consent to have inserted in the RECORD an article by Prof. Joseph F. Thorning, Ph. D., of Mount St. Mary's College, Emmitsburg, Md., an article entitled "A Constructive Program of Public Health."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Does the refusal to admit the State to the practice of medicine signify that forward-looking, public-spirited physicians have no constructive program to offer for the relief of the "medically indigent"? Or are they interested solely in the preservation of the status quo?

The importance of this question was recognized in a recent editorial in the Journal of the American Medical Association. In this discussion it was stated that there has been a "good deal of just criticism of the medical profession on account of its unwillingness to advise positive rather than negative action."

Of course, it would be easy for the doctors to retort that it is not necessary to lay an egg in order to be able to detect a malodorous omelette. The dangers of Federal bureaucracy are real enough to justify an attitude of caution whenever a proposal is made to widen the sphere of governmental action. And there have been a number of gifted dramatic critics who never even tried to write a play.

At the same time, it is only fair to examine the efforts which a number of medical practitioners are making in order to reduce the burdensome cost of medical care. In the District of Columbia, for example, there is the District Medical and Dental Service which adjusts fees according to the income of the patient. Moreover, the postpayment principle is accepted, a method which enables the recipient of medical or hospital service to budget his expenses over a period of 12 or 18 months. There have been cases where no payments at all were required.

At any rate, the successful operation of this system shows that the doctors and dentists are perfectly willing to cooperate with those in the lower-income brackets who need expert care and are eager to maintain the traditional intimate relationship between patient and specialist. It should be noted that this practice is thoroughly consistent with the recommendation of the committee on the costs of medical care, which urged that physicians organize themselves with dentists, nurses, pharmacists, and technicians in "groups", preferably around hospitals, with a view to more efficient and less expensive service.

In the meantime the United States Government has invaded the field by granting a $20,000 subsidy to the Group Health Association, Inc., a group medical service and health-protection plan which is available to the 2,000 employees in Washington of the Home Owners' Loan Corporation. Under the charter, the new project, theoretically, will be open to employees of other Federal agencies, but the initial regulations restrict the use of the health facilities to H. O. L. C. personnel. Already more than 1,000 H. O. L. C. workers have signed up for the health-protection plan, and many others are expected to follow suit shortly.

The beneficiaries of this system are expected to pay $2.20 a month if single and $3.30 a month if married. The size of the family does not affect the rate of payment. Obviously, this plan features the insurance or prepayment principle.

The clinic itself has a staff of about 15 persons, including 5 full-time doctors. The service covers surgical care, diagnostic examinations, physical examinations, and health consultations. There is also provision for hospitalization in case of serious illness.

Faced with this challenge of "socialized medicine," subsidized by the Federal Government, a number of physicians in Washington, members of the District of Columbia Medical Society, resolved to organize their own Federal employee health insurance service. This group, assuming the title of the Committee for Cooperative Medical Service for Federal Employees, will finance its initial operations by means of an initiation fee of $50 from each member. A. C. Edwards, secretary of the committee, announced that the monthly payments for medical service would start at $2.50 for single members and reach a maximum of $6.50 for members with families.

Sponsors of this plan include employees of the Agriculture, Labor, Commerce, Treasury, and Interior Departments. It was stated that the plan would aim to protect the private practitioner and not import physicians from outside the District of Columbia. It was assumed that physicians on the staff would be paid on a salary rather than a fee basis, although it was hoped that the patient would retain his privilege of making a selection of his doctor from the list of those who cooperate with the project.

Comparing this plan with the H. O. L. C. set-up we note one important difference. The H. O. L. C. clinic is not only subsidized by the Government but is also governed by Federal officials. On the other hand, the cooperative association for medical care is governed solely by its members. Every subscriber to the plan has an equal voice in its administration. This is in accord with sound, classic, cooperative principles.

Both plans feature the voluntary principle. Employees are free to join or not, as they see fit. It is not a program of compulsory insurance such as has created many inconveniences in European countries. Coercion, particularly in the health field, is productive of many abuses. Fortunately, the group-insurance plans which have been tried in the United States aim to relinquish to the individual the full opportunity to select his own type of medical service.

Nevertheless, one needs no brilliant gifts of prophecy to predict that the H. O. L. C. project with its initial advantages of Federal subsidy and reduced costs will have an appeal to the majority of workers in Federal agencies. For many the $50 initiation fee suggested by the nonpublic enterprise will prove an insuperable obstacle. Others will note that the rate differential, though slight, is enough to tip the scales in favor of the H. O. L. C. clinic, particularly where the needs of a family are at stake.

Interest in the new approach to public health is not confined to the Atlantic seaboard. Dr. Eugene S. Kilgore, of San Francisco, one of the most prominent physicians on the Pacific coast, has formulated a "declaration of convictions" which declares for medical insurance as against the Government aid proposed by the 430 "insurgent" physicians of the American Medical Association.

The three principles advocated by Dr. Kilgore and his group on the west coast are most interesting. The first, though granting that health is a concern of the Government, insists that Federal intervention should involve the "minimum complexity and size of governmental agencies, and should preserve the maximum individual freedom and private initiative consistent with this aim."

Under the second recommendation, this group notes the need for "enforcing honesty in labeling and advertising foods and drugs, for medical licensing and the like."

Thirdly, Dr. Kilgore's group contends that "the preservation and advance of standards in medical education, medical practice, and

medical research are more important for the future quality of medical service than the present problem of distribution."

No one denies the advantages that may accrue to society from particular grants of Federal aid in carefully limited fields of hospitalization and research.

But, as a matter of principle, the role of the Government should be subsidiary, supplementary, and subordinate. As the members of the American Catholic hierarchy stated at their recent meeting, "personal responsibility" is the cornerstone of social progress. If this is true in the field of employer-employee relationships, it is even more valid in the highly intimate character of the relation between an individual's health habits and responsibility for disease. "A man is either a fool or a physician by the time he is 40 years of age" is an old adage and a true one. Self-help preceded mutual help.

The conclusion of Dr. Kilgore's committee merits our sympathetic attention: "Since support by legislative appropriation inevitably favors political control and diminishes both the incentive and (through taxation) the possibilities of private support, Government should avoid any general extension of the policy of subsidizing medical institutions." American physicians have an alternative proposal that is also constructive—it is the method of cooperative enterprise.

Investigation of the Automobile Industry

EXTENSION OF REMARKS

OF

HON. GERALD J. BOILEAU

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

RADIO ADDRESS OF HON. GARDNER R. WITHROW, OF WISCONSIN, APRIL 20, 1938

Mr. BOILEAU. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address of my colleague, Hon. GARDNER R. WITHROW, of Wisconsin, over National Broadcasting Co. network April 20, 1938:

Radio listeners, I want to take this opportunity to thank the National Broadcasting Co. for making available to me their radio facilities. I have been scheduled to speak on the subject of the automobile industry with particular reference to the investigation authorized by Congress under House Joint Resolution 594, the purpose of which is to inquire into the policies employed by manufacturers in distributing motor vehicles, accessories, and parts, as these policies affect the public interest.

House Joint Resolution 594, or, as it is more frequently termed, the Withrow resolution, which was sponsored by myself in the House of Representatives and by Senator MINTON in the Senate, was passed by the House of Representatives on March 21, and similar action followed in the Senate on March 31. The resolution was signed by the President on April 13.

Extensive hearings were held by a subcommittee of the Interstate and Foreign Commerce Committee of the House, at which the executive officers of the National Automobile Dealers Association and other interested persons appeared in favor of the resolution. Representatives of the Automobile Manufacturers Association in the persons of none other than Mr. Macauley, president of the Automobile Manufacturers Association; Mr. Hutchinson, vice president of Chrysler Corporation; Mr. Grant, vice president of General Motors; and a corps of statisticians appeared and testified in opposition to the resolution. No one can conscientiously say that full and extensive hearings have not been held upon this particular piece of legislation. After having considered the testimony carefully, the committee perfected the resolution and recommended it to the House for passage. The resolution, in the form it passed the House, provides that an investigation be made by the Federal Trade Commission of the automobile manufacturer-dealer relationship. It has for its objective the remedying of the contractual evils that are attendant to the contracts now entered into between the manufacturer and the automobile retailer.

The committee was fully convinced that manufacturers had used high-pressure salesmanship upon their dealers, making them take new automobiles they did not need, accessories and parts that they did not need and could not use; likewise that the manufacturers were in every way checking and rechecking upon their retailer, in fact, by the continual threat of cancelation of the permit to do business they were in reality managing and supervising to the most minute detail the operation of their dealer outlets. That is the phase of the automobile industry that is to be investigated. There should be no misapprehension on the part of the automobile dealer as to the intent and the purport of this resolution. Its objective is to remedy the relationship between the automobile manufacturers and their dealer outlets. The Congress knows that this is the objective and the intent of the resolution. The Federal Trade Commission realizes that this is the intent of the resolution. The manufacturers likewise realize that this is the objective of the resolution, and for that reason have opposed it. The Withrow resolution, as it passed the House of Representatives, was substituted for Senator MINTON'S resolution in the Senate and was sent to the White House, where it was signed by the President of the United States.

Another provision of the resolution is that the Federal Trade Commission shall within 1 year of the date of the passage of the resolution report to the Congress its findings, with recommendations as to legislation that will remedy the evils that exist in the relationship between automobile manufacturers and their dealer outlets. The resolution likewise authorizes an appropriation of $50,000 to carry on the investigation.

In my opinion, the manufacturer-dealer agreements are not fair and equitable and are not in the public interest, and as long as this same relationship is permitted to exist automobile dealers will never have reasonable profit opportunities and the general public will not receive quality service, which is so essential. The operation of these policies has brought about the high mortality rate of automobile dealers. Twenty-five percent of the automobile retail dealers pass out of the picture annually. This excessive mortality rate among automobile dealers is of vital concern to the public, because these liquidations directly affect all members of the community in which they occur. This situation has assumed serious proportions during the present business recession. To what extent these dealers were forced out of business due to high-pressure selling tactics over which they had no control is certainly a matter of public interest. Under the present manufacturer distribution franchise arrangement, automobile dealers are the helpless victims of a vicious system that systematically milks them of their capital, with resultant bankruptcy.

Today I am more than ever convinced that only through an impartial Federal investigation will it be possible to deal with this problem effectively and to determine practical remedies for the abuses prevalent in the automobile industry that have resulted in these thousands of failures of automobile dealers in the past and which, unless eliminated, threaten to continue wiping out thousands upon thousands annually in the future.

Already, as a result of the introduction and passage of House Joint Resolution 594, and other activities undertaken by the Federal Trade Commission and the Department of Justice during the past year, many salutary changes have occurred. Some manufacturers have initiated more liberal franchise arrangements; one manufacturer has established an arbitration board to consider and adjudicate differences between itself and its dealers. Hundreds of automobile dealers have advised me that there has been a distinct change in the attitude and methods employed by their factories and factory representatives during recent months. Practices formerly common, such as shipping unordered, unwanted merchandise, the furnishing of automobiles equipped with radios, special tires, or other accessories, regardless of the dealer's wants, have been discontinued or modified considerably. Factory representatives are being more discreet, I am informed, in their demands on dealers to take cars and trucks, or other equipment. In other words, the high-pressure salesmanship methods which sometimes amounted to coercion under the threat of cancelation of the franchise or other reprisals, have been temporarily abandoned.

These changed policies and the efforts to mollify dealers through the use of more conciliatory methods are the best proof, if proof be needed, that the industry was engaged in high-handed practices that sought to force the market at the expense of the dealer outlets and the general public. With the Federal Trade Commission investigation pending, automobile dealers should feel less pressure placed upon them during the coming year and should find themselves in a position to exercise some measure of control over their own business.

I realize that the automobile manufacturers have slightly, at least, modified their vicious policies. I hope they are sincere. If they are, and time alone can determine that, I shall commend them. At present they stand condemned before the bar of public opinion for the vicious methods they have used in the past. I shall never be content until they have definitely and permanently changed these policies, or, if they do not by their own volition get their own house in order, then I shall insist that the Congress of the United States take steps to pass legislation that will be effective in properly supervising this relationship between the automobile manufacturers and their dealer outlets. There is an old saying that we might well bear in mind continually that eternal vigilance is the price of liberty, and in conjunction with this bear also in mind that it is very seldom, if ever, that you get anything that you do not fight for.

I have no personal grievance with the gentlemen I am about to mention; I believe they are very congenial, but I do condemn their policies. As long as the Hutchinsons and the Grants dictate the policies of the automobile manufacturers just that long will the dealer relationships with the manufacturers be unsatisfactory, because it is my personal opinion that these gentlemen are thoroughly imbued with the philosophy of power and force and as long as they retain, in the form of a contract, the power to threaten, the power to cancel the automobile dealer out, just that long will these gentlemen force upon their automobile dealers unreasonable quantities of new cars and accessories, and just as long as they are in control of the policies of the automobile manufacturers the automobile retail dealers will not be able to operate

their business in an independent manner, as they please and as they wish. I sincerely believe that the Hutchinsons and the Grants are in the minority; but, nevertheless, we must face the practical situation as it is, and, up to the present date at least, those gentlemen, in my opinion, have formulated the operating policies of the automobile manufacturers. I sincerely hope that the day of awakening has come to the automobile manufacturers.

In the space of 40 years we have witnessed the development of the automobile industry into one of the greatest industries in the United States. In all history there has never been anything to equal the tremendous expansion experienced by this industry. Nor has any other product had such a profound influence upon the lives and habits of all classes of our population.

Today it is reliably estimated that one out of seven gainfully employed depends directly or indirectly upon the automobile industry or its related enterprises for a livelihood.

Here is a giant industry, the success or failure of which vitally affects and concerns every American citizen. The phenomenal growth of this industry naturally has been accompanied by certain abuses and bad trade practices. These abuses and bad trade practices, neglected in the early stages or minimized in the glamor attendant upon increasing sales and profits, these evils, cancerlike, have spread so that unless they are checked they threaten to destroy the industry itself.

Let me call your attention to the present plight of the railroads of this country, which provides a striking parallel as to what may happen in the automobile industry should it disregard its obligation to operate along sound, constructive lines. The railroads at one time were healthy and prosperous, but failure to recognize public interest eventually has forced 65 percent of them into receivership and ultimate bankruptcy. The public, which had invested millions of dollars in the bonds of these institutions in financing and refinancing operations, was left holding the bag. Now the railroads seek help from the Government to enable them to continue to operate.

Let us make certain that this great automobile industry, with such a wonderful future before it, is not permitted to follow the trail of the railroads. The time is here when this industry must take steps to place itself on a stable, orderly basis.

The problem of used cars, which presses so heavily upon automobile dealers at the present time, is the one vital concern of the entire industry. The industry for its own best interests should recognize it. I am sure there is ample intelligence and leadership within the industry to devise practical, legal methods for its remedy and control. To date, however, the automobile manufacturers, in the pursuit of their vicious policies, have entirely overlooked and entirely disregarded consideration of the used-car problem, which faces every automobile dealer outlet.

Which Way to Recovery?

EXTENSION OF REMARKS

OF

HON. KARL STEFAN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

RADIO ADDRESS OF HON. KARL STEFAN, OF NEBRASKA, APRIL 16, 1938

Mr. STEFAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address made by me over stations of the National Broadcasting Co. on the National Grange Hour, from Washington, D. C., April 16, 1938:

We are all wondering what the future of America will be. Events taking place throughout the world with amazing rapidity have changed the political, social, and economic aspects of civilization. These changes require us to reappraise world conditions; to reconsider our traditional relations with other people of the world; to reevaluate the effects of events which have already transpired and those which may be expected in the future.

Problems of great magnitude follow each other so quickly these days and public opinion changes so rapidly that none of us today can foresee what tomorrow will bring.

MANY PROBLEMS CONFRONT US

Tremendous questions confront us which Congress must solve if our constitutional Republic is to be perpetuated. We must preserve the confidence of the Nation by the faithful discharge of its debts and promises, by expending public funds with the same care and economy we would practice with our own, and no unnecessary burdens must be imposed upon our citizens. We must keep all the operations of government within the limitations of our constitutional powers and cherish our blessings of liberty by eternal vigilance against any encroachments upon them.

Among the problems which must be solved are unemployment; balancing of the Budget; the railroad situation; the stability of industry; an adequate national defense; and, above all, the fears widespread throughout the Nation that we are drifting away from our representative form of government into a political autocracy must be banished. Sectional and class strife must be allayed. Group and sectional suspicions must be diminished. We must all realize that the great necessity of the hour is for everyone, be he Member of Congress, Government executive, or private citizen, to submerge his personal prejudices and ambitions in a common effort for the general good. In no other way will we assure our recovery from the depression.

The new recession indicates the condition of private industry. Our nearly $40,000,000,000 national debt indicates the condition of the Treasury. Bloodshed in the Far East and in Europe indicates that wars have not ceased. Our Department of State is engaged in the pursuit of a laudable ideal—that of world peace. Its policy of reciprocal-trade treaties being employed to that end may be questionable. Figures of imports of cheaply made goods from foreign countries and of cheap foodstuffs from foreign farms indicate a dangerous low-wage, long-hour foreign competition with the American wage earner and the American farmer. The menace inherent in this situation is that such competition may result in dragging down our own high standards of living and in making permanent our unemployment problem.

I am in full and hearty accord with that definition of reciprocal trade given by L. J. Taber, master of the National Grange, at Des Moines, Iowa, last February 18, when he said:

"We believe in world trade and in world peace. We believe in the expansion of the foreign market, but are unalterably opposed to the importation of any commodity from any place in the world if the net result of that importation is to increase either the idle acres or the idle men of America."

That statement is sound sense and good Americanism.

IMPORTANCE OF THE HOME MARKET

Within the confines of our own Nation is to be found the market for 93 percent of all the goods and services we produce. In the purchasing power of our own citizens lies the outlet for 93 percent of our own farms and factories. This transcendently important home market must be preserved insofar as is compatible with a sound economic position in the world for our own producers and our own workers.

Within our own zone of influence—the zone of the Monroe Doctrine—lies a tremendous market, geographically belonging to us, which we should develop.

American industry has not even begun to satisfy all of the wants of our people if the people had the purchasing power to make their demands effective. Expert chemists and industrialists tell us that in the establishment of small community plant for manufacturing fuel alcohol from corn we could increase the efficiency of the internal combustion motor 150 percent, and at the same time afford the corn growers of America a market for more grain than they now produce, at a higher price per bushel, with a sales contract signed before the seed was planted. Who in the face of such monumental and magnificent prospect as this can say that American agriculture is either decadent or hopeless?

Our problem in this country never has been, and is not today, one of overproduction. It has always been a problem of underconsumption due to a lack of consumer purchasing power. That lack of purchasing power is due to a lack of jobs and a consequent lack of wage income. If all of the people of America were getting all of the goods and services they want, there would be work for all of our employable wage earners. If our wage earners all had jobs and wages, their demand for goods and services would be the one certain guarantee of a continuing and prosperous manufacturing and agricultural industry, which would mean a continuing and prosperous constitutional democracy.

Have we of America the will and the intelligence to bring about this condition of renewed employment, increased wage volume, increased consumer demand, and assured prosperity? Of course we have, provided we are all willing to submerge our own personal ambitions and fears and greeds and work together intelligently for the common good.

WE MUST USE COMMON SENSE

Insofar as foreign trade and the peace of the world are concerned, we have one of two alternatives. We can lower our tariff barriers to that point where cheap agricultural and manufacturing products made by low-wage, long-hour labor can become such a deadly competition with our domestic producers that our own factory doors will to a great extent have to be closed and our own farms forced to lie fallow. On the other hand, we can take from other countries under our free list those things we cannot as well or as economically produce for ourselves, while at the same time retaining for our own producers and for our own farmers the home market for all the things they can and do produce. We must not forget that items on the free list under the tariff act, which are noncompetitive with American industry, comprise more than 58 percent of our total importations. This is a tremendous market which we offer to other countries, duty free, in exchange for a share of their markets for our exportable surpluses.

We cannot follow a policy of lowering tariffs and opening our domestic markets to the influx of cheap foreign goods, while at the same time endeavoring to follow a policy of restricted volume and increased cost of production in order to keep up price levels at home in our domestic economic policy. Lowered tariff duties and freer trade lie in the direction of internationalism while restricted volume and increased cost of production lie in the opposite direction of nationalism.

We are taking thousands of acres out of production in the name of soil conservation, while at the same time, through irrigation projects, we are bringing into production desert lands in an effort to create areas like the fertile lands of the Great Elkhorn and Platte Valleys of Nebraska. Soil conservation is a necessary and laudable economic measure. But where it is used as an excuse for limiting production on the one hand while irrigation projects are being carried out to increase production on the other, with the taxpayers' money being spent in both directions in lavish sums, the two policies seem contradictory, to say the least.

As to war or peace, the present state of affairs throughout the world indicates the wisdom of a national defense adequate to protect us against any aggressions by any nation or any combination of nations. That national defense, however, should not be designed for use in foreign conflicts, and should not be used to encourage our participation in such foreign conflicts.

"PUMP PRIMING" ONCE MORE

We are face to face again with new proposals for Government spending designed to "prime the pump." But we must be careful that the process of "priming the pump" does not become in fact "draining the well." Relief there must be so long as relief is needed. The most intelligent and helpful form of relief, however, is to help citizens to help themselves.

Those who actually are entitled to relief certainly should get it. It would be unthinkable that in America anybody should be permitted to starve or suffer the pangs of cold or to be shelterless Yet we must keep in mind that not only must the unemployed be relieved but that the taxpayers must also be relieved. The most rigid economies and the greatest efficiency must be achieved in the administration of every form of relief for business and the unemployed in order that not a single dollar shall be needlessly or wastefully spent. Our great and pressing problem is to restore confidence to business, to get people back to work, to restore jobs and wages, and to know that when that is done mass purchasing power will automatically be restcred.

It is unthinkable that this great Nation, with its enormous natural resources, its vast energy, its high level of intelligence, and its high ideals of patriotism and loyalty on the part of the citizens, should fail to achieve recovery. We can achieve recovery if we have the will to do it. The will to achieve recovery means the will to submerge partisan controversy, class and sectional hatreds and suspicions, useless strife between groups, and all personal greed in a common effort for the common welfare. We can do this and we will do it.

The Executive Power in the Federal Government

EXTENSION OF REMARKS

OF

HON. M. M. LOGAN

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, April 21 (legislative day of Wednesday, April 20), 1938

ADDRESS BY COL. O. R. McGUIRE, OF KENTUCKY, APRIL 19, 1938

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Col. O. R. McGuire, a distinguished lawyer in Kentucky, at the annual meeting of the Sons of the American Revolution, on April 19, 1938, on the subject The Executive Power in the Federal Government.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Edmund Burke, the great champion in the House of Commons during our Revolutionary War of the rights of Americans, declared in one of his inspired moments that government is a great and silent compact between the dead, the living, and the unborn. You, Sons of the American Revolution, individually represent that compact. Through your veins this moment courses the blood of ancestors who fought with and against Oliver Cromwell; who dared the frozen wilderness to storm the Heights of Abraham; who spilled their blood at Bunker Hill, on the snows at Valley Forge, at Trenton, Monmouth, the Cowpens, Bennington, Kings Mountain, Vincennes, Yorktown, and other battlefields that we, then in the womb of the future, might have a government of laws and not of men. We are of that race who later rode with General Harrison and Colonel Johnson at the River Raisin; with Generals Taylor and Scott at Buena Vista and before the walls of the Montezumas; with General Pickett across the wheatfields to engage in hand-to-hand combat our brothers on Little Round Top; with Gen. Stonewall Jackson down the valley of the Shenandoah; with Generals Grant and Sherman at Shiloh, Vicksburg, and the Wilderness; and who trudged across the sodden fields of Europe to roll back the greatest war machine of modern times.

This is our heritage. The past is secure but the hand, having written, moves on. If any group of men in America may properly meet from time to time for the purpose of studying their governmental institutions, that group is the Sons of the American Revolution. I am greatly honored and flattered by your kind invitation to this evening lead in an examination of one phase of our governmental structure—the question of the Executive power. No more serious topic could have been assigned to me. Ever since man, clad in skins and armed with sticks and stones, roamed the forests and plains of the Asiatic and European worlds, men have been confronted with the serious problem of how to secure a leader strong enough to enforce the common will but not so strong that he becomes a tyrant, a despot, or dictator. The problem is as old as human society, and casting our eyes across the Atlantic we see that men of the Old World have the problem with them in a very acute form. In fact, a few days ago our Chief Executive deemed it necessary, in answer to his critics, to declare that he did not have the training for a dictator and no inclination to become one, but, while not intending to discuss partisan politics, I would remind you that Washington was accused of wanting to become king or a despot.

That you may the more appreciate the constitutional statements of the executive power, I would remind you that on July 4, 1776, eight of the Thirteen Colonies, namely, the two Carolinas, New Jersey, New York, New Hampshire, Massachusetts, Georgia, and Virginia, were royal colonies with their governors appointed by the King of England. In the three proprietary colonies of Maryland, Pennsylvania, and Delaware the executive was appointed by the respective proprietors. Only in two of the Colonies, Connecticut and Rhode Island, was the governor chosen by the enfranchised voters and these two governors had but little power. With the exception of Pennsylvania, each colonly had a legislature of two branches, and except in Massachusetts, Connecticut, and Rhode Island, the members of the upper house were selected by the governors who naturally appointed their personal favorites or men who would lend support in the frequent contests with the lower house as representatives of the people. The only protection such people had was in their control over the public purse. Through their elected representatives they obtained and retained control over the power to levy taxes and to make appropriations of public money. These hardy forefathers of ours did not have any learned political scientists to advise them that the legislative function was discharged when the money was appropriated. They saw to it that no money was drawn from their treasuries except for the purposes stated in the laws.

However the time came when the people of the Thirteen Colonies were so overborne that they promulgated to the world a Declaration of Independence and in that great document of human liberty, from the pen of Thomas Jefferson, they declared that the history of the King of England "is a history of repeated injuries and usurpations, all having in direct object the establishment of an absolute tyranny over these States." In proof of this charge, they submitted to a candid world, certain charges against the King, that:

1. "He has erected a multitude of new offices and sent hither swarms of officers to harass our people and eat out their substance."

2. "He has made judges dependent on his will alone, for the tenure of their offices, and the amount and payment of their salaries."

3. "He has called together legislative bodies at places unusual, uncomfortable, and distant from the depository of their public records, for the sole purpose of fatiguing them into compliance with his measures."

4. "He has dissolved representative houses repeatedly, for opposing with manly firmness his invasions of the rights of the people."

There are a number of other equally important charges in the Declaration of Independence against arbitrary power which was largely exercised through officeholding minions in the various colonies. However, our ancestors did not point out in that great document that the King obtained many, if not all, of these powers from a corrupt and supine Parliament. I shall not take the time this evening to read all of the charges in the Declaration of Independence against the liberties of the people, but I would commend to you the public reading of this great document at least twice a year to the end that its truth of human liberty may be seared into the brains and consciousness of the men of our day.

The people of the Thirteen Colonies at the beginning of the Revolutionary War were profoundly distrustful of executive officers. Their State constitutions framed at the suggestion of the Continental Congress were so drawn that the Governors, even though elected by the people or by the representatives of the people, had little executive power. In fact, we fought the 7 long years of the

Revolutionary War with no Chief Executive. Such executive power as existed was lodged by the Congress in committees and was exercised by Members of the Congress serving on such committees or by employees of these committees responsible to the Congress. We had no so-called efficiency experts in those days to urge that Congress transfer such powers to some one individual, whatever may have been his title, and it is well that we did not. The people of the Thirteen States had experienced too much concentration of power in the hands of the King of England and in the hands of their colonial governors; they were in no mood to substitute for them any other executive. If they had done so, there is a possibility that the Revolutionary War would have been brought to a successful end at an earlier date, but inefficiency was one of the prices which our ancestors were willing to pay for representative government.

After Yorktown and the discharge of the greater part of the troops and after peace, with the removal of the cohesive force of a common foe, the Confederated Government gradually disintegrated. That government was impotent, not because it had no Chief Executive but because it had no independent revenue, could not control the foreign relations of the several States, could not regulate commerce among the several States and with foreign nations, and could not maintain peace at home or respect abroad. This was indeed a critical period in our history, when it appeared to many thoughtful patriots that we might lose the glory of Bunker Hill, Fort Ticonderoga, Valley Forge, the Cowpens, Kings Mountain, and the undying fame of that small band of Kentuckians under George Rogers Clark who captured a veritable empire at the gates of Vincennes. Then it was that George Washington, Alexander Hamilton, John Marshall, and others learned that while they might furl the battle flags and sheath their swords, the struggle for ordered liberty had not been won. Both selfish greed and want then stalked the Thirteen States and Washington warned Governor Harrison, of Virginia, that hungry eyes in the trans-Appalachian region were being centered on Spanish territory, which controlled the Father of Waters, as well as on the English in control of the Great Lakes.

So desperate was the situation that some of Washington's former companions in arms urged that he become king of the United States. However, this great and unselfish man emphatically disapproved the suggestion. Religious as he was, Washington undoubtedly knew the Biblical account of the warning of the aged Samuel to the Israelites when they urged the appointment of a king to rule over them. It will be remembered that Samuel tried to dissuade his people by pointing out what they must surrender to a king and finally said:

"Ye shall cry out in that day because of your king which ye shall have chosen; and the Lord will not hear you in that day."

Instead there was fostered a sentiment for a convention to amend the Articles of Confederation and this convention met in Philadelphia in the summer of 1787. The Virginia delegation went there prepared to disregard their instructions and had with them the draft of a new charter of government which they intended to urge upon the delegates from the other States. The approved abilities and ripe experience of the men who represented Virginia in that convention were a guarantee to the world that the work would be done and well done. There was Washington, in whose unerring judgment the people universally reposed their surest trust. "I knew," wrote General Knox, "your personal influence and character is the last stake which America has to play." There was Randolph, a descendant of a long line of illustrious men of Virginia and sharing in their patriotism and unselfishness, a delegate to the Congress of the Confederation, and successively Attorney General and Governor of the Commonthwealth; Blair, long a burgess of the colony, member of the Convention of 1776 and of the committee which reported the plan of State government, member of the court of chancery, and chief justice of the general court; Wythe, the first professor of law in America, the teacher of Thomas Jefferson and John Marshall, strenuous champion of independence and a signer of the Declaration of Independence; Madison, member of the Convention of 1776 and of the committee to report a constitution for the Commonwealth, member of the State legislature, member of the Congress of the Confederation, active, able, and eminent in every station; George Mason, that noble old Roman, author of the first constitution for an independent American State, and of the first bill of rights ever formulated for a free community, ranking by these achievements with the most illustrious law-givers of all time. Such were the men to whom Virginia turned in the grave crises facing the Nation for which she had sacrificed so much. The delegates from the other States were likewise able and patriotic men, but I mention those from Virginia because, as I have stated, they came to the convention in Philadelphia with a plan of government in their pockets, and the plan finally agreed upon after weary weeks of study and debate followed quite closely the Virginia plan.

Let no one think that this new form of government was plucked from the sky even as Benjamin Franklin with his kite and key had plucked electricity from the clouds. Remember that in 1619, a year before the *Mayflower* compact, the ancestors of these Virginians had inaugurated representative government in America. Justice Story has said that "This example of a domestic parliament to regulate the internal concerns of the country was never lost sight of, but was afterward cherished throughout America as the dearest birthright of freemen." Insisting upon the right of self-government, these Virginians had declared on June 21, 1621, that no "orders of court shall bind the said colony unless they be ratified by the general assemblies." They asserted the right of self-taxation and control over the public purse. Though loyal to the King of England, they thrust out his Governor in 1635 for encroachments on their rights and substituted a successor of their own choosing. After the downfall of the King, these Virginians confronted Oliver Cromwell and only yielded upon an honorable capitulation, acknowledging their submission as a "voluntary act, not forced or constrained by conquest," and guaranteeing them "such freedom and privileges as belong to the freeborn people of England." After the restoration they broke out in open rebellion against oppressions of the King's Government and anticipated by a century the final and victorious struggle waged by the fathers and mothers of the "Sons of the American Revolution" for the liberties of America.

No, my friends, great heights are not reached in sudden flight, as the poet has truly said. Great deeds for human liberty and great men who perform such deeds are incubated in the womb of the ages. Those of you who have read the debates in Philadelphia during the Constitutional Convention and in the State ratifying conventions, particularly those of Virginia, Massachusetts, New York, Pennsylvania, and North Carolina, know that the men who formulated and ratified the Federal Constitution were profoundly concerned, not only over the distribution of power between the Federal and State Governments but over the distribution of power among the legislative, executive, and judicial branches of the Federal Government. The separation of legislative, executive, and judicial power was made the cornerstone of the United States. Thus by article I, section 1, of the Constitution it is provided that: "All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives." By article II, section 1, it is declared that the executive power shall be vested in a President of the United States of America; and by article III, section 1, it is provided that: "The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish."

But this was not all. When the draft of the Constitution was taken up for ratification in the Virginia Convention it met the opposition of the golden tongue of Patrick Henry and the deadly logic of George Mason. Before ratification could be secured, it was necessary to agree to the substance of the first 10 amendments which were adopted so soon after the new government was organized in 1789 as to be considered a part of the original Constitution. The tenth amendment declared that: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

There was great difficulty with respect to the Executive power; whether it should be exercised by one man or three men; whether the Executive should be elected by the people or by the House of Representatives or by the Senate or by both Houses; whether he should hold office for 7 years or for 4 years; and whether he should be permitted to exercise alone the power of veto or whether there should be associated with him a council of revision. The members of the Convention frankly recognized the danger of placing the Executive power in the hands of one man and the tendency to gather in his hands all governmental power. None knew better than they the cycle of governments so ably stated by Polybius even before there was a Christ Child in the manger at Bethlehem, but they discarded the idea of attempting to divide the executive power between two or more men. The fathers had before them the impotence of ancient governments where an attempt had been made to create a triumvirate for the exercise of executive power. A number of the members, particularly Hamilton, who remembered the inefficient government of the Revolution, desired that the Chief Executive be clothed with ample power, independent of the political mob, and the others were finally persuaded to accept such a solution because they thought that the legislative branch would be able to hold the Executive in check, particularly when the Executive was to be reelected at the end of each 4 years. Little did these fathers forsee that the time would come when the Executive would have the appointment, directly or indirectly, of hundreds of thousands of officeholders and would have the distribution and spending of billions of dollars of public money.

However, the Constitution has not operated as the framers intended in this, as well as in some other respects. The elaborate electoral college for the election of a President and Vice President broke down in a few short years. As early as Andrew Jackson's time it was demonstrated that the officeholders of the party in power could be relied upon to man the political conventions of that party and to renominate for a second term the Chief Executive to whom they owed their official positions. An attempt in the Senate a few days ago to prevent officeholders from participating in national conventions went down to ignominious defeat, and it has been charged for many years that the powers of appropriating and spending the public money has been used to ease the reelection of Members of the Congress. But this is the fault of the people. They should not make such demands on their elected representatives or condone the acts of those who surrender to such demands.

Furthermore, the ink was scarcely dry on the signatures to the Constitution until the First Congress of 1789 met. Due to the universal respect and esteem for President Washington the First Congress commenced the practice of making the President the chief administrative officer of the Federal Government. By this I mean

that in addition to the comparatively few constitutional powers and duties conferred on the Chief Executive the Congress delegated to him many statutory powers and duties, and that process has been followed to an increasing extent in later years, particularly since the turn of the present century.

It seems inevitable that this should be so. While the old Congress of the Confederation exercised executive or administrative powers and performed administrative duties by and through committees or boards headed by Members of that Congress or by employees responsible to the Congress, as I have stated, these administrative committees and boards were not an outstanding success. It seems that the fathers of the Constitution may have intended a continuation of that procedure as they signally failed to make any direct provision for an administrative service with the result that the present-day differences of opinion between the Congress and the Chief Executive as to the discretion he should exercise and the control he should have over administration are but a continuation of differences of opinion which have been with us for at least 100 years. We may well grant that these differences have become more acute within recent years and that once again there has been seriously questioned the legitimacy of any legislatively controlled agencies of government. However, such facts do not modify my thesis that we are not dealing with any basically new phenomenon.

The aggrandizement of the constitutional powers of the Chief Executive by means of statutory delegations has been accelerated by the view held by some of the Chief Executives that they are authorized to perform any act or function for the public welfare which is not expressly prohibited by the Constitution. President Theodore Roosevelt was perhaps the greatest exponent of that theory, which was as vehemently denied by his successor in office. A further contributing factor is that during our nearly 150 years of national existence we have had two general types of Presidents: First, the type represented by Madison, Monroe, Buchanan, Grant, and some others who deferred to legislative leadership, or rather the leadership of a few dominant personalities in the Congress; secondly, there is the type represented by Andrew Jackson, Theodore Roosevelt, and Woodrow Wilson, who led rather than followed legislative personalities, but they have had to fight, and they were not always the winners in such fights. Very rare indeed has been that type represented by Thomas Jefferson, who led by indirection, accomplishing his purposes but doing it through other men who fought the battles in Congress according to his strategy.

Presidents who have had dominating personalities and capacity for leadership have either consciously or unconsciously considered themselves tribunes of the people, but the business interests have looked askance at such men. The additional powers which these Presidents have wrung from Congress have been modified to a large extent or repealed after such Presidents have left office, but, even though dominating Presidents generally have been succeeded by Presidents content to defer to legislative leadership, the pendulum has never swung as far backward in such instances as it swung forward. Viewing the matter down the corridors of time, we must conclude that the executive power has gradually increased until now the President of the United States carries on his shoulders the greatest powers and duties of any ruler of a major nation. Whoever happens to be President for the time being is truly the captain of the ship of state. All this has come about without any specific amendment of the Constitution. It has been in response to the growing complexities of an industrialized and mechanical civilization.

Gentlemen of the Society of the Sons of the American Resolution, upon you and your sisters, the Daughters of the American Revolution, now meeting in annual convention in another part of this city, there rests a heavy responsibility in these times. Men and women bred in other climes know little of the struggles which have made us a great Nation. They are hostile to our institutions of government. They are termites on our body politic. In too many instances they have made headway because we have not driven the money changers from the temple, because we have failed to make a living reality of those noble words of the Declaration of Independence that "all men are created free and equal," and because we have too long tolerated selfish greed in a small minority of our people. In closing may I remind you of the words of Carlyle that—

"We need the man of intellect at the top of our affairs; this is the aim of all constitutions and revolutions, if they have any aim; for the man of true intellect is the noble-hearted man withal, the true, just, humane, and valiant man. Get him for a leader, all is got; fail to get him, though you had constitutions, plentifully as blackberries, and a parliament in every village, there is nothing yet got."

Such is the task before Americans today, and particularly the task of the Sons of the American Revolution, representing the compact between the dead, the living, and the unborn. To our America I offer a toast:

"I see the last war flag unfurled,
Fear and oppression hellward hurled,
The smiling ages, hand in hand,
That wait to bring the better world.

"One law, one love, one liberty,
One light that beams from sea to sea,
From morning land to evening land,
The splendor of the land to be."

Gilbertsville Dam Should Be Built Now

EXTENSION OF REMARKS
OF
HON. JOHN J. SPARKMAN
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

Mr. SPARKMAN. Mr. Speaker, I feel that Gilbertsville Dam should be built now. It is my understanding that we shall have within the next few days an opportunity to vote on this matter again. I am glad this is true. I believe that a calm and deliberate appraisal of the matter will insure a favorable vote for it.

Gilbertsville Dam is the key dam in the T. V. A. system for the improvement of navigation on the Tennessee River and the control of floods on the Tennessee and Mississippi Rivers. Five years of research and investigation have gone into the planning of this dam. It is one of the most valuable and urgently necessary water-control projects in the country. In an attempt to defeat an initial appropriation for this dam, a number of arguments have been made, plausible to the layman, but without any foundation in fact. There is summarized below the facts with respect to the arguments against the construction of the dam, together with a summary of the reasons why failure to appropriate at this time for the beginning of construction of the dam would result in a grave set-back for the movement to conserve our natural resources, to control and improve our rivers, and to prevent flood devastation in the Tennessee and Mississippi River Basins. The facts stated are for the most part taken from official sources.

A. ANSWERS TO ARGUMENTS AGAINST CONSTRUCTION OF THE DAM

Low dams against high dams: In the House debates on the Gilbertsville appropriation on March 22, the statement was made that low navigation dams would afford a superior type of navigation to that which would be supplied by Gilbertsville. Even Maj. Rufus Putnam, chief expert for the 13 utility companies in the recent T. V. A. case at Chattanooga—Tennessee Electric Power Co. against T. V. A.—admitted that navigation improvement by high dams, such as Gilbertsville, affords a more technically efficient navigation channel than the alternative type of improvement by low dams (T. E. P. transcript, p. 1928). The record in the T. E. P. case has not yet been printed, and transcript references are to the official typewritten transcript of the proceedings. References to the Ashwander case are to the printed record. In the Ashwander case at Birmingham, in which the late Judge Grubb decided against T. V. A., the court nevertheless found as a fact that high dams of the type of Gilbertsville were superior to low dams for navigation purposes (finding of fact No. 138, Ashwander record, pp. 1082, 1083). The three-judge court at Chattanooga made the same finding. Finding of fact No. 54, made by the court in the T. E. P. case, after many weeks of hearing evidence from many witnesses for both sides who covered every phase of the problem, is so conclusive on the advantage of high over low dams for navigation purposes that it is attached to this memorandum in full text. These findings were based, not on the testimony of the Authority's witnesses alone, but on the basis of the testimony of the utilities' witnesses and of the Army engineers as well. In the Ashwander case Gen. George B. Pillsbury, then Assistant Chief of Engineers of the United States Army, testified that "there is no question as to the superiority of high dams over low dams for purposes of navigation" (Ashwander record, pp. 753, 754). In the Chattanooga case Col. Lewis Watkins, who supervised the preparation of historic House Document 328, which was presented to Congress in 1930 by the Army engineers and is the bible for the Tennessee River development, a man more familiar with the Tennessee River and its problems than any other living man,

testified that high dams were superior in every way to the low-dam type of development (T. E. P. transcript, pp. 3271–3274). In House Document 328 itself, the Board of Engineers for Rivers and Harbors made the flat assertion (p. 13) that a 9-foot waterway improvement, by means of low-lift dams, "would be inferior to the high-dam developments." The Gilbertsville Dam is one of the high-dam developments referred to.

Indeed, if low dams are built, it will be necessary in the future to destroy or submerge them in order to make way for high dams. In House Document 306, Seventy-fourth Congress, first session, Gen. E. M. Markham recommended with respect to the Ohio—

> The progressive replacement of the old (low) locks and dams with a less number of higher-lift dams * * *.

Low dams have no value for flood control or power, and waste the resources of the sites for these purposes (T. E. P. case, findings of fact Nos. 70, 93).

Use of Gilbertsville pool by existing craft: Another argument made in the House debate was that existing river craft will not be able to use the Gilbertsville pool. This is based on the bugaboo that the pool is so large that waves will be created by wind action, which will interfere with the passage of the old type of river craft in use on the Ohio River. Colonel Watkins testified in the Chattanooga case that the contrary was true, that the crooked, winding channel created by low dams was much more hazardous to navigation than the large open channels created by the high dams. Mr. James Brodie, superintendent of maintenance and chief engineer of the Federal Barge Line of the Inland Waterways Corporation, a practical navigator of great experience, testified that—

> A deep long slack water pool is much more easy to traverse and is much more dependable than any other kind of inland waterways (T. E. P. transcript, p. 4895).

Mr. Brodie also testified (T. E. P. transcript, pp. 4895, 4896) that all of the equipment of the Federal Barge Line could be used on the Tennessee River after completion of the high-dam system, and that all the craft in use on the Ohio and Mississippi could use these pools, except a few antiquated coal barges now in use on the upper Ohio, which would probably never have occasion to use the pools in any case.

We must not be misled by statements that the Gilbertsville Reservoir will be more than 7 miles wide. Such widths will occur only for several short stretches at the confluence points of a few large tributaries, and then only on the rare occasions when the pool is at top flood level. The width generally is less than 2 miles when the pool is at its normal navigation level.

Effect of flood draw-down on navigation pool: Another argument made in the House debate of March 22 was that—

> The reservoir must be kept practically empty in order to catch flood waters, and that would destroy navigation, with it dry and empty you could not navigate.

This objection is wholly without foundation. At elevation 350—above sea level—the pool will have a minimum depth of 12 feet, adequate for vessels of 9-foot draft, with customary overdepths. From elevation 350 to the top of the gates, at elevation 375, there will be storage space for 4,600,000 acre-feet, which storage is all controlled flood storage and can be used for flood control without impinging in any way on the navigation pool.

Valley storage: A final argument against Gilbertsville is that it will displace natural "valley storage." The short answer to this argument was made in the T. E. P. case by Mr. George R. Clemens, civil engineer of the Mississippi River Commission and in responsible charge of that Commission's "Comprehensive Report on Reservoirs in the Mississippi River Basin" (H. Doc. 259, 74 Cong., 1st sess.). He pointed out that valley storage was merely the successive positions taken by the flood itself, and that far from reducing floods on the Mississippi, this uncontrolled storage increased the flood heights on the Mississippi by retarding the discharge of the Tennessee until it coincided with the flood crest on the Mississippi, as occurred in the 1937 flood (T. E. P. transcript, pp. 3607–3611). The three-judge court came to the same conclusion (T. E. P. case, findings of fact No. 66).

B. FACTS IN SUPPORT OF IMMEDIATE CONSTRUCTION OF GILBERTSVILLE DAM

Strategic importance of Gilbertsville Dam for navigation: The Gilbertsville site is at the mouth of the Tennessee, near Paducah. It is therefore the bottle neck so far as the development of water commerce in the Tennessee Basin is concerned. No traffic can move in or out of the Tennessee Basin without passing through the 184-mile stretch which Gilbertsville Dam will improve. It is the great connecting link between the Tennessee Valley and the remainder of the great Mississippi Valley. The seven dams constructed or under construction on the Tennessee to provide 9-foot navigation will have only limited usefulness for through traffic between the Tennessee system and the Mississippi system unless this bottle neck is eliminated and a full standard channel created.

Strategic importance of Gilbertsville Dam for flood control on the lower Mississippi River: It is now universally recognized that it is absolutely necessary for Mississippi flood control to supplement the existing protection works on the Mississippi by reservoir projects on the tributaries. (See report of Army Engineers of Apr. 6, 1937, Committee Document, No. 1, 75th Cong., 1st sess., pars. 20, 21.) The Gilbertsville site is the most strategic for this purpose in existence. It is immediately above the junction of the Ohio and the Mississippi at Cairo, and can therefore be regulated with precision, drawing down the pool in advance of floods and storing the entire flow of the Tennessee, during the peak flood stages on the Mississippi, as the flood crest approaches Cairo. It is not only the most strategic reservoir in location, but the largest in size, and will alone cut off from 2 to 3 feet from the crest of the floods on the Mississippi from Cairo all the way down to Helena, Ark., with very substantial effect on flood heights through the remainder of the length of the Mississippi. When one recalls that the levees on the Mississippi have already been built to the maximum feasible height, and that in times of flood disaster even inches are important, the tremendous benefits to Mississippi flood control from this project can be appreciated (T. E. P. case, findings of fact Nos. 61–63).

The Gilbertsville site is far cheaper for Mississippi flood control than any other site in the Mississippi Basin. A report on this site by a board of independent consulting engineers, consisting of Mr. O. N. Floyd, of Dallas, Tex., consultant for the Army Engineers on the flood-control project at Sardis, Miss., and numerous other projects, Mr. L. L. Hidinger, an experienced consulting engineer associated with Mr. A. E. Morgan in the design and construction of numerous flood-control projects, and Mr. E. W. Lane, for a number of years associated with the Bureau of Reclamation and now professor of hydraulic engineering at Iowa State University, contains the following conclusion:

> The cost of the Gilbertsville project per acre-foot of storage or per foot of reduction in flood stage at Cairo, Ill., is less than one-half the cost of any other reservoir or system of reservoirs which could be located on the tributaries of the Mississippi River above Cairo.

The three-judge court at Chattanooga, in its recent unanimous opinion, made the following statement:

> It is reasonably estimated that Gilbertsville when completed will supply over 4,000,000 acre-feet of flood storage, and it is the most important of the series for flood control on the Ohio and Mississippi.

Even the conservative Engineering News-Record, which is opposed to the Authority's power activities, editorially recognized the outstanding character of this project in its issue of April 7. The editorial is attached in full text:

EFFECT OF DELAY ON PROGRAM OF T. V. A.

Any delay in the construction of this project creates the hazard that the delay will result in loss of life and destruc-

tion of property because of a flood catastrophe which this project could have averted. Delay in construction postpones the removal of the bottle neck to through navigation on the Tennessee River and the full realization of the benefits of the Tennessee Valley Authority project.

Delay would be wasteful as well as dangerous. The Authority has planned its construction program to achieve maximum economy and efficiency. It has prepared long-range plans for the transfer of men and equipment from project to project in a coordinated series. Indeed, all of the dams have been treated as a single giant project. An interruption in the construction of any single unit of this great project will impair economy and efficiency and result in the waste both of human resources and of material.

If the appropriation is not made now, it will be necessary for the Authority to discharge scores of experienced engineers. These men have acquired invaluable experience in dealing with this project in its preliminary phases. If these men are discharged, they can never be reassembled, and replacements will have to be made from less qualified and experienced personnel. Gilbertsville is not an emergency project, but a part of a permanent program for the conservation and utilization of our natural resources for the benefit of the people of America. However, the necessity of stimulating employment in the current business recession adds final force to the argument for constructing the project at this time.

Gilbertsville is a part of a regional project. However, its greatest value is not for the Tennesse Basin, but for the whole Mississippi Valley below Cairo. It is a truly national project.

TEXT OF FINDING OF FACT NO. 54 MADE BY THREE-JUDGE COURT IN TENNESSEE ELECTRIC POWER CO. ET AL. V. TENNESSEE VALLEY AUTHORITY ET AL.

54. The high-dam projects of the Authority will provide a navigation improvement substantially superior to that which could be provided by the system of low dams set forth in House Document No. 328. The superiority of high dams for navigation was recognized by the Board of Engineers for Rivers and Harbors in House Document No. 328. The Authority's projects will provide superior channel depths and widths, substantially fewer lockages, substantially less current velocities, pool fluctuations, and interruptions from floods. The elimination of lockages will substantially reduce the time consumed in lockages; the superiority of channel depths and reduction of current velocities will substantially increase the speed of movement and reduce the amount of motive power required; and the wider and longer pools of the high dams are preferred by the navigator to the narrow, crooked pools of the low dams. The reduction in pool fluctuations will greatly encourage the development of terminal facilities necessary to the development of commercial navigation. The advantages of the Authority's projects in these respects will insure a substantially greater efficiency of the navigation channel, substantially greater dependability of service, and may reasonably be expected to attract a substantially greater volume of traffic on the improved river. The high dams will also provide substantial improvement of navigation on the tributaries which would not be provided by the low-dam projects. The advantages of high dams cannot be accurately measured in monetary terms. The boats and barges which are now in general use on the interconnected inland waterways of the Mississippi River system will be able to navigate the Tennessee River where improved by the projects of the Authority without change of design or extent of loading.

[Editorial from the Engineering News-Record, April 7, 1938, p. 494]

BASIC CONTROL

Current animosities may easily inspire the thought that no more money should be squandered on T. V. A. expansion, and that, therefore, the plan to build a large dam at the mouth of the Tennessee River should be rejected. Such a thought would be unfair. It would ignore the fact that the Gilbertsville project mainly serves to reduce Mississippi River floods. Of course, the big reservoir would also improve navigation on the Mississippi, as well as open up the Tennessee itself; but the flood-control effect remains the commanding argument. Back of this situation lies a simple but compelling reason. The truth is that the whole Mississippi River control plan is a failure insofar as the city of Cairo and the basins immediately below are concerned. In last year's flood the city escaped destruction only by a hair. Gilbertsville would provide a safety margin by cutting 2 to 4 feet off Cairo flood heights—not enough in the biggest flood, but a very considerable approach to full protection. It would be the first piece of effective tributary control, and one of the largest, in the ultimate Mississippi River system. The estimate of flood benefits, reported by Carl A. Bock on another page, approaching $100,000,000, reflects its importance and emphasizes that the project deserves earnest consideration.

Jefferson Day Address

EXTENSION OF REMARKS
OF
HON. EWING THOMASON
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

ADDRESS OF HON. R. E. SHERMAN, EL PASO, TEX., APRIL 13, 1938

Mr. THOMASON of Texas. Mr. Speaker, under unanimous consent granted to me to extend my remarks in the RECORD, I include the following address delivered by Hon. R. E. Sherman, former mayor of El Paso, Tex., at the Jefferson Day dinner of the Arizona Democratic Association in Phoenix, Ariz., on the evening of April 13:

That is a great party in whose name and under whose auspices we have gathered here tonight. For more than 130 years democracy has stood like a great rock in a weary desert land, the chief and almost the sole defender of the rights of the people.

Wars, riots, strikes, and sabotage have not accomplished its ruin; internal strife has not caused its decay; under the crushing weight of defeat and the bitter assaults of organized capital it has grown younger in its strength.

It observed the powerful Federalist party in its death struggle. It saw the great Whig party pass into oblivion. It witnessed the rise and decline of the Free Soilers, Know Nothings, and Greenbackers. It saw history write the obituaries of Populism, the People's Party, the Farmers' Alliance, and the Bull Moosers. Last, and strangest of all, it has seen ruin and dismemberment come to the once-powerful Republican party. For today the name Republican is but a sign upon an empty house.

Those political organizations that have gone to dust and ashes were the shattered idols of a season or a period; in their narrowness and limited scope they fell. The most indifferent student of the philosophy of political survival knows that the Democratic party lives today because its principles are sound. And because, down through the years, from Thomas Jefferson to Franklin D. Roosevelt, the imperishable and eternal verities have been the spirit of its theories for the control of civil society in a land of the free.

Thomas Jefferson was born 195 years ago today, and his form has been cold in death for 112 years. Yet his political philosophy has survived the ravages of time and the devastations of change, and is today a living and a vital force, acknowledged as a world-influence.

His was a life of service and early were his worth and brilliance shown—justice of the peace at 22; member of the Virginia House of Burgesses at 26; member of the Virginia Convention at 31; member of the Continental Congress at 32; and author of the Declaration of Independence at only 33.

Genius was well in the bud when that immortal document came from Jefferson's inspired pen. Yet his service and achievements were but in the beginning. Let us turn the pages of history and see what the record shows from thence onward: Governor of Virginia, Member of Congress, Minister to France, Secretary of State in Washington's Cabinet, Vice President under John Adams, twice elected President of the United States, founder of the University of Virginia, author of the Virginia statute of religious liberty, founder at William and Mary of the first professorship of law in America, and author of the first statute by which education by the State was made a fundamental article of Democratic faith.

Thomas Jefferson spoke five languages. He was a student of government, of history, of science, of economics, of philosophy, and was versed in practically all the applied arts and sciences. At the period in which he lived he was probably the best-equipped man for governmental service then upon earth.

He brought to America the first rice and the first olive trees grown upon this continent. He experimented with the rotation of crops, giving the results free to the people. He invented the mold-board of least resistance for plows, which is in general use today. He devised the leather buggy top, which remained in use for over 100 years, or as long as the buggy itself. And in 1810 he, perhaps unintentionally, conferred a benefit upon the bureaucracies of all time by inventing the swivel chair.

In all of these inventions and discoveries Jefferson never sought a patent or a monopoly, never made a dollar of personal profit, but gave them gratuitously to public use. Always his thoughts went out to the people, their needs, their rights, their privileges. His was the altruistic, never the selfish, mind.

Thomas Jefferson, like the careful technician he was, wrote his own epitaph. You have often heard it before, but let me repeat the lines, significant for their simplicity, tonight:

"Here lies the body of Thomas Jefferson, author of the Declaration of Independence, founder of the University of Virginia, and author of the Virginia statute of religious liberty."

He did not ask that it be recorded on his tomb that he had been President of the United States, Vice President, Secretary of State, or Minister to France. No; Thomas Jefferson wished to be remembered not for the honors the people had given him but for the services he had rendered to the people.

His was a life of prodigious energy. His working day was from 12 to 20 hours. He lived to be 83 and toward life's close he told an intimate friend that for more than 40 years he had never failed to see the sun rise each morning.

I do not wish to leave the personal life of this great man without mentioning a few more things—that the Natural Bridge of Virginia formed a part of his estates at Monticello; that his private library of 10,000 volumes became the nucleus of what is today our Congressional Library; and that, though cruelly and falsely hailed as an atheist, his last words, in reverence spoken, were: "Now, O Lord, receive Thy servant."

This is the type of man to whose ideals and whose genius we owe our party's origin. This is the background of democracy as connected with its founder. This is the kind and character of statesman whose memory we are proud to honor tonight. Through the mists of time, in imagination we can see him, like some tall giant, handing down to posterity the Declaration of Independence in one hand and the title deeds to the Louisiana Purchase in the other.

With a certain amount of apology, because many of you may be better posted than I am on the contest between the Jeffersonian and the Hamiltonian political theories, I am going to dwell briefly on that contest. This for the reason that it marked then, and has ever distinguished, even to this hour, the line of cleavage between the Democratic and the Republican polity.

Coming out of the Danish West Indies as a boy of 16, the son of Rachel Levine and James Hamilton, a British subject, raised in an aristocracy under British sovereignty, Alexander Hamilton was, by training and predilection, an aristocrat. I have read with interest, and indeed with fascination, the novel The Conqueror, which is a fictionized account of the life of Alexander Hamilton, written by that brilliant California woman Gertrude Atherton. And while admiring the author's gifts, I have always thought she wrote like the daughter of a Republican postmaster. She gave Hamilton the glory, though forced to concede Jefferson the victory.

The honor or the patriotism of Alexander Hamilton has never been impugned. The purity of his motives has never been challenged. He was sincere in his belief that we should have a strong central government in which the State should be exalted and the individual submerged. He was a genius, and his was a great mind. But, in common with other "great minds" that have followed him in American life, he believed in working little children 12 and 14 hours a day in factories to teach them habits of industry. So, in the great contest that was, perhaps, prophetic of all the days to come, Hamilton led the party actuated by interest, Jefferson led the party moved by ideals.

Hamilton believed in a government that should control the people. Jefferson believed in the people controlling government.

Hamilton held that government should operate favorably to the rich and powerful and thus win their support. Jefferson maintained that special privileges were destructive to liberty and had no place in a democracy.

Hamilton advocated an upper House of Congress, chosen for life, on the basis of their property qualifications. Jefferson believed in power springing directly from the people, through delegated authority, answerable to the electorate.

Out of that contest, and out of Jefferson's victory, was born the Democratic Party. And from the principles and theories of Jefferson it has ever taken its creed and established its tenets.

In the books wherein are registered the accounts of the human spirit with the universe there are no more inspiring pages than those dealing with the Democratic Party's contribution to the idealism of mankind. The names of Jefferson, Jackson, Cleveland, Wilson, and Roosevelt recall times of crisis when the ebbing hopes of the people have been lifted and sustained, their faith in government renewed. It is the inspiration and the ideals generated by our party—and by no other—that have made America the light and the hope of the world.

In the present hour we may well conjecture, in solemn thought, what it must mean to the despondent peoples of Europe, indeed to a distraught and suffering world, in which dictators may, at a moment's notice, destroy the integrities of an earlier era, to be able to believe that over here despotism may not engulf the people, and to know that, in the wreck of matter and the crash of worlds, the citadel of Washington and Jefferson still stands.

At Christmastime, last year, among the gifts I received was a beautiful copy of Paradise Lost, containing the famous Dore illustrations. And as, for the second time in 34 years, I read John Milton's sublime poetical production, ever and again there surged into my mind the thought that it was for all mankind, and not a privileged class, that the Creator provided the fruits of the earth, planted the great forests, and hid in the veins of nature the treasures of the mine; that it was for the benefit of all humanity that man was endowed with an intellect and a yearning for the pursuit of science and the capture of invention and discovery; these following gifts to be the inheritance of all God's children.

In the inspired language of that great epic poem Milton tells us of a voice our common forbear heard in the Garden of Eden, saying:

> "This paradise I give thee; count it thine.
> Not only these fair bounds but all the earth
> To thee and to thy race I give; as lords possess it,
> And all things that therein live,
> Or are in land or sea or air."

Yet we saw the day come in this country when the control and management and ownership of the mines and forests, the products of earth, the transportation systems of land and sea and air were in the hands of a few. We saw the day come when monopoly held its grip upon every fireside and every man paid tribute to the power of privilege. We witnessed, then, the strange and anomalous situation of a nation in which millions were on the point of starving because we had too much to eat.

The merest schoolboy knows today that one of the fundamental causes of that condition was the unwholesome concentration of wealth in the hands of a few, and the unequal distribution of the fruits of individual toil.

It was the accumulation of years we were menaced with then. Slowly, insidiously, Government had been influenced by the powerful forces of concentrated wealth. Gradually, but steadily, it had been ceasing to function in behalf of the masses of the people—those who generate its ideals and whose welfare it was designed to serve.

The ideal upon which this Nation was founded had been pushed to the background, superseded by a new industrialism advanced as a superior plan of civilization. The lamp of faith was burning low in a hundred million hearts. Gilded magnificence was on display. Social justice was hidden by a deepening mist.

We were drifting far from the tenets of Jefferson then. A modern democracy, profoundly influenced by an originally true conception of the rights of the people, was in retrocession.

Whether the members of the oligarchy that at that time owned and controlled America knew it or not, our beloved country was at that period the world's greatest assembling plant of the machinery of social destruction. We could not have gone 12 months longer under the old system without widespread riot and civil commotion.

Once let the masses of any country reach the firm conclusion that their government offers them no security whatever against idleness and starvation, and that they have under its laws no protection from the oppression of wealth and they will change that government if they have to write the change in blood and ashes. Those who do not think so had better reread history, absorbing its lessons with sobered minds and fearsome hearts.

Today the clouds have lifted for the common people of this Nation. But the sunshine does not beguile the long-accepted privileged class. Gloom still haunts the minds of the dispossessed.

Although the administration has stabilized the banks, restored general confidence, and is seeking to guard against a return of the conditions of those agonizing years, we hear from certain quarters the claim that "these things are not the business of government." They were the business of government then. But why aren't they the business of government now? What certain people really mean is that it is not the business of government to take steps to permanently stop the rackets they used to carry on. We are told that business wants confidence. But what a certain class of business wants is confidence that it can start in once more to do the things it used to do.

Let us take one very recent example. Not long ago one Richard Whitney was head of the New York Stock Exchange. He was leading the fight against the Securities Exchange Commission and declaring that Roosevelt was disrupting business and destroying confidence. The exposé of Richard Whitney's business methods now throws some new light on the subject of what methods have a tendency to "destroy confidence and disrupt business," and once again we are reminded that the mills of the gods grind slowly but the fineness of their grist is unsurpassed.

When we speak of business let us distinguish between the clothier, dry-goods merchant, grocer, news dealer, farmer, local banker, salesman, wholesaler, and independent manufacturer, and the monopolists, stock jobbers, and trade combinations of the great cities. I fear that many small-business men who have nothing in common with this monopolistic group, but whose interests really lie with the masses of the people, are falling for this group's propaganda. Just as in earlier years many of the same type of citizens practiced the self-deception of believing that the tyrannical practices of the special interests were not directed at them but only at a more lowly group.

A broader reasoning would have told them then that, in the interplay of the social forces, the economic abuses of those years would be certain, in time, to touch their own lives and hopes and fortunes with a blighting influence and a destructive power. Time passed and they found it so.

And so I say to the small-business man, wherever he is within sound of my voice tonight, "Don't work toward your own undoing by taking up the cause of the superbusinessman; take care as to whose chestnuts you are trying to rescue from the coals."

We hear it said that the Democratic Party of today has departed from the Jeffersonian principles. We must remember that the railroad, the telegraph, the telephone, the radio, the steam-

ship, the motorcar, the airplane, the wonders of electricity, and modern chemistry did not exist in Jefferson's day. We live now under a changed economy—under changed social conditions.

It is good for us as Democrats to restudy the principles of democracy as contained in the Jefferson doctrine and the Roosevelt theories, finding—as we will be sure to find—a clear and distinct analogy between them; finding—as we will be sure to find—that the Roosevelt effort is but a continuation of the Jefferson contest. It is only the form that has changed; the principle remains the same.

The Roosevelt program of today seeks economic conditions which will give the workers a more equitable share in the wealth they produce. It seeks for legitimate business protection from the crushing power of monopoly; for youth—buoyant, trusting, blessed youth, which is our hope and our all—he chance to succeed upon the basis of its talents and its energies; for old-age protection against want; for all members of society a fair opportunity and a decent living standard.

There is a class of people who seek to distort and misinterpret this program. They raise the cry of communism now, as they have raised that of socialism in the past. But the real danger of communism lies in that group's own greed and economic tyranny.

The heathen in his blindness who bows down to wood and stone is not more undiscerning than this group. For they, in their stubborn pride and insatiable avarice, would perpetuate social evils that would, in time, be as potent to force the development of the communistic spirit here as they have proved in Europe.

The defense against communism and fascism is a contented populace. Communism is the last resort of a distressed and outraged people. They turn to a dictator for short cuts to immediate relief and sweeping reform. All that was denied the masses through orderly means is taken by force. The dictator builds his power upon military strength. When his popularity wanes he leads his people into war. There is your series of developments. These are the steps by which governments are destroyed. America's choice, thank God, leads the other way. Through inspired leadership in the White House we are winning through by constitutional means and orderly processes. Democracy stands firm and its principles will prevail.

We will always find those who think that when any man in power declares that justice shall be found in low places as well as high, and that the laboring man and the laboring woman shall, with a just wage, displace the laboring child, he is a hater of capital and is stirring up class strife. But I say to you tonight that the social advance this Nation is insistently calling for—and that it must have if it is to survive—cannot take place without such measures as these.

America but faces an age-old problem wearing the habiliments of modern times. Let me turn to the Old Testament for a cry for social justice that has gone ringing down the centuries, and repeat to you the words of the prophet Isaiah, the son of Amos:

"Why do you consume my people and grind the faces of the poor, sayeth the Lord God of Hosts?"

What has taken place since 1932 is nothing less than a new birth of freedom. Ours is the privilege of living in the midst of that regeneration. The mantle of Thomas Jefferson rests today upon the shoulders of a similarly great and inspired leader, Franklin D. Roosevelt. Democracy lives and carries on.

Do you remember the closing words of the President in his last message to Congress on January 5? They were: "I will not let the people down." On every altar of this land, by everything held sacred, the people now should swear that they will not let him down.

The New Spending Plan

EXTENSION OF REMARKS

OF

HON. BERTRAND H. SNELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

EDITORIAL FROM THE NEW YORK TIMES, APRIL 21, 1938

Mr. SNELL. Mr. Speaker, I am one of those citizens who is seriously disturbed by the new proposed spending plan of the President.

I am also amazed by the statements made by the spokesmen of the White House advocating that by continued and increased spending by the Federal Government we will bring back prosperity and balance the Budget.

The people of the country are really alarmed over these proposals and are beginning to lose hope of any real relief from this present depression.

The following editorial from the New York Times of today so perfectly expresses my views I am pleased to include it in my remarks:

ALTERNATIVE TO SPENDING

Secretary Wallace is the latest spokesman of the administration to champion the President's new spending program. An Associated Press dispatch quotes him as saying in an address at Omaha that the present decline of business followed a too sudden curtailment of Government expenditures, and as arguing from this premise that the expenditures must be increased.

But what are the facts in the situation? The Treasury is the place to go for them. And the Treasury's records show that aside from the single arbitrary factor of the soldiers' bonus—which was paid in June 1936—there has been no curtailment of Government expenditures whatever. Of the soldiers' bonus itself, it will be remembered that the administration did not want it paid, that the President twice vetoed the bill which called for payment of it, and that he said of the probable effect of its payment on the business of the country that the argument "that spending the money is the most effective means of hastening recovery is so ill-considered that little comment is necessary."

As for the rest: The Treasury's own records tell the story of how much money the Government has spent to date in each fiscal year since Mr. Roosevelt took office. And the story told by the Treasury's figures runs as follows:

Apr. 1, 1933	$3,777,067,909.16
Apr. 1, 1934	4,848,004,417.51
Apr. 1, 1935	5,062,459,201.21
Apr. 1, 1936	5,337,110,349.44
Apr. 1, 1937	5,520,982,140.33
Apr. 1, 1938	5,676,045,774.10

Far from curtailing its expenditures, the Government has steadily increased them from year to year—until they are now at the highest level in the whole record of the Roosevelt administration, and at the highest level in the whole peacetime history of the country. Yet now we are told that the Government must spend still more—and keep on spending this time, says Secretary Wallace, until there is "assurance that, when the Government does step out, private capital will begin to flow proportionately."

Has it occurred to Secretary Wallace to ask why private capital is not flowing now into investment as rapidly as everyone desires? Is it not clear that the flow of private capital is in fact retarded by governmental policies which have shaken business confidence and placed artificial obstacles in the path of private enterprise? Would it not be an excellent thing to change these policies, in order to start up the flow of private capital at once, rather than delay in this matter, and meantime fall back upon another vast experiment in "pump priming" which may easily fail to achieve the desired result and end merely in the Government's losing control over its own Budget?

The C. C. C.—The Realization of a Pragmatist's Dream

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

Mr. SHANLEY. Mr. Speaker, William James is one of our greatest philosophers and psychologists. Though his standing is secure his name is so often associated with the philosophy of pragmatism that some people are apt to allow this association to obscure his versatility. He writes with all the facility and ease that one would expect in a novelist, and it is paradoxical that his writings in scholarly subjects are often easier reading than those of his brother, Henry James, the novelist. But one thought of his has always remained in my mind. It has been quoted very often, but never better than in the book A Preface to Politics, by Walter Lippmann, in 1913. That author, in describing a substitute for war, quoted William James to this effect:

So William James proposed not the abolition of war but a moral equivalent for it. He dreamed of "a conscription of the whole youthful population to form for a certain number of years a part of the army enlisted against Nature. * * * The military ideals

of hardihood and discipline would be wrought into the growing fiber of the people; no one would remain blind, as the luxurious classes now are blind, to man's relations to the globe he lives on, and to the permanently sour and hard foundations of his higher life."

There is in the C. C. C. and its history of genuine achievement a splendid answer to the hopes of William James. Not the whole population, to be sure, but an emphatic part of it has this chance to see and understand Nature.

In the unraveling of the history of the resolute and courageous acts of our President in 1933, none is so replete with human interest as that which deals with his establishment of the C. C. C. It was a brilliant stopgap that not only removed hundreds of thousands of young men from the streets and placed them under healthy social control but it afforded the country an object lesson in conservation.

The former speaks for itself in the undying thankfulness of these young men and their families. But the restorations of dying frontiers of soil, forest, and farm lands need a more emphatic stress. But no picture is more vivid and illuminating than is presented by a personal study of the before and after activities of the camps.

You, my colleagues, and you, the citizens of America, have that opportunity by simply visiting a camp and asking to be shown the results of this great work.

I never think of this picture of these boys without reflecting that we are doing this without force or compulsion, yet with an accompanying gesture of pay that bespeaks the democracy and not the totalitarian state. Like some of these dictatorial states, we might wipe out the apparent sight or presence of employment by drafting huge standing armies, by employing concentration camps, by putting our people on a ration, or by complete regimentation. That way points to disaster.

Those who quarrel with progress these days must realize that the road upward is slow and rough and gains are made by the inch, not by the mile. We have no great standing armies paid ridiculously small wages, nor have we any type of regimentation that would stop the functioning of our profit system. Movements of people from place to place, from philosophy to philosophy, or from opinion to opinion are still the order of the day and will be. Our C. C. C. camps are a cross section of America. They are our defense against the destructive influences of youth in idleness.

Hawaii

EXTENSION OF REMARKS

OF

HON. SAMUEL W. KING

DELEGATE FROM HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

RADIO ADDRESS OF HON. SAMUEL W. KING, DELEGATE FROM HAWAII, APRIL 16, 1938

Mr. KING. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following radio speech delivered by me on Saturday, April 16, 1938, over the Columbia Broadcasting System, Station WJSV, Washington, D. C.:

My friends, may I extend my greetings to you all in the good old Hawaiian phrase, "Aloha kakou a pau." It is a distinct pleasure to open this series of broadcasts on the economic and national-defense aspects of those parts of our country lying outside the geographic limits of the 48 States, and I appreciate the courtesy of the Columbia Broadcasting System in granting me this time on the air.

We in Hawaii live 5,000 miles from Washington. Over 2,000 miles of the Pacific Ocean separate us from the California coast. Yet we are as much a part of the American scene as Long Island or Marthas Vineyard. We are divided only by distance. In fact and in spirit, in culture and in material accomplishment we are truly American.

Also, because of our position, we occupy a unique place as the spearhead of national-defense forces to the westward. The development of our strategic location, hand in hand with our industrial and spiritual life, is another epic woven into the history of America.

It was in the year 1778, when the Thirteen Colonies along the Atlantic coast were still struggling to win independence from Great Britain, that Capt. James Cook, the English explorer, first made known to the outside world the existence of Hawaii. Just a few years later the islands were brought under the rule of the great chief Kamehameha, who is now revered as the "George Washington of Hawaii." The dynasty founded by him was to endure almost to the time of annexation.

The unceasing search for new trade quickly brought American traders and sailors to our shores. These were followed by the whaling men of New England, wintering in Hawaii from the Arctic whaling grounds. American missionaries, also from New England, soon established permanent settlements and converted the Hawaiian people to Christianity. America dominated the life of the islands early in our history, definitely shaping our culture long before annexation, in fact, well over 100 years ago. When, about 40 years ago, annexation of our independent government came about in 1898, it was, in the words of President McKinley, "not a change but a consummation."

So, today, we find Hawaii an incorporated Territory by the voluntary choice of its people. It is in exactly the same position as 29 of our States were before they were admitted to the Union, to be represented by new stars in the flag. I, and my predecessors in Congress from Hawaii, have been seeking full statehood for Hawaii. Recently a special committee of the United States Congress, a joint committee of the Senate and the House, visited the islands to study our qualifications for statehood. The committee recommended that statehood be deferred, but it is of interest to note that the committee said:

"That the people of Hawaii [should] be assured of the continued interest of Congress in their progress under the American flag; that as fellow citizens they be assured of the same treatment as the people of the several States; that the status of Hawaii as an integral part of the Union and an incorporated Territory of the United States be recognized in all national legislation; that its industries and products receive the same treatment accorded those of any other part of the Nation; and that its people be reassured that the established practice of the United States, as repeatedly affirmed in the platform of both national parties, and carried out in practice by the Federal Government, of granting the largest degree of local self-government to its Territories, will continue. * * *"

The report verified the great progress made by Hawaii since it became a part of the United States, and covered in considerable detail the economic and social conditions in the islands, emphasizing the general high standards that exist in this outpost of American democracy.

Many of you doubtless have been to Hawaii, and I hope you were pleased with the country and its people. Even those of you who have not yet visited the islands know something of our famous beaches; our great mountains, two of which are active volcanoes, and some of which are included in the Hawaii National Park; our colorful flowers and trees; and our mild climate; all of which have been well publicized.

But Hawaii has much more than these things that meet the eye. It is true that nature has treated us with a lavish hand. Man has added civilizing touches, overlaying our Polynesian heritage with the most modern improvements. Our capital city, Honolulu, with a population of 150,000, will bear comparison with any city of its size anywhere.

It may come as a surprise to many to know that our trade with the mainland of the United States, which was but $40,000,000 annually at the time of annexation, is now valued at over $200,000,000 each year. In the matter of purchases from the mainland, only five foreign countries, the five great nations of the world, exceed those of Hawaii.

Our people are, of course, subject to the same Federal taxes and import restrictions as the people of the several States. Illustrating our economic importance is the fact that our income-tax payments regularly exceed those paid by from 12 to 19 of the States. The total revenue of the Federal Government from Hawaii since the year 1900 has been more than $220,000,000.

There are 176,000 savings bank accounts in Hawaii—an extremely high figure in proportion to our total population of under 400,000 persons. Our retail sales per capita exceed those of 35 of the States. This indicates a wide diffusion of the wealth gained from our fields, factories, and mercantile establishments. There are no extremely wealthy individuals in the islands, but there are a relatively large number of people in comfortable circumstances.

Sugar is our principal industry, and the backbone of the Hawaiian economy. Our sunny climate and mild temperatures form a sound basis for sugar cultivation, and I believe that our scientific methods of cultivation are without parallel anywhere. Pineapples, our other major crop, proudly claim the title of "king of fruits." Coffee growing, cattle ranching, and shipping, the latter in conjunction with the increasing tourist travel to the islands, are other main features of Hawaiian business life.

Labor in Hawaii is uniformly well treated, as is shown by the great increases in wages paid; and the ample housing, recreational facilities, and medical services afforded our agricultural labor, comprising more than one-half of those gainfully employed.

Ours is a young country, with more than one-fourth of our population enrolled in our excellent public and private schools. More than 40 percent of our total expenditures of $25,000,000 per annum for the cost of our local governments is devoted to public

education; and large proportions are spent for health and sanitation and for the conservation of our natural resources. Soil conservation, which is becoming a matter of great concern on the mainland, has been widely practiced in Hawaii for many years. Without mineral resources, our greatest natural wealth is our agricultural land. The soil, instead of being depleted by successive plantings of the same crops, has actually been gaining in fertility through sound farming practices.

The total area of the Territory of Hawaii is approximately 6,500 square miles, about equal to the area of Connecticut and Rhode Island together, or double that of Rhode Island and Delaware combined. The mountainous character of the islands leaves a comparatively small area of arable land, which must be intensively cultivated to support our population and maintain the large commerce and high degree of prosperity that exists today. Our success has been due to an intelligent and energetic use of our resources not usually associated with a tropical land. Hawaii, subtropical in geography and scenery, is thoroughly American in its attitude, and governs its business and economic life by American standards.

It is a common statement that these islands are as strategically located as though they had been set in place by military experts. Viewed from the standpoint of national defense, it is doubtful if any nation has so important and valuable a territory for defense purposes.

Hawaii is our western outpost, extending the radius of action of the American Fleet by over 2,000 miles and lessening the need for coast defenses. The value of this location in event of war is beyond calculation. The control of Hawaii by any other nation would constitute a menace on our flank. Under the American flag, Hawaii becomes the keystone to our defensive strategy but not a threat to any nation. The value of Hawaii lies in its availability as a fleet naval base, and for this purpose Pearl Harbor, near Honolulu, has been developed as the most important such base under the flag. From the security of this fortified naval base the United States fleet can completely enclose the North American Continent behind a protective screen extending in a wide arc from the Aleutian Islands to the Panama Canal.

Great military establishments, chief of which is Schofield Barracks, surround Pearl Harbor and give protection to the fleet base. The entire island of Oahu is guarded by immense fortifications.

More than 100 years ago—in the days of wooden ships and iron men—American naval strategists recognized the value of Hawaii to any nation bordering on the Pacific. Realization of its importance grew with the coming of armored vessels, powered by coal and oil. This worth was proven in the Spanish-American War, when Hawaii was the only available port of call for transports and naval vessels en route to the Philippines. Naval experts were among the strongest supporters of the move to bring the Republic of Hawaii under the American flag.

It is estimated that more than $200,000,000 have been spent at Pearl Harbor by the Navy alone. The Army has expended even larger sums in fortifications and coast defenses. Great quantities of ammunition, fuel, and other stores, have been provided. Everything is in readiness to keep American warships afloat, American planes flying, and guns firing, if an emergency should arise.

We are proud of our position in the front line of America's defense and confident that no enemy force can ever run the blockade of our fleet. In the middle of the North Pacific the Territory of Hawaii is the advance guard of American culture and trade, as well as the western base of our military strategy. In peace or war it is a valuable asset to the American Nation. And finally, its people, of whatever racial origin, find in the free institutions of America, that haven for the oppressed that others have found, which binds us together in common loyalty to this great Nation. As was said by the Joint Committee on Hawaii:

"The loyalty displayed by the people of Hawaii during the World War, when they exceeded their draft quota, can certainly be expected to be repeated if America should again be engaged in war, regardless of whom the enemy might be."

In the hope that this brief discourse may help better to acquaint you with Hawaii, I bid you all good night and mahalo me ke aloha nui.

Reform of Procedure in the Federal Courts of the United States

EXTENSION OF REMARKS

OF

HON. MARTIN L. SWEENEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

COPY OF H. R. 4721 AND STATEMENT BY MARTIN A. McCORMACK

Mr. SWEENEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I append herewith a copy of H. R. 4721, and the very able and timely statement by Martin A. McCormack, president, Cleveland Chapter, National Lawyers, Guild, on the subject of the pending legislation.

Mr. Speaker, in response to a growing demand from the members of the bar in the respective States of the Union, the House of Representatives on June 21, 1937, passed what is known as H. R. 4721, which reads as follows:

An act relative to granting and giving instructions in civil and criminal cases in the district courts of continental United States

Be it enacted, etc., That upon the trial of any case, civil or criminal, before a jury, in any district court of continental United States, or in any other Federal court of the continental United States, authorized to try cases with the aid of a jury, the form, manner, and time of giving and granting instructions to the jury shall be governed by the law and practice in the State courts of the State in which such trial may be had, and the judge shall make no comment upon the weight, sufficiency, or credibility of the evidence or any part thereof, or upon the character, appearance, demeanor, or credibility of any witness or party, except as comment is authorized in trials of such cases by the law and practice in the State courts of the State where such trial is had.

This measure is now before the Senate Judiciary Committee awaiting action by that distinguished body. It is hoped that the bill will be reported favorably and passed at this session of Congress.

Mr. Speaker, with few exceptions the judges of the Federal district courts as a whole have availed themselves of their prerogative to comment on the weight of evidence and the credibility of witnesses in cases tried with the aid of a jury. The abuses growing out of such procedure has excited the members of the bar to press for reform in Federal courts. No further comment by me is necessary at this time.

I present for the consideration of the Members of Congress the statement recently issued by the distinguished member of the Cleveland bar, who with an able committee has sought for many years to bring about this needed reform in Federal procedure.

CLEVELAND CHAPTER, NATIONAL LAWYERS' GUILD, IN FAVOR OF THE BILL TO GAG FEDERAL JUDGES—THE STATEMENT BY MARTIN A. McCORMACK, ESQ., PRESIDENT, CLEVELAND CHAPTER, NATIONAL LAWYERS' GUILD

The Cleveland Chapter of the National Lawyers' Guild is in favor of H. R. 4721, pending in Congress, which provides that Federal courts shall conform to the law and practice of the State in which a trial is held, in respect to instructions to jury.

In Ohio, trial courts may not comment on the weight of the evidence nor the credibility of witnesses.

In the Federal courts, the trial judges too frequently comment on the facts and upon the character and reputation of witnesses, oftentimes substituting for the minds of the jurors the mind of the judge and for all practical purposes dictating the verdict.

SHOWS HOW POWER IS USED

Following are a few examples of how this power is used in Federal court. In the cases cited reversals were obtained. It is obvious that no record of the uncounted thousands of unreported cases, where the party prejudiced had not means for appeal, was available.

1. Trial judge to jury:

"Personally I would rather believe the girl who had been wronged than the man who would desert his wife and children to wrong her; but that is another impression that is personal to me, and which you are not to regard in any way whatsoever, or for any purpose" (*Parker* v. *United States*, 2 Fed. 2d Series 710).

"I THINK DEFENDANT GUILTY"

2. Trial judge to jury:

"And, so far as I am concerned, I think this defendant is guilty of this charge, but that is a matter not for me to determine, but for you to determine, gentlemen, uninfluenced in any way by my opinion. In other words, gentlemen, you are not to be misled or deceived by any subterfuge which may be resorted to by the defendant for the purpose of escaping the penalty of the law when he is placed on trial, and you are to weigh the testimony in the light of reason and common sense to see whether or not it is the truth which is being offered by the Government in evidence to convict, or whether or not the defense offered is a mere subterfuge to escape punishment, and, if you decide it is a mere subterfuge, and you are so convinced beyond a reasonable doubt, then as a matter of course, you will not let that subterfuge govern you in this case, but you will arrive at the truth of the controversy you are trying" (*Wallace* v. *United States*, 291 Fed. 972).

OPINES DEFENDANT IS LIAR

3. Remarks of presiding judge—comments on evidence—

"In a prosecution in a Federal court under the Federal White Slave Traffic Act, the action of the presiding judge in stating during his charge to the jury that in his opinion the defendant was

a liar, that if the jurors believed as he did they should find the defendant guilty, that the defendant's counsel was the most skillful football player of his day and 'is just as skillful now, and even more so in the practice of the law, in his straight rushes, and his twistings and his turning,' that the defendant's counsel in his final argument to the jury was 'acting,' and that the jurors should 'not be misled by it,' that defendant's counsel, by reason of defendant's testimony that he was in love with the girl which he had caused to be transported had brought 'the sacred word of love into this case and has besmirched it with * * * mud and filth,' that the jurors should not believe such story, that the defendant while on the stand told a string of lies from the minute he started until the time he ended, and that the defendant as 'the most degrading part of the whole thing' married the woman merely to prevent her being able to testify against him, 'a depth of meanness and cowardice which I have not words properly to explain my disgust for,' constituted an abuse of the privilege of Federal judges to comment on the evidence and was ground for reversal in that such remarks deprived the defendant of his constitutional right to a fair and impartial trial, notwithstanding the fact he also told the jurors that they were not bound by his opinion" (*Malaga* v. *United States*, C. C. A. 1, No. 2637, April 7, 1932).

JURY EASILY MISLED

4. The court's opinion (appellate) reversing trial court:

"The jury can easily be misled by the court. Its members are sensitive to the opinion of the court, and it is not a fair jury trial when the court turns from legitimate instructions as to the law to argue the facts in favor of the prosecution. The Government provides an officer to argue the cases to the jury. That is not a part of the court's duty. He is not precluded, of course, from expressing his opinion of the facts, but he is precluded from giving a one-sided charge in the nature of an argument. We do not think the error in this case is cured by the mere statement to the jury that they were not bound by his opinion and that they should follow their own judgment" (*Weare* v. *United States*, 1 Fed. 2d, 617).

EVIDENCE OFTEN DISTORTED

From the reversing court's opinion, it is evident that even the higher courts recognize that the power to comment on the evidence is frequently distorted into the desire on the part of the trial court to lead the jury. As set forth in the above opinion, the reversing court did not think that the error made by the presiding judge was corrected by a mere statement to the jury that they were not bound by his opinion. Yet in the vast majority of cases where the trial court has overstepped the boundaries of fairness in commenting on evidence, appellate courts condone the conduct of the trial judge by answering that: "The error in this case was corrected by the statement of the trial court to the jury that they were not to be bound by his opinion."

As said in *Rucker* v. *Wheeler* (127 U. S. 85, 93, 8 Sup. Ct. 1142, 1146 (32 L. Ed. 102)):

"It is no longer an open question that a judge of a court of the United States, in submitting a case to the jury, may, in his discretion, express his opinion upon the facts; and that 'when no rule of law is incorrectly stated and all matters of fact are ultimately submitted to the determination of the jury,' such expressions of opinion are not reviewable on writ of error."

"Such expressions of opinion are not reviewable on error."

ASTOUNDING ENOUGH TO JAR

It is no wonder then, that before a reversal is possible, in view of the above statement, the comments of the judge must be of such a character as to shock not only the sensibilities of laymen and lawyer who hears them, but must also be astounding enough to jar the appellate courts who read them.

The main objection of the opponents to this bill seems to be that uniformity in procedure in the Federal court will end. To the practicing lawyer, uniformity will begin, and that uniformity will be coextensive with the boundaries of his own State. When he travels without those boundaries, he will find the same uniformity in the Federal court as in the State court visited. At best the objection is frivolous in view of the very serious objections raised.

Another argument of the opponents of this bill is in the form of a report of the American Judicature Society. It discloses two main points.

First. That of the great number of cases tried only a few appeals are taken. Every lawyer who ever tried a case in any Federal court knows that the expense of appeal is prohibitive, especially to the vast number of defendants who come before our United States courts.

Second. That of the few cases appealed, in very few instances did appellate courts rule that the trial judges abused their powers. It is just this finding of the American Judicature Society, that in only a few instances were reversals obtained for abuse of this power, that is in itself a persuasive appeal to all lawyers to revoke this power to abuse.

Since the incomparable charges of Justice Chase in the trial of Dr. Thomas Cooper, an example of the intolerable lengths a trial court may go in charging a jury, this so-called right to comment has been abused.

The conduct of this "American Lord Jeffrey" became such that after the Callender trial, which subsequently formed the basis for at least one of the counts of his impeachment proceedings, history records: "That juries were nothing more than machines that registered the will, opinion, or even inclination of the national judges and the United States attorneys." "In short, trial by jury in any real sense was not to be had." (McMaster—History of the People of United States—Speech Charles Pinckney in the Senate, Mar. 5, 1800.)

THOUGHT KIND JUDGE DESIRED

Jurors are readily and easily influenced by the slightest attempt upon the part of the court at argument or persuasion. Even in our own State courts where the trial judge is required to meticulously avoid comment of any kind, and to confine himself to an exposition of the law, juries are known to have rendered a verdict because they thought it was that kind of a verdict the judge desired.

H. R. 4721 is the result of a continually growing and robust conviction on the part of an ever-increasing number of lawyers and legislators that the right to comment on testimony and witness is but a heritage of the usurpation of judges long before the colonies separated, and in any event, that it no longer has a place in a progressive democracy.

If we may not look to the judges for relief then recourse must be had to the legislature. The Cleveland Chapter of the National Lawyers Guild therefore supports H. R. 4721 in correcting this evil, which we have endured too long.

How Long Will We Have Religious Liberty?

EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

ARTICLE FROM LIBERTY MAGAZINE

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks, I include the following article which was written by George E. Sokolsky and published in the Liberty magazine under date of April 23, 1938:

Religious freedom is disappearing. The intensity of nationalism in the modern state causes the dictators to want a oneness in everything. They would unify men and they would kill off every difference of thought and feeling. Therefore they insist upon one religion. In Soviet Russia and in Mexico they tried to kill off religion altogether. In Germany and Poland they desire a single state religion. In other countries it is a variation of this theme.

But the faith of man is deep in the traditions of his mother. And the love of man for his God is so powerful that it can withstand every assailant. And in the end faith will conquer despotism, belief will conquer arrogance, and religious freedom will again be the keystone in the arch of human rights.

Religious freedom was a new conception at the time of the French Revolution. It existed nowhere on the face of the earth, except in the newest nation, the United States of America.

Everywhere else the individual's right to worship God was limited by the power of the state. Men and women cleaved to their God—and suffered the consequences.

Usually men and women who followed their consciences rather than their princes were deprived of civil rights.

Even in England it was 1829 before a Catholic could sit in Parliament; it was 1858 before a Jew could hold public office.

After the Protestant Reformation religious intolerance was as deep-seated as at any time in European history. It was the ruler, not the citizen, who decided how God was to be worshiped. If the ruler was Catholic, everyone who lived in his state had to be a Catholic. If the ruler was a Protestant, every one had to be a Protestant.

Those who felt God's inspiration independently of the ruler suffered bitter privations. Many were killed, many were exiled. The United States was peopled in its early years by brave and God-loving men and women who hoped to be able to worship God as they chose to worship Him.

Puritans, Methodists, Quakers, Catholics, Jews, Huguenots, Mennonites, Ammanites—all sorts of people came to these shores because they believed in the right of each man to pray as he believed it was his right to pray to God. Here they built for themselves houses of worship, and when they formed for themselves "the more perfect union," as they called it, they made religious freedom a cardinal principle of national faith.

That was the most enlightened act of the American Revolution. For, whereas other civil liberties may at a moment seem tremendously important, religious freedom opens the soul of man to the inspiration of faith. Without faith in God and therefore in

himself, man is inevitably enslaved to the dark and poisonous forces of despair and selfishness.

Religious slavery is always accompanied by intellectual enslavement. It was casting aside the shackles of religious despotism and arrogance that opened the minds of the men and women of the nineteenth century to all the truths of man and nature.

Experiments in science, in medicine, in industrial and agricultural improvements became possible; the social and political sciences followed upon geology and chemistry and physics; psychology followed upon biology. Man began to know himself and the world in which he lived.

And for a time some men lost God in this process and some set up false idols. But the great advance upon this earth from the day that religious freedom became an article of the American Constitution until the end of the Great War was the universal recognition of the truth that God is the Father of many different children, and that each of His children—each one—worships, loves, reveres, calls to Him in a different manner, each according to his faith, each according to his conscience.

It was Roger Williams, the founder of Rhode Island, who established the first modern state upon this earth in which the state—government—was deprived of the right to meddle with the religion of the individual.

The battle for religious freedom has been continuous. Religious prejudice and arrogance gave way slowly, step by step—never quite conceding that faith in God is as personal as the act of marriage.

Many have confused religious tolerance with religious freedom, but the two are never alike. Religious freedom gives full rein to the individual to believe or not to believe, to have faith or not to have faith, each man as his conscience leads him.

Religious tolerance admits that others may differ but that the state still determines how and what should be done about God. No man has stated the case against religious tolerance and for religious freedom better than Thomas Paine, who said:

"Toleration is not the opposite of intolerance, but is the counterfeit of it. Both are despotisms. The one assumes to itself the right of withholding liberty of conscience, and the other of granting it."

Paine was an ardent deist, and he added:

"Were a bill brought into any parliament, entitled 'An act to tolerate or grant liberty to the Almighty to receive the worship of a Jew or a Turk,' or 'to prohibit the Almighty from receiving it,' all men would startle and call it blasphemy."

And most of the progress between Waterloo and Sarajevo was in the direction not of freedom but of toleration. In most European countries state religions continued to exist and religious minorities were tolerated by the government.

Sometimes these religious minorities were not tolerated and pogroms occurred which outraged every sense of decency in men and women in free countries. Bands organized themselves, bands such as the Black Hundred in Czarist Russia, to ravage and kill religious minorities.

Nevertheless before the war there was hope that religious freedom, along with other democratic forms, would triumph over all the earth, that men would kneel to God, each in his own pew, but each as his own mind and heart dictated. There was hope even that the Christian sects might lead the way to a union of the churches of God in spiritual freedom. And now—

Bitter hatred stalks the world again. In Mexico Catholics are persecuted. In Germany Jew, Catholic, and Protestant taste the foul broth of state control and persecution. In Soviet Russia the Society of the godless continue to teach a hatred of God and of God's Word. In Poland the Jew is being sent back into the ghetto. In Rumania, Haman has risen again in all his narrow vindictiveness and there is no Esther to safeguard her people.

Even in the United States, the mother of religious freedom, such organizations as the Ku Klux Klan have risen to inspire hatred for Catholic and Jew—and there are many others at work even more secretly to enslave the mind and the will of a God-loving people.

We are moving back into the age of enslavement. The sun of freedom shone upon us for about a century, and now we are again turning into the valley of darkness. Whenever the state becomes supreme the rights of men decrease before the expanding despotism of the state. Small men, who beg the people to elevate them to power, crack the whip of the despot upon the people's backs when power has become too strong a wine for them.

And the despots know that a people cannot be enslaved as long as the word of God sings songs of freedom to them. Who can trust in kings and princes who has read Samuel and Isaiah? Who can fail to foresee the doom of despotism who has gone into the temple with Jesus of Nazareth in His revolt against the extortionists of power?

The despots, then, first oppress religion. It is not a particular church or a particular religion that the despot hates. It is all religion, for faith in God forbids making a god out of a man, however powerful he may be. Faith in God makes it impossible for men and women to worship the gargoyle portraits of themselves which the despots set up in every highway.

Each despot grapples with God and believes that he has conquered because no miracle occurs to blast him off the face of the earth. Yet the miracle is there—the amazing miracle of the faith of man.

For 20 years now in Soviet Russia, in spite of ridicule and humiliation, the Easter service of the Christians and the Passover service of the Jews and the Ramadan of the Mohammedans have been observed. Each year Christmas and Yom Kippur have been observed. They laughed, the godless ones. But men and women worshiped and grew more brave, until now they worship again in the open, fearless because God has conquered even the blind hatred of the Marxians. The triumph of religion in Soviet Russia is evident every year in the increasing number of worshipers who no longer fear the raucous shoutings of the godless.

And in Germany, men and women go into concentration camps and prisons, but they do not compromise with the idolaters. Golden calves are raised; pagan Maypoles become the fetishes of the new religions; Thor and Wotan are set up to snarl the soul of man, and Hitler vies with Hirohito in his sacredness. But the word of God is preached in cathedral and church and synagogue. And youth knows not where to turn, for if patriotism means to desert God, where is loyalty to be?

That is posed as a serious problem in Germany today, and Herr Rosenberg, knowing that man yearns for religious association, creates his own religion. He adopts the ancestor worship of the Chinese, and he says to German youth, "If you must have faith, have faith in your own ancestors." And who were their ancestors? Do they know? Is not the answer to that that God is the ancestor of all men—God is the Father of an eternal, an everlasting brotherhood of man?

So, wherever we turn today, we listen again to the sons of Belial. They turn upon us in anger and shriek, "Worship me!" and they erect images of themselves, and they force men to salute them and to cry out their names. And men do their bidding, for they are afraid.

Yet in their hearts there is a greater passion than fear: It is the passion of love—love of God, love of man. And these mighty dictators who would tear men and women from tradition and belief, and who set themselves up as mighty gods, these imitators of the giants who buy men's bodies—they never can control men's souls. For the soul of the man who has faith cannot be killed.

Spending and Taxation

EXTENSION OF REMARKS

OF

HON. CLIFFORD R. HOPE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

EDITORIALS FROM THE JANUARY AND MAY ISSUES OF THE COUNTRY GENTLEMAN

Mr. HOPE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include two able and timely editorial articles on spending and taxation. These editorials appeared, respectively, in the January and May issues of the Country Gentleman.

TAX EROSION

Two kinds of erosion menace the productive resources of this country. One is erosion of the soil. Land, without a protective cover or defense of the slopes, is washed away by the rains or planed off by the winds. The rich and tillable layer of topsoil, built up by nature over centuries of time, is gradually worn down. Though spread widely over the surface of the land, except in a few localities it is not very deep. When it is lost or abused, the struggle to obtain a living from the land is made harder.

Soil erosion has been going on ever since settlement began. So little noticed was the despoliation that the public only lately became aware of its menace. But now it has been made a matter of great public concern. Many measures, some wise, some perhaps extreme, have been undertaken to check it. We have recognized this covert destroyer of natural wealth in time to save ourselves from it worst consequences.

The effects of the other form of erosion are not yet realized, although they are equally destructive. This is the erosion of productive capital by taxation. It is singularly like erosion of the soil. According to a good authority, in the very best year the country has ever known far less than 20 percent of the national income was available for savings or investment. In the ordinarily good years the amount is only about 5 percent. This is the productive topsoil of our earned wealth. Out of it grow new enterprises, expansion, and development. It is the fruitful source of more opportunities, more jobs, and more pay rolls.

Like the topsoil of the land it is not very deep and it is spread widely. For this productive layer of our national wealth is made up not only of the surplus incomes of the rich but also of the many small sums that pass through the savings-bank windows. It is the sum total of what we all have left after meeting our going needs and the upkeep of life and property.

The erosion of taxation is cutting deeply into this topsoil of investable capital. Its ravage is going on at a rate far more rapid

than that of soil erosion. Taxes in the current year are taking over 20 percent of all the national income, against 11 percent of approximately the same amount of income a dozen years back. This swift increase in tax levies is being met partly out of the income that would be spent for going wants. The rest is coming more and more out of the productive topsoil of our annual earnings. Our tax makers have reached the stage known in farming as mining the soil, always coincident with erosion. The results are the same whether it be land or capital. Their productivity goes down.

We have the visible effects of tax erosion before us now as plain and distinct as the effects of soil erosion. It is a reason why the productivity of American business has slowed down, why fewer new enterprises are being brought forth, why reemployment is less than was hoped. It has been estimated that it takes $8,000 of invested capital in American industry to provide one job. The fertile topsoil of our national earnings is being depleted too much to provide the essentials of abundance. It is being drawn off into nonproductive channels just as the topsoil of our land has been washed off into the channels of our streams. How soon will we recognize tax erosion to be the same covert destroyer of wealth as soil erosion and deal with it in the same way?

THE SINS OF THE FATHERS

A decided feeling has risen up in this country against the exploitation of our natural recources. We saw that many of our great timbered areas were denuded, leaving only cut-over wastes. Vast mineral deposits had been stripped without any permanent public return. And millions of acres of farm land were found to have been despoiled of the fertile topsoil.

The evil of such despoliation is that it consumes in one generation the resources which succeeding generations may desperately need. The Nation and its resources belong to the children of tomorrow as much as to the men and women of today or of the past. We have determined, to our credit, not to leave these Americans of the future an empty cupboard. There has grown up a new attitude—that natural resources are a common property of the people of the Nation and should be conserved to that end.

But have we not permitted a new class of exploiters to succeed the old? The resources of Government are another common property of all the people, those of the future as much as those of the present. The great reserve powers of Government, intended for use only in emergencies in the life of the Nation, are now being used up for ordinary purposes. But the despoliation does not stop there. The financial resources of those who come after us are being devoured today. Already Government—National, State, and local—has drawn upon the future to the amount of nearly $55,000,000,000 of debt. And the sacrifice of the children's heritage is still going on. Public credit, which the wise Father of his Country admonished us to cherish as a source of strength and security, is being exhausted faster than ever was our fertile topsoil or our timbered areas.

The evil of this new exploitation is the same as that of the old. It is at the expense of those who shall follow us. We do not know what emergencies they will have to face. But, whatever their difficulties may be, our children must face them with resources already depleted before their time.

Our generation has been righteous in its condemnation of those who allowed the cupboard of our natural resources to be despoiled. But what will our children say of us?

War Department Purchases Subsistence Stores in the United States

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

LETTER FROM THE SECRETARY OF WAR

Mr. SHAFER of Michigan. Mr. Speaker, it affords me great satisfaction to place in the RECORD a letter received from the Secretary of War under date of April 20, 1938, concerning the charges of the Chicago Live Stock Association relative to the purchase of food products from foreign countries for the use of the C. C. C. camps.

The letter shows that insofar as the War Department is concerned no such purchase of foreign foodstuffs has taken place.

The letter reads as follows:

WAR DEPARTMENT,
Washington, D. C., April 20, 1938.

Hon. PAUL W. SHAFER,
House of Representatives, Washington, D. C.

DEAR MR. SHAFER: In compliance with telephonic request of your office I am glad to advise you that the War Department has not purchased any canned or fresh meats from South America or from other foreign countries for Civilian Conservation Corps camps.

The resolution of the Chicago Livestock Exchange of April 14 to which you refer evidently was based on totally erroneous information. Subsistence stores issued to the Civilian Conservation Corps camps are exclusively of domestic origin, with the exception of such articles as are not produced within the United States, such as coffee, tea, cocoa, and spices.

I appreciate your bringing this matter to the attention of the War Department * * *

Sincerely yours,

HARRY H. WOODRING,
Secretary of War.

Government Reorganization

EXTENSION OF REMARKS

OF

HON. ALFRED F. BEITER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

Mr. BEITER. Mr. Speaker, now that the reorganization bill has been returned to committee for further study, I desire to take this opportunity to outline some of the objections to the bill which were brought to my attention during the debate in the House and which comprise honest criticism on the part of various labor groups and others who have written me of their views and expressed a desire to be heard in committee.

The American Federation of Labor, in a communication to me, laid special emphasis upon the importance of preserving a bipartisan Civil Service Commission and maintained that the substitution of a one-man Administrator, to hold office for 15 years, was an experiment which they could not approve. The railway labor groups opposed any change in the status of such independent agencies as the Railroad Retirement Board and the National Mediation Board. The American Federation of Government Employees also disapproved of the substitution of one Civil Service Commissioner for the present three-member board and asked that any reorganization plans be formally approved by Congress before becoming effective.

These suggestions should be considered by the committee in public hearing and any weaknesses in the bill eliminated after responsible Government officers and employee groups are given a chance to be heard.

In voting against the reorganization bill in the Senate the distinguished Senator from New York, Hon. ROBERT F. WAGNER, expressed the view that the civil-service feature of the legislation was an important factor which prompted his disapproval. He also stated that he could not approve the transfer of powers from one branch of Government to another.

The president of Local No. 369, American Federation of Government Employees, Buffalo, N. Y., wired me that their members urged preservation of the bipartisan Civil Service Commission and retention of congressional control of approval of Executive orders issued under the proposed bill. They urged recommital of the bill for further study and full hearings. Another local of this same organization, however, favored the bill and stated that they were opposing the stand taken by their national officers in so doing. Shipbuilders' Local No. 277, of Buffalo, speaking for 250 members, urged me by telegram to vote against the bill. Also a Buffalo, N. Y., local of the National Federation of Post Office Clerks wired me of their opposition to the bill.

Communications I have received from labor groups, therefore, indicate that while the majority of them disapprove en-

actment of the reorganization bill, some of the locals of the same national organization are divided in their opinions. One secretary of a Buffalo local, National Federation of Post Office Clerks' Auxiliary, wired me that her organization emphatically disapproved the Senate bill and several days later wired me that amendments in the House bill to provide a seven-man advisory civil-service board removed their objection. However, the Senate bill, to which the auxiliary objects, contained the same provisions for a one-man administrator and a seven-man advisory board as the House bill.

From these communications it would appear that there is no agreement among many of the labor groups as to whether the civil-service provisions of the pending bill are acceptable or not.

The bill as it was originally written provided for the creation of a department of public welfare with the transfer to that department of all the functions of the Government related to education. A large number of persons wrote me in opposition to this provision. Churches of all denominations in my district telegraphed and wrote me opposing any change in the present independent Office of Education.

The American Legion asked that the Veterans' Administration be excepted from any plan of reorganization and recommended the adoption of an amendment, if the bill were passed, providing that existing veterans' preference provisions in civil-service laws, Executive orders, and rulings be maintained and upheld. This organization should be given an opportunity to be heard in committee.

The Erie County Pomona Grange, as well as the National Grange, went on record for recommittal of the bill for the purpose of further consideration of its provisions.

Mr. Speaker, it has been charged that the telegrams and letters received by the Members of Congress in opposition to this bill represent organized propaganda. I do not believe this to be so and can honestly state that this is not the case in the communications received in my office. I received some 16,000 letters, postal cards, and telegrams in opposition to this bill, and I answered every one of them. Those from my district that did not bear addresses were traced through the city directory and the telephone directory, and only three of the replies sent from my office were returned as unclaimed by the postal authorities. It is of interest to note, too, that only one person wrote me that the letter in opposition to the bill received in my office over his signature was not sent by him. The other letters were all, therefore, legitimate expressions of opinion from my constituents. For many centuries our ancestors fought to obtain political, religious, and economic freedom for the individual. We are fortunate enough to have now, through their efforts, a Government under which each citizen is free to exercise the greatest liberty known under any government in the history of the world.

An honest expression of opinion by the electorate should not be abused and confused with flagrant telegram padding. I shall be glad to permit anyone interested to check the authenticity of the telegrams and letters received in my office. A great number of them are from persons who are my neighbors, friends, and acquaintances.

The fears of these people over this bill may have been unreasonable or unjustified but for this very reason I voted to send the bill back to committee in order that its provisions might be clarified and open hearings held to discuss them.

I am aware that the views I have expressed on this bill may be at variance with those held by some others who are respected and distinguished Members of this House. We cannot all see these things alike and it is probably as well for the country that there does exist a healthy difference of opinion on these matters of national import. We know, however, both from long experience and from principle, that only through freedom of debate and speech can we hope to arrive at truth.

I believe that the President has the right under existing law to recommend to the Congress such changes as he may deem necessary for the elimination, curtailment, or consolidation of governmental bureaus and agencies. Under existing law Congress could accept or reject any such recommendations. I should be glad of the opportunity to act on a reorganization proposal to effect economy and efficiency in the conduct of public affairs through the executive branch of the Government. I believe that the people of the country would support reform of this nature. The bill which was presented to us, however, was so controversial and brought forth so many expressions of opposition from my district, which I found upon investigation to be honest and legitimate, that I felt it incumbent upon me to carry out the wishes of the majority of the people I am elected to represent by voting to send the entire matter back to committee for further consideration and study.

The Reorganization Fight and the Tory Opposition

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

RADIO ADDRESS BY HOWARD COSTIGAN, EXECUTIVE SECRETARY OF THE WASHINGTON COMMONWEALTH FEDERATION, APRIL 12, 1938

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks, I include herein a radio address delivered by Hon. Howard Costigan, executive secretary of the Washington Commonwealth Federation, an organization consisting of New Dealers and liberals generally, which movement plays a prominent part in political developments of the Pacific Northwest. The speech of Mr. Costigan discusses the reorganization bill from the standpoint of liberals and points out the menace of organized propaganda.

If anything was needed to thoroughly and finally disprove the reactionary accusation that Roosevelt is a dictator, the defeat of the reorganization bill last week in the House of Representatives should have destroyed any such lingering notion in the minds of the great American general public. For the prime requisite for successful dictatorship is never to be defeated by anyone, under any circumstances. Dictators just don't survive their defeats. The one fundamental of being a successful dictator—and those who are not successful are no longer dictators—is to keep alive a popular illusion of invincibility. And one defeat, no matter how tiny, will destroy the popular myth. That is why Hitler had to annex Austria. That is why Hitler will continue to annex, either by pressure or force of arms, all the other territories which he promised the German people he would take in his autobiography called Mein Kampf. In Spain a few months ago Mussolini's so-called "volunteers" suffered a serious defeat at the hands of the Loyalists at Guadalajara, and the effect of this defeat upon the Italian home folks was enough to shake their confidence in the invincibility of Il Duce. Since then it has been necessary for Mussolini to throw his most highly mechanized troops into Spain against an under-armed Loyalist army in an attempt to win back on the home front the prestige he lost through the rout of his Italian "volunteers" at Guadalajara. Had Hitler suffered a defeat at the hands of the Nazi Reichstag in a coalition, similar to the defeat administered to the New Deal program for reorganization by the American Congress, Hitler would be out of power in the Third Reich today. The same can be said for Mussolini. No; Roosevelt is not a dictator.

ENEMIES OF REORGANIZATION ARE FRIENDS OF DICTATORSHIP

But ironically enough, the forces which pressured the American Congress into voting against the executive reorganization plan proposed by the President are forces which are desperately working to make dictatorship inevitable in this country. Having defeated reorganization plans by the most shameful combination of tactics of misrepresentation and financial pressure in the history of this country the highly organized group of foes to progress expect to move from victory to victory in the hope that the entire New Deal will be in general rout in time to assure a Tory victory in the fall congressional campaign. Hardly had the House defeat of the President's reorganization bill been recorded before the big-business-kept press of this country, which attempted to stampede the American people to Landon's camp in

1936 by calling the New Deal "red", began to point out that the reorganization bill defeat was just a starter. They were most lavish in their praise of those Benedict Arnolds in the Democratic Party who had deserted both the President and the electorate to join hands with Herbert Hoover, Alf Landon, Father Coughlin, and the Wall Street crowd. Said many a gleeful editorial, "As a result of this defeat, it should now be an easy matter to form a permanent coalition of anti-Roosevelt forces in Congress by using the same methods which were used to defeat the reorganization plan in order to insure the defeat of all other New Deal measures which may come up in this Congress."

TORIES ARE IN FULL CRY IN THEIR OPPOSITION TO ALL NEW DEAL REFORMS

Included among the measures which this Tory coalition hopes to defeat before the adjournment of Congress are, of course, a minimum wage and hour bill to provide a floor below which human wages will not be permitted to descend and a ceiling above which hours of labor will not be permitted to go for any sweated worker, whether man, woman, or child, in this Nation. Also marked for defeat, if this coalition is successful in carrying out its plans, will be measures to provide adequate appropriations to insure public employment at living wages for the unemployed who cannot be absorbed by private industry. Naturally any measure to provide more adequate security for the unemployable, such as old-age-pension legislation, will be marked for defeat.

REORGANIZATION HUE AND CRY NOT MERITED

As far as the reorganization bill itself is concerned, the ferocity with which it was attacked by the reactionary clan in Congress of both major parties is entirely out of proportion to its fundamental importance. For, despite the hullabaloo created in the daily press under instructions from New Deal opponents during the consideration of this measure, it is generally agreed by impartial observers that the measure's provisions were in no sense the main issue. As a matter of fact, the daily press raised no such anguished cries of "dictatorship" against Herbert Hoover when a Democratic Congress just missed giving him similar powers in 1932. Actually President Roosevelt himself was given such powers on a temporary basis early in 1933, and at that time he neglected to use them.

ANALYSIS OF REORGANIZATION BILL REVEALS IT PROMOTES EFFICIENCY

The idea for streamlining the powers of the Executive and scrapping archaic and inefficient bureaus subject to the executive power organized and originated back in the period of William Howard Taft, has subsequently been advanced for congressional action by succeeding Republican Presidents, from Harding through Coolidge to Hoover. On its merits the reorganization plan suggested by the President actually should have been favored by some of our leading Budget balancers and business-efficiency experts. The bill would have rearranged departments directly under the control of the Executive—means to have affected approximately a 10-percent saving in the cost of maintaining those departments. Further, it would have extended provisions for civil service to a point where control in many Government departments would have almost been eliminated. It would have created a badly needed department of social welfare for the permanent handling of relief problems which can no longer be considered as an emergency. In this connection actually many States in the Union, including the State of Washington, already have such departments, with the full support of those who profess to be opposed to the creation of a Federal department of the same nature. Then, too, it would have created offices of six executive assistants to the President, whose jobs it would have been to have kept the Chief Executive constantly and effectively informed on the growing maze of economic and social problems which confront the head of any modern government. Finally, it would have permitted the abolition of an accumulation of conflicting, competing, or overlapping bureaus set up for the handling of emergency problems by a hysterical Congress in the chaotic days of 1933 and 1935.

REORGANIZATION BILL DESIGNED TO SIMPLIFY GOVERNMENT PROCESSES TO FACILITATE DEMOCRACY'S FUNCTIONING

On its merit, this bill should have passed Congress with the honest support of the representatives of both political parties, providing they were sincerely trying to make Government more efficient and less wasteful of the taxpayer's money. President Roosevelt has repeatedly and correctly stated to the voters of this Nation that the chief problem which confronts the American Government today, in the hour of world and domestic crisis, is to make democracy work just as efficiently in meeting its problems as the dictators pretend to be in meeting theirs. And the truth behind the headlines in the fight against the reorganization plan proposed by the President, is that a growing coalition of American special privilege, through their stooges in the Congress, do not want democracy to function as successfully as dictatorship. And above all, they do not wish the Democratic President of the United States to be enabled to speed up the solution of the recession which now confronts America because that would enhance the prestige of the New Deal and assure a New Deal victory in the fall elections.

REACTIONARIES WELCOME HARD TIMES AS A PARTNER

It is the main desire of the anti-New Deal Democrats in Congress as well as that of their Republican brothers, and Mr. Hearst, Mr. Hoover, and Father Coughlin, to embarrass the New Deal as much as possible so they may capitalize on a public embittered by privation and want in the coming fall elections. It may seem too cruel and inhuman to believe that even Tories would deliberately sabotage a program for the relief of the people merely for purposes of making political capital, and yet this is exactly what the Fascist-minded big-business interests and their congressional henchmen proposed to do if the general public is not awakened to the threat.

LITTLE FASCISTS CONSPIRE TOGETHER

When Father Coughlin, publicly known for his sympathetic affection for Europe's worst dictators, joins with William Randolph Hearst, for a long time Hitler's news agent in America, and Herbert Hoover, who just recently spent 40 minutes in an off-the-record conversation with Hitler, demagogically joined together in attacking the leading liberal statesman of the world, President Roosevelt, by accusing him of having a dictatorship complex, then let the public beware. These men, representing big business and Fascist sections of the American populace, know exactly what they want and are prepared to go to any length to accomplish it. They understand thoroughly that the coming fall elections, particularly the congressional elections, throughout the United States, will be perhaps the most crucial in the Nation's history. They realize that this depression which is now enveloping us requires either a drastic redistribution of the purchasing power of this Nation among the people, or the liquidation of democratic institutions through which the people would attempt to effect this change.

They have observed that the New Deal has more and more turned in the direction of limiting superprofits for the privileged, attempted regulation and restriction of the economic dictators, the monopolists, and has begun to extend public ownership into those fields of monopoly where regulation has failed to regulate. They know also that unless the New Deal is curbed by the defeat in the fall elections, additional expenditures will be made for the employment of the unemployed on public works, and that to provide for the poverty-stricken unemployables or more generous program of social security, including more adequate national old-age pensions, will have to be realized.

CONSERVATIVES DESPERATELY SEEK RETURN TO POWER

All of this, while providing purchasing power where it is most needed and a more general prosperity for the American masses as a whole, will unquestionably further curtail both the power and the profits of those who are related to America's 60 families. This is the reason for the desperate and hysterical effort on the part of the reactionaries to regain political power in the coming fall election. Having lost power with the defeat of Herbert Hoover in 1932, and being now fully convinced that the economic crisis requires drastic changes, they are prepared to make those drastic changes at the expense of the people. From the experiences of 1932 and 1936, they have learned a lesson. And that lesson is that the American economic and political system, are no longer compatible. Either superprofits must be curbed for the preservation, or democracy must be destroyed for the preservation, of superprofits.

The American tories, like their European brothers, are fully prepared, once they seize power again by popular confusion, to liquidate democracy. Remember that Hitler too was elected, and pulled the election ladder up behind him by outlawing all political opposition. And our American tories haven't been visiting Europe these last few years for nothing. Already there are local movements on foot to take the right to vote away from those who are receiving any form of public assistance, whether it be an old-age pension or a W. P. A. job. In New York the Republicans are attempting to write such a provision into the State constitution, during the coming New York State constitutional convention. In Maine, the same thought was prevalent in tory quarters a short time before.

TORIES LAUNCH POGROMS AGAINST VICTIMS OF ECONOMIC INJUSTICE

Suppose such a program were carried out on a Nation-wide scale. It would mean the disenfranchisement of one-third of the voters of this Nation. And as the depression grew and spread, the numbers would be rapidly increased. The result would be a Government, not by people, but by property holders; in the interest not of the people, but of the masters of the people. This is not the dream of a European maniac with wild eyes and a frenzied voice, but the cool, calculating, sober purpose of the economic dictators of America who now realize that they cannot remain economic dictators without becoming political dictators in the full Fascist sense of that term.

In the light of this reasoning, there is but one course for Americans, regardless of class or past party preference, who believe in a free, happy, and prosperous America, and that is to rally to the support of the President in his attempt to make democracy function by forming a democratic front to insure the election of New Deal candidates for State offices and the National Congress in the coming 1938 elections. In the face of this crisis, when the reactionaries have completely smashed all political party lines, the people cannot permit hairs-breadth differences to divide them on the political front. The New Deal is in peril, and for the sake of democracy it must not be defeated.

Joint Resolution Proposing Constitutional Amendment to Authorize Congress to Legislate Against Intemperance

EXTENSION OF REMARKS

OF

HON. GOMER SMITH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

Mr. SMITH of Oklahoma. Mr. Speaker, I have this day introduced in the House of Representatives a joint resolution proposing an amendment to the Constitution of the United States which, if adopted, would authorize the Congress to legislate against intemperance in the United States of America and its Territories.

I have been advised by several prominent newspapermen that the introduction of this resolution will call forth a barrage of ridicule, but my answer to them has been, "Where is the man or who is the man who can afford to ridicule or make fun of any honest effort toward the solution of the tragic problem which is presented to the American people by those unfortunates who become addicts to alcohol and who, while under its influence, exhibit such antisocial tendencies as to endanger the lives and safety of all persons with whom they come in contact?"

Prohibition was not enforced in America. In my judgment, a prohibitory law would not be enforced again were it reenacted. We must recognize the fact that a great majority of our citizens who drink liquor can do so and remain perfectly normal human beings. They endanger no one, neither do they make themselves obnoxious to their associates, but there are many of us who are allergic to alcohol, who cannot drink at all except to excess, who become victims of the habit, and are just as irresponsible and dangerous when under its influence as are habitual users of narcotics.

A committee of prominent Baptist ministers called upon me and asked me to introduce this resolution for them. It is their intention to present it to the Southern Baptist Convention and to other religious boards in America as a rallying point for a temperance program. They desire to escape the fanaticism and bigotry which was inherent in the prohibition movement, but expressed it as their opinion that political machines in the industrial centers and big cities of America made it impossible to enforce local laws against drunkenness, drunken driving, and other crimes committed by inebriates. These crimes are not properly prosecuted or controlled by local laws. It is their idea that proper Federal legislation would do much: First, to aid the States in enforcing the laws against drunkenness; second, that it would do much toward building a national frame of mind, favorable toward the temperance movement; and last but not least, that such Federal legislation as authorized by an amendment to the Constitution would afford a real rallying point for all of the social organizations of America who are interested in promoting temperance as an ideal to rally behind and around. I heartily agree with them in these conclusions.

Certainly, every citizen should look with pity upon one who is an addict and a slave to alcohol. I think an educational program aimed at those who cannot drink would help a great deal. I am aware, of course, of the fact that many people say it is purely a question of will power and that a man only gets drunk when he wants to. I am sure a study of the question will convince anyone that such is not the case. A person who is allergic to alcohol will, if he takes one drink, get drunk just as surely as there is enough liquor in sight to accomplish that purpose. Will power will help him not at all. You might as well say that a man suffering from hay fever, who is allergic to golden rod, could walk through a field of golden rod and refuse to sneeze—upon will power. It cannot be done that way. Prominent physicians, educators, and psychologists have given study in recent years to this problem and they have evolved a system, largely educational, which, if followed, will save the addict from the curse of alcoholism.

I think this proposed amendment to the Constitution is made imperative by present intolerable conditions. I think it deserves to have the support of every honest, conscientious wet and dry who claims to be the friend of personal and national sobriety. The crime of drunkenness is universally admitted and condemned and that it is a social, moral, and economic blight cannot be gainsaid.

Indeed, it is so freely conceded by the maker and sellers of liquor that we have wet publications, since the repeal of the eighteenth amendment, issuing flaming proclamations against drunkenness as the disgusting result of overindulgence. The editorials warned the retailers of liquor that "Prohibition is on its way back if the vendors of liquor do not reform." But, manifestly liquor cannot "reform" and keep on being liquor any more than a serpent can reform and continue to be a snake. Accumulative proof of this is found in the fact that many sincere opponents of the eighteenth amendment honestly proposed to better conditions by repealing national prohibition and thus getting rid of the bootleggers. We know now that under repeal we still have illicit traffic. Bootleggers are widely underselling the licensed stores and this notwithstanding the fact that nearly 500,000 legal drink shops have taken the place of the 177,790 saloons closed by the eighteenth amendment. The startled moral forces of this Nation stand aghast today to see the old-time saloonkeeper, who in the old days was a social outcast, supplanted by over 3,300,000 girls, the most beautiful girls that liquor money can buy—future mothers of America—acting as decoy attractions for men and boys, each class contributing to the other's shame in reciprocal debauchery.

The awakened decency of this country will not stand much longer for this state of affairs. It is common knowledge that the liquor leaders in both parties have failed to redeem their promises to save our youth and further the cause of national morality by a proper liquor-control program. This administration, with over 5 years to keep its pledge and the twin pledge of the twenty-first amendment to protect dry territory, has either forgotten or wholly disregarded that promise. We, as a people, stand today with our hands stained by the blood of those men, women, and children, slain by drunken drivers and, incidentally, thousands of other crimes committed because of or in the course of the liquor traffic.

Pursuing the clashing inconsistency of proposing to decrease the consumption of liquor by increasing the supply of liquor, this administration, that has been so nobly swift-footed to carry succor to suffering millions of American people, has increased that suffering and distress beyond expression by standing idly by and permitting the operation of those many dens of degradation which are found everywhere in America. They have robbed the purses and wrecked the hearts and homes of so many American mothers. Decent, honest citizens from coast to coast are rightly hanging their heads in shame over the shocking crimes of repeal. All of them, in my judgment should and will be glad to do their part as citizens in the promotion of a Nation-wide temperance campaign.

Every thinking man and woman must agree that buying liquor to get drunk is a basic crime upon which the liquor traffic thrives by destroying its own patrons. To permit its continuance is nothing less than governmental barbarism.

It is my hope that the men and women who make up this Congress, wets and drys together, will join in the support of this resolution to the end that we may give new hope, new life, and new vitality to the temperance movement in America.

Cherokee Indian Cases

EXTENSION OF REMARKS
OF
HON. WILBURN CARTWRIGHT
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

Mr. CARTWRIGHT. Mr. Speaker, I wish to present an argument in favor of Senate Amendment 61 to Interior Department Appropriation Act, which authorizes $262 of Western Cherokee money to be used to pay expenses of appeals on Cherokee cases authorized by Congress in Jurisdictional Act of April 25, 1932. This amendment provides that "in all such suits in lieu of certiorari the parties thereto shall have the right of appeal to the Supreme Court."

CLAIMS INVOLVED

There were three cases of the Eastern and Western Cherokees dismissed by the Court of Claims on allegation by defendant of res judicata which plaintiffs deny. These claims are as follows:

First. Claim 42077, Eastern Cherokee per capita claim, $2,000,000, with interest from March 15, 1910.

Second. Claim 42078, Western Cherokee per capita claim, about $320,000, with interest from 1899.

Third. Claim 42081, "Freedmen Claim" lands and money of plaintiffs, erroneously paid to freedmen.

Fourth. One other claim, 42080, is pending—the Cherokee Outlet case, a claim for compensation for easement on lands west of 100th meridian.

The per capita payments dismissed on ground of res judicata arose from an alleged failure of the United States to make a correct settlement with the Western Cherokees under the facts found by the Supreme Court of the United States in 1894 (148 U. S. 427), and the United States Supreme Court decisions relating to the law of partial payments. The case, One Hundred and Forty-eighth United States Reports, page 427, Old Settlers or Western Cherokees against the United States, did not involve the question of the proper application of partial payments. That was the previously established law, unbroken, everywhere recognized as the law of the land.

The second case of Eastern Cherokees per capita payment claim arose from the failure of the United States to properly apply the law governing partial payments to the facts found by the United States Supreme Court, Two Hundred and Two United States Reports, page 101 (1906), Eastern Cherokees against Cherokee Nation and the United States.

The question of partial payments did not arise in this suit, it being the general law of the land universally recognized.

The defendant represented to the Court of Claims that the judgments of the Supreme Court (148 U. S. 427 and 202 U. S. 101) constituted res judicata, although the question of partial payments had not arisen in either of these cases, as the record plainly proves. The Court of Claims sustained the Government's contention and threw the cases out of court and refused to hear them on their merits and to find the facts and conclusions of law. Since these two cases were decided by the Supreme Court of the United States in the manner described and since the Court of Claims has interpreted these cases against the Cherokees in the manner referred to, the Cherokees—the Eastern and Western Cherokees—requested the Congress to direct the Court of Claims to hear these cases on their merits, regardless of any alleged previous adjudication, and to confine the United States in any claim to gratuities paid the Cherokees per capita. In the Seventy-fourth Congress the Committee on Indian Affairs of the House reported a bill—H. R. 457—authorizing this action, too late. In the Senate a like measure was introduced—Senate Joint Resolution 213—which was passed by the United States Senate unanimously giving the right of appeal to the Supreme Court.

In the Seventy-fifth Congress the Senate introduced and passed Senate Joint Resolution 64, authorizing an appeal to the Supreme Court. The report of the Secretary of the Interior stated that the questions raised in the per capita claims above referred to had never been raised in any court nor adjudicated, thus contradicting the contention of the Government that the matter had been raised and adjudicated.

When Senate Joint Resolution 64 passed the Senate, it was referred to the Committee on Indian Affairs of the House and favorably reported, but was defeated in the House because of opposition to the gratuities item and because Senate Joint Resolution 64 instructed the Court notwithstanding previous adjudication to hear the cases on their merits which would have compelled the Government to have made its plea of res judicata under the rules established by the Supreme Court of the United States. An interdepartmental letter was read from the Attorney General's office stating that the Cherokees had had their day in court. This statement the plaintiffs vigorously deny for the reasons stated. Senate Joint Resolution 64 is entirely different from the Senate amendment 61 now under consideration. It not only contains the controversial matter not now involved at all, but it referred to suits previously brought by the Cherokee Nation, nine in number, of which six had been rejected by the Court of Claims and which are not now in controversy.

Senate amendment 61 contains no controversial matter except the bare question as to whether or not under these conditions the Eastern and Western Cherokees shall be permitted to go to the Supreme Court for an adjudication by the Supreme Court on the issue which arose out of an interpretation by the Court of Claims of the Supreme Court decisions above referred to (148 U. S. 427 and 202 U. S. 101). The House of Representatives under like conditions, gave the Shoshone Indians the opportunity to go to the Supreme Court.

The House of Representatives gave the Klamath Indians the right of appeal to the Supreme Court. And the House of Representatives gave the Cherokee Nation the right to go to the Supreme Court under the Jurisdictional Act of 1924, and the only reason why the Eastern Cherokees are now asking for this relief is because by the Judiciary Act of 1925 the right of appeal from the Court of Claims to the Supreme Court was changed and the plaintiffs before the Court of Claims from that time have been compelled to rely upon application for writs of certiorari. This has made necessary special relief when the magnitude of the cases justified it. The writ of certiorari from the Court of Claims is a denial in substance of any opportunity to be heard on the overwhelming majority of cases. On page 32 of the annual report of the Attorney General of the United States it is disclosed that except where the Government requests a writ of certiorari or concurs, only 8 percent of such application for writs were allowed during the year ended June 1937.

It is thus obvious that no remedy is afforded the Cherokees through the writs of certiorari.

The simple question in Senate amendment 61 is to allow either party to the claims above cited to appeal to the Supreme Court.

The precedents are abundant, the justice is manifest, and we humbly appeal to the House of Representatives to concur in the Senate amendment 61.

Mr. Speaker, I desire it to be understood that the argument I have given has been furnished to me by ex-Senator Robert L. Owen, an attorney of record from Oklahoma. We can depend on him for correct information relative to Cherokee matters. He is an honored member of this great tribe of Indians.

Defeat Senate Amendment 61—Department of Interior Appropriation Bill

EXTENSION OF REMARKS
OF
HON. JOHN J. COCHRAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 21, 1938

Mr. COCHRAN. Mr. Speaker, the conference report on the Department of the Interior bill will probably be submitted to the House today and it is my understanding will be called up Monday.

The Senate added an amendment, which will be found on page 75, Senate amendment No. 61, which refers to suits brought by the Old Settlers or Emigrant Cherokee Indians. This is purely legislation on an appropriation bill not authorized by law, and therefore being subject to a point of order must be brought back to the House by the conferees for a special vote, unless the Senate recedes on its amendment.

As it is my purpose, if necessary, to force a roll call on the amendment, I feel I should invite attention to the Members to this matter and outline my views that warrants me in opposing its adoption.

On February 10, 1938, Senate Joint Resolution No. 64 was considered, debated at length, and the resolve clause stricken from the bill on a roll call by a vote of 164 to 102. This, of course, killed the joint resolution.

While it is admitted the pending amendment does not go as far as the joint resolution, still it is opening the door, and I predict now if this amendment is agreed to those interested will be back seeking additional advantages to which they are not justly entitled.

Just as soon as the Senate acted on the bill I sent a copy to the Attorney General, requesting his views. I have his reply, which follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., April 15, 1938.

Hon. JOHN J. COCHRAN,
Chairman, Committee on Expenditures in the Executive Departments, Washington, D. C.

MY DEAR MR. CHAIRMAN: This acknowledges your letter of April 13, requesting my views relative to Senate amendment 61 to the Department of the Interior appropriation bill H. R. 9621, page 75.

The amendment to which you refer, although inserted in the Department of the Interior appropriation bill, would constitute substantive legislation in respect to matters within the cognizance of the Department of Justice.

The amendment, after referring to suits brought by the "Old Settlers" and/or "Emigrant" Cherokees under the act of April 25, 1932 (47 Stat. 137), provides as follows:

In all such suits, in lieu of certiorari, the parties thereto shall have the right of appeal to the Supreme Court.

The above-mentioned act of April 25, 1932, is a jurisdictional act conferring jurisdiction on the Court of Claims over all claims against the United States of the Eastern or Emigrant Cherokees and the Western Cherokee or Old Settler Indians.

Several suits were brought in the Court of Claims pursuant to the permission granted by this act. Three of them have been determined by the court, and in all three judgments were rendered in favor of the Government (82 C. Cls. 180; 82 C. Cls. 566; 82 C. Cls. 691). In two of these cases the plaintiffs submitted applications to the Supreme Court for writs of certiorari, but such petitions were denied (299 U. S. 551, 552). Another suit is still pending in the Court of Claims.

The above-mentioned amendment to the pending Department of the Interior appropriation bill would confer upon these Indians the right of an appeal to the Supreme Court.

The general law governing such matters provides that judgments of the Court of Claims may be reviewed by the Supreme Court on certiorari "and not otherwise" (U. S. C., title 28, sec. 288). The effect of the proposed amendment would therefore be to grant to one litigant an appeal as of right to the Supreme Court, in spite of the fact that this privilege is not accorded to other litigants in the Court of Claims. It does not seem appropriate to confer on one party greater rights in that respect than are granted to litigants generally in the same class.

In view of the foregoing considerations, I do not recommend the adoption of the amendment.

Sincerely yours,

HOMER CUMMINGS, *Attorney General.*

One provision of the joint resolution which was defeated on February 10 was to extend the right of appeal to the Supreme Court. That is just what this language seeks to accomplish.

The amendment should be defeated for two reasons: First, because of the objection of the Attorney General, and, second, because the House at this session has already passed on the merits of the claim and by a large majority defeated the resolution. Then again, we should give the Senate to understand that the House does not approve of adding such legislation to an appropriation bill, especially when the House has already passed on the question.

During the debate on the resolution it was brought out by the gentleman from North Dakota [Mr. BURDICK] and the gentleman from Illinois [Mr. KELLER] the Government had taken $1,111,284.70 which the Government paid to the Indians to pay for their transportation and subsistence in moving them to Indian Territory.

What are the facts? The Government did use this money and the Indians sued to recover. In the case of the Cherokee Nation against the United States, the court gave judgment to the Indians, including the item of $1,111,284.70, with interest at 5 percent per annum to date from June 12, 1838, until paid. Growing out of this decision Congress was required and did appropriate $5,134,931.14, which was placed to the credit of the Indians. In 1910, $4,105,810.77 was paid per capita to the Cherokees.

The records of the General Accounting Office show that from July 26, 1794, to June 30, 1930, Congress appropriated and there was disbursed for the benefit of the Cherokees the sum of $38,380,386.45.

The Government does not owe the Indians a dollar, provided for them, as the record shows, and we should not make the taxpayers of today pay any such claims as attorneys for the Indians have pending before the Court of Claims. The claims grew out of treaties which are over 100 years old.

Mr. Speaker, this is no minor matter. Many millions of dollars are involved, as I pointed out on February 10. I quote from my remarks:

When an American citizen has his day in court, then he is through, as far as the court is concerned and there is no law in the land that lets him go back to the court and have his case retried if his rights have once been exhausted. But in this instance the Congress of the United States can re-refer this case to the Court of Claims, if it so desires although the cases have once been fairly heard. It appears from the record that nine suits were filed in the Court of Claims pursuant to the act of March 1924, and that five additional suits were filed after the amendment of April 1932; that the amount involved in the said suits is in excess of $54,000,000. The record of the court claims show this. Of the total number of suits filed, it appears that eight of the cases have been dismissed by the court, and that six are still pending.

The language of the resolution appears to be broad enough to be applicable to the pending suits as well as to the suits dismissed by the court, it being noted that the first paragraph of the resolution has reference to the claims the plaintiffs have heretofore filed in said court for alleged indebtedness. In other words, this resolution again gives the Court of Claims jurisdiction on the cases already tried and must retry them.

The Attorney General has made a report on this case, and so has the Comptroller General. The Attorney General at the request of the Bureau of the Budget, when the Bureau asked for an expression in reference to this resolution, wrote a letter to Mr. Bell. That letter is as follows:

MAY 27, 1936.

Hon. DANIEL W. BELL,
Acting Director, Bureau of the Budget, Washington, D. C.

MY DEAR MR. BELL: In compliance with your request of May 12, I have examined the enclosed proposed report to be made by the Secretary of the Interior to the Committee on Indian Affairs of the House of Representatives, relative to Senate Joint Resolution 457, which proposes to confer certain jurisdiction on the Court of Claims over the claims of the Cherokee Indians.

By treaties concluded on December 29, 1835, and August 6, 1846, the United States undertook to pay certain sums of money to these Indians. Pursuant to a subsequent Senate resolution, interest at 5 percent was to be allowed from June 12, 1838, until paid.

A further dispute arising as to the amount due the Indians, suits were brought in their behalf against the United States in the Court of Claims, pursuant to special jurisdictional acts. A

judgment adjudicating the amount due the Western Cherokee Indians was rendered in 1891 (*Western Cherokee Indians* v. *United States*, 27 C. Cls. 1, affirmed 148 U. S. 427); and an adjudication in favor of the Eastern Cherokee Indians was made in 1905 (*Cherokee Nation* v. *United States*, 40 C. Cls. 252, affirmed 202 U. S. 101).

The act of April 25, 1932, conferred jurisdiction on the Court of Claims over all claims of the Cherokee Indians not theretofore determined. Accordingly suits by the Eastern and Western Cherokee Indians were brought in the Court of Claims and decided adversely to the plaintiffs on December 2, 1935, and on February 3, 1936.

One of the assertions advanced in these suits was that, in view of the fact that the Indians were entitled to recover interest on the amount due them under the treaties from June 12, 1838, the account that had been previously stated did not make a proper allocation of payments theretofore made on account. The contention of the Indians was that part payments should have been first applied as against accrued interest, and then only the balance, if any, against the principal, and that this had not been done.

The Court of Claims held that the judgments rendered in 1891 and 1905 were res adjudicata and that the question was not open to review. The court further stated, however, that in any event, the prior payments had been properly applied.

The joint resolution proposes to confer jurisdiction on the Court of Claims to reconsider these claims and requires it to render judgment on the basis contended for by the Indians. This measure, if enacted, would thus result in granting to these Indian tribes a retrial of claims as to which they have already had their day in court.

We will consider that they are Americans, and that they once had their day in court, and I repeat, they should not again have their day in court.

It would also result in holding the United States liable for interest on a large sum of money from 1838 to date.

The joint resolution further proposes that the United States receive credit for the gratuities paid to the Indians "per capita."

Paid to the Indians individually, not to the tribes, but we must prove to the court what each and every Indian received in order to get credit for the set-off in the form of gratuities.

Ordinarily in jurisdictional bills relating to claims of Indian tribes it is customary to provide for a set-off to the Government on account of all gratuities paid to the tribe, irrespective of the question as to whether they were distributed among the members of the tribe per capita, or paid to or spent on behalf of the tribe as a whole.

In view of the foregoing consideration, I am unable to recommend the enactment of the bill.

Sincerely yours,

HOMER CUMMINGS,
Attorney General.

Senate Joint Resolution 457 was identical to the pending resolution.

Mr. Chairman, I made several speeches in reference to this bill in the past. Letters have been sent to various Members of the House by a man I have had the honor to know for many years, former Senator Owen, of Oklahoma. I have the greatest respect for him. He feels that this bill should be passed. I cannot agree with him. If you pass this bill in its present form and the cases are returned to the Court of Claims, there will be nothing for the Attorney General of the United States to do but to walk into that court and confess judgment.

The General Welfare Bill

EXTENSION OF REMARKS

OF

HON. CHARLES R. CLASON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

Mr. CLASON. Mr. Speaker, during these days of economic troubles in the business life of America, when both big-business men and little-business men are coming to Washington to take counsel with President Roosevelt, it seems to me that careful consideration should also be given to that great body in our population who are no longer able to secure work, even when the wheels of industry are turning on a normal basis. I refer to the millions of aged persons in the United States, who, after 40 years of unremitting toil, have reached a period in life when they should be able to face their twilight years in peace and comfort. Many Americans believe that the Federal Government should make a determined effort to secure this result after due deliberation and careful investigation as to the best means by which this so much to be desired end can be obtained.

For many years States and local municipalities have endeavored to take care of the aged, with more thought apparently for the taxpayers than for the unfortunates whom they undoubtedly wished to serve to the best of their abilities. For many years men and women when their useful lives were finished found themselves thrust into poorhouses by well-meaning but unenlightened overseers of the poor, who were in fact carrying out the mandates of the generation in which they were living.

Since 1930, more and more of these aged people and their relatives have been faced with the problem of their care during their declining years. The welfare burden has become almost unbearable in many places throughout the country. We all know that the Federal Government has attempted many advances in social welfare in recent years. However, it seems to me that the Federal old-age assistance title in the Social Security Act of 1935 falls far short of an adequate solution of the problem of aged persons. It seems to me that the Federal Government is dodging its responsibilities, and like a rich relative is merely sending on checks to be used by strangers in looking out for those who have a right to the protection of the Congress. I believe that if there is any duty on the Congress to furnish funds from the Federal Treasury for the support of the aged, then this duty is far more reaching than mere partnership in the activities of 48 different States, each setting up its own peculiar system of taking care of its unfortunates.

Since this law was passed in 1935, I have never been able to understand why a citizen of the United States by mere accident of residence could at the age of 65 be entitled to $15 a month from the Federal Treasury if he lived in one State and only $2.50 a month, or perhaps nothing at all, if he lived in some other State. This problem has been brought forcibly to the attention of all Members of Congress by the General Welfare Act, H. R. 4199. The Congress knows that corruption has flourished in the distribution of funds for old-age assistance in several of the States. The majority of the Democratic members of the Ways and Means Committee have seen fit to sidestep throughout the sessions of the Seventy-fifth Congress its responsibilities in this most urgent matter. There is still time for this committee to accede to the written requests of 143 Congressmen that a public hearing be held on this bill.

I believe that ultimately a law must be passed which will provide for direct payments from the Federal Government to the aged of this Nation. I believe that the Ways and Means Committee will be called upon to find means for securing the funds thus to be distributed. I sincerely hope that a public hearing on this bill will be held before this session of Congress adjourns, and that provision will be made whereby a thorough investigation of this whole subject by competent persons will be made and an adequate report presented in the near future to Congress, out of which will come legislation adequate to securing a proper system of pensions for the aged of our Nation.

Horace Russell, General Counsel, Federal Home Loan Bank Board, Resigns

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

LETTER AND STATEMENT FROM JOHN H. FAHEY

Mr. COCHRAN. Mr. Speaker, Tuesday the gentleman from Illinois [Mr. CHURCH], made a lengthy speech in which he criticized Mr. Horace Russell, General Counsel of the Federal Home Loan Bank Board, for sending out certain

letters relative to the resignations of W. T. Stockton and Judge O. B. Taylor.

When the gentleman from Illinois concluded I secured recognition and told the House that as chairman of the Committee on Expenditures in the Executive Departments, acting for the committee, I had taken the matter up with Hon. John H. Fahey, Chairman of the Board, insisting upon an investigation. Following my remarks, on return to my office, I talked with Mr. Fahey, who advised me Mr. Russell had submitted his resignation to the Board at a meeting held that day. I so stated in an addition to my remarks.

Yesterday I received from Mr. Fahey a letter and a statement, and under the permission granted I include them as part of my remarks. So far as our committee is concerned, I do not see that any investigation is necessary, in view of Judge Russell's resignation. The letter and statement follow:

FEDERAL HOME LOAN BANK BOARD,
Washington, April 19, 1938.

Hon. JOHN J. COCHRAN,
Chairman, Committee on Expenditures in Executive Departments, House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: Your letter of the 18th enclosing copy of the circular letter sent out by our general counsel, Mr. Horace Russell, relative to the resignation of Judge Taylor, associate general counsel, reached me this morning.

The first intimation we had of the existence of such a letter was through the receipt of your letter and one from Senator JAMES F. BYRNES. I brought the matter to the attention of the Board immediately and requested a statement from Mr. Russell concerning it.

Realizing the mistake he made in sending out such a letter, Mr. Russell at once submitted to the Board his resignation as General Counsel, accompanying it by a statement of the circumstances under which he sent out the letter referring to Judge Taylor. I enclose a copy of that statement which has also been given to the press.

It is most regrettable, that out of a desire to be helpful to a friend and former associate, Mr. Russell should have made an error of this character.

Mr. Russell has been General Counsel of the Federal Home Loan Bank Board since December 1932. In that capacity he has rendered an outstanding public service directing the complicated legal work involved in making over a million home loans in every section of the country. Disregarding health and all other considerations, Mr. Russell has labored far into the night week after week for nearly 5 years. As a result of his efforts, our legal work has been conspicuously successful and has been conducted most economically. It is a real misfortune that this unhappy incident has occurred.

Sincerely yours,

JOHN H. FAHEY, *Chairman.*

[Enclosure]

WASHINGTON, April 19.—John H. Fahey, Chairman of the Federal Home Loan Bank Board today announced the resignation of Horace Russell as General Counsel of the Federal Home Loan Bank Board and the Home Owners' Loan Corporation.

He gave out the following statement, made by Mr. Russell to the Board:

"I have your memorandum in reference to my letter of April 11, 1938, announcing the resignation of Judge O. B. Taylor, and attach a copy of the letter hereto. I attach also copy of the letter which went out at the time Mr. W. T. Stockton resigned from the same position in 1935.

"As I read the letter now I realize that it is subject to serious criticism, and I regret exceedingly that it was sent out. I dictated the letter as it is and signed it, except that the postscript was added by a clerk in my office during my absence from the city, without my knowledge. I apologize for my error and shall be very glad to pursue any course which will in any way remedy the situation.

"The letter with respect to Judge O. B. Taylor announced his resignation from the staff and stated how the Washington office would function in the future. It was sent to the lawyers employed by the Home Owners' Loan Corporation on a salaried basis and those on the approved list of fee attorneys employed by the Corporation. It did not go to lawyers formerly employed by the Corporation but now in private practice or any other lawyers except those employed on a salaried basis or on the approved list of fee attorneys, subject to call, and whose employment was on the staff over which Judge Taylor had general supervision.

"On account of the decline in legal work since all loans have been closed and the foreclosure operation is largely completed, about two-thirds of the lawyers employed by the Corporation have resigned or have been separated. It has been my uniform purpose to be of assistance to the members of the legal staff withdrawing from our service. These two letters are the only ones of this type which I have sent out. This letter was written in the spirit of that purpose. It is most unfortunate for me, and I regret, also embarrassing to the Board, that I used language which is subject to criticism by members of the bar.

"Prior to his connection with the Corporation, I never knew Judge O. B. Taylor, but 4 years of close association and hard work with him, as with many other members of this staff, caused me to be interested in him. I have no present or prospective interest in his undertakings except as a friend and a former associate.

"If I can be of any service to you or anyone else in clearing up this unfortunate situation, I will be at your service."

Effective Ban on Tax-Exempt Securities Only by Amending the Constitution—Letter of Approval From Hon. Roswell Magill, Acting Secretary of the Treasury

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EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 21, 1938

Mr. CELLER. Mr. Speaker, the sporadic attacks on tax-exempt securities will all be unavailing unless our Federal Constitution is amended. There can be no effective remedy by mere legislation.

With all due respect to the President, I must take exception to the views he has expressed to the effect that we on the Hill have the power to consign by mere statute tax-exempt securities to limbo. While it is true the Constitution says we can derive our revenue from "all sources," that has been construed by our courts over a period of many years to have many limitations. The Federal Government cannot interfere with the instrumentality of the State Government and vice versa. We could of course stop the issuance of Federal tax-exempt securities, but that would leave the States unhampered in their right to issue similar securities. That would be discrimination against Federal issues and would prevent proper sale thereof except with high rates of return, due to competition with tax-exempt State and city securities.

Furthermore it would be utterly impossible to get 48 States of their own accord to place restrictions on themselves in their issuance of tax-exempt securities.

AMENDING THE CONSTITUTION ONLY RECOURSE

One sure method is therefore inescapable—and that is to amend the Federal Constitution. There is no other effective recourse.

It should furthermore be remembered that we can and do tax the salaries of Federal officials. Thus, we Congressmen pay Federal income tax on our salaries. But we cannot tax the salaries of State or city officials. That is because the power to tax is the power to destroy. Our Central Government therefore has no right to impair, curtail, or hinder the power and the rights of the State governments or their officials.

Extended hearings have repeatedly been held before our Judiciary Committee, and volumes of testimony were taken—all of which point to only one effective remedy—amending the Constitution. This matter will again soon be considered by the Judiciary Committee of the House.

WE MUST DO AWAY WITH THIS COMFORTABLE CYCLONE CELLAR OF THE RICH

To my mind there is a fundamental contradiction between any form of income tax and any kind of tax-free security. It is an anomaly that should be removed from our system of taxation. The tendency of wealth to seek nontaxable sources for their investments, and the menacing increase of the Federal, State, and municipal public debt all justify, I believe, a proposal to change the Constitution so as to end the issue of nontaxable bonds and other forms of securities.

LETTER OF APPROVAL FROM HON. ROSWELL MAGILL, ACTING SECRETARY OF THE TREASURY

APRIL 18, 1938.

MY DEAR MR. CHAIRMAN: Further reference is made to your request of February 1, 1938, for an expression of the views of this Department with relation to House Joint Resolution 44

(Celler bill), 75th Congress, first session, entitled "Joint Resolution proposing an amendment to the Constitution of the United States."

The resolution provides for an amendment to the Constitution, which, when ratified, would give the United States and each State reciprocal power to tax income from securities issued by the other after the date of ratification, but would prohibit discrimination by one against the other in favor of itself.

The Treasury Department has, on numerous occasions, during the present and former administrations, gone on record unequivocally as favoring the adoption of a constitutional amendment which would permit the taxation by the United States of the interest on future issues of State and municipal securities and by the States on future issues of Federal securities. The Department continues to adhere to its previous position upon this question.

In connection with the phraseology of the proposed amendment, I would suggest, however, that consideration be given to the question of whether the term "State," as used in section 1, should not be expanded so as specifically to include a political subdivision of a State, in order that all possible doubt as to the power given in that regard may be obviated. So also as to the term "United States" in section 2, if it is intended to include in the term the possessions, means, and instrumentalities of the United States, it would seem advisable to be specific. It is also believed that use of the word "residents" in line 6 of page 2 of the bill might result in conflicting interpretations as to the individuals affected under the amendment in question, because of various meanings applied to the word by the courts in connection with its use in the statutes of the several States.

In the event that further correspondence relative to this matter is necessary, please refer to IR:GC:A-313072.

The Acting Director, Bureau of the Budget, has advised the Treasury Department that there is no objection to the presentation of this report.

Very truly yours,

(Signed) ROSWELL MAGILL,
Acting Secretary of the Treasury.

Hon. HATTON W. SUMNERS,
Chairman, Committee on the Judiciary,
House of Representatives, Washington, D. C.

ORIGIN OF TAX-EXEMPT SECURITIES

Originally, certain securities were declared to be tax exempt so as to benefit those classes or institutions performing functions which the Government would otherwise be called upon to assume. The original system degenerated, and in some cases, exemption was acquired by classes or institutions without equivalent political responsibility. The exemption of Government bonds is one of the class exemptions which still persists. Under the judicial construction of the Constitution, it has been held that the Government cannot tax State bonds, nor can the State tax Government bonds. As a result of this interpretation, the United States Government has gained no benefits from the issue of State and local securities, nor have the State and local Governments derived any benefits from the issue of national securities. Thus, both classes of our government, both Federal and State, have been inhibited, by constitutional interpretation, from taxing their own citizens who happen to possess securities issued by the other class of government.

GENERAL RESULT OF THIS TYPE OF SECURITIES

The result has been that there has been created, through tax exemption, a gross inequality of burden. To the extent that these securities form an increased share of the realized property of the Nation, tax exemption means the liberation of unearned income at the expense of earned income.

THE POLICY OF ISSUING TAX-EXEMPT SECURITIES IS UNDEMOCRATIC

Aside from this glaring inequality, the policy of issuing tax-exempt securities is undemocratic. It tends to create social conflict between classes, for it permits the escape of the rich man from the burden which must, accordingly, be borne by the poor man.

Estimates of losses in revenue are computed with what I believe to be a correct assumption, that large amounts of exempt bonds are held by persons who, if they were required to pay taxes on such securities, would belong to the class of income taxpayers who pay a high normal rate and a surtax. The actual value of exemption rises with the rates on income. The rich who seek exemption from high taxes by investing in exempt securities, thereby derive an exemption of from 6 to 75 percent of their net income—depending upon the surtax bracket in which they are included—while the small investor, who only pays the normal tax of 4 percent, receives benefits to that extent only.

Thus do we violate the principle that taxes should be paid according to ability to pay. As long as persons in the higher income tax groups may purchase exemption by holding tax-exempt securities, the burden of taxation will continue to be unequally distributed, and the greater burden will fall on those least able to pay. This means, simply, that we are quickly getting back to the system of the Middle Ages, with its notable principle of "le fort portant le faible," or, "the strong bearing the burden of the weak," but which, in practice, was turned into the opposite principle of the weak bearing the burdens of the strong.

TAX EXEMPTION GIVES UNFAIR ADVANTAGE TO CERTAIN FORMS OF INVESTMENT AND SECURITIES

Furthermore, tax exemption gives an unfair advantage to certain forms of investment and securities. It puts Government bonds and holdings into a preferred position, and artificially restricts the market for other bonds.

EFFECT OF TAX EXEMPTION ON MUNICIPALITY HOLDINGS

Moreover, the privilege of issuing bonds free from taxation is an inducement to municipalities to own and control their public utilities. Public utilities, privately owned and operated, find it difficult to maintain their financial position in competition with municipal utilities which are financed by bonds which bear a relatively low rate of interest.

TAX-EXEMPT BONDS ENCOURAGE EXTRAVAGANT EXPENDITURES

By permitting the issuance of State and local tax-exempt bonds, we encourage extravagant expenditures, since there is a tendency to issue bonds for an amount larger than is absolutely necessary.

TAX-EXEMPT SECURITIES RESULT IN THE WITHDRAWAL OF CAPITAL FROM PRIVATE BUSINESS

A further objection to the issuance of tax-exempt bonds and securities is that thereby capital is withdrawn from private business. Industry then has either to pay a high rate of interest on loans or languish for want of available capital.

ANOTHER RESULT OF TAX EXEMPTION

Tax-exemption prevents the reduction of our heavy tax burden.

TAX EXEMPTION ENDANGERS OUR SYSTEM OF FEDERAL REVENUES

Tax exemption endangers our entire system of Federal revenues. As the outstanding and tangible wealth of the Nation comes more and more to consist of securities issued by State and local governments, the basis of the Federal income tax—our chief source of reliance, present and prospective—will continually contract.

AS ADVANTAGE OF TAX EXEMPTION DIMINISHES, PREMIUM ON TAX-EXEMPT BONDS FALL

With every billion of dollars added to the amount of tax-exempt securities, the advantage enjoyed by this class of securities becomes increasingly smaller. But in proportion, as the advantage of exemption diminishes, the premium on the tax-exempt bonds will fall. Yet the advantage of remission from taxation remains unimpaired.

WE SHOULD GUARD AGAINST THE FUTURE ENCOURAGEMENT OF CAPITAL'S PARALYSIS

It is argued that taxpayers in State and local governments benefit as a result of tax-exempt securities for the reason that such State and local governments pay so much less interest on their bonds than would otherwise be the case. This argument is fallacious; for while the State and local governments were able at one time to sell their bonds at a higher price because of exemption from State and local taxes, the advantage was gradually dissipated as the other State and local governments did the same.

While it is true no action can change the status of the many billions of dollars of tax-exempt securities now outstanding (in excess of $50,000,000,000), nevertheless, we can and should guard against the future encouragement of capital's paralysis and halt the consequent growth of public indebtedness.

It is therefore my firm belief that through a proposal such as I have mentioned many and perhaps all of the evils outlined above could be eradicated.

The Townsend National Pension Plan the Real Road to Recovery

EXTENSION OF REMARKS

OF

HON. JERRY J. O'CONNELL

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

ADDRESS BY HON. JERRY J. O'CONNELL, OF MONTANA, APRIL 20, 1938

Mr. O'CONNELL of Montana. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the address delivered by me over the National Broadcasting Co. network, Wednesday, April 20, 1938:

Tonight I speak to you from the Capital of the richest country in all the world—a Nation blessed with more natural resources than any other country under God's heaven; a Nation where there is more than enough food to feed every hungry and undernourished person; more than enough wool, cotton, and fiber to clothe every man, woman, and child; more than enough building materials in mine and forest, in mill and factory, to house every family in America in a modern home; where there are more than $10,000,000,000 in gold, in Government vaults, out of circulation; where there are banks which have the greatest reserve ever held in their history. Yet, amid all this wealth, amid these modern machines, and God's abundance of natural resources, the United States today faces the most critical period in her history. Destitution, desperation, despair, want, hunger, and misery stalk the land. One-quarter of the American people live at a standard far below the point of actual existence, living in poverty, with inadequate clothing, in miserable houses without adequate medical care; living a life that is one of gradual starvation. There are over 11,000,000 unemployed people in this Nation clamoring for the right to work. There are 8,000,000 old people, two-thirds of whom are entirely dependent, clamoring constantly for assistance. There are more than 5,000,000 young people unemployed and out of school, who marched on this Capital and demanded the necessary appropriations to provide part-time jobs for the youth of this land.

MONTANA SUFFERS FROM ANACONDA GREED

Yes, my friends, I wish you could sit at my desk and read the pathetic heart-rending letters that come to me from the great people of my State—letters which picture the poverty, the hunger, and the despair existing in Montana, where a selfish, greedy corporation, the Anaconda Copper Mining Co., day in and day out, closes its mines and smelters, throwing men on the street who today are wondering if they are going to eat, wondering where they may sleep; yes, wondering even if they are going to exist.

Day in and day out, the old people of Montana write to me asking how they can possibly pay their grocery bills, their medical bills, their rent, their fuel, and their clothing bills, most of whom have an income under our grossly inadequate social-security program, as low as $8 a month and not higher than $30 a month. What is true of Montana is true of the Nation. This is not a pretty picture, but it is a true one, and it cries out to the American people demanding a solution, demanding relief, demanding that Congress face the facts and legislate accordingly.

TOWNSEND GENERAL WELFARE ACT REAL WAY OUT

Only a few nights ago you heard the voice of the President of the United States proposing the appropriation of the necessary funds to carry on this war against the depression. That program I shall support wholeheartedly, and with my colleagues, the members of the liberal bloc, will attempt to increase it if we can. However, it is our contention that, although this expenditure is necessary and must be made, it is only a temporary solution, and we maintain that Congress must arrive at a permanent solution. That solution will only be found in governmental ownership and control of the money and the credit of this Nation. Congress must take back its right to coin money and regulate the value thereof, and then it must go down basically and fundamentally, abolish the private Federal Reserve System, and establish a centrally controlled governmentally owned bank of the United States to control and govern the currency of this Nation. This may be accomplished with several measures, but as we look about us and examine the remedies which have been urged, I find there is one real road to recovery and that is the Townsend national old-age pension recovery plan, embodied in H. R. 4199, and known as the General Welfare Act.

WHAT DOES THIS RECOVERY PLAN PROVIDE?

The Townsend National Recovery Plan provides for a 2-percent tax on every transaction made in the United States. This tax would be collected by the Federal Government and distributed back into the channels of trade by the payment of an annuity to the aged citizens of this Nation above the age of 60. The revenue derived shall be prorated and paid to these annuitants with a maximum monthly annuity of $200 provided. To make sure that this money circulates and stimulates the production of goods and commodities as well as the avenues of distribution, it is made compulsory that the annuity must be spent each month. This is a simple, economically sound measure to restore the buying power of the masses of our country. By the payment of this annuity more than one-half billion dollars' worth of goods, commodities, and services will be purchased every month, over and above present monthly figures.

ABOLISH POVERTY, RELIEF ROLLS, POORHOUSES, AND PUBLIC CHARITY

This is the increased purchasing power all leading minds of this Nation have been seeking. It is a program which forces money into circulation, opens up new jobs for labor in every class of society, provides purchasing power for all people, and an annuity for those who are past the age when their services are no longer required. It will wipe out relief rolls, poorhouses, and public charity. It will abolish poverty, reward labor, and at one fell swing will destroy the control which a handful of international bankers yield through a monopoly of the money and credit of this Nation. It is a practicable plan, it can work and will work by removing these old people from the employment rolls; it will open the door of opportunity to the youth of our country in every trade and profession and will permit them to live as they ought to live in the richest country in all the world. It will help every industry, every trade, every business, large and small, by the increase of purchasing power.

AMERICAN PEOPLE MUST DEMAND ACTION NOW

I appeal to the American people tonight not to be deceived by ridicule and abuse, but study this measure and then in every way you know how, demand that your Congressman bring this bill to the floor of the House of Representatives and enact it into law now and set America on the real road to recovery. The social-security program has proved a failure. It has disappointed those whom it should have benefited. It has reduced them to a degrading station because it requires a pauper's oath, an oath which no American citizen should be required to take in this Nation of ours. Not only that, social security has injured business, has dipped into the pay envelope of the Nation's employees, and taken over $1,660,000,000 from the people in the name of social security. It has thus slowed the circulation of money and contracted the credit of the United States.

WE MUST REMOVE THE PAUPER'S OATH

The Townsend plan, by its compulsory spending, by its pay-as-you-go system, would place this money in circulation and restore purchasing power to the people. It would remove the humiliation of the pauper's oath.

I appeal to each and every one of you in these closing days of the Seventy-fifth Congress to help us enact this measure into law. On the Speaker's desk in the House of Representatives is a petition discharging the Ways and Means Committee from consideration of the General Welfare Act and bringing it to the floor for a debate and a vote thereon. The Ways and Means Committee, in an undemocratic way, in an un-American way, has denied even a hearing on this bill although it has the support of 150 Members in the House, a support of which no other proposal now pending in that body can boast. We have worked hard, we have talked and fought in every way we know how to bring security to the masses of our country. We have reached that point where only you can bring success. Tonight I place in your hands the responsibility of demanding that your Congressman sign the discharge petition on H. R. 4199 immediately, so that we may obtain the necessary 218 signatures. At the conclusion of this broadcast, I urge you to take a piece of paper, a pencil or pen and ink, and write to your Representative tonight before you go to bed. We have resisted traitorous and disloyal efforts to amend this bill and rob it of its best proposals. We are for the Townsend recovery plan as "originally introduced." You must fight for it, too. We can win if you will do your part.

DR. TOWNSEND WINS VINDICATION AND GREAT VICTORY

Only 2 days ago Dr. Francis E. Townsend, the inspiring leader of the general welfare forces, won a great victory and a complete vindication at the hands of President Roosevelt, who granted this great leader, this man of vision, of courage, and perseverance, a pardon from a sentence growing out of his persecution by the iniquitous Bell investigating committee, a persecution which is one of the blackest spots on the pages of American history, a persecution that would dare to make a criminal of a man who with sincerity and with honesty was demanding security not only for the old people of this country but for its youth and for all those who toil by the sweat of their brow. When J. P. Morgan testified, legislative committees have almost bowed in adoration to him; when one who was fighting for the common people appeared, they failed to show him even common courtesy and common decency; and in their eagerness to destroy him, would submit him to the disgrace of a penitentiary cell. Tonight I am happy that President Roosevelt repudiated their contemptuous intrigue and gave his answer to the Supreme Court which denied the doctor even a hearing.

LET'S UNITE AND FIGHT FOR VICTORY

Dr. Townsend has won a great victory, and if you will only unite with him he can lead us to that victory which will see the enactment of the Townsend national old-age pension plan in the General Welfare Act, will put an end to poverty and despair, will

banish forever the poorhouse and the pauper's oath, will see old age face the future, not in humiliation and despair but in comfort, in security, in contentment, and in peace; and as was well said by my illustrious predecessor in the House of Representatives, the Honorable Joseph P. Monaghan, of Montana, "Will establish a sound system of pensions that will permit the aged American citizen to raise his head high to Heaven and proudly walk as a man amongst men."

The Reorganization Bill

EXTENSION OF REMARKS
OF
HON. GUY L. MOSER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 14, 1938

Mr. MOSER of Pennsylvania. Mr. Speaker, I was elected to the Seventy-fifth Congress on the Democratic ticket in November 1936 after a campaign of the party whose platform set forth in part as follows:

For the protection of government itself and promotion of its efficiency we pledge the immediate extension of the merit system through the classified civil service, which was first established and fostered under Democratic auspices to all non-policy-making positions in the Federal service . We shall subject to the civil-service law all continuing positions which, because of the emergency, have been exempted from its operation.

On January 12, 1937, 1 week after I had taken my oath of office as a Member of Congress, the President sent to the Congress of the United States a message, saying in part:

Now that we are out of the trough of the depression, the time has come to set our house in order. * * * The administrative management of the Government needs overhauling. * * * The executive structure of the Government is sadly out of date. I am not the first President to report to the Congress that antiquated machinery stands in the way of effective administration and of adequate control by the Congress. Theodore Roosevelt, William H. Taft, Woodrow Wilson, and Herbert Hoover made repeated but not wholly successful efforts to deal with the problem. * * * If we have faith in our republican form of government and in the ideals upon which it has rested for 150 years, we must devote ourselves energetically and courageously to the task of making that government efficient. * * * A government without good management is a house builded on sand. * * * I appointed a Committee on Administrative Management to examine the whole problem broadly and to suggest for my guidance and your consideration a comprehensive and balanced program for dealing with the overhead organization and management of the executive branch as it is established under the Constitution.

This committee was headed by a man named Brownlow, and its report known as the Brownlow report. Inquiry as to Brownlow—who was he, whence came he, elicited from our colleagues from "sunny" Tennessee, he had appeared at Knoxville and sold himself as city manager, where he reorganized the municipal government and so "messed up" things that he was run out of town.

Such reputation as a "messerup" abundantly qualified him for the purposes of the Washington bureaucracy, and there is little need to wonder why in some manner he was sold to the President for appointment as head of the Committee on Administrative Management of the Government of the United States. His report covered six large-sized printed booklets. Throughout this report was everywhere apparent the trail of the "feet of clay" of our system of bureaucracy. Before the House Committee on Civil Service was extracted the testimony that the Brownlow committee sought and secured its information from within the bureaus of the several departments to be affected by any form of reorganization. The net result being that the very bureaucracy, itself, so necessary to overcome and trim down to its proper sphere of competence, to approach the plan of the President, to "set our house in order" had guided the hand that wrote the report.

The President submitted his recommendation of a five-point program. This five-point program provided:

First. To expand the White House staff.

Second. To strengthen and develop the management of Government agencies.

Third. To extend the merit system of civil service to cover non-policy-determining posts.

Fourth. To overhaul more than 100 agencies of government and consolidate them within the administrative departments, creating additional departments of social welfare and public works.

Fifth. Establish accountability of the Executive to Congress through postaudits of fiscal transactions by an auditor general.

At no point was the suggestion made to dispense with the Comptroller General, the agent of Congress, responsible to the Congress for the "preaudit" or authorized disbursement of appropriations of public funds—the taxpayers' tax dollars—in the lawful manner prescribed by Congress in the making of the appropriations.

The President sent no draft of a bill with his message to the Congress, it remaining for the ambitious Brownlow to originate such a bill, which was prepared, is of public record, but never introduced in either House of the Congress, its sponsor being manifestly unable to accomplish.

A Select Committee on Organization was appointed by the presiding officer of each branch of the Congress. Prior to the appointment of this committee, the gentleman from Kentucky [Mr. VINSON], manager of the campaign for floor leader of the gentleman from Texas [Mr. RAYBURN], both stated, together, the many years classified service experience brought with me as a Member of Congress, would prove invaluable and commend me to selection to that committee. Modesty deterred mentioning it before and, without any previous committee experience, was there desire to intrude myself. Knowing the grave necessity for reorganization, the methods of the bureaucrats, and personal aversion thereto, it was no surprise when I was not included on that committee. Discussing the necessity of reorganization with that splendid gentleman, scholar, statesman, patriot, and public official, the Speaker of the House [Mr. BANKHEAD], one day, and advising there was only one practical and effective method of dealing with bureaucracy, he suggested a certain member of this select committee, to whom I should divulge my idea and plan, offering to testify. Instantly declining to thus intrude myself, the Speaker stated that he would personally urge it, later informing me he had done so and I would be called. I was never called.

These bureaucrats appeared before the House Committee on the Civil Service seeking to write into the law of the land, their unrighteous practice of fraud in the creation of a "racket" that has grown up in the recruiting of eligibles under the "faked" system of "merit," in determining eligibility for appointment to classified positions. The questioning to which they were personally subjected, disclosed what I long knew to exist, namely, that noncompetitive examinations were determined in scope to the whim of the appointing authority, while the unassembled examination is made to fit the applicant like a tailor-made suit of clothes. Obviously no bureaucrat wanted my testimony before any committee on which they hoped to rely to save their incompetence and through whom to legalize their established practices without authority of law.

In the general debate on this bill S. 3331, the distinguished chairman of the House Committee on the Civil Service, charged the Select Committee on Organization with disdainfully having declined to accord him, not alone as a Member of Congress, but as chairman of a regularly constituted committee of the House, the requested privilege of testifying, also charging that no hearings were held. It is most unlike our worthy colleagues to thus disregard their fellows. Obviously the bureaucratic influence dominantly willed it otherwise.

The hearings that were held on this proposed legislation, disclose that the testimony heard was that of the Brownlow committee members and those they had engaged in its preliminary survey as investigators, and certain departmental

bureaucrats highly prejudiced in its favor. These hearings do disclose that the Brownlow committee, otherwise called the President's committee, under the testimony of none other than Louis Brownlow, who testified in part, as follows:

The President was given authority to set aside for the expenses of the President's committee a sum not to exceed $100,000.

The Senate had given its committee $20,000, and the House gave its committee $10,000, and later, when the House committee organized, the President's committee, at the request of Mr. Buchanan (since deceased), assigned $10,000 of its funds to the work of the House committee, and in that way made the same amount of money available for its services, including the Brookings Institution contract, as already was done by the Senate.

Later on in the hearings, Mr. Brownlow was being interrogated by Senator Townsend, which disclosed the following:

Senator TOWNSEND. Now, you feel that you have carried out this act by the bill which you have brought up here, do you not?

Mr. BROWNLOW. In part, and in part it was carried out by an assignment of funds through the House committee, and in part it will be completed by the detailed studies, or the more extensive studies, that we are going to file here.

Senator TOWNSEND. There was $100,000 of the relief appropriation assigned to you for that purpose, was there not?

Mr. BROWNLOW. Yes.

Senator TOWNSEND. Which you have spent?

Mr. BROWNLOW. No; not all of it.

Senator TOWNSEND. You have no other public moneys to spend?

Mr. BROWNLOW. No. What we spent we spent from that appropriation.

Senator TOWNSEND. What were the highest salaries paid to your employees?

Mr. BROWNLOW. We can give you a complete statement of that. They were paid one salary, at the rate of $8,000, and there are others on a per diem basis.

Senator TOWNSEND. How extensive is your pay roll at the present time?

Mr. BROWNLOW. We can get that for you.

Senator TOWNSEND. And what is the amount of the unexpended balance?

Mr. BROWNLOW. We can give you that. Of course, we have some printing things and other things against it. Then there is a small clerical force.

Though page after page of published hearings held subsequent to the foregoing were examined, no record was found that Mr. Brownlow supplied the information sought by Senator Townsend.

The "Brownlow" sponsored bill never having been accorded regular introduction, ultimately, two separate House bills originating in the committee, namely, H. R. 7730 and H. R. 8202, were called up by the Select Committee on Organization, respectively on July 27 and August 13, 1937. The former provided for six administrative assistants to the President at $10,000 per annum, and the latter for renewed reorganization powers and the creation of a department of public welfare. I mention renewed reorganization powers for the reason that the Seventy-second Congress had given President Roosevelt these powers in 1933 for a period of 2 years and were not exercised. Similar, though more extensive powers, had been given President Hoover by the Seventy-first Congress and were not exercised. The first bill, H. R. 7730, passed by a vote of 260 to 88, and the second bill H. R. 8202, passed by a vote of 283 to 75, my vote being cast for both. Both bills were sent to the Senate.

Much gossip was current that the Comptroller General was to be eliminated. Positive assurance was given the House Members this would not be permitted by stalwarts on the Select Committee on Organization.

The Senate finally, through that body's Select Committee on Organization, wrote a bill of its own—viz, S. 3331—disregarding the two House bills on its calendar, but embodying therein a number of features never passed upon by the House and eliminating the Comptroller General, of greatest interest to the House, because appropriation bills constitutionally originate in the House. The Senate passed its bill, S. 3331, on March 28, 1938, but not until after a motion to recommit the bill to its own Select Committee on Organization had failed by only five votes. Both between the failure of the motion to recommit and after the passage of the bill by a margin of seven votes, attempts were made to substitute the House bill, H. R. 8202, on the Senate calendar, by striking out all after the enacting clause and substituting the full text of the Senate bill, S. 3331. This would have permitted the bill to go direct to conference, under a House bill number, namely, H. R. 8202, with its enacting clause, but an entirely different number, depriving the House of Representatives the right to act upon the features therein embodied, never before that body. The time in the Senate having been fixed, the objection thereto, with unlimited debate in prospect to take up the entire unconsumed time, forced the withdrawal of the motion to send the Senate bill to conference, dressed only in the House bill's hat and coat, and instead sent the Senate bill, S. 3331, as passed, to the House for action.

Thereupon the Select Committee on Organization of the House struck out all after the enacting clause of the Senate bill, S. 3331, embodied as titles I and II the House bills H. R. 7730 and H. R. 8202, and under the additional titles undertook to write in and pass those features the Senate had never intended the House should have the opportunity of passing upon when attempt was made to send it direct to conference. The Comptroller General was to be retained but made subject as well as subordinate to the Attorney General, instead of the Congress of the United States appropriating the taxpayers' dollars. The Senate proposal on the subject of civil service, which had forced such a close and intimate friend and supporter of the President as Senator WAGNER, of New York, to vote both to recommit the Senate bill as well as against its passage, was there for the approval or rejection of the House. The battle was on.

The select committee, with its privileged status, needed no rule from the Committee on Rules to limit general debate and govern amendment, and obtained none, but brought the bill before the House under its rules. Any member of the House recognized was therefore recognized for 1 hour and permitted to yield such part thereof as he elected to yield to those most favorable to the proposal. Members of the committee having preference for recognition, time for general debate was thus prejudicially allotted. Time was offered me from the Republican side and declined unless I could get it regularly from my own Democratic side. When attempt was made to cut off general debate and proceed to the reading of the bill under the 5-minute rule for amendment, I voted with the majority to force full and free discussion of the bill.

When the motion came to strike out the enacting clause, I declined to vote for that method of killing the bill, still believing it possible to correct the bill by amendment. My speech ultimately coming in this general debate is a matter of public record.

When the general debate had finally ended and the bill was being read for amendment under the 5-minute rule, and a member of the select committee arose and offered a total of 18 amendments, all of which were written into the bill, I arose and battled against the 10th amendment offered, which would have legalized all the present unlawful and unholy practices of the Civil Service Commission, heretofore discussed and prevented from passing the House Committee on the Civil Service. These methods of qualifying eligibles that have crept into civil service since I first entered it are practices on which the first known attempt of record was then being made to legalize it by writing it into the laws of the Nation. I waged a losing battle, but my speech thereon is a matter of public record.

With these 18 amendments, and every other amendment added to the bill, the House conferees could have taken it to conference with the Senate bill's hat and coat, and there restored the full text of the Senate bill, previously stricken out by the House Committee on Organization, only, but not by House action, and with the additional window dressing added in the House Committee of the Whole, for the Senate approval or rejection. The House could have corrected nothing; could have changed nothing;

could have ranted and raved, but in the end would have been forced to accept or reject it.

One of the conciliatory committee amendments proposed to the House by its select committee during its own controlled general debate was that approval of an Executive proposal for consolidation or reorganization of any agency or bureau of the Government, after being submitted to, and being before the Congress for 60 days while in session, could be approved by passing a concurrent resolution, when suggested, stated as of doubtful constitutionality. It was later stated as acceptable to the President, who in accepting the proposal was claimed to have stated it was not constitutional. Many constitutional lawyers similarly held that it was not constitutional. With this in the bill as an amendment, any Representative in Congress, having taken an oath to support and defend that Constitution, was placed in the anomalous position, in voting for the bill as amended, regardless of his scruples, of voting to commit an unconstitutional act.

This was the fifth bill on this subject of reorganization since the President's message of January 12, 1937, growing out of those plain, fair, and plausible recommendations, based on the Brownlow committee's report in utter disregard of the Democratic Party's platform plank quoted previously.

A bit of history on the subject of reorganization and establishing a comptroller general to direct disbursement of appropriations within the intent of the laws enacted by the Congress would be in order. President Woodrow Wilson vetoed a bill in 1919, for which the present Speaker, Mr. BANKHEAD, and the present majority leader, Mr. RAYBURN, are on record as having voted for its passage. These estimable colleagues being consistent and honorable gentlemen, voted for a similar bill passed in 1921 and approved by President Harding. This law has not been repealed and has abundant power of reorganization, never exercised with authority written into permanent law. With available permanent law in existence, one cannot help but wonder at the urgence of enacting temporary authority for reorganization to President Hoover in 1932, and to President Roosevelt in 1933 for a period of 2 years, which after lapsing from disuse, was renewed in the recommendation of 1937. When the objectives of this last effort became so plainly evident, it is observed the permanent law of 1921 providing for a Comptroller General did not provide for his scuttling under its reorganizatoin powers, nor did it provide for the scuttling of existing civil-service law, and the legalizing of regulations adopted by bureaucrats to circumvent this law. The bill, S. 3331, recommitted to the Select Committee on Organization, tonight, developed another anomalous situation in which the Speaker and majority leader were forced from policy to defend a measure nullifying their own twice-established convictions in establishing in 1921 a Comptroller General in the strong position he occupies.

This bill's stanchest advocates never claimed for it the proposed saving of any money to the taxpayer, the elimination of any bureau or agency, or duplication of meddlesome and irritating exactions and requirements conceived by bureaucrats under regulations—not law. It was advocated a new department and Cabinet post would be created without extra cost, which anyone knows to be ridiculous, but the overlapping bureaus would be consolidated. What it really would have accomplished was the restriction of the Comptroller General to impotency, the fullest protection to bureaucracy, and the easement of every vestige of all civil-service standards of one-time merit.

Under the circumstances of having voted to recommit the bill, S. 3331, after having voted for the passage of H. R. 8202, though that much ahead of him, I share with the distinguished Senator from New York, the Honorable ROBERT F. WAGNER, the position he occupies, both as friend and supporter of the President of the United States, but unwilling to share responsibility for enacting into the law of the land authority for the perfidious practices in determining alleged merit while actually fostering bureaucracy, within and under our system of civil service. In succeeding in recommitting this bill to the committee the wreckage of its own creation, the Comptroller General continues to occupy the position given in the act of 1921, and the civil-service law given the Nation by the Cleveland administration has been preserved to posterity, while the bureaucratic regulations conceived to circumvent it have not been written into the law of the land, though the "racket" will continue unabated as long as the people of the Nation continue to permit it.

I have battled to give the youth of the Nation the same opportunity to enter the service of their Government through the real merit system of the civil service as intended by law and without circumvention. I, too, have preserved my conscience, by voting to recommit this bill, the necessity of voting against its passage to avoid voting for something admittedly unconstitutional. I have helped wreck the plans of the bureaucrats to place public education, through centralization, under their control. I have shown to my colleagues, my constituents, and to some part of the Nation, that my oath to the Constitution of the United States really does mean something.

Suffrage for the District of Columbia

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

Mr. CELLER. Mr. Speaker, the people of the District of Columbia have arranged on their own initiative a referendum on the question of suffrage to take place on April 30. On that date, for the first time since the Congress unconstitutionally deprived the citizens of this city of their right to a municipal legislature, the people will have an opportunity to express their opinion in the traditional American way—through the ballot box. And I expect that the vote on that day will be an impressive answer to the contention of some gentlemen that the people of our National Capital have so far departed from good Americanism that they no longer desire their fundamental right of suffrage.

In preparation for that referendum I wish to make it perfectly clear that the bill which I have introduced in the House to provide municipal self-government for the District of Columbia in no way conflicts with the joint resolution introduced by Mr. RANDOLPH proposing an amendment to the Constitution of the United States to provide a republican form of government and representation in the Congress for the District of Columbia.

It is not possible to provide for full representation for the District of Columbia in the Congress without an amendment to the Constitution but this would not be the first time that our great Constitution was amended to extend the democratic rights of the people. It is only necessary to mention that representation in the Senate is now by direct election by the people instead of by the original less democratic method. It is good American tradition to extend and amplify, whenever possible, the democracy of our country. And for that, if for no other, reason, Mr. RANDOLPH'S joint resolution should be adopted.

But there is another and also important reason for supporting the joint resolution. And that is to confirm, once again, that Congress has the right to provide for municipal self-government for the District of Columbia. Actually, of course, the Congress has not only the right but the duty to so provide. When the present District of Columbia was organized out of the territory of the State of Maryland the bill of rights of that State continued in force in the new

District and became the fundamental law here. And that bill of rights, which is recorded in the Code of Laws of the District of Columbia, says that an elected legislature, frequently elected, is the best guaranty of liberty.

That this provision of the fundamental law of the District of Columbia is not in conflict with the Constitution of the United States is shown by at least two incontrovertible facts: First, James Madison, one of the chief authors of the American Constitution, wrote in The Federalist concerning the people of the District of Columbia that "a municipal legislature for local purposes derived from their own suffrages will of course be allowed them." And, second, under the Constitution of the United States as it is now written, the District of Columbia did have an elected legislature and also a mayor from the time of the organization of the District about 1800 up until 1870.

The failure of the Congress to provide for such a legislature at the present time is an unconstitutional act of omission on its part and ought to be promptly remedied. The bill which I have introduced, which simply replaces the present District Commissioners with a mayor and city council elected by the people, is the minimum to which the people are already legally entitled and fulfills the minimum obligation of the Congress to the people of Washington.

William P. Connery, Jr.

MEMORIAL ADDRESS
OF
HON. MARTIN F. SMITH
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 20, 1938

On the life, character, and public service of Hon. WILLIAM P. CONNERY, Jr., late a Representative from the State of Massachusetts.

Mr. SMITH of Washington. Mr. Speaker, when WILLIAM P. CONNERY, Jr., of Massachusetts, was suddenly summoned, as we believe, to another and higher sphere of activity, the Congress of the United States lost one of its most useful and beloved Members and the laboring men and war veterans of America lost one of their truest and most valuable friends.

It was my privilege to serve with our departed colleague in three Congresses and to observe him upon a variety of occasions—in the heat of debate in this historic Chamber, when presiding as chairman during hearings before the great Committee on Labor, and when addressing some public gathering of war veterans or meeting of organized labor. He was ever the same—sincere, frank, warm-hearted, jovial, kindly, and master of the occasion.

I served for 4 years with "BILLY" CONNERY, as he was known to everyone, on the steering committee headed by the distinguished gentleman from Texas [Mr. PATMAN], which conducted the successful campaign for the payment of the adjusted-service certificates to the veterans of the World War. He was also of assistance to those of us who were pressing for restoration of the pensions to the veterans of the Spanish-American War in the Seventy-fourth Congress. I can, therefore, testify to his deep, earnest interest in the cause and welfare of the veterans of our wars, their widows, and dependents.

Mr. Speaker, our departed colleague was a strong advocate of old-age pensions and, if I am correctly informed, he sponsored one of the very first old-age pension bills ever introduced in Congress during the early years of his service as a Member of this body. As one of the active supporters of the Townsend plan, I recall that "BILLY" CONNERY at all times favored this great legislative proposal receiving a full and fair hearing upon its merits before the committee and upon the floor of this House and always signed our petitions. He also vigorously opposed the so-called Congressional investigation of the Townsend movement as uncalled for and unnecessary. He was not a demagogue, although there are probably Members of this body who considered him to be such. They, however, are to be pitied, for they comprehend neither the economics, the history, nor the conditions and issues of the times in which they live and fail woefully to realize their own responsibility to the American people. "BILLY" CONNERY was not one of them.

However, it will be as the champion of the rights of labor that the name and fame of our colleague will live forever in the memories of the American people. His was no mere lip service to the cause of labor, for he sacrificed his health and his life in that cause.

Many touching, beautiful tributes were paid to "BILLY" CONNERY when he passed on, but the one which appeared in the Scripps-Howard newspapers is worthy of preservation in our records. It reads as follows:

LABOR'S COLOR SERGEANT

Representative WILLIAM P. CONNERY, of Massachusetts, worked his way up from private to color sergeant and fought bravely in all the major engagements of the famous Yankee Division in France. When he died yesterday in his prime he had been fighting just as valiantly in that peacetime war from which there is no discharge, the war for better living conditions for the working people.

As chairman of the important House Labor Committee he was no figurehead or false friend of labor. Monuments to his energetic liberalism are such important measures as the Wagner-Connery Labor Relations Act, "labor's magna carta," the N. R. A. law that he helped to pass, and many other New Deal reforms. When he died he was in the midst of hearings on the Black-Connery minimum-wage, maximum-hour bill.

REPRESENTATIVE CONNERY WILL BE MOURNED BY THOSE HE SERVED

Mr. Speaker, as long as men of the personal courage, sterling character, intellectual honesty, and patriotism of "BILLY" CONNERY are chosen to serve in this body, we need not worry concerning the decadence of representative government in America. One of the joys of the dawn of the eternal morning on the other shore will be to meet again the manly, kindly spirit of "BILLY" CONNERY.

Investigation of the Trial and Conviction of John H. Hoeppel

EXTENSION OF REMARKS
OF
HON. H. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 21, 1938

RESOLUTION OF UNITED SPANISH WAR VETERANS

Mr. VOORHIS. Mr. Speaker, under leave to extend my remarks, I include at the request of the Charles A. Lindbergh Camp of the United Spanish War Veterans, Monrovia, Calif., the following resolution passed by that camp:

MONROVIA, CALIF., *April 6, 1938.*

Resolution urging a congressional investigation of the trial and conviction of Congressman John H. Hoeppel

Whereas House Resolution 425 seeks to provide a congressional investigation of the trial and conviction of Congressman John H. Hoeppel and incidents connected therewith; and

Whereas such resolution is now in the hands of the Rules Committee of the House of Representatives, with no action having been taken thereon by the committee; and

Whereas our comrade has presented sworn testimony as to certain irregularities and unlawful actions in connection with the prosecution of the case against him and the deliberations in the jury room which are a serious indictment of the administration of justice; and

Whereas our comrade continues to maintain his innocence and charges that the case against him was framed and that he was convicted on framed, perjured testimony:

Now, therefore, in justice to our comrade and in the public interest, it is hereby resolved by Charles A. Lindbergh Camp, No. 103, United Spanish War Veterans, Monrovia, Calif., in meeting assembled, that we respectfully request that the Rules Committee of the House of Representatives favorably report House Resolution 425 and that the House of Representatives authorize a full and complete investigation of the case against Comrade Hoeppel and all incidents connected therewith at the earliest possible time; and be it further

Resolved, That a copy of this resolution be submitted to the author of House Resolution 425, to the chairman and members of said Rules Committee, and to the Speaker of the House of Representatives, and that a copy of this resolution be spread upon the minutes of this camp.

CLYDE HITCHCOCK, *Commander.*

Approved:

FRANK R. SCHALLERT, *Adjutant.*

Hon. Charles J. Colden

MEMORIAL ADDRESS
OF
HON. JOHN M. COSTELLO
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 20, 1938

On the life, character, and public service of Hon. CHARLES J. COLDEN, late a Representative from the State of California

Mr. COSTELLO. Mr. Speaker, it is with a deep feeling of regret that the House has today received word of the passing of our beloved colleague, Hon. CHARLES J. COLDEN, late a Representative from the Seventeenth Congressional District of California. Having served for 6 years in the House, Mr. COLDEN had won the respect and esteem of each of his colleagues, and we therefore sincerely grieve over his loss.

Mr. COLDEN was a native of the State of Illinois, where he was born on August 24, 1870. When but a child of 10, his father removed with the family to Nodaway County in Missouri, where he had purchased a farm. Being an eager student, CHARLES COLDEN worked his own way through college, and upon graduation at the age of 19 entered the teaching profession. After 2 years he was elected the principal of the school in Manilla, Iowa, where he remained for 3 years.

In 1896 Mr. COLDEN located at Parnell, Mo., where he purchased a newspaper and entered this new field of endeavor. Upon the sale of this paper 4 years later, he established the Nodaway Forum, which he edited during the next 7 years. It was at this time that Governor Folk, of Missouri, honored him by naming him a regent of the newly established State Teachers College at Maryville, Mo. Mr. COLDEN liked to look back upon his work as regent as one of the happiest periods of his life, devoted to the training and education of the future teachers of the State of Missouri.

The ensuing 4 years were spent in Kansas City, Mo., where Mr. COLDEN entered the real-estate business, a career which he later followed in California when he removed there in 1912. Locating in San Pedro, Calif., Mr. COLDEN engaged in many civic activities and aided materially in the development and upbuilding of this community, the harbor area for metropolitan Los Angeles. It was because of his sincere interest in community welfare and his eagerness to actively participate in every civic advancement that he readily won the esteem and affection of his fellow townsmen, who will long happily cherish his memory.

Being a direct descendant of Cadwallader Colden, a Lieutenant Governor of colonial New York in the days previous to the Revolution, it is not surprising that Mr. COLDEN naturally turned toward the political field of activity. His father frequently recounted to him his trying experiences as a lad of 17 while serving with the Union Army during the Civil War. The patriotic service of his father was always an inspiration to Mr. COLDEN, and he sought to emulate it by his own public service.

While engaged in the newspaper work, he entered politics by serving for two terms in the State Legislature of Missouri from 1901 to 1904. Again in California, being urged by his friends, he served two terms in the Los Angeles City Council. With an opportunity for greater service, he became a candidate for Congress and was elected in 1932, having served continuously since that time. As an evidence of his attention to his work and his devotion to the strenuous duties of his office, Congressman COLDEN did not miss a single roll call during his service in the House, a truly singular record.

Always a kind husband and indulgent father, Mr. COLDEN leaves his widow and four children to mourn his passing. We join with them in sharing their grief today, for few men have been more highly esteemed or more affectionately respected than he has been in this House. We extend to them our deepest sympathy, knowing that as he never feared to answer roll call we can be assured that he was not afraid to answer to his name when the final roll call was announced for him. He had served faithfully throughout his lifetime, being ever mindful of the family motto, "Fais bien, crains rien"—do right, fear nothing. He had done right and hence had nothing to fear from the roll call. Today we pray that he may enjoy the fruits of his lifelong endeavors and that he may have rest eternal for his immortal soul.

Edward A. Kenney

MEMORIAL ADDRESS
OF
HON. MARTIN F. SMITH
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 20, 1938

On the life, character, and public service of Hon. EDWARD A. KENNEY, late a Representative from the State of New Jersey

Mr. SMITH of Wahington. Mr. Speaker, I, too, crave the privilege of paying a brief but sincere tribute to the memory of our departed colleague, EDWARD A. KENNEY, of New Jersey. We entered the House together in the Seventy-third Congress and during the past 5 years I became well acquainted with him. He possessed a genial, cheerful disposition and added brightness and sunshine to an otherwise rather serious, reflective temperament by a saving grace of good humor. He was kind and charitable in his opinions of others and was a charming and lovable companion on any and all occasions. He was very devoted to his wife and home.

Our absent colleague was a lawyer of attainments, and his career had been distinguished at the bar and on the bench in his native State of New Jersey prior to his election to Congress. As a result of my discussions with him on legal topics, I learned to respect his erudition and learning in the lore of his profession, which was the same as mine.

Mr. Speaker, EDWARD A. KENNEY had apparently followed the advice given to Members of the House some years ago by Speaker Champ Clark, who expressed the idea that every Member of Congress, in order to be successful, should apply himself to one certain type or subject of legislation and thereby become a specialist and authority in regard to it. Every one of his colleagues and many people throughout the country knew our late colleague to be the champion of the establishment of a national lottery, which he constantly advocated in this Chamber, in the press, over the radio, and on the public platform. He was undoubtedly more fully and correctly informed in regard to the historical and factual background of this important subject than any man in America.

Mr. Speaker and my colleagues, EDWARD A. KENNEY was a faithful, industrious, patriotic, public servant and did not spare his health or himself in the performance of the arduous duties of his office. I deeply lament his passing. His departure has left a vacant place in this House which will not soon be filled.

Edward A. Kenney

MEMORIAL ADDRESS
OF
HON. MATTHEW J. MERRITT
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1938

On the life, character, and public service of Hon. EDWARD A. KENNEY, late a Representative from the State of New Jersey

Mr. MERRITT. Mr. Speaker, all hearts are saddened by the passing of the Honorable EDWARD A. KENNEY, a Representative from the Ninth District of the State of New Jersey.

It was my privilege and honor to have known this man since my advent into the Seventy-fourth Congress. To know him was an assurance that he was fully qualified as a statesman. His unending knowledge of existing legislation and the seriousness with which he made his careful deliberations, not only to the people living within the confines of his congressional district but also to the citizens of the United States.

His death was most untimely. However, it is not for us to question the dispensations of the Almighty. His solutions are naturally beyond earthly understanding.

The accomplishments of his life cannot be measured alone by the number of years but only by the great resourcefulness and fortitude as shown in the results.

He has left behind him a host of friends, and I am very happy in the thought that I considered him one of my very best friends. Knowing him intimately for several years, I feel confident that these words I wish to have printed in the memorial that will be set up for him will be comparable in the way he wished to live.

I would rather have one little rose from the garden of a friend
Than to have the choicest flowers when my story on earth must end.
I would rather have a pleasant word in kindness said to me
Than flattery when my heart is still and this life has ceased to be.
I would rather have a loving smile from friends I know are true
Than tears shed around my casket when to this world I've bid adieu.
Bring me all the flowers today, whether pink, or white, or red;
I'd rather have one blossom now than a truck load when I'm dead.

Delaware—Founding of the State—"First to Adopt Will be the Last to Desert the American Constitution"

EXTENSION OF REMARKS
OF
HON. ERNEST LUNDEEN
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES

Tuesday, April 19 (legislative day of Wednesday, January 5), 1938

THREE HUNDREDTH ANNIVERSARY OF THE LANDING OF THE SWEDES AT THE ROCKS, WILMINGTON, DEL.

Mr. LUNDEEN. Mr. President, on the 29th of March 1938, a public meeting was held in Mitchell Hall at the University of Delaware. Able and distinguished gentlemen of that State delivered addresses there which I think should be in the CONGRESSIONAL RECORD. Prior to this great meeting a dinner was given in honor of His Excellency the Governor of Delaware. After this dinner at "Old College," University of Delaware, all adjourned to Mitchell Hall to celebrate the three hundredth anniversary of the landing of the Swedes at The Rocks, at Wilmington, Del., which marks the beginning of the first permanent settlement in all Delaware, and I ask that these addresses be printed in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

DELAWARE TERCENTENARY DAY EXERCISES, UNIVERSITY OF DELAWARE, NEWARK, DEL., MARCH 29, 1938

In accordance with the following proclamation of the Governor of Delaware, the three hundredth anniversary of the founding of the State was celebrated at the University of Delaware on March 29.

PROCLAMATION

Whereas some time in November 1637 an expedition of the New Sweden Co., consisting of two ships, the *Kalmar Nyckel* and the *Fogel Grip*, departed from Gothenburg, Sweden, for the purpose of establishing a colony in the Delaware River Valley, and

Whereas in the latter part of March 1638 the two ships cast anchor off the so-called "Rocks" on the Christina River, about 2 miles upstream from the mouth of said river; and

Whereas on March 29, 1638, the New Sweden Co., represented by the director of the expedition, Peter Minuit, purchased from five Indian chiefs the land on the west side of the Delaware River extending from Bombay Hook northward to the Schuylkill River, which land included what is now New Castle County, in the State of Delaware; and

Whereas following the sale of the land, and on the same day Peter Minuit, his officers, and men landing at The Rocks, with solemn ceremonies raised the Swedish coat of arms on a post, called the country New Sweden, and built a fort there, which was named Fort Christina in honor of the Queen of Sweden; and

Whereas Fort Christina was the first settlement of the colony of New Sweden and the first permanent settlement in the Delaware River Valley, and was likewise the first permanent settlement in the State of Delaware; and

Whereas this first settlement and successive settlements of the Swedes marked the beginnings of government, religion, education, agriculture, commerce, and industry in our State; and

Whereas March 29, 1938, will mark the three hundredth anniversary of the founding of the State of Delaware:

Now, therefore, I, Richard C. McMullen, Governor of the State of Delaware, proclaim Tuesday, March 29, 1938, as Delaware Tercentenary Day, and request the citizens of the State to join in appropriate observances of this historic event.

In testimony whereof I, Richard C. McMullen, Governor of the State of Delaware, have hereunto set my hand and caused the great seal of this State to be hereunto affixed this 16th day of March, A. D. 1938, and of the independence of the United States of America the one hundred and sixty-second.

RICHARD CANN MCMULLEN,
Governor.

CHARLES L. TERRY, Jr.,
Secretary of State.

Mr. LUNDEEN. The exercises consisted of a dinner in honor of the Governor of Delaware, held in "Old College", and an assembly, held in Mitchell Hall. The guest of honor at the assembly was His Excellency, Hon. Wollmar F. Boström, Minister of Sweden. The presiding officer at the dinner was President Walter Hullihen; at the assembly, former United States Senator Thomas F. Bayard, Esq., president of the Delaware Tercentenary Commission. At the dinner greetings to the Governor were presented by representatives of State departments and institutions. At the assembly greetings were presented by the Governor of Delaware and the Minister of Sweden; brief talks were given by citizens of Delaware on the progress of the State since 1638; and an address on "The Beginnings of Delaware" was delivered by former Federal Judge Hugh M. Morris, Esq. Addresses which were given at the two meetings are as follows:

DELAWARE TERCENTENARY DAY DINNER, MARCH 29, 1938, INTRODUCTORY REMARKS BY THE PRESIDING OFFICER

It is hardly necessary to announce to this gathering the occasion of our meeting here tonight. The Governor has done so in his official proclamation. The 29th of March is in a sense the birthday of Delaware. And it is that birthday we are here to celebrate. For it was on that day that Peter Minuit and his men, in company with the five Indian chiefs, with whom the terms of purchase of the land had been settled on board ship, descended from the *Kalmar Nyckel*, landed on The Rocks at Wilmington, ratified with solemn ceremony the purchase and sale of the land, set up the royal standard of Sweden, named the territory just purchased "New Sweden," and began the task of erecting the stockade and fort that were the first buildings on Delaware soil of this first permanent establishment of European civilization in the valley of the Delaware.

The Governor of Delaware was therefore right in declaring this the day which our State should honor as the Delaware Tercentenary Day.

LANDING AT THE ROCKS MARCH 29, 1638

In the various opinions expressed in various quarters as to the place and date of the landing of the Swedes there has, we think,

been misunderstanding of the import of the Governor's proclamation. It is probably true, as some have argued, that as the two Swedish ships made their way slowly up along the coast of Delaware they stopped here and there, launched the longboat, and went ashore; to spy out the land, to confer with the Indians, to marvel and to covet the wonderful game-filled woodland, to drink the sweet water of cold springs near the water's edge, to seek that fair spot which should be their permanent stopping place. Certain it is that The Rocks was not the first spot these explorers touched on Delaware soil, but of neither places nor dates of these earlier landings is there any record. Even if there were—interesting as such knowledge would be to us—it would not, I think, affect the question of the date that ought to be celebrated as the date of the founding of the first permanent settlement of our State. That date, March 29, is the one day definitely mentioned in the authentic report made to the Swedish Government as the day of the landing at The Rocks and the formal claiming of land that extended from Bombay Hook to the Schuylkill River as New Sweden.

In reply to a question which has been asked me more than once perhaps it may be of interest to go a little further in discussion of the differing opinions as to this date.

JULIAN OR GREGORIAN CALENDAR?

The question has been raised as to whether the date, March 29, 1638, mentioned in the historical record was March 29, according to the old Julian calendar, or March 29, according to the later Gregorian calendar, which made the calendar corrections with which you are familiar. This matter is shrouded in doubt. No final proof seems possible in regard to it. When Pope Gregory XIII promulgated the corrected calendar in 1582, certain Catholic countries adopted it promptly, while many of the Protestant countries were reluctant to accept it and did so only after many years. It might, therefore, be argued as probable that this date was given in accordance with the older Julian calendar. On the other hand, Holland, the home of Peter Minuit, commander of the expedition, did accept the new calendar and it certainly is possible that Minuit's report was according to our present chronology. In this dilemma we reaffirm our belief that our Governor has made a wise choice in naming March 29, the day of the month actually mentioned in the historical record, as the proper date for Delaware to celebrate, while, at the same time, we acknowledge that our sister State of Pennsylvania is not wholly without reason for her choice of April 8, 10 days later, if it is her purpose to celebrate what may possibly be nearer to 300 abbreviated civil or tropical years in the past than the date in the historical record.

One advantage of the two celebrations is that we can attend ours down here in Delaware and then go up to Pennsylvania and celebrate there 10 days later. In this way we shall be sure of being sentimentally, historically, and astronomically correct.

It was the thought of those who planned tonight's program that it furnished an appropriate occasion for greetings to Governor McMullen, in whose honor, as head of the State, this dinner is given, and felicitations from representatives of various institutions and organizations upon the progress our State has made in many fields since that day 300 years ago, when Sweden brought European civilization to what was then a wilderness.

WALTER HULLIHEN.

Greetings from the judiciary were delivered by Josiah O. Wolcott.

Greetings from the general assembly were delivered by Edward W. Cooch.

Greetings from the State board of education:

Three hundred years ago today Peter Minuit, who may be regarded as the first Governor of the territory which now constitutes the State of Delaware, landed his little colony of Swedes at The Rocks on Christina Creek within what is now the city of Wilmington. After the passage of these three centuries we Delawareans gather here to pay honor to Richard C. McMullen, the latest Governor of that same territory now grown from those far-off simple beginnings to a Commonwealth whose progress in all the arts of modern civilization is a source of pride to over 200,000 people.

In paying honor to our chief executive, we also pay honor to a long line of distinguished men who, with him, have made Delaware a star of diamond brilliance in the constellation of States.

It was, indeed, a happy thought of the Delaware Swedish tercentenary day committee to provide this opportunity of celebrating so important an event in our history, and to make Your Excellency the honor guest of the occasion. It, therefore, affords me great pleasure to extend to you, sir, the warmest greetings of my colleagues on the State board of education and of myself, as well as of the members of the department of public instruction. This I do with all the more satisfaction because we have always found not only you but the members of your official family courteous, cooperative, and sympathetic in matters pertaining to the maintenance and operation of our public-school system.

DELAWARE IN THE FRONT LINE OF EDUCATION

Time does not permit, nor is this the place for me to delve into the interesting early history of education in our State. Suffice it to say that with all its deficiencies, as we see them in the light of another day, the efforts of our forefathers toward the preparation of a better citizenry represented for them even more of sacrifice, and as much of vision and of effort as we of this new generation have shown. But—

"New occasions teach new duties,
Time makes ancient good uncouth;
We must upward still and onward,
If we would keep abreast the truth."

In keeping with this spirit much progress has been made in our educational system, especially during the past two decades. The passage of the school code in 1919, in the administration of Gov. JOHN G. TOWNSEND, Jr., one of our present United States Senators, marked the beginning of a new day in education. Its revision in 1921 by a special commission, consisting of JAMES H. HUGHES, the other one of our present United States Senators; J. Frank Allee, Jr., former State senator, and Robert G. Houston, former Congressman from Delaware, adopted by the State legislature of that year, opened the way to still further progress. This 1921 act, with some amendments, has now been in operation for nearly 17 years. Its method of financing schools, together with its otherwise efficient administration, has enabled the State to move from a position of thirty-third among the States in 1917, to a position among the first 10 at present.

DELAWARE STILL LEADS THE WAY

Under it, Delaware was the only State during the depression which was able to meet its financial obligations for school expenses promptly. It was the only State which was able to carry on its educational program without curtailment of the services rendered, and without reduction of its teaching force. A reduction was made in the salaries paid all school employees receiving more than $1,000 per annum; but, from the standpoint of school funds, this reduction was made, more because reductions had to be made in other departments of the State, rather than from necessity. Under this act the State has expended about $10,500,000 in a school-building program, initiated by that great friend and benefactor of public schools, Pierre S. du Pont, and now stands fifth among the States in its provisions of school-building facilities. Under this law, Delaware now pays from its State treasury 92 percent of the cost of running her schools, the highest percentage of any State in the Union. Under it, Delaware is the only State in which, in all but a very few of its school districts—Wilmington principally—no tax is levied on real property for meeting the current expenses of running its public schools.

The present board of education has perhaps had very little to do with this, but it pledges itself to do everything in its power to maintain and, if possible, to better this condition.

We deem it a privilege and an honor to participate in the tribute to our chief.

JAMES BEEBE, M. D.

Greetings from the University of Delaware:

In celebrating the birthday of the establishment in this country of the community that has grown to be the State of Delaware there is a reason for us to look back over the course of our progress since the Swedish pioneers landed on the banks of the Christina River.

CULTURAL AND MORAL INFLUENCE

We honor the country of their origin and honor the friendly spirit which animated them in making these shores their home. The settlement made at that time is a part of our present life, not only by reason of the character of the people who came here but also by reason of the cultural and moral influence they exerted, which is evidenced in the churches they built and a part of the land they acquired, which is still in our midst and known as the Old Swedes Tract.

STILL SWEDISH SETTLEMENT

Although the years following brought many changes by reason of the claims of different nations, it is still to us the Swedish settlement.

This university on this day extends to you, the Governor of the State of Delaware, our felicitations on what we have accomplished within the space of the 300 years since the first settlement was made.

SWEDISH CULTURE REFLECTED IN EDUCATION

This university has in the past been proud to honor scientists from universities in Sweden and trust they will realize that some of the culture they brought with them 300 years ago is reflected in the high standards in education that have been established by the University of Delaware.

In bringing the University of Delaware to its present standards the unselfish services of its alumni and friends have created a campus of which we may be proud, as well as curricula in higher education that appeal to the youth of the State who have a desire to take a course in higher education.

It is an honor to represent the trustees of the University of Delaware in extending their greetings to you on this natal day of our State. The growing influence of the university is reflected in the life of the State, and we feel that the contributions made by the State to its own university have been generously given, with satisfaction to all those who have participated.

The affection of the graduates of this university for their alma mater results also in making better citizens of the State and sounder supporters of our form of government.

These evidences of achievement the university presents to you as our contribution to the cause of higher education.

WILLIAM H. HEALD.

Greetings from the State College for Colored Students were delivered by Samuel N. Culver in part, as follows:

I esteem it an honor as well as a privilege to have a part on the program of this historic occasion. It is fitting that during the celebration of the three hundredth anniversary of the landing of the Swedes on our shores there should be appropriate exercises held in the name of our State institutions and that we should have the Governor as our honored guest.

Greetings from boards of general-welfare institutions were delivered by Charles L. Candee.

DELAWARE TERCENTENARY DAY ASSEMBLY IN MITCHELL HALL AT DELAWARE UNIVERSITY, MARCH 29, 1938—GREETINGS FROM THE GOVERNOR OF DELAWARE

As the chief executive of the State of Delaware, it affords me much pleasure to note the presence here tonight of the Envoy Extraordinary and Minister Plenipotentiary from the Kingdom of Sweden, His Excellency Wollmar F. Boström. For what could be more fitting than that an official representative of that famed land of the north which gave birth to our State should grace the occasion as guest of honor when the State is celebrating the three hundredth anniversary of its founding and 300 years of continuous life and growth of western civilization within its borders.

To the citizens of the State of Delaware, on this Delaware Tercentenary Day, I offer my warmest felicitations.

FIRST PERMANENT SETTLEMENT

As Delawareans we are the heirs of a rich heritage that has come down to us through the course of three centuries. The first seeds of this heritage were planted 300 years ago this day when the Swedes landed at The Rocks and founded the first permanent settlement within the borders of our State. This heritage was developed further during the regime of the Dutch, which followed that of the Swedes, and still further during the regime of the English, from 1664 to 1776. Our heritage was greatly enriched by the courageous actions of Delaware's leaders in the American Revolution and during the days of reconstruction and consolidation, when Delaware led the 12 other original States in ratifying our present fundamental law, the Constitution of the United States of America. Down through the nineteenth and a third of the twentieth century Delaware has grown in importance, as witness the development of its governmental, educational, and religious institutions, and its industry, both agricultural and manufacturing, its commerce, and its means of communications.

A PROUD HISTORY

It well behooves a people, with a history as proud as ours, to rest a while from our feverish labors and to recall to our minds the momentous events of the past in order that we, as a people, may draw fresh inspiration to go forward in patriotic endeavor, and with God's help to build on the foundations that have so firmly been laid by our ancestors, a civilization that will afford every man, woman, and child within this State the greatest happiness consistent with sobriety of conduct, religious reverence, and frugality of living.

GREAT DEEDS OF COURAGE AND SACRIFICE

It has been said that a people without annals perish, and I subscribe to that dictum most heartily. In fact, there are no people anywhere in the world who delight in keeping green their memories of the past more than do the people of Delaware. But it is not enough merely to remember and to honor. The greatest distinction is not to be descended from men and women who wrought greatly in the years that have flown, but to emulate those men and women in their great deeds of courage and sacrifice so that our descendants likewise may rise up and call us blessed for having held the torch of civilization high and without faltering.

Nothing in this world that is worth anything remains static for long. There must be progress or else retrogression will inevitably set in. And nothing would please me more than the realization that in our civilization of the future it will be said that no person willing to work shall not have the opportunity to be gainfully employed in order that his self-respect can be upheld and a standard of decent living maintained.

TRUE PIONEERS

Let us be up and doing, therefore, and not miss our great opportunities for courageous action just as the Swedes who first came to Delaware on March 29, 1638, possessed the stuff of which true pioneers are made and met the dangers of the Atlantic Ocean and the American wilderness that confronted them.

In conclusion, may I recite the noble lines of Charles Wharton Stork's Tercentenary Hymn expressly written in honor of this day.

TERCENTENARY HYMN

From the cold of the north our fathers came,
But their hearts were kindled with eager flame
As they set their prows to the dip and rise
Of the gray North Sea under autumn skies.

And lo! what a vision, like answered prayer,
Blessed their eyes on the Delaware,
Their perils forgot as the spring unrolled
The New World's glory of green and gold.

We see them still, though the centuries fade,
Those first pioneers, who toiled and prayed,
Keeping the fires of faith aglow
With the courage they brought from the land of snow.

Peace they loved, only God they feared;
Truth and justice their hearts revered.
They did their full part and took their place
Bold in the van of the coming race.

Greetings from the Government of Sweden:

I am very happy to be here today and to take part in the Delaware Tercentenary Day exercises, arranged by the University of Delaware as a forerunner to the great celebration on June 27, commemorating the three hundredth anniversary of the landing of the first Swedish colonists on the Delaware.

DELAWARE FIRST AMERICAN STATE

I am particularly happy to have this opportunity to pay a high tribute on behalf of my Government, as well as myself, for the splendid way in which the State of Delaware and the University of Delaware have gone in for this tercentenary. It will, no doubt, be an event of great historical importance for your State, and for Sweden it will be of no smaller interest, as my country is proud that some of its sons helped in the founding of this the first State of the Union. The monument by Carl Milles, which is going to be erected in Wilmington as a permanent testimony of this event, is, as you all know, a national gift from the Swedish people to the people of America, to be in the custody of the State of Delaware.

MONUMENT—SYMBOL OF FRIENDSHIP

I am sure that this monument will for all time be looked upon as a symbol for the friendship between our peoples, which has never been disturbed, and I trust never will be disturbed. Delaware accepted this gift with the responsibility it carried with it, and with firm and generous determination your State prepared a worthy place for its erection.

FIRST IN TERCENTENARY CELEBRATIONS

The University of Delaware also took the lead in another branch of the tercentenary celebrations. I refer to the fact that your university was the first to receive one of the Swedish scientists, who were sent over here to give a series of lectures at a number of American universities. Professor The Svedberg, famous Swedish Nobel Prize winner, gave a lecture on October 15 at the occasion of the dedication of the new chemical laboratory of your university.

CROWN PRINCE AND CROWN PRINCESS OF SWEDEN

It is indeed a great satisfaction to me to see the enormous interest this tercentenary has created, not only in Sweden and not only in the States most directly concerned, but in the United States in general. You know that Sweden, apart from the two features I have already touched upon, has sent out a fine retrospective art exhibit, circulating amongst a number of museums in the United States, that an historical exhibit will be shown in the Swedish-American Museum in Philadelphia, that books about Swedish and Swedish-American achievements will be published, and so on. Last but not least, our Crown Prince and Crown Princess will head a representative delegation sent out for the tercentenary.

PRESIDENTIAL WELCOME

On the side of the United States, the President and Congress have officially invited Sweden to participate in this celebration. The President will entertain the Crown Prince and Crown Princess and the Federal Delaware Valley Commission will entertain the whole delegation. And in a great number of States separate celebrations will be held.

It will be a great event. And to this the first act of it, I give you a warm greeting from my Government.

Hon. WOLLOMAR F. BOSTRÖM,
Minister of Sweden.

THE DEVELOPMENT OF THE GOVERNMENT OF DELAWARE SINCE 1638

When the territory now known as Delaware was first settled, dictatorial government under military command was the order of the day. The original charter of the Swedish South Co. granted June 14, 1626, while providing for the establishment of government in the colony, made it clear that there was to be little or no regard for the political rights of the colonists. And the attitude of the colonial administrators of the day toward the governmental aspirations of the people is well illustrated by the reply of Governor Stuyvesant to a petition from the people of New Amsterdam for the

right to deliberate on the civil affairs of their city, when he said: "Laws will be made by the director and counsel. * * * Shall the people elect their own magistrates? If this rule becomes our cynosure, and the election of magistrates be left to the rabble, every man will vote for one of his own stamp. The thief will vote for a thief; the smuggler will vote for a smuggler; and fraud and vice will become privileged." Moreover, Stuyvesant had complete support for his arbitrary measures at home, for the West India Co. wrote: "We approve the taxes you propose—have no regard to the consent of the people; let them indulge no longer the visionary dream that taxes can be imposed only with their consent."

REPRESENTATIVE GOVERNMENT IN NEW SWEDEN

Under Governor Rising came the first suggestion of representative government when he selected the most influential of the colonists to draft ordinances. Under the Dutch, a vice governor assisted by a council of five men, exercised legislative, administrative, and judicial authority. An interesting development of the period called for the choice of the people for local governmental posts to be expressed by plural nominations. The colonists submitted to the director twice the number of governmental officers and his selection was made from that number. The introduction of the Duke of York's code of laws also furnished, perhaps, the shadow, but hardly the substance of democratic tradition. The political subdivision known as a hundred was used at this time reviving the old Anglo-Saxon idea of a political unit in which a hundred men were able to bear arms.

CHANGE OF RULERS—THE DUTCH—THE ENGLISH AND WILLIAM PENN

The people living along the Delaware River had changed rulers three times in less than 50 years and now a fourth was coming—William Penn. And with his coming, on October 27, 1682, the people were promised that they would be governed "by laws of their own making." Call for a general assembly was issued and a general election soon followed. In less than 60 days after Penn's landing, the people of the Three Lower Counties, as they were then called, decided to unite with their neighbors to the north and promised "to keep faith with the King of England and give lawful obedience to William Penn, Governor of Pennsylvania." In 1704 Penn, following a heated argument over taxation, recognized the right of the Three Lower Counties to a separate assembly, which met at New Castle, though the province and territories were under the same Governor until the Revolutionary War. Then the territories in convention adopted a constitution and became a self-governing body, "the Delaware State." It is significant that a provision of our first constitution prohibited slavery. In 1792 a new constitution was adopted which changed the title of our chief executive from president to Governor, as well as greatly enlarging his powers. This constitution was in effect until 1831. The present constitution was adopted in 1897. It is distinguished by the fact that greater powers were accorded the people than ever before.

GREAT PROGRESS IN DELAWARE VALLEY

The government of Delaware has been more directly responsible and accountable to the people than would be possible in a larger State. Moreover, our chief executives, without exception, have been citizens of high principle who believed that "the very essence of a free government consists in considering public office as a public trust, bestowed for the good of the country, and not for the benefit of an individual or party." In the past years real progress has been made not only in developing our institutions to meet the needs of the people, but also in modernizing and simplifying our governmental structure. In the fields of education, health, safety, transportation, and taxation notable improvements have been made. The institutions and agencies for public welfare have likewise made progress, although much still remains to be done here.

Our government has been called by survey technicians "an accumulation of debris which has been dashed up by the political tides of more than a century and a quarter." We must attack this "chaotic jumble" and bring about greater simplicity, order, and economy. No one doubts that we would get better service and save money if all the administrative officials except those who might be called policy-making officials were selected for their qualifications. Unnecessary subdivisions of Government must be eliminated and duplications carved out.

THE PROBLEM OF GOVERNMENT

The problem upon which the world's mind is most actively working today is the problem of government. In what manner can human beings live together in peace and security and do their work with the great satisfaction of high adventure? We live in the era of great evolutions. If this is to remain simply evolution, then we must accept the conditions of a rapidly changing world; and our governing classes, rather than continue a vain struggle against overwhelming forces, must use every effort to train the masses for their future more active participation in government. Bad citizenship and bad administration were factors in bringing on the end of representative institutions in many nations. They also comprise the present-day threat to American democracy. To help meet this challenge is Delaware's obligation as we celebrate our tercentenary. Can we not become in fact that great experimental-laboratory State envisioned by one of our leading citizens?

Thomas Nelson Page, in an address on this campus some years ago, foretold our choice when he said, "What shall we do? Shall we follow the pillar of cloud and pillar of fire and press forward to conquer the giants and take over our possession of the land of promise, or shall we turn back to the fleshpots of Egypt with her enchantments and slavery?"

What shall we do? That will depend largely on the effectiveness of our general system of education and by the extent of our participation in the civic life of our communities.

The 300 years' history of the progressive development of representative government in Delaware bids us accept this challenge. We must go forward.

WALTER DENT SMITH.

THE DEVELOPMENT OF EDUCATION IN DELAWARE SINCE 1638

Many issues are of contemporaneous interest but most of them soon become remote. A few only are of such continuing importance as to retain our interest. One of these is the development of education.

SWEDISH PEOPLE BROUGHT LOVE OF LEARNING

The group of Swedish people who settled here in 1638 were few in number but they brought with them to this new world a love of learning. As had been the custom in Sweden, education was conducted by the church and its status was determined by the strength or weakness of the church and its minister. The church building was not then invested with the sanctity which attaches to it now and it was often used as the schoolhouse. But schools in private houses and lay teachers sometimes are recorded.

Very seldom do any reports of the progress of the pupils appear but when Johan Giodong opened a school for the congregation of Christina in 1717, the minister examined the pupils and reported to him on their educational status. There is a familiar sound to the report that "Margaretta Stalcop, 11 years old, reads Swedish indifferently, but must learn to spell anew."

SWEDISH SCHOOLS CARRIED THE TORCH OF LEARNING FOR 84 YEARS

The arrival of the Dutch, and later the control by the English, do not seem at first to have affected the existence of these schools and they continued until 1722 when the Swedish children were sent to the English schools.

A COLONY ALWAYS AT PEACE WITH THE INDIANS

The early settlers had definite instructions "to treat the Indians kindly and convert them to Christianity." Rev. John Campanius, in an effort to carry out these instructions, learned the Indian language and translated the catechism into their tongue. Other ministers testified to the "willingness of the Indians to receive instruction." Apparently the catechism was attractive. However, the lessening numbers of the Indians, due to migration and death, soon did away with the necessity for this part of the educational scheme.

The English were as determined as the Swedes that their children should learn "the common branches." Church and school still went together. Many Protestant ministers, coming to this country to escape religious persecution, began teaching. Some paid for their passage by becoming indentured servants. Such a man paid off his debt by teaching and when free set up a school in his own house or served as tutor in a private home.

DUTCH AND ENGLISH CARRY ON

The Quakers came to Delaware early. In 1748 they opened a school for "guarded education" in Wilmington in the meeting house. Private academies began to appear about this time, such as the famous one of Dr. Francis Alison at New London, Pa., which, after a stay in Elkton, moved to Newark in 1767. In this school at New London four signers of the Declaration of Independence were pupils. Reading, writing, and ciphering were the usual course of study, but by the time of the Revolution, English grammer, Latin, and Greek were generally added. The academies put a flourish to their advertisements by offering "to promote the important cause of religion, morality, and literature" and to give "lectures in moral philosophy, namely, ethics, and natural law." One such institution taught "declamation, exercises in criticism, history, and chronology, navigation, surveying, forensic discussions, natural philosophy, including astronomy, moral and political philosophy."

ROD AND RULE

Master Wilson, a Scotchman, kept a school in Wilmington for both sexes, but he thought that it was unnecessary for girls to "go further in arithmetic than through simple division, because it is no use." It is not clear whether he thought that the girls could not learn it or that they would have no use for it. But Elizabeth Montgomery relates that her mother insisted on learning "to cipher in the double rule of three," and was therefore regarded by Master Wilson as a tomboy. Then, and later, the rod and the ferrule were not spared, and a bundle of switches was a necessary part of the teacher's equipment. In Elizabeth Way's school for young ladies in Wilmington, posture was important. If a pupil allowed her head to hang down, a necklace of burrs attached to a piece of tape was fastened around her neck. If she stooped or her backbone curved, a strip of steel with a rigid neckpiece helped to cure the fault.

TEXTBOOKS RELIGIOUS IN CHARACTER

The early textbooks were distinctly religious in character, and the pupils received moral instruction while learning to read and to spell. The famous New England Primer, in use before 1690, begins

with an illustrated alphabet and the pictures are described in verse:

"In Adam's fall, we sinned all;
Heaven to find, the Bible mind;
Christ crucified, for sinners dyed;
The deluge drowned, the earth around."

The History of Genesis was a schoolbook of 1708. Of a strongly religious flavor were the Protestant Tutor of 1715 and a New Guide to the English Tongue of 1740. Watt's Compleat Spelling Book of 1770 gives moral instructions beginning with the letters of the alphabet.

The Revolution interrupted education to some extent in the three lower counties, but there was a revival of interest after the war ended. The Quakers, the Presbyterians, and the Methodists managed to keep a school attached to almost all of their places of worship. There were no public schools yet, but the great period of the founding of private academies began at this time. Between the close of the Revolution and 1829, forty-four of these were established in Delaware and there were few towns that did not have at least one.

DECENTRALIZATION OF EDUCATION

Public education began with an act of 1796 providing for schools for the education of the poor and authorizing the State treasurer to set aside as a school fund all fees from marriage and tavern licenses. But the fund was small and in 1829 the distasteful idea of a public-school system for paupers was abandoned. At this time a remarkable man appeared to put the school system on a firm basis. Willard Hall, then Secretary of State, later an eminent United States district judge, had great influence in educational matters for many years. He first prepared a legislative bill based on the proposal to educate all the people at the expense of all the people, a long step forward but with obstacles in its path. He advocated extreme decentralization for the purpose of encouraging local interest, and his act was the essence of educational individualism. There was no power to say what a school district should do or how it should do it. There was no supervision. The county superintendents, Willard Hall himself serving in New Castle County, were without power and received no salary. Each district decided for itself whether it would have a good school, a poor school, or no school at all. Yet the number of schools grew. In 1843 there were 183 schools with 6,148 pupils.

PROGRESS AND NEW LAWS

In 1861 a new school law was passed. Not only must a school district raise a certain amount before it could share in the school fund, but it was required to levy a minimum tax and allowed to levy an additional tax. And in 1875 another law created a State board of education and provided for a State superintendent who had power to supervise teachers and was required to examine, grade, and certify them.

In 1898 the whole system was reorganized. The standards for teachers were raised, the quality of textbooks improved, the grading of teachers advanced, new high schools developed, and better buildings obtained, especially for Negroes. There was still a lack of money and the distribution of State funds was faulty but more forward steps had been taken.

CONSOLIDATION OF SCHOOLS

Early in the twentieth century the consolidation of schools and the transportation of pupils began. In 1907 the compulsory-attendance law was passed. The money raised by taxes was still entirely in local hands with no accounting of it to any central authority and the State board could not overcome local pride and self-government. But there was progress. The illiteracy rate dropped from 17.5 percent in 1880 to 8 percent in 1910.

In 1917 a commission was appointed from outside the State to make a survey of the public schools and educational conditions. As a result of its report and with the extraordinary help of the Service Citizens of Delaware, the new school code of 1921 became law and our schools are now among the best in the country.

To turn now to the university, we find in the Delaware Gazette, published in Wilmington early in the last century, in its issues for March 1821, a full account of the "college bill," by which stages, steamboats, and storekeepers were to be taxed for the support of a State college. The proposal was bitterly attacked and a series of meetings was held and resolutions adopted opposing "this dastardly bill." The bill was passed but unfortunately nothing came of it.

HISTORY OF THE UNIVERSITY

The history of the university is too well known to call for much comment. It was opened on May 8, 1834, with one of its two professors acting as principal. It was at once evident that two men could not conduct an institution which combined academic and collegiate work, and this caused a serious disagreement in the board of trustees. The progressives won. A third professor was appointed. Then Rev. Eliphalet Wheeler Gilbert, D. D., was appointed president, and the fall term of 1834 opened with the amazing number of 94 students. It was called Newark College until 1843, when the name was changed to Delaware College. It pursued its way through the years with evidence at times of financial and disciplinary troubles until 1859 when it closed for lack of funds. The death of a student in the spring of that year as the result of a stab wound received in a scuffle between the members of the Delta Phi and the Athenean literary societies may have had something to do with the closing.

UNIVERSITY OF DELAWARE A GREAT UNIVERSITY

The college reopened in 1870 with 22 students. In 1872, through the influence of Dr. William H. Purnell, the president, coeducation was established, continuing until 1885. This has resulted in the curious situation that at the present time the oldest living graduate of Delaware College is a woman, Mrs. Delaware Clark, of the class of 1875.

In 1914 the Women's College was established, and in 1921, because of the existence of the several schools in the one institution, the name was changed to the University of Delaware.

The picture is not finished. The past is a challenge to the future. With this experience as a background the citizens of the State should have a lively interest in the further development of education in Delaware.

CHARLES W. BUSH.

THE DEVELOPMENT OF RELIGION IN DELAWARE SINCE 1638

Religion is essential to man's growth to full manhood. This truth is not always recognized by men seeking to express fullness of living. Normal living calls for the opportunity to express fully all human faculties and the enjoyment of those faculties in freedom. Every person is endowed with abilities, latent or recognized, which are a personal possession, but for which he is responsible for cultivation and unselfish use.

Unseen forces, hidden in man's nature, are as important to the expansion of man's life in a social world as are the powers that are easily recognized. It is not difficult to realize our duty to physical and mental possibilities. Physical culture and education have an undisputed field when they assert their desire to develop and expand the fullest use of body and mind. The results of cultivation are almost tangible and, therefore, are eagerly sought. Religion, on the other hand, springs from a conscious desire which can neither be handled nor seen. It is spiritual, however we may define its nature, and its results have no mathematical value to the unthinking observer. Yet the fact remains that people are disturbingly conscious of spiritual forces within which prompt and color actions in a physical world. Once cultivated and given the chance of expansion, spiritual forces permeate all of life and show results, as for example, noble virtues, the thrust of character, and the dignity of wholesome living. As we travel back across the centuries we find rugged souls fortifying adventurous living with conscious dependence upon religion. It gave balance to effort and accomplishment.

PEOPLE SINCERELY RELIGIOUS

Even in our generation man has not learned the full value of the forces called religious, but certainly he is conscious of their presence and realizes that without them social life would be impoverished and human longing left unsatisfied.

As we examine the history of religions we become more and more conscious of something that is behind all their formulas, their doctrine, and ceremonial expression. It is that of a spiritual reality that is at once in man and beyond him. It is something far greater than religion itself in the latter's historical forms. These have come out of it, but are by no means the whole of it, nor its final utterance. In varying intensities at different periods of history, it presses upon humanity, seeking admission, claiming acquaintance, and bringing new features into the life of the race.

RELIGION NOT NEGLECTED BY EARLY SETTLERS

Fundamentally, there has been no progress in religion within the past 300 years, but there has been a tremendous advance in the understanding of the function of religion as a helpful, enlightening, and essential force in social living, as well as an aid to the happier enjoyment of life. There is a deeper conviction that man's spiritual nature needs as careful cultivation and opportunity for expansion as we accord mental and physical possibilities.

Religion, as understood and practiced in that day, was not neglected by the early settlers in this State. Bevan's History says: "The religious history of Delaware comes notably into national records, for it is claimed 'that within the limited boundaries of Delaware is to be sought the origin and in part the development in America of three religious denominations, namely, the Lutheran, the Presbyterian, and the Methodist, and the founding of a fourth, the Union Church of African Members, the first church in the United States organized and controlled wholly by colored persons * * * and the first Methodist bishop, who was the son of a Methodist preacher, Levi Scott.'"

ENGLISH CHURCH HEIR TO WORK OF THE CHURCH OF SWEDEN

In early days came the Baptists from Wales, whose settlement is marked by what is known as the Welsh tract. The Society of Friends, a mingled generation of English and Irish, was soon established within our boundaries and has continued to this day to exert a quiet influence upon religious life. The Roman Catholic Church began its services nearly a century later. The Church of England centered its activities preeminently in New Castle and soon fell heir to the established work of the Swedes. Of itinerant preaching, Delaware will never forget the voices of men like Whitefield and Asbury, who made religion so vital to their hearers.

Back of this glorious heritage, the contribution of all representative churches, we discern that the people of 3 centuries ago who sailed to our shores were strictly religious and that they settled here because they were confident of freedom to worship as conscience dictated. That privilege has never been denied our citizens.

SWEDES IMBUED WITH SPIRIT OF THE GOSPEL

It is understandable why on this commemorative day we think particularly of the religious contribution of the Swedes. They were Lutheran according to the Confession of Augsburg. The Swedes appear to have been a people imbued with the spirit of the Gospel. They left behind them memories of their zeal and enterprise in religious affairs. The enduring monument to show that there was a Swedish colony on our shore is the Old Swedes' Church in Wilmington.

Since our paper is concerned with development, it will not be amiss to recount some revealing pictures of religion as practiced in early days. They may be distasteful revelations or regarded as humorous, but they make comparisons obvious. The same might be true of modern religious life when recalled centuries hence. The significant observation is that in spite of all that can be written or said about the past, religion has been woven into our corporate life and continues to claim the best thought of our day as a power and a necessity. It is not to be ridiculed or cast aside.

NOT ALL SAINTS

Holcomb in his book relates: "Now this Lutheran parson is a man of godless and scandalous life, a rolling, rollicking, unseemly carl, who is more inclined to look into the wine can than to pore over the Bible, and would rather drink a can of brandy for two hours than preach one, and when the sap is in the wood, then his hands itch, and he becomes excessively inclined to fight whomsoever he meets."

It is not a story to modern liking, for it shows low levels of living which are to be found in recurring cycles. From the same period comes a finer expression of life. "Yesterday, the Lord our God did give an increase to our family by a boy; I could wish there was an opportunity of initiating him by Christian baptism."

CHURCH FULL OF PEOPLE

From the lower end of the State, at a little later date, comes the following, of which today might well be envious: "Preached in courthouse. The house full of people and many harkened at the doors and windows. They had not an opportunity of hearing a minister of the church a good while before and therefore the diligent attention they gave to my discourse was the less surprising."

Since earliest days religion has continued to press its claims and to influence the life of our State. Development is not to be measured in terms of numbers nor in the erection of many or even beautiful temples of worship, nor in the continuance of short-sighted prejudices but in an awakened conscience and the realization that all life is related to God, in whom we live and move and have our being. The principles of religion are fundamental—of eternal value. Progress in religion can be exemplified only as we incorporate those principles in daily living. They will not change, but men enter fullness of living only as they interpret those principles and expand their application in the ever-increasing complexities of life.

CHARLES W. CLASH.

THE DEVELOPMENT OF AGRICULTURE IN DELAWARE SINCE 1638

"A remarkably beautiful country, with all the glories that a person can wish on earth"—thus Col. Johan Printz described the land from Cape Henlopen to Trenton Falls.

SWEDISH COLONY AGRICULTURAL

Peter Hollander Ridder, the second commandant of Fort Christina and Governor of New Sweden, brought with him a clergyman, a few colonists, some horses and cattle, farming implements, merchandise for Indian trade, and ammunition for defense. Already the 2-year-old Swedish colony was becoming an agricultural community in addition to a trading post.

FARMERS SELF-SUFFICIENT

The purpose of the Swedish and Dutch settlements was to promote trade in fur and tobacco. Through neglect and misfortune the colony was practically deserted by the mother country from 1647 to 1653. During this time the colonists at Fort Christina, now entirely Swedish, "became self-sufficing farmers."

LIVESTOCK AND SILKWORMS

The able and energetic Johan Printz, the third Governor of New Sweden, received instructions to protect life and property, to encourage planting of grain for food, to produce tobacco for trade with Sweden, to improve the cattle and livestock, to raise sheep for a supply of wool, and to inform himself concerning the sustenance and conveniences for keeping a large quantity of silkworms.

DUTCH GOOD MERCHANTS

The Dutch, who conquered the Swedes in 1655, were natural traders and contributed little to the early Delaware agriculture.

Subsequently the middle colonies, including Delaware, developed as producers of provisions. Grain production was encouraged by the famous flour mills on the Brandywine. The surplus farm products, principally flour and meat, were exported to other colonies, to Europe, and especially to the West Indies, where rum, molasses, and slaves were received in exchange for provisions.

Previous to the completion of the Delaware and Chesapeake Canal in 1828, little attention had been given to soil improvement. Seven-tenths of the arable land, excepting the farms bordering the Delaware River, were so reduced by improvident cultivation as to scarcely average 20 bushels of corn or 10 bushels of wheat per acre.

With the opening of the West through the Erie Canal, completed in 1825, this region could not successfully compete with the new land in the Ohio Valley. A period of agricultural depression followed with the panic of 1837 and lasted until the early 1840s. Then came a period of agricultural recovery, resulting from more scientific farming, the use of commercial fertilizers, lime and crop rotation, to rebuild the exhausted soil. As Wilmington, Philadelphia, and New York grew into larger cities, Delaware agriculture expanded to supply these markets with new products, such as fruits and vegetables.

APPLES AND PEACHES—GREAT ORCHARDS

Apples and peaches were probably planted by the earliest settlers and later cultivated for cider and brandy.

By 1845 the State had become famous for its peaches. Major Reybold, of Delaware City, and his sons loaded boats for Philadelphia, New York, and Boston, shipping as many as 200,000 baskets in one year.

Transportation in the early days followed the water. Steamboats aided materially in moving the perishable crops.

The extension of railroad facilities in the 1850's gave an impetus to the peach industry, which later shifted from New Castle southward to Kent and Sussex Counties.

Previous to 1850 little attention was paid to market gardening. Since then the trend has been away from grain crops and toward fruits, vegetables, poultry, and dairying. But in spite of this the corn crop in Delaware until the last few years has produced a larger farm income than any other crop.

With the advent of the power sprayer and the discovery of Bordeaux mixture, lime-sulphur, and lead arsenate, the State became "apple minded" in the 1890's. Within the next 40 years the section below Dover became the most concentrated apple district in the United States.

Pear production expanded rapidly from 1870 to 1890, while yellows was ravaging the peach industry. Blight has now practically eliminated the pear crop.

Commercial egg production started around Milford in 1912, Hartley in 1922, and in Iron Hill in 1928.

The broiler industry, starting in Baltimore Hundred about 1925, has developed until today Sussex County ranks as the largest broiler producing county in the United States. Poultry and poultry products provide nearly one-third of the agricultural income, replacing corn as No. 1 income producer.

Dairying ranks next in value to corn, with wheat following.

Practically all agricultural commodities, with the exception of tropical fruits and vegetables, are produced commercially in the State. Delaware farmers are within 250 miles of approximately one-third of the population of the United States. They have excellent markets and with good roads can deliver their products to the consuming public economically and in good condition. Many farmers sell their entire production of asparagus, peas, peppers, sweet corn, pumpkins, tomatoes, string beans, lima beans, and squash to nearby canneries.

In 1904 the first of the three New Castle County agricultural societies was organized to encourage agricultural improvement.

Today the University of Delaware Agricultural Experimental Station, the Extension Service, the State Board of Agriculture, and commercial firms, such as the Du Pont Co., are helping farmers meet the increasing problems of modern agriculture.

IMPLEMENTS USED BY THE SWEDES

The early farm implements used by the Swedes were the plow and drag. Today highly developed machinery, such as the tractor and the grain combine, lessens labor and increases production.

The simple rules for forest conservation which prevailed under Governor Printz have been superseded by the complicated Federal laws to encourage soil conservation and to control crop production.

In precolonial days Delaware farmers were self-sustaining. Today they sell their farm produce and buy the things they use, including more than one-half their food.

Originally everyone lived on farms. Now only one-fifth of the population is rural.

Delaware farmers have prospered in the past. With the natural climatic advantages, nearness to markets, low tax rates, possibilities for crop diversification, and farm credit facilities, farmers can face the future with optimism.

W. C. NEWTON.

THE DEVELOPMENT OF COMMERCE AND INDUSTRY IN DELAWARE SINCE 1638

Whether it was the Cabots, Henry Hudson, Capt. John Smith, Lord De-La-Ware, Captain Mey, Captain Hendrickson, or possibly the Spaniards who first sailed up the Delaware River is more or less a disputed question.

Certainly the settlement at Zwaanendael was but a temporary affair, and that at Fort Nassau but a little more lasting, although it had a less tragic ending.

Whoever named or unnamed persons may have been the discoverers of that land of which we Delawareans are so justly proud, certainly it was to the Swedish Nation that the honor of the first permanent colonization belongs.

LANDING OF COLONISTS

What was the state of commerce on land and water when those two small vessels, the *Kalmar Nyckel* and the *Fogel Grip*, landed their passenger colonists on "the rocks," now so historic, while sound of their cannon firing a Swedish salute startled the aborigines?

On the waters there may have been seen a few rude birchbark canoes and dugouts, the manufacture of the Indians, who used the most primitive of tools, stone axes, and fire.

Through the dense forests that, other than on the marshes, covered the State from one end to the other there were no more than trails, such as the well-known Choptank Trail, that beginning somewhere near the present site of New Castle ran in a southwesterly direction to the tributaries of the Chesapeake Bay.

Strange to say, there was but comparatively little progress made in the way of improvement of transportation for nearly 200 years thereafter.

Of course, there were roads and highways opened, but they were but little more than muddy trails. Few of the streams were bridged. Most of them were forded, or, as at Newport, they were crossed only by ferries until after the Revolutionary War.

PIONEER TRANSPORTATION

Much of the transportation north and south was by river, bay, and coastwise sailing vessels, while on land the surer method of passage was by horseback.

Not until October 1829 was the Delaware & Chesapeake Canal completed, and what a puny affair it was compared with the great ship tidewater way now nearing completion.

Not until the year 1832 was the New Castle & Frenchtown Railroad completed. Compare it, if you will, with the mighty streamlined trains moving on both the Pennsylvania and the Baltimore & Ohio Railroads and the systems of railroads that gridiron the State today.

Compare, if you will, the Indian trails of 1638 with the magnificent system of highways that reach nearly every city, town, and hamlet of this Commonwealth, crowded with passenger cars and trucks bearing the registration tags of every State of our Union and many of the Provinces of Canada.

Do not forget the air transportation which would have startled the first permanent settlers quite as much, if not more so, than the guns of the *Kalmar Nyckel* startled the aborigines.

MARINE TRANSPORTATION

As for marine transportation, time does not permit me to draw more than the faintest comparison of the rude canoes of the Indians, or even the little ships of the Europeans, with the mighty ocean-going vessels bearing strange flags that from the seven seas, weekly discharge their cargoes at the marine terminal in Wilmington, nor yet the countless smaller vessels used for trade, commerce, or for pleasure that line the shores of every navigable stream in the State.

At the marine terminal alone 542,000 tons having a value of over $17,000,000, were handled during the year 1937.

What were the industries that the Swedes and Finns found on their arrival in Minquas Creek, which they renamed the Christina, the name it now happily bears again, after over 250 years? Hunting and fishing with agriculture confined to the cultivation of maize, beans, melons, squashes, pumpkins, and tobacco were about the limit.

Through necessity the Indians made themselves clothing, tents, and rude shelters, vessels of pottery, rude household and agricultural implements, and weapons for warfare, as well as for hunting. They were ignorant of the use of metals.

FIRST INDUSTRIES

After the erection of their first shelters, the first industries of the colonists, no doubt, were for the purpose of supplying food. Manufactured goods came from abroad.

With the development of agriculture came the erection of flour mills on every stream in the State having a gravity flow and a quantity of water sufficient to develop even a minimum of horsepower.

With the development of agriculture and the building of more pretentious dwellings came also the burning of limestone and oyster shells, and the making of bricks.

SAWMILLS AND FLOUR MILLS

Came also sawmills, usually attached to the flour mills, for at first there was no steam power.

Spinning, weaving, tanning, followed as the needs of the colonists grew. The Welsh opened iron-ore mines in Pencader Hundred, the English in Sussex, and in both localities it was smelted, but fisheries and agriculture were the leading industries of the State for more than 200 years.

Look now, if you please, to our present state of development. In the matter of agriculture and its kindred activities, according to Federal statistics, Sussex County's broiler industry holds seventh place in the United States. Long ago the farmers of Delaware ceased to limit their activities to the growing of wheat, rye, corn, and oats. Just to mention a few activities, we have strawberries, melons, potatoes in Sussex, apples and grapes in Kent, and dairying in New Castle, all of which are encouraged by a kindly climate and a productive soil.

MODERN BUSINESS

The need for crates and boxes at home and in other States for the shipment of canned goods as well as for fresh fruits and vegetables has fostered the lumber industry.

No longer is powder manufactured in the environs of Wilmington, but three powder companies, the least of which is beyond anything that E. I. du Pont de Nemours could have envisioned, have their headquarters there.

Vulcanized fiber, first manufactured here in 1873, and its allied products are made in larger quantities in Delaware than in any other State in the Union.

Ships of varying sizes and for divers purposes are built on our streams from Holly Oak to Bethel.

Paper mill and sugar machinery, railroad cars, leather, steel and iron products, fertilizers, fisheries, and even airplanes are manufactured in Delaware. Even the business of collecting and handling Christmas greens engages seasonally about 5,000 persons and produces a revenue estimated to be in the neighborhood of one-half a million of dollars.

Much has been achieved and yet we loyal Delawareans feel that the future holds out greater opportunities and possibilities for the coming generations.

FRANCIS A. COOCH.

THE BEGINNINGS OF DELAWARE

Tonight it is our pleasure and our privilege to commemorate events of the long ago; to pierce the veil and mists of time that we may see once again the men who, at the peep of Delaware's dawn, were laying in mysterious ways the foundations of the little State that to us is home, the home we love. Seeing them, "brushing with hasty steps the dews away" from Delaware's morning, we delight to call to them across the centuries "Hail" and pay to them our tribute.

What a wonderful stage is that upon which they appear. How beautiful the scene in which they move and act their parts.

ADVENTURE—CONQUESTS AND SETTLEMENTS

Caught high in the shimmering heat of the day, an eagle wings its way across the sky. Below, the broad waters of the River of the Lenape, undimmed by any sail since first they furrowed their way to the bay, send back in blinding stars the hot sun's light. Back through the rolling hills and the low, flat lands that lie along the river's edge, the many creeks and brooks, that run eddying and babbling to swell the river's stream, send up their own stars of light as the sun touches them in silver patterns through the overhanging boughs. Stretching far beyond the horizon's rim, the forest primeval of oak and chestnut, sycamore and beech, pine and hickory, sending their towering branches upward toward the light, shades the earth below. In its coverts, the panther and the wolf, the deer and the wild turkey, and other untamed denizens of the wild have their haunts. In its shelter myriads of passenger pigeons rest from their flight. Upon its borders and along the banks of the streams wildflowers grow in profusion, painting the ground with many colors and lavishing their fragrance upon the air. Strawberries, raspberries, plums, cherries find in the soil and the climate a fertility and warmth conducive to great productivity. The honeybee assures their fertility and in exchange takes his toll prodigally from their blossoms.

LIFE OF THE ABORIGINES

In small clearings, hard upon the water's edge, the Leni-Lenape and Nanticoke live in palisaded villages. The streams give to them almost for the asking fish, oysters and crabs, wild duck and geese. The forest yields unto them meat and clothing. The women plant and till the corn and make from feathers and furs the clothing for the tribe.

Thus, since the world was young, lay sleeping like a mythological giant "under the wide and starry sky," the land of peace, of charm, of beauty, and of plenty—its face and bosom lapped by the quiet waters of the river and bay; its knees and feet laved by the breaking waves of the turbulent sea. It still slept when Gustavus Adolphus, of "ever blessed memory," was born in the royal palace at Stockholm. It showed no signs of awakening when Queen Elizabeth went to her windowless palace of rest and surrendered her scepter and the throne of England to the son of Mary, Queen of Scots. It slumbered on while Shakespeare wrote:

"There's a divinity that shapes our ends,
Rough hew them how we will."

But before Shakespeare laid aside his pen the Divinity that shapes the destinies of states and of nations, as well as of men, was ready for the awakening. It was prevented by only a few shoals, when the *Half Moon*, flying the flag of the United Netherlands, but commanded by Capt. Henry Hudson—and Englishmen who were seeking for the Dutch East India Co. the elusive northwest passage to far Cathay—sailed through the Sentinel Capes and rode for a day and a night the waters of the bay. Never before, since the beginning of time, so far as the annals of history record, had any ship passed the capes. Finding shoals, concluding that the northwest passage lay elsewhere, Hudson put out to sea, after there had been entered in the ship's log that "he who would thoroughly explore this great bay

must have a pinnace that will draw but 4 or 5 feet of water to sound before him."

Soon after the departure of the *Half Moon* other ships sailed into the river and bay. Captain Argell, flying the English flag, anchored his vessel at the entrance of the bay on a voyage to Virginia. Thereafter the English settlers in Virginia called the bay Delaware Bay, in honor of their Governor, Lord de La Warr.

VIRGINIA AND DELAWARE DISPUTES

For two more decades the sylvan peace and charm of the land remained almost unbroken. Then came the event to which is due the existence of Delaware as a separate commonwealth. Notwithstanding the English claimed under the Virginia grant, all the land extending 200 miles north from Old Point Comfort, the Dutch did not concede the validity of their claim; and seeking trade, planted a colony on the Hoornkill. It was ill-fated. Within a year, the settlers were killed by the Indians, and none was left to hold possession of the tract of land 30 miles long and 2 miles wide which had been purchased from the Indians, until the arrival of DeVries, a short time afterward, with other settlers. Even they did not long remain. Their whale-oil venture proved unsuccessful and they departed, never there to return; but their temporary occupancy of a few square miles proved sufficient, eventually, to exclude from the English King's grant to Lord Baltimore, the whole of the State of Delaware.

A FAIR AND FERTILE LAND

The attempts of the Dutch to settle and awaken the land from its peaceful slumber, as old as time, had failed. Upon their departure from the Hoornkill, the land slept on. All was quiet, save the rush of the river. The wild birds called from out the brake and then were still. The mocassined footfall of the Indian raised no echo in the majestic woods.

But the dawn of a new day blushed. The darkness was breaking. The sky was brightening swiftly. The long night was past. With splenderous majesty the east threw wide its gates of gold. Through them, waxing large, shouldering off the tides, the wind filling their sails and playing upon their shrouds and masts, are coming strange ships. Rapidly they approach.

But see—their sails are being furled—the ships glide to rest. With rattling chains, they drop anchor at The Rocks. The *Kalmar Nyckel* and the *Fogel Grip* are here! Another great nation, Sweden, has planted here a colony on the banks of the Minquas, under the budding trees.

NEW SWEDEN

The leader of the expedition bargains with the Indian chiefs for land. From them he buys, in the name of Sweden, lands on the western bank of the Delaware, from the Minquas Kill southward to Bombay Hook, northward to the Schuylkill, and indefinitely westward. These lands he calls New Sweden. The English may have called it Virginia; to the Dutch it may have been New Netherlands, but today, March 29, 1638, it has become New Sweden.

They build a fort near the landing place and name it "Fort Christina" in honor of their young queen. But that is not enough to enable them to express fully their loyalty and devotion to her, the daughter of their great leader, soldier, and King, Gustavus Adolphus, who fell in an untimely death at the battle of Lutzen. So they changed the name of the Minquas Kill to Christina.

NEW ARRIVALS OF SWEDES AND FINNS

They soon settled upon the land and began tilling the soil. From time to time their numbers were increased by new arrivals of Swedes and Finns.

When the Dutch at New Amsterdam learned of the settlement of the Swedes at The Rocks, the director-general of the New Netherlands protested to their Governor, but in vain. Later, Peter Stuyvesant, who had become the director-general of the New Netherlands, sought to have Johan Printz—then the Governor of New Sweden—recognize the claims of the Dutch to the lands of New Sweden.

Failing, he built Fort Casimir on the western bank of the river, a few miles below Fort Christina, and garrisoned it with a strong force. A few Dutch settlers gathered about it, and New Amstel, later New Castle, had come into being.

SWEDES CAPTURE FORT CASIMIR

Fort Casimir was taken from the Dutch by the successor of Governor Printz. But that act proved to be unwise, for the Dutch soon retaliated and took not only Fort Casimir but Fort Christina as well.

New Sweden, which had survived less than a score of years, was at an end.

The Swedes, however, did not leave the country that had become their home. They swore allegiance to the new government and continued their occupations.

INDIANS FRIENDLY WITH SWEDES

Their relations with the Indians, which had ever been friendly, soon bore fruit. Some months after the capture of New Sweden by the Dutch a Swedish vessel whose officers had not learned of the change in government came, bringing new Swedish settlers. It was stopped by the Dutch at Fort Casimir. The Indians assembled and successfully demanded under threats that the Swedes, their friends, be permitted to proceed and land.

The peaceful relations that existed between William Penn and the Indians has been attributed in large measure to the intercession of the Swedes and the kindly treatment the Indians received at their hands.

OLD SWEDES CHURCH

Old Swedes Church, built by them long after New Sweden had ceased to exist, still stands, a symbol of their faith and culture.

For only a few years were the Dutch permitted to enjoy the fruits of their victory.

New Amsterdam and then the Dutch forts and settlements on the Delaware were captured by the English. But soon thereafter war occurred between England and the Netherlands, in which the Netherlands temporarily recovered possession of their American settlements and reestablished their government over them. The treaty of peace restored them to England, which then retained them until the American Revolution.

The struggle for dominion over the lands lying along the Delaware had, however, not come to an end.

ENGLISH SUPREME—THEN THE AMERICAN REVOLUTION

After England's supremacy over them was established, a new contest for their possession, lasting almost a century, arose between Lord Baltimore, William Penn, and their respective heirs. The controversy was settled by the Lord Chancelor of England, who decided in favor of the heirs of Penn.

The underlying issue was whether the grant made by Charles the First of England to Lord Baltimore embraced lands that prior to the grant had been occupied by other than Indians. The settlement by the Dutch on the Hoornkill turned the scale against Lord Baltimore and in favor of Penn.

By the settlement and decision, a line was to be run due west from Fenwicks Island, then designated Cape Henlopen, to Chesapeake Bay. From the middle point of that line another line was to be run in a northerly direction to a point of tangency on a 12-mile circle having its center in New Castle. From the point of tangency, a third line was to run due north to a point where it would be intersected by a line run due west from a point 15 miles south of Philadelphia.

MASON AND DIXON'S LINE

The line from Fenwicks Island to the Chesapeake Bay, the eastern half of which now forms the southern boundary of Delaware, was run by local surveyors. But the line running from the middle point of the Fenwick Island-Chesapeake Bay line northward to the point of tangency to the 12-mile circle, was deemed too difficult for them. As a consequence, two English surveyors, Mason and Dixon, were brought here to run the remainder of the boundary line between the lands of Lord Baltimore and the lands of William Penn. Beginning at what is now the southwest corner of Delaware, they ran their line to the point of tangency which lies near the place we now stand.

Thus the upper part of the peninsula was divided between the heirs of Penn and the heirs of Lord Baltimore. The Penn portion became the three lower counties of Delaware.

SELF-GOVERNMENT IN DELAWARE

Long before the Revolution, the three lower counties on Delaware had their own assembly; but until the adoption of the Declaration of Independence, they continued to have the same Governor as Pennsylvania.

A few weeks after the signing of the Declaration of Independence, Delaware adopted its first constitution as an independent State. Its period of incubation was over. Its beginnings had been brought to an end. No longer did the light bark canoe of the Indian skim the rippling waters. No longer did the Leni-Lenape and Nanticoke reign supreme in the silence of the unbroken woods.

The lands that had been sought and occupied by the greatest of the nations of the earth—the Netherlands, Sweden, and England—were in the possession of their own people.

Gustavus Adolphus, Queen Christina, and Oxenstierna had gone. The colorful Johan Printz and Peter Stuyvesant had become but a memory. Charles the First, Charles the Second, James the Second, no longer shaped with living hand the course of our destiny. William Penn and Lord Baltimore had ceased to seek favors as great as empires from an earthly king.

As lilies draw their colors from the subtle qualities of the soil hidden deep beneath the water upon which they float, so are men, States, and nations profoundly affected by the obscure and insensible influences which surround their early existence.

Sometime the chemist may discover that which gives to the rose the glow of the sunset or to the forget-me-not a touch of the heavenly blue. Often, however, the skill of man can only analyze and detect that which Nature alone can combine.

INFLUENCE OF NEW SWEDEN

One can discern and feel but one cannot measure the depth of the imprint which men and races impress upon succeeding generations. One cannot measure the thrill of flesh touched by thought. Until thought and virtue and character have feet, and man may perceive the trace of their passing, the measure of man's influence upon the thought and acts of men and nations then unborn must remain unrevealed by that Master of all our destinies who made beautiful the arch of heaven and whose paints are the colors of the evening.

But one cannot live in Delaware without being keenly conscious of the lasting influence upon Delaware and its people, even unto this and succeeding generations, of those men who, three centuries

ago, left their home under the glow of the northern lights to build for themselves a new home on the banks of the Delaware. One sees them, even now, with fortitude, patience, and wisdom, sowing in the heart and mind of the native Indian the seeds of kindness and of friendship. One sees them, even now, implanting upon our soil a religious faith and a shrine so pure and so strong that one ceases to wonder at the fullness of the sense of their obligations to their fellowman.

OUR HERITAGE FROM THE PIONEERS

Through all the years of our history, Swedish names appear as churchmen, as landowners, as officers of the Government. For the heritage which they gave to us, we are profoundly grateful.

Today we see once again in our imagination the *Kalmar Nyckel* and the *Fogel Grip* as they enter the bay. We see them under full sail breast its dashing waves. We see them as, with sails furled, they glide at last to rest at The Rocks. We hear the rattling of the chains and the splash of the dropping anchors. We hear the officers' commands. We hear the eager voices of the men.

DELAWARE—FIRST STAR TO PIERCE THE BLUE IN THE AMERICAN FLAG

In recognition of our indebtedness to them, Delaware, whose foundations they laid and whose star first pierced the field of blue in our national emblem, tonight calls to them "Hail, for your gifts to us, we thank you!"

HUGH M. MORRIS.

Tribute to Colored Race

EXTENSION OF REMARKS

OF

HON. ELMER THOMAS

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Monday, April 25 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. ELMER THOMAS OF OKLAHOMA, DECEMBER 15, 1936

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by me in connection with ceremonies at the unveiling of portraits of recorders of deeds of the District of Columbia on December 15, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We are assembled tonight to do a thing which should have been done long ago—accord proper recognition to a number of distinguished citizens who have performed valuable services as the directing head of one of the important branches of our Government.

Washington is the Nation's Capital. Public officials who serve the Capital serve the Nation. Those who serve the Nation serve the richest, strongest, and most influential nation of the earth.

In addition to a favored land with natural resources almost untouched, we have in our strong box one-half of all the monetary gold in the world. In passing, let me observe that our neighbor nations owe us the other half.

In that same strong box—our Public Treasury—we have tonight over 20 percent of all the monetary silver produced since time began.

However, the strength of our country is not based alone on the material wealth of the States, but rather on the character, ability, and solidity of the 125,000,000 people who make up the population of America.

This population embraces every race, class, and color. The red man has been joined by the white man and by the black man.

Today we all live together in the same cities, on the same land, under the same laws, and under the same flag.

Our strength is known and admitted everywhere. Our influence is manifest on every hand.

Today at Buenos Aires, a western world peace conference is in session. This conference was suggested, called, and officially opened by that great apostle of peace, the President of the United States, Franklin D. Roosevelt.

The guide, leader, and moving spirit within this conference is our own beloved and distinguished Cordell Hull, our great American Secretary of State.

Tonight, knowing other lands and what is transpiring within, well may we pause to rejoice that we are citizens of this favored and beloved land, the United States of America.

Here in the States, in the space of 70 years, our colored brothers have progressed from the status of burden bearers to a high place in the scale of modern civilization. In all sections of our country members of the colored race have made and are leaving enduring monuments in inventions, literature, and art.

Some, unacquainted with the facts, may believe that the 12,000,000 of our colored population reside almost exclusively in the Southern States. Such is not the truth. One-third of our colored population is found in the North, and in many States the balance of political power is held by the colored race, and such power is sometimes used through the exercise of the ballot.

These exercises here tonight, the ceremonial unveiling of the portraits of the former recorders of deeds, illustrate and emphasize the great progress which the colored race has made since 1865.

With the exception of three of these officials, Simon Wolf, John B. Costello, and Robert W. Dutton, all the others were representatives of the colored people of our Nation. Thus, in a very correct sense, this occasion lends emphasis to the work and worth of our colored citizenry.

The men who have held this distinguished Federal office, have come from the North, the South, the East, and the West. Hence every geographical section of our country has produced the leaders who have won the recognition of appointment to this important post as guardian of the land records of the District of Columbia.

The officials who have held this office have demonstrated intelligence, capacity, and integrity and no scandal involving public funds has ever been brought to the attention of any administration over the long years of their stewardship. And I might add that this same record of efficiency and integrity has characterized the hundreds of colored officeholders, who have been collectors of internal revenue, collectors of ports, receivers of public moneys, and postmasters in many parts of the country.

The same tribute may in truth be paid to the colored agents and representatives of our Government who have held positions of trust and honor abroad.

The distinguished men whose portraits have been unveiled here tonight are merely representative of the traditional capacities and integrity which have characterized every Presidential appointment held by colored men under the Federal Government since their accession to citizenship.

Truly a record of which to be proud. And because of it, I deem it an honor to have been invited to appear on this program and give testimony to my appreciation of the steady progress which has been made by the colored race in education, industry, and professional pursuits in all parts of our common country.

In the field of education, this progress is seen in the reduction of illiteracy almost to the vanishing point and in the work of a numerous and efficient professional class.

The vast acquisitions of both urban and agricultural properties in many sections of the country and the development of business interests testify eloquently of the substantial progress now being made by the colored race.

In my own State of Oklahoma we have a total population of some 2,500,000 people. There we have represented every nationality. In addition to having nearly one-half of all the Indians of all the States, we have some 175,000 citizens of the colored race. In Oklahoma we have a progressive people, red and black and white, all planning, striving, and working to fashion and develop one of the great commonwealths of the American Republic.

Tonight we have witnessed the unveiling of approved portraits of the long list of distinguished men who have had supervision of the preparation, preservation, and custody of the official records of title to every piece of real property in the District of Columbia. This service extends to the title of every piece of property owned by the Government of the United States. Truly the recorder of deeds of the District of Columbia is a responsible and important official of our Federal Government.

The several distinguished Americans who have held this important post have been here eulogized tonight. Time will permit only a few words to be added to what has already been said.

I note that among the men who have held the office of recorder of deeds was Frederick Douglass, whose career as a leader in the antislavery movement and participation in all great events clustering about the abolition of slavery stamped him as one of the very illustrious men of America.

In the course of his long and eventful life, as an orator, editor, and author, he exercised a wide and beneficient influence upon the public opinion of his time.

If he had never held public office, his arduous work in building up public sentiment against the institution of slavery would have given him a permanent place in American history.

His life, as that of no other man, had epitomized the progress and possibilities of the members of his race. Born in slavery, he became a living witness against the institution. Escaped from slavery, by the sheer force of individual initiative he acquired a liberal education by study and travel.

Frederick Douglass in succession was United States marshal of the District of Columbia, recorder of deeds for the District, United States Minister and resident and consul general to Haiti. Frederick Douglass, with recognized ability and fidelity, paved the way for the younger men of his race, the portraits of a number of whom we have unveiled here tonight.

I cannot close without uttering a word of praise of the record being made by the present recorder of deeds, Dr. William J. Thompkins.

In these first years of his service he has won the respect, approval, and admiration of all those with whom he has come in contact.

Under his supervision the office of recorder of deeds has balanced its budget and is actually making money. New devices have been perfected and installed. Ancient plats and records are being copied and the work of the office is being kept practically current.

Yet, despite this record, one thing is sadly lacking. For the proper protection and preservation of the valuable title records of the private property of the people and the public property of the District of Columbia, as well as of the Government of the United States, there should be constructed without delay a modern fireproof structure, which might be designated as the "hall of records."

As a Member of the Congress and as chairman of the Senate Subcommittee on Appropriations for the District of Columbia, I pledge my support of such an item in the public-building program for the District.

Thomas Jefferson

EXTENSION OF REMARKS

OF

HON. THEODORE F. GREEN

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Monday, April 25 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. ELBERT D. THOMAS OF UTAH, PROVIDENCE, R. I., APRIL 24, 1938

Mr. GREEN. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address delivered by the junior Senator from Utah [Mr. THOMAS] at the annual Thomas Jefferson celebration in Providence, R. I., on the evening of April 24, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

By almost universal acceptance Washington and Lincoln are considered as patron saints of our American democracy who mark two corners of the base of our American national cult. The third corner may be occupied at one time or another by a Jefferson, a Roosevelt, a Jackson, or a Wilson. Tonight I shall engrave on this third corner the name of Thomas Jefferson and treat him likewise as one of the patron saints of our American democracy.

The fourth corner of this foundation of the American national cult shall be forever left vacant. It is the corner of projection, of aspiration, and hope. It is there that every American youth and every American maid, filled to the overflowing with the spirit of service for America, shall project himself or herself into his or her country's destiny. Thus we have created a framework of an American cult. It is here that the spirit of America shall find its eternal existence.

Why has America definitely given to Washington and Lincoln places in our American national cult? Theodore Roosevelt, I think, has best answered that question for us. "There have been other men as great," said this strenuous American, "and other men as good, but in all the history of mankind there are no other two great men as good as these, and no other two good men as great." We know from reading further from Roosevelt what he meant by the two adjectives, "good" and "great," for we see that he thought that both Washington and Lincoln possessed all the gentler virtues commonly exhibited by good men who lack rugged strength of character and all the strong qualities commonly exhibited to the exclusion of those gentler virtues by the "towering masters of mankind."

Let us now turn to a consideration of that cornerstone of our imagined national cult edifice which for the night bears the name of Jefferson. In the making of this great Nation, what were Jefferson's own ideas about the essential factors? We find the answer to this question in Jefferson's own epitaph: "Here was buried Thomas Jefferson, author of the Declaration of American Independence, of the statute of Virginia for religious freedom, and the founder of the University of Virginia." In a life full of honors, of activities, here we find democracy's patron saint recognizing as important, above the other things, national independence, that a nation may work out its life and destiny in its own way; individual independence, that a man may think as his mind directs, believe as his heart desires, and worship as he sees fit.

Then in Jefferson's pride as a founder of a university, do we not see his acceptance of the theory of a reasoned, planned, thoughtful, and intellectual life for both man and the Nation? The philosophy of progress is accepted, the perfectibility of man and Government are hinted at, and both man and the Nation occupy a place of dignity in the eternal scheme of things as they were never before so privileged in the philosophies of other thinkers. Our American Constitution is now the oldest constitution on earth. This fundamental American institution has stabilized itself by becoming a living organism. To this the Jeffersonian philosophy has contributed.

Moreover, our Supreme Court scheme of interpretation reflects the fact that the American Constitution is a living organism and not a dead, binding force. The Jeffersonian principle there shows itself.

Let us note, to illustrate further, the lifelong influence of Thomas Jefferson: First, his leadership as author of the Declaration of Independence; second, his leadership in our foreign relations as Ambassador to France; third, his authorship of the northwest proviso, the fundamental scheme in accordance with which our new States have been organized; fourth, as an establisher of our foreign relations as Secretary of State under Washington; fifth, as Vice President, during which period he wrote Jefferson's Manual, the fundamental parliamentary rules by which the Senate of the United States is guided to this day; sixth, his public-land schemes; seventh, his insistence upon acceptance of the decimal system; eighth, his epoch-making years as President of the United States; ninth, his post-Presidential influence, when Monticello became the shrine of American democracy, extending until the day of his death in 1825; tenth, his fathering of and his leadership in the great political party which has been contemporaneous with the whole history of our country and which has contributed probably more than any other single thing to the American two-party system, and which has shown a power of existence greater than any single institution, excepting our Government itself. The Democratic Party survived the Civil War. It split, to be sure, but in 4 years it was reunited. Some American churches were divided at the same time. They have not been able to come together since. Jefferson represents better than any other the prototype of the citizen statesman of a democratic republic. In him we have the scholar, the lawyer, the musician, the inventor, the architect, the farmer, the statesman, the most practical of administrators, and the most ideal of philosophers.

Thomas Jefferson gave us the philosophy of democracy which has become a world-wide accepted fundamental principle. Democratic governments are attainable through the education and the training of democratically minded individuals. Governments derive their powers from the consent of the governed, and nations are made by a universal acceptance of the fundamentals of a democratic philosophy, which assumes, first of all, the perfectibility of man, his progressive growth and development, and the further acceptance of the theory that his nature is ultimately good. The acceptance of such doctrines results in a philosophy of the State, which recognizes National and State morality and an ethical basis for political action.

Woodrow Wilson applied these same democratic theories in presenting his schemes for international action and in attempting to bring about an international morality, a world recognizing the law and acting in conformity with law, restraint rather than force, and an ultimate bowing of the individual national will to world sentiment.

Jeffersonian democracy has not yet been attained in the world in its perfected state or in its ultimate. Wilsonian international morality seems a long way off, but both are attainable, and the world will see both working, because both are based upon the highest ethical and moral political theories.

From Jefferson's standards, with what scale may we measure the progress of democracy during the past 5 years? What, in his eyes, would be an increase in democracy? Are we making good for Jefferson? Are we solidifying the structure he gave us? Are we cutting the cloth to fit the pattern? In short, is this thing which we call government in 1938 an absolute democracy, or more nearly an absolute democracy than Jefferson had established when wearily he laid down his tools and left the work to his successors? Have we as Democrats any actual right to compare ourselves with Jefferson and say we are his people?

The essence of democracy is the same as it was 100 years ago and longer, the same that it will be forever. The essence of democracy is stability of property, certainty of investments, strength in the rights of the individual, and security for business. These four things are democracy.

Under this definition we have attained a new record in democratic government, and government is more democratic today than ever in its history. We have, then, more than kept the faith with Thomas Jefferson. We face the future with greater assurance of an abiding democracy than any previous administration, however successful and however democratic, has been able to give.

I do not believe that anyone will seriously challenge the fact that property really is more stable today than ever before. The Government is interested in seeing that men do not lose their property unless they have to. It has pioneered to rescue mortgages where private business has failed and has prevented the laissez faire system from making turnovers in property a debacle of misery. If Wall Street is off, your bank account is not, and it remained for modern Jeffersonian Democrats to secure your investments in the so-called safer securities, which truly are today the safer securities. One has but to read the hearings which Senator LA FOLLETTE and I conducted to learn the tendency of the democracy of President Roosevelt and Senator GREEN and our majority associates in the House to make more secure the consti-

tutional right of one to be secure in his person. Finally we come to business which is groaning, admittedly, but there will not again be a period in America when as before there is relatively no business at all and industrial plants are universally smokeless.

I think the Louisiana purchase in its day was more daring than a $4,000,000,000 spending program for improvements at this date. I think it would be like Jefferson to propose $4,000,000,000 or some amount to safeguard a democratic America from misery and eternal pauperhood. In the one case it was a tremendous bargain, though it had its opponents. In 1933 we expended great sums and we got as good bargains. For that money we held democratic America together, preserved the capitalist system, maintained human rights, and prevented explosion of the jobless workers in a thousand dead industries.

A lesson in constitutional government is the current attempt to place the sixteenth amendment back in the Constitution. It has been taken out largely by narrowing judicial decisions and common usage, and even by sheer nullification. Now it is proposed by me, and it is proposed by the President, and is becoming national policy to propose that income be taxed from whatever source derived. "From whatever source derived" is what the Constitution says. That is what the people meant. And the sixteenth amendment is their last words. We do not need a constitutional amendment to make another constitutional amendment accomplish what it says in its own terms should be accomplished. It is an anomaly that we are trying to make the Constitution constitutional, but I am sure that is what the great Jefferson would have done.

What fears have been expressed about the losing of States' rights under the New Deal simply because men did not understand that there is no difference between States cooperating with the Federal Government and States colliding with the Federal Government, the first to produce creative effects, the second to produce inefficiency in government. Their working together is mistaken for an abandonment of rights. Congress working with the President is mistaken for rubber stamping. Harmony is mistaken for surrender. Now comes the administration and proposes a plan of rescue for the underprivileged in education revolving entirely around the States. Jefferson would literally stand up and cheer.

When Einstein put forth the notion that even in the physical world things may be relative rather than exact, that idea will temper all branches of human thought. It will have its effect upon the person. It will have its effect upon the State, it will have its effect upon international relations, it will have its effect upon religion, it will have its effect upon ethics, it will have its effect even upon our concept of time. Let us pause for a moment and use our own constitutional history to illustrate further my point. Under the theory of relativity our Constitution will in very deed attain Marshall's dream and endure for the ages, because it will cease to be considered the mere symbol of sovereignty of its Newtonian-influenced times or the living law of the Darwinian period. It will for the poet and orator remain both of these, but to them will be added a new significance of usefulness capable of being not only the people's protector but also the medium through which the people shall attain their desired ends. Newtonian influence made it the symbol of a perfected plan. Darwinian theory caused it to become the living, growing soul of our national entity. Einsteinian thought may make it the companion of the people in the accomplishment of their purposes.

One of the most firmly entrenched theories in our constitutional development in this country is the doctrine of separation of power. The separation of powers never meant three coordinate governments operating separately, for then you have no government at all. But it meant three functions of government handled in three separate spheres to supply the need of man and the state in regard to those three different spheres. It is when we have them working in harmony that we have government. It is when we have them working in antagonism that we have the opposite of government. If I substitute the Greek word for the Latin my meaning is clearer. When you have harmony in its branches you have "arch." When you have disharmony or antagonism you have "anarchy."

Let me illustrate this point particularly. The people adopted the sixteenth amendment to the Constitution of the United States. The sixteenth amendment provides: "The Congress shall have power to lay and collect taxes on incomes, from whatever source derived." I mentioned this earlier in my talk, but here is an opportunity for development of my point. Probably in the history of constitutional government never has a basic law been mutilated quite so completely and so universally as has the sixteenth amendment. For this mutilation I do not blame any group or class in our country. The courts have contributed their part, the people have contributed their part, the States have contributed their part, and the Federal Government has contributed its part, in nullifying the last expression of the people's will on the subject. The sixteenth amendment no longer means what it says; that is, that "Congress shall have power to lay and collect taxes on incomes, from whatever source derived." The courts, the people, and the States have changed this amendment so that today it means, "from whatever source derived unless the source happens to be compensation of Federal judges" or "from whatever source derived unless the source happens to be salaries of officers or employees of States or political subdivisions of States," or "from whatever source derived unless the source happens to be interest in tax-exempt securities issued by some State."

We should correct the taxing evils of an undemocratic nature which have grown up in our great democracy. I would like to remove the stigma which tax associations have attempted to place upon certain persons in our body politic by singling them out as beneficiaries of this tax exemption. There is nothing more cruel in our entire body politic than that the great public-school-teaching group of our country is singled out each year as beneficiaries of this unjust tax system. The officers of our Army and our Navy, Federal officials generally, and judges would all rejoice in the removal of this annual criticism which they get.

Thus we see government stalled on this particular question. Democracies cannot survive if groups in that democracy are singled out for tax exemption. Sound economics demand that taxed securities should not have to compete with tax-exempt securities. Yet we seem unable to solve this simple question without resort to a constitutional amendment, and what good would a constitutional amendment do in the light of what we, the courts, the States, and our own Government have done with the sixteenth amendment?

Now, for us here tonight, let us renew our faith in democracy and point out the fact that all that man has gained throughout the whole history of humanity has been accomplished because man was willing to experiment. People today would be on the same level as the Australian bushman if certain individuals had not been willing to try—to test and to discover a better way to do or a finer way to live.

The genius of the American Government, after all, is, as has been said by great thinkers on government, the fact that we have not a single American Government operating everywhere at the same time but we have, in reality, 49 distinct and separate sovereignties operating at the same time, and each one a democracy. Each one, too, in a way, is experimenting with something new—some new change in accordance with a sort of scheme of trial and error, if you wish—but experimenting nevertheless. And out of this cannot help but come advancement, progress, new aspects, new interpretations, new ways of doing things. This is political man's way of proving that the law is made for man and not man for the law; in proving that it is the spirit that counts and not the letter. It is the philosophy, the philosophy of the wise of all times that we see operating in our Nation today.

Business and Credit

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, April 25 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS BY HON. JESSE H. JONES, APRIL 18, 1938

Mr. MINTON. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a speech delivered over the National Broadcasting System on Monday evening, April 18, by Hon. Jesse H. Jones, chairman of the Reconstruction Finance Corporation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I wish to discuss business and credit. The decline in the purchase of consumers' goods—the things we need and use every day—caused an accumulation of inventories by the merchant and the manufacturer that has resulted in widespread unemployment. The manufacturer cannot continue to produce what he cannot sell, nor can the merchant buy unless he sells. So until these inventories are reduced employment will not likely pick up.

In discussing credit I have in mind credit for all purposes—for business, for industry, for agriculture, and for building. As you know, the Reconstruction Finance Corporation was created in 1932 for the purpose of lending to banks, insurance companies, mortgage-loan companies, Federal land banks, joint-stock land banks, agriculture, railroads, etc. March 9, 1933, just 5 days after President Roosevelt was inaugurated, our law was supplemented, and has been amended and supplemented many times since then, expanding the scope of R. F. C. operations to meet varying conditions. The March 9, 1933, law was the most important of all. It made it possible for us to save the banks by buying their preferred stock, capital notes, or debentures.

Aside from advances to other governmental agencies by direction of Congress, we have authorized $9,404,000,000 in loans and investments, including bank capital; $1,760,000,000 of these authorizations were later canceled, the applicants finding they did

not need the money, or that they could get it elsewhere. Six billion nine hundred million dollars has actually been disbursed, and $4,934,000,000, or more than 71 percent, repaid. This vast sum of money went directly or indirectly to every class of our citizenship and represents hundreds of thousands of individual loans.

Industry was aided by direct loans and through aid to banks that enabled them to extend credit and to grant extensions to their borrowers. Agriculture was aided through loans on commodities—cotton, corn, wool, mohair, tobacco, peanuts, prunes, dates, figs, raisins, and naval stores. More than 3,000,000 separate loans have been made to the producers of farm commodities. These loans have been largely through the Commodity Credit Corporation and average less than $500 to each borrower. Several hundred million dollars was loaned through Federal land banks, joint-stock land banks, and regional agricultural credit corporations. Probably 20,000,000 depositors in closed banks were aided through R. F. C. loans. Almost every line of business has been helped by the R. F. C., and we were getting along fine until last autumn.

Our collections in 1936 and 1937 exceeded our disbursements by almost a billion dollars, so by the latter part of 1937 it looked as though we could withdraw from the lending field. Accordingly, on the 18th of last October, President Roosevelt directed that we accept no more loan applications.

But due to the continued recession in business, the President authorized us to start lending again February 18 of this year. Since that time we have approved $12,191,716 in industrial loans, and have applications, definite and tentative, for approximately $70,000,000 more of this character of loans.

With the approval of the President, Congress has just amended our act again by passing the Glass bill which empowers us to lend to public bodies, States, municipalities, and political subdivisions, for the construction of useful public works projects. This is a restoration of authority which we had prior to the establishment of P. W. A., and under which we have loaned $300,000,000 in addition to buying $600,000,000 of such loans from P. W. A.

The Glass bill also broadened our powers so that we may lend on longer maturities. This authority will be particularly helpful in industrial loans for plant construction and new equipment—in other words, in extending long-time credit to industry.

The objective of the law and of the President and Congress is to aid business through increasing employment, and our loans will be made with that in view. The law requires that loans must be secured, but may be upon such terms and conditions and for such length of time as, in the opinion of our board of directors, are appropriate to the particular application.

While our purpose will be to make business and industrial loans that will maintain or create work, we will not feel authorized to make such loans unless in our opinion the borrower will be able to pay the money back. Too much debt and inflation of values were the principal causes of the 1929 collapse, and prudent borrowing is just as essential as prudent lending. It does no good to lend a man or a business money which he will lose. It merely postpones the inevitable readjustment of his affairs. This does not mean that we are not making every effort to lend to deserving borrowers, particularly where employment will be maintained or increased. We try to find a way to authorize every such loan for which we have an application.

Apparently many people believe the Glass-Steagall amendment to our act permits us to lend on a different basis of security than heretofore, and that a billion and a half dollars has been especially allocated by the Congress for this purpose. The facts are that this amendment did not change the security provisions in our act, nor did it increase our available credit for lending.

Ours is a revolving fund and fluctuates daily with our receipts and disbursements. At present our unused borrowing authority is $1,416,000,000 for all purposes, and this is a great deal of money, so don't be afraid it will give out. We have more than a billion and a half dollars of sound assets, and collections from these may also be loaned. The greatest amount we have ever had outstanding at any one time was $2,700,000,000.

In addition to lending for all other purposes, we will lend for carrying inventories, thus enabling manufacturers to anticipate trade requirements with the assurance that they will not be forced to sacrifice their products to pay for the cost of production. We will bring to the manufacturer the same assistance and same assurance in this respect that we give to the producers of farm commodities through commodity loans. Loans on inventories, like loans on commodities, will necessarily require the inventories to be warehoused, or so segregated as to permit an enforceable lien, unless, of course, the borrower is able to give other acceptable security.

We will lend for the construction of needed business buildings where the project seems sound and credit is not otherwise available.

The Securities and Exchange Commission Saturday, April 16, issued new regulations intended to simplify the registration and distribution of securities, particularly small issues of established enterprises. The Commission stated that these regulations will tend to reduce the registration expenses and save time for the registrant.

To aid in the legitimate distribution of such securities where they appear to be sound and will increase employment, we will consider lending to private bankers and underwriting bankers when the loans can be properly secured. We will not buy the stock of any private business. Usually when there is a demand for investment capital that promises a fair return, it is forthcoming, and no doubt this will be true again as business improves.

There is a widespread impression that many who are entitled to credit cannot get credit from banks and other private lending institutions. No one knows the extent to which this situation actually exists; but whatever legitimate demand there may be for credit, the R. F. C. is prepared to furnish, preferably in cooperation with banks and bankers.

In this effort we would like for every bank in the United States either for the account of the R. F. C. or for the joint account of the bank and the R. F. C., to make its lending facilities available to those of its customer-depositors who feel they are being deprived of credit.

We want to make it perfectly clear that we are not competing with the banks but want to cooperate with them in providing credit where there is a demand which for any reason the banks cannot meet.

We would like for banks to go into the problems of such depositors with a view to ascertaining whether they are entitled to credit, even though the loan be one which the bank would not feel justified in making.

Where the bank finds that the loan can be so secured as reasonably to assure its repayment but is of a character the bank feels it should not make, we would like for the bank to take the borrower's application and forward it to the R. F. C. agency of its district, with such comments or recommendations as the bank may feel justified in making. Our application blanks will be mailed to the banks as soon as they are ready.

We greatly prefer that the bank take a participation in the loan, sharing proportionately with the R. F. C. in the security and in repayments.

We will, where the bank wishes us to do so, allow it to carry the entire loan with a definite commitment from the R. F. C. to take over, without recourse on the bank, that part of the loan which the R. F. C. underwrites. The underwritten portion of the loan will be taken up at such time or date as may be agreed upon when the loan is made. For this commitment the R. F. C. will accept a part of the interest without additional charge to the borrower. This will afford the bank a profitable investment for its loanable funds convertible into cash at any time.

I am convinced from our experience that if the banks would go into the problems of more of their potential borrowers, they would be able to work out many good loans—loans that would be profitable to them and to the borrower; loans that would create employment and stimulate business.

The loans might run for a longer time than bankers ordinarily wish to make, but our banking laws permit long-time loans, and they are eligible for borrowing at the Federal Reserve should the bank need to borrow.

We at the R. F. C. very often find that by requiring a borrower to secure stand-by agreements and subordination of liens from existing creditors, or the conversion of either or both of these into the capital stock of the borrower, we are able to make well-secured loans that result in setting a business on its feet again.

It frequently takes careful and painstaking study of an applicant's situation to help him rearrange his affairs, but his banker should be as interested in doing this as his government.

I am aware that banks do not like to make slow loans, or loans which the bank examiners soon class as slow, but the fact that a borrower needs money which he cannot pay back except over a period of 5 or 10 years is no reason why a bank should not make a real effort to assist him. Long-time loans should always be amortized in accordance with the borrower's projected ability to pay, and there is no reason why a bank should not carry in its assets a proper amount of loans of this character. Banks carry bonds which in theory they expect to sell when they need the money, but which in practice, when the need arises, they usually cannot sell except at a loss which they can ill afford to sustain. So why should they discriminate against a well-secured, amortized industrial, or real-estate loan that is a sound legal bank investment?

In speaking of bank examinations, the Comptroller of the Currency, the State banking commissioners, the Federal Deposit Insurance Corporation, and the Federal Reserve Board, each of which is charged with the responsibility of examining banks, should agree upon a uniform examination. Their examiners should be instructed not to criticize, or call particular attention to loans that are qualified investments under the law, if the loan is sound, or properly secured, unless the examiner finds that the bank has too large a percentage of its assets in a particular character of loan. Calling special attention to a loan by the examiner usually has the same effect on bank management as if the loan were criticized.

If these agencies are unable to agree and to cooperate in the examination of banks, they should be required to do so by legislative action.

In fairness to bank examinations, it is proper to say that entirely too many bankers tell their applicants for loans they cannot make the loan because the examiner will criticize it, instead of being frank with the applicant and explaining why he is not entitled to

the loan and trying to help him work out his problem. Frankness is a virtue too seldom employed.

With our very liberal banking laws and the fact that deposits are insured, making extreme liquidity unnecessary, there should be ample credit for every legitimate purpose. Banks are bulging with loanable funds.

I am well aware that banks want to lend, and suggest they try to fit their lending policies to the credit requirements of today rather than yesterday.

The recent meeting of "little business" in Washington with Secretary of Commerce Roper served to create the impression that "little business" is being denied credit. The line of demarcation between little business and big business is not easy to determine so the term "little" can only be treated as relative.

With the exception of a few large loans, the average amount of our industrial loans has been $54,760. Thirty-one percent of all our industrial loans have been for $10,000 or less; 21 percent range from $10,000 to $25,000. Four out of every five of the banks in which the R. F. C. has capital are little banks. In more than 2,500 of these banks our investment is $25,000 or less. In another thousand it ranges between $25,000 and $100,000. In only 250 banks do we have as much as $500,000 invested.

I mention this because some people feel that an application for a small loan does not get the same attention that an application for a large one gets, when, as a matter of fact, it gets much more, but the press does not regard a small loan of sufficient news value to publish.

The same principles apply to business, regardless of size, and the employment problem is the same. The little borrower employs relatively the same number of people as the big borrower, no more and no less. We give special consideration to the smaller units in business and industry that need to borrow, and we would appreciate the cooperation of banks in this effort.

So much has been said about fear that we have all become imbued with the idea that something is wrong with the country, when, as a matter of fact, we have never had a greater abundance of everything needed for a really high standard of living than we have now. The basis of prosperity is confidence. We must have confidence in our country and confidence in our Government, and if we demonstrate that confidence by action, better business will follow.

Political Conditions

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Monday, April 25 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. JAMES A. FARLEY, GARDEN CITY, LONG ISLAND, N. Y., APRIL 20, 1938

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix an address delivered by Hon. James A. Farley before the Nassau County Democratic Club, Garden City, Long Island, N. Y., on April 20, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

To use the old baseball language, it is very pleasant to function on my own home grounds, so I am particularly glad of this opportunity to talk politics with the Democrats of Nassau County on Long Island and their neighbors who are participating in this gathering. Let me begin by telling you that the Democratic Party is in first-rate shape, and I speak advisedly, because I have done a lot of traveling in the past year and have tested out sentiment, I think, pretty well in every section.

Here and there we have had, and are having, some hot contests within the party, which our adversaries are citing as evidence that the Democrats are suffering from a series of splits which they seek to interpret as the forerunners of disintegration. That is, of course, the most perfect nonsense. If you analyze these controversies, you will find that they are just the ordinary flashes of local ambitions, such as occur in the preprimary period in every election year. You will find that the contending factions invariably insist that each is loyal to the Democratic Party and to the President, who is the party's leader. I have frequently said, and I now repeat, that the advent of contesting candidates is a symptom of health and not of illness in a political party. Men struggle for the prize of nomination because they believe that nomination means election. You don't find candidates springing up everywhere unless the prospects are particularly fair. Nobody hunts very assiduously for an opportunity to be a sacrifice or a martyr.

You do not have to go out of our own State to get a pretty clear index of the political trend of today. Perhaps there is no State in which the Roosevelt administration has been as bitterly attacked as in New York. The reactionary forces naturally center where the giant monopolies have their home offices. The particular group that is most disturbed by the liberal democracy of this administration very naturally has its headquarters in the financial capital of the United States. Directly or indirectly, the flood of propaganda that seeks to give a false impression of the purposes and policies of Franklin D. Roosevelt flows from downtown New York. It is from this source that you are told that the President is an enemy of business and is seeking dictatorial powers and striving to make our democracy a Fascist nation.

Of course, none of these things is true in the slightest degree. It would be an idiotic administration that did not realize that to be successful it must have business successful, just as it must realize that prosperity does not consist of huge profits for the few and a bare subsistence for the many. The dictatorship cry is almost too silly to be discussed. The reorganization bill, which Congress denied the President, partly, no doubt, the result of the terrific propaganda campaign, proposed no greater authority for Franklin D. Roosevelt than was asked for by practically every President, Republican or Democratic, since the Cleveland days. Our enemies naturally hailed the result of the vote in Congress as a repudiation of the President. Really, it has merely added his name to the long list of his predecessors who were balked in their efforts to make over the clumsy, cumbersome Government machinery into a practical, workable engine. Why, among the absurdities advanced when that bill was up was the solemn declaration that the President, in this bill, asked for the power to abolish the Presidency itself. Every school child knows that it would take an amendment of the Constitution to make such a change. Why, we even had to amend the Constitution in order to change the inauguration date from March 4 to January 20.

The recent registration in New York gives an index to the basic facts of Democratic strength in the Empire State. In 1932 Mr. Roosevelt had a majority over Mr. Hoover of 600,000, and that was a landslide year. Landon fared worse in 1936. The tabulation of the party enrollments made last month shows a Democratic preponderance in the State of more than 640,000 over the Republicans. Set those figures up against the result of our city election last November, and you can make a fair estimate of how little influence a local election has on the total of Democracy's strength.

Wherever throughout the country there has been opportunity for a similar test, the result has been the same. Take Illinois, which has just experienced a terrific primary fight between the Chicago organization and that of down-State. Both of the elements in the battle announced their adherence to the national administration policies. The combined vote of the two leading candidates for the Democratic nomination for United States Senator exceeded that of the two leading Republican candidates by a million votes. So you see Democracy remains as popular in Illinois as it does in New York.

I am citing these figures to you just so that you may have a clear picture of the state of our party on the eve of the coming congressional campaign. It might be worth noting in this connection that all the incumbent Congressmen from Illinois, with possibly one or two exceptions, who voted for all the New Deal measures were renominated, regardless of whether they represent Cook County or down-State districts. So I am sure we need feel no concern about the final result of the election next November. Our faith and confidence in that result, however, should not be an excuse for Democrats anywhere to soldier on the job. It is our business to perfect and complete our organizations, to see to it that every possible Democratic vote is cast and recorded, and thus demonstrate to the country the solidarity of our party and insure that there shall be no departure from the policies that have done so much for us.

The President has, as you know, recently sent a message to Congress giving his recommendations for measures to meet relief demands and to start business again on the upward path.

Naturally, those hostile to the administration have already begun to scream at the futility of spending so much money. Their favorite war cry is to the effect that the pump-priming process was tried before and that the United States, in spite of it, has sunk back to a condition where unemployment is again a problem.

Now, just let us look a little bit into that situation. Compare the state of affairs at the time of Roosevelt's advent to the White House and today. Then business lay gasping. Everything was at a standstill; we were having food riots, and banks were toppling faster than we could keep count of them. The solidest depositories in the world were beleaguered by mobs of frightened people in their effort to get their savings into their own possession before these banks would have to close. No man could draw a check with any feeling of certainty that it would be paid on presentation.

Well, 5 years have intervened. The Government has spent a lot of money in the period. But let nobody think that that money is

wasted. Thousands of miles of beautiful roads, huge bridges, public buildings, great and small, and 50,000 schools stand as visible evidences that that spending was not equivalent to throwing the money into the ocean. Hundreds of millions, perhaps billions, have been repaid, as industry, which got the loans from the Government that private financing could not or would not take care of, was able to discharge its indebtedness.

Nobody thinks any more about the safety of their deposits in the banks, thanks to the measure which insures deposits up to $5,000, and which has cost the Government next to nothing, because bank failures today are the rarest of business catastrophies.

In the face of such a comparison between 1932 and 1938, who will have the hardihood to say that the money expended in the various relief measures was squandered? Business today is worried for fear that its profits this year will not be as great as last year. Five years ago it was terrified at the imminent danger of universal bankruptcy. I might go on indefinitely and speak of the contrast between the farmers, 200,000 of whom lost their farms in the final year of the last Republican administration, and who now, because of the higher prices they are obtaining for their products, are again in the purchasing class. If the moneys spoken for in the President's recent recommendations to Congress put us as far ahead of where we are today as the sums expended in the past put us above where we were 6 years ago, it will be the best investment this Nation ever made. It is because of these things that the country retains its faith in a President who had the skill to recognize the emergency that confronted the country when he came to office and the courage to find new paths to lead us out of the wilderness of the depression.

You will observe that in all the deluge of criticism from our Republican adversaries and their affiliates there is never a word of constructive suggestion, never an offer of an alternative plan. Because the President suggests this one, they insist it is wrong. I wonder if even they would advise Franklin D. Roosevelt to follow the policy of his predecessor and trust to luck to get out of our troubles? He is incapable of a policy of inaction. To put it in his own words, "to reach a port we must sail—sail, not ride at anchor; sail, not drift."

There is one thought I wish to leave with you before closing. We live in a world made unstable and insecure by the thundering guns of ambitious nations determined to seize what they want by force. From the front pages of the daily newspapers we learn again as each day goes by that social and economic conditions all over the world are being uprooted and turned topsy-turvy by the mad whirl of events. Naturally our trade and economic conditions are affected by what takes place in other countries. This is an age of change and revision, and the United States has no more chance to escape it than any other nation on earth.

The grave duty of piloting the ship of state is always more difficult in times of stress and storm. It is not an exaggeration to say that there never has been a time in the history of the United States, not even during the unhappy days of the Civil War, when the task of guiding the destinies of the Nation was more difficult than it is today. I know the chorus of hate and criticism constantly swelling up from the throats of adversaries against President Roosevelt, and at the same time I know full well that no single one of them could do the job any better or even half as well. Please recall that he has been compelled to take every single step forward with this mob of critics and haters pulling at his coattails and trying to pull him down. He has done a magnificent job that would be many times greater if at any point in the journey they had offered him a helping hand. Let me assure you that he will continue to do a great job, and that when the time comes for him to lay down the cares of office, his fellow citizens will unite to salute a faithful pilot who carried the Nation safely over one of the stormiest parts of the voyage.

The Gilbertsville Dam

EXTENSION OF REMARKS

OF

HON. HERBERT S. BIGELOW

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 22, 1938

Mr. BIGELOW. Mr. Speaker, T. V. A. is a red flag to the monoply minded—the private monopoly minded.

There are members of Congress, and Democrats too, who oppose allowing T. V. A. to start the Gilbertsville Dam.

The silliest of arguments have been advanced. The shoddiest of motives have been admitted.

Some are sore because they have not secured for their district the number of millions they wanted for flood control or other public work. So they cast a grouch vote against Gilbertsville.

The Budget balancers cry "Where are you going to get the money?" What difference does it make whether you owe money on Government bonds which you have to carry and retire by taxes collected by the Government, or whether the private-utility monopolies tax you to carry their huge capitalization?

The bonds of the private utilities are our debt, just as much as Government bonds. There is more bondage in the former for us. We pay a higher rate of interest, and we pay on more bonds than as though the project were financed by the Treasury of the United States.

Some from the coal districts kick against the competition of hydroelectric power versus steam power produced by coal. They weep about the coal miners thrown out of work, the loss of freight to the railroads. Think of the men Gilbertsville will help to make jobless.

They ought to turn out all the electric lights. Think of the market for kerosene that would make. And if we should let up on the hydros to give jobs to the coal miners, why not close the mines and shut down the railroads and let men cut their cordwood and haul it with ox teams.

Think of paying Congressmen $10,000 a year to propound arguments that eighth-grade schoolgirls would laugh at.

Gilbertsville Dam will be built. It will be built as one of the greatest of the dams in that 600-mile horseshoe—the Tennessee River, a crescent of power, with its jeweled hydros.

Here is smokeless power, without the bent backs of miners, without puffing trains wasting a third of their coal carrying it; smokeless power saving the coal of the earth for its necessary use for future generations.

Oh, no; deny money for hydros, gut the mines faster than you need to, smudge the countryside with belching locomotives, think only of immediate profits in our own district; and that from grown-up men, and Congressmen.

One reason a Member gives for voting against Gilbertsville is that the T. V. A. buys the rights-of-way for the dam, while his community is expected to supply the rights-of-way for flood-control dams.

He is half right. No local community should have to pay for a dam that is built to control floods or deliver power hundreds of miles away. But it is petty to vote against Gilbertsville where it is done right because it is done wrong elsewhere.

But the power propaganda seeps into porous minds. So they hear that T. V. A. does not pay enough taxes, that it charges too much off for navigation and flood control, that it gets free postage, that the poor $20,000,000,000 private power monopoly is scandalously abused and imposed upon and subjected to vicious Government competition.

Of course, T. V. A. would never have been thought of had not the public patience been goaded to action by the profiteering tricks and shameless gouges of private monopoly.

The foaming waters of these mighty dams, against the green of the hills, with the majestic lakes above—ceaselessly at work night and day, with hardly a human being in sight, gigantic generators, almost unattended, run by the subdued force of harnessed floods, driving dynamos in far-off cities, doing the work for housewives a hundred miles away—carrying burdens joyously and with a thunderous song—this is the sight at which I marveled at Norris Dam, and I have thrilled with a new sense of patriotism and a new pride in my Government.

T. V. A. is promise and prophesy of the mighty works that Government will dare, when democracy fully believes in itself and in its right and might to serve itself.

The little men who stand shaking their fists in the face of advancing truth become the laughing stock of posterity.

So today these little men throw bricks at Gilbertsville. They might as well pucker their lips to blow back the tide. Gilbertsville will arrive. Time marches on.

Loans Through the R. F. C.

EXTENSION OF REMARKS
OF
HON. HARRY FLOOD BYRD
OF VIRGINIA
IN THE SENATE OF THE UNITED STATES
Monday, April 25 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. JESSE H. JONES AT LYNCHBURG, VA., CHAMBER OF COMMERCE DINNER APRIL 21, 1938

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, at the annual dinner of the Lynchburg Chamber of Commerce, at Lynchburg, on April 21, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am glad to be in your beautiful, historic city, and appreciate your invitation for this particular occasion. I am happy to be in Lynchburg because it is the home of one of the best and most cherished friends I have ever had. It is said that warm friendships are seldom made after 40, but I was more than 40 when I first met CARTER GLASS during the Woodrow Wilson administration. I was much older when I came to know him more intimately.

You in Virginia know that Lynchburg takes its name from that sturdy pioneer, John Lynch, who, I am informed, built the first house ever erected within the boundary lines of your corporate limits, but the informed citizens of the United States know Lynchburg as the home of the senior Senator from Virginia, CARTER GLASS.

Virginia, the birthplace of Presidents, has given us many great statesmen, but none of greater integrity or purer democracy than CARTER GLASS.

One of the most devastating speeches ever delivered in a Presidential campaign was made by Senator GLASS in 1932. It was written from a sick bed and delivered over the radio against the advice of his friend and physician, another fine Virginia gentleman, who also devoted his life and great talents to the public service, the late Admiral Cary T. Grayson.

Long before it was my privilege to know Senator GLASS well, he had won more laurels in public accomplishments than come to most men. His authorship and fight for the Federal Reserve Act put him on the front page and he has been there ever since. Congress had many times considered legislation to free the financial resources of the country from the control of a few, but it was the indomitable force of CARTER GLASS that finally brought about the legislation.

Following this outstanding achievement and his great service as chairman of the Banking and Currency Committee of the House during the World War, when we first learned about billions, his appointment as Secretary of the Treasury in the Cabinet of President Wilson was a natural sequel when that portfolio was made vacant by the resignation of Secretary MCADOO. Upon the death of your distinguished Senator Thomas Staples Martin, who was senior Senator during the Wilson administration, Secretary GLASS succeeded to that post, and you have returned him three times, the last time without opposition from either party.

In my opinion, Senator GLASS will be best remembered in the annals of history by his career in the United States Senate. His pungent phrases and the skill of his rhetoric have challenged his adversaries and won the admiration of his colleagues on many occasions. No one knows his recipe for getting so much weight, salt, and philosophy in just plain speech.

Senator GLASS is of the old school, and finds it difficult to reconcile many things now being done by our National and State Governments with his ideas of the purpose of government. Notwithstanding this, he recognizes the trend of the times and goes along when he can.

Once he said in a notable Senate debate: "I would not like to detain the Senate by telling it how often I have changed my mind in the last 40 years—always in the right direction."

It is a great privilege to come to his home and meet his friends and neighbors. I know a little of your fine natural advantages, your outstanding schools, your strong financial institutions, your excellent transportation facilities, the diversity of your manufacturing, and the variety of things you distribute.

You ought to be both depression proof and recession proof. If we had decentralization of industry into Lynchburgs all over the Nation instead of concentration in big centers we would be better off.

I am especially happy to be in Virginia today because it is the one hundred and second anniversary of the independence of Texas, won by that indomitable Virginian, Sam Houston, April 21, 1836. Sam Houston is generally known as a Tennessean, but, as you know, he was born near Lexington, Va., and went from Virginia to Tennessee at the age of 15.

I am sure you will pardon my pride in Sam Houston. My home city bears his name, and although a Tennessean myself, I am glad to give Virginia credit for Sam Houston. In my view, America has produced few greater characters, notwithstanding that he differed with the State of his birth and the State of which he was then Governor, Texas, on the question of secession. He lost the governorship of Texas through the unusual procedure of having that office declared vacant by the legislature rather than sacrifice his convictions. Some of us may have detected similar traits in your senior Senator.

As the outstanding feature of our centennial in Texas we erected a monument at the battleground of San Jacinto, where our independence was won. It lacks but a few feet of being as tall as the Washington Monument, after which it was patterned, although it is surmounted by a star, the symbol of the Lone Star State.

I invite you to visit Texas and Houston and San Jacinto.

Two years ago when we were celebrating our centennial, Lynchburg was celebrating its sesquicentennial, and I saw a special edition of a newspaper commemorating the event, and heard at the time that the distinguished Senator set the last line of type in that edition, another evidence of his versatility. I, too, publish a newspaper, but have never learned to set type.

I recall on that occasion the United States Government struck off some thousands of half dollars bearing a bas-relief of Senator GLASS and that these coins went to such a premium that his grandson, Tommy Glass, the 10-year-old son of Carter, Jr., could not resist selling his coin and pocketing the profit. The Senator expects Tommy to be chairman of the R. F. C. in a few years.

I could go on talking about Virginia's statesmen and Texas, and I could even talk some about Tennessee, but you are probably more interested in the goings on at Washington.

Most of you heard the President's speech over the radio last Thursday night when he outlined his procedure for meeting the recession in business. Included in that program are loans by the R. F. C. The new amendment to the R. F. C. Act, introduced by Senator GLASS and passed by both Houses of Congress with no dissenting vote in the Senate and only a half dozen in the House, authorizes us to make loans to States, counties, municipalities, and other political subdivisions for useful self-liquidating projects. This is a restoration of authority originally in the act and under which we authorized approximately $400,000,000 in loans. It also broadens our authority in making loans to business and industry for the purpose of maintaining or increasing employment.

Under the Glass bill we can make loans upon such terms and conditions and for such length of time as, in the opinion of our directors, are appropriate to the particular application, but they must be secured.

The act permits us to make loans to utility companies or any other business enterprise that will promote the economic welfare of the country. Much has been said to the effect that utilities could spend a great deal of money if they could borrow it on favorable terms. The R. F. C. is prepared to provide this capital on favorable terms where employment will be increased and business stimulated.

Senator GLASS said in his famous speech in the 1932 Presidential campaign that the R. F. C. was but a resurrection and enlargement of President Wilson's War Finance Corporation. The Senator has been willing to sponsor R. F. C. legislation largely because of the manner in which it has been administered. In other words, because we get the money back.

While the R. F. C. Act was originally passed in January 1932 and amended in July of that year, it was supplemented by Congress only 5 days after the inauguration of President Roosevelt, greatly enlarging the scope of its activities. The act has been amended and enlarged more than 30 times since March 1933, expanding its operations and making available its services and loans to every class of our citizenship.

The Glass bill authorizes the R. F. C. to lend to any business enterprise, but the loans must be so secured as reasonably to assure their repayment. Terms and conditions can be prescribed by our directors to fit the needs of the applicant, but, of course, they must be appropriate and reasonable. We have no right under the law to lend unless, in our opinion, the borrower will be able to pay the money back.

R. F. C. operations have been extensive and far-reaching. Our loans have ranged in size from a few hundred dollars to $100,000,000, and have covered a wide diversity of purposes.

The aggregate of our loans is so large as to be difficult to comprehend. Not counting money advanced to other governmental agencies, we have approved more than $9,000,000,000 in loans. Almost $7,000,000,000 of this money has been actually disbursed, and approximately $5,000,000,000 repaid.

The enormous volume of business has involved hundreds of thousands of transactions. It is easy to say a million or a billion, but a billion dollars in loans means many thousands of transactions and as many opportunities for mistakes. We have been fortunate in having capable men and women to administer the

affairs of the Corporation, and I believe everyone of them has a pride in his work.

I shall not give you a detailed account of what we have done, but, generally speaking, our total authorizations of $9,400,000,000 include approximately $2,400,000,000 to agriculture in one form or another, $1,249,000,000 for bank capital investment, $1,200,000,000 for loans to banks, $1,325,000,000 for loans to pay depositors in closed banks, $895,000,000 for loans to railroads, $205,000,000 to industry, $500,000,000 to real estate, including the purchase of mortgages on homes insured by the Federal Housing Administration, and $1,060,000,000 for self-liquidating projects, including the purchase of P. W. A. securities.

We have made more than 3,000,000 individual loans to the producers of farm commodities. They were largely made through the Commodity Credit Corporation on cotton, corn, wool, tobacco, peanuts, prunes, dates, figs, raisins, apples, and naval stores. These loans averaged less than $500 to the borrower. Several hundred million dollars was loaned through Federal land banks, joint-stock land banks, and regional agricultural credit corporations. We authorized the purchase of capital in more than 7,000 banks, and probably 20,000,000 depositors in closed banks were aided through loans for that purpose.

Of all this lending, less than $40,000,000 was actually disbursed in Virginia, which augurs well for the stability and stamina of your State and people. Only 24 States have required as little help from the R. F. C.

Our collections in 1936 and 1937 exceeded our expenditures by almost a billion dollars, so it looked as though we could quit lending, and steps were taken to that end. But due to the slump in business, President Roosevelt authorized us to start lending again 2 months ago.

What we have done is more or less history and of less importance at the moment than what we expect to. We want to make credit available to industry which it is unable to get from private sources, where the credit is necessary to maintain or increase employment.

We do not want to compete with the banks, but to cooperate with them. Where they have a customer who needs to borrow for a longer time and upon the security of improvements and fixed assets—security that commercial banks ordinarily do not like to lend upon—we will make the credit available, but would like to do it in cooperation with and through the banks.

Due to the widespread publicity that the Glass bill got and the interpretation placed upon it, many people believe that we will lend without security, and that Congress allocated a billion and a half dollars for loans of this character.

The Glass bill made no change in the security requirements of our law, nor did it increase our borrowing capacity. We borrow the money we lend and pay interest upon it, and the amount we can borrow is limited. At the present time we have approximately $1,400,000,000 of unused borrowing authority with which to make loans for all purposes. But this is a great deal of money. We also have something over a billion and a half dollars in sound assets. Collections from these may be loaned.

Due to the widespread impression that credit is not available to many deserving borrowers, we are asking the banks to cooperate with us in an attempt to meet whatever demand there is. Particularly we want to give attention to the man who believes he is being denied credit. We know that banks want to lend and that they need to lend, and we want to cooperate with them to this end.

We would like especially to lend for carrying inventories that will enable manufacturers to anticipate trade requirements and not be forced to sacrifice their products. We want to bring to the manufacturer the same assistance in this respect that we give to the producers of farm commodities through commodity loans. Loans on inventories, like loans on commodities, will require that the inventories be warehoused or segregated in such manner as to permit an enforceable lien.

The little-business meeting in Washington with Secretary Roper served to create the opinion that little business is being denied credit. The overwhelming operations of the R. F. C. have been in the interests of the little borrower.

The same principles govern business and lending regardless of size and the same employment problem applies. Personally I have been unable to see any justification for this recession in business. No real dangers confront us. Our banks and financial institutions are sound and strong; 1937 crops were good and commodity prices fair. Undoubtedly we overbought during 1936 and the first part of 1937. This was due in part to high-powered installment selling. Prosperity produced by this character of selling is dearly bought, consuming in 2 years the earnings of 3.

We must learn restraint. The Government cannot go on forever paying out more money than it takes in. I have no desire to sound a discouraging note. To the contrary, I have no fear of the future. We may bump our heads a few more times but our country is sound. It is only a matter of distributing the blessings of an abundant country in such a manner as not to break down what we have built up in these 150 years—the best Government and the best place to live in the world.

Senate Amendment No. 61 to H. R. 9621

EXTENSION OF REMARKS
OF
HON. JED JOHNSON
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1938

LETTER TO THE CHAIRMAN OF THE COMMITTEE ON THE JUDICIARY

Mr. JOHNSON of Oklahoma. Mr. Speaker, under leave to extend my remarks, I am submitting for the RECORD a copy of a letter to the chairman of the Committee on the Judiciary of the House of Representatives handed to me by Hon. Robert L. Owen, former United States Senator from Oklahoma, in which Senate amendment No. 61 to H. R. 9621, making appropriations for the Interior Department, is discussed.

APRIL 24, 1938.

Re Senate Amendment 61, Interior appropriation bill.

Hon. HATTON W. SUMNERS,
Chairman, Judiciary Committee,
House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: Senate amendment 61 to H. R. 9621 authorizes the Eastern and Western Cherokees to appeal to the Supreme Court in lieu of application for writ of certiorari, the writ having been denied the Cherokees.

JUSTIFICATION

Congress on April 25, 1932, authorized the Eastern and Western Cherokees for the first time to sue in their own behalf. They brought five suits, one of which was dismissed for lack of prosecution. Another suit (the Outlet case) is awaiting a hearing. Three cases have been heard by the Court of Claims and all three dismissed on the ground that they had previously been adjudicated. These cases were as follows:

A suit of the Eastern Cherokees, No. 42077, for the balance due them for the sale of the lands east of the Mississippi River, $1,989,000 being the sum due with unpaid interest from 1903. This case was dismissed on the ground that it had been previously adjudicated under the act of Congress of 1902, the Cherokee Allotment Act, while the claim arose because of the failure of the United States to make a just settlement under the decision of the suit then authorized. The cause of action arose after the failure of the United States to make a fair settlement under the decision of the Supreme Court (202 U. S. 101). The Cherokees could not have brought their action intelligently until the decision of the Supreme Court in this case. The Attorney General did not plead res judicata in his answer, but answered with a general traverse and brought up the plea of res judicata casually in the brief, giving the plaintiffs no opportunity to challenge the fact in the pleadings. The court in dismissing the petition on the ground of res judicata ignored and defied the decisions of the Supreme Court of the United States which require that the defendant must show the thing sued for to be identical; the cause of action to be identical; the parties to be identical. The thing sued for was not identical. The cause of action was not identical. The parties were not identical.

The Western Cherokees brought a like suit for per capita payment based upon a judgment of the Supreme Court in One Hundred and Forty-eight United States Reports, page 427 (1894). In like manner this suit, No. 42078, was dismissed on the theory that the Supreme Court had determined it although the suit brought was for an entirely different amount on an entirely different cause of action and in a case where the parties plaintiff were not identical. This suit involved $320,000 with interest from 1899. The third suit, No. 42081, the Freedmen case, was dismissed with the same disregard of the decisions of the Supreme Court on the question of res judicata.

When these three suits were dismissed in this manner, the Court refusing to hear them on their merits and refusing to find the facts, Senator ELMER THOMAS, Chairman of the Committee on Indian Affairs of the United States Senate, introduced Senate Joint Resolution 64 directing the Court to hear all the Cherokee cases, including those of the Cherokee Nation, on their merits. This resolution was passed unanimously by the Committee on Indian Affairs of the Senate with the approval of the Commissioner of Indian Affairs and with a report from the Secretary of the Interior that the two suits above referred to—42077, 42078—had never been presented to or adjudicated by any court. The Senate passed Senate Joint Resolution 64 without a dissenting voice. This resolution was favorably reported unanimously by the Indian Com-

mittee of the House and was defeated on February 10, 1938, in the House on the ground of a letter from the Attorney General that the cases had been heard and disposed of on res judicata; and on the further ground that Senate Joint Resolution 64 limited the charge of gratuities against the plaintiffs to amounts paid to them as a group per capita.

Senate Joint Resolution 64 was further objected to on the ground that it referred to nine cases brought by the Cherokee Nation under the Jurisdictional Act of March 19, 1924.

The Senate amendment 61 confines the appeals to the four suits above mentioned, does not involve the suits brought by the Cherokee Nation at all, and does not raise the question of gratuities.

The House of Representatives in the Jurisdictional Act of 1924 gave the right of appeal to the Supreme Court in all Cherokee cases. The cases relied on by the Government to justify res judicata (148 U. S. 427, 202 U. S. 101) both involved decisions by the United States Supreme Court.

The Senate amendment 61 merely permits the Eeastern and Western Cherokees to appeal to the Supreme Court of the United States on the bare question as to whether or not the previous decisions of the Supreme Court depended on by the Attorney General were res judicata.

Under these circumstances I appeal to you as chairman of the Judiciary Committee to support Senate amendment 61 and to give the Cherokees an opportunity to have the Supreme Court say whether their previous decisions comprised res judicata.

Yours respectfully,

ROBERT L. OWEN,
Attorney of Record.

Reduction of Pay-Roll Taxes Under Social Security Act

EXTENSION OF REMARKS
OF
HON. ARTHUR H. VANDENBERG
OF MICHIGAN
IN THE SENATE OF THE UNITED STATES
Monday, April 25 (legislative day of Wednesday, April 20), 1938

LETTER TO THE SOCIAL SECURITY BOARD

Mr. VANDENBERG. Mr. President, I ask unanimous consent to have printed in the RECORD a letter which I have today written to the Chairman of the Social Security Board regarding an early reduction in the pay-roll taxes under the Social Security Act.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 25, 1938.

Mr. ARTHUR J. ALTMEYER,
Chairman, Social Security Board,
Washington, D. C.

MY DEAR MR. ALTMEYER: If the pay-roll taxes—now 2 percent divided equally on 30,000,000 employees and their employers—could be reduced at the present time, it would clearly be a great and essential relief, not only to business but also to labor. These pay-roll taxes now constitute a major load on commerce. If the load may be safely lightened, without impairing the integrity of the pension system, the stimulation to suffering business will be profound. I do not need to reiterate my own view, which I have been urging for more than a year, that the load can be safely lightened, still leaving the pension system on a sound actuarial basis, if we frankly abandon the needless full-reserve system and proceed on a pay-as-you-go basis, with a contingent reserve only. I do not need to reiterate that I have produced the presidents of 70 of the leading life-insurance companies to sustain the propriety and wisdom of this change.

One year ago your Board, in cooperation with Congress, created an able, expert, nonpartisan advisory council to study this and other related problems connected with the Social Security Act. Six months ago the council proceeded to its task. It has not yet reported. I fully realize the size and perplexity of its assignment, and the importance of sound findings. I have declined thus far to join in any efforts to change the pay-roll taxes ahead of a report from this council, because I believe the full-reserve system must change before the taxes can change. The taxes, in my view, must depend upon the system.

Under these circumstances, and in the presence of the present economic emergency, I inquire whether we may not now hopefully ask for a preliminary report from the advisory council within the next few weeks as a basis for congressional action on pay-roll taxes before the present session adjourns. If it be authentically determined that the present pay-roll taxes can be safely reduced now, through a change in the reserve system, I believe Congress would greatly welcome a recommendation for the alternative system on a sound actuarial basis, and I am certain nothing would be more helpful as a powerful factor in the antidepression campaign in which we all are now engaged.

I shall appreciate a report indicating the status of the work of the advisory council and answering the request for an immediate report.

Cordially and faithfully,

ARTHUR H. VANDENBERG.

The General Welfare Act, H. R. 4199—Townsend National Recovery Program

EXTENSION OF REMARKS
OF
HON. MARTIN F. SMITH
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, April 25, 1938

ADDRESS OF HON. MARTIN F. SMITH, OF WASHINGTON, IN PUBLIC AUDITORIUM, CLEVELAND, OHIO, SUNDAY, APRIL 24, 1938

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the text of an address delivered by me at a rally sponsored by the Ohio headquarters of the Townsend National Recovery Plan, held in the public auditorium, Cleveland, Ohio, Sunday afternoon, April 24, 1938.

The address is as follows:

Chairman Newell, members of the Townsend clubs of Cleveland and Ohio, fellow citizens, and friends, I am happy to be in Cleveland again and to have the privilege of addressing this magnificent audience. I have very pleasant recollections of my visit here in 1936, when I had the pleasure and honor of acting as temporary chairman and delivering the keynote address before our great national convention, which was held in this auditorium, one of the largest public gatherings held in our country in recent times.

I have just come from Washington, D. C., the National Capital, and my message will have to do with the latest developments in the Congress of the United States in regard to the General Welfare Act, H. R. 4199, which embodies the principles of the Townsend national recovery plan. I am glad to speak in the home city of my colleagues, Congressman MARTIN L. SWEENEY and Congressman ANTHONY A. FLEGER, who are both staunch, loyal, steadfast champions of this progressive, meritorious legislation in the Halls of Congress.

DR. TOWNSEND'S MEETING WITH PRESIDENT ROOSEVELT

My friends, it is my privilege to extend to you cordial and fraternal greetings from the founder and leader of our great movement, Dr. Francis E. Townsend. I had a most enjoyable chat with Dr. Townsend Thursday afternoon, immediately following his conference and interview with President Franklin D. Roosevelt at the White House. Dr. Townsend called at the White House to thank President Roosevelt for granting him an unconditional pardon in his case arising out of the so-called Bell investigation, and he and the President had a very friendly discussion of the Townsend plan and matters pertaining to the welfare of the people of the United States. The doctor informed me that he had enjoyed his meeting with the President very much and felt confident that good would result from it in the future. Dr. Townsend requested me to extend his most cordial greetings to this gathering today and to urge you and the Townsendites and supporters of the General Welfare Act in Ohio to send a large delegation to this year's national convention to be held June 19–23 at Los Angeles. We are going to make the Los Angeles convention the most representative conclave ever held in America, comprising delegates representing every city, town, village, and hamlet in America, at least 100,000 strong, the reverberations and repercussions of which will be felt from one end of the United States to the other.

PROGRESS IN CONGRESS—151 CONGRESSMEN FAVOR HEARINGS

During the past year we have accomplished greater progress in support of the General Welfare Act than at any time during the 4 years in which it has been a national issue. In Congress we are concentrating our efforts on securing hearings for the General Welfare Act, H. R. 4199, before the Ways and Means Committee of the House of Representatives. We now have 151 Congressmen who have signed the petition to Chairman ROBERT L. DOUGHTON for such hearings, and this is by far the greatest numerical strength we have ever been able to marshal in Congress. It is unfortunate, and we deplore the fact, that there is any division in our ranks or disagreement in regard to the form and provisions of the General Welfare Act. This situation is seriously interfering with our

efforts to obtain hearings, as evidenced by the statement of Chairman DOUGHTON, made on the floor of the House of Representatives March 29, 1938, as follows, to wit: "The proponents of this legislation are divided. Some prefer one bill and some another; they do not agree among themselves." I pointed out the likelihood of this development to the conference which was held in Washington, D. C., January 17, 1938, when I said: "Here is one fact to bear in mind, that we have filed a petition with Chairman DOUGHTON, of the House Ways and Means Committee, which is the committee which has jurisdiction of this legislation, requesting hearings on the General Welfare Act, H. R. 4199. I have had every confidence that we would be granted hearings before that great committee. Isn't there a danger that when we * * * substitute different legislation we will have to start this fight all over again and petition or re-petition the Ways and Means Committee for hearings on this new bill? Or what assurance have we that the Ways and Means Committee is going to consider that these signatures already on file with the committee relate to the substitute bill?" It was my position then, it has always been my position, and it will continue to be my position that we should present a solid, united front in behalf of the General Welfare Act, H. R. 4199, which is favored by millions of our fellow citizens throughout the United States, and stress the importance—aye, the absolute necessity—of securing hearings before the Ways and Means Committee on that legislation, which will be the time to submit amendments as in the case of all other legislation coming before the committees of Congress for hearing and consideration.

I again urge you, and the members of the Townsend clubs in Ohio, the general welfare clubs, and all other old-age-pension groups to get behind the General Welfare Act, H. R. 4199, and continue our fight for hearings until that fight is won, as it will be, if not in the closing weeks of this Congress, then in the opening weeks of the next Congress which will convene in January 1939.

GOVERNMENT INVESTIGATIONS AND REPORTS FAVOR LEGISLATION

In the meantime, time is our ally, and many who have been indifferent, if not unfriendly to our proposal, are becoming interested and open-minded. Despite all the worthy, splendid efforts of President Roosevelt and the present national administration we have not solved the one, big problem of unemployment. It is still the fact, as President Roosevelt stated, that one-third of the people of America are ill-fed, ill-clad, and ill-housed.

In other words, there faces the Nation a dearth and total lack of buying and purchasing power on the part of 40,000,000 of our fellow citizens which is depriving us of one-third of the productive capacity of the farms and factories of America. This latter fact is corroborated and conclusively established by the recent official report of the National Survey of Potential Product Capacity prepared under the auspices of the Civil Works Administration by Harold Loeb and a corps of sixty-odd engineers, technicians, statisticians, economists, and experts specially trained and qualified for the task assigned to them.

This report and survey, financed by the Federal Government, discloses that if the present productive facilities of our country were fully utilized, sufficient could be produced to provide every family with goods and services equivalent to $4,370 per year, and that even in the halcyon year of 1929, we produced only two-thirds of our capacity and 42 percent of our population were at that time inadequately fed, clothed, and sheltered and did not enjoy "a decent or healthy standard of life." They established by a mass of figures, facts, and data that the national income in manufactured goods, foodstuffs, and services in 1929 of $94,000,000,000 could and, to properly meet the needs of the American people, should have been the sum of $135,000,000,000, or approximately $41,000,000,000 greater than it was. The conclusion reached in this Government report is that we are deliberately and purposely restricting production and the creation of wealth and income to the extent of one-third of the capacity of our farms, factories, mines, and forests and not providing the abundance of food, clothing, and housing which is available for all our people and deliberately keeping one-third of our lands and factories idle and nonproductive in order to secure an artificial scarcity to conform with the insufficient buying and purchasing power of our people. I quote from the final page (p. 161) of this most important document, of which we are going to hear much in the months to come: "This is the dilemma * * * as exposed by the study of the National Survey of Potential Product Capacity. It would seem that the simple and obvious way out, that of giving a buying power adequate to procure desired goods and services to the limit of our ability to produce them might well be tried. It is simple in principle but has not been attempted."

My friends, this is exactly and precisely what we propose to do under the General Welfare Act, H. R. 4199, the Townsend plan. We propose to invest approximately 8,000,000 United States citizens of the age of 60 or over—veterans of the battle of life and certainly the most deserving—with buying power to the extent of a maximum of $2,400 per annum at the rate of $200 per month (there has never been a guaranty of $200 per month—that has always been and still is the maximum), which they must expend for the necessaries of life within 30 days, or during the calendar month it is received, thus placing the money in immediate circulation by purchase of the products of the farms, factories, and mines of the Nation, which will amount to $19,200,000,000 of new buying and purchasing power per annum.

We propose to raise the required funds to finance this investment in new buying and purchasing power and thereby consume that much of our present unused productive capacity by means of a 2-percent transaction tax on the gross business turn-over of the United States.

On May 2, 1932, E. A. Goldenweiser, Director, Division of Research and Statistics, Federal Reserve Board, testified before the House Ways and Means Committee that in 1929 the total volume of all business transactions in this country amounted to $1,200,000,000,000, and that in the year 1931, because of a decrease in velocity (turn-over), the value dropped to $600,000,000,000 a year. His statement will be found on pages 700 and 701 of the hearings on the Social Security Act before the Ways and Means Committee, January 31–February 21, 1935. This testimony tends to corroborate the figures set forth in an authoritative work, Business Cycles and Business Measurements, By Carl Snyder, published in 1927, pages 144, 148, and 180, respectively, in which it is stated that at that time (when business was normal) the total of all business transactions in the United States amounted to $800,000,000,000 a year; that at that time the average turn-over for the entire country was from 25 to 30 times a year, and that that turn-over would be greatly increased during times of prosperity.

It is a reasonable assumption that with the improvement and increase in business which has taken place, generally estimated at 30 percent, the volume and amount of business transactions and gross business turn-over are now probably close to $800,000,000,000 a year. Upon the basis of the figures of Dr. Goldenweiser and Mr. Snyder, this sum taxed at the rate of 2 percent would yield a revenue of $16,000,000,000 per annum, or sufficient to pay 8,000,000 citizens the sum of $167.67 per month. Or we can take the figures of expert witnesses before the House Ways and Means Committee on February 12, 1935. Their estimate of the money that could be raised by a 2-percent turn-over or transactions tax is $336,000,000 for the first month, increasing 25 percent monthly until the eighth month, the income is estimated at $1,601,000,000, sufficient to pay the 8,000,000 citizens the full sum of $200 per month, which is the maximum annuity to be provided.

A transaction tax of 2 percent on every transaction, sale, barter, or exchange of an article or commodity in commerce, trade, business, agriculture, industry, and finance is the most equitable and just form of tax that could possibly be devised, and it would not work a hardship or injury upon anybody. It would amount to $2 on every $100, $20 on every $1,000, $2,000 on every $100,000, etc., and in the case of nearly all manufactured wares, goods, and merchandise would involve directly a tax load of only five times the single 2 percent, while passing first, through the hands of the producer of the raw material; second, the manufacturer of the raw material; third, the jobber-broker-commission man; fourth, the wholesaler; and fifth, the retailer.

It was estimated at the Social Security hearings (p. 1103) that the cost of living would rise by 10 to 12 percent, and even the group of University of Chicago professors who oppose the Townsend plan on other grounds recently stated, in the pamphlet issued by them, that "an examination of statistics for one or two representative industries (not included in this pamphlet for lack of space) confirms the reasonableness of the estimate that the rise would be on the order of 10 percent." However, if the increase in the price level proved greater, owing to the stimulation of business, trade, industry, and agriculture, which would result, it would be governed by the law of supply and demand, the same as in the past and at the present time. Prices would go up and wages go up in proportion. Hence, no damage or injury could be caused to the vendor of any commodity who would, in the very nature of things, be greatly benefited on account of the improved market and demand for everything that is produced on the farms and manufactured in the factories.

WHAT IS WRONG WITH A TRANSACTION (TURN-OVER) TAX?

A retail sales tax has been urged by big business and by many of the most conservative Members of the House and Senate for years as a sound and just form of taxation. Will someone point out why a tax imposed upon all business transactions would be any more unsound, unsafe, or unjust than a retail sales tax or manufacturers' excise tax, and wherein lies the difference which should cause us to adopt the one and reject the other?

I desire to quote from an address delivered by Sir John Aird, president of the Canadian Bank of Commerce, at the annual meeting of shareholders, held at Toronto, Canada, January 14, 1936, according to the text of his speech which I received from him:

"It is now quite generally agreed that continuous borrowing to cover deficits and to maintain social services on the present scale cannot go on indefinitely, and therefore that the most rigid public economy and higher taxation must be faced. Intensive study should be given to the problem of establishing a broader and more equitable basis of taxation. In this connection I again advocate a Nation-wide turn-over tax as more likely than any other new form of levy to meet the need for a balanced budget."

MORGENTHAU RECOMMENDS TURN-OVER TAX

Two years ago there appeared in the Washington, D. C., press the statement that Secretary of the Treasury Henry Morgenthau had submitted several alternative tax proposals to President Roosevelt, and among them a "1½-percent turn-over tax."

JAMES BRYCE—THE HAWAIIAN TAX SYSTEM

Many years ago when James Bryce was Ambassador from England in Washington he said: "The American form of government will go on and live long after most of the other forms of government have fallen or been changed, and the reason is this: In other nations of the world when a new problem comes up it must be tested in a national laboratory, and a solution of the problem

must be worked out, and when it is worked out that solution must be applied to the nation as a whole. Sometimes it may be the correct solution and other times it may be the wrong solution. But you in the United States have 48 laboratories and when new problems arise you can work out 48 different solutions to meet the problem. Out of these 48 experimental laboratories, some of the solutions may not prove sound or acceptable, but out of this experimentation history shows you have found at least some remedies which can be made so successful that they will become national in their application."

This thought-provoking statement by James Bryce, who wrote the monumental work, The American Commonwealth, still considered to be one of the finest treatises ever written on our Government, is absolutely correct. We have recent verification and corroboration of that fact in what has transpired in one of our territories, the Hawaiian Islands, in regard to their successful experiment in taxation.

I quote from an article by M. W. Jorz, financial editor of the Illustrated Daily News, Los Angeles, Calif., published December 24, 1937:

"The United States could wipe out its national debt and be money ahead within 5 years if the Federal Government would adopt the Hawaiian taxation system. * * * The islands have solved their tax problem by instituting a gross-income tax.

"Not only has it saved the Territory from bankruptcy but it has simplified the revenue collection to such an extent that the most ignorant oriental peddler in the street knows how to make out his tax return. * * * The gross-income tax went into effect July 1, 1935, with a levy of 1 percent on all incomes except salaries and wages. The Territorial government was $1,259,000 in debt, had slashed the pay of all teachers and Territorial employees 10 percent, and seemed hopelessly mired. It was estimated that the gross income tax would raise $5,108,000 in the first year of the new tax. No one believed it possible. At the end of the first year Territory coffers had taken in $6,116,000. * * * In Hawaii they have discovered the weakness in most forms of taxation to be the extreme technicalities and the tiny loopholes that soon grow big enough for trucks to be driven through. When they had an excise tax of 2 percent on profits, the orientals in Hawaii never made any profits. They could do hundreds of thousands of dollars of business and show that everything was sold at cost. Now they have changed all of that. Everybody is paying a just share of taxes. * * * they have restored the old pay scales for all the teachers and government employees and they have not had to borrow a penny. * * * The gross income tax is 12 times as effective as taxes collected once a year. Hawaii gets its revenue every month, and the money is turned over 12 times a year. * * * with only a tiny levy you can get revenue figures that read like a lesson in astronomy. * * * they have made their rate 1¼ percent now and have nothing whatever to worry about. The loophole is gone forever, and nobody seems to care. * * * if you would put a 1-percent gross income tax in the United States, you could forget all about those thirty-seven billions in debt and have money to spare within 5 years easily. * * * kick out sales taxes and take 1 percent on gross incomes and you would have three times as much cash."

TRANSACTIONS TAX—GROSS INCOME TAX

The General Welfare Act, H. R. 4199, provides for a 2-percent transactions or gross business turn-over tax, which is a broader tax base than a gross income tax, which comes the closest to a transactions tax of any form or type of taxation. The transactions tax will raise even more revenue. Instead of being used to defray the expenses of government, as in Hawaii, it will be prorated among the pensioners to the maximum amount of $200 per month to be expended within 30 days, and the surplus to be applied to the reduction of the national debt. It is a pay-as-you-go national recovery plan and far less costly than our present bond-debt-creating system with its appalling interest burden. It will solve the problems of old-age security, relief, business depression, unemployment, and our annual crime bill. Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation, has estimated the latter item to be $15,000,000,000 per year. We have expended for relief $12,000,000,000. The Brookings Institution has estimated our total loss in national income since 1929 to amount to over $200,000,000,000. Is it a sound investment to tax ourselves 2 cents on every transaction to meet these social, economic, and financial conditions? Not one cent of the money is to be borrowed by the issuance of tax-exempt interest-bearing bonds. Do you realize that the interest on the bonds we issued during the World War to finance the Allied powers and our own participation has already amounted to over $12,000,000,000? How much interest will we and our children and our children's children pay on the bonds issued during the depression since 1929 before they are finally paid? The total sum will run into astronomical figures. How long are we going to continue this fiasco and crime against the American people? How much longer are we going to delay the adoption of the tax formula of the General Welfare Act and the Townsend plan, which applies the velocity principal of money turn-over and provides a revolving fund, upon a pay-as-you-go basis, to create active, liquid, working capital, available currently every month in the year, to finance the potential productive capacity of our industrial and agricultural structure? The old-age assistance phase of the General Welfare Act is merely the means to the more important end sought. The pensions to the aged to be expended currently each month in the purchase of goods and services is merely the modus operandi by which the working capital is made available to the productive enterprise of the Nation. The General Welfare Act, H. R. 4199, is the only proposal pending before Congress which will meet the requirements of the price system, the profit motive, and credit capitalism.

RAPID PROGRESS HAS BEEN MADE

My friends, the Townsend movement has made more rapid progress in a shorter period of time than any similar economic and social-reform movement in the history of the United States. We have accomplished in 4 short years of time what it required 20, 30, 40, and 50 years to achieve in the case of the antislavery, income-tax law, direct election of United States Senators, liquor prohibition, prohibition repeal, woman suffrage, and other great historic movements in this country. We have aroused and stirred the entire Nation and made our people social-security minded to such a degree that the General Welfare Act, the Townsend plan and the grave problems with which it deals has become the general topic of discussion throughout all America and it is the issue of the hour.

MOVEMENT IS NONPARTISAN, NONPOLITICAL, NONSECTARIAN

In my address delivered before our great convention at Chicago in 1935, and reiterated at the Cleveland convention in 1936, I pointed out and stressed the fact that the Townsend movement was nonpartisan, nonpolitical, and nonsectarian, and as such was, and would prove to be, invincible, and that, therefore, its underlying and fundamental principles and precepts were certain of ultimate success. My declaration to that effect received warmer approval and more enthusiastic applause than any other statement made during the sessions. My friends, I desire at this time to repeat and reiterate that statement of fact with all the energy and all the earnestness and sincerity at my command.

TOWNSEND PLAN IS AN IDEA, AN IDEAL, A PROPHECY

The Townsend plan is an idea; it is an ideal; it is a prophecy which will be fulfilled. It is moral truth; it is ethical; it is religious; it is Christianity applied to the economics and affairs of government. It is not party politics, as that term is usually employed, and every true friend of the Townsend plan—and I believe I can rightfully claim to be such a friend—should resist to the utmost any and every effort, from whatsoever source it may emanate, to capitalize the Townsend plan for partisan party advantage, and prostitute it to the political ambitions of any man or group of men or make it the instrumentality of any third party, second party, or first party. The Townsend plan is bigger, it reaches down deeper and extends up higher than any or all political parties, old or new, in America today. The shores of American national politics are strewn with the wrecks of political parties.

WE HAVE ONLY ONE GOAL

The Townsend movement has one goal and one goal only. That one goal is to secure the enactment into law of the General Welfare Act, H. R. 4199, the Townsend plan. The shortest, most direct and absolutely certain road to the attainment of that one goal is the election of a Townsend Congress of the United States of America.

CONCLUSION

My friends, we must not fail. The moral and spiritual forces of the universe are on our side. We seek but to write into the statutes and supreme law of the land those eternal principles of right and justice which alone exalt a Nation. We are met on a Sabbath afternoon. Every church spire pointing heavenward and every church bell we hear ringing out upon the clear Sabbath morn proclaim our victory in this great, noble crusade for the men, women, and children of America.

The United States Ginning Laboratory

EXTENSION OF REMARKS

OF

HON. SAM HOBBS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1938

LETTER FROM ONE OF THE NATION'S OUTSTANDING FARMERS

Mr. HOBBS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter from one of the outstanding farmers of the Nation, a businessman of wide and successful experience, a sound thinker, who says what he means and means what he says:

McQUEEN SMITH FARMING CO., INC.,
Prattville, Ala., April 21, 1938.

Hon. SAM HOBBS,
House Office Building, Washington, D. C.

DEAR JUDGE HOBBS: It has come to our attention that the impression is out that the United States Ginning Laboratory, Leland,

Miss., is not doing a good work for the cotton farmer, but is merely of service to the gin manufacturer.

Several years ago we put in a cotton drier which was developed by the United States Ginning Laboratory. At that time we had the reputation among cotton buyers and the mills of ruining our 1 1/16-inch cotton with our ginning equipment. The third year after putting in this cotton drier we were told by some of the Montgomery cotton buyers that we had the best processed or ginned cotton that came into the Montgomery market.

Being producers as well as ginners of cotton, we were naturally interested in having our cotton bring the best market prices. We found that it had to be properly processed before it would do so. We feel that the drier alone has added about $3 per bale to the value of our cotton crops.

Upon the advice of the United States Ginning Laboratory we installed the straight-tooth cylinder last year, and found that we could gin 20-percent more cotton per day than we could with the old curved-tooth saw which we were using.

It seems that these improvements have not come through the gin manufacturer, but that they have been developed entirely by the United States Ginning Laboratory.

There is no doubt but that the work done by this laboratory is worth millions of dollars per year to the cotton growers, where their improved machinery is put into operation.

Yours sincerely,

WM. HOWARD SMITH, *President.*

H. R. 4199 (the General Welfare Act) Should Be Reported Out by the Ways and Means Committee Immediately—Strangulation by the Committee Is a Means of Dodging the Issue

EXTENSION OF REMARKS

OF

HON. HENRY G. TEIGAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1938

Mr. TEIGAN. Mr. Speaker, the General Welfare Act, H. R. 4199, is still in the Ways and Means Committee. Nothing has been done as yet by the committee to bring it out for a vote.

It is unnecessary for me to say anything about the merits of this bill. With tens of thousands of our aged folks without any financial means whatever, it is obvious to every thinking man and woman in Congress that some real legislation must be enacted to relieve them of distress and want.

OLD FOLKS DESERVE BETTER TREATMENT

In saying this, I do not contend that legislation heretofore enacted by Congress is without merit. Nevertheless, it does not provide for those of our old people in a manner that is just to them. They are entitled to better treatment. Then, too, H. R. 4199 should be enacted into law as it will prove a great stimulus to industrial activity and to the general improvement in conditions throughout the country. The old folks would not, if they could, keep the money paid them as pensions, out of circulation. Moreover, the bill specifically provides that the money must be spent. Thus every cent of the money paid by the Government in the way of old-age pensions under the General Welfare Act will go into general circulation and will stimulate trade and industry.

FRAZIER-LEMKE BILL IMPORTANT

There are several important measures being strangled in committee at the present time. One of the most important of these is the so-called Frazier-Lemke farmers' refinance act, which was defeated in the House 2 years ago.

This bill was brought out on the floor of the House at that time through the petition method, 218 Members of the House having signed such petition. The pressure from the reactionary interests of the country, however, was so great that many of those who signed the petition became frightened and voted against the bill.

The Frazier-Lemke bill, just as H. R. 4199, would have the effect of putting money in the pockets of those who are today without adequate purchasing power. Any measure that will aid the lower-income classes, and especially those without any income whatever, to increase their buying power will improve the economic conditions of the country in general.

LET US SHOW OUR COLORS

As a Member of Congress, elected by the Farmer-Labor Party of Minnesota, I do not hesitate for one moment to join with other progressives in Congress to demand that the Ways and Means Committee report out H. R. 4199 immediately in order that the House may have a vote on the bill.

Let us show the people of the United States whether we are for giving adequate aid to our old folks. I am happy to say that my constituents are overwhelmingly in favor of this measure, or of any measure that will give help to those who are in want and will at the same time improve the economic situation in America.

The P. W. A. Program

EXTENSION OF REMARKS

OF

HON. ALFRED F. BEITER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1938

Mr. BEITER. Mr. Speaker, under permission to extend my remarks I include herein a list of the number of public-works projects pending in the Public Works Administration by individual States for which no allotments have been made as of April 12, 1938, and which have all been approved and recommended on the 45-percent grant basis. These projects cannot be put into operation until Congress appropriates the necessary funds, and the matter is now being heard before the Appropriations Committee.

P. W. A.'s significance from a practical standpoint is well known. It meets the needs of those people who are not relief recipients and are just as much in need of employment as those who are on the relief rolls. It creates activity in the heavy-goods industries and provides employment not only at the site but in the fabrication of materials going into construction projects.

The investigation and checking of the projects listed herein has been accomplished long ago; thus there will be no unnecessary delay in getting them started. Definite benefits can be expected promptly from this program. Schools, hospitals, sanitation plants, bridges, and so forth, are included in the list. It is hoped that Congress will approve any recommendations for appropriations to carry out this program and make possible the immediate operation of these projects.

Summary of list (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-per-cent-grant basis

State	Number of projects	Loan	Grant	Total	Estimated cost
Alabama	39	$2,033,500	$2,537,109	$4,570,609	$5,647,976
Arizona	43	1,463,500	2,958,885	4,362,385	6,578,530
Arkansas	21	1,208,000	1,075,885	2,283,885	2,391,628
California	141	1,783,000	39,916,419	41,699,419	114,345,293
Colorado	25	23,000	2,264,364	2,287,364	5,031,919
Connecticut	36		9,798,989	9,798,989	21,775,425
Delaware	3		194,363	194,363	431,918
Florida	51	6,355,000	9,881,734	16,236,734	21,965,561
Georgia	67	297,300	3,017,430	3,314,730	6,705,359
Idaho	21	236,000	1,104,743	1,340,743	2,410,243
Illinois	144	27,676,600	48,560,299	76,176,299	107,777,501
Indiana	88	1,866,000	9,212,310	11,078,310	20,475,123
Iowa	84	270,000	3,502,943	3,772,943	7,844,321
Kansas	63	476,000	4,112,973	4,588,973	9,141,742
Kentucky	54	230,000	4,787,719	5,037,719	10,639,280
Louisiana	44	144,000	29,537,476	29,681,476	65,640,046
Maine	17	37,000	1,048,693	1,085,693	2,330,433
Maryland	21		3,633,594	3,633,594	8,074,474
Massachusetts	39		8,261,944	8,261,944	18,491,816
Michigan	86	11,714,000	14,985,551	26,699,551	33,302,612
Minnesota	86	61,000	10,167,739	10,228,739	22,596,260
Mississippi	39	3,096,900	3,373,030	6,469,930	7,497,285

Summary of list (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-per-cent-grant basis—Continued

State	Number of projects	Loan	Grant	Total	Estimated cost
Missouri	71	$397,000	$6,566,153	$6,963,153	$14,591,907
Montana	29	1,460,000	2,077,925	3,537,925	4,617,613
Nebraska	36	5,227,000	8,555,041	13,782,041	19,014,276
Nevada	9	48,500	357,402	405,902	805,286
New Hampshire	19		5,323,270	5,323,270	11,824,038
New Jersey	70	5,863,000	17,998,754	23,861,754	40,150,744
New Mexico	7	2,101,000	3,137,499	5,238,499	6,971,152
New York	154	21,378,000	63,954,934	85,332,934	146,815,741
North Carolina	72	1,490,500	4,503,167	5,993,667	10,009,043
North Dakota	15		410,094	410,094	911,320
Ohio	113	870,500	14,074,529	14,945,029	31,327,294
Oklahoma	38	627,000	2,781,579	3,308,579	6,183,219
Oregon	42	226,000	1,658,998	1,884,998	3,690,168
Pennsylvania	97	299,000	21,819,156	22,118,156	48,602,235
Rhode Island	11		2,380,880	2,380,880	5,200,844
South Carolina	52	1,090,500	3,705,510	4,796,010	8,286,158
South Dakota	26	554,300	628,730	1,183,030	1,396,203
Tennessee	60	837,000	4,110,189	4,947,189	9,133,769
Texas	258	15,284,500	27,809,135	43,063,635	61,902,163
Utah	48	223,000	1,945,961	2,168,961	4,324,366
Vermont	23		779,737	779,737	1,734,030
Virginia	91	697,000	5,995,739	6,692,739	13,324,200
Washington	77	97,000	8,413,886	8,510,886	18,698,116
West Virginia	22	1,096,000	2,373,458	3,469,458	5,274,350
Wisconsin	87	8,592,000	13,344,366	21,936,366	29,665,628
Wyoming	3		211,171	211,171	469,271
District of Columbia	3	1,960,000	840,000	2,800,000	2,800,000
Alaska	11	35,000	401,536	436,536	892,302
Hawaii	13	399,000	1,087,692	1,486,692	2,423,459
Puerto Rico	16	2,865,000	1,427,319	4,292,319	4,422,319
Total	2,785	132,518,000	442,548,002	575,066,002	1,016,686,130

The Place of Puerto Rico in United States Defense and Economics

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1938

RADIO ADDRESS OF HON. SANTIAGO IGLESIAS, WASHINGTON, D. C., APRIL 23, 1938

Mr. IGLESIAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a radio address I delivered Saturday evening over the Columbia Broadcasting System, Station WJSV, Washington, on the subject, The Place of Puerto Rico in United States Defense and Economics.

Dear friends, the landing of Gen. Nelson A. Miles' United States Army troops in Puerto Rico July 25, 1898, was a happy event for the people of the island. The people hailed the coming of the American Army and the termination forever of the reactionary, monarchic domination. The people at large felt that they were to be free and prosperous under the new republic regime of the United States about to be inaugurated.

Some 40 years of wonderful progress in government, civil liberties, social legislation, culture, sanitation, agriculture, and industry has been accomplished. Selfish and invisible forces of the island and the mainland have tried to minimize our progress with sinister propaganda, but have failed. Life on the beautiful island of Puerto Rico is directed to creating the best spirit of love and loyalty toward our democratic form of government.

Puerto Rico is an organized Territory of the United States, founded on a democratic constitution formulated by the Congress of the United States. Civil liberties have prevailed. The people of the island are loyal to the Nation and will be ready to defend the Nation against any aggression, such as in 1916 at the time of the World War, when over 14,000 of our boys were ready to fight against the enemies of the United States. The legislature of the island is elected by the people and entrusted to maintain our loyalty and preserve our American institutions.

As soon as the island became a part of the United States in 1898, and particularly since the Puerto Rican people became citizens of the United States, unprecedented progress has been made along almost every conceivable line. To believe that statement one must have lived in Puerto Rico in the old days. Humble as their circumstances may seem today, the people in general, especially the working classes, are now immeasurably better off in every way.

True, wages for agricultural laborers and women are relatively low, but they are higher than those prevailing in many of the major countries in the Caribbean area and in Central America. In short, we have made many advances that we rightly may be proud of.

When Puerto Rico first became a part of the United States in 1898 there was only one building on the island which had been built to serve as a superior government school. Today there are more than 2,000 school buildings, many of them made of concrete and fine enough to do credit to any rural community in the States. In 1898 fewer than 23,000 children were in school; the total budget for education was only $130,000 and the investment in school property was very little. At present, however, we have more than $12,000,000 invested in school buildings and equipment, more than 265,000 children attending school, with about 6,000 teachers taking care of the schools. The insular and municipal governments spend in excess of $6,000,000 annually on public education.

Present-day expenditures for schools exceed the insular government's total expenditures back in 1898. Then the government spent only about $3,500,000 for all purposes, and much of that sum went for the upkeep of the army and the church. Speaking in general terms, we have expanded our educational program about tenfold in the 40 years, and the quality of the instruction has kept pace with the growth in facilities and enrollments.

Puerto Rico is the largest single buyer of American grown rice and other farm products, buying 10 times as much as all foreign countries together. The island is the sixth best customer of the States for all goods combined, spending $86,350,000 last year for goods produced or manufactured here.

The year 1937 has been a very progressive one for Puerto Rico considering the many beneficial laws passed by Congress—such as road construction, agricultural rehabilitation, housing, rivers and harbors improvements, and many other Federal laws which have been extended to Puerto Rico for the benefit of the masses of the people.

Puerto Rico claims itself pledged to comply with all national duties and obligations inherent in those benefits by paying a corresponding share to match all appropriations under the laws. President Roosevelt's administration and Congress have been very generous to the needs of the island, especially to the unemployed and poor, and we are going to do our best to make the year 1938 a happy and prosperous one for all the people.

The beautiful island of Puerto Rico is situated in the Caribbean Sea at one of the cross roads of world commerce, 1,380 miles southeast of New York and 1,010 miles from the Panama Canal. Puerto Rico is a part of the United States since 1898. We were made citizens of the United States by an act of Congress in 1917. The entire people of the island, and especially the workingmen, could never have had the freedom and the respect and consideration of citizenship they now enjoy without our form of democratic government. The influence of the people of the United States in Puerto Rico has been, and will continue to be, a tremendous help to all of us in the island and to the Nation, and they have hopes that our form of government will be further liberalized at a near future.

As I pointed out, Puerto Rico is the best customer of the continental United States south of the Rio Grande. We buy more American goods from American manufacturers than any Latin American country—more than Mexico or Cuba. In world trade with the United States we hold sixth place as a purchaser from the mainland. Puerto Rico's total commerce, imports and exports, is around $200,000,000 per annum. Taking purchases alone, the island's purchases from the United States' mainland ran in the calendar year 1936 to $86,352,000. Puerto Rico buys about 92 percent of all its purchases from the United States. In fact, our island had over $2,000,000,000 of commerce with the United States since 1901.

The majority of the people of Puerto Rico, as represented by the insular legislature, have the greatest confidence in the manifest fairness of the people of the United States, and we have every hope that governmental progress and social justice will continue with the cooperation and helpfulness of the Nation.

Hon. Blanton Winship, actual Governor of Puerto Rico during his stay in the island, has conducted himself as an honest and equitable ruler, showing in high relief his devotion to duty, to law, and a high spirit of justice.

Puerto Rico, with 1,800,000 inhabitants, on the whole, is law-abiding and peaceful. The misleading picture so often placed before the public is the statement that Puerto Rico is a burden to the United States; that the Federal Government has poured millions of dollars into the island. Now, let us look at the facts: The United States has been generous with our island, especially during the last few years, but there is another relative matter. Actually, Government figures show that during the last 4 years Puerto Rico has had less Government assistance per capita than any of the 48 States, and that it has not participated at all in several of the most important relief funds. Indeed, some of the States have had four and five times as much financial assistance from the Government as Puerto Rico has received, on a per capita basis.

The masses of the people, the producers, the men who work, the women, and the children in generations to come, want to be sure that these institutions of freedom we have shall remain with us, so that we may build up a better condition and a better, happier life.

Booth Tarkington's Views on Proposed Fine Arts Bureau

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 19, 1938

LETTER FROM FAMOUS AUTHOR

Mr. LUDLOW. Mr. Speaker, should the Federal Government establish a permanent new bureau—a Federal fine-arts bureau—that would subsidize those in the fields of painting, writing, music, sculpture, and the theater?

Booth Tarkington, famous author and constituent of mine, answers "no."

In a letter addressed to a coauthor of the Pepper-Coffee bill, which has this objective, Mr. Tarkington presents his views most interestingly, as follows:

My only action in objecting to your bill has been writing to yourself and to four or five other Members of the House.

First. Constructive criticism is difficult for a man to produce if his idea be purely destructive; but I'd like to explain why mine is such an idea.

If I were most heartily in sympathy with your objectives I should lament to see them attained at this time, and my lament would be based upon the pure common-sense ground that the national debt is already dangerous to the safety of the Republic. And upon this point I should refer you to Senator BYRD's article in the April number of the Atlantic Monthly.

There are highly desirable things that people can sometimes afford and sometimes can't; but upon the desirability at any time of the realization of your project, the difference between your view and mine appears to be fundamental.

POLITICS IS DANGER

There is no definition of art that defines it. You cannot define it any more than you can define life itself; but if you spend a long lifetime, as I have spent mine, in seeking to understand something of its nature you will at least be sure of one thing—that art and politics do not mix, and you cannot put art under political government without putting it into politics. Somebody's cousin gets to do the murals in the courthouse.

I believe in the creed that the nation that has the least possible amount of government is the happiest and most progressive and in the end becomes the most civilized. I believe this because of my observation and experience and because of long studies of the histories of peoples.

We need only such laws and such enforcers of laws as enable us to get along fairly with one another and to protect ourselves against foreign aggression, and, in addition to these, a few bureaus of experts to advise us upon certain technical matters, principally agricultural. Natural law and the ascending spiral of evolution and the upward-moving spirit of man will do the rest.

Specifically, speaking to the direct object of your bill, I feel that it would increase human suffering and decrease desirable human productivity.

The fundamental of my explanation is that in all fields of art the aspirant who wishes to become a practitioner mistakes, ninety-nine times out of one hundred, his wish for talent. I've been somewhat known as a novelist, playwright, and writer of short stories and essays since the year 1897, and during that time I have received more letters than I can now compute—they run into thousands—from people of all ages who have wished to become professional writers. By the evidence of these very letters themselves, and also, of course, of the many, many manuscripts which have come with them, about three have indicated qualities and attainments, or even the prospect of attainments, such as to entitle the writers to have any warrantable hope of successfully—or even of unsuccessfully—writing anything of the slightest importance.

WANTED TO BE PAINTER

I mention my own failure in a chosen field of art. I didn't wish to become a writer. Throughout my youth I hoped to become a painter and, when I found I couldn't manage brush and pigments, I decided upon illustration. I studied hard, I worked long, I loved the work, and the members of my family and some of my friends were convinced of my genius. I abhorred the thought of doing anything except making drawings and those that I made seemed excellent to me, but the periodicals to which I sent them didn't take the view of them that I did. Of course, if there'd been a Government department for which I could have made drawings, I could very probably have got an appointment, as we'd had a United States Senator in the family and even a President of the United States was a friend and neighbor, but the measure you propose was not effective then and I was whipped into becoming a writer.

An intelligent and reputable art dealer of New York recently told me there were about 11,000 people trying to live by painting and sculpture in the city of New York. There should be probably 100.

There were about 2,000 painters, called artists, in Great Britain in the latter part of the eighteenth century. Of these only Gainsborough, Reynolds, Raeburn, the young Lawrence, Romney, Lemuel Francis Abbott, the young Turner, and the young Constable, Hoppner, Opie, and five or six others left anything but bad art such as, I believe, your bill, if it becomes law, would spread freely over our country.

MADE HIS OWN LIVING

Please observe that just above I admit that if afforded such an opportunity I would myself have contributed to it, and the point of this bit of autobiography is that at least I've made a living by writing instead of being supported by taxpayers while I did worthless drawings. If the taxes I am supposing used to support me had not been imposed they would have gone privately into the employment of labor. Somebody'd been out of a job because I was realizing my mistaken ambition. The wealth of the Nation would have been reduced by just that much.

I've observed, as well as I could, the workings of the Federal theater project in Indianapolis. The gentleman principally in charge of the project is an old and enthusiastic friend of mine, and, when I heard that about 75 people were to be employed, I asked him what professional actors, residents of Indiana, were to form the company. His reply was that there were six stagehands out of work in Indianapolis and that there was a stagehands' union.

To the best of my knowledge not a single actor who had previously subsisted by acting was employed, and upon this point I hope that you're familiar with Mr. Fiske's statement in the Saturday Evening Post. (His life has been spent in close connection with the stage as manager and editor of the Dramatic Mirror and, of course, also as the husband of the finest actress America has produced, Minnie Maddern Fiske). He stated that not in the whole operation of the project had any professional actors of previously known experience and attainment obtained any relief from this benevolently intended relief project, though many were in need of it. I'm pretty widely acquainted, myself, with the personnel of the American theater as it was previous to the depression and his statement appeared to me to be well founded. To the best of my knowledge the same thing could be said of writers and pretty generally of painters and sculptors. Of the musicians and architects I'm not competent to speak.

REACHES CONCLUSION

My conclusion, based upon these facts—they appear to be facts—and upon all the information that I can obtain, is that the Federal art projects in general employed principally people who had not previously shown competence as artists, people who mistook their own desire for talent.

Now I spoke not only of the economic loss to the Nation caused by such projects but of an increase in human suffering, and, if you can still bear with me, I'll explain.

The person who yearns to be a painter, sculptor, writer, or actor and is unfitted to be one is seriously damaged if you officially and artificially encourage him to believe himself one for a time and then throw him out. (You've got to throw him out eventually or else continuously support a useless encumbrance.) When he's thus inevitably thrown out he's pretty thoroughly destroyed as a useful member of society. He believes he's been an actor, for instance, and the thought of being anything else is intolerable. Probably you've damaged him permanently, so that he spends the rest of his life living on friends and haunting theatrical agencies with hell in his heart.

My old friend, mentioned above, last week showed me a photostatic copy of a departmental letter from Washington declaring the Federal theater project here to be a failure and the episode closed. Perhaps some of the young people who were so luckless as to be employed in it have stamina enough to begin to try to fit themselves for other occupations; I certainly hope so, and I'm pretty sorry for the rest of them.

GENIUS NEVER STULTIFIED

Secondly, in regard to my sympathy with your objective:

I've already expressed myself in regard to the creation of art, but I will add to that the statement of a conviction obtained from the histories of art: Lack of opportunity has never stultified the creative achievement of any sturdy genius but, on the contrary, has, almost without exception, enhanced it. To this I should append the further statement that schools in all the arts are easily available to anybody in this country, and that already too many people are occupying themselves at work in them.

Now, in regard to the appreciation of art, I find in your Declaration of Policy, section 1, a number of what seem to me obviously misled statements: "During the entire history of our Nation * * * the arts were the jealously guarded possessions of the few."

NOBODY "OWNS" ART

I believe you could be better informed in regard to these matters. To begin with, nobody can "possess" art—not even Lorenzo de Medici, not even Louis XIV, not even Napoleon, not even Mr.

Mellon. All of the works of art that for a short time were in the custody of these gentlemen are now public property. You may mistakenly think that you own a fine picture, for instance, but at the best you can only enjoy its society for a little while. If it is fine enough, it inevitably goes into a museum for the enjoyment of the general public. All eminent collections end this way, and that's one reason why collectors are valuable.

Works of art are not and were not confined to "privately incorporated museums"; they were and are lent to public exhibitions all over the country. Museums are privately incorporated for the sake of art and to protect it from politics.

These museums are not "difficult to visit." On the contrary, they spend their best efforts in the struggle to be more visited.

ENJOYMENT OPEN TO ALL

In regard to "prices prohibitive" in order to hear great music, our symphony orchestras are maintained by generous people who sacrifice substantial percentages of their incomes in order to do so and they make the prices of seats as low as they possibly can—that is, as low as they can without giving up the orchestras. People who cannot afford these prices may enjoy the music gratis and at any distance. I use this free method, myself, and therefore I'm not sympathetic with music lovers who complain that selfish rich audiences in the great cities get all the cake. If you haven't got a phonograph or a radio yourself, your neighbor has. And I think I must be frank enough to say that after listening to various Federal project orchestras I still prefer Mr. Toscanini's, Mr. Stokowski's, and Mr. Sevitzky's.

The American theater, as it used to be, has been more and more depleted in its field of operation by an economic cause from which it can never complete its recovery—the competition of the movies. Since that competition became severe and almost destructive, only the very greatest theatrical successes can tour the country; but, as there still exists a love of unscreened acting, civic theaters and amateur groups pretty much everywhere are providing a natural opportunity for both the people who wish to act and those who like to see them do it.

Here I release your attention if I have succeeded in holding it so far, which I very strongly doubt. I am sure your purpose is both patriotic and philanthropic and I must trust you to believe that my own is not dissimilar. You will think me a cranky old fellow, and I will feel that you're an ardent young one anxious to mold the natural order of things into forms of your own conceiving. I have sent a copy of this response to the Representative from my own district, Mr. LUDLOW, as I am one of his constituents.

Very sincerely yours,

BOOTH TARKINGTON.

Destitution in the District

EXTENSION OF REMARKS
OF
HON. H. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, April 25, 1938

Mr. VOORHIS. Mr. Speaker, during the debate on the appropriation bill for the District of Columbia a number of Members of the House who had made a close study of the real situation state that they believed the amount appropriated for relief was utterly inadequate. I said so, and I am more convinced now than ever that we were right.

A recent issue of the Washington News—April 15—carried the following very significant and tragic article:

In the first 3 months of this year 5,411 relief applications were filed with the Public Assistance Division and between 80 and 90 percent were rejected, "most of them because of inadequate funds," the P. A. D. reported today.

Many were homeless, without food, or needed clothing in order to send children to school, said the report. The three members of one family—man, wife, and child of 6—all sleep on a single cot in the kitchen of a sister's already crowded home. The man pawned his clothing the day before he applied for relief. He sold his knives and forks for food. He has been unemployed for several weeks, unable to find any kind of job.

INVESTIGATION COMING—CANNOT BEGIN TOO SOON

An investigation of the relief situation in the District has been authorized to begin August 1. The trouble with that is that Congress will have adjourned and can do nothing to correct its recent mistake after the investigation has brought out the fact. But from the point of view of the future the investigation is all to the good, for perhaps it may bring out facts in sufficiently dramatic and authoritative form to impress the Members of Congress.

THE BOARD OF PUBLIC WELFARE'S RECOMMENDATIONS—AND WHAT THEY GOT

The Board of Public Welfare recommended an appropriation—out of District tax funds, not out of the National Treasury—of $2,022,000 for the care of unemployable people in the District this year. Congress gave them $900,000. The Board asked $1,225,000 for the care of employable people unable to get W. P. A. employment—Congress gave them—out of their own money—exactly nothing for this item. These figures tell their own story. The Board of Public Welfare is composed of honorable people. To have departed so very far from their recommendations seems to me to have been indefensible.

LEAGUE OF WOMEN VOTERS STUDY

A committee of the League of Women Voters, representing at least one segment of the taxpayers of the District, in early 1938 made a careful study of the relief needs in the District. Among other things this study revealed the following facts:

First. Seventy-eight percent of those now in need of relief in the District have been residents of the District for more than 5 years.

Second. There were 29,000 active registrations for employment at the District employment center at the time of the study—and no jobs, on W. P. A. or elsewhere, available to them. Today this figure has risen to approximately 40,000.

Third. Approximately one-fourth of those applying for relief in the District today are new applicants who have never asked for relief before.

THIS PROBLEM CANNOT BE FORGOTTEN

This is too important a matter to be allowed to drop. The question is now and the question will be when Congress adjourns, and the question will be when the new Congress assembles in next January: Are we going to allow the National Capital to become a city of destitution and beggary, or are we going to allow an adequate appropriation out of the District's own money for the relief needs of that same District of Columbia?

Work Relief as Against Direct Relief

EXTENSION OF REMARKS
OF
HON. HERMAN P. EBERHARTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, April 25, 1938

RADIO ADDRESS BY HON. HERMAN P. EBERHARTER, APRIL 17, 1938

Mr. EBERHARTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio speech made by me over radio station WJAS April 17, 1938:

Today I should like to talk to you about the events of the day in the spirit of the day. It will be my intention in this discussion to attempt to evaluate the recent great national proposals in the light of their spiritual outlook and their philosophy, but in economic terms.

On Thursday the President of the United States spoke to the Congress—and later to the Nation—about the assault against the recession which he has mapped out. In his talk to the Nation he elaborated on his plan to inaugurate a new fight against unemployment and want, in the form of Government expenditures for priming the pump of business and industry. He outlined a program which, besides doing that, would gird our economic set-up by making credit to business more readily obtainable.

As I have said before on the radio, I need no one to tell me how serious the decline in industrial production and employment has become. The great mills and factories of our fabulous industrial Pittsburgh are located in the district which I represent in Congress, and my mail and my conversations with the people who live there show me vividly just how bad the situation is.

Last December 12 I took to the radio to advocate immediate action. I wanted action then by Congress. And at that time a series of important industrial and economic conventions were

being held. Out of these came proposals for private industry to tackle the problem in an organized way; that is, the problem of unemployment. I was impressed at the time by proposals of a number of our greatest tycoons of industry and finance. The plan of Mr. Du Pont I particularly studied and scrutinized, and I still think it not only had merit but is adaptable as private industry's contribution to the fight for an upward spiral in industry. In other words, I think that while the Federal Government and localities are increasing expenditures to put men back to work and to help industry and business, private industry can at the same time launch its program. The effectiveness of a dual program will be twice as potent. Private industry can put its production and plans in such shape as to avert the suddenness and magnitude of lay-offs such as we have experienced in the past. Other adjustments can be made in the industrial and business operation of our large corporations which will have the effect of averting the suffering and heartaches which our workers have been subjected to in the past when decline sets in.

I commend to businessmen, industrialists, and financiers their attention to this problem.

I am sure you are somewhat familiar with the President's new program. It provides, among other things, for the expenditure of $1,250,000,000, through the Works Progress Administration, for work relief, commencing July 1. You are all aware of the great good his original program did from 1933 to 1937, and how the income of our citizens rose from 40 to 68 billion dollars in that time. Business and employment improved to a point where prosperity was again in sight. You may have heard my previous radio discussions of how too rapid an increase in prices threw our economic machine out of joint, in the latter months of 1937. Prices reached heights which could not be reached by prevailing incomes, especially in the capital-goods industries, and stagnation and overproduction resulted. This is another pitfall which both the Government and business should strive to avoid in our new assault on the depression. Already the Federal Trade Commission is directing its attention to certain industries with respect to prices, but industry should look into the problems itself, if possible, and take steps to correct abuses of the past.

The greatest part of the money to be spent under the President's new program is to go for work relief. The President calls this "ammunition of the highest grade for attack on recession."

This means that there will be an increase in the number of men and women employed by the Works Progress Administration. This agency will also be required to take care of the additional number of persons who up to now have been receiving unemployment-compensation payments.

I take it for granted that nobody in the United States wants to let the unemployed starve. Something must be done for them—everybody is agreed on that. But it is sometimes said that our present method is too expensive. Of course, in this I am not referring to biased charges against the Works Progress Administration. Nobody has claimed that its operations since its inception have been perfect. No new agency of government, of business, or anything else as vast as the Government's work-relief program, ever attained perfection or high efficiency in a short time.

However, it is said in some quarters that it costs too much money to provide work for the unemployed and that we ought to abolish the Federal work program. Do not forget that work relief was originally inaugurated as a substitute for the dole, which had drawn heavy fire from the same critics, because it was said to foster laziness and irresponsibility. I guess few will doubt the truth of that.

At present a distinction is made between two great groups of needy people. Some are unable to work because they are too old, or sick, or because they are mothers with young children dependent on their care at home. We have begun to provide for this large group of unemployed people by old-age pensions, mothers' assistance, and other regular social subsidies, but they are still largely taken care of by direct relief—by a dole supplied by States and localities.

The other great group of needy people consists of men and women who are able and willing to work. If they are not to be left to starve, how are they to be taken care of? There are only two ways. Either they must be provided with work and wages or else they must be fed and clothed in idleness.

There is no other method, so we come to a choice between a work program and direct relief.

We are familiar with the numerous roads, schools, public buildings, and sewers with which work relief has dotted the horizon of the country in the last 5 years. In the first place, whatever is expended on direct relief or a dole, whether much or little, would produce no schoolhouses, no sewers, no roads, no parks, no community benefits whatever. It would continue to be spent year after year, and bring back no returns. It would be paid out simply to keep workers rusting in idleness.

Some say it is cheaper to keep workers in idleness than to provide them with useful work for wages. This argument completely ignores what the workers give back to our communities in return for their wages. We cannot shut our eyes to the new work-relief schoolhouses, roads, sewers, and parks—we cannot pretend that these do not count.

Here is the truth. The wages paid to those on work relief are just enough to provide food and the medical attention necessary to maintain a family in a bare minimum of health. Cut a little below the work-relief figure, which is already very low, and you doom that family to the diseases of malnutrition. That is not what we want to do to the American family.

If we wish to keep these workers and their families not merely just alive, on a dole, but at a bare minimum of health, then direct relief payments should be nearly as large as present work-relief wages. How much then could we actually save by keeping them in idleness? We would save the money we now spend on materials—which indirectly creates much other employment—and the money we spend on the other nonlabor costs of the work program. But we would lose all the lasting benefits which our communities get from relief-work projects.

In the last 2 years, to mention just a few items, the work relief has built 11,000 public buildings and repaired 30,000 more. It has constructed 44,000 miles of highways, roads, and streets, and has made repairs covering 147,000 more miles. It has built 19,000 new bridges and repaired 13,000 more. It has laid 5,700 miles of sewers. Without the relief work we should not have had these and many other public improvements. The direct relief or dole system would have cost us billions of dollars, and have given our communities nothing whatever in return.

To take care of the unemployed we must make a choice between a work-relief and a dole system. The critics of the work program do not come out openly and recommend the dole system. They talk wisely and mysteriously and evasively about "a less expensive method." What less expensive method aside from the dole?

Sometimes they say we should "turn relief over to States and localities and let them handle it in their own way." The direct relief of unemployables has already been turned over to States and localities, and they are finding it a serious burden.

States and local communities are simply unable to assume additional burdens, and to attempt to force them to do so would in the end mean that the task of providing work for those able to work would be left undone. Our States do not want the dole system.

When critics talk profoundly about handling unemployment more cheaply they are talking about the dole system—the same dole system which the good sense and humanity of the American people decisively rejected, and which they will always reject whenever and wherever it is proposed. The real American does not want merely a hand-out; he wants work; and he wants to be paid for the work he does. No; it is not cheap to keep the workers of America in idleness while our communities go without the public improvements they need. The truth is that there is no less expensive method of dealing with unemployment than the relief-work method. And those who pretend that money can be saved by doing away with work relief are only trifling with the obvious facts.

The spending of $1,250,000,000 for work relief will do much to increase the national income. It will create a greater circulation of money. It will stimulate private industry so that hundreds of thousands more people will be thereby employed, and consequently hundreds of thousands fewer will then be in need of relief. It will help to put private funds to work and will increase consumer demand.

I am going to close by quoting from the President's speech of last Thursday: "Thinking Americans must insist on common effort in a common endeavor and a common faith in each other. Let every businessman set out to use his strength of mind and heart and his confidence in his fellow man and his country. Let every labor leader find not how work can be stopped but how it can be made to proceed smoothly, continuously, and fairly. Let every public official consider that his task is to use his authority so that the service he renders is adapted to curbing abuses and helping honest effort. Let every one of us work together to move the life of the Nation forward."

The Labor Situation

EXTENSION OF REMARKS

OF

HON. WILLIAM L. NELSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1938

RESOLUTIONS ADOPTED RECENTLY BY LABOR LEADERS OF SLATER, MO.

Mr. NELSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolutions adopted recently by labor leaders of Slater, Mo.:

SLATER, MO., *April 19, 1938.*

WILLIAM GREEN,
President, American Federation of Labor, Washington, D. C.:

JOHN L. LEWIS,
Chairman, C. I. O., Washington, D. C.:

At a capacity joint meeting of all organized labor groups at Slater, Mo., today, a thorough discussion of conditions confronting labor, both organized and unorganized, was indulged in, after

which a resolutions committee was appointed and the following resolution was unanimously endorsed:

"Whereas for the past several months headline articles in the press have carried news of a "fight" between Green and Lewis over control of labor groups throughout the country; and

"Whereas realizing that Green and Lewis are not the only parties involved in the progress of labor we believe that if an honest effort is made, and if your interest in labor is sincere, there is a common ground on which to bring about peace in labor circles; and

"Whereas the President of the United States and the Congress have been in a quandary because of your actions, they do not seem to be able to frame legislation that you can agree upon; and

"Whereas your actions remind us of the little boy who had the only ball and bat and, because he could not pitch, took his ball and bat and went home: Therefore be it

"*Resolved*, That labor, organized and unorganized, in this section of the country implore you to find a happy medium, put the house of labor in order before the foundation collapses."

R. McD. SMITH, *Chairman, O. R. C.*,
F. L. HOWARD, *B. R. T., No. 5*,
R. P. VANBOOVEN, *B. L. F. & E., No. 18*,
R. H. ALBERS, *B. of R. C., No. 209*,
J. L. RAMSEY, *O. R. T.*,
S. F. BENNETT, *B. L. E., No. 8*,
Committee.

Governmental Tweedledum and Tweedledee

EXTENSION OF REMARKS
OF
HON. J. PARNELL THOMAS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, April 25, 1938

EDITORIAL FROM THE BERGEN (N. J.) EVENING RECORD, HACKENSACK, N. J., APRIL 16, 1938

Mr. THOMAS of New Jersey. Mr. Speaker, under permission to extend my remarks by printing an editorial from the Bergen Evening Record, Hackensack, N. J., I present the following:

[From the Bergen Evening Record, Hackensack, N. J., April 16, 1938]

GOVERNMENT TWEEDLEDUM AND TWEEDLEDEE

The President this week dropped into the lap of Congress our most piteous national foundling. These railroads collectively have been and are our arteries of commerce in time of peace and our vital supply lines in time of war. They were conceived of national necessity to open new geographical frontiers, to develop a country's vast natural resources, and to provide the transportation facilities without which America's prestige as the world's greatest industrial and agricultural Nation could not have been achieved.

In their infancy the financial corsairs who organized them subjected their fiscal structures to all the wild and woolly finance usually attendant to embryonic and speculative projects of magnitude. Their adolescence was replete with reorganizations and more financial piracy. Their young manhood was devoted too largely to corrupting State legislatures in an era in which zeal for special privilege transcended service to a helpless public. Then an outraged people demanded reform, and after much travail the Interstate Commerce Commission was born.

In the three decades during which that body has been functioning, many changes have taken place. The old swashbuckling pirates who looted the railroads have gone to what we trust is their proper reward. They have been replaced by a more modern generation of transportation executives trained to sell the people service instead of blue sky. But their heritage had an unwholesome smell, and they have been trying manfully to deodorize it ever since. The I. C. C. has assisted them to such a point that the now middle-aged patient has become moribund from the treatment.

The situation of the railroads is paradoxical in American economics. They are nominally a private enterprise, yet they are controlled by Government. Their pay rolls, which constitute their major operating expense, are to all intents and purposes fixed by Government, and the sky of collective voting strength of these employees is the limit in a land where minority blocs and lobbies are politically potent. Their revenues, freight and passenger, are also fixed by government, and once more the voice of shippers and passengers is loud and effective in the land. And so, between the upper millstone of mandatively high operating costs and the nether millstone of mandatively low freight and passenger revenues, the Nation's arteries of commerce are being ground to a fine fiscal pulp. The present generation of railroad operators and owners is certainly paying now with a vengeance for the sins of the piratical fathers.

But Congress is interested more in the present and future than in the past. The question before it now is, Shall the railroads through the dual restrictions of Government be forced into collective bankruptcy, or shall they receive governmental aid (like, for example, the southern cotton planters) to preserve their useful lives in the national scheme? Has there been an overproduction of railroads in the past, like the South's overproduction of cotton? Are the railroads entitled to receive governmental aid for that economic error just as the cotton planters get it for their overproduction error?

For unless Government has a special mission to wreck the railroads and ruin the millions of innocently investing stockholders that currently own them, they are entitled to the same governmental assistance as the wheat farmers of the West and the cotton planters of the South. Even more so, because the plight of the railroads is caused directly by governmental restrictions, instead of an immutable law of supply and demand, beyond Government's control, that affects adversely the farmers who receive Government's lavish aid.

Our seven principal cotton States supply 4 percent of the Nation's internal revenue. The Government subsidizes them lavishly to maintain prices which otherwise would fall due to overproduction. It pays them to refrain from planting. Our seven largest industrial States of the East and Middle West supply 58 percent of the country's internal revenue. They, too, suffer from the law of supply and demand. Railroad transportation is vital to their future; but, instead of subsidizing the railroads, Government wrecks them with double-barreled restrictions.

That, it seems, is the major premise on which Congress should act in finding a solution of the railroads' problem. Can it equitably refuse them aid in the light of generous subsidies for the farming industry? Can it afford not to help, in view of their economic necessity and their vital national defense factors? Can it ethically ignore the condition which governmental restrictions have brought about and fail to provide a remedy?

These are questions which Congress must now answer in the courageous manner that distinguishes statesmen, who think of posterity, from the politicians who think only of their selfish today.

Analyses of Workings of Nebraska's Unicameral Legislature

EXTENSION OF REMARKS
OF
HON. GEORGE W. NORRIS
OF NEBRASKA
IN THE SENATE OF THE UNITED STATES
Monday, April 25 (legislative day of Wednesday, April 20), 1938

ARTICLE BY L. E. AYLSWORTH, OF THE UNIVERSITY OF NEBRASKA

Mr. NORRIS. Mr. President, I receive daily a great many requests for information regarding the operation of the unicameral legislature that Nebraska has adopted. There has been one session of that legislature. It is a physical impossibility for me to answer all the questions regarding it which come to me. I have before me an article by a University of Nebraska professor, Mr. L. E. Aylsworth, who has made a research analysis of the workings of the unicameral legislature and compared it with the work of past bicameral legislatures. I also have another article by Prof. John P. Senning, of the University of Nebraska, who took a very active part in the campaign leading up to the adoption of the amendment providing for the unicameral legislature. Professor Senning also analyzes the working of the unicameral legislature, and both professors ultimately reach practically the same conclusion in regard to it. I ask that these two articles by these University of Nebraska professors be included in the RECORD as a part of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Lincoln (Nebr.) Sunday Journal and Star, April 17, 1938]

RESEARCH ANALYSIS BY UNIVERSITY OF NEBRASKA PROFESSOR SHOWS UNICAMERAL IS LESS EXPENSIVE

(By Prof. L. E. Aylsworth, University of Nebraska)

Many statements regarding the cost of Nebraska's unicameral legislature have been published and are being circulated. Hence a statement giving the actual facts seems to be needed and worth while, in order that interested citizens the country over may be rightly informed. The following presentation, based on a thorough examination of the records of legislative expenditures in the

office of the State auditor is an earnest effort to meet this need with a statement that is complete, accurate, and unimpeachable.

The legislature at each session, whether regular or special, provides for its expenses by enacting two or more appropriation bills. There must be at least two because the State constitution provides that "bills making appropriations for the pay of members and officers of the legislature * * * shall contain no provision on any other subject." Each regular session makes an advance appropriation of $2,000 for the incidental expenses of the next legislature until it can appropriate funds for itself. All such appropriations continue in force until the end of the biennium on June 30 of the next odd numbered year.

REPORT REQUIRED

The constitution of Nebraska also provides that "the auditor shall within 60 days after the adjournment of each session of the legislature, prepare and publish a full statement of all moneys expended at such session, specifying the amount of each item and to whom and for what paid."

This statement usually gives all legislative expenditures up to 3 to 6 weeks after the session ends. But it never includes all legislative expenditures provided for by appropriations. These generally continue for practically a year and a half until the next legislature meets. They have included the preparation and publication of the permanent senate and house journals and the session laws, also the custodial care of the chambers and other rooms devoted to legislative purposes. These past regular session expenditures amounted to $6,127.45 in 1931, $9,689.93 in 1933, and $18,064.35 in 1935. They have to be taken into account to arrive at a true statement of legislative costs. Any legislative appropriation balances unexpended when a new legislature meets are usually reappropriated for its use, or allowed to lapse into the State general fund at the end of the biennium, on the following June 30.

SHOWS COSTS CUT

The State auditor's records substantiate the claims of unicameral advocates that a smaller one-house legislature would result in a marked reduction in legislative costs. Nebraska's first unicameral legislature both appropriated and expended much less for legislative expenses than any of its bicameral predecessors for over a decade. The average appropriation of the last five bicameral legislatures was $220,793.63 for regular sessions only, and $240,893.63 if the three special sessions are included. The average expenditure was $194,479.94 for regular sessions, and $211,733.46 if the three special sessions are added.

TABULATION

The total appropriations by the unicameral for legislative expenses with their present and probable future unexpended balances are shown by the tabulation below:

	Appropriations	Unexpended balances	
		Apr. 1, 1938	Dec. 31, 1938
Incidentals (by legislature 1935)	$2,000.00	None	None
Salary, members	75,000.00	$25,800.26	$0.26
Employees, supplies, etc	77,143.60	7,671.00	4,500.00
Printing journal, session laws	10,000.00	5,936.08	5,936.08
Salary, permanent clerk	7,200.00	4,500.00	1,800.00
Legislative counsel	15,000.00	13,102.08	5,000.00
Total	186,343.60	57,009.42	17,236.34

The $4,500 and $5,000 balances on December 31 next are fairly conservative estimates. At the present rate of expenditure they are likely to be somewhat larger. The other three balances are definite and sure. The detailed comparison of the expenditures of Nebraska's last bicameral and first unicameral legislatures accompanying this article brings out clearly the lessened cost of the latter not only for salaries but also for other expenses. In this comparison the salary of the lieutenant governor is eliminated for all three sessions, because of the opinion rendered by the attorney general that as an executive officer his salary is not payable out of appropriations for legislative purposes.

SAVING SHOWN

Inspection of this comparison shows that the total cost of the unicameral for the biennium, including the probable expense of both the permanent clerk's office and the legislative council will be only $169,107.26 as against $219,045.89 for the regular bicameral session, a reduction of $49,938.63, or 22.34 percent. Even if the unexpended balances for the clerk's office and the legislative council prove to be only half as large as estimated, the reduction will still be $45,188.63, or over 20.6 percent. If the expense for the legislative council be excluded for two reasons: First, that it is a new institution not provided for by the bicameral legislature; and second, that its function is to gather and prepare material for the use of the next legislature, the estimated saving jumps to $59,938.63, or 27.36 percent.

These comparisons are all on the basis of one regular session for the biennium. But what about the comparative cost of unicameral and bicameral in case a special session is found necessary? In 1930 the total cost of a special session of 11 days was $23,861.06, and the next year for another of equal length, $26,746.05. The special session of 24 days in 1935 cost a total of $35,660.51. A little thought will show that the additional cost of a special session under the unicameral set-up will be much less than this. There will be no extra expense for the salaries of the members and the permanent clerk. The extra mileage expense would be only one-sixth of what it was. Other expenses will also be less. Hence a special 2- to 4-week session of the unicameral can be held at an extra cost of $10,000 or less. This would make a total of only $179,107.26 for a regular and a special unicameral session, as compared with $254,506.40, the cost of the two sessions of the last bicameral legislature, a saving of $75,396.14, or 29.62 percent.

EMPLOYEE ANALYSIS

The chief saving as predicted is in the salaries of members and officers. There is a saving in the expense for employees, but not so great as expected. The amount of work and correspondence devolving upon the 43 members was probably as great as that upon the 133 members of any bicameral session. Hence more secretarial assistance was needed. Then, too, committees were supplied with secretaries as never before, to promote the keeping of better records of their proceedings. This expense for assistance was well worth while. But in the future more care should be exercised to assure the selection of fewer employees and of persons more highly qualified in some instances.

There is a striking drop in the mileage and transportation expense. The mileage is only one-sixth of what it was. The transportation expense of only $188.36 is phenomenally low. There was certainly nothing even suggestive of legislative junketing in the record of the unicameral. In fact for this small expense to the taxpayers all or a part of the committee on appropriations without prior notice visited and inspected every State institution without a single exception, a record not equalled for many years.

Another very noteworthy decrease in cost is that for the preparation and printing of the permanent legislative journals and the session laws. The last bicameral legislature spent $4,815.50 for preparing, and $13,330.63 for printing, its permanent journals and session laws, a total of $18,146.13. The cost of printing the unicameral journal and session laws was only $4,063.92. The preparation for printing was done by the permanent clerk and staff. The difference, $12,082.21, is more than enough to pay all the expense of the permanent clerk's office for the entire biennium.

POSTAGE ALLOWANCE

The unicameral expense for postage while less than formerly is probably too high. The body persisted in continuing the practice of a fixed postage allowance per day for each member. This was elevated from 35 cents to $1 per day, or $98 to each member for the session. No doubt some members actually spent this or even more for official purposes. This fixed daily allowance should be abolished and the postmaster authorized to record and stamp all official mail presented by any member.

For only one aspect of legislation did the unicameral appropriate and spend more than any bicameral legislature, namely, expert assistance and research. Some $8,700 was spent by the unicameral during the session for such aid, or $3,500 more than by the last regular bicameral session.

Impressed by the number of important acts passed by the last two legislatures that had been stricken down by the State supreme court as unconstitutional, the unicameral broke new ground by providing for a group of three legislative counselors to pass on the constitutionality of bills as to which there was any doubt. A similar increased recognition of the need of planning, research, and competent assistance in order to secure proper and effective legislation and records was shown by the establishment of the permanent clerkship and the legislative council with adequate provision for their expenses.

Comparative cost of 1936 and 1937 legislatures

	Bicameral legislature, 1935-37			Unicameral legislature, 1937-39
	Regular session to Dec. 31, 1936	Special session to Dec. 31, 1936	Total for both sessions	regular session to June 30, 1937
Salaries:				
Members	$106,660.00	$13,300.00	$119,960.00	$37,499.87
Officers	11,143.00	2,135.50	13,277.50	4,510.50
Employees	34,338.89	5,125.40	39,464.29	26,877.06
Supplies	7,828.88	1,701.46	9,530.34	3,612.11
Printing	26,106.12	2,954.72	29,060.84	15,267.13
Telephone and telegraph	692.24	268.23	960.63	388.19
Postage	7,287.40	1,221.65	8,509.05	6,300.00
Travel expenses:				
Mileage	3,698.49	3,679.50	7,377.99	565.11
Special	1,034.85	170.48	1,205.33	198.36
Expert assistance:				
Legislative reference bureau	4,000.00	----------	4,000.00	4,000.00
Legislative counsel	1,180.00	340.00	1,520.00	4,697.05
Special legal, auditing, stenographic, and medical	1,317.65	176.90	1,494.55	----------
Journals:				
Preparation	2,950.00	572.00	3,522.00	----------
Printing	5,470.70	1,074.75	6,545.45	1,477.12
Session laws:				
Preparation	856.50	437.00	1,293.50	----------
Printing	4,482.26	2,302.92	6,785.18	2,586.80
Total	219,045.89	35,460.51	254,506.40	107,950.30

UNICAMERAL EXPENDITURES FROM JULY 1, 1937, TO APR. 1, 1938

Salaries of 43 members—first quarter, 1938		$11,699.87
Clerk's office:		
Salary, clerk	$2,700.00	
Secretary	1,175.00	
Special assistance	480.00	
Supplies	1,027.45	
Telephone and telegraph	20.99	
Custodial service	1,132.75	
Renovating legislative chambers	1,231.90	
		7,777.09
Legislative counsel:		
Expenses, members	662.60	
Assistants, pay roll	891.71	
Supplies	263.61	
Telephone and telegraph	23.40	
Office equipment	56.60	
		1,897.92
		21,374.88
Total expenditures to Apr. 1, 1938		129,334.18

EXPENDITURES FROM APR. 1, 1938 TO DEC. 31, 1938

Salaries of 43 members—three-quarters, 1938		$25,800.00
Clerk's office:		
Salary of clerk	$2,700.00	
Secretary, custodians' supplies	[1] 3,171.00	
		5,871.00
Legislative counsel		[1] 8,102.08
		39,773.08
Total expenditures for biennium		169,107.26

[1] Estimated.

[Reprinted from the annals of the American Academy of Political and Social Science, Philadelphia, January 1938]

NEBRASKA'S FIRST UNICAMERAL LEGISLATIVE SESSION

(By John P. Senning)

It may be fair to assume that the recent movement for unicameralism gained momentum and strength by reason of the adoption by Nebraska of a one-house legislature. The performance of bicameral State lawmaking bodies from 1930 to 1937 has been bewildering and discouraging to those interested in good government, to the extent that the demand for change is becoming more articulate and more insistent. The generous day-by-day newspaper publicity attendant upon the first session of the Nebraska single-chamber legislature, following closely every step of its operation, has not only stimulated a wide interest but also given courage to the advocates of unicameralism to attack the problem of simplification of the legislative system in various States.

In an earlier period, particularly between 1911 and 1915, 15 States, in one way or another, advocated the adoption of the unicameral system. Then followed a period of years when the question was in abeyance. After Nebraska passed its constitutional amendment in 1934 interest was again aroused. Several proposals for constitutional amendments creating one-house legislatures were introduced in other States in 1935 and 1936, and in 1937 in 22 States (Arkansas, California, Georgia, Idaho, Iowa, Kansas, Maryland, Massachusetts, Michigan, Minnesota, Montana, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Texas, Washington, Wisconsin, and Wyoming) proposals or resolutions providing for study commissions were introduced in the legislatures. On September 3, 1937, President Roosevelt signed a congressional act giving the people of the Territory of Alaska opportunity to vote on a proposal for a one-house legislature at the next general election.

TRENDS IN PROPOSALS

Though the provisions of the various proposals differ in detail, reflecting the problems of individual States, certain definite trends may be noted. Among these is nonpartisan election for members of the legislature (Iowa, Kansas, New Jersey, Oregon, and Wyoming), in recognition of the fact that the subjects of State legislation are largely economic and for that reason political partisanship not only is useless but actually retards progressive legislation.

A second significant point is the gradual emergence of the idea that the business of lawmaking requires a full-time position for members of the legislature. Annual or biennial sessions of the bicameral lawmaking body, sessions limited in some States to a fixed number of legislative days, have necessarily resulted in a mass of legislation which, because of lack of time, accurate information, and consideration, is either enacted into carelessly constructed statutes or discarded without sufficient deliberation. As a result the lawmaking body is constantly subjected to adverse criticism. Coupled with the premise that the members of the legislature should serve full time during their term of office is the need for adequate compensation, payable monthly. Also there is financial provision for investigation and research.

The third trend is the authority given to the legislature to call itself into special session upon request of a certain percentage of the members instead of having that power vested solely in the Governor. There seems to be no attempt to usurp the power of the chief executive, but merely to elevate the legislature to the level of a branch of the government coordinate with the executive. The theory of legislation is going through a period of transition, and the question arises, If the legislature is to stand on equal footing with the executive branch, why should not it, as well as the Governor, have the authority to determine the need for special legislative sessions?

In comparing the various proposals introduced in 1937 with those of previous years, notably between 1911 and 1915, there is seen a definite tendency toward a one-house body small in membership. No State considers the expedient of combining the two houses into one with no reduction in size. One of the most trenchant arguments against the bicameral legislature has been that it is too large and unwieldly, especially the lower house, where the majority of the membership figures only in quantitative voting, and the determination of policy is centered in the hands of a few leaders. In two States (Minnesota and Oklahoma) resolutions were introduced seeking to reduce the size of both houses, but to retain the bicameral system.

Some of the proposals do not define the set-up of the unicameral body or add procedural provisions. It may be conjectured that these are merely trial balloons sent up to determine the sentiment in the State for a one-house legislature, especially in those States which have initiative and referendum sections in their constitutions. It is conceded that those States have the advantage in a campaign for a unicameral system, since the members of bicameral lawmaking bodies are not likely to favor the abolition of the system under which they operate. As Senator GEORGE W. NORRIS has said in predicting the adoption of one-house legislatures, the change will be brought about "not rapidly, but gradually; and first in those States which have referendum provisions for amending their constitutions." Besides the proposals for creation of unicameral legislatures introduced in the State lawmaking bodies in 1937, there is the more significant action that in three States—Ohio, California, and Oklahoma—initiatives are being prepared. A fourth State, Missouri, is seriously considering the same procedure.

COMMITTEE ORGANIZATION

The focal points of interest of the first session of the Nebraska one-house legislature, as viewed in retrospect by Nebraska and other States, are the procedure, the lobby, the relation of the Governor to the legislature, the nonpartisan election, and the product of legislation.

The rules of procedure, modernized to fit the unicameral body, were carefully prepared and seriously deliberated by the legislature. One-fourth of the session was spent in preparation and adoption of the rules under which the lawmaking body was to operate. There are 16 standing committees, exclusive of the committee on committees, organized on the basis of major fields of legislation rather than on the basis of individual subjects. (The standing committees are agriculture, appropriations, banking and insurance, claims and deficiencies, commerce and communications, drainage, irrigation and water power, education, enrollment and review, government, judiciary, labor and public welfare, legislative administration, public health and miscellaneous subjects, public highways and bridges, and revenue and rules.) The membership per committee varies from 5 to 11. The chairmanship of a committee is determined by the members of the committee, as is also the position of secretary.

The afternoon of each legislative day is set aside for committee deliberations as long as the bills are in the hands of standing committees. Committee assignments, a duty of the committee on committees, a rule carried over from the bicameral legislature, are made, as far as possible, according to the expressed preference of the respective members, and the committee schedule is so planned that no member has any conflicts. No member serves on more than three committees, rarely more than two, and with the small number of committees a satisfactory schedule of meetings is possible.

PUBLIC HEARINGS

The most outstanding feature of procedure, at least as far as the public is concerned, is the public hearings before standing committees. Every bill receives fair consideration at a public hearing, where those interested in the proposed legislation may present their views on the question at issue. The time, the place, and the date of hearings, and the bills to be considered, are announced 5 days in advance in the newspapers, in the daily legislative journal, and on the bulletin boards. The average citizen, as well as the lobbyist, is thus apprised of the time and place of the hearings. The public took an active part in the hearings and availed itself of the opportunity to give the committees the benefit of opinion and factual information. Some of the legislators who had served in previous sessions manifested impatience because of the hours and even days consumed by the hearings, but the results obtained far outweighed the amount of time consumed.

Another departure from the old practice relating to the standing committees is that there are no secret executive sessions. While the general public is usually excluded from the executive sessions, the representatives of the press are always present and report the results of the committee deliberations, even to the vote of the members on the bill being considered. Moreover, a complete record of the action taken on each measure in committee, stating reasons for alterations in the original bill, accompanies each measure when reported by the standing committee to the legislature. While these reports, together with the digests of important bills, do not appear in the daily journal unless requested, they are placed on the desk of each member, and a copy is filed in the office of the secretary of state, where they are available for inspection. In all these new features in the committee deliberations of the one-house legislature, as contrasted with those of the bicameral body,

procedure is forced into the open instead of being hidden in the intricacies in and between the two houses.

PROCEDURE

Action on bills by the legislature itself also illustrates the direct and simple procedure. Upon introduction, a bill is read for the first time. The next day it is read a second time and referred to the appropriate standing committee. After favorable consideration by the committee it is reported to the legislature and placed on general file, to be considered in due course by the legislature in regular session. The members of the one-house body, the majority of whom had served under the two-house system, were under the disadvantage of being hampered by the precedent set in previous sessions. As a result, the rules as originally adopted provided for a committee of the whole, though it had been pointed out that this device was superfluous in a small one-house legislature. After a thorough trial the legislature abandoned it. At this stage the measure is read section by section, debated, and amended if so voted. Thereafter it may be indefinitely postponed or sent back to its standing committee or advanced to select file.

Under the bicameral procedure, if a bill passed the committee of the whole it was sent to third reading and final passage. Only under unusual circumstances would a bill be returned to the floor for specific amendment. Under the unicameral rules, the bill goes from the first consideration by the house to the committee on enrollment and review for the incorporation of amendments recommended by the legislature, for correction in phraseology, and for checking against existing statutes. The careful study devoted to the bills by this committee carried great weight and often led to important revision or alteration upon this committee's recommendation when the measure appeared on special file for the second thorough consideration by the house sitting in regular session and operating under the regular rules of procedure. Three days must elapse between the first and second consideration of a bill by the house.

In the first session, when doubt arose as to the validity of a bill, it was referred to a group of three nonmember counselors, employed for the session, for constitutional review. As a direct outgrowth of this experience the legislature of 1937 provided by statute for the office of constitutional reviewer, who will be appointed by the legislative council. The reviewer will have no authority to draft bills, but will devote his time solely to examination of measures before introduction, as to phraseology and form. At any stage of progress of a bill through the legislature, the constitutional reviewer, upon request of any member, shall give his opinion as to the constitutionality and validity of a measure. He shall also give particular attention to the sufficient phraseology of the title and the body of each legislative bill before it is printed in final form for third reading.

A measure, having passed muster of the house on select file, is again given a thorough examination by the committee on enrollment and review. Upon being returned to the legislature it is advanced to the third reading file or referred to select file for specific amendment. After a lapse of 2 days from the time the bill is placed on third reading file, it may be taken up for final passage. However, it must be emphasized that at any time before the vote on final passage, a bill may be returned to the committee on enrollment and review, recommitted to the standing committee, or again placed on general file. For at least 1 legislative day before the final vote is taken, each member has on his desk a printed copy of the bill as revised for final passage. With this spaced consideration of measures there has been no evidence of rushing bills to final disposition. Normally a period of 2 weeks is required for the enactment of a bill into law.

The significant point is that in the Nebraska one-house legislature there is a double check in procedure—first, the consideration of bills on general file and, second, the consideration of bills on select file. This procedure allows for the utmost care and accuracy. Furthermore, it is adapted distinctively for the unicameral legislature, since it would be impossible to give two such thorough considerations to a bill in each of the two houses of the bicameral body, because of the length of time such action would require and because of the involved procedure which would have to be overcome.

With all the safeguards set up—as the clearing house of committee hearings, two full discussions on the floor of the house at separated intervals, and the meticulous care exercised to perfect the measures by constant reviews and the expert advice of counselors to keep the legislation within the framework of limitations set by the constitution and judicial construction, haste and careless workmanship are seldom found.

THE LOBBY

In discussing the first session of the one-house legislature, one is prone to compare the actual working of the unicameral body with the predictions of proponents and opponents in the campaign for the adoption of the single-chamber legislature. One of the contentions of the opposition was that a small body of legislators could be easily corrupted, especially since there would be no second house to supply a check. The defenders countered with the argument that a one-house body of a few members, with procedure forced into the open, with the spotlight of publicity on each legislator, and with no opportunity for the lobbyist to screen his action between the two houses, could not be corrupted so easily as the bicameral legislature.

Between January 1 and the end of the session 166 lobbyists registered—almost four times as many as there were legislators. Naturally, the technique of lobbying had to be changed. In the one-house legislature the lobby exerts its influence mainly through presentation of arguments at committee hearings, by personal contacts, and by instigation of a flood of telegrams and letters from the constituents. Because of the announcement of committee hearings 5 days in advance, the lobbyist has no advantage over the average citizen in presentation of arguments before standing committees.

The procedure in the unicameral body is so direct and open that a legislator, even though he might be willing to yield to lobby influence, cannot conceal his vote, and no member wishes to be dubbed the tool of a lobby. Under the simplified rules and the right of a single member to ask for a record vote, the lobbyist can do nothing without exposing his friend in the house, and such publicity curbs his power. Lobbyists for special pressure groups are also impeded by the interest which the people at large take in the new lawmaking body.

It is important to note that some of the most powerful pressure groups advocate, not the return of the bicameral system, but a membership of 75 or 100 in the one-house legislature. The fight against the special-interest lobby is by no means over. The high-calibered membership and the absence of party control required intensive personal work by the lobbyist with individual members. If the membership were enlarged as suggested, it might be possible for lobbyists to exercise greater influence, because with the reduction in size of the districts, candidates of less ability and influence might be elected.

In the light of lobbying activities as revealed in the 1937 session, various legislators have suggested a stricter regulation than the present law provides, and at the same time a requirement that whatever information a lobbyist wishes to present in open committee hearing be submitted in the form that a lawyer would employ in arguing a case before a court.

RELATION OF GOVERNOR AND LEGISLATURE

The constitutional powers of the Governor have suffered no impairment by the adoption of the single-chamber legislature. The practical relationship between the legislature and the chief executive will undoubtedly depend upon the tact and good judgment of the Governor in dealing with the respective members of the coordinate body. Most of Governor Cochran's recommendations for legislation as outlined in his inaugural message were enacted into law, and though he interposed his veto upon 17 measures, only one veto was overridden.

Two serious differences of opinion arose between the chief executive and the legislature; one, the amount of gasoline tax which should be allocated for poor relief; and the other, the appropriations made in excess of the recommendations contained in the Governor's budget. Since Governor Cochran criticized the legislature severely for the latter and deplored the fact that since these items were passed by over a three-fifths vote they could not be vetoed, the general inference arose in the press and among the citizens that this situation was something peculiar to the one-house set-up. As a matter of fact, an amendment to the State constitution adopted in 1920 provides:

No appropriations shall be made in excess of the recommendations contained in such (the Governor's budget) unless by three-fifths vote of each house of the legislature and such excess so approved by a three-fifths vote shall not be subject to veto by the Governor.

Gov. A. J. Weaver, in 1929, vetoed certain items in the general appropriations and claims and deficiencies bills which had been increased over his budgetary recommendations and passed by a three-fifths vote of the legislature. Suit was brought to determine whether the Governor had acted within his constitutional authority in vetoing the items. The case was carried to the State supreme court, which ruled that the estimates in the executive budget are in essence an advance veto on adverse action by the legislature, because the constitution states that these estimates shall not be increased except by a three-fifths vote of the legislature. If such a vote is recorded on any item in the Governor's budget, that is the last word on the item. In other words, the Governor cannot again exercise the veto power thereon.

This court decision does not apply to appropriations made by the legislature which are not included in the Governor's budget. Governor Cochran did not exercise his veto power on the new items, but let the appropriations bill become law without his signature.

The total amount appropriated by the 1937 session of the legislature for biennial expenditures was $55,213,821.80. Of this sum $12,373,837.99 is derived from tax funds, $27,569,625.66 from cash funds, and $14,910,230.32 from Federal funds, and the remainder is a reappropriation of the unexpended balance. A press release from the office of the tax commissioner, who supervises and examines the accounts and financial reports and statements of the expending agencies of the State, shows that the expenditures based on appropriations of the previous biennium, 1935–37, were $53,525,031.82, exclusive of any unexpended balance.

Thus another criticism against the one-house legislature, namely, that the budget far exceeded in amount that of any previous legislature, does not correspond with the facts. The total appropriations to cover expenditures of the session of the unicameral body, including salaries and mileage of members, salaries of officers and employees, postage, telephone and telegraph, supplies, and printing of journals, totaled $151,692.60, as compared with $202,593.49, the cost of the last regular session of the bicameral legislature, 1935.

NONPARTISAN ELECTION

The election of members of the one-house legislature on a nonpartisan ballot and the functioning of the legislators as a nonpartisan body have been widely discussed pro and con by the press in every section of the United States. The first real test of the nonpartisan feature coincided with the Nation-wide Democratic landslide in 1936. If the 43 members of the unicameral body had been nominated and elected on a partisan basis in 1936, it is unreasonable to assume that the voters would have chosen 21 Republicans and 22 Democrats, when in 1932, another Presidential year, the Democrats elected 31 out of a total of 33 State senators and 80 out of a total of 100 representatives, and likewise controlled both houses of the last bicameral legislature of 1935 by overwhelming majorities. (From 1919 to 1931, inclusive, the Republicans had generous majorities in both houses.)

The close balance of known party affiliation of the membership in the first one-house legislature, therefore, is quite significant of the actual operation of the nonpartisan election feature, but not unprecedented or unusual in results, since the voters of Nebraska have long been accustomed to select on that basis judges, school and municipal officials, superintendent of public instruction, and regents of the State university.

With few exceptions, the 43 legislators chosen were men of prominence and ability. Thirty-two of them had had previous legislative experience, and in most cases highly creditable experience; while the new members, unprejudiced by former service in the bicameral legislature, made genuine contributions to the successful operation of the unicameral body. Whether judged from the standpoint of educational training, experience, or recognized standing as men of affairs, even the most severe critics of the one-house legislature concede that this body of 43 had a uniformly high average of able men, and was a much abler group as a whole than those who served in bicameral sessions.

The primary reasons for this improved personnel are, no doubt, the nonpartisan election, the large representative districts, and the dignity and importance which service in the unicameral legislature implies. All these factors are important, because the inescapable increased responsibility which members in the new legislature had to assume would have a tendency to attract the strong rather than the weak.

Opponents of the nonpartisan election of members predicted that the organization of the legislature as well as the vote on all important measures of legislation would be along party lines. That prediction, however, failed to reckon with conscientious scruples of the individual members, who took seriously their task unhampered by party control. Neither in the organization set-up nor in their votes on legislative measures appeared any behavior that smacked of political partisanship.

Mention must be made here of the resolution condemning President Roosevelt's Court reorganization plan. While the introduction of that resolution gave rise to considerable gossip outside of the legislative chamber as being a real partisan move, it failed to have that character in fact. Outstanding members of the assembly deprecated its appearance in a legislature elected by the people on a nonpartisan basis. The vote on the resolution was partisan in character insofar as the Court plan, if adopted, would or would not undermine the independence of the judiciary.

Party leadership in a nonpartisan legislature is inconceivable unless the members are willing to betray their election trust. The record of the first session in Nebraska revealed a unity of common purpose, and that was to meet the needs of the State. Out of this purpose gradually emerged unity of action, which constitutes an important precedent for successive sessions.

THE PRODUCT OF LEGISLATION

As to the product of legislation, 581 bills were introduced—only slightly over half the number introduced in the 1935 session. Of these, 226 were enacted into law. The subject matter of the bills reflected the economic needs of the day. In the words of one member of the legislature, "Though the system of legislating had been changed, human nature had not. The same kind of legislation was demanded, the same kind of bills introduced, as in previous years." (Emil Von Seggern, in Scottsbluff (Nebr.) Star Herald, July 28, 1937.)

The great bulk of laws enacted were those which amended or corrected existing statutes. The important legislation concerned the various problems involved in social security as relief for the needy, unemployment insurance and old-age security, and those subjects of vital interest to an agricultural State, such as soil conservation and eradication of bindweed. Two proposals for constitutional amendments to be voted upon by the people in November 1938 were passed. The more important of these is the short ballot, which provides for the election of only four executive State officers instead of seven as at present.

Throughout the session, the legislators were alert in the improvement of the mechanics of legislation. By statute the office of constitutional reviewer was created, as was also a legislative council, and the legislature was given authority to call itself into special or annual session upon request of 29 members without dependence upon the Governor.

APPRAISAL OF UNICAMERALISM

In conclusion, what were the gains and what were the general estimates of the first one-house legislature in Nebraska? The advantages of the unicameral system, as viewed by one session, in comparison with the bicameral body are: the absence of hasty legislation; a simplified and smoothly working procedure; the 5-day notice of public hearings before standing committees, and a positive interest in the hearings; a better personnel; the right of a single member to demand a roll-call vote on any question; the liberation of the legislature from the domination of the Governor as the titular head of his party, and of the leaders of the political parties; and the general publicity by means of which the unicameral legislature has revived an interest among the people of the State in their lawmaking body.

It is significant that the press, almost solidly opposed to the adoption of the unicameral amendment, showed a change of attitude at the close of the first session. The Omaha Bee-News concludes:

"From first to last, the senators proceeded cautiously but courageously, advancing steadily along the uncharted course and making a happy landing at the end. Obstacles were met and surmounted, and if all the hopes of politicians and fears of reformers were not realized, the unicameral legislature acquitted itself with such credit that it may be called a success." (May 19, 1937.)

An estimate of the first one-house legislature in Nebraska would not be complete without the valuation put upon it by Senator GEORGE W. NORRIS, whose leadership won the adoption of the unicameral amendment. He says:

"There has been considerable criticism of this legislature, some of it honest, constructive, some of it selfish, and some of it without any foundation whatever. However, honest men and women who realize that perfection cannot be had in any body of men are satisfied, and think it is far superior to the record made by any previous legislature in the history of Nebraska."

(John P. Senning is professor of political science and chairman of the department at the University of Nebraska, Lincoln. He has served as survey director of Financial Administration of Nebraska County Government; member of Interstate Crime Commission, of Survey Commission of Revision of Nebraska Constitution, and adviser to senate and house unicameral committees, 1935. He is author of The One-House Legislature and of numerous articles on the first session of the one-house legislature in Nebraska.)

Example of False Propaganda, Fake Consumer Group, and Magazine of Deceit

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

Mr. PATMAN. Mr. Speaker, the so-called National Consumer News for April 1938 contains the following statement in large headlines:

National Consumer News offers $100 in cash prizes and a free trip to Washington. First prize, a trip to the Nation's Capital; $10 second prize; $5 third prize; 85 $1 prizes.

We all know what propaganda is. We also know what is inspired propaganda. We know what is selfishly inspired propaganda. But this is the first time that I have come in contact with this particular kind of paid selfishly inspired propaganda.

This interstate chain-store group is paying people to write their Members of Congress against the Federal chain-store tax bill. The so-called National Consumer News is sponsored by a few national corporate chain stores.

CHAIN-STORE WOLF IN CONSUMER SHEEP'S CLOTHING

This magazine is a typical example of a chain-store wolf in consumer sheep's clothing. It infers impartial championship of consumer interest while it is actually engaged in obvious lobbying against pending tax legislation.

CORNSTALK BRIGADE

The April issue of the National Consumer News, which contains the offer, is printed in rather expensive fashion. The price is 10 cents a copy. It is sold on newsstands. The object of the publication is represented to be to give impartial information to the consumer-buyer. It is an expensive publication, but it contains little or no advertising. It is given wide free distribution by interstate chain-store interests. This is not the first time the interstate chain-store lobby has attempted to use a false front. Testimony before

a special congressional committee, of which I was chairman in 1935–36, disclosed that a chain lobby hired farm leaders to serve as fronts for them before legislative bodies in opposition to laws favorable to independent businessmen. These chain-store lobbyists referred to their stuffed-shirt farmers, who were paid to be their fronts, as "our cornstalk brigade." I warn the housewives that if they repeat the cornstalk performance, the chains will probably refer to them as "our housewife brigade."

EXPOSÉ OF NATIONAL CONSUMER NEWS

The National Consumer News from 1935–1937 was just a 12-page pamphlet. In September 1937 it became a 44-page journal under Mr. Crump Smith, together with Mr. William Trufant Foster, who were joint organizers of an organization founded about that time which is called Consumers Foundation, Inc., of New York City. The Consumers Foundation was brought into being by an interstate chain store organization which put up $25,000 for its establishment.

ANOTHER FALSE FRONT

The Consumers Guide is a publication put out by the Department of Agriculture for the benefit of consumers. It has an attractive, although unusual cover design. The word "consumer," in the name of the magazine, appears near the top in large letters, the other letters being small. Then there is a certain amount of space for a picture and below a short strip for a slogan or phrase calling the readers attention to its contents.

National Consumer News had been in possession of the interstate chains only a short time when a cover design, almost exactly like the Consumers Guide, a Government publication, was adopted. The word "consumer" on the front piece of the February issue, 1938, appears in large type like the Government publication and the other words are in small type. Then there is space for a picture and below a strip for phrase or slogan. The make-up of the contents bear a striking resemblance to the Government publication.

Doubtless many people believe they are reading a Government publication when they see in it such wonderful recommendations of the chain-store system.

THIS TYPE OF DECEIT NOT NEW

The congressional committee heretofore referred to discovered that the chains had hired some well-known farm leaders to issue for them a propaganda bulletin called Farm to Market News (vol. 4, p. 48, of hearings). It was regularly circulated among key farm leaders in a form to which they were accustomed. The form was similar to Department of Agriculture (4–44) and American Farm Bureau bulletins (4–46). In this way many farmers were misled into believing that the chain-store propaganda was issued by the Government and the American Farm Bureau.

The chains, through the National Consumers News, are pulling the same old trick.

One who cannot sustain his side of the question by logic and reason often resorts to misrepresentations, deceit, and fraud to carry his point.

AMERICAN HOUSEWIVES FINEST AND CLEAREST THINKERS IN THE WORLD

Just how dumb do the interstate chains think the women of this country are? I can tell the money masters of Wall Street and elsewhere that American housewives are the finest and clearest thinkers in the world. It is a reflection on the intelligence of our American women for the interstate chains to try to put over such a shabby piece of lobbying as this, and it is positive evidence that the interstate chains have hired some equally dumb clucks to put over this national prize contest. They are deceiving no one but themselves.

Notice the rules for the contest:

The rules for this contest are simple:

1. Just write your letter and mail it to National Consumer News, 205 East Forty-second Street, New York City. The editors will forward the letter on to your Congressman after the judging.

2. Merely start the letter off: "Dear Mr. Congressman." Then write exactly what you think, in your own words, and based on your own experience with chains, on this important subject. National Consumer News will see that it reaches your Representative in Congress.

3. The quicker you write your letter, the quicker it will be judged and will reach your Congressman. But all letters must be postmarked not later than midnight of April 30, 1938.

4. You may use the March and April issues of National Consumer News for information about the details of the bill, but what is really wanted is your own expression of your own ideas, based on your own experiences.

Therefore, get your letter off at once and put yourself in competition for the grand prize of the trip to Washington and the other prizes, and at the same time you will be letting your Congressman know how you feel about this measure of such great importance to consumers. You will be under no obligation whatsoever, and you do not have to be a subscriber to National Consumer News to take part in this contest.

After the rules the following statement appears in large bold type:

These letters will be judged by the editors of National Consumer News. Enter this contest—help yourself as a consumer!

JUDGED BY CHAIN-STORE LOBBY

Notice that the letters must first be sent to the chain-store lobby. The letters will be graded by the chain-store lobby and sent to the proper Congressmen. I wonder if a good, strong, unanswerable letter is written in favor of the Federal chain-store tax bill if it will also be sent to the Congressman? Notice, too, that it is suggested that the March and April issues of the National Consumer News be consulted for information about the bill. Incidentally, it was in these two numbers, the March and April issues, that the bill was so grossly misrepresented by the chain-store lobby. The March issue says that the Federal Trade Commission was quoted as saying that consumers saved $776,000,000 a year through the chains. This statement is absolutely untrue. There is not a word of truth in it, yet it is to be used as a basis for writing a letter for a prize. The March issue says further that if the Federal chain-store tax bill becomes a law the average consumer will pay $47.50 a year more for food. This is absolutely untrue. In fact, the American consumer will pay less for food, since it is a well-known fact that chains save consumers money only when they are driving out their competitors by using the profits they are making in other cities where they have a sufficient monopoly to fix the prices. Food is higher in chain-controlled towns. I could call your attention to many other equally false statements in the March issue.

THREATEN MEMBERS WITH VOTES

In the March issue the names of the cosponsors of the bill, 75 Members of Congress from 33 different States, are given, and the editor of the so-called Consumer News advises his readers to write each one of these coauthors and let him know that the writer is displeased with the Congressman's action. The addresses of the Congressmen are given, and the readers are also asked to write to Chairman ROBERT L. DOUGHTON, of the House Ways and Means Committee, before whom the bill will come, pointing out what the author says are the objections.

The editor also states in the March issue:

Finally, if possible, see that some Representative of yours is at the congressional hearings on the Patman bill and other such measures, and that he or she takes along a list of Congressmen sponsoring this bill—a list is given elsewhere on this page—so as to let him know that you control votes and you do not like such legislation.

In the congressional investigation heretofore referred to it was discovered that chain-store lobbyists had their agents, managers, and clerks in stores write their Members of Congress and use such phrases as "I reside in your congressional district and voted for you at the last election. I control many votes, and if you do not vote against this bill we will see that you are defeated at the next election." Such statements as this were included in letters, although the writer was not a registered voter in the district and had not voted for the Congressman. It was merely an inspired threat conveyed by a false statement.

CHAIN-STORE PROPAGANDA

With further reference to the congressional inquiry, the same investigation disclosed that the interstate chains, about

20 of them, adopted a systematic form of propaganda. Managers of the stores were instructed to get as many letters written to lawmakers as possible.

One of the suggested letters to be sent from customers to legislators contained the following provisions:

As the Representative from this district, you are naturally interested in the viewpoint of your constitutents. I have discussed the proposed chain-store tax bill with several of my friends, and I want you to know that we are vigorously opposed to such a bill.

I supported you in the last election and I am proud of your record.

This is the first time I have ever written my Representative in the Legislature. This chain-store bill will hit my pocketbook and I want you to oppose it.

They were told to say that they had discussed it with their friends, although they had not. They were told to say that they had supported the person addressed in the last election, although they probably did not vote. This suggested letter is in volume 1, page 361, of the special committee hearings.

Volume 1, page 363, of the hearings contains a copy of a letter from the chain stores sent to all their superintendents, managers, and employees. It was as follows:

The adoption of the proposed bill would force us to close some of our stores, and, therefore, the bill is of vital importance to our employees. If we are to be successful in our efforts to defeat this vicious and confiscatory anti-chain-store legislation, it will be necessary for each employee of this concern who resides in this State to take a personal interest in the matter and to do all in his power to persuade the individual members of the legislature that a discriminatory tax against chain stores would be contrary to the best interests of the people of this State.

In order to protect your company and your own employment, we ask you to do two things: First you are instructed to write a personal letter to both your Senator and Representative protesting against any chain-store tax. Attached are sample letters * * * Do not copy any of these letters, but read them over * * * and then write the letter in your own words. * * * Have the other employees in the store do likewise.

Second, we ask that you request your friendly customers to write a letter to the Representative or Senator. Provide a place in the store where they may sit comfortably to write the letter on stationery that the store provides. Do not under any circumstances use the letterhead that this company provides. All of these letters may be stamped and the expense charged to the store. We have attached suggested form of letter for letters for the customers. Please see that the customers use different forms in order that the legislator may not receive the same letter more than once. It is better if the customer writes the letter in her own words.

In addition to the above, page 364 contains a suggested letter by the manager to the landlord; page 366 a suggested letter from chain-store managers to legislators. One of the form letters states:

If this bill becomes a law, the chains might cut down the number of stores and it might mean my job. There are seven voters in our family.

Page 368 contains a suggested letter from landlord to legislator. Page 369, a suggested letter from chain-store executives to send to all manufacturers selling the chain. Page 369, a suggested letter for manufacturers to send their legislators. Page 370, a suggested letter for chain-store operators to send to their local banks. Page 371, a form letter to be sent to stockholders in their particular State.

Remember that it is in the March number issue of the National Consumer News that the contestants are to get their information from to write the prize letter.

The April number, which is also referred to for information in order that the contestant may know how to prepare his letter, also contains many equally false and misleading statements. In fact, it is full of misstatements. One statement is to the effect that—

Ultimately the public would absorb the new tax burden and this would mean higher cost and would be very unpopular with the masses.

The fact is that our proposal is one tax that cannot be passed on to the consumers. Competition will prevent it being passed on. Another statement says that the chains save the people $600,000,000 a year; a ridiculous sum and wholly untrue. Across two pages on the April issue is this headline: "Q. and A. on the Chain Store Grab." It contains all the usual misstatements that are put out by those selfishly interested in opposing the legislation.

Remember, it is the April number, as well as the March number, to which the contestants are referred, in order to prepare their letters to their Congressmen and thereby win a prize.

What better proof does one need to support the statement that a letter against the bill would not have a chance of winning the prize and that the contestants who write letters in order to have a chance of obtaining the prize must embody in their letters the arguments that are made by this so-called National Consumer News against the bill.

POLICY OF NATIONAL CONSUMER NEWS AGAINST FARMERS, AGAINST LABOR FOR MONOPOLY

This interstate chain-store publication very quickly adopted a policy of fighting the present national administration, and especially opposing organized labor and the farmers. In the January 1938 issue, on page 4, after a long statement misrepresenting the proposed farm legislation, the editor had in large print and in italics the following: "What to do: Fight the farm program. Communicate with your Representatives in Congress."

The articles in the National Consumer News since December have been strongly antilabor.

The publication has also come out against President Roosevelt's proposal to tighten up our antimonopoly laws.

GOVERNMENT OFFICIAL ALMOST CAUGHT IN LOBBY NET

Mr. D. E. Montgomery is Consumers' Counsel of the Agricultural Adjustment Administration. He issues the Consumers' Guide, heretofore referred to. It is his sworn duty to protect the consumers' interest, but at the same time the interest of all the people, including producers and wage earners is to be considered by him.

In some way Dr. Foster and Mr. Crump Smith persuaded our Consumers' Counsel to become a member of the committee on organization to organize Consumers' Foundation, Inc. Mr. Montgomery evidently went into this in good faith, believing it was a bona fide consumers' organization and going in the direction that he was going as a Government official. Prior to the consummation of the organization, known as Consumers' Foundation, Inc., Mr. Montgomery doubtless discovered that he was not keeping good company; that he was in a group that was not looking after consumer interest, but was looking after the selfish, greedy interest of a few national corporate chains. Therefore, Mr. Montgomery did what any good public official should do, he wrote Dr. Foster a letter and told him that he was not convinced that the procedure followed was such as to insure an organization that would operate effectively and honestly in the consumer interest, and resigned.

Notwithstanding Mr. Montgomery's resignation, in the release that was prepared by Mr. Crump Smith and Dr. Foster for January 8, 1938, it contained the statement that Mr. Don E. Montgomery was a member of the committee on organization. Mr. Montgomery objected to the unauthorized use of his name and demanded that a proper correction be made, which Dr. Foster was forced to make.

I repeat that Mr. Montgomery in his resignation to Dr. Foster before the organization was perfected, after he found out the company he was in, stated in his letter of resignation:

Not convinced that the procedure followed is such as to insure an organization that would operate effectively and honestly in the consumer interest.

Notice the word "honestly".

This magazine claims to be a fair, impartial publication for the consumers. The final and detailed part of the offer is as follows:

The avowed purpose of a bill now before the House of Representatives in Washington is to do away with all chain stores. The proposal is supposed to accomplish this by unfairly taxing every existent chain, the large ones so heavily that they would have to go out of business. But only these chains would be subject to the death tax—their competitors would not be subject to it.

The same organized pressure groups which have succeeded in forcing two uneconomic price-fixing measures through the Congress—the Robinson-Patman Act and the Miller-Tydings amendment—are backing this new bill. Congressman PATMAN himself is its principal sponsor.

The questions this extreme proposal raises are of vital importance to consumers. The editors of National Consumer News want to know what consumers think about it, and they also want to bring consumers' opinions before Members of the Congress.

They are, therefore, offering a trip to Washington—2 days in transit and 2 days to be spent in the Nation's Capital during which you can visit your Congressman and present your ideas to him personally, all expenses paid—and the additional cash prizes offered above for the best letters outlining the consumer viewpoint on the new Patman bill. All prize-contest letters will be judged on their merits. Simply give your honest opinions on this measure. You will be eligible for a prize.

These prizes are offered for the best letters to your Congressman expressing in your own words your experiences with chain stores. Have you saved by dealing with them? Give your frank opinion of a bill which taxes one form of distribution in favor of another. Tell whether or not you believe this new bill is a hidden levy on consumers for the benefit of organized middlemen, with whom direct-buying chains do not deal. Tell whether you believe that this tax, in killing off chain stores, would also kill off some of the best taxpaying companies in the Nation. Ask your Congressman if he can give you facts about what is behind the Patman anti-chain store bill.

Reply to Letters and Telegrams About the Reorganization Bill

EXTENSION OF REMARKS

OF

HON. WALTER M. PIERCE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1938

Mr. PIERCE. Mr. Speaker, I always welcome letters showing interest in government and giving expressions of opinion on public questions. It is the rule of my office to reply personally to each correspondent, but occasionally resort must be made to a circular letter because of the impossibility of replying to all individually, if the routine work is to move forward. I do desire in my turn to say some things to those who have taken the pains to express themselves to me. I hope my advisers made an effort to study the measure, and to inform themselves from first-hand sources, such as the House and Senate bills, the reports on them, the amendments accepted or rejected, and the informational speeches, to which I listened attentively. Many letters gave evidence of real thought and genuine concern. Some telegrams seemed to indicate that the senders had yielded to frenzied appeals and generalized statements, acting in concert under the influence of some undisclosed leadership. It appears to me that the effort to arouse fear and distrust, and the raid on the intelligence and emotions, which took place throughout the Nation immediately preceding the vote of April 8, was not helpful to democracy.

I do not believe that syndicated columnists and radio commentators are any more patriotic, or any better informed, or any safer and more unprejudiced guides than are the 196 Members of the House who voted as I did against the motion to recommit or kill the reorganization bill. I remind my Oregon friends that the bill found favor with the most widely influential newspapers of this section—the New York Times, the Washington Post, and the Christian Science Monitor. The Times asked, "Why such a storm of opposition against a measure which seemed generally acceptable at the time of its introduction, January 1937?" Two of the five main points of the bill, the heart of it, passed the House last July and August without comment or protest.

The need for reorganization and the principles of this bill have been urged by nine Presidents. Thirty years ago, when Taft was President, Senator Jonathan Bourne, Jr., of Oregon, planned reorganization of the Government as essential to efficiency and economy, estimating that one-third of Government costs could be saved. President Wilson pointed out the necessity of organizing the affairs of government along business lines. In 1932 President Hoover requested reorganization powers, notifying Congress that unless they were bestowed on his successor there was small hope of businesslike handling of national affairs. The plan has appealed to students of government for a half century. In 1932 the Republican national platform used these words:

Efficiency and economy demand reorganization of Government bureaus. The problem is nonpartisan and must be so treated if it is to be solved. As a result of years of study and personal contact with conflicting activities and wasteful duplication of effort, the President is particularly fitted to direct measures to correct the situation. We favor legislation by Congress which will give him the required power.

The reorganization bill, killed April 8, complied completely with this party platform.

All Presidents exercise great powers, such as pardoning of criminals, appointing, promoting, and discharging Government officials, including all Army and Navy promotions. Congress gave President Roosevelt the right—never used—to issue three billions of currency and to reduce debts by changing the content of the gold dollar. He has also been given by Congress the right to formulate policies and establish new agencies. Why all this storm when it is proposed to require him to survey the 133 overlapping and duplicating governmental agencies for the purpose of putting our business on a more efficient basis? President Roosevelt is more familiar with the situation than any President has been in the past. The job must be done sometime and by some President. None of the quasi-judicial agencies were included in the bill. The civil service was protected and improved, and provision was made for submitting the program for congressional approval. The democratic rights of our people were in no wise diminished nor threatened.

I very much regret that the approach of a campaign made it a political issue and that through concerted effort certain groups were able to strike a blow at the administration over the shoulder of the reorganization bill. That defeat is an empty victory; not even the bitterest enemy of the administration can feel exaltation nor can rejoice in the wave of abuse heaped upon a leader chosen by the people, and bearing responsibility for over 2 years more. There was no issue of dictatorship. There was nothing to fear in the bill. I do fear uncontrolled bureaucracy. There are a million regular Government employees on the pay roll. If fewer can do the work, or if they can work to better advantage, let us change the organization.

I am glad you gave me an opportunity to tell you what I think. I hope you will be tolerant of my opinion, realizing that it is a sincere expression of concern for governmental processes. I believe that there was lack of understanding, as those who wired in opposition could not have known the final form of the House measure. I cannot here go into the details of this 82-page bill. It did not entirely meet with my approval. I wanted to guarantee that the Forest Service should not be disturbed. I think, however, we ought to have tackled the big job and that somebody must have authority to do so. Otherwise, we shall find ourselves the slaves of a bureaucracy unparalleled in history.

Trade Agreement With Czechoslovakia

EXTENSION OF REMARKS

OF

HON. RICHARD B. WIGGLESWORTH

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1938

Mr. WIGGLESWORTH. Mr. Speaker, under the so-called reciprocal-trade agreement with Czechoslovakia entered into

by this Government subject to approval by the National Assembly of the Czechoslovak Republic, protection for the McKay sewed shoe is reduced from 30 to 20 percent, protection for the molded-sole sandal is reduced from 20 to 10 percent, protection for the leather-soled shoe with fabric uppers is reduced from 35 to 25 percent.

Moreover, the present inadequate protection of 20 percent on the most competitive type of shoe, the cemented shoe, is bound. Despite the manifest inadequacy of this rate of duty in recent years, despite the representations made by thousands of workers and their families, no increased protection is afforded.

The concessions made to Czechoslovakia do not apply to Czechoslovakia alone. Under our most-favored-nation-clause policy they apply to every nation in the world that does not discriminate against us. This means that they apply to every nation in the world except one.

The agreement has been concluded insofar as our Government is concerned, prior to the completion of the investigation by the Tariff Commission into the comparative costs of production of cemented shoes in Czechoslovakia and in the United States. This investigation has been urged by those primarily concerned ever since June of 1937. It has been mandatory under resolution adopted by the Senate ever since August of 1937.

Imports of cemented shoes from Czechoslovakia have increased enormously in recent years. Imports for 1937 show an increase as compared with 1935 of over 1500 percent.

Under the terms of the treaty, the stamp of approval is placed on this increase. And that is not all. A further increase is actually invited—an increase perhaps of 900,000 pairs of cemented shoes—bringing the increase as compared with 1935 to about 1,900 percent.

Shoes imported from Czechoslovakia in 1937 alone on a basis of 2 hours' labor per pair for materials and shoes, if made in America, would have afforded some 7,300,000 hours of employment for the thousands of workers and their families dependent upon the shoe industry of the Nation for their livelihood. On the same basis the increase invited under the terms of the treaty will serve to deprive our workers of another 1,800,000 hours of employment in these difficult times.

The Department of State in its analysis of the provision of the treaty places great emphasis on the fact that the treaty contains a proviso to the effect that if imports in any year exceed 1¼ percent of the average annual domestic production for the preceding 5 years as reported by the Bureau of the Census, the United States Government may, after consultation with the Government of Czechoslovakia, increase the rates of duty on imports in excess of this percentage of the classes of shoes covered by the agreement.

The reservation made in this proviso is, of course, better than no reservation at all. The damage that would otherwise result from the slashes in protection referred to may be limited as a result of this reservation. To state, however, that the damage threatened to the shoe workers of America under the agreement is limited to imports representing 1¼ percent of the average annual domestic production for the past 5 years is to fail utterly to present the damage threatened. One and one-fourth percent used in this sense is a misnomer.

The damage threatened may well amount to over 18 percent of the annual domestic production of shoes effected most seriously by existing competition. Moreover, there is absolutely no definite limitation placed on further importations. All that is done is to reserve the right to impose a limitation if and after consultation with the Government of Czechoslovakia it appears wise to those in charge of the so-called reciprocal-trade agreement program to do so. No ceiling is actually constructed. All that is done is to reserve the right to construct a ceiling.

We have had a similar right for years under the so-called flexible provisions of the Tariff Act. Under those provisions the President is authorized to increase protection to the extent of 50 percent upon recommendation of the Tariff Commission after an investigation into the comparative costs of production here and abroad. It was for this reason that an investigation into comparative costs of production for cemented shoes here and in Czechoslovakia was so urgently sought.

Nevertheless, despite the lapse of about 9 months from the first request for this investigation, despite the lapse of about 7 months since the demand for this investigation by Senate resolution, the Tariff Commission has failed to make any finding in the matter whatsoever. As a result the trade agreement has been concluded in the absence of information vital in my judgment to the proper protection of those dependent upon the great boot and shoe industry of the Nation.

As a matter of fact, this administration has failed to accord increased protection requested under the flexible provisions of the tariff act time and time again. How different is our experience likely to be under the reservation made in the trade agreement with Czechoslovakia?

Mr. Speaker, the thousands of workers in this great industry petitioning in their own behalf, petitioning in behalf of their families dependent for their livelihood on the making of boots and shoes in America, petitioning for proper protection to those responsible for this agreement, deserved a better fate in these difficult times.

Under leave to extend my remarks, I include at this point a copy of an editorial appearing in a leading newspaper published in Baltimore:

ANOTHER INDUSTRY THROWN TO THE WOLVES

"The Czechoslovakian trade agreement provides that every shoe worker in the United States must loaf 7 days every year so that he can assist in keeping the Czech shoe worker busy."—Representative MARTIN of Massachusetts.

Secretary Hull has thrown another great American industry to the foreign wolves.

The trade agreement he has just signed with Czechoslovakia opens the floodgates to importation of Czech-made shoes.

American shoemakers will not be able to compete with them, because the foreign shoes will sell cheaper in our own market.

Therefore American shoemakers will be idle.

Thousands of them will make the despairing change from self-supporting pay rolls in private industry to the dole.

Czech workers will get wages and jobs.

American workers will get the bread line.

The utter simplicity and stark tragedy of Secretary Hull's blind and headlong plunge toward destruction of American industry and American jobs could not be better illustrated than by shoes.

Shoes, like food, are bought with workers' dollars.

They are bought with wages and they make wages.

They ought to make wages for our own people, so they can buy more shoes and other American products which make wages in their turn.

But Secretary Hull is importing shoes and exporting wages.

How long is America going to take this lying down?

God helps those who help themselves, and God help us all if we do not do something to prevent the complete loss of liberty, opportunity, and prosperity.

Secretary Hull must be stopped in his mad career.

The ruinous agreement he has made with Czechoslovakia is the seventeenth in a destructive series.

He is about to negotiate still another agreement, with Great Britain, with hearings scheduled to start Monday.

Unless those hearings bring out such a storm of protest that even Mr. Hull will not dare proceed in the face of it, the most complete surrender of American interest to a foreign power ever negotiated by any administration will be consummated.

Every American with a job must realize his job and the wage he gets from it are in peril.

Every American with an opinion and a voice ought to make his protest heard.

We ought to be putting our people back to work, not taking work from them.

Our Government ought to be reducing unemployment, not forcing more workers out of jobs.

Let England take care of her own workers, as she has ably demonstrated her ability to do.

America ought to do as England does—buy American, so her people can live American.

Edward A. Kenney

MEMORIAL ADDRESS
OF
HON. JAMES M. MEAD
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 20, 1938

On the life, character, and public service of Hon. EDWARD A. KENNEY, late a Representative from the State of New Jersey

Mr. MEAD. Mr. Speaker, it was my distinction to have been closely associated with the Honorable EDWARD A. KENNEY, who served as a Member of the House of Representatives during the Seventy-third, Seventy-fourth, and Seventy-fifth Congresses.

He was a splendid character, a warm friend, an excellent Representative.

After graduating from New York University, he entered into the practice of law, and served with distinction as a member of the legal advisory draft board in 1917. As judge of the recorders' court, as attorney for the board of education, and as chairman of the housing commission, all of which were identified with his local community, he proved his superior talents and earned the opportunity to represent his people in the National Legislature.

He was a man of vision and leadership and was actuated always by an intense desire to enhance the conditions of the people and the cause of democratic government. While his untimely death was a severe blow to his many friends in Congress and throughout the country, his deep and abiding faith in divine Providence, as well as his exemplary life, leaves with us all the consoling thought that he is now enjoying everlasting peace.

His passing was a great loss to his family, the district he represented, and the Nation of which he was an exemplary citizen and a devoted representative.

While I suffered the loss of a good and a warm friend, I am consoled with the knowledge that I enjoyed his fine friendship and had the honor and privilege of serving in Congress with a man of his great attainments.

Thomas Jefferson

EXTENSION OF REMARKS
OF
HON. PAT HARRISON
OF MISSISSIPPI
IN THE SENATE OF THE UNITED STATES
Tuesday, April 26 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. JAMES A. FARLEY, NEW YORK CITY, APRIL 23, 1938

Mr. HARRISON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Hon. James A. Farley on the occasion of the celebration of the one hundred and ninety-fifth anniversary of the birth of Thomas Jefferson, on April 23, 1938, at the Hotel Commodore, New York City.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, this is one of the most impressive turnouts of enthusiastic Democrats I have seen in a long time, and being an enthusiastic partisan myself, it is naturally pleasing for me to have the privilege of being here with you. A meeting of this size and caliber is a kind of visual testimony to the influence and virility of the Democratic Party, which, as it gets along in years, seems to gain new force and vitality. Let me assure those of you who are here in person, and those who may be listening on the radio, that the party is going to continue the wholesome habit of growing stronger instead of weaker, of going forward instead of standing still.

Lest there be any lingering doubts on the subject, let me assure you also that the destiny of the United States will be closely tied up and interwoven with the fate of the Democratic Party for the next decade at least. The party to which we belong is not in power because of a political accident; it was placed in power and kept there because the American people wanted certain things accomplished which had been sadly neglected by the party previously in power. These things concerned the welfare of workingmen and farmers, of the underprivileged, and of the great mass of men and women who make up the American electorate. We are making, and have made, a sincere and honest effort to translate the wishes of the electorate into reality and the American people are conscious of the fact. There is no fear of the Democratic Party losing out to a rival because there is no other party equipped to do the job.

Just now the political atmosphere is confused, as it usually is several months before election. But it will clear up in good season and our party will be led forward to the congressional campaign this fall by the same President Roosevelt who electrified the country by his magnificent leadership in the great crisis of 1933. We welcome the opportunity to place the issue squarely in the lap of the people—and we know that once again, after the clouds of battle have disappeared, the outcome will demonstrate the strength of our worthy leader and the weakness of his enemies.

Only recently we had a flash of the kind of leadership which President Roosevelt is able to give the country—the only real political leadership America has known in our generation. I am referring to the radio address he delivered outlining the steps which the Federal Government will take to beat back the business recession and to revive the flow of trade and commerce once again. This message has lightened the load of care and brought hope and heart to struggling men and women everywhere. And yet this speech of the President was his prophecy made true. During the past 6 months at various periods when the President was taking inventory, he has publicly stated that "he would not permit Nature to take its course"; that "he would not let the people down"; that "we are going upward, not backward."

On the evening of April 14 the President galvanized these promises into a dramatic Nation-wide program. He made it plain that the biggest problem in all government is the human problem, and that more important at the moment than a balanced Budget is a balanced stomach. He also emphasized that hungry men are the raw material out of which dictators are made.

It was clear to the millions who listened to the voice of the President that the dominant note of his cordial, sympathetic, and tolerant speech was his realization of the fact that a program which fails to lift all, never permanently lifts any, and that we must all move, but we must move together.

There are a few people in America who in their stubborness may be willing to let Nature take its course, but "thank God," Franklin D. Roosevelt is not one of them. What does Nature do when it takes its course? The most modern answer as to what happened to humanity when Nature takes its course is found in the social, political, and economic ferment running riot in continental Europe today.

Let me tell you again, and tell you emphatically, that the program of the President meets the approval of the vast majority of the American people. Why? I will tell you. Because his program has in it the promise of recovery to this country—recovery on a level that will make for steady and increased employment of labor at reasonable wages, that will insure profits to business and industry, that affords to the farmers a larger participation in the national income, that will bring industry and labor to recognize their common end rather than engage their energies in trying to destroy each other. His program represents concrete evidence of the capacity and will of 130,000,000 people to cooperate successfully for their common good.

This hour offers to business its golden opportunity. I know that private enterprise in many instances has been reluctant to follow many of the reforms of this administration, but private business will have to admit that except for some of the reforms adopted by this administration we would today or tomorrow be faced with a condition that would make the present recession in business look like a pink tea party. This country was in for a house cleaning one way or the other. It was coming from government or it was coming without government, and I measure my words when I say this. No matter what the enemies of this administration may say, the troubles that afflict us now are far less ugly than those which menaced the United States of America in 1933.

I say this hour offers its golden opportunity to business. What do I mean? I will tell you. There were at least 20 specific friendly invitations by the President to private business for business to join forces with his program and come forward with positive effect and act in concert in the determination of the administration to revive business and stimulate employment. If business pouts and sulks and holds back, it may well know that it will not retain the good will and majority opinion of the American people.

We are more than blind if we do not realize that the mind of the American people is made up. Its mind is in motion. It is going places, and I tell you it is not going back to the primitive days, and it will not allow any group of our people to lead it back into those days that are done and gone forever.

I do not think for a moment that business generally plans to pout and sulk and hold back. There is too much brains in business, big and little business, to make a fool of itself. In my recent conversations with industrial leaders, I have observed the fine, patriotic impulses to go ahead with intelligent, cordial, friendly, and determined cooperation.

My prediction is that business is going to become a real partner in this determination to overcome the forces of deflation, and not wait, but become a partner without delay. Business in this country is on the mend. Business is going to have a chart and a compass; and I predict, before the effects of the President's program have reached their full force and effect, private industry will advance as the second wave and the third wave to take up the position being held by Government spending, and that it will have the foresight and the determination to consolidate and hold firm the territory taken in our national advance.

As we go forward we must not be sectional, we must not be class, we must not be political, we must not let ourselves believe that our Government is our enemy, and we must convince our Government that we are not its enemy. Our Government must be our friend. Our Government must do its part. It should take the lead. It has taken the lead. It should have a program. It has a program, but we must remember that our Government cannot do everything. You and I have got to do our part, but the one thing to remember is that nothing is going to be left to chance as long as our President is Franklin D. Roosevelt.

What do we mean by prosperity? We possess in this country a universal desire for prosperity. Prosperity, it seems to me, has many meanings for many people, but the heart and soul of prosperity is this—our people employed at more than a mere living, our industry humming with more than the cost of production, legitimate business making a reasonable profit, our manifold services ministering to human needs with a margin of economic security and with a sense of equal and exact justice to all.

If you were to ask me what I thought was the finest thing in the President's message I would say that it was his spirit of tolerance. I say to you that what we need in this country today and in the world is a broader and a more genuine application of this word to the political, economic, and social life of this country, and we must also remember that hate is the acid that corrodes the human heart. I am happy to say that I have never been successful in hating anyone. I am happy to say that our people do not hate for long. We are all happy that tolerance, true tolerance, is the keynote of the character of America. It always has been, and I hope and believe that it always will be. With President Roosevelt pointing the way, and a united nation behind him, I confidently expect that the people of America will find their way to a new level of prosperous and contented living.

Business Recession and National Reconstruction

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Tuesday, April 26 (legislative day of Wednesday, April 20), 1938

ADDRESS BY GOV. FRANK MURPHY, OF MICHIGAN, APRIL 22, 1938

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Gov. Frank Murphy, of Michigan, at Detroit on Friday, April 22, 1938, when he discussed present economic conditions in the United States.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

America faces a grim emergency. That is undeniable. A majority of the States are confronted by the stubborn fact of a serious business decline. The fact, however obstinate, must be faced—not with an intent to fix doubtful blame for its existence but with the single purpose of national reconstruction. The size of this task, the realities of want and business stagnation, give us a clear alternative—we can either abandon our people in their hour of need or we can marshal the resources of the National Government to help them. But if want and neglect are permitted to continue by the indifference of us who hold the trusteeship of government, the consequences in economic deterioration, in social discontent, and in spiritual disintegration, may be too great and too serious to be easily repaired. Therefore, our choice must be action—not piecemeal or gradual action, but collective, united, and immediate action.

Last week President Roosevelt sent a message to the Congress of the United States outlining and recommending a program of governmental action designed to aid business and increase employment. In the interest of everything this Nation cherishes, that program should be enacted without delay.

Briefly, the program provides for the continuation of W. P. A. relief expenditures at the present rate, but on a more liberal basis.

The activities and expenditures of the Farm Security Administration, the National Youth Administration, and the C. C. C. will be kept at the present level instead of being discontinued or diminished on July 1, as would otherwise be the case.

Additional funds are provided for Federal building, flood control, housing, and highways. The Reconstruction Finance Corporation is granted $1,500,000,000 for loans to business, and $1,000,000,000 more is provided for new public works that can be started promptly by States and local units of government.

These additional expenditures will aggregate about $4,500,000,000. Whether you call it priming the pump or something else, whether some other measures of a different type should be enacted for the relief and encouragement of business and industry, these proposals do provide the medicine that is needed and needed at once by a stricken Nation faced with the danger of a prolonged depression or serious collapse similar to the one which occurred after 1929. They should be acted upon by Congress with the least possible delay and put to work with all possible dispatch, in order that the millions of unemployed and their families, hard-pressed State and local governments, and the general public that foots the bill may derive the maximum benefit from the program.

It is hardly necessary for me to describe at length the condition which this program is designed to remedy. I need only say that in my own State of Michigan, which is the center of the great automobile industry, the number of families requiring public assistance increased from 100,000 last October to more than 300,000 today. With local funds insufficient to meet the growing demands for relief, the State government has provided assistance, and even advanced money from next year's relief budget, until there are no further funds available for this purpose.

The cost of direct relief has increased from $1,642,000 in October to $4,890,000 in March. State revenues are declining and this State like others cannot borrow except by State-wide referendum. In these circumstances, for immediate relief, it can only turn to the Federal Government that speaks for all of us and that alone can muster all the resources of the Nation for the people's aid.

At this juncture and in this situation, it would serve no useful purpose, even if there were sufficient time to attempt a studied analysis of this sudden and continued relapse in business activity.

The important thing is to recognize that it is here and that Government has a responsibility to do something about it, and do it before it is too late. For as we discovered a few years ago, when business and deflation move in a downward spiral they gather momentum and eventually reach a point where the security of the State and its institutions is endangered, unless something is done to arrest the spiral and turn it upward. That is what the President proposes to do.

Woe betide a people that fails to profit by its own experience. In 1933 we saw what may happen to a nation where government fails to provide in time the remedies needed to counteract a serious decline in business. For three long and bitter years under the Hoover administration, the American people witnessed the futility of timid measures half heartedly applied by a government that was unwilling to acknowledge its responsibility for local relief or to adopt a vigorous program of public works and Government spending. Deaf to the pleas of a helpless people, it stood idly by, relying mainly on natural forces and orthodox measures to bring about recovery.

We remember that the decline gradually deepened into chaos, and that recovery did not come about until those great agencies of Government created and energized by President Roosevelt provided employment for millions of idle men and supplied the public with needed purchasing power to buy the products of industry and start business going again at something like its normal tempo. If some of these remedies had been applied earlier, we might have been spared a large part of the eventual cost and much of the widespread distress from 1930 to 1933.

In any case, we should not hesitate to repeat those measures today that were effective before.

I believe it is very generally agreed that we have waited long enough and allowed sufficient time for business to recover and prosperity to return through the operation of natural forces. We have waited 6 months for private business and industry to resume the upward march unassisted. It may be that other remedies more acceptable to industrialists and investors and demanded by business leaders would eventually loosen the flow of private capital and produce an upswing in business. Such remedies may still be

considered and acted upon, whether they relate to taxation or other legislation affecting the conduct of business. But that should not delay the enactment of the President's program, which, if enacted, will produce immediate results.

It has been amply demonstrated by the experience of recent years that by taking more direct measures, by providing aid to local governments, work for the unemployed, and easier credit facilities to those who need them, an unnecessary and expensive lag may be avoided. We have every reason to expect that with the help of such measures private capital, encouraged by the prospect of early gain, will emerge sooner than it otherwise would and the return of prosperity will be hastened accordingly.

It may be expected that the President's program will be opposed in certain quarters. There will be opposition from those who consistently object to any form of Government spending for relief or reflation. Some will oppose it for partisan reasons. Others will object to particular features. But to the vast majority of our people it is already a source of encouragement and new hope.

It has brightened the future for the thousands of our youthful citizens who will be continued in useful occupations by the N. Y. A. and the C. C. C.; for the thousands of unemployed families in the industrial centers and in the more remote rural areas of the State who are heartened by the prospect of continued aid and reemployment; for State and local governments now harassed by a critical relief problem; for merchants and small-business men who have been given hope of better business and continued operations for themselves and their employees.

For the general public, this program brings promise of early trade revival and increase of the national income, with corresponding relief from an oppressive welfare burden.

In a recent discussion of the program, Senator VANDENBERG described it as pump priming and declared that pump priming is at war with recovery and had proved a failure between 1933 and 1938.

For my part it is not important what name is given to the program. I leave that to the pundits. The important thing is to remember what was accomplished between 1933 and 1938 by similar action.

In March 1933 the country was prostrate. Millions were unemployed and on relief. Banks were closed, business was paralyzed, national bankruptcy was threatened, our economic order was in a state of temporary collapse. Then the Government acted.

Under the stimulus of liberal Government spending, business began to recover. Private employment was gradually resumed on a large scale. Plants were expanded. Commodity and security values recovered a major part of their decline. Production indexes in many lines approached the high levels of 1929. The national income rose from less than $40,000,000,000 in 1932 to nearly seventy billion in 1937. A million homes were saved from foreclosure. And the vast mechanism of production and distribution under private enterprise was restored to normal activity. A nation of 120,000,000 people, saved from the brink of disaster and despair with its democratic institutions unimpaired, registered its grateful approval in the 1936 election with a vote of confidence never before equaled.

Since the spring of 1937 other events and circumstances which the Senator found it convenient to ignore have intervened to bring about a new decline in business. Labor disturbances, war in Asia, unsettled conditions in Europe, excessive production and forward buying, speculation, and other causes may be cited as factors in the decline. Whatever the cause, it was not the spending or alleged pump priming of the recovery years from 1933 to 1937. When a patient after virtual recovery suffers a new relapse from cold or fatigue or overindulgence, we do not blame the medicine that restored him to health. We apply it again, modifying the dosage to the new condition.

So far as it can wisely do so, the Congress should also remove unnecessary and unreasonable handicaps to business. In a system of private enterprise, both the worker and the investor require reasonable freedom for business and security for investments. Constructive legislation designed to encourage business should accompany the program of recovery, and a sound fiscal position should be maintained at all times.

The taxpayer's pocketbook, which the Senator sought to dramatize, must be protected from extravagant and useless outlays. But in the long run the taxpayer's pocketbook and his investment portfolio, his bank account and his income, his peace of mind, and his essential security, will suffer less by checking the current decline in business and employment and property values with a substantial outlay for public works and credit facilities than by letting the decline continue. Having found an effective remedy for business anemia let us use it before it is too late.

The pathway we should follow will be plainer and the burden of our task will be lightened if we keep ourselves constantly alive to the greatest mission we have on this earth. It is not merely to help industries produce more goods or to earn greater profits. It is not alone to build taller buildings, longer bridges, and finer automobiles. Our biggest errand—the one that surpasses all others—is to help all men find a maximum of happiness in the business of living. This can be done if we improve the conditions under which they live and work so that their home life will be peaceful and secure and their labor a source of contentment rather than a burden and a curse. It can be done if we assure every man of his just share of the fruits of this democracy and if we give to the lowly as well as to the great the full enjoyment of all their just rights. These are the true purposes of reconstruction and the broad ends encompassed by the President's recovery program. They are the reasons why that program is America's first need today.

Thomas Jefferson

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 26 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. M. M. LOGAN, OF KENTUCKY, APRIL 25, 1938

Mr. BYRD. Mr. President, every April the Society of Virginia of the District of Columbia holds a meeting to commemorate the memory of one of Virginia's most illustrious sons, Thomas Jefferson, the founder and defender of democracy. Last night one of my distinguished colleagues, the senior Senator from Kentucky [Mr. LOGAN], delivered a brilliant address on Thomas Jefferson before a gathering of this society. He was introduced by Col. Edwin A. Halsey, president of the society, as a scholar, a jurist, a lawyer, and a statesman. I ask permission to have the Senator's address inserted in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Virginia's history is Virginia's glory. Her galaxy of the great who have found their niche in the fane of the noble and whose lives, if written, would dim the splendor of Plutarch's Lives, constitute an epic greater than Homer or Virgil ever dreamed.

We proudly delight to honor George Washington as the Father of his Country; James Madison as the father of our Constitution; John Marshall as the expounder of our Constitution; Robert E. Lee as the noblest soldier who ever carried a sword into battle, calling the names of a few only of Virginia's sons who have contributed to her greatness. But the crowning glory of Virginia was, is, and will ever be, Thomas Jefferson, who, by his brain and courage, laid the true foundation of democracy in this Nation, which serves as a pattern for real democracy among all the people of the earth. Thomas Jefferson may be truly called the father of democracy. His love for the common people of the Nation was as ardent as that of Jackson or Lincoln, but the universality of his knowledge far exceeded that of those two great men.

Jefferson builded his ideas of government upon the philosophy of individual liberty and that the liberty of the individual should not be hampered or restricted except when necessary to prevent that individual liberty from interfering with the like liberty of others. In his day the liberty of one man rarely interfered with liberty of another. So the restriction which he placed on liberty necessarily was not important then. With the complex society which has developed since his day, the restriction has become equally important with liberty itself.

If the mind of Thomas Jefferson could be translated into substance like the facets of a diamond, it would reflect the light with every turning. He discussed and wrote about government, politics, law, education, commerce, agriculture, manufacture, navigation, finance, history, morals, religious freedom, justice, internal improvements, labor, capital, music, science, and sculpture. These are but a tithe of the subjects which he discussed for the benefit of our age and generation. Perhaps no man in the world has had a more versatile mind that that of Jefferson. His only equal may have been Leonardo da Vinci in the days of the Renaissance. His knowledge perhaps was no broader than that of Jefferson's in the days when democracy was established as a living force in the world.

Beginning his public services in the Virginia House of Burgesses, Jefferson continued them as surveyor of Albemarle County of Virginia, Deputy to the Continental Congress, Commissioner to France, Governor of Virginia, Delegate to Congress, Chairman of Congress, Secretary of State, Vice President, and President of the United States. He lent luster to every position that he held, and was the dominant figure in every group of men with whom he came in contact. His aphorisms have become a part of our language, and his great learning is the heritage of all the world. He was never afraid to fight for what he believed was right, and he was always on the side of the people. He foresaw the importance of keeping men on the land. If his warnings had been heeded, there could not have been the great congestion in the cities that we now have. He believed in an agricultural nation, knowing that it was most stable.

Virginia ceded to the Nation Kentucky as well as the Northwest Territory, which was erected into great States, but Jefferson gave to the Nation a domain that would have made proud the heart of any Roman Caesar.

Virginia's Patrick Henry gave to the Revolution an impetus that nothing could stop, but Jefferson in the Declaration, in words of living fire, acquainted the world with its purposes. The armies of Washington won our independence, but Jefferson made the Nation exist as the home of a free people.

After the adoption of our Constitution, there were those who pictured a government vested with royal powers and ruled with little regard for the rights of the common man, but Jefferson pictured a government in which the masses should be the rulers and every man should be a king in his own right.

There were those who held to the idea that the average man was incapable of self-government, because he lacked in education, but Jefferson believed in a system of public schools where the citizen could be educated and trained to properly exercise his sovereignty. There were those who had expressed the hope that Virginians should not be educated for three centuries, but in opposition to this idea Jefferson founded the University of Virginia, which he believed was one of the three greatest things he accomplished in his long and busy life.

Vaguely others may have expressed a belief in the doctrine of religious liberty, but it was Jefferson who wrote into the statutes of Virginia the guarantee of religious liberty. It was the teachings of Jefferson that made it possible for men of every religion, or no religion, to find security in the bosom of our Republic. These words of Jefferson written into the statutes of Virginia have become the charter of religious liberty in America:

"Well aware that the opinions and belief of men depend not on their own will but follow involuntarily the evidence proposed to their mind; that Almighty God has created the mind free and manifestly His supreme will that free it shall remain by making it altogether insusceptible of restraint; that all attempts to influence it by temporal punishments or burthens, or by civil incapacitations, tend only to beget habits of hypocrisy and meanness, and are a departure from the plan of the Holy Author of our religion, who, being Lord of both body and mind, yet chose not to propagate by coercion on either as was in His almighty power to do, but to exalt it by the influence of reason alone; that the impious presumption of legislature and ruler, civil as well as ecclesiastical, who, being themselves but fallible and uninspired men, have assumed dominion over the faith of others, setting up their own opinions and modes of thinking as the only true and infallible, and as such endeavoring to impose them on others, both established and maintained false religions over the greatest part of the world, and through all time."

The statute then provided that in what manner a man worshipped God was his own affair. Following this pronouncement of Jefferson through the Virginia House of Burgesses, the doctrine of religious liberty became a part of the Constitution of the United States.

Most heroes in the world have been placed on a pedestal by some lucky turn of the wheel of fortune. The winning of some battle, the successful prosecution of a war, or the accomplishment of some objective that the people praised has raised many to the pinnacle of popularity. It was not so with Jefferson. He led no armies, he won no prowess as a military chieftain, he builded no cities, he won no renown by conquest. Truly, "His armor was his honest thought, and simple truth his utmost skill." His battles were fought for the people with the pen and not with the sword. Thirteen decades and eight years have passed since his beloved Virginians looked upon his face, but he looms longer in the hearts of his countrymen with the passing of the years. His spirit marches on. The people still cherish his name and his teachings. If our Nation lives through the ages to come, it will be because Jefferson lived, wrought, and taught. Shall we see his like again?

Republic of the Green Mountains

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Tuesday, April 26 (legislative day of Wednesday, April 20), 1938

ADDRESS BY EDWARD H. STAFFORD, AT VALLEY FORGE, PA., APRIL 3, 1938

Mr. GIBSON. Mr. President, I ask unanimous consent to have inserted in the Appendix of the CONGRESSIONAL RECORD an address delivered by Edward H. Stafford, of Washington, D. C., in the Washington Memorial Chapel, Valley Forge, Pa., on April 3, 1938, the subject being the Republic of the Green Mountains.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The fourteenth star in the flag, the first of 35 to be added to the original 13—this was Vermont. It is fitting that added at that time, in the year 1791, she, the first suppliant for admission to the sisterhood of independent States, should be the child of adversity as well as of the mountains, and that she should come into the Union bringing as a trophy her own hard-won existence—her very life having been torn from the unwilling bodies of more powerful neighbors. All the others of the 15 that included the original group and Kentucky had fought a winning battle against the British Empire and its Indian allies; but Vermont had not only those powerful and deadly foes but had in addition the bitter hostility of both New Hampshire and New York, each of whom claimed every foot of her soil and denied her the right to separate existence.

When 300 years ago Samuel Champlain sailed southward on the lake which has since borne his name, he saw and noted to the east and on his left hand high mountains, whose peaks seemed to reach up into the blue of the summer sky, rising from valleys which appeared smiling and pleasant. Probably he was the first white man that ever saw the varied, rugged strip of land which has as its natural boundaries the long bright Connecticut River and the sparkling lake. In his account of his journey he used the phrase "vert mont" doubtless recalling how they attracted him on that bright summer morning. More than a hundred and fifty years later the inhabitants of the district known first as the Hampshire grants, then as New Connecticut, had become after years of struggle and peril sufficiently self-conscious to desire a name of their own for their highland commonwealth. A Philadelphia physician, a friend of your great many-sided Dr. Franklin, was interested. He remembered the French explorer's words and "vert mont" became Vermont, a name, which to its people seems to fit the little Commonwealth so perfectly as to make them believe that kind Providence had held it always in its keeping waiting to bestow it like a laurel wreath when the victory has been won.

During that same summer of 1777 a British officer was sailing southward on Lake Champlain. He, too, saw the mountains on the east; and General Burgoyne, not knowing of the action of the convention at Windsor which had adopted a name for a new State, wrote home a sentence which Vermont people have treasured among their brightest jewels ever since:

"The Hampshire grants, peopled by the most active and rebellious race upon this continent, hang like a gathering storm upon my left."

The events making up the story now to be told occurred more than 150 years ago. Whatever dangers of another character may threaten us now, we need have no fear as to the Union. Nevertheless, you may be interested to hear certain old, unhappy, far-off things which, taken together, have made a striking body of tradition for an entire people, though the long years of peace and happiness have made not only fellow citizens but friends and kinsmen of all the participants and their descendants.

The shots at Concord Bridge found an instant response in the Green Mountains. That territory was then called the Hampshire grants. It had been settled during the preceding dozen or so years by families largely from Connecticut who held their lands under grants from New Hampshire. The territory after some years was also claimed by New York under a title asserted to be superior to that of New Hampshire. New York proposed either to dispossess the settlers from the lands they had occupied and cleared or to make them pay again for them to New York. Neither alternative was acceptable to pioneers. They instantly espoused the side of the New Hampshire title and defended it and their own possession with a zeal and resourcefulness which had kept them in possession over a long period of years, even against occasional use of force by the New York authorities. At the time of the Concord Battle their situation was dangerous, but they were nevertheless determined to hold out, and already they had formed a political organization of a crude sort that was in the hands of vigorous and able men. Their quarrel with New York was merged in the Revolution of all the Colonies against the King. The Green Mountain Boys, an informal band, which had been organized to protect the grants against New York, turned their energies and ingenuity against the King, to the great relief of the Province of New York.

The capture of Ticonderoga and of Crown Point less than a month after the outbreak of the war is a familiar story, chiefly because of the appealing figure of the gigantic Colonel Allen, who led the expedition. Less familiar but even more significant is the participation of the Green Mountain forces under Col. Seth Warner in the invasion of Canada in the first winter of the war. That ill-starred venture came to a tragic end before Quebec when the gallant Montgomery was killed. General Washington himself commended Colonel Warner and his troops for the thankless but invaluable services they performed in fighting rear-guard actions during the retreat of the Americans through the Richelieu Valley to Lake Champlain in the spring of 1776.

By the time the Burgoyne campaign of 1777 was under way there was a regiment of Green Mountain troops under Col. Seth Warner in the organization of the Continental Army. Seventeen hundred and seventy-seven was a great year for the Green Mountains. In the early winter the Hampshire Grants formally declared their independence of both New Hampshire and New York. In July they adopted a constitution and took the name Vermont. In August their redoubtable Colonel Warner fought another of

his stubborn rear-guard actions at Hubbardton. The same month saw the beginning of the end for General Burgoyne in the victory near Bennington of New Hampshire and Vermont troops over the Hessians, in which Colonel Warner, as usual, received the praise and appreciation of his superiors.

With the surrender at Saratoga the sullen tide of war flowed away from the northern border. The Continental Army came here for its winter of agony. With the French alliance announced in the spring, affairs for the Colonies never again wore quite the same desperate appearance as in the early days. It was very different with the new State of Vermont. It would be a tedious task to detail her attempts to become a member of the Confederation of States. Beginning with the year 1777 and ending with the year 1783, there was hardly a 12-month period in which she did not ask for admission. She was never allowed to enter, because the powerful State of New York invariably and actively opposed; but she was never told to go away, that the Congress would have none of her. She was kept waiting till that hope long deferred actually made her doubt of the unity of the States, especially when it became known that the States of New York and New Hampshire proposed to divide Vermont between them at the line of the Green Mountains. It cannot be marveled that at certain times it seemed to Vermont that she could not be worse off as a part of Canada than as a part of New York State.

The final treaty of peace with Great Britain in the year 1783 included her territory within that of the United States. She was no longer a part of the British Empire. The Confederation of States would have none of her. Therefore, hemmed in between her ill-wishers on either side, her inhabitants looked with grim satisfaction upon Mansfield, Killington, and the Crouching Lion as a final resort in case of desperate need and set up their own separate and distinct republic of the Green Mountains. A post office department was established and operated by foot and by horseback over the trails and by canoe along the rivers; a coinage bearing the superscription of the Commonwealth was instituted. New settlers thronged into the State. Her debt was small, practically nonexistent. The ways of life were simple. During those dark years when the rest of the Confederation was treading the ways of ruin and revolt, Vermont's only troubles were, as usual, with the State of New York. Otherwise her yoke was easy and her burden was light.

The rest of the Confederation was finally forced to the adoption of the Federal Constitution by conditions which for the most part did not obtain in the Green Mountains. When the Constitution had become a living entity, the State of New York itself accepted the inevitable. Its government realized that it could never absorb or conquer the stubborn little organism across Lake Champlain, and at last New York in a friendly and frank fashion took the initiative, appointed commissioners, and asked for a conference to adjust all matters in dispute as between two States. The offer was immediately accepted. It is not difficult for friends to negotiate. In a very short time all was arranged to the complete satisfaction of both sides. New Hampshire had long since ceased to be unfriendly.

At the close of the first Congress a bill was introduced to set up the fourteenth State. It was quickly passed, as though all were relieved and happy that the troublesome questions were satisfactorily settled. President Washington made the bill a law by his signature on March 4, 1791. One can almost hear him saying, "In appreciation of the Ticonderoga cannon dragged through winter forests to Cambridge, and of the unfailing dogged determination of Colonel Warner's regiment in arduous and perilous duties, and for other deeply valued services of an 'active and rebellious race'."

The threads between General Washington and the new State are not few and are of the kind not soon forgotten. He commended officially Colonel Warner's regiment of Green Mountain boys for the alacrity with which it responded to a summons in the spring of 1776 and for its invaluable services in acting as rear guard for the thwarted American forces leaving Canada during those anxious months. When Col. Ethan Allen, who had been captured in the assault on Montreal, was exchanged and brought back from England in 1778, the Commander in Chief persuaded Congress to make him a brevet colonel in the Continental Army, notwithstanding that New York had had a price upon his head as a dangerous outlaw for many years.

During the bitter years between 1777 and 1782, when all America was at war with the British Empire and Vermont was neither in nor out of the Union, and was constantly persecuted and goaded by New York officials and adherents, the little State adopted a vigorous offensive and annexed 16 New Hampshire towns on the Connecticut River and a number of New York towns between Troy and Bennington. This measure may have helped somewhat to make New York realize the seriousness of Vermont's attitude toward independence, but it, of course, made an immediate enemy out of New Hampshire, and the general impression created by the act was far from favorable. At that time Governor Chittenden, of Vermont, wrote to General Washington, asking his help in the long-delayed action on the application of Vermont for admission to the Confederation. The general replied at once in a thoroughly characteristic way and gave the officers of the new State the best advice they ever received: "Let go of the New York and New Hampshire towns; withdraw and maintain yourselves within your own borders; never let your application lapse; your past services have made you many friends; time will bring you more, and ultimate success." Few people in those times could obtain advice from George Washington. Those that did seldom disregarded it. The State of Vermont was so encouraged by his friendly interest that they were not reluctant to do all that he suggested. They chose, probably not by accident, February 22, 1782, as the day on which the Vermont Legislature released the New Hampshire and New York towns.

Speaking here in this sanctified place as representative of the Governor of Vermont, there remains only the proud duty of paying once more the State's annual and deep-felt tribute to the mighty soldier who made Valley Forge but a step on the road to victory instead of the grave of a people's hopes. Without him we can visualize nothing of confidence, and little of hope as we contemplate the months of martyrdom. In one of his innumerable letters during the war years he explained to his correspondent the burning zeal with which he advocated some particularly vigorous measure by saying that he had a reputation to save, or an estate to lose and a life to forfeit as his stake in the struggle. People who have been to Mount Vernon in early December, who have seen the gentle, almost friendly, hand which Winter lays upon that genial spot, the sparkling river in the sunshine of the brief days, and who have felt the deep appeal of the rolling fields and wide acres where vigorous and ardent men took joy in the chase of the fox, will have an inkling of the overwhelming nostalgia which must have settled upon him in the bitter winter of 1777. He knew there was no fighting to be done till spring, knew the Congress was filled with his ill-wishers, impatient half-informed men who wanted a short and a violent war. Just suppose he had yielded and had gone home, just for a few weeks. Would there have been an army left when he came back? If the army had been gone, what would have become of the struggling Confederation? This modest Virginia gentleman, who almost never lost his iron control over himself, this propertied planter of tobacco, this wealthiest man in America—anomalous as it seems—was the Revolution. Without him, his inflexible purpose, his almost incredible patience, his sure-footed judgment, the lofty height of his character, it would have fallen apart not only during that terrible winter on this spot, but on other occasions as well. The State of Vermont, as a part of the American Union, feels in all certainty and humility that it owes the existence of the Union and all that that has meant, to him. This deep feeling she shares with the other 47. For herself alone and in a very real sense, she feels she owes to him her own existence as a State. Without his powerful aid her existence could never have been maintained against the deep-seated opposition both of New Hampshire and New York, who proposed to divide the recalcitrant State between them at the divide of the Green Mountains. For that reason, if for no other, a year will not pass in which some son of the mountain commonwealth shall fail to pay to his memory the grateful tribute of a closely knit and devoted people.

He stands in his niche here, so vividly portrayed by the genius of the sculptor that he seems almost to live again, and we can feel with him the weight of his staggering burden. All those who have toiled for the Nation since then have been strengthened by his inspiring example, their own heavy burdens made lighter because of the greater which he bore alone. In contrast with this figure before us we like to think of him at a sunnier time. When his arduous years as President were finished, he attended the inauguration of John Adams, his successor. Contemporary accounts say that very few eyes were upon the new President. Of a sudden all his countrymen seemed to realize that George Washington was leaving forever the seats of power. When the ceremony was over he endeavored to walk alone to his own house, but he was followed at a respectful distance by a great crowd of silent men. He turned on the steps and faced them. With almost a single gesture all hats came off. For once he was at a loss what to do; overcome by his emotion and by the spontaneity of this tribute, he passed quickly into the house and the crowd melted away. Full of years and of richly deserved honors, dignified, but not broken by his age, he was never greater than when he left his uneasy place of authority, and with his work all done, went back to Virginia to be a neighbor again. Happy are the States whose infant years were watched over by such a man. In the deep memory of one State he, alone, has always been first, and always will be. Here we pay gladly our tribute to his endurance and his renown, and as for himself—"at the going down of the sun, and in the morning, we shall remember him."

The Recovery Program

EXTENSION OF REMARKS

OF

HON. WARREN R. AUSTIN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Tuesday, April 26 (legislative day of Wednesday, April 20), 1938

EDITORIAL FROM THE NEW YORK TIMES, OF APRIL 15, 1938

Mr. AUSTIN. Mr. President, on April 15 the New York Times published an editorial which points to acts of constructive recovery value calculated to encourage the invest-

ment of private capital of greater amount and effectiveness than any "pump priming" or inflationary measures of the Government. This editorial was called to my attention particularly by Dr. Nicholas Murray Butler this morning. I ask unanimous consent to have printed in the RECORD the letter of Dr. Butler and the editorial.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

APRIL 25, 1938.

The Honorable WARREN R. AUSTIN,
United States Senate, Washington, D. C.

MY DEAR SENATOR AUSTIN: May I invite your attention to the enclosed copy of a most extraordinary editorial which appeared in the New York Times of Friday, April 15? It is so exceptional in its thought and in its expression that I hope you will feel disposed to have it put in the CONGRESSIONAL RECORD, where it will be widely read and where it can be made a matter of reference hereafter. I trust that your impression of the editorial will be similar to my own.

With cordial greeting, I am,
Faithfully yours,

NICHOLAS MURRAY BUTLER.

[From the New York Times, April 15, 1938]

THE PRESIDENT'S PROGRAM

Once more the Roosevelt administration has chosen to pour water down the well instead of mending the pump. As a solution for the break-down of production in this country it proposes to borrow more money and to spend it. By this device it hopes to create additional purchasing power and to increase the Nation's wealth. But if this method is really sound, if it will actually work, why should the present program be limited to the borrowing and the spending of a few more billion dollars? Why should not the Government proceed at once to borrow and to spend many times a few billion dollars in order to solve its present problems beyond all possibility of doubt?

The fact of the matter is that the Roosevelt administration has once more confused cause and effect, and that this confusion, if persisted in, promises to lead to a tragic end. Inherent in the President's message to Congress yesterday and in his radio address last night is the conviction that purchasing power and production are two separate things, and that purchasing power is something which can readily be expanded by whatever amount the Government chooses to borrow and pour in. But this is an illusion. The truth is that purchasing power and production are one and the same thing, and that purchasing power flows out of production—and not the other way around. The purchasing power for wheat and cotton is automobiles, and the purchasing power for automobiles is wheat and cotton—and the country will grow no richer, no matter how many I O U's the Government signs and no matter how many checks it writes, unless the production of wheat and cotton and automobiles and all other goods is increasing.

The core of the problem, then, is how to get production started up again. And the most effective contribution that any government can make toward the solution of that problem is not to shake public confidence by running further into debt, but to take what steps it can to remove the forces which have actually slowed down production.

If proof of this were needed, it could be found in abundant measure in the experience of the last 5 years. "Pump-priming" is nothing new for the Roosevelt administration. It has been trying to prime the pump almost from the day that it took office, and in a gigantic experiment with this unsuccessful method it has actually spent more money in 5 years than was spent in the aggregate by all of the administrations that have governed the country from the days of George Washington to the days of Woodrow Wilson. It is still spending money at a tremendous pace. For it is sheer myth to believe that Federal expenditures have slowed down recently. If allowance is made for the single factor of the soldiers' bonus, Government expenditures are larger today than they have ever been before in the whole record of the Roosevelt administration, or in the whole peacetime history of the United States. Yet throughout this entire experiment with pump-priming the business of the country has been subnormal three-fourths of the time—and the expenditure by the Government of the almost incredible amount of $40,000,000,000 in 5 years has not succeeded in averting, during recent months, the most precipitate decline of business in the history of the country.

We are now told that the trouble is that the Roosevelt administration did not spend still more money. But when did the United States achieve the real peaks of prosperity and the long periods of stability which characterized its forward march toward a position of international leadership? When did it span a sprawling Nation with new railways and spot the countryside with thriving cities and build up the greatest machinery of mass production that the world has ever seen and raise the standards of American living to a level which made those standards the envy of every other nation? In the days when the Government was "spending its way into prosperity?" Or in the days when the Government was content to govern the country quietly, to keep its fiscal affairs in such good order as to promote public confidence in the national credit, and meantime to encourage that spirit of private enterprise and individual initiative which constitute the real genius of the American people?

There were some cordial words for private enterprise in the President's statements yesterday, and an absence of attacks on "the selfish few" who have so often been accused of blocking the highway to prosperity, and these things are welcome and reassuring. But the problem now, at the end of 6 months of depression—during which industrial production has fallen farther in a shorter space of time than was the case under the Hoover administration in 1929 and 1930—is concretely how to get production started up again. And the solution of that problem needs prompt and effective action.

It needs a prompt peace between the Government and the utilities, in order that a great industry, whose potential orders for equipment rival the Government's own "pump-priming" program, may be permitted to expand. It needs prompt amendment of a revenue law which unwisely forces the dissipation of corporate reserves. It needs prompt amendment of a labor-relations law which has impaired confidence because of its partisan character. It needs prompt amendment of an old-age pension system which now draws heavily on the resources of industry for the purpose of building up a wholly fictitious "reserve." It needs a prompt effort to put the financial affairs of the Government in order, in order that there may be some early hope of escape from the crushing burden of taxation and some fresh incentive to the investment of private capital.

These are the things which need to be done. These are the things which Congress ought to do, to the best of its ability, rather than hazard the national credit in another gamble with an artificially induced prosperity. And if these things are done, and promptly done, there will be no need for the Government to try once more to prime the pump of industry.

To approve the President's new spending program now, and to ignore meantime the fundamental factors of the present situation, would be to invite one or the other of two results:

Either the frightening away from investment of private capital many times as large as any conceivable amount of capital which the Government can possibly pour in, or another temporary "inflationary" boom which will merely intensify the difficulties which will have to be met ultimately on the inevitable day of reckoning.

Jackson Day Dinner

EXTENSION OF REMARKS

OF

HON. ROBERT J. BULKLEY

OF OHIO

IN THE SENATE OF THE UNITED STATES

Tuesday, April 26 (legislative day of Wednesday, April 20), 1938

ADDRESS BY COL. JAMES ROOSEVELT AT MIDDLETOWN, OHIO, APRIL 20, 1938

Mr. BULKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Col. James Roosevelt at a Jackson Day Dinner at the Manchester Hotel in Middletown, Ohio, on April 20.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In celebrating the birthday of Andrew Jackson tonight we are a few months late, if we persist only in looking at the calendar. But in the situation which confronts us today I feel that "Old Hickory" would be more at home with us than ever. That hard-bitten old warrior was a direct man and a bold one. He first calmly decided what needed to be done and, once his mind was made up, he did it. No amount of conversation could dull his appetite for getting results. If we measure him by the test of current events, Andrew Jackson is never out of date. The one problem which was uppermost in his mind is the one in which we are most interested.

What to do for the man out of a job.

How to restore this Nation to a prosperous basis.

Certainly, the name and most of the origins of our present-day Democratic Party come from the days of Jackson. He liked a good fight better than anything else in the world; he loved to be alive and ready for action. I wish that he could stand with his party today. Today, as then, it stands ready to do battle—a battle not against individuals, not against personalities, but for a definite cause, that cause to make the capitalistic system of the richest country in the world run smoothly. The New Deal is going forth to war against depression once more.

Last week the President said in his message to the Congress: "The national administration has promised never to stand idly by and watch its people, its business system, and its national life disintegrate."

Coupling that statement with action, he has recommended to the Congress a new public works and relief program, which after many weeks of deliberation and study has been carefully designed to rectify what he considers to be the ills under which our system

is now burdened. He has asked for these relief appropriations to insure that the men and women of America—the man without a job—shall, so long as the New Deal shall stand, never go hungry. He has called for a program of public works the primary purpose of which is to give industry a new chance to sell its products and to give workers a new chance to find jobs. As to the need for such a program, I think there is little disagreement. The secondary purpose we all know—the creation of useful and necessary projects, such as schools, playgrounds, bridges, hospitals, and so on; I need not call the roll. An added appropriation for C. C. C. camps will prevent the reduction of 300 of these and thus guarantee that our young men will receive useful training for their future citizenship. In like fashion the National Youth Administration will remove existing gaps in the education of many of our young men and women. And as W. P. A. is to our urban and town life, so is the proposed program of the Farm Security Administration to our farm life. The American farmer will be protected.

There is nothing in this program that is new or revolutionary. In 1933 the Democratic administration, faced with new and hitherto unknown conditions, had to experiment with public works and work relief. That theory has been tried and tested and found successful. Just as Andrew Jackson in his day faced the new and unusual with bold, direct, and courageous action, so the Democratic Party in 1933 decided to rely upon the past performance of the American people. In every crisis which history has forced upon them they unfailingly have given full and confident support to bold leadership. From those experiments we have learned many useful and positive lessons. And we know many things today, therefore, that make it unnecessary for us to be hesitant in taking the direct action which is the basis of our present program. I am not implying that we know all the answers or that there may not arise in the future need for further experimentation. We do know from actual experience that business employs more workers when Government takes action to increase the buying power of the people. The national income produced by a nation is the value of all the goods and services produced by the people in 1 year. The record shows that this national income—which after all is the single test of America's wealth—rose from $38,000,000,000 in 1932 to almost seventy billion in 1937. In the span of those years it is an indisputable fact that the income of the American people was greatly increased. That, simply, is the purpose of this program.

I know that all of you who are thinking about it have two questions in your minds:

Can the country afford it?

Since we tried it once, why should we try it again?

Let me try to state simply the answers to those questions.

An automobile needs fuel to make it go. The gasoline which provides the power for our national automobile is the labor of wage earners, farmers, and businessmen, the people who are working, who are busy creating wealth. But the situation which we face today is very much like the problem of any automobile owner who is tempted to save money on lubricating oil on the ground that it is gasoline and not lubrication which drives the car. He soon finds that while his gas tank may be full, his skimping on oil has stalled the engine.

The Government expenditures which we recommend have been found by experience to be necessary to lubricate the wheels of business and make them turn. We, the people, have this added advantage over the car owner. His lubricating oil, once used, is gone, but wise Government expenditures leave behind a permanent addition to the wealth of our cities and towns—the playgrounds, the reservoirs, the roads, the forest, and soil conservation.

How does this fit in with your hope for a balanced Budget? Think back to 1932, when the national income was about $40,000,000,000, or an average of $320 for each man, woman, and child in the country. The Federal Budget was about four billions, or $32 apiece for each one of us. If you could have paid the $32, you would have had on the average $288 left. That was too small to live on, and so the people could not pay enough to balance the Budget. But in 1937 the Government was spending about $25 more, and your average incomes were about $230 more. Naturally the revenue from taxation was high, because it is a lot easier to pay $57 out of $550 than it is to pay $32 out of $320. The way to make the revenues rise until they equal the expenditures is to push the average income up some more. If we had kept up the advance of last year, the Budget would have balanced in 1938.

But the same people who are objecting to a spending program now were saying last year that business could go ahead under its own steam and that it was time to taper off the Federal spending. Nobody knew for sure what the effect would be, but the majority of the American people seemed to be in favor of tapering off, so the experiment was tried. Business quickly went into a tailspin and the national income dropped about $12,000,000,000. Your average income fell from $550 to about $450 a year.

The administration believes that this experiment in tapering off has gone far enough. We have learned that when we go ahead with public works and work relief your average income goes up, and we come closer each year to balancing the Budget. When we taper off your income goes down, and we go farther away from a balanced Budget.

I am not making any apologies for these experiments. They prove that the Federal Government can pull the country out of depression by spending and can drop the country in again by economizing. We had to prove that by experiment, because hardly anybody believed it in 1933. Now that this relationship is proved by experience, many people still can't believe it, but we are not in favor of delaying action any longer.

What makes national income? Production.

What makes production? Orders from dealers.

What makes orders from dealers? People spending their money.

Spending makes the market, the market makes the factories run and gives employment, the employment gives wages to spend. That is the wheel of industry. When it stops turning no one person dares to spend to try to start it up again. We have to act together, and the only way we have of pushing all together is by using the Government as our agent.

Some people will tell you that you are going to be ruined by the terrible burden of taxes, even if you do get jobs and prosperity. But think for a minute of what you have left over after your taxes are paid. Why not cut out all our spending, public and private, and have no expenses and no income at all? Then everybody's budget would balance at nothing equals nothing. The only way to get out of depression is upward. It will cost you some money, but you will make a profit on it, and will have more left for yourself afterward than you have now. If you have to double your taxes in order to double your income, is it not worth the price? Or would you rather cut your taxes in two and let your income go back to what it was in 1932? Ask that question when someone tells you that spending our way out is going to ruin the country.

Our experience boils down to this: When the Government spends more money you all have more money and your taxes are easier to pay. When the Government spends less money you have a lot less money and the taxes are more than you can carry.

We believe that most of you who have no jobs will go back into private employment when business gets going again. And it will, with a little teamwork. The Government is doing all in its power to encourage business to go ahead without running off the track, as it did in 1929. Those fears which business may have in spending money, in enlarging the plant of America, are being dealt with by the administration swiftly. I may mention, for example, the renovation of the present tax structure, which is taking place in Washington now. I may mention the simplification of administrative regulations relating to the issuance of securities which business has claimed are too restrictive in scope. These and others like them are matters of administrative management. I believe that the great majority of the American people agree with me that the necessary changes are matters of administrative improvement, and that we don't want to go back to the mistakes that were made before 1933. There are few businessmen, not to mention citizens in other walks of life, who today would wish to sacrifice the gains which America as a nation has made since 1933. Do you in your own acquaintance know of anyone who wants to give up the general principles of the changes the New Deal has made, such as social security, the Securities and Exchange Act, the regulation of public utilities, the elimination of slums, or the strengthening of our banking structure?

No; I don't think any of us want to go back to 1929. Then we had a philosophy, if it could be called that, of "Do nothing." We tried that once and I do not need to remind you of the results. There is no desire to repeat that pattern of thinking, that policy of drift, of governmental inaction. We do not propose to blind ourselves to the facts, to indulge in the wishful thinking that by mere inertia a miracle will come to pass. We cannot content ourselves by hoping plaintively for the best and looking "around the corner" without making any effort to get there.

You, the people, and your administration cannot afford to wait for 1 year, or for 4 long years. We cannot stand idly by. The time for action has come. Just as important as the doing is the time of doing it. We will not postpone this program until the good it can do will come too late. The essence of the New Deal has been to strike at a time when that action will get results. We propose to follow that policy, to act now before conditions reach a point at which this program would be a futile palliative.

You know and I know of many people who have repeated over and over, "Something should be done." We are faced at this crossroads with the policy of doing that something or doing nothing. To the best of my knowledge, only the Democratic Party has been willing to say what should be done or to do it.

This is not the time to dwell upon partisan politics. But as Democrats who look to the future of our party, we must realize that it prospers only if our country prospers. What has befallen our Republican colleagues on the national scene can easily befall us if we go to sleep at the switch the way the Republicans did. "Do nothingness" will never again be the main attribute of government in America. We have no touchstone, no talisman of success, except that of intelligence and an understanding of our people. A new concept of security has grown up in the minds of the people. They have learned to demand much from their public servants. It is my hope that we will live up to their expectations.

As we read our daily papers, and listen to our radios, there must come home to every one of us, earlier or later, this simple truth. Our country has come of age. In a nation where men can no longer escape depression by moving westward to the frontier, in a country where land is no longer to be had for the asking, those of our citizens who through no fault of their own are overcome by the problems of a complicated economic system have only their Government to look to for assistance. The vast majority of our citizens have come to realize as an established fact that they cannot allow their agent, the Federal Government, to be blind to conditions of suffering amongst their fellow citizens. For what other reason have we created the organization of the Government?

Throughout our history whatever the disaster, whether it be flood or fire, crop failure or danger from a foreign enemy, it has been natural for people to look to their common agent for protection. That is a basic reason for its existence.

To paraphrase the statement a great President made many years ago, the object of government is to do for a community of people whatever they need to have done, but which they cannot do as well for themselves as individuals. The western frontier was made available only through the aid of Federal troops. When the pioneers who settled the West began their long trek, the movement was a community proposition. The Federal Cavalry detachments were the very lifeblood of the old West, performing a hundred functions. Without the early Army posts, the post roads, the pony express riders, civilization would never have come to the frontier.

Time changes many things. After a few short years the Federal Government changed from a symbol of adventure to a symbol of protection and of help. The Government helped the farmer by providing facilities for shipping his goods to market, by getting lower railroad rates, building highways, creating land banks, and so on. It is the Government today to whom the Ohio Valley, for instance, looks not alone for flood control but for flood prevention. And more than anything else it is the Government today to whom the man without a job must turn when all other resources fail. I am sure you join with me in the belief that he will never turn in vain.

It is nonsense, of course, to pretend that government can do it all. Government's share is only to create conditions sufficiently attractive and sound so that the businessman will spend, the investor will spend, and so that you will be able to spend. A large factor in creating that confidence for investment over a long period is the determination and the confidence of the American people as a whole in their own inherent capacity. Such confidence will not allow men to stand idle so long as there is work to be done. Those who have idle funds which they are unwilling to use are practicing self-delusion, if they really believe they save while they sit on their money. That money itself will melt away if the workers and machines are idle and wealth is not produced.

But our problems are not settled by simply shouting about danger. Our liberty is easily lost unless we act—together; unless we meet our problems boldly, unless we prove to our people that the powers of democratic government are equal to the task of protecting our security. As one of our wisest Americans has said: "If we would govern by the light of reason, we must let our minds be bold."

It is only a government which draws its strength from the consent of the governed that can make vital decisions to act intelligently. I believe that we made this decision to act when we voted in 1932. We reaffirmed that decision in 1936. From that unified democratic will, the voice of a people which has spoken, we have drawn our strength. With that strength we must meet our problems.

We have won several big battles against this war upon depression. We have found, however, that the war is not yet over. But an enduring victory lies ahead. We Americans will retain the privilege of liberty—liberty to think and to speak, liberty to act—and the liberty of lasting security.

P. W. A. in Louisiana

EXTENSION OF REMARKS

OF

HON. RENÉ L. DeROUEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1938

APPROVED P. W. A. PROJECTS FOR LOUISIANA

Mr. DeROUEN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following list of approved P. W. A. projects in my State:

Louisiana—List (by parishes) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Avoyelles Parish:					
7663	-------	Simmesport	School addition	----------	$9,352	$9,352	$20,783
		Beauregard Parish:					
W1084	-------	Deridder	School	----------	9,322	9,322	20,716
		Bossier Parish:					
W1059	-------	Benton	Waterworks	$22,000	19,636	41,636	43,636
		Caddo Parish:					
W1006	-------	Shreveport	Auditorium	----------	9,225	9,225	20,500
W1008	-------	----do	----do	----------	12,490	12,490	27,750
W1011	-------	----do	School addition	----------	11,610	11,610	25,800
W1039	-------	----do	Fire department	----------	4,950	4,950	11,000
W1070	-------	----do	Irrigation canal	----------	33,210	33,210	73,800
W1085	-------	----do	Waterworks, sewer	----------	191,250	191,250	425,000
W1089	-------	----do	Paving	----------	63,000	63,000	140,000
W1090	-------	----do	----do	----------	40,500	40,500	90,000
W1091	-------	----do	----do	----------	6,075	6,075	13,500
W1092	-------	----do	----do	----------	8,576	8,576	19,057
W1093	-------	----do	----do	----------	8,123	8,123	18,050
W1094	-------	----do	Street improvement	----------	3,600	3,600	8,000
W1095	-------	----do	Paving	----------	1,980	1,980	4,400
W1096	-------	----do	----do	----------	1,710	1,710	3,800
W1097	-------	----do	School	----------	38,766	38,766	86,146
W1098	-------	Mooringsport	School addition	----------	20,205	20,205	45,000
				----------	455,270	455,270	1,011,803
		East Baton Rouge Parish:					
2193	-------	Baton Rouge	Bridge	----------	27,000,000	27,000,000	60,000,000
W1058	-------	----do	Library	----------	31,185	31,185	69,300
W1063	-------	North Baton Rouge	Waterworks	----------	339,322	339,322	754,050
W1075	-------	Baton Rouge	Courthouse addition	----------	27,000	27,000	60,000
		Total		----------	27,397,507	27,397,507	60,883,350
		Jefferson Parish:					
W1101	-------	Welsh	Auditorium and gymnasium	----------	10,800	10,800	24,000
		Jefferson Davis Parish:					
W1099	-------	Jennings	Stadium	----------	7,380	7,380	16,400
		Lafayette Parish:					
W1073	-------	Lafayette	City hall	----------	58,050	58,050	129,000
		Natchitoches Parish:					
W1041	-------	Ashland	School addition	----------	10,890	10,890	24,200
W1064	-------	Natchitoches	Park	18,500	15,300	33,800	34,000
		Total		18,500	26,190	44,690	58,200
		Orleans Parish:					
W1019	-------	New Orleans	School building	----------	545,059	545,059	1,211,243
		Ouachita Parish:					
W1071	-------	Fondale	Auditorium	----------	10,350	10,350	23,000
		Rapides Parish:					
W1054	-------	Alexandria	Courthouse and jail	----------	265,909	265,909	590,909
W1065	-------	Pineville	Dormitory	----------	90,000	90,000	200,000
W1066	-------	----do	----do	----------	90,000	90,000	200,000
		Total		----------	445,909	445,909	990,909

Louisiana—List (by parishes) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Richland Parish:					
W1018	1	Rayville	Waterworks and sewer	$12,500	$10,227	$22,727	$22,727
W1018	2	....do	Lighting plant	39,000	31,000	70,000	70,000
		Total		51,500	41,227	92,727	92,727
		St. Bernard Parish:					
W1060	.....	Arabi	Courthouse and jail	.....	200,454	200,454	445,454
		St. John the Baptist Parish:					
W1103	.....	Reserve	Gymnasium	29,000	23,727	52,727	52,727
W1104	.....	Edgard	Courthouse and jail	23,000	18,818	41,818	41,818
		Total		52,000	42,545	94,545	94,545
		St. Tammany Parish:					
W1040	.....	Slidell	High-school addition	.....	7,960	7,960	17,690
		Tangipahoa Parish:					
W1062	.....	Tickfaw	School addition	.....	6,975	6,975	15,500
		Union Parish:					
W1082	.....	Downsville	High-school addition	.....	6,136	6,136	13,636
		Vermilion Parish:					
W1046	.....	Abbeville	Courthouse and jail	.....	146,454	146,454	325,454
		Vernon Parish:					
W1100	.....	Leesville	....do	.....	78,750	78,750	175,000
		West Carroll Parish:					
W1035	.....	Oak Grove	Jail	.....	12,150	12,150	27,000
		Grand total		144,000	29,537,476	29,681,476	65,640,046

Naval Authorization Bill

EXTENSION OF REMARKS
OF
HON. FINLY H. GRAY
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, March 11, 1938

Mr. GRAY of Indiana. Mr. Speaker, as I was suffering from a severe cold contracted from being overtaken in the rain and then coming into this House and remaining here for hours without changing to dry clothes, I was not able to be present and record my position on the naval bill.

While I had not changed my position as stated in my remarks during the consideration of the naval appropriation bill on January 30 last in the House, I want my position on this authorization for naval construction considered and voted upon during my absence from March 11 to 21 made clear as if I could have attended.

MILLIONS FOR DEFENSE, NOT A CENT FOR WARS ABROAD

During the consideration of the appropriation bill on last January 30 in the House, I defined my position then in the words "Millions for defense of our country, but not a cent for wars abroad." While I did not hear the debates in March, I know of no reason for changing my position.

I am ready, willing, and anxious to go as far as necessary in building a navy for defense and to the limit of taxation, regardless of the burdens it may make. But it must be all for defense.

THE FOLLY OF OUR EMPIRE POLICY

We are reaping the folly today of our empire policy of 30 years ago, in our acquisition of far-away Pacific islands to defend with a navy 10,000 miles from our shores, and in not granting their independence when they were ready and wanted to go. Because of this we are now authorizing almost a billion and a half and more later.

We need a part of this one and one-half billion dollars to make full and complete defense at home against airplane gas-bombing attacks, which could wreck every populous city in the land, and every arsenal, ammunition plant, and shipyard, and every fort and fortified harbor, and every naval vessel guarding our shores.

IMPERATIVE NEED OF AIRCRAFT DEFENSE

When we cannot have both a supernavy to wage war in far-distant seas and full airplane and antiaircraft defense to safeguard our great and populous cities from destruction from poisonous gas and explosives hurled upon them from the skies, then the appropriation should be divided.

At least one-half of this one and a half billions which is to be appropriated for defense should be appropriated for aircraft and for antiaircraft artillery, and for instruments to observe aircraft night or day to make our defense full and complete from the skies as well as the earth and sea.

If we are prepared for a foreign war, we will be more liable to be tempted to go in or become involved in a foreign war. I want to prepare for our own defense, to help protect and safeguard the New World, the American Continent, and not the Old World across the sea.

MODERN WAR REVOLUTIONIZED

Modern warfare has been revolutionized by the invention of airplane craft and by the chemical, poisonous-gas compounds, as well as the powerful condensed explosives, with which a fleet of amphibian airplanes rising from midocean or from part way across could blast and poison the whole population of a city.

All or a greater part of the destruction of modern war waged since the airplane has been by airplanes, poisonous gas, and bombing; and the armies and navies have only followed up in the wake of the airplane devastation. The conquest of Ethiopia by Italy was by airplanes, and the conquest of China by Japan now proceeding is by armies following up the airplanes.

CAN NO LONGER MAKE DEMOCRACY SAFE

We know we are not building navies to enter the contest of war in Europe, to make democracy safe in the world as after the World War. Democracies are fast fading from the earth, and no advocates of the supernavy will claim that this is to be the use of the Navy.

The only place for the use of the supernavy would be in the Far East today. But China will be conquered and subjugated before we could ever hope to help her, even should we decide upon such a hazard to become involved in a war with Japan, with all subjugated China to support her.

For what this supernavy could only be intended would be to defend the Philippines and the Pacific islands, 10,000 miles away, against Japan, a great naval power, almost at her own shore or dooryard, and at such great distance our own Navy could operate at only 40 percent of its efficiency.

And to undertake such a hazard of a sea or naval battle so far away we are to take the greater share of the appropriation, which is more needed to protect our own cities from an airplane gas and bombing invasion, rising from a distant

point on the sea and flying high in the nighttime, and dropping death and destruction in dense population.

NAVY MEN CANNOT BE BLAMED

We cannot blame the ancient order of Navy men for maintaining their own obsessed appreciation, and the prestige in the history of their calling for asking a greater part of the defense appropriation for use in building up a supernavy, which could be sunk or disabled from the sky by an airplane attack from high altitudes.

And we can excuse the Naval Affairs Committee for overlooking the revolution in warfare and to continue on building capital ships without providing for their protection from the skies, and leaving both the coastal and inland cities exposed to this modern warfare, more destructive than all other war instruments combined.

We have all come to realize, facing the world as it is today, that the time has come, is at hand, to prepare for full, adequate defense by complete military and naval preparations and by airplane and antiaircraft guns to the full limit of our ability and means.

When dictators can ignore and defy world peace and public opinion and enter upon an open policy of war, conquest, and subjugation and demand that the peace nations recognize their conquests of lands and provide them funds for their improvements, then it is time for the peace nations to ponder and consider the trend of the times, the growing war menace to civilization, the backward swing of human progress, the halt in the world social relations, and the imperative and immediate necessity to prepare to meet force with force.

WHEN DICTATORS CAN DEFY AND CHALLENGE THE WORLD

When we see dictators rising from the ruins of democracy and dictators forming alliances and demanding territory and challenging the civilization of the world to resist their ambitions and greed and their threatening encroachments, then it is time that the peace nations should join in common cause their forces or each make full, adequate, and complete defense. To build high the breastworks and fortifications around the Constitution and free self-government, and the institutions of peace and civil life to stay the tide of returning conquest and subjugation now starting back to the rule of force and war.

NATION MUST PREPARE FOR DEFENSE SINGLE-HANDED

It must be realized today that this Nation is playing a lone hand in preparing a program for defense, while other nations are joining their forces and combining their armies, navies, and airplanes, and making common cause for war and resisting attacks from other nations.

It is not a question of this Nation's preparing to meet any one single nation and making defense against and coping with it singlehanded. This one Nation must now prepare to meet, if need be, many nations or a combination of nations.

We have elected to make our stand isolated in the warring world, and we must assume our own responsibility. We must prepare our own complete defense; we must prepare complete defense of ourselves; we must prepare to meet any nation or any combination of nations which may come here within the shores of our own land.

With the airplane revolution only starting in progress and its possibilities as a war weapon as wide and deep as the ocean of the air, it is folly to put all or a greater part of our appropriations in warships for our naval defense and leave defense by airplane, with present airplane developments, hidden from view.

I would vote one-half of the amount proposed to increase further defense of our shores and the Panama Canal, but I will not vote for all to go to a navy, part to be used here and part abroad, before we complete our defense from the air.

TO THE LIMIT FOR DEFENSE

I am willing to go to the limit in supporting a full appropriation for adequate and complete defense, not for a defense in Europe, nor for 10,000 miles away in the Pacific, but for the defense of our shores at home, and defense of our cities from destruction from the air.

CONSISTENCY REQUIRES THAT MEN CHANGE WITH NEW AND CHANGED CONDITIONS

Sometimes a consistent public course requires that men change their practice and voting records. This occurs when facts and conditions change. When the world was relying more upon treaties to insure peace and security among nations, men voted against naval and military appropriations.

But when these treaties were everywhere scrapped, ignored, and defied by dictators who entered upon conquest and subjugation and challenged the world to go to war, the facts and conditions changed and men changed their long-adhered-to positions and then voted for large armies or navies.

Now, under this bill, the facts have changed not to relieve men from their prior positions of opposing a surrender of congressional powers, but the conditions of the world have changed and make it more necessary for Congress to hold more mandatory and imperative the forms of democracy unchanged.

My record here in Congress during my former term of service shows that I consistently voted against large military and naval appropriations. But since that time the world has changed, and, still pursuing a consistent course, I have changed with the changed facts and conditions and am now voting for ample and sufficient appropriations and whatever is necessary for full and complete defense.

Reciprocal-Trade Treaties

EXTENSION OF REMARKS

OF

HON. JOSEPH W. MARTIN, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1938

STATEMENT OF JOHN J. MARA, WASHINGTON, D. C., MARCH 18, 1938

Mr. MARTIN of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement of John J. Mara, before the Committee on Reciprocity Information, ballroom, Raleigh Hotel, Washington, March 18:

Mr. Chairman and members of the committee, on behalf of the officers and members of the Boot and Shoe Workers Union, affiliated with the American Federation of Labor, we most emphatically protest against any further reduction in the import duties on shoes through our entry into a trade treaty with Great Britain.

We realize fully the apparent unwillingness of those entrusted with the negotiation of our trade-treaty policy and the Tariff Commission to consider actual facts when such facts conflict with what appear to be their pet theories.

Records of the Tariff Commission show that in 1931 the Commission found that costs of Czechoslovakian shoes, McKay-sewed, delivered to New York in 1930, covering more than 54 percent of imports listed, were 59 percent less than American costs of comparable shoes, while 76 percent of the imports of these Czechoslovakian shoes were delivered into New York at costs which were more than 43 percent less than costs of comparable American-made shoes.

Despite this official and public finding the Tariff Commission which has substantially, so far as one can see, been superseded by the Committee on Reciprocity Information, recommended an increase in tariff duties of only 10 percent. Thus with the official knowledge of the governmental agency entrusted with the equalization of differences in imported articles with American-made articles since 1931, so far as there is any official knowledge, Czechoslovakian-made shoes have entered the New York market in competition with comparable products of American shoe workers at some 49 percent less than the costs of values of American-made shoes.

The report of the Tariff Commission which contains this information also reveals the fact that the Tariff Commission was officially aware that imports of cemented shoes were being substituted for the then prevailing imported McKay sewed shoes.

Not alone did these imports of Czechoslovak shoes, landed, according to the Tariff Commission's findings on a basis of some 59 percent less than costs of comparable American made shoes, deprive American shoe workers of their job opportunities, but, in

addition thereto, these shoes were delivered at prices so much below American costs of production that they forced down the wholesale price structure preventing American shoe workers from obtaining wages which they were entitled to.

Czechoslovakia is now our second largest source of imports of welt shoes which are now listed for a reduction in the present tariff rate of only 10 percent based on foreign value. Czechoslovak welt shoes, men's and boys' imported in 1936, were invoiced on a value of $1.36 per pair and paid a tariff duty of only 13 cents.

The American shoe industry is so highly competitive that an added advantage given to foreign shoe producers through a further reduction in tariff rates will only provide the Bata shoe monopoly with opportunities of depriving American shoe workers of their job opportunities.

The present imports of welt shoes from England and France are shoes produced for and purchased by, for the most part, those who wish to be "snooty" and to whom price is not the controlling factor.

Reductions in the present tariff rates on such shoes jeopardize the jobs of American shoe workers, reduce our governmental revenues while the consumer secured none of the so-called benefits in the way of lower prices.

It might be helpful if our negotiators could realize how the Bata shoe monopoly, since a tariff duty was placed on foreign-made shoes, have fixed the customs or tariff tax they would pay on those Czechoslovak shoes sold in America.

Foreign values, as shown on average imports of Czechoslovak shoes, according to reports of the Department of Commerce, and, the duties, per pair, paid thereon for the years shown are:

Year	Values	Duty paid
1929	$2.36	None
1930	2.40	[1] None
1930	1.97	[2] $0.39
1931	1.61	.31
1932	1.22	.24
1933	.79	.16
1934	.81	.16
1935	.79	.16
1936	.72	[3] .14
1937	.73	[3] .15

[1] First 6 months.
[2] Last 6 months.
[3] Includes cemented shoes first 6 months.

Any decrease in the present duty on imports of welt shoes, unless restricted to shoes invoiced on a value of not less than $5 per pair, will simply add to the swollen riches of the Bata shoe monopoly, will deprive American shoe workers of much-needed employment, and will seriously endanger our present inadequate wage scale.

America's Foreign Policy

EXTENSION OF REMARKS

OF

HON. JOHN T. BERNARD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1938

RADIO ADDRESS OF HON. JOHN T. BERNARD, APRIL 25, 1938, AND NEWSPAPER ITEM

Mr. BERNARD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me yesterday over the radio and also a short newspaper item:

WASHINGTON.—An amazing story has just leaked out telling how State Department career men blocked a last-minute move to lift the embargo on arms to Spain, a move which was under consideration by the President.

The background of the story is a growing conviction on the part of the President, Secretary Hull, and several powerful congressional leaders, including Senator PITTMAN, chairman of the Foreign Relations Committee, and Senator BORAH, that the embargo on arms to Spain was one of the most tragic mistakes of American foreign policy.

Its effect has been to deny war weapons to the Spanish Government while Franco's Fascists have been equipped with the most modern tanks, airplanes, and artillery that Germany and Italy could offer. Of late, the Spanish Army has been fighting literally with its bare fists, while Spanish gold reserves remain in New York banks, ample to purchase arms were it not for the embargo.

Roosevelt and Hull both have deplored the situation privately and felt that the United States was merely playing into the hands of Hitler and Mussolini. But until recently they did nothing.

Then, just before he went to Warm Springs 2 weeks ago, the President had a talk with Breckinridge Long, former Assistant Secretary of State, who as Ambassador to Italy was thoroughly familiar with Fascist aims. Long pointed out that there were provisions in the Neutrality Act permitting Roosevelt to lift the Spanish embargo, and urged that he do so. Roosevelt suggested that Ambassador Long see Hull, and called the Secretary of State personally to arrange the appointment.

The interview with Hull took place next morning. But when Long arrived at the State Department he was confronted with a letter which Hull had written to Raymond Leslie Buell, of the Foreign Policy Association, outlining reasons why he could not lift the embargo.

The letter had been released to the press by Hull on the same afternoon that he had received the President's telephone call making an appointment regarding the Spanish embargo.

Naturally Ambassador Long asked for an explanation.

"Oh, that was just a letter that Hackworth gave me to sign," replied the Secretary of State, inferring that he had not paid much attention to it. (Green H. Hackworth is the legal adviser of the State Department.)

Ambassador Long then pointed out that the United States was playing into the hands of European Fascists; that after the Loyalists were defeated Germany planned to move into Czechoslovakia; that it was not too late even now to save the Spanish Government if the United States lifted the embargo.

Secretary Hull, however, referred the matter back to his career adviser, and Ambassador Long next had a lengthy discussion with Jimmy Dunn, political relations adviser to Mr. Hull; Pierrepont Moffat, Chief of the European Division; and Judge Walton Moore, Counselor of the State Department.

Jimmy Dunn has been one of the most ardent State Department opponents of the Spanish Government, and his wife does not hesitate at social gatherings to express her hope that Franco will win.

With this group, therefore, Ambassador Long got nowhere. So finally he came back to Hull, who suggested that he be given some overwhelming proof that the situation in Spain had changed since Roosevelt declared his embargo. If the proof were forthcoming, Hull indicated, the embargo might be raised.

A few days later the Spanish Ambassador, acting on Long's suggestion, personally delivered to Mr. Hull a formal note listing in great detail, with names of ships and dates of arrival, the munitions received by Franco from Germany and Italy. It was a most impressive mass of statistics, and clearly showed that since the time the American embargo was clamped down upon Spain, Franco had become nothing more than a vassal of Hitler and Il Duce.

Day after the delivery of the note Ambassador Long went back to see Hull. But the Secretary of State had not even seen it. His career boys had taken the note to be translated and kept it.

Once again Long told Hull that it was not too late to save Spain; that the Spanish Government had ample funds to buy arms; that it would buy from private dealers and arrange for delivery.

Meanwhile, also, several prominent Senators, including BORAH, NYE, and CLARK, the chief authors of the Neutrality Act, and THOMAS and KING, of Utah, had given private pledges that they would support the administration if it lifted the arms embargo.

But Hull turned the plea down. He told Breckinridge Long that it was too late.

This brought the drama up to the President's return from Warm Springs. Since then the question has been taken over Hull's head, and the promise has been given that the entire Spanish question would be thrashed out in Cabinet meeting.

The radio address follows:

THE PEOPLE MUST DECIDE

We live in a democracy. Our people have the duty, as they have the right, to exercise a democratic control over the policies of their Government. Not only in domestic affairs but in our relations with foreign states it is the people who must decide. When the decision is wrested from them, whether by force or by trickery, then democracy itself is gone.

Who makes America's foreign policy today?

WE WANT PEACE

The will of our people is a united will for peace. But the fear of war is in all our hearts. No propagandist planted the seeds of this fear. It grows out of the knowledge that three nations have adopted war as the chief instrument of their national policy. The seeds of our fear are watered by the blood that is flowing in China and in Spain.

Some of us cling to the vain hope that the United States alone can escape the flames of a world-wide conflagration. But all of us, even the isolationists, admit that a world at peace is the best guaranty of peace for America. No one denies Secretary Hull's axiom that "war anywhere threatens peace everywhere."

If the people of America make America's foreign policy, then that policy must square with the people's will for peace. It must square with the words of President Roosevelt, who said last October: "America hates war. America wants peace. Therefore, America actively engages in the search for peace."

AMERICANS TAKE SIDES

Today peace is threatened by two major wars. Are the people of the United States indifferent to these wars from which they are separated by two oceans? Simple self-interest precludes indifference. Here in America we are paying for the war in Europe and the war in Asia. We are paying in loss of foreign trade, in huge armament appropriations, and in fear for our own peace.

But more is involved than simple self-interest. We Americans are human beings, steeped in great traditions of humanitarianism, committed to the principles of freedom and democracy. We cannot be indifferent either to the murder of human beings or to the murder of those principles on which our Nation was founded and by which it lives.

WITH CHINA—AGAINST JAPANESE AGGRESSION

We are not indifferent to the invasion of China. Foreign missionaries and the pennies of Sunday-school children carried a hundred towns and a thousand villages of the United States into the heart of China. We have helped to midwife the new, democratic China out of the womb of the feudal old. The Chinese people have long seemed near and dear to us. We are proud that two women who have contributed so much to the unity and democracy of China—Mme. Sun Yat Sen and Mme. Chiang Kai-shek—are graduates of an American university.

The American people feel no neutrality between the defenders of Chinese soil and the invading armies of the Mikado. They have expressed their partisanship in a popular boycott of Japanese goods. The boycott has the official endorsement of both the C. I. O. and the A. F. of L. trade-unions. It is spreading to all sections of the population, as the declining figures of Japanese exports show.

WITH SPAIN—AGAINST THE INVADERS

We are not indifferent to the war in Spain. The American people have contributed almost a million dollars to medical aid for the Spanish Republic. Several months ago a Nation-wide poll conducted by the Institute of Public Opinion showed three-fourths of our people siding with Loyalist Spain against the rebel General Franco and his allies, Hitler and Mussolini. Since then Fascist bombs have rained death on the women and children of Barcelona, and the heroic self-defense of the Spanish people has won over new sections of America to support of the Loyalist cause. Millions of individuals and hundreds of organizations have carried on the great American traditions, voicing their solidarity with the young Spanish democracy which fights so bravely for its life.

WITH AUSTRIA—AGAINST HITLER

There was no war in Austria. Austria died without a shot being fired, died with a rope drawn tight around her neck. American Protestants, Catholics, and Jews loathe the hangman Hitler who strangled the religious freedom of the Austrian people. American musicians mourn the silence which has fallen upon Vienna's lovely music. When the lights of learning went out in Austrian laboratories, American scientists found the light upon their own work dimmed. And American workers feel their own freedom narrowed since Austrian workers have been enslaved.

WITH PEACE—AGAINST WAR

The American people are not "neutral" when they look beyond our borders at what is happening in the world today. They are passionate partisans of democracy, of peace, and the right of men and nations to be free. They hate fascism and its policy of war. They do not ask, "Am I my brother's keeper?" Americans know that the keepers of American peace and democracy must accept responsibility for the peace and democracy of the world. Watching Spain and China, they echo these words of Thomas Jefferson:

"Indeed, I fear that if this summer should prove disastrous to the French, it will dampen that energy of republicanism in our new Congress, from which I had hoped so much."

Do the people of America make America's foreign policy? How does our official policy square with the sentiment of our people?

OFFICIAL POLICY NOT THE PEOPLE'S POLICY

Our official policy is embodied in the Neutrality Act of 1937. The unneutrality of the Neutrality Act is so apparent that it has never been invoked in the Far East, where it would make the United States in effect an ally of the Japanese aggressors. It has never been invoked anywhere except in Spain. There its hideous consequences daily become more apparent to the American people. By Executive proclamation the United States denies arms to a democratically elected and friendly sister republic. But it sells freely to the fascist invaders, Hitler and Mussolini.

Who made this foreign policy which embargoes democracy and assists fascism? It is not consistent with American traditions nor with the spirit of our people nor with the words President Roosevelt spoke at Chicago when he called for a "quarantine of the aggressor." We have quarantined the victims of aggression and opened the way for aggression to spread throughout the world.

MADE IN ENGLAND

The Spanish embargo was made in England by the same Fascist allies who concocted the most brazen falsehood of all history—the nonintervention committee. When we adopted this policy as our own we took parallel action with the National Government of Great Britain. Is this the kind of parallel action to which President Roosevelt and Secretary Hull have made reference? It did not seem so when their words stirred America to engage in the active search for peace. But it seems so now.

Through the recently initiated Anglo-Italian Pact, Great Britain has now become the underwriter of a Franco victory in Spain. Still clinging to the lie of "nonintervention," Chamberlain has given in the Anglo-Italian Pact de jure recognition to Italian intervention in Spain. Are we, whose spokesmen have paid such eloquent lip service to the sanctity of treaties and the rule of law, are we to continue parallel action that betrays peace by sanctifying force?

The American people say no. The President whom they elected by an overwhelming majority, the Secretary of State who has spoken in their name, have both repudiated such a policy.

Why is America's foreign policy so openly at variance with the will of the people and the words of President Roosevelt and Secretary Hull?

A SERIOUS CHARGE

Recently grave charges have been made in the press, charges which purport to answer these questions. On April 12 the syndicated newspaper column, Washington Merry Go Round, written by Drew Pearson and Robert S. Allen, carried a story which shocked America. This story stated that President Roosevelt, Secretary Hull, Senator BORAH, Senator KEY PITTMAN, and other powerful congressional leaders, are now convinced that "the embargo on arms to Spain was one of the most tragic mistakes of American foreign policy." The story stated further that when the President sought to take action to lift the embargo, he and Secretary Hull were blocked by the trickery of a little group of Franco's sympathizers in the State Department. I have not space to quote all the charges here, but I will send you a copy of Washington Merry Go Round if you write and ask me for it.

There have been other charges, as shocking, appearing in other newspaper columns. It is said that our Ambassador to Great Britain, Joseph E. Kennedy, is being drawn into the openly pro-Nazi "Cliveden set" of Lady Astor. Is the "Cliveden set" in Great Britain, which makes the foreign policy of the Chamberlain Government, also making our own?

LIFT THE EMBARGO

Today vast sections of the American people—trade unions, religious groups, peace societies, distinguished citizens from every walk of life—are clamoring for the immediate lifting of the Spanish embargo. Three thousand of America's leading lawyers have presented a brief for the legality of executive action. The powerful railroad brotherhoods, speaking through their president, Mr. A. F. Whitney, have demanded that the embargo be lifted. The million railroad workers have never before spoken out on an issue so remote from their own trade-union interests.

Today the key to American foreign policy is the Spanish embargo. The integrity of American traditions, the voice of the American people, demand that it be lifted. The arms which republican Spain needs and can afford to buy, the arms it will transport in foreign ships and without risk to America's peace, must be made free to the defenders of Spanish democracy. But there is more at stake than the weapons of self-defense. The peace of the world is at stake. The national safety of France and Czechoslovakia depend in large part on our lifting the embargo. We can save England from the betrayal of the Chamberlain Government, which would barter the peace of the world for a temporary alliance with the murderers of peace. The Anglo-Italian Pact is only initialed. It is not yet in effect. It will not become effective unless Franco wins in Spain, for the withdrawal of Italian troops is made contingent on that victory.

President Roosevelt did not speak for the American people when he praised the Anglo-Italian Pact in a press interview last week. I do not believe that he spoke for himself. Did he speak for Cliveden's stooges in our State Department?

Our people refuse to parallel Chamberlain in underwriting a Fascist victory in Spain. They repudiate the Anglo-Italian Pact, which encourages fascism and brings nearer the threat of world war.

DO YOUR PART

Who makes our foreign policy? Do you make it? Then you must act now, in defense of peace and the American tradition of democracy.

On Friday of this week the President leaves Washington. For Spain and for peace the hours are passing swiftly. But it is not yet too late to act. Write to the President, urging him to lift the embargo now. Make America's policy a policy of peace.

P. W. A. Projects

EXTENSION OF REMARKS

OF

HON. JOHN J. SPARKMAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1938

APPROVED P. W. A. PROJECTS FOR ALABAMA

Mr. SPARKMAN. Mr. Speaker, last year when the matter was up in the House I was in favor of extending P. W. A. and of providing funds specifically earmarked for P. W. A. projects. I felt that the discontinuance of the P. W. A. program at the time was unwise. It has been a great stimulus to industry and directly and indirectly has served to ease up greatly the unemployment burden. I personally feel that the present recession is in part due to the checking of the P. W. A. program and the threatened retrenchment in highway expenditures. The renewal of the P. W. A. program

will mean renewed activity in building and in the manufacture of materials and durable goods. It is needed.

The renewal of P. W. A. can be effected without much loss of time. Various projects have already been planned and approved. Within very short time after allotments are made they will be ready for work to start. There are many of these approved projects in the State of Alabama. They are listed as follows:

Alabama—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		State-wide:					
W1007		Scottsboro	Courthouse and jail	$40,000	$32,727	$72,727	$72,727
		Bullock County:					
3698		Midway	Waterworks	17,000	13,909	30,909	30,909
		Butler County:					
W1245		McKenzie	School addition		4,050	4,050	9,000
		Calhoun County:					
W1198		Jacksonville	Physical training building	61,000	49,909	110,909	110,909
W1199		....do	Dormitory	31,000	25,364	56,364	56,364
		Total		92,000	75,273	167,273	167,273
		Chambers County:					
W1173		Lafayette	Courthouse and jail		39,273	39,273	87,273
W1209		Chambers County	Schools		129,825	129,825	288,500
W1252		....do	Hospital		18,000	18,000	40,000
		Total			187,098	187,098	415,773
		Cherokee County:					
W1069		Center	Waterworks	23,000	18,818	41,818	41,818
		Chilton County:					
W1087		Clanton	Municipal improvements		32,589	32,589	72,420
		Clarke County:					
W1215		Grove Hill	Sanitary sewer	13,000	10,636	23,636	23,636
		Colbert County:					
W1025		Sheffield	Waterworks		45,000	45,000	100,000
		Cullman County:					
W1236		Cullman	Sanitary sewer		22,090	22,090	49,090
W1251		....do	Waterworks		105,545	105,545	234,545
		Total			127,635	127,635	283,635
		Elmore County:					
5287		Eclectic	Waterworks	21,000	17,181	38,181	38,181
		Etowah County:					
W1108		Etowah County	Bridge	90,000	73,636	163,636	163,636
		Jackson County:					
W1231		Rosalie	School		7,650	7,650	17,000
		Lauderdale County:					
W1021		Rogersville	Waterworks	15,000	12,272	27,272	27,272
W1194		Florence	Dormitory	36,000	29,454	65,454	65,454
W1195		....do	Gymnasium	55,000	45,000	100,000	100,000
		Total		106,000	86,726	192,726	192,726
		Lawrence County:					
W1057		Town Creek	Waterworks	11,000	9,000	20,000	20,000
		Lee County:					
W1125		Opelika	Disposal plant		25,834	25,834	57,409
		Limestone County:					
W1234		Athens	School addition		29,454	29,454	65,454
		Marengo County:					
W1143		Linden	Sanitary sewer	19,000	15,545	34,545	34,545
		Mobile County:					
4920		Mobile County	Toll bridge	515,000	421,363	936,363	936,363
W1254		Mobile	Docks	418,000	342,000	760,000	760,000
W1255		....do	....do	435,000	355,909	790,909	790,909
		Total		1,368,000	1,119,272	2,487,272	2,487,272
		Morgan County:					
4006		Decatur	Jail		53,182	53,182	118,182
		Perry County:					
W1090		Marion	....do		18,000	18,000	40,000
		Pickens County:					
W1232		Gordo	Sanitary sewer	15,000	12,272	27,272	27,272
		Pike County:					
W1200		Troy	University building	91,000	74,454	165,454	175,454
		St. Clair County:					
W1243		Ashville	Sanitary sewer		6,545	6,545	14,545
		Shelby County:					
5806		Shelby County	School addition	63,500	51,954	115,454	115,454
W1220		Wilsonville	Waterworks	11,000	9,000	20,000	20,000
		Total		74,500	60,954	135,454	135,454
		Sumter County:					
W1206		Livingston	Sanitary sewer	17,000	13,909	30,909	30,909
W1213		York	Municipal improvements		18,000	18,000	40,000
		Total		17,000	31,909	48,909	70,909
		Talladega County:					
W1027		Sylacauga	Waterworks, sewer	36,000	29,500	65,500	65,500
W1246		Talladega County	Schools		36,409	36,409	80,909
		Total		36,000	65,909	101,909	146,409
		Tuscaloosa County:					
W1256		University	Library		281,851	281,851	626,337
		Grand total		2,033,500	2,537,109	4,570,609	5,647,976

Thomas Jefferson

EXTENSION OF REMARKS
OF
HON. JOHN M. COFFEE
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 26, 1938

ADDRESS BY BRYCE LITTLE, ATTORNEY, OF SEATTLE, WASH., AT ANNUAL JEFFERSON DAY BANQUET OF THE DEMOCRATIC PARTY AT TACOMA, WASH., ON APRIL 13, 1938

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein a stirring and dynamic address delivered by the Honorable Bryce Little, attorney, of Seattle, Wash., at the annual Jefferson Day banquet of the Democratic Party, Tacoma, Wash., April 13, 1938.

Attorney Little is one of the brilliant and coming young men of the State of Washington. He is a talented son of North Carolina, and is one of many southerners who have come to our State from below the Mason and Dixon's line, and have lent tone, scholarship, and high character to the community life of the far Pacific Northwest.

I am happy for the privilege of celebrating with you—my neighbors and fellow Democrats—the one hundred and ninety-fifth anniversary of the birth of the founder of our great party. You Democrats in the city of Tacoma today enjoy an enviable place in the Nation.

PRAISES SENATORS AND CONGRESSMAN

It was from your ranks that our senior United States Senator was selected, and his career has been so brilliant and spectacular that in a little more than 5 years of service in the world's greatest legislative body he has taken a front rank, and today HOMER T. BONE stands out as one of the Nation's great leaders. BONE and SCHWELLENBACH constitute a pair upon which the national administration heavily leans and of which we have reason to be justly proud. In fact, many of the large progressive and liberal States of the Nation are envious of the high position which we hold by reason of their sterling leadership in the Senate.

You Tacoma Democrats have also made a lasting contribution to the lower House of the Nation's Congress. First you gave us an outstanding leader in the person of Wesley Lloyd, and, following his untimely death, you sent to the Congress a brilliant, priceless liberal, who in less than 2 years has become a national figure. Early in 1937 Pearson and Allen, in their famous Merry-Go-Round column, named JOHN M. COFFEE, of Tacoma, as one of the three outstanding new Members of Congress.

Surely you are proud of this marvelous record, and the State and Nation on occasions like this stop to pay you homage and gratitude. It did me good upon my recent visit to the Nation's Capital to hear the expressions of appreciation and admiration from administration leaders concerning the entire delegation representing the progressive and liberal Democracy from the State of Washington.

THOMAS JEFFERSON

On April 13, 1743, near the little village of Shadwell, Albemarle County, Va., there arrived an infant babe, who in his life's space of 83 years made such an impress upon the infant Government of America that even now—195 years thereafter—throughout the Nation, in hamlet, in town, and in the city, multitudes gather in respect and appreciation, and as they assemble there rings out as vividly today as ever before his admonition: "Resistance to tyrants is obedience to God."

Someone may ask, Why all of these banquets; why all of these Jefferson celebrations throughout the Nation? The answer is found in that statement, whose author's name is long forgotten: "That generation which fails to erect monuments to the heroes and great leaders of its country shall itself be unworthy to have monuments erected to it."

MONUMENTS CAN BE ERECTED IN OUR HEARTS

I do not think this necessarily refers to monuments of marble, granite, and stone. There are already enough monuments of that kind to the great leader whose birthday we celebrate tonight; but it brings to the Nation a tremendous value when its citizenship turns aside from its various vocations and avocations of life long enough to build anew in our hearts monuments to these great leaders, monuments which breathe and live and act.

Today, when the vested interest of this Nation is making its daily onslaughts at Washington for the purpose of recapturing our Government and moving it back from Washington, where it is and where it rightfully belongs, to Wall Street in New York City, it is imperative that we awaken anew the fighting spirit of Thomas Jefferson. Otherwise we may forget the purpose of government. He told us that "the main purpose of a government is to restrain men from injuring one another and see to it that the bread which labor earns is not taken from its mouth."

HOOVER AND REACTION

A few years ago the people lost control of this Government and it failed to perform the functions for which it existed. Let me illustrate: Just prior to the Republican national convention in 1928 there were a number of outstanding candidates for the high office of Chief Executive of this Nation, including such national figures as Governor Lowden, Senator Borah, Calvin Coolidge, Charles G. Dawes, Charles Curtis, and James E. Watson. There was a lot of publicity and speculation in the daily press because it was then generally conceded that whoever was nominated by the Republican Party at that time would be elected to the Presidency. The Nation was anxiously awaiting the pronouncement of that convention, but finally on the very eve of the convention—before it had actually been called to order—one man spoke. He suggested Herbert Hoover and thereafter the show was over. From that moment on it was conceded that Herbert Hoover would be the nominee of that convention.

GREED AND REACTION TOOK CONTROL IN 1928

You readily recall that the man to whom I refer—the man who dictated the nominee of the then majority party of this Nation in 1928 was Andrew W. Mellon, who, with his family and connections, controlled one-thirtieth of the entire wealth of this Nation. The people had lost control of their Government. It no longer restrained the powerful from injuring the weak. It was not concerned with the question of whether the bread that labor earned was taken from its mouth. The result was that the greed and despoliation continued unabated and the international bankers, or financial octopuses, flooded this country with watered stocks and worthless foreign bonds of every conceivable nature until the citizenship of this, the richest nation on earth, was robbed of its homes and life savings and reduced to poverty and pauperism.

IN DESPERATION THE PEOPLE TURNED TO FRANKLIN D. ROOSEVELT IN 1932

In desperation the people got busy and began to look for National and State leaders who would rededicate the Government to its just and humane purpose of restraining men from injuring one another, and led by the State of Washington the various States began to call for the leadership of Franklin D. Roosevelt and this was climaxed by his nomination in the Chicago convention of 1932. Immediately the thinking people began to desert the party of Hoover, Mellon, Fall, and Doheny and rally to the revived and rededicated party of Thomas Jefferson, which swept into office the dynamic and peerless leader who is our Chief Executive today. Do not be deceived. He is the same priceless leader today that he was 5 years ago and he will again steer this country safely and quickly out of the threatening depression which is knocking at our very door. Franklin D. Roosevelt had hardly entered the White House when the pigs began to squeal. Let me illustrate:

THE STUCK PIG ALWAYS SQUEALS

When I was growing up, my father owned a farm in the foothills of North Carolina. Every now and then he would have us catch the pigs, and with an appropriate instrument he would insert rings in their noses. The pigs would raise such a yell and squeal that one would think they were actually dying. But finally they would desist, and my father would then turn them into his large clover pasture, which neighbors often referred to as the most fertile and finest sod for pigs to be found anywhere. One day I was accompanying him when we passed a neighbor's pasture which was all rooted up. Not only was the clover destroyed, but the natural growth of grass was also destroyed. My father remarked, "It is a pity Mr. Jones does not put some rings in the noses of his pigs." I readily caught the point.

A few years ago there were too many pigs loose in this country. They could not consume the God-given wealth of our Nation, but in their unrestrained despoliation they were making it impossible for the rest of us to get enough of the actual necessities of life. Franklin D. Roosevelt said, in effect, this thing must stop. We will put some rings in the noses of these pigs and prevent them from destroying that which they cannot use. We heard an awful yell and a lot of squealing, but it brought new opportunities, new life, and new hope to millions of the American people.

WE COULD EMULATE LINCOLN IN RETIRING SOME BONDS WITH CURRENCY

When Abraham Lincoln needed some money with which to carry on the War between the States he sent a message to Congress urging that the Government be provided with $400,000,000. The bankers at that time had not learned how to make the Government serve them, and Congress issued the $400,000,000 in currency. Since then 73 millions of that currency has been retired, and there is still outstanding 327 millions of that issue. Some statistician has figured that if the Congress at that time had issued interest-bearing bonds instead of currency there would be outstanding today approximately $12,000,000,000 in principal and interest instead of 327 millions. What we call a $10 bill or a Federal Reserve note is a promise of the United States Government to pay $10 to the bearer.

A bond is a promise to pay a given amount on a certain date plus interest. I am not in favor of unreasonable or uncontrolled inflation, but as a means of breaking the back of the present recession, I am in favor of calling in some of the outstanding bonds and paying them off with non-interest-bearing currency. This would serve two purposes, it would save the Government the

continued accumulation of additional burden, and at the same time it would require the banks and the extremely wealthy of the Nation now holding these bonds to look to other sources for a return on their wealth, and would force them to look for deserving enterprises in which to invest. It would in a measure put the banks back into the business of lending money to private industries instead of tying it up in Government securities. On the financial page of the Seattle Post-Intelligencer of Sunday, April 10, 1938, a distinguished banker is quoted as saying, "Since the end of 1930, 94.4 percent of the increase in investments by banks has been in Government securities." This sort of thing is drying up the blood streams of business and commerce and forcing the Government into the bankers' field, and these bankers howl terribly about that.

DEFEAT OF REORGANIZATION BILL IS POOR COMFORT FOR REPUBLICANS

Paralyzed by the reception on the part of the American people of Roosevelt's transcendent and unsurpassed accomplishments for the common man of this country, the Republican Party is trying to get consolation out of the recent defeat of the President's reorganization bill. Do not forget that this particular bill dealt with a policy and not with a principle. It had for its object the simplification and improvement of public service and the elimination of overlapping agencies. Many of the Congressmen did not feel the present to be an appropriate time for the elimination of bureaus and agencies which would deprive a goodly number of our citizens of their jobs until economic conditions have improved, and in my opinion this feeling accounts entirely for the bill's defeat.

I perceived no feeling of hostility toward the President. The fact that he exhibited no disappointment at the bill's defeat and that he assured Congress there was no resentment on his part, is evidence of the fact that he still has his hand securely on the helm. He is recognized everywhere as the same peerless, dynamic, and fearless leader he has always been. He is willing, ready, and anxious to take whatever American means there are available to make democracy work and to make possible for the American people a proper use and more abundant realization of the God-given resources with which this Nation is so richly endowed.

Deceiving the American People

EXTENSION OF REMARKS

OF

HON. ARTHUR D. HEALEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1938

EDITORIAL FROM THE MALDEN (MASS.) PRESS, APRIL 15, 1938

Mr. HEALEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the Malden Press, of Malden, Mass., of April 15, 1938:

Who won the fight on the so-called dictator bill? Was it the forces of democracy that "saved the country from a dictatorship" or was the issue created out of whole cloth and misused to excite the people in an effort to discredit President Roosevelt?

Every independent observer who watched the battle on the reorganization bill is convinced that the measure itself was not the issue, but the prestige of President Roosevelt was. Forces which have little in common except their distrust and dislike of the President combined to make the attack on the bill. Their attack, taking full advantage of the natural laziness of many people to analyze specific situations, and their readiness to accept slogans and catch phrases as the summation of issues, made effective use of the word "dictator," a word all Americans have cause to loathe. The psychology was good, so the concerted effort to injure the prestige and power of the President was not foisted upon the American public as such, but instead embraced the reorganization bill which was made a bogeyman overnight.

There has been a great deal of name-calling and taking of names in vain during the recent fight to defeat this reorganization act. There have been demagogic appeals via the radio, inciting the people of the country to fight the bill as "a peril to American liberties," which no student of the bill can conceive its being, and saddest of all, there have been antagonistic campaigns launched in certain sections of the press of America against the bill. These press campaigns have been disguised as news, as such misleading, and deliberately misleading, their readers.

The reorganization bill is not the important issue at point any longer. Nor is the issue any longer—hidden as it was in the battle to beat the measure—the prestige and power of the President to carry out a program he believes in. The issue is now whether the people of this country are going to permit themselves again to be stampeded into mass action because of glib oratory and misuse of the columns of the newspapers, or whether the people of this country intend to reassert their traditional independence of thinking, throw off the opiates of sloganeering, and actually learn what a measure means before flocking like sheep to one side or the other.

There was so much fakery about the campaign just concluded that as sincere lovers of our democratic system we, as one newspaper, cannot help but cry out against its deceit and falseness. Whatever real or fancied dangers to democracy existed in the reorganization bill are so much fluff compared to the peril democracy faces from continuation of such propaganda methods as were used to defeat the measure.

Who Said This?

EXTENSION OF REMARKS

OF

HON. CARL E. MAPES

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1938

EDITORIAL FROM THE ENQUIRER AND THE EVENING NEWS, BATTLE CREEK, MICH., APRIL 20, 1938

Mr. MAPES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the Enquirer and the Evening News, of Battle Creek, Mich., April 20, 1938:

WHO SAID THIS?

"If in some crises the Government lives beyond its income for a year or two, it can usually borrow temporarily on reasonable terms. But if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxation to the limit of the people's power to pay, and continues to pile up deficits, it is on the road to bankruptcy."

CAN THE PUBLIC BE BOUGHT?

When the reorganization bill had passed the Senate by a narrow margin and was on its way to the House for its final defeat, the President declared that the action of the Senate proved that the Senate "could not be purchased by telegrams and propaganda from the country."

The administration propagandists, lobbyists, and patronage pressers had done their utmost to pull the deal through, but the messages from the country were branded as attempts to "purchase."

Incidentally, this construction of it left the House of Representatives, in its final response to public opinion and its refusal to pass the bill, in the attitude of being "purchased."

There is now an interesting and a very vital question of whether the country itself can be purchased. That is the question of the new money-spending pump-priming program. The thing is loaded with poison for the country's future, but it appeals for the moment to the appetite for easy money.

Already the line is forming at Washington with hands out for a helping of the gravy.

Anyone who thinks soundly and soberly of the matter can come to but one conclusion about this continued money-scattering debt making.

It is as disastrous for the Nation as opium or cocaine for the exhausted sick man.

The opinion of every sound and sober thinker along this line runs parallel to the opinion of the President himself, as formerly stated in some of his strongest words, about the folly of spending and the peril of debt.

There can be—and there doubtless will be—a temporary appearance of improvement, even of prosperity, from the scattering of easy money around.

There can be and there is an impression of strength to the drunk or the dope taker when his debauch is beginning.

But the adjustment aggravates the disease. The country will come out of it very much worse off—if it comes out of it at all.

Thoughtful people know this. Sober people are terrorized by the realization of it. But it is very possible that there may not be enough thoughtfulness and soberness to stand for safety as against the attractions and selfish temptations of more money spending. The elections are coming on again, as they were when the previous great splurge in spending was inaugurated to cure us of the depression. The folks back home are expected to be charmed with the prospect of easy money, and the congressional votes in Washington are expected to take a practical view of what makes votes at the election this fall.

It becomes a question of whether the people can be "purchased" and whether, thereby, the country shall extend the joy ride toward the abyss over which everybody's security will be smashed.

The Recovery Program

EXTENSION OF REMARKS
OF
HON. JOHN O'CONNOR
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 26, 1938

RADIO ADDRESS OF HON. JOHN O'CONNOR, OF NEW YORK, APRIL 25, 1938

Mr. O'CONNOR of New York. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address made by me over the radio last evening:

First, let me take this opportunity to publicly express my appreciation to the countless thousands of our citizens who have communicated with me recently in reference to the position I took on the reorganization bill. It would be physically impossible for me or my office force to answer each communication individually.

THE RECOVERY PROGRAM

Tonight I shall discuss the proposals recently submitted to Congress by the President, commonly referred to as the "spending program" or "pump priming."

On the day the President sent his message to the Congress, I made a statement in which I said in part, "Pump priming won't do any good if there is no water in the well."

I then proceeded to state how some of us in Congress would put "water in the well"—by reassuring business, encouraging the investment of private capital, and so forth. I shall attempt tonight to develop those objectives.

Let me say at the outset, however, that many who join in my views, like myself, do not oppose the spending program substantially. We realize we are "in for it" because of what has happened before; that if our people need relief, we cannot "let them down"; but we feel the plan, if it is to be correctly described as a recovery program, does not go far enough—that it is only a temporary palliative; a hypodermic administered to a badly smashed-up victim who needs thorough medication and possibly amputation.

Some people fear that this new gamble or mortgaging of the future, which involves further creation of billions of debts, coupled with monetary management, may create a false inflation boom with a consequent crash, leaving us worse off than we were in 1933. Of course, it should never be lost sight of that more spending means more taxes.

THE CORPORATE UNDISTRIBUTED-PROFITS TAX

While for months some of us have been advocating complete repeal of the "corporate undistributed-profits tax," it comes to us now as a distinct shock that the House and Senate conferees on the tax bill have agreed to "retain that tax in principle."

The outright repeal of that tax was the first objective recommended to dispel the fear pervading our business world. The fear may be only psychological, but it is there just the same. It is doubtful if any thinking person will contend against the proposition that the country generally attaches great importance to tax revision as one necessary element in the restoration of business confidence—and the outright repeal of the "corporate undistributed-profits tax" heads the list. The business world contends that this tax has destroyed the initiative to engage in new enterprise, has punished those who succeed in new ventures, and has deterred the thrifty from investing their savings in business which would create jobs.

In a recent national survey made by the American Institute of Public Opinion, this question was asked, "In your opinion, which will do more to get us out of the depression, increased Government spending for relief and public works or helping business by reducing taxes?" Seventy-nine percent favored helping business by reducing taxes, while only 21 percent were in favor of "pump priming." The vast majority felt that prior "pump priming" had not succeeded, that artificial spending means more taxes and postpones the return of prosperity. It is difficult to reach the conclusion that all these people can be wrong.

This country of ours has been built up over 150 years with such a distinctive American system of free business enterprise that it has been the wonder and the envy of the rest of the world. Private profit was encouraged. Mass production was developed as in no other part of the world and has been credited by many economists as the distinguishing feature of our business enterprise, which has so outstandingly contributed to our national wealth and our standard of living, that today the purchasing power of our 120 millions of people is equal to that of any 500,000,000 people in Europe or any 1,000,000,000 people in Asia.

It is only recently that the further progress of this remarkable march of business has been hampered by overburdensome taxes and governmental interference and competition with our established private- and free-business enterprise.

Entertaining these views, some of us have advocated as further objectives to help solve our present unfortunate situation, that, not only should no further boards or bureaus be created to snoop on business and tell businessmen how to run their own businesses, but that the Government cease to further compete with private business and get out of the existing competition with all possible speed.

To be specific the unjustifiable snooping of the Securities Exchange Commission and the competition with private industry by the Tennessee Valley Authority are just two instances against which complaint is made.

RELIEF

The President's program proposes the spending of an additional $1,250,000,000 for relief during the 7 months beginning July 1 of this year through the Works Progress Administration.

With millions of our people out of work, there is probably nothing else we can do. We cannot let our citizens who are willing to work and honestly cannot find private employment, starve or sleep naked in the streets. The Government always has been in the relief business and probably always will be to some extent. It has expended huge sums of moneys in many disasters of flood, drought, earthquake, etc. Those moneys, however, were almost invariably distributed to the communities afflicted, and individuals were not put on the pay roll of the Government.

No person with admiration for our type of citizenry could ever suggest that these needy citizens would not prefer jobs in private industry with the decent living standard of wages to which they were accustomed under our long-established system of free business enterprise.

If only the question of the morale of our people were involved, that would be sufficient to cause us to exert every effort to get out of the relief business as speedily as possible and return our workers to private industry.

There is no question that one of the first steps toward Fascist dictatorship is to break the individual morale by making everyone in need permanently dependent on the Government. After that the other steps are easy.

The argument is made that the expenditure of these huge sums for relief will help business by increasing the purchasing power. Of course, a dole, without the burden of working, would create an equal amount of purchasing power; but, offhand, I can think of no one who would suggest that step which would further break the morale of our decent workers.

If the ultimate objective is to get our unemployed back into private industry—and surely that must be the goal at which to aim—then every effort should be made and every encouragement should be given to business to accomplish this result.

To this end some of us have advocated the objective of encouraging business. This may be an abstract phrase, but with business hysterical, as it surely is, we must treat the patient as we find him.

To reestablish confidence, taxes must be made equitable, legitimate private business must not be further interfered with, and the Government must stay out of competition with private industry. Assurances along this line have been long awaited by business, and, I regret to say, they have not yet been forthcoming.

Many persons who have tried to solve the problem of this depression, which has now been with us for nearly 9 years, do not subscribe to the economics of the "pump priming" theory that all you have to do to get back to prosperity is to increase the purchasing power by Government spending.

There are many who believe that consuming power is only one corner of the triangle—that production and income are indispensable to make a complete triangle, with chief emphasis on production. The latter is what has made for the success of this county. Nonproductive jobs and the deprivation of profit, through taxes or otherwise, will never solve our difficulties. Production produces income and purchasing power. All these go together, and production leads the triumvirate. Some people believe that while there may be at one time overproduction in an individual industry there can never be overproduction in all industries. The more there is produced, the more there is to divide. The advocates of the prime importance of production contend that the standard of living can be raised only through increasing total production, not by curtailing production.

People entertaining contrary views will throw up at us the question, "How are you going to do it?"

In answer to that, let us see where the resources lie that could be used in increasing production. First, it will not be disputed that while the Government proposes to spend about four and one-half billions of dollars in "pump priming," private capital has more than 10 times that amount presently frozen but surely available, if the right word were given to "go full steam ahead."

There are $24,000,000,000 in our banks. Our insurance companies hold 26 billions of assets for our 64,000,000 policyholders.

From 1920 to 1930 the corporations of our country financed private enterprise to the extent of $3,817,000,000, while the Government financing amounted to only five hundred and eight millions. In other words, private capital furnished over 88 percent of all financing while the Government was only required to supply less than 12 percent.

Contrast this, however, with what has happened since 1930. The situation has been almost exactly reversed. From 1931 through 1937, private capital has only furnished about 15 percent

of all new financing, or $710,000,000, while the Government has contributed about 85 percent or $3,974,000,000.

Surely there is some reason for this. If it is that "fear" we hear so much about, no one will gainsay but what that fear should be removed, and at once.

All that the Government could possibly spend in this crisis is but mere "chicken feed" compared with what private, venturesome capital used to spend and still has to spend. How to get private capital to come back into the field is the problem which should invite the constant and unprejudiced attention of Government and business. Until that is done, we are getting nowhere.

Sometime ago, I suggested that we have a legal holiday to be called Stop Calling Names Day. I still believe that private capital will not be pried loose until a different attitude is assumed than "soak the rich," "redistribute wealth," "down with the economic royalists," and "take the profits out of business."

Let's see further where the resources of private capital are hidden, ready to emerge if proper encouragement were given and confidence restored.

It has been estimated, by the President himself, that private capital to the extent of $3,200,000,000 could be spent each year on housing.

The railroads need to spend $2,400,000,000 every year to adequately conduct transportation, if they could be restored to a basis of fair return. Incidentally, the savings of our thrifty people are invested in railroads to the extent of at least $5,000,000,000 through our savings banks and our life insurance companies.

The utilities have all along contended that they should spend $3,600,000,000 to catch up and for 1 year's normal expansion.

If you add up just those few items, you get $9,600,000,000, or more than twice as much as the Government could raise or spend this year.

Is it not the problem to do something to get that money spent? Should not the chief objective of the Government be to help business provide the jobs for our workers? The "spending program" of the Government will supply only temporary jobs for a comparatively few millions of unemployed, while permanent work and better wages can be secured through the restoration of private investment and private business enterprise.

Take the housing problem, for instance, that industry employs our skilled mechanics, carpenters, bricklayers, plumbers, painters, steamfitters, etc. Those artisans have been dealt with harshly during this long depression. Practically the only construction work has been on Government buildings, and to a great extent W. P. A. relief, unskilled labor has been used instead of the trained mechanics.

For some time I have advocated that the Federal Government and local taxing authorities might well consider exemption from taxation, local and Federal, including income taxes, for a period of, say, 5 years, on new building construction. We have subsidized the farmers and others, why should we not grant concessions to the building industry in return for putting men to work?

While it is true that the present program proposes the expenditure of about $1,000,000,000 on public works, that, while to my mind it is the most worth-while part of the program, is only temporary, and worse still, it is only a drop in the bucket compared with what private capital has available to spend if properly encouraged.

Look at the utilities again. Of course, I fully appreciate the political danger in raising one's voice in behalf of a square deal for the utilities. Immediately one is branded as a friend of big business, Wall Street, etc. Well, as for me, let me say again, I have never even met a representative of a utility, or have had no connection with any of them, directly or indirectly, and never expect to. All I am interested in is jobs for our workers. It was recently announced that the Reconstruction Finance Corporation would shortly be prepared to make comparatively small loans to utilities for expansion of their power lines, etc. The utilities do not really need these loans. They either have many times this amount of money or could raise it from the investing public if there were any reliable assurances that they would not be further picked on or competed against by their own Government.

Some of us resent the implication that some Members of Congress will support a spending program for the selfish reason that it will provide projects for their districts for which they can take credit. It would be an insult to the voters of any district or State to ascribe to them a selfish interest in obtaining a W. P. A. project or a P. W. A. public building or a C. C. C. camp at the unjust expense of the rest of the people of our country.

Representatives are not parochial. They realize they are Representatives from their States, not of their district or of their State.

My concern is not alone for the little district 2 miles long and one-half mile wide on the east side of the borough of Manhattan in New York City. I realize the obligation I owe as a Representative of not only the 12,000,000 people in the great State of New York, but also the 120,000,000 people in our country.

That is why I desire to contribute my humble thoughts toward working out a solution of our national problems. I would not be honest, even with myself, if I succumbed to the idea that it can all be solved by the Government waving a magic wand in the form of a new formula. Government prestidigitation just will not do the job permanently. It may work for the moment, but what are we going to do when there are no more rabbits in the hat?

Five Years of Futility—And Worse

EXTENSION OF REMARKS
OF
HON. PEHR G. HOLMES
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1938

ADDRESS OF HON. ROY O. WOODRUFF, OF MICHIGAN, AT WORCESTER, MASS.

Mr. HOLMES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Representative ROY O. WOODRUFF, Tenth Congressional District of Michigan, delivered at Worcester, Mass.:

After 5 years under Mr. Roosevelt's policies of temporary panaceas, government by guess, experimental planning, consistent inconsistency of promises and performance, constant changes, contradictions, and conflicts of bureaucratic efforts and execution, what today is the state of the Union? We are again in a depression.

For 5 years Mr. Roosevelt has possessed unprecedented Executive powers. He himself has claimed to have had the most complete public confidence and support ever given any President. He has been accorded the most effective control and cooperation of the legislative department ever given any President. He has exercised untrammeled personal control and unquestioned discretion over the spending of the most gigantic sum of public money ever granted any Chief Executive in the peacetime history of the Nation. He has had the widest latitude and liberty of action over all the affairs of the Nation—governmental, economic, and social—of any ruler of any great state in the world, excepting, possibly, Mussolini and Hitler.

After 5 years of governing with these hitherto undreamed-of powers, to what condition have Mr. Roosevelt and his unseen advisers brought the Nation? We are in another depression.

The Roosevelt administration has brought the Union to the point that for more than 3 years foresighted Republicans and Democrats alike have warned the people would inevitably be reached—the point of higher and still higher taxation with diminishing returns, increased expenditures, with diminishing efficiency and results, the existence of a gigantic, solidly entrenched political bureaucracy more concerned with its own perpetuation than in relieving the depression which is darkening the lives of the rest of the people.

And what does Mr. Roosevelt, after 5 years of unprecedented powers, undreamed-of expenditures, unparalleled public support, and unsurpassed congressional cooperation, now propose?

Why, he proposes more taxes later on, more spending, and for himself more and yet more power.

Mr. Roosevelt is confronted now by national conditions he can no longer escape nor conceal. He is faced by the stark fact that his 5 years of government by guess, his policy of panaceas based upon political expediency, his experimentation and bureaucracy building, have resulted economically and socially in futility and have perpetuated rule by a political oligarchy against which Mr. Roosevelt himself solemnly warned the Nation on March 2, 1930.

Mr. Roosevelt has failed to tell the Congress how to achieve any substantial economies in the face of a bureaucracy that will and does thwart, with all the power of its influence, and its weird and misleading methods of keeping the public accounts, every effort of the Congress to reduce its numbers, to curtail its powers, or to lessen its spending. Bureaucracy fattens on spending. It holds fast to its power through favoritism and the squandering of public funds. This has been so throughout all history. It is so in a flagrantly exaggerated state under the Roosevelt administration.

If, as the net result of 5 years of New Deal policies "one-third of our citizens are ill-fed, ill-clad, and ill-housed," and 12,000,000 or more wage earners are unemployed, how and when does Mr. Roosevelt now propose to clothe and feed and house them and still reduce spending, stop borrowing, lower taxes, and even begin to balance the national Budget?

Improvement of the economic and social condition of the less prosperous segment of our people is a laudable objective to which all citizens heartily assent. The President has no monopoly on ideas or desires to accomplish a progressive betterment in the condition of that class of citizens who are now in the lower brackets of the economic and social pattern. As for those unable to help themselves, no one has ever for a moment suggested that adequate relief should be denied them or that they should be allowed to suffer. The difference of opinion is not as to the desirability of achieving economic and social betterment, but as to the most practical and economic method of its accomplishment. It is a national problem concerning every citizen.

It is now all too apparent that Mr. Roosevelt has led the Nation along a pathway of vagaries and visions to the inevitable point of

a rude awakening to the inexorable operation of laws, principles, and facts. The day of awakening from the rosy dream of borrowing ourselves back into prosperity has come—and Mr. Roosevelt has no answer; he proposes no course, except to demand more money and more power to enable him to pursue a program which to a great degree simply parallels one which, under his direction, has already failed.

How long are we to continue a government by consistent inconsistency? How long are we to labor and to pay taxes under a system of government in which no two departments or bureaus agree in their figures, or, in many instances, in their policies?

How long are we to continue this system of government that is driving for more and more personal power for the President, more complete control over the lives, liberties, and activities of the people by a bigger and more solidly entrenched political bureaucracy, controlled in turn by the most powerful political oligarchy that has ever existed in this country?

The Nation must face these issues. The Nation must return to a government of sanity, of principles, of law, of fundamental facts; and turn from this policy of theories, of panaceas, of "guesstimates," of experimentation, and of continuous and progressive surrender of the people's liberties, prerogatives, and powers into the hands of the President solely upon his assurances that "you know, my friends, I am sincere."

Many a sincere man has been mistaken. Many a mistaken man has been sincere. But that does not alter the fundamental fact that the greater power of a mistaken man, the greater the damage wrought by his mistakes. We cannot escape the implications of Mr. Roosevelt's own admissions that the result of his 5 years of control of Congress, of Government, of expenditures, is futility.

It is time for the President to demonstrate that "candor" he continually talks about, and to tell the Congress and the people exactly what his plans are for the future, exactly how he means to control prices to stop inflation. His chairman of the Federal Reserve Board asserts this new spending program will produce an inflationary psychology.

In his November 15 message to the last special session of the Congress President Roosevelt endeavored to convey the impression to the Nation that there has not been proper cooperation by industry and business and every class of citizen with the Government, and that such cooperation is necessary if the business recession, which was then rapidly developing into a major depression, was to be reversed. Coupled with his demand for this cooperation on the part of industry, business, and every class of citizen was a threat.

He said, "But obviously also Government cannot let nature take its course without regard to consequences. If private enterprise does not respond, Government must take up the slack.

"What we can do covers so wide a field and so many subjects that it is not feasible to include them all in this message."

This was his threat that if business and industry did not respond, together with "every class of citizen," to his demand for cooperation on their part with the Government, which in this case meant President Roosevelt himself, there would be a further tightening up of governmental regulations, further regimentation, and restrictions on business, further taxation—in short, a governmental control approaching, if not actually encompassing, a fascistic state.

This attitude of mind on the part of Mr. Roosevelt needs close examination by the Congress and the people. Because of his unprecedented powers over affairs of Government and over industry, business, and every class of citizen, his mental attitudes become as important as any statutes that might be enacted.

It is a little short of ironical that Mr. Roosevelt should demand the cooperation of industry and of the citizens of every class with the Government as a necessary action to save the country from another crash. Industry, agriculture, citizens of every class including Congress have, for the past 4½ years, been cooperating with the President and his administration to the greatest degree ever known in this country. What have we been doing these 4 years and more but yielding to every demand, every so-called plan, every whim of the Chief Executive and his anonymous advisers?

Although a business recession was building up for many months, Mr. Roosevelt and his advisers steadfastly refused to admit that fact, publicly at least, and refused to make any plans for meeting it.

Secretary of Commerce Roper time and again gave out newspaper interviews in which he stressed that recovery was accomplished and that the New Deal was responsible for it.

Mme. Perkins, Secretary of Labor, in numerous statements pointed to the return to "normal" conditions of employment, wages, and industrial production to prove that the New Deal had completed its accomplishment of recovery.

Chairman Jesse Jones, of the Reconstruction Finance Corporation, in a number of speeches, heralded the "fact" that the Nation was back on the level of prosperity.

All these statements were made publicly since February 1937.

Then came Mr. Roosevelt in his message of November 15, saying:

"We have not been unaware of uncertainties in the economic picture. As far back as last spring I called attention to the rapid rise in many prices—a rise that threatened in particular the anticipated revival of building."

If that statement was correct, on what basis does Mr. Roosevelt now excuse his failure to do something about this depression which he implies he so clearly foresaw? Why did he permit his recognized spokesmen—his Secretary of Commerce, his Secretary of Labor, his chairman of the R. F. C. to herald these glad tidings that "happy days are here again," if he knew, as he now says, that the clouds of an approaching depression were darkening the economic skies?

Although the depression was not a condition brought on suddenly by some unusual train of circumstances, after it reached a certain momentum it began to accelerate so rapidly as to frighten the President and his anonymous advisers, and Mr. Roosevelt was compelled reluctantly to admit the disastrous effects of his administration.

His message last November concerning the depression and his proposals for dissipating it were exceedingly vague. He declared that "the continuance of business recovery in the United States depends far more upon business policies than it does upon anything that may be done or not done in Washington."

This is a singular reversal of view. For nearly 5 years Mr. Roosevelt insisted and proceeded on the policy that recovery depended entirely upon New Deal policies, New Deal plans, and New Deal control over Government, industry, agriculture, labor—all activities, public and private.

Mr. Roosevelt has not abandoned this policy as yet, even though he tries to throw upon the shoulders of industry the responsibility for the slump and the action necessary for arresting it.

It is another typical Rooseveltian point of view. When affairs seemed to be going well, it was a result of New Deal plans and policies "because we planned it that way," as Mr. Roosevelt said. But when a slump developed—immediately Mr. Roosevelt took the position that industry, business, and every class of citizens have not been cooperating with the Government.

This depression is the direct result of 5 years of so-called New Deal experimentation, waste, extravagance, bureaucratic regulation, regimentation, and the coercion and subjugation of Congress.

And for 5 years Mr. Roosevelt has been abusing business and businessmen; he has been meddling into every kind of activity; he has directed governmental interference into every line of business; he has encouraged governmental competition in many lines of activity; he has preached class prejudices and encouraged class hatreds.

In these years business and industry have been crushed between abuse and discrimination on the part of Mr. Roosevelt and his administration, on the one hand, and a rising blind and militant prejudice on the part of the National Labor Relations Board, on the other. Business has, through these years, struggled between the upper millstone of governmental disfavor and interference and the nether millstone of labor discontent and disorder.

In these years, American industry has had to struggle against rising taxation and rising labor costs, on the one hand, and increasing governmental regulation and regimentation on the other. Throughout this time, Mr. Roosevelt and his administrators have been warned time and again by economists, industrialists, financiers, and Members of Congress that disaster inevitably must result from such policies as he has insisted upon pursuing. He did not listen. He did not heed the well-meant advice which was offered him.

And now Mr. Roosevelt calls upon industry to save this Nation from the results of his own headlong follies.

It is not cooperation between industry and "every class of citizen" with Mr. Roosevelt's Government that is needed. That we have had for nearly 5 years. On the contrary, it is intelligent and sympathetic cooperation by Mr. Roosevelt's Government with business and "every class of citizen" that is needed.

It is not to be wondered at that leaders in industry, finance, and agriculture are slow to accept at face value Mr. Roosevelt's vague gestures of conciliation in view of his policies and performances of the past 5 years. Mr. Roosevelt's record is one of turning his back on his promises when it suited his purposes to do so. His record is one of placing strange and even peculiar constructions on his own words and sentences when the occasion seemed to require—constructions not ordinarily given such words and sentences. His record is one that is not reassuring to those who believe in our constitutional democracy, who believe in the independence and integrity of the courts, and the honest intentions of industry and labor. No one is responsible for that uncertainty except President Roosevelt himself and his spokesmen.

If Mr. Roosevelt is sincere in wanting that cooperation which he demands from business and from "every class of citizens," it is distinctly and emphatically up to him to give evidence of his intentions to cooperate and to propose, not vague promises of future performance, but concrete and immediate measures for taking the leg irons and handcuffs of taxation, regulation, regimentation, unfair governmental competition and persecution from industry in order that it may again employ our people and struggle up and carry the Nation with it to the levels of prosperity.

Until such concrete proposals are offered by Mr. Roosevelt, or unless the Congress on its own initiative takes such measures, it is not unnatural that business and industry should be cautious about venturing into the speculative waters of expansion and renewed activity and reemployment.

There is some difference of opinion as to whether the present condition is a recurrence of the old depression or whether it is a new depression.

As a matter of plain logic, if the present depressed condition of the Nation is a recurrence of the original depression of 1929, then the conclusion is inescapable that the measures taken by the New Deal administration were only a superficial relief achieved by the temporary sedative of ruinous spending of the public funds,

with a recurrence of the original depression as soon as the injections of artificial financial stimulants were stopped and the effects wore off.

It is necessary at this point to review some of the policies of the New Deal administration to determine if we can what effect those policies have had on the country.

Mr. Roosevelt's first policy was borrowed spending without regard to the state of the National Budget or the hardship on the taxpayers. Indeed, just the other day Mr. Roosevelt declared in his message to the Congress that it makes little difference whether the national debt is 25 billions or 40 billions because it is all involved in the question of national income.

What a difference between that statement and the declarations of candidate Roosevelt in 1932 and in 1936.

Back in 1932 when the national debt was only a little more than 20 billions of dollars Mr. Roosevelt said in his acceptance speech:

"I propose to you, my friends, that Government * * * be made solvent and that the example be set by the President of the United States."

Again, in 1936, Mr. Roosevelt said:

"For three long years the Federal Government has been on the road toward bankruptcy * * *.

"With the utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy * * *.

"Too often in recent history liberal governments have been wrecked on the rocks of loose fiscal policy. We must avoid this danger."

With the national debt now in such a state that it will be more than $40,000,000,000 by 1940, it would appear that Mr. Roosevelt, back in those days when he was making promises to the country, must have believed that it made a great deal of difference whether the national debt was twenty-five billions or forty billions of dollars.

After the 1929 crash, world commerce became paralyzed and disordered through depreciation of foreign currencies. Mr. Hoover, before he left office, had arranged an economic conference to be held in London for the purpose of endeavoring to stabilize world currencies in order to eliminate unfair competition through devices of currency depreciation. After Mr. Roosevelt was elected, but before he assumed office, President Hoover endeavored to get President-elect Roosevelt to give his sanction to this conference. Mr. Roosevelt pointedly and emphatically refused to voice his attitude or to take any action in this regard until he actually assumed office.

After Mr. Roosevelt did assume office, he did approve the conference to be held in June 1933 for the purpose of stabilization of world currency. But after the conference met, and before it could be properly organized, Mr. Roosevelt suddenly repudiated his position that monetary stabilization was all-important and refused to have it considered. Inasmuch as trade policy and monetary stabilization were inseparable, this conference called by the President's message ended in despair and each nation was left to engage in every sort of device of unfair competition.

Th significance of this action by Mr. Roosevelt is to be seen when we consider that in point of recovery among the nations of the world, from 1929 to July 1937, according to the League of Nations' monthly bulletin of statistics, the United States stands away down in sixteenth place.

Another important policy of the administration was to pile up taxes. Taxes are today heavier upon the pocketbooks of the American people than at any time in the history of this Nation. Mr. Roosevelt's new pump-priming proposal, which the Nation fears will prove to be a well-draining proposition, of course, involves still more taxation. Mr. Roosevelt himself, in his message to the Congress, specifically stated that the only way to reduce the national debt was to increase the national income—which means that Mr. Roosevelt contemplates that all of these enormous and extravagant and ill-advised spending and lending experiments are to be paid for by the taxpayers, regardless of how great they become. Not one word does Mr. Roosevelt say about reducing Government costs by the elimination from the pay rolls the army of political parasites, whose only qualification, in most instances, for the jobs they hold is their ability to bring in the New Deal votes on election day.

Mr. Roosevelt and his administrators have for 5 years had a great deal to say about making the rich bear the burden of taxation, "soaking the 60 families," taking from the "haves" to give to the "have-nots," taxation based on the "ability to pay" and taxes on undistributed profits, capital earnings—all sorts of taxes. But Mr. Roosevelt and his administrators have little to say, if you please, these days, about who actually pays all these taxes in the final analysis. Now, as a certain former crony of Mr. Roosevelt is wont to say, "Let's look at the record." Let's see what Mr. Roosevelt himself had to say in the past about who pays the taxes. Back in 1932, when Mr. Roosevelt was a "promising" candidate (and wasn't he a promising candidate), here's what he said about who pays the taxes:

"Taxes are paid in the sweat of every man who labors * * *. If excessive, they are reflected in idle factories, tax-sold farms, and hence in hordes of the hungry tramping the streets and seeking jobs in vain. Our workers may never see a tax bill, but they pay in deductions from wages, in increased cost of what they buy, or (as now) in broad cessation of employment. * * * Our people and our business cannot carry its excessive burdens of taxation * * *."

Again in 1932 Mr. Roosevelt said this about who pays the taxes and what ought to be done with those dollars wrung out of the sweat of every man who labors:

"I shall use this position of high responsibility to discuss up and down the country, at all seasons, at all times, the duty of reducing taxes, of increasing the efficiency of government, of cutting out the underbrush around our governmental structure, of getting the most public service for every dollar paid by taxation. This I pledge you, and nothing I have said in the campaign transcends in importance this covenant with the taxpayers of the country."

The way Mr. Roosevelt has kept that covenant is to run the national debt to $40,000,000,000 by 1940, the interest on which is $1,000,000,000 a year, and to calmly declare in his recent message to the Congress that it makes no difference whether the national debt is twenty-five billion or forty billion.

Now let us see whether Mr. Roosevelt and his administrators actually comprehend what must happen as a result of his new spending program so far as the taxpayers are concerned.

Keep in mind, now, that Mr. Roosevelt declared time and again that taxes are paid in the sweat of those who labor; that though the worker may never see a tax bill, he pays in deductions from wages and in increased prices and in cessation of employment. Keep in mind that Mr. Roosevelt, as a "promising" candidate, warned that loose fiscal policies have wrecked other liberal governments. Keep in mind that he warned that the Nation was on the road to bankruptcy when its national debt had reached a point of less than $21,000,000,000. Also keep in mind that Mr. Roosevelt now declares, with the national debt on the way to $40,000,000,000 or more, that it doesn't make any difference whether the national debt is twenty-five billions or forty billions, that it will have to be paid by taxation taken out of the national income, which means, he now professes to believe, that so long as the national income can stagger under the tax burden, it makes no difference how big the national debt is. Now let's go to 1935 and see what Mr. Roosevelt and some of his administrators were saying about this very point.

In a letter to Roy W. Howard, the newspaper publisher, September 22, 1935, Mr. Roosevelt wrote this:

"What is known as consumers' taxes, namely, the invisible taxes paid by people in every walk of life, fall relatively much more heavily upon the poor man than upon the rich man. In 1929"—

Keep in mind that that was under a Republican administration—"in 1929 consumers' taxes represented only 30 percent of the national revenue. Today they are 60 percent." * * *

We also find in 1935 that Mr. Robert Jackson, a great favorite with Mr. Roosevelt, and now Solicitor General of the United States, saying this:

"In 1930 we find that those taxes bearing most heavily on the well-to-do contributed * * * 68.2 percent of its [the National Government's] total internal-revenue and customs receipts, while miscellaneous taxes and customs receipts, bearing most heavily upon the consumer, contributed only * * * 31.8 percent of such receipts. * * *

"In 1935 the taxes based on ability to pay contributed 38.7 percent of the internal-revenue and customs receipts; * * * there has been an increase in the proportion of revenues contributed by taxes based on consumption to 61.3 percent."

Contrast those two statements and Mr. Roosevelt's previous statements that taxes come out of the sweat of every man who labors, and Mr. Roosevelt's statement that liberal governments are wrecked on the rocks of loose fiscal policy, and his statement that the Nation was on the road to bankruptcy when the national debt was less than $21,000,000,000; contrast, I say, those statements with his proposed poll-priming, well-draining program and his recent statement to the Congress that it makes no difference whether the national debt is $25,000,000,000 or $40,000,000,000.

Now, just what was it that precipitated the country into the steepest nose dive it has ever experienced in a like period, resulting in the present depression? It was contradictory administration policies.

On November 19 last, after more than 4 years of demanding that prices be boosted to the 1926 level and when they were still 15 percent below that level, Mr. Roosevelt suddenly announced that prices were too high and demanded they be reduced.

On Tuesday, January 25, after Mr. Roosevelt had demanded that industry, including, of course, wholesalers and retailers, reduce prices, without "taking it out of wages," to the point where the people "would buy," he demanded on February 15 that prices go up, because they "are too low." He warned the newspaper correspondents that they "must not see any inconsistency in this action." To say the least, the warning was needed.

It becomes utterly impossible under any such contradictory policy, if policy it can be called, for manufacturers, wholesalers, and retailers to lay any plans for future business, to place any orders for future deliveries, because Mr. Roosevelt has rendered it impossible for them to know whether, under the urging of the President, prices will be falling or rising when the moment comes for selling the goods. The inevitable result of Mr. Roosevelt's contradictory statements has been to force producers, wholesalers, and retailers to a hand-to-mouth, day-by-day production and distribution. No other source is possible for them when, added to the other uncertainties of the present depression, there is superimposed such a contradictory and confusing policy as Mr. Roosevelt has inaugurated.

Whether he realizes it or not, Mr. Roosevelt, as President of the United States, vested with the vast powers both of control and

persuasion which he possesses, cannot demand that prices go down or that prices go up without producing the most serious and disruptive disturbances throughout the whole economic structure of this Nation.

When Mr. Roosevelt declared prices must go up, as he for 4 years did declare, and when he declared that wages must rise and hours must be shortened and production costs increased by added taxation on business, it was only the part of prudence for manufacturers, wholesalers, and retailers to increase their stocks against rising costs and rising prices. Then when Mr. Roosevelt declared prices must go down, he in effect served notice upon the consumers, who naturally had been buying against rising prices, largely by the installment plan, that they should stop buying because prices would be lower. Of course, in the face of such a declaration for lower prices, and the diminished consumer demand resulting directly therefrom, manufacturers and distributors found themselves with large inventories on hand and advance orders placed.

The inevitable and prudent action in such a circumstance was for manufacturers and distributors to cancel advance orders for raw materials, semifinished and finished goods. That is what they did. The result was the sharpest decline in employment and pay rolls, in the period following Mr. Roosevelt's "down prices" declaration, that has ever occurred in any similar period in the history of this country. In that short period Mr. Roosevelt now admits 3,000,000 wage earners joined the ranks of the unemployed.

Then came Mr. Roosevelt's pronunciamento that prices must go up. It did not have the effect, however, either of producing consumer demand or of spurring producers and distributors to a sudden burst of activity in accumulating new stocks of inventories because, judging by the past, they could expect Mr. Roosevelt in the near future to again declare that prices must go down.

Whether or not Mr. Roosevelt does take such action, his sudden and frequent reversals of policy concerning price levels have implanted that fear which will operate to make producers and distributors very slow to again jeopardize their very existence by doing the things which Mr. Roosevelt's pronouncements would at the moment indicate to be expedient.

It is vital in this recurrence of the depression that steadfast policies be adopted and that every uncertainty as to future governmental demands and enforcements be removed in order that business may have the best opportunity to make long-range plans looking to reemployment of the millions who now are walking the streets looking for jobs which are not to be had.

There are as many unemployed in the country today as at the very depths of the original depression. If we are not to witness a complete destruction of our present form of government, and if we are to maintain the economic stability of this country, and the Nation's preservation for the poor and unfortunate as the best place in the world in which to live, chaos and uncertainty must cease and we must return to the fundamentals of sound government.

Not only has Mr. Roosevelt's policy of seeking to manipulate price levels by Presidential pronouncement created this uncertainty in the business world which has led to the present condition of affairs, but other New Deal policies have contributed very greatly to the situation in which we now find ourselves. Not the least of these is the reciprocal-trade policy.

Despite all of the protestations of the administration to the contrary, the reciprocal-trade policy has not proved beneficial to the agricultural industry or to the manufacturing industry. Instead, it has created grave fears on the part of both agricultural and industrial producers that they will eventually be brought into such competition with the products of cheap foreign labor as will prove utterly disastrous in our home market. Until this fear is eliminated, nothing that the administration can otherwise do can overcome it. Inasmuch as I am addressing myself tonight more particularly to the significance of the new so-called pump-priming program, and its probable effects upon the country, I shall not take time now to go further into the details of this dangerous reciprocal-trade policy which is so rapidly opening our domestic market to an ever-increasing avalanche of cheap foreign goods.

Business is further disquieted by the inconsistent and carefully concealed foreign policy of the administration. The country does not know now and has not been able to determine from Mr. Roosevelt's contradictory statements on the subject what our foreign policy is, to what extent we may be now or in the future may become involved in the quarrels of other nations, and to what extent business may find itself rigidly regimented in event of such an emergency.

The most serious phase of the proposed spending program is that it is designed to produce an inflationary psychology, as has been said by Chairman Marriner Eccles, of the Federal Reserve Board.

Inflation—whether it be credit inflation, currency inflation, or psychological inflation—is based on fear and operates through fear. The people become imbued with fear that the purchasing power of their money is to be lowered, and they rush to exchange their money for goods or real estate. Prices go up as a result. As prices rise, the real value of all wages, farm income, and fixed income inversely decrease proportionately. Therefore any effect of artificially elevating prices by means of an inflationary psychology inevitably results in a reduction of the efficiency of wages, farm income, and fixed income from the standpoint of consumer purchasing power. As this condition grows, labor begins to demand still higher wages, new waves of strikes and interruptions in industry are produced, and we are then on the most dangerous road that any nation can travel. Under a dictatorship such as that existing in Germany and Italy today, inflation of the domestic currency or credits can be controlled, because the dictator controls the prices and can regulate them accordingly. In this country the inevitable step necessary if we are to indulge in the dangerous game of inflation is for the Government in some way to get the power to control prices. That would be dictatorship, regardless of what name might be given it.

I shall not go into the detailed figures involved in the President's new spending program, because figures have ceased to mean anything. They can be and have been juggled so much that nobody in Congress or out knows to a certainty the actual financial state of the Union or what can be done or may be done by the Chief Executive and his administrators under this new spending program. I will say this, however: All the funds actually necessary for relief should be appropriated, but the administration of those funds should be vested in the hands of the State and municipal officials and taken away from the control of the partisan and political bureaucracy in Washington.

I will go further and say that we must guard against a very grave danger of damage to the moral fiber of the Nation and the independence of the people.

The father of the Democratic Party, Thomas Jefferson, foresaw this danger very clearly when he said a good many years ago:

"Dependence begets subservience and venality, suffocates the germ of virtue, and prepares fit tools for the designs of ambition. * * * Taxation follows public debt, and in its train wretchedness and oppression. * * * If we can prevent the Government from wasting the labors of the people under the pretense of taking care of them, they (the people) must become happy. * * * The elective principle becomes nothing if it may be smothered by the enormous patronage of the General Government."

The Congress should scrutinize with the greatest care every item of these proposed appropriations. It should earmark the appropriations in whatever way possible to prevent to the greatest degree the misdirection of these expenditures to political purposes during the coming campaign. The Congress should guard against waste and extravagance and corruption which inevitably accompany concentrated control and discretion in the expenditure of such vast amounts of money through so many administrative agencies.

We have heard much of "rubber stamp" Congresses in the last few years. We have heard much of the President's power to punish and to persuade Members of the Congress to vote for administration proposals which they did not actually favor. How did Congress come to be like this?

Because it made the mistake of voting to the Chief Executive these vast powers of controlling these expenditures; of saying what States and what communities should get them; of being able to grant or to deny to Members of Congress a portion of these public funds for expenditure in the various congressional districts. That is the sort of governmental patronage Thomas Jefferson had in mind when he warned that the elective principle becomes nothing if it may be smothered under such patronage.

Enormous difficulties confront us. Tremendous problems must be solved. They will be solved quicker by a cooperative spirit on the part of the executive department of the Government toward business than by a continuance of the contradictory and punitive policies of the past 5 years.

It is perfectly apparent that this new spending program is another "shot in the arm." The instruments for injection have been slightly changed but it is the old quack medicine. Borrowed spending, increased burdens for the taxpayers, perpetuation of bureaucratic power through the use of patronage. That way lies ruin.

If the administration were to give adequate assurance, and were to proceed at once to back up those assurances with performance, that business is to be encouraged instead of persecuted, that concert of effort is to replace partisanship and class strife, this country will pull out of the depression. Until such a change takes place, we will stagger along pretty much as we have been for the last 5 years.

One of the prime needs of this Nation today is for a stronger and more efficient opposition in the Congress. It is only through intelligent and constructive opposition and criticism that the dangers which now confront this country can be avoided.

Again I turn to the father of the Democratic Party, Thomas Jefferson, to quote:

"Wherever there are men, there will be parties, and wherever there are free men, they will make themselves heard. Those of firm health and spirits are unwilling to cede more of their liberty than is necessary to preserve order; those of feeble constitutions will wish to see one strong arm able to protect them from the many. These mutual jealousies produce mutual security, and while the laws shall be obeyed all will be safe. He alone is your enemy who disobeys them. * * * Difference of opinion leads to inquiry and inquiry to truth, and I am sure * * * we both value too much the freedom of opinion sanctioned by our Constitution not to cherish its exercise, even where in opposition to ourselves. * * * If virtuous, the Government need not fear the fair operation of attack and defense. Nature has given to man no other means of sifting out the truth, either in religion, law, or politics.

What a P. W. A. Program Would Do

EXTENSION OF REMARKS
OF
HON. ALFRED F. BEITER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 26, 1938

Mr. BEITER. Mr. Speaker, a one and one-half billion-dollar non-Federal Public Works program, on a 45-percent Federal-grant basis, with the balance provided by contribution of local funds, as under recent P. W. A. programs, according to past actual experience, would provide 488,829,600 man-hours of site employment; 1,222,074,000 man-hours of indirect employment; $412,023,000 expenditures at site for employment; $810,000,000 of material orders, as follows:

Iron and steel	$228,450,000
Foundry and machine-shop products, including machinery	109,350,000
Lumber and millwork	59,100,000
Cement	38,850,000
Concrete products	38,100,000
Brick and tile, etc	33,150,000
Heating materials	24,300,000
Plumbing materials	21,900,000
Other materials	256,800,000

The percentage by types of projects in the proposed program, according to previous experience, would be approximately as follows:

Type	Number of projects	Estimated cost
	Percent	*Percent*
Educational buildings	42.0	24.0
Hospitals	4.0	7.0
Public buildings	8.0	6.0
Sewer systems	11.0	13.0
Water systems	17.0	7.0
Electric power, excluding water power	1.0	3.0
Streets and highways	9.0	8.0
Engineering structures	3.0	12.0
Flood control, water power, and reclamation	1.0	7.0
All other	4.0	13.0
Total	100.0	100.0

There are on file with P. W. A. 2,785 non-Federal signed project applications which have been examined and approved but not allotted. These projects have a value of—

Number of projects	2,785
Loan	$132,518,000
Grant	442,548,002
Total	575,066,002
Estimated cost	1,016,686,130

Based on a study made by the Bureau of Labor Statistics of the non-Federal Public Works Administration program for 1937, a Federal grant of 45 percent would require an expenditure of Federal Government funds of $61.24 per man-month of employment, either at the site of construction or in the production and transportation of construction materials and equipment.

All of the employment provided by such a program would be in private industry at prevailing rates of wages.

I have just introduced a bill—H. R. 10389—which has for its purpose, among other things, to provide sufficient funds to put these projects in operation. A digest of the bill follows:

Changes the name of the Federal Emergency Administration of Public Works to United States Public Works Administration and makes it a permanent Federal corporation under the Department of the Interior, with the Secretary of the Interior as administrator. Provides for financing, or partially financing, by means of loans or grants or both, or otherwise, the construction, equipment, extension, betterment, improvement, or repair of public-works projects of States, Territories, possessions, political subdivisions, instrumentalities and agencies thereof, and other public bodies. Authorizes the Administration to undertake any such project and then lease it to any public body with or without the privilege of purchase, provided that not less than 55 percent of the cost and interest will be recovered. Authorizes the purchase of securities of any public body when necessary to permit the construction and financing of a project. Authorizes the exchange of any securities acquired from any public body for any other securities of the same or any other public body. Authorizes recoverable advances to a public body for the temporary operation of any project when necessary to protect the Administration's investment therein. Limits loans to 50 years, interest to 4 percent, and grants to 45 percent of the project cost. Authorizes the complete or partial release or refund of interest on loans in lieu of grants. Authorizes the appointment of an assistant administrator, certain executive and administrative assistants, attorneys, experts, consultants, and regional supervisors without regard for civil-service laws and the Classification Act. Transfers all present employees of the Federal Emergency Administration of Public Works to the new administration. Permits employees to acquire civil-service status on noncompetitive tests prescribed by the Civil Service Commission. Authorizes the administrator to make such expenditures as he deems necessary for services, equipment, supplies, transportation, and rentals. Transfers all of the powers, possessions, and obligations of the Federal Emergency Administration of Public Works to the new administration. Authorizes the new administration to carry out all of the powers and functions granted to the Federal Emergency Administration of Public Works by previous acts of Congress and Executive orders without regard for the limitations upon such powers and functions imposed by such acts. Appropriates $450,000,000 for grants and $1,000,000,000 for loans and other purposes. Authorizes the sale of any securities acquired pursuant to this act and requires the proceeds of all such sales to be paid into the Treasury of the United States. Authorizes the administrator to prescribe rules and regulations for effectuating the purposes of this act.

A copy of the bill follows:

[H. R. 10389, 75th Cong., 3d sess.]

A bill to promote the general welfare through Federal cooperation in the construction and undertaking of useful Federal and non-Federal projects and public works, to create in the Department of the Interior a United States Public Works Administration, and to define its powers and duties, and for other purposes.

Be it enacted, etc., That there is hereby created in the Department of the Interior, under the direction and supervision of the Secretary of the Interior as Administrator, a Division of Public Works to be known as the United States Public Works Administration (hereinafter referred to as the "Administration"), which shall be a body corporate, with power to sue and be sued; to have an official seal (which shall be judicially noticed); to make contracts; to acquire, hold, and dispose of property; and to exercise all powers necessary or appropriate for the carrying out of its functions under this act. The principal office of the Administration shall be in the District of Columbia, but it may establish branch or regional offices in any State, Territory, or possession, and may exercise any of its powers at any place within the United States or its Territories or possessions.

SEC. 2. In order to create and maintain employment and to reduce unemployment, by providing for useful public works, the Administration, with the approval of the President, is hereby authorized and empowered, (a) subject to the limitations hereinafter set forth, to finance or to aid in financing, by means of loans or grants, or both, or otherwise, projects of States, Territories, possessions, political subdivisions, instrumentalities and agencies thereof, and other public bodies, for the construction, equipment, extension, betterment, improvement, or repair of public works, including the acquisition of lands, equipment, or other property required in connection therewith; (b) to undertake any such project and to lease, on such terms as the Administrator may approve, including provisions for the payment of expenses by the lessee, any such project or property acquired therefor to any of the public bodies referred to in subsection (a) hereof, with or without the privilege of purchase, and for such purpose the Administration is authorized to acquire, by purchase, or by exercise of the power of eminent domain, property for any such project: *Provided, however*, That no such project shall be undertaken hereunder unless, in the determination of the Administrator, not less than 55 percent of the cost of such project together with interest thereon shall be repaid to the Administration; (c) to purchase refunding bonds or other obligations or securities of any public body, when in the opinion of the Administrator such purchase is necessary to permit the construction and financing of a project, pursuant to subdivision (a) hereof; (d) to exchange any bonds, securities, or other obligations acquired by the Administration under this act for any other bonds or other obligations

or securities of the same or any other public body; and (e) to provide funds sufficient for temporary operation of any project under such terms and conditions as the Administrator shall prescribe, if the Administrator shall determine that the same is necessary for the security of any bonds or other obligations acquired by the Administration under this act.

SEC. 3. No loan made by the Administration shall be for a term longer than 50 years, nor shall the interest rate thereon exceed 4 percent per annum. No grant shall be made by the Administration for any project of any public body pursuant to subdivision (a) of section 2 hereof in excess of 45 percent of the cost of such project, excluding from such cost funds advanced for temporary operation of the project pursuant to subsection (e) of section 2 hereof. In lieu of making any grant as above provided to any public body the Administration may, with the approval of the President, in any agreement to purchase bonds or other obligations or securities, covenant to release, in whole or in part, any claims for interest thereon and to return or cancel any coupons representing such interest so released, and may also covenant to pay to the obligor named therein the interest on any such bonds or other obligations or securities in the event of the sale thereof by the Administration.

SEC. 4. The Administrator is authorized, without regard to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of an assistant administrator, and such executive and administrative assistants, attorneys, experts, special consultants, and regional supervisors, and subject to the provisions of the civil-service laws and the Classification Act of 1923, as amended, to appoint such other employees, as he may deem necessary to carry out the purposes of this act, and to prescribe their authorities, duties, responsibilities, and tenure, and is further authorized to delegate to them any or all of his powers and duties. All present employees of the Federal Emergency Administration of Public Works are hereby transferred to the Administration, and if the Administrator shall within 6 months after such transfer certify to the United States Civil Service Commission that the services of any employee so transferred are satisfactory, and such employee shall within 6 months after such certification pass such appropriate noncompetitive tests of fitness as the Civil Service Commission may prescribe, such employee shall thereupon acquire the same status as if certified after examination by the Civil Service Commission.

SEC. 5. The Administrator may make such expenditures for contract stenographic reporting, services, supplies and equipment, purchase and exchange of law books, books of reference, directories, periodicals, newspapers, and press clippings, compilation and dissemination of information, travel expenses, including the expenses of attendance at meetings when such attendance is specifically authorized by him, rental at the seat of Government and elsewhere, purchase, operation and maintenance of motor-propelled passenger-carrying vehicles, printing and binding, and such other expenses as he may determine to be necessary in connection with the administration of the act.

SEC. 6. All of the functions and powers of the Federal Emergency Administration of Public Works, together with all applications, files, records, assets, libraries, contracts, securities, and other property and obligations thereof, are hereby transferred to the Administration, and without regard to the limitations imposed by such acts upon the exercise of such functions and powers, the Administration is authorized to carry out all of the functions and powers granted to the Federal Emergency Administration of Public Works by the National Industrial Recovery Act, the Emergency Appropriation Act, fiscal year 1935, the Emergency Relief Appropriation Act of 1935, the Emergency Relief Appropriation Act of 1936, the Public Works Administration Extension Act of 1937, or any other act, or by any Executive order issued under the authority of any of said acts.

SEC. 7. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $450,000,000 for grants and $1,000,000,000 for loans and other purposes under this act, including the administrative expenses of the Administration.

SEC. 8. The Administration is authorized to sell any bonds or other obligations or securities acquired by or transferred to it under or pursuant to the provisions of this act, and all proceeds realized from such sales, and all payments of principal and interest on any bonds or other obligations or securities acquired by or transferred to it under or pursuant to the provisions of this act, and all other income, shall be paid into the Treasury of the United States.

SEC. 9. The Administrator is authorized to include in any agreements made by the Administration under or pursuant to the provisions of this act such rules and regulations as he may prescribe, and he is further authorized to prescribe such other rules and regulations for effectuating the purposes of this act as he shall deem desirable.

P. W. A. Projects

EXTENSION OF REMARKS

OF

HON. CHARLES I. FADDIS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1938

APPROVED APPLICATIONS FOR P. W. A. PROJECTS

Mr. FADDIS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following list:

Pennsylvania—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		State wide:					
W1632		Pennsylvania, State of	Garages		$701,759	$701,759	$1,559,464
		Adams County:					
W1582		New Oxford	School addition		25,361	25,361	56,358
W1697		Fairfield	Auditorium, gymnasium		18,900	18,900	42,000
		Total			44,261	44,261	98,358
		Allegheny County:					
W1402		Allegheny County	Highway		364,950	364,950	811,000
W1503		Fox Chapel	Sanitary sewer		50,045	50,045	111,210
W1535		Pittsburgh	Municipal building		258,750	258,750	575,000
W1587		do	Sanitary sewer		68,187	68,187	151,526
W1590		do	do		722,269	722,269	1,605,043
W1591		do	Waterworks		269,831	269,831	599,625
W1599		do	Retaining wall		108,955	108,955	242,123
W1600		do	Park improvements		82,965	82,965	184,367
W1601		do	Waterworks improvement		73,757	73,757	163,905
W1604		do	Bridge repair		83,001	83,001	184,446
W1612		do	Fieldhouse		85,732	85,732	190,515
W1615		do	Paving		271,679	271,679	603,731
W1616		do	do		450,613	450,613	1,001,363
W1617		do	High-school addition		228,730	228,730	508,289
W1618		do	School		244,737	244,737	543,860
W1631		do	Sanitary sewer		752,130	752,130	1,671,401
W1633		do	Fieldhouse		84,352	84,352	187,448
W1634		do	Swimming pool		266,058	266,058	591,241
W1635		do	Paving		180,721	180,721	401,602
W1646		do	Exhibition hall		36,149	36,149	80,331
W1647		do	Flood control		14,490	14,490	32,200
W1649		do	Zoo		114,248	114,248	253,885
W1650		do	Bridge		141,696	141,696	314,879
W1655		Carnegie	Fire department		8,042	8,042	17,872
W1675		Pittsburgh	Park improvement		15,504	15,504	34,453
W1687		do	School		183,656	183,656	408,125
W1688		do	do		246,850	246,850	548,960
W1689		do	do		225,312	225,312	500,694

Pennsylvania—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Allegheny County—Continued.					
W1695		Blawnox	Municipal building		$13,500	$13,500	$30,000
W1699		Leetsdale	High-school addition		31,950	31,950	71,000
W1709		East Pittsburgh	School improvement		7,257	7,257	16,127
		Total			5,680,116	5,680,116	12,632,201
		Armstrong County:					
W1589		Kittanning	Sanitary sewer		17,422	17,422	38,715
W1674		Kiskiminetas	School		19,800	19,800	44,000
		Total			37,222	37,222	82,715
W1636		Beaver County: Ambridge	Paving		17,514	17,514	38,920
		Berks County:					
W1608		Ontelaunee Township	School		16,115	16,115	35,810
W1660		Reading	Park improvement		10,366	10,366	23,035
W1661		do	do		11,739	11,739	26,087
		Total			38,220	38,220	84,932
		Bradford County:					
W1605		Bradford County	School		18,255	18,255	40,567
		Bucks County:					
W1602		Bristol	High-school addition		22,500	22,500	50,000
W1684		Quakertown	Municipal building		18,771	18,771	41,714
		Total			41,271	41,271	91,714
		Butler County:					
W1644		Mars	High-school addition		42,465	42,465	94,365
		Cambria County:					
W1707		Adams	School addition		55,260	55,260	122,800
		Carbon County:					
W1666		Weatherly	Power improvement		26,685	26,685	59,300
		Centre County:					
W1672		Woodward	School		6,429	6,429	14,286
		Chester County:					
W1690		Coatesville	High school		269,550	269,550	599,000
		Clarion County:					
W1643		Strattonville	High-school addition		28,879	28,879	64,175
W1673		Clarion County	School addition		21,487	21,487	47,750
W1696		Strattonville	School		7,650	7,650	17,000
		Total			58,016	58,016	128,925
		Clearfield County:					
W1393		Houtzdale	School addition		16,364	16,364	36,364
		Crawford County:					
W1664		Conneaut Township	School		14,819	14,819	32,930
		Cumberland County:					
W1626		New Cumberland	Shop building		2,952	2,952	6,560
		Dauphin County:					
W1609		Williamstown	Town hall		8,134	8,134	18,076
W1685		Highspire	High-school addition		38,351	38,351	85,224
W1691		Elizabethville	School addition		21,131	21,131	46,958
		Total			67,616	67,616	150,258
		Delaware County:					
W1682		Ridley	Sanitary sewer		13,256	13,256	29,458
W1698		Upper Darby	School		148,950	148,950	331,000
		Total			162,206	162,206	360,458
		Erie County:					
W1669		Millcreek Township	School		29,792	29,792	66,205
		Fayette County:					
W1576		Uniontown	Disposal plant		250,245	250,245	556,100
W1676		Fayette City	High-school addition		23,537	23,537	52,305
W1694		Fayette County	High school		143,182	143,182	318,182
		Total			416,964	416,964	926,587
		Franklin County:					
W1639		Chambersburg	Power improvements		79,641	79,641	176,980
		Jefferson County:					
W1055		Punxsutawney	Hospital addition	$85,000		85,000	105,000
		Lackawanna County:					
W1593		Scranton	Sanitary sewer		12,895	12,895	28,655
W1651		Scott Township	County home		141,544	141,544	314,542
W1683		Throop	High school	109,000	89,182	198,182	198,182
		Total		109,000	243,621	352,621	541,379
		Lehigh County:					
W1585		Allentown	Disposal plant		59,591	59,591	132,425
		Luzerne County:					
W1708		Luzerne	School		72,072	72,072	160,660
		Mifflin County:					
W1637		Granville	do		24,941	24,941	55,425
		Monroe County:					
W1638		Stroudsburg	Sanitary sewer		57,677	57,677	128,172
		Montgomery County:					
W1598		Ambler	High-school addition		64,439	64,439	143,197
W1627		Montgomery County	Incinerator		48,150	48,150	106,999
		Total			112,589	112,589	250,196

Pennsylvania—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Northumberland County:					
W1160		Mount Carmel	High-school addition		$162,000	$162,000	$360,000
W1678		Kulpmont	School addition		37,637	37,637	83,637
		Total			199,637	199,637	443,637
		Philadelphia County:					
4787		Philadelphia	Courthouse		1,525,500	1,525,500	3,390,000
7400		do	Subways		1,382,951	1,382,951	3,073,225
W1570		do	do		1,404,300	1,404,300	3,254,000
W1572		do	Subway		7,582,900	7,582,900	16,850,900
W1658		do	School		320,400	320,400	712,000
W1659		do	do		320,400	320,400	712,000
		Total			12,596,451	12,596,451	27,992,125
		Tioga County:					
W1663		Mansfield	High-school addition		40,930	40,930	90,954
W1702		Nauvoo	School		3,150	3,150	7,000
		Total			44,080	44,080	97,954
		Washington County:					
W1273		Donora	Park improvement	$105,000	85,909	190,909	190,909
W1652		Independence	High-school addition		41,041	41,041	91,202
W1700		Canonsburg	Street improvement		33,548	33,548	74,550
W1701		Allenport	do		10,152	10,152	22,559
		Total		105,000	170,650	275,650	379,220
		Westmoreland County:					
W1588		Jeannette	Stadium		25,229	25,229	56,064
W1603		New Kensington	Garbage disposal		41,315	41,315	91,812
W1619		Greensburg	School addition		24,100	24,100	53,555
W1671		Jeannette	Drainage		12,423	12,423	27,606
W1677		Monessen	Municipal improvement		12,947	12,947	28,770
W1679		Greensburg	Street improvement		18,302	18,302	40,670
W1680		do	Sanitary sewer		9,841	9,841	21,870
W1681		do	do		14,313	14,313	31,806
		Total			158,470	158,470	352,153
		York County:					
W1260		Spring Garden	Sanitary sewer		252,000	252,000	560,000
		Grand total		299,000	21,819,156	22,118,156	48,602,255

Evil-Smelling Copra

EXTENSION OF REMARKS

OF

HON. FRANCIS D. CULKIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1938

A. F. OF L. CONDEMNS BUTTER SUBSTITUTES

Mr. CULKIN. Mr. Speaker, the oleomargarine lobby, which is engaged in a conspiracy against the health of the American children and the well-being of 3,000,000 dairymen, comes to the surface again in a circular letter to the Members of the House in regard to coconut oil. These unrighteous promoters of evil diet now attempt to justify their existence by a defense of coconut oil, which is largely imported from the Philippines. They have to do this because they are financed, in part at least, by the makers of counterfeit butter who are using imported oils and fats.

The letter is over the signature of J. S. Abbott, who entitles himself "director of research." This, of course, is a misnomer, and his title should read "director of malnutrition." I received the original of the letter in question and replied to him as follows:

HOUSE OF REPRESENTATIVES,
Washington, D. C., April 23, 1938.

Mr J. S. ABBOTT,
Washington, D. C.

MY DEAR MR. ABBOTT: I am in receipt of your letter containing various degrees of amazement. May I permit myself a bit of amazement that you, who entitled yourself a "research director," should participate in this conspiracy against the health of American children and the welfare of a great group of American dairymen.

Your trite and time-worn discussion of this question indicates that you feel in your heart that you are playing an unworthy part in our national scheme of economics. If you will give it earnest thought, I think you will get back of my bill to ban the manufacture and sale of butter substitutes in America.

This no doubt would involve considerable financial sacrifice on your part, but what a blessing it would be to posterity. Incidentally, you could go down in your grave feeling that you had played a worthy part in life.

Very truly yours,

FRANCIS D. CULKIN.

I do not believe that any member of the House takes these lobbyists seriously. The fact is that the description of copra which appeared in my statement before the House on March 29 of this year is, in fact, mild and inadequate.

I have never been on a ship which was carrying this compost, but I have passed by them when they were at the dock and were being loaded. You could smell them from afar, and the surrounding air for half a mile was tainted with an odor which caused nausea. I have likewise talked with sailors who have been on these ships and have heard their description of the all-embracing stink that was about them.

SMELLS LIKE A BONE YARD

Most of the Members of the House have at some time or other passed the local bone yard where the remains of dead horses infested the terrain. If you will recall that odor to mind, you will know what a shipload of copra smells like. The Federal Trade Commission, under the spur of the internationalists, may make findings on this question until the infernal regions freeze over, but the fact remains the same. Death and corruption are the basis of this all-embracing smell, and sailors avoid ships carrying it like they would an epidemic of bubonic plague.

If I had the power, I would sentence the genial "director of malnutrition," Mr. J. S. Abbott, to a trip on one of those boats. Incidentally, I would make every manufacturer of oleo from this source do the same thing. I believe that after such an experience they might have some consideration for

the well-being of American children. The House knows that these substitutes do not go on the table of the genial Abbott or his employers. They eat butter.

You cannot make a silk purse out of a sow's ear. Neither can you make synthetic substitutes which will replace life-giving butter.

May I again call to the attention of the House the fact that a race fed on synthetic foods has no vitality. A race bred on dairy products is virile and strong, and goes places in the arts, sciences, and the development of free government.

INVESTIGATION NEEDED

The Margarine Institute is one of those lobbying outfits that should be investigated by the Congress. It will be interesting to know how much they spend and where they get their money. Dame Rumor says that the "packer kings" are the main contributors. We also hear that the National Dairies, a dairy marketing monopoly which has bled the American dairymen white, is a contributing member of this outfit.

To the end that this lobby may be looked into, I have introduced a resolution today for the purpose of investigating the activities of these gentlemen who are, in fact, a conspiracy against the health and well-being of the American people. They are also a serious threat to the economic welfare of the American dairymen and their dependents, who number 15,000,000 people. The resolution follows:

Whereas there exists in Washington a highly financed, extremely active lobby, which styles itself "The National Association of Margarine Manufacturers," engaged in promoting, among other things, the use of foreign fats and oils in America through the manufacture and sale of butter substitutes; and

Whereas said procedure is extremely detrimental to the health and physical well-being of the American people, and likewise injurious to the economic well-being of the 3,000,000 American dairymen: Now, therefore, be it

Resolved, That the Speaker appoint a committee of three Members, two from the majority and one from the minority, to investigate the said Margarine Institute, its source of revenue and character of disbursement, and report their findings to the House.

The country knows that oleo is to butter what paste diamonds are to the real article. Butter and diamonds are made through Nature's processes. Oleo and paste diamonds are made by man and are synthetic and counterfeit. Butter is in fact cheaper than oleo because the spread is greater. I bespeak for this resolution of investigation the support of all Members of the House who are concerned with the physical well-being of the American people.

LABOR OPPOSES SUBSTITUTES

I am including in my statement here the resolution passed by the American Federation of Labor, the largest body of organized consumers in America, condemning butter substitutes and warning its membership against its use. It will interest the House to know that this resolution was passed at the A. F. of L. convention at Atlantic City in 1935, and since that time two national conventions have been held. At these conventions the drinking aides of the Margarine Institute spent great sums in entertainment and lobbying in an effort to have this resolution rescinded, but the several conventions denied their plea.

The resolution follows:

Whereas throughout the depression there has been a necessity because of unemployment and inadequate wages among the workers and their families to turn from high-class, health-giving foods to cheaper substitutes; and

Whereas studies made by Dr. C. E. Bloch and confirmed by studies made at Johns Hopkins Hospital indicate serious danger to the eyesight of our children caused by xerophthalmia, a disease arising in a large degree out of a diet lacking in vitamin A; and

Whereas vitamin A is now recognized by scientists as an element which is vitally necessary in abundant quantities in the diets of our children; and

Whereas this disease is occasioned in large part by the use of cheap substitutes for milk, butter, and other dairy products, and it is necessary at this time, when all are hopeful of better economic conditions, to call to the attention of our members the dangers to their families which may be brought about by the use of synthetically composed substitutes in place of wholesome dairy products; and

Whereas we recognize the necessity and the value of the organized workers cooperating with the producers of dairy products in protecting themselves and their families against the destructive competition of synthetic substitutes: Therefore, be it

Resolved, That we pledge our support to the dairy farmers of this country in securing legislation which will insure protection against these substitutes and at the same time require that these substitutes pay their proportionate share of the local, State, and Federal tax burden as is now or may be imposed upon those engaged in the dairy industry.

Let me again call attention to the fact that the American dairyman, when he is getting a proper share of the national income, buys annually over $100,000,000 worth of cottonseed byproducts for feed. This is more than eight times the amount of cottonseed purchases which go into butter substitutes.

LET US FOLLOW CANADA

In England and France these butter substitutes are not permitted to be sold in the same store with the real butter. In Canada the manufacture and sale of butter substitutes is completely barred. The vigorous physique, high intellectual and civic achievement of our neighbors in Canada can be traced in large part to the fact that they get real dairy products and not those made in a factory.

I have a bill before the House (H. R. 25) to put this country on as high a plane as our sturdy neighbor, Canada, by barring butter substitutes. I hope that in the near future a patriotic Congress will pass this legislation.

Politics and Relief

EXTENSION OF REMARKS

OF

HON. ROBERT L. BACON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1938

ARTICLE BY FRANK R. KENT

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following newspaper article entitled "Politics and Relief," by Frank R. Kent:

WASHINGTON.—General agreement that Congress will shortly appropriate the additional $1,500,000,000 asked by Mr. Roosevelt for P. W. A. justifies a restatement of two pregnant facts—one, that this method of administering relief is the most wasteful and costly yet devised; the other that relief under the W. P. A. is thoroughly saturated with politics. The trenchant minority report on the subject, written by Senator HENRY CABOT LODGE, calls attention to the indefensible refusal of the majority to face realities or deal with the open abuses.

These are old charges, but they get more true all the time. And there isn't a politician in either party who does not know it. A rather striking evidence of this was given the other day. A weekly magazine had taken a poll of some 50 Washington correspondents and politicians as to the number of House seats they thought Republicans would gain in the fall election. The poll was taken before the announcement of the new spending program, the feature of which is the relief appropriation. As soon as that became known a considerable number evinced a desire to change their estimate. In every case they reduced their guesses of Republican gains.

In other words, a new relief appropriation made available just before an election is generally regarded as a campaign fund for administration candidates and promptly translated by those whose experience best equips them as judges into terms of additional votes. Now, that is really a shocking situation, and neither the fact that the money is needed to relieve distress nor that neither the President nor his aide, Mr. Hopkins, deliberately plans to use it for political purposes lessens its offensive truth.

Mr. Hopkins may be averse to playing politics with relief, but the relief "set-up" in the different States, for which he is responsible, nevertheless makes politics inevitable. The Federal organizations, which administer relief in the States, have all been named on recommendation of either the Democratic proadministration Senators or Democratic machine bosses. Under such a system, it is clear that political influence can be used to put people on the relief rolls. It not only can be but was and is. Certainly it was very largely used in the 1936 campaign and will be used in this one. Charges that it is being done now in Florida in the interests of Senator CLAUDE PEPPER and in Pennsylvania for the Lewis-Guffey ticket have already been made.

Now, this does not mean that most of the people put on the rolls by the politicians ought not to be there—though there is no doubt that some of them shouldn't. But none of them should be put there that way—because what that really amounts to is the buying of their votes with the taxpayers' money. Every posted

person knows this to be true and the denials of the W. P. A. Administration are perfunctory and unconvincing. There is nothing to do but deny it, even though in private the administration leaders make no secret of the facts. "Of course," said one of the biggest of the Roosevelt political strategists, in discussing the 1936 results, "we never could have swung the Negro vote but for the relief money." That is pretty bald and brutal, but it happens to be 100 percent accurate.

Such a state of affairs is without precedent. The mixture of politics with relief is abhorrent to all decent citizens and it should arouse deep and overwhelming public resentment. There are various reasons this has not developed. One is a lack of general understanding of the facts promoted by the vociferous denials from Washington; another is the reluctance of men in politics to subject themselves to the demagogic declaration that they are against "human rights" or willing to "see people starve" when they try to be realistic on this subject. Another is the desire of political candidates to avail themselves of this wonderful new political asset, which enables them to put more voters on the pay roll than they ever dreamed of before, and, at the same time, relieve distress.

The difficulties of doing anything about it are very great. A senatorial committee named to investigate the whole relief and unemployment situation has just made a report in which it avoids any recommendation, declares a "more complete report" will be made later—which means after election. There is before Congress now a proposal from Representative ROBERT LOWE BACON, of New York, to which it is hard to see objection. It would establish a bipartisan Federal board to apportion money to the States on condition that the States did their share. The administration in the States would be in the hands of bipartisan State boards. It is not proposed in this bill either to decrease the appropriation Mr. Roosevelt asks or to go back to the straight dole, to which he is opposed. But it would vastly lessen the opportunity for partisan politics and increase the efficiency of distribution. But nothing will be done with Mr. BACON'S proposal, though it is aimed directly at the solution of the gravest and most menacing of our national problems. For one thing, Mr. BACON is a Republican; for another, this is an election year.

P. W. A. Projects

EXTENSION OF REMARKS
OF
HON. CHESTER THOMPSON
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 26, 1938

APPROVED APPLICATIONS FOR P. W. A. PROJECTS

Mr. THOMPSON of Illinois. Mr. Speaker, I am including herewith a list, by counties, of pending non-Federal project applications for which no allotments have been made as of April 12, 1938, by the Federal Emergency Administration of Public Works in the State of Illinois, all of which have been examined and recommended by examining divisions on a 45-percent-grant basis and are therefore eligible when additional funds become available:

State of Illinois

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		State-wide:					
W1762		State of Illinois	Paving		$454,090	$454,090	$1,009,090
		Adams County:					
W1699		Meyer	Highway		27,000	27,000	60,000
		Bond County:					
W1249		Pocahontas	Waterworks		31,909	31,909	70,909
		Boone County:					
W1198		Belvidere	Bridge		12,272	12,272	27,272
		Bureau County:					
W1836		Spring Valley	Gymnasium		55,000	55,000	122,220
		Champaign County:					
W1745		Urbana	University building		450,000	450,000	1,000,000
W1785		do	Drains		36,818	36,818	81,818
		Total			486,818	486,818	1,081,818
		Christian County:					
W1262		Christian County	Highway		97,363	97,363	216,363
		Clinton County:					
W1474		Carlyle	Paving		20,750	20,750	46,110
W1641		New Baden	Disposal plant		27,000	27,000	60,000
W1740		Clinton County	Highway		323,181	323,181	718,181
		Total			370,931	370,931	824,291
		Coles County:					
W1804		Stillman Valley	High-school addition		13,909	13,909	30,909
		Cook County:					
8159		Cicero	Library	$55,000	52,650	107,650	117,000
W1115		Chicago	Waterworks improvements		9,421,363	9,421,363	20,936,363
W1171		Schiller Park	Pipe lines		23,727	23,727	52,727
W1239		Chicago	Subway		544,770	544,770	1,210,600
W1403		do	Viaduct		197,640	197,640	439,200
W1576		Brookfield	Waterworks		86,850	86,850	193,000
W1628		Argo	High-school addition		73,800	73,800	164,000
W1716		Chicago	Approaches		777,272	777,272	1,727,272
W1729		do	Waterworks		504,818	504,818	1,121,818
W1730		do	Paving		214,363	214,363	476,363
W1732		do	Beach improvement		495,000	495,000	1,100,000
W1742		do	Paving		216,000	216,000	480,000
W1743		do	do		55,636	55,636	123,636
W1752		do	do		121,091	121,091	269,091
W1758		Blue Island	Swimming pool		23,727	23,727	52,727
W1769		Chicago	Armory		166,909	166,909	370,909
W1770		do	Armory addition		199,636	199,636	443,636
W1771		do	Armory		571,909	571,909	1,270,909
W1795		Cicero	Paving		59,727	59,727	132,727
W1800		do	do		46,636	46,636	103,636
W1811		Mount Prospect	School addition		26,181	26,181	58,181
W1814		Chicago	Viaduct		1,252,636	1,252,636	2,783,636
W1816		Cicero	Paving		15,545	15,545	34,545
W1820		do	do		14,727	14,727	32,727
W1822		Chicago	Subway		458,181	458,181	1,018,181
W1823		do	do		103,909	103,909	230,909
W1825		Glenview	Waterworks		36,000	36,000	80,000
W1826		Chicago	Library addition		36,000	36,000	80,000
W1866		Blue Island	Community building		24,545	24,545	54,545
W1891		Chicago	Subways	27,500,000	22,500,000	50,000,000	50,000,000
		Total		27,555,000	38,321,248	65,876,248	85,158,338
		Crawford County:					
W1885		Robinson	High school addition		62,181	62,181	138,181

State of Illinois—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		De Kalb County:					
W1374		Sandwich	Disposal plant		$16,363	$16,363	$36,363
W1868		Genoa	Auditorium and gymnasium		20,454	20,454	45,454
W1887		De Kalb	do		25,363	25,363	56,363
		Total			62,180	62,180	138,180
		De Witt County:					
W1214		Clinton	Waterworks improvement		67,909	67,909	150,909
		Douglas County:					
W1863		Newman	Community building		11,863	11,863	26,363
		Edgar County:					
W1334		Paris	Disposal plant		101,250	101,250	225,000
		Effingham County:					
W1782		Altamont	Swimming pool		6,545	6,545	14,545
W1790		Dieterich	Waterworks		18,818	18,818	41,818
		Total			25,363	25,363	56,363
		Fayette County:					
W1766		Farina	Waterworks		27,818	27,818	61,818
		Franklin County:					
W1095		Benton	Disposal plant	$52,000	42,545	94,545	94,545
		Gallatin County:					
W1177		Ridgway	Courthouse and jail		12,272	12,272	27,272
		Hancock County:					
W1776		Hamilton	School addition		3,681	3,681	8,181
		Henderson County:					
W1351		Stronghurst	Waterworks and sewer		11,045	11,045	24,545
		Henry County:					
W1749		Kewanee	Waterworks		56,454	56,454	125,454
W1875		Geneseo	Hospital addition		15,545	15,545	34,545
		Total			71,999	71,999	159,999
		Jackson County:					
W1778		Murphysboro	City hall		19,925	19,925	44,279
		Jefferson County:					
W1793		Mount Vernon	Municipal building		42,545	42,545	94,545
		Kane County:					
W1860		North Aurora	Waterworks		14,727	14,727	32,727
		Kendall County:					
W1397		Oswego	Disposal plant	10,000	8,181	18,181	18,181
W1609		Plano	do		17,181	17,181	38,181
		Total		10,000	25,362	35,362	56,362
		Knox County:					
W1242		Williamsfield	Waterworks	16,000	13,090	29,090	29,090
		Lake County:					
W1244		Libertyville	School		39,272	39,272	87,272
W1395		Waukegan	Paving		31,090	31,090	69,090
W1633		Deerfield	Disposal plant		22,815	22,815	50,700
W1721		Lake County	Paving		90,000	90,000	200,000
W1723		do	do		61,363	61,363	136,363
W1738		do	do		45,000	45,000	100,000
W1763		do	do		180,000	180,000	400,000
		Total			469,540	469,540	1,043,425
		La Salle County:					
W1356		Marseilles	Disposal plant		19,500	19,500	43,334
W1815		La Salle	School		67,909	67,909	150,909
W1830		Mendota	Disposal plant		29,454	29,454	65,454
		Total			116,863	116,863	259,697
		Livingston County:					
W1300		Forrest	Auditorium and gymnasium		22,909	22,909	50,909
		Logan County:					
W1358		Emden	Waterworks		18,000	18,000	40,000
		McDonough County:					
W1709		Macomb	Paving		36,818	36,818	81,818
		McHenry County:					
W1388		Marengo	Disposal plant		22,909	22,909	50,909
W1867		Crystal Lake	do		45,000	45,000	100,000
W1877		Richmond	School		4,663	4,663	10,363
		Total			72,572	72,572	161,272
		Macoupin County:					
W1019		Girard	Disposal plant		59,727	59,727	132,727
W1704		Virden	School addition		19,350	19,350	43,000
		Total			79,077	79,077	175,727
		Madison County:					
W1228		Edwardsville	Paving		48,272	48,272	107,272
W1546		East Alton	Library		13,254	13,254	29,454
W1601		Roxana	Community building		27,433	27,433	60,963
W1640		Highland	Paving		24,934	24,934	55,410
W1739		Alton	do		43,363	43,363	96,363
W1744		Edwardsville	do		94,909	94,909	210,909
W1764		Madison County	Grading		705,272	705,272	1,567,272
W1767		Wood River	Sanitary sewer		171,818	171,818	381,818
W1794		Worden	Waterworks		35,181	35,181	78,181
		Total			1,164,436	1,164,436	2,587,642

State of Illinois—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Marion County:					
W1459		Centralia	City hall		$40,090	$40,090	$89,090
W1460		....do	Water tank		9,000	9,000	20,000
W1773		Kinmundy	Waterworks		32,727	32,727	72,727
		Total			81,817	81,817	181,817
		Mercer County:					
W1274		Perryton	Streets		18,000	18,000	40,000
		Morgan County:					
W1535		Jacksonville	Waterworks improvement		170,181	170,181	378,181
		Ogle County:					
W1552		Byron	Disposal plant		10,227	10,227	22,727
		Peoria County:					
W1423		Peoria	Paving		107,680	107,680	239,290
W1747		Richwoods Township	School addition		15,545	15,545	34,545
		Total			123,225	123,225	273,835
		Randolph County:					
W1324		Evansville	Municipal improvement		35,181	35,181	78,181
W1465		Steeleville	Disposal plant		26,181	26,181	58,181
		Total			61,362	61,362	136,362
		Rock Island County:					
W1364		Rock Island	School addition		20,455	20,455	45,455
W1368		Moline	Waterworks improvement		24,750	24,750	55,000
W1413		East Moline	Sidewalks		20,454	20,454	45,454
W1446		Moline	Paving		13,739	13,739	30,553
W1643		Rock Island	Pumping station		10,638	10,638	23,640
W1645		....do	Drains		64,636	64,636	143,636
		Total			154,672	154,672	343,718
		St. Clair County:					
W1023		East St. Louis	Bridge		1,893,272	1,893,272	4,207,272
W1184		New Athens	Disposal plant		31,090	31,090	69,090
W1517		Belleville	Paving		55,636	55,636	123,636
W1602		East St. Louis	Police station		113,727	113,727	252,727
W1647		....do	Bridges		54,180	54,180	120,400
W1741		St. Clair County	Paving		34,363	34,363	76,363
W1765		New Athens	Gymnasium		14,727	14,727	32,727
		Total			2,196,995	2,196,995	4,882,215
		Sangamon County:					
W1436		Auburn	Light plant	$43,000	36,000	79,000	79,000
W1527		Springfield	Municipal building		763,071	763,071	1,695,714
W1696		....do	....do		74,454	74,454	165,454
W1819		....do	Power improvement		938,250	938,250	2,085,000
W1843		Sangamon County	Bridge		61,363	61,363	136,363
W1852		Springfield	Street improvement		21,272	21,272	47,272
W1853		....do	Paving		18,818	18,818	41,818
W1854		....do	Street improvement		66,272	66,272	147,272
W1869		....do	Municipal improvements		5,166	5,166	11,480
		Total		43,000	1,984,666	2,027,666	4,409,373
		Schuyler County:					
W1004		Rushville	Waterworks		32,727	32,727	72,727
		Scott County:					
W1698		Winchester	Disposal plant		32,727	32,727	72,727
		Shelby County:					
W1781		Moweaqua	School		69,545	69,545	154,545
		Stephenson County:					
W1586		Orangeville	Paving		24,120	24,120	53,600
		Tazewell County:					
W1085		Pekin	Disposal plant		115,363	115,363	256,363
W1250		East Peoria	....do		118,636	118,636	263,636
W1273		....do	Municipal building		16,364	16,364	36,364
W1712		Pekin	Sewers		43,363	43,363	96,363
W1746		Morton	Waterworks		12,272	12,272	27,272
W1754		East Peoria	Paving		54,000	54,000	120,000
W1874		South Pekin	Waterworks, sewer		36,819	36,819	81,819
		Total			396,817	396,817	881,817
		Vermilion County:					
W1293		Danville	Incinerator		20,455	20,455	45,455
		Warren County:					
W1200		Warren County	Highway		225,000	225,000	500,000
W1802		Monmouth	Hospital addition		32,727	32,727	72,727
		Total			257,727	257,727	572,727
		Washington County:					
W1737		St. Libory	Paving		93,272	93,272	207,272
		Wayne County:					
W1862		Wayne City	High school		19,636	19,636	43,636
		Total			19,636	19,636	43,636
		Will County:					
W1736		Braidwood	Paving		207,000	207,000	460,000
W1841		Lockport	School addition		20,610	20,610	45,800
W1842		....do	Street lights		3,272	3,272	7,272
W1865		Plainfield	Disposal plant		19,636	19,636	43,636
		Total			250,518	250,518	556,708
		Williamson County:					
2858		Hurst	Waterworks		35,100	35,100	78,000
		Grand total		27,676,000	48,500,299	76,176,299	107,777,501

P. W. A. Has Builded Well In Arizona

EXTENSION OF REMARKS
OF
HON. JOHN R. MURDOCK
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 26, 1938

APPROVED APPLICATIONS FOR P. W. A. PROJECTS

Mr. MURDOCK of Arizona. Mr. Speaker, under leave to extend my remarks and include therein a new list of certain P. W. A. projects for Arizona, the applications for which have been approved, I hereby submit the subtended items.

When the P. W. A. program was brought to a close some months ago, I found that there were a number of communities in the State of Arizona left in a predicament, because they had counted on this aid. In some cases bond issues had been voted and the school boards or municipalities were unable to finish their undertaking. Now that we are to revive this great agency of public building, I believe that these communities may realize their objectives.

I have been glad to praise the remarkable work accomplished in the State of Arizona under both the P. W. A. and the W. P. A. Fortunately, in my State, both have been administered by eminent engineers. We have had some high-grade construction through both of these means. While it was unfortunate that we had to suffer such a depression as we have had, so that a public-building program had to be relied upon to furnish employment, we certainly have, both through P. W. A. and W. P. A., put our communities in Arizona ahead in the line of necessary building. Because the depression is not yet ended, I am glad from the evidence shown by the subtended list, that this program of substantial building has also not yet ended.

Arizona—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Apache County:					
W1073		Springerville	School addition	$15,000	$12,272	$27,272	$27,272
		Cochise County:					
W1075		Douglas	Street improvement		15,188	15,188	33,751
W1097		....do	....do		15,750	15,750	35,000
W1098		....do	....do		28,035	28,035	62,311
W1101		Tombstone	Gas plant	15,000	11,000	26,000	26,000
W1102		Benson	Gas distribution	20,000	15,000	35,000	35,000
		Total		35,000	84,973	119,973	192,051
		Coconino County:					
W1011		Williams	School	54,000	44,182	98,182	98,182
W1026		....do	School addition		3,150	3,150	7,000
W1061		Fredonia	Water mains	18,500	31,500	50,000	70,000
		Total		72,500	78,832	151,332	175,182
		Graham County:					
W1100		Pima	High school		28,080	28,080	62,400
		Greenlee County:					
W1062		Morenci	Irrigation	44,000	36,000	80,000	80,000
		Maricopa County:					
551		Maricopa	....do	1,100,000	900,000	2,000,000	2,000,000
8844		Mesa	Water mains	49,000	40,091	89,091	89,091
W1013		Maricopa County	School	19,000	15,545	34,545	34,545
W1014		....do	....do		13,909	13,909	30,909
W1022		....do	School addition		20,455	20,455	45,455
W1058		Glendale	....do	49,000	40,091	89,091	89,091
W1059		Phoenix	Street improvement		49,050	49,050	109,000
W1080		....do	Paving		31,392	31,392	69,760
W1081		....do	....do		28,796	28,796	63,992
W1082		....do	....do		49,758	49,756	110,570
W1084		....do	....do		88,855	88,855	197,456
W1085		....do	....do		33,035	33,035	73,412
W1086		....do	....do		100,044	100,044	222,323
W1087		....do	....do		43,464	43,464	96,586
W1088		....do	....do		8,004	8,004	17,786
W1089		Scottsdale	High-school addition		9,092	9,092	20,205
W1091		Maricopa County	Irrigation		270,000	270,000	600,000
W1093		Alhambra	School		10,495	10,495	23,321
		Total		1,217,000	1,752,074	2,969,074	3,893,500
		Navajo County:					
W1074		Snowflake	Heating plant		2,895	2,895	6,435
W1099		Holbrook	School		6,642	6,642	14,760
		Total			9,537	9,537	21,195
		Pima County:					
W1020		Tucson	Stadium	20,000	16,363	36,363	36,363
W1032		....do	Waterworks improvements		226,636	226,636	503,636
W1043		....do	Paving		92,481	92,481	205,514
W1044		....do	....do		68,334	68,334	151,853
W1047		....do	....do		62,266	62,266	138,368
W1048		....do	....do		72,566	72,566	161,258
W1050		....do	....do		60,089	60,089	133,532
W1053		....do	....do		39,361	39,361	87,469
W1054		....do	....do		76,090	76,090	169,090
W1055		....do	....do		62,820	62,820	139,601
		Total		20,000	777,006	797,006	1,726,684
		Yavapai County:					
W1077		Prescott	School addition		164,025	164,025	364,500
W1090		....do	....do		16,086	16,086	35,746
		Total			180,111	180,111	400,246
		Grand total		1,403,500	2,958,885	4,362,385	6,578,530

Retirement of Permanently Disabled Emergency Officers

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1938

STATEMENT OF VETERANS' ORGANIZATIONS

Mr. McCORMACK. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include the following statement prepared by the veterans' organizations setting forth the justice of retirement of emergency officers permanently disabled during active World War service. I believe this statement will clear up all misunderstanding on this subject and convince Members of the Congress that H. R. 8176, reported by the Committee on Military Affairs, should be enacted into law.

Any irregularities existing under the original Emergency Officers' Retirement Act are eliminated by the provisions of H. R. 8176.

DISABLED EMERGENCY OFFICERS DENIED RETIREMENT AT END OF WAR

At the time of the signing of the armistice many emergency officers of the Army were in hospitals undergoing physical reconstruction for wounds, injuries, and residuals of disease. The emergency officers themselves and many Members of Congress held that those who suffered permanent disabilities of sufficient degree should be retired under the laws existing at that time. The Secretary of War held that there was no law that would grant retirement to this group. At the same time the Secretary of the Navy held that Navy and Marine Corps officers permanently disabled were entitled to the same retirement privileges as officers of the Regular Navy and Marine Corps and a number were placed on the retired list.

After the Army refused retirement to its emergency officers, the Navy discontinued the practice and asked that Congress clarify the situation. The claim of emergency officers and the major veteran organizations that those officers who held commissions in the National Guard, Officers' Reserve Corps, and National Army were entitled to the same retirement as the officers of the Regular Army was based on the provisions of the Selective Service Act of May 18, 1917. Section 10 of this act provided as follows:

"That all officers and enlisted men of the forces herein provided for, other than the Regular Army, shall be in all respects upon the same footing as to pay, allowances, and pensions as officers and enlisted men of corresponding grades and length of service in the Regular Army."

While this act did not specifically mention retirement for officers, it stated that they would be on the same footing as to pensions as officers of the Regular Army. The intent of Congress in this act to provide for our World War forces is clear. It has been held numerous times by Judge Advocates General of the Army that retirement pay is in fact a pension. The Honorable T. W. Harrison, of Virginia, who was a member of the Military Affairs Committee of the House of Representatives when the Selective Service Act was drawn, stated in a letter as follows: "I consider that the clause in the draft law was a distinct obligation on the part of the Government to put the emergency officers in the same class with the regular officers. I was on the Military Affairs Committee when this bill was passed, and it was the opinion of the majority of that committee that the language used was sufficient to take care of the emergency officers * * *."

It is certain that Congress would have provided retirement for emergency officers in more definite language had the question been put during the war period.

DISABLED EMERGENCY OFFICERS OF THE NAVY GRANTED RETIREMENT

As stated above, a number of emergency officers with the Navy and Marine Corps who were disabled during World War service were placed on the Regular Navy retired list at the direction of the Secretary of the Navy. It has also been pointed out that the Secretary of the Navy discontinued the practice of retiring emergency officers after the ruling of the War Department that disabled emergency officers of the Army were not eligible for retirement on the same basis as officers of the Regular Establishments. The question was then submitted to the Attorney General of the United States by the Secretary of the Navy, but mandamus proceedings filed by counsel for a Reserve officer terminated the steps that were being taken, as the Attorney General will not render an opinion on any question pending in court.

Hon. Josephus Daniels, who was then Secretary of the Navy, in a letter of December 20, 1920, addressed to Hon. Burton E. Sweet, then a Member of Congress, said in part as follows: "I addressed a communication to Congress recommending further legislation which would in no uncertain language either authorize retirement for Naval Reserve officers for physical disability incurred in line of duty or prohibit such retirement, as the Congress might see fit. In this communication I submitted drafts of proposed legislation to accomplish either result. Congress accepted the draft authorizing retirement in such cases and incorporated a provision in the Naval Appropriation Act of June 4, 1920, * * * which was the same as that proposed by me * * *."

Under this enactment, emergency officers of the Navy and Marine Corps who suffered disability during their war service were ordered before the Regular Navy retiring boards, and were placed on the retired list where sufficient disability was shown. A subsequent act limited the date for applications to October 1, 1921. A few Navy and Marine Corps officers who failed to make application were retired under the original Emergency Officers' Retirement Act of May 24, 1928.

ORIGINAL EMERGENCY OFFICERS' RETIREMENT ACT

Beginning in 1919, bills providing retirement for emergency officers were introduced in each session of Congress. In May of 1928, S. 777 passed the House of Representatives and became a law May 24, 1928 (Public, 506, 70th Cong.).

Prior to the Attorney General's opinion of January 18, 1929, the Veterans' Administration ruled that in order to be entitled to retirement it would be necessary for an emergency officer to show that his disability was directly connected with service and that it resulted directly from war service. Under the original interpretation by the Veterans' Administration no officer was awarded retired pay unless his disability was shown by official records to have been incurred in line of duty. Following the opinion of the Attorney General the Veterans' Administration threw the gates wide open retiring all who had presumptive service connection and were considered to be 30-percent permanently disabled. This broad interpretation of the act put a number on the list whom Members of Congress and others did not believe should be given retirement privileges.

The original act had been carefully prepared, but a hastily drawn amendment, offered from the floor in the Senate, changed the language in such a manner as to bring about the Attorney General's opinion.

PUBLIC, NO. 2, SEVENTY-THIRD CONGRESS

Section 10, Public, No. 2, provides that those emergency officers who were in receipt of retirement pay on March 19, 1933, will be continued on the retired list where the disability was incurred in line of duty and where the disease or injury resulted directly from performance of military or naval duty. Veterans' Regulation No. 5 promulgated by the President on March 31, 1933, provided that in addition, the officer be required to show that the causative factor for the disability arose out of the performance of duty during World War service.

VETERANS' ADMINISTRATION'S INTERPRETATION OF SECTION 10, PUBLIC, NO. 2

No one was greatly concerned by the language of section 10 of Public, No. 2 or Veterans' Regulation No. 5 insofar as it concerned those emergency officers who were discharged from active World War service with permanent disabilities that had been found by the Veterans' Administration to be 30 percent or more permanently disabling and directly service connected. The veterans' organizations had been assured by leaders in Congress that veterans of this class would not be disturbed. At the time the original review of emergency-officer cases under Public, No. 2 was started, approximately 6,300 were on the emergency officers' retired list. Four thousand seven hundred were removed. Only 1,518 remained after this review was completed, most of whom were battle casualties. Under the Veterans' Administration's interpretation of section 10 an emergency officer was required to show by a preponderance of evidence that the disability was incurred while performing some strictly military duty under competent orders. This was not difficult for those wounded in action or those disabled by injuries of record, but it was practically impossible for those permanently disabled by disease to meet these requirements.

On April 10, 1935, after many Members of Congress had protested the stringent requirements of the Veterans' Administration's interpretation of the act, new instructions were issued. Very few, if any, benefited by the change. These instructions pointed out that the President's regulation was not intended to be restrictive nor to prevent the return to the retired list of any person who qualified under the statute.

APPEALS

Those emergency officers removed from the retired list under the provisions of the Economy Act were given the privilege of one appeal and sufficient time for preparation. To date approximately 460 have been successful on appeal. These officers would not have been removed from the retired list had the records in the Veterans' Administration been complete. Practically all of the disease cases that were allowed on appeal had combat service. In fact, the disabilities of most of those allowed were found to have been incurred in combat with an enemy of the United States. In most cases they were evacuated from the front lines suffering with the disease which resulted in a permanent disability of 30 percent or more. Surely no Congress ever intended that combat incurrence of a disability should be a requirement for any veteran benefit.

DEATHS

Approximately 575 of those who were on the emergency officers' retired list on March 19, 1933, have died, and more than 1,000 of those who were retired under the act of May 24, 1928, have died. Under the original review 1,518 emergency officers were continued on the retired list. About 460 have been returned to the list as a result of appeal, making a total of 1,987. The Veterans' Administration on January 14, 1938, reported 1,836 drawing retired pay which shows that 142 of this group have died since March 1933. The death rate among those disabled by gunshot wounds or injuries is much less than that of those disabled by disease. The average permanent disability is 60 percent. The average age of the emergency officer is 55 years, so it is natural to suppose that the death rate, especially of the disease cases, will increase very fast. This is especially true with those suffering with tuberculosis, heart conditions, and mental ailments which make up a large percentage of the disease cases.

THE "CAUSATIVE FACTOR" REQUIREMENTS

Immediately after the review of emergency officer cases by the Veterans' Administration under their interpretation of the Economy Act got under way, the major veteran organizations were deluged with requests from Members of Congress and others for an explanation of the impossible causative-factor requirement as it was applied to disease cases, but no one, including the Veterans' Administration, has ever been able to give a plausible definition of the words "causative factor."

Many Members of Congress, including the chairman and most of the members of the Senate Finance Committee, who held hearings on Public, No. 2, contend that Congress never intended such strict requirements as were set up by the Veterans' Administration. It is also claimed by those who were charged with the handling of this legislation that the Veterans' Administration failed to advise the Congress how they planned to interpret the words "causative factor" or the requirement that the disability directly result from the performance of military duty. It was their understanding that the officer would only be required to show that his disability was incurred in line of duty during active military service; that is, directly service connected without benefit of presumption.

SENATE ACTION ON DISABLED EMERGENCY OFFICERS LEGISLATION—S. 423 INTRODUCED IN SENATE JANUARY 6, 1937

Senator GEORGE, of Georgia, introduced S. 423, a bill similar to H. R. 8176. Hearings were held on this bill and it was reported favorably by the Senate Finance Committee, and passed the Senate unanimously on May 24, 1937. The bill was referred to the House Military Affairs Committee on May 25. Hearings were held on the Senate bill by the Military Affairs Committee during the first session of the Seventy-fifth Congress. The bill was considered in executive session by the committee and was tabled by a vote of 12 to 10, some of the members believing the bill should be made more restrictive.

A number of the members of the committee made a careful study of the Senate bill and decided that with certain changes a bill could be drawn to meet the approval of the entire committee. After consulting the Washington representatives of the major veteran organizations such a bill was drawn and introduced in the House of Representatives on August 6, 1937, by Congressman EDMISTON. The bill (H. R. 8176) was brought to the attention of the committee in executive session just before adjournment of the first session of the Seventy-fifth Congress, and the committee decided to wait until the next session before action was taken in order that the Members might make a careful study of the new bill.

H. R. 8176

During the special session of the Seventy-fifth Congress, on December 3, the Military Affairs Committee considered H. R. 8176 in executive session and ordered it favorably reported. It was reported to the House on December 6, 1937. The House bill is more restrictive than the Senate bill in that it eliminates the so-called regulatory presumptive cases. The bill also requires that the disability be incurred in fact in line of duty. The committee report explains the insertion of the words "in fact", as follows:

"The words 'in fact' and the words 'in fact in line of duty', inserted in the first section have been added for the purpose of making sure that the benefits provided under this bill will apply only to those cases which are directly service connected without benefit of any statutory or regulatory presumption as to service incurrence or soundness upon entry into service."

When H. R. 8176 is enacted into law it will only return those to the retired list who have a permanent disability of 30 percent or more, incurred in fact in line of duty without the benefit of presumption of soundness upon entry into service or statutory or regulatory presumption of service connection. The bill gives the Government the right to rebut a claim if shown by official record or clear and unmistakable evidence that the disability did not result from performance of duty.

Under the restrictions contained in the House bill an emergency officer must show by official record or other acceptable evidence that the disabling disease had its inception during active World War service. There can be no doubt that those who would benefit under this legislation would have been retired had they been in the regular military or naval service.

The reports of the Senate Finance Committee and the House Military Affairs Committee both state that this legislation does not establish any new principle and should be considered as clarifying legislation designed to carry out the intent of Congress in

COST—ESTIMATE OF VETERANS' ADMINISTRATION

The Veterans' Administration's report on H. R. 8176, dated November 11, 1937, estimated that approximately 3,194 emergency officers who are not now on the rolls would be returned to the retired list with pay if H. R. 8176 were enacted into law. They estimate the additional cost to be approximately $3,696,000. They state further in this report that the estimate may be considered as the maximum number who could benefit. The Veterans' Administration in submitting a report on S. 423 addressed to Senator HARRISON, chairman of the Senate Committee on Finance, dated February 24, 1937, made exactly the same estimate which must have been considered the maximum at that date. In the report to the Senate committee they failed to make any estimate as to the number who would be denied retirement by the elimination of the presumption of service connection, presumption of soundness upon entry into service, and the right to rebut evidence submitted by official record and clear and unmistakable evidence. Notwithstanding the fact that quite a number have died and a number were returned to the retired list under the present law between the dates of February 24 and November 11, 1937, the estimate was not changed.

It is also recognized by all who have made a study of veteran cases that the elimination of the regulatory presumptive cases will materially reduce the number of beneficiaries. No attempt was made by the Veterans' Administration to estimate the number who will be eliminated by the inclusion of this restriction in the bill. It seems reasonable to assume that very little dependence can be placed in the estimates contained in the Veterans' Administration's report on H. R. 8176 of November 11, 1937, as it is certain there would be a great difference in the maximum number who could be returned to the retired list under this bill and the number who would actually qualify by showing that their disability was in fact incurred during active World War service.

COST—ESTIMATE OF VETERAN ORGANIZATIONS

The Washington staffs of the major veteran organizations for many years have made a study of the question of retirement for emergency officers. They have handled most of the cases on appeal and can be classed as experts on the subject. During the past several months a thorough study has been made of the provisions of H. R. 8176, especially the restrictions contained in the bill. They estimate the number who would be returned to the retired list as between 1,200 and 2,000 at a cost of between $1,386,000 and $2,310,000, and all agree that 2,000 would be very high. Most likely the number would be around 1,500 at a cost of about $1,700,000.

The veterans organizations, through their long experience in handling appeal cases under the original retirement act and under Public, No. 2, have a clear understanding of what the restrictions contained in this bill will do, and it is believed their estimates are far more accurate than those of the Veterans' Administration.

This bill provides benefits only from date of enactment. Those who will qualify, and whom it is believed should have been continued on the retired list under the present law, will have lost 5 years retired pay.

VETERANS' ADMINISTRATION'S REPORT ON H. R. 8176

The Veterans' Administration has consistently disapproved of all legislation for the benefit of emergency officers disabled in line of duty, and it is believed their interpretation of section 10 of Public, No. 2 was far more restrictive than Congress intended. The Administrator of Veterans' Affairs, in his report on H. R. 8176, dated November 11, 1937, stated in part, "With regard to the merits of sections 1 and 2 of the bill, it is believed that the provisions of the present law are sufficiently liberal with reference to the retirement of emergency officers and adequately provide for a group on account of whom Congress originally intended to extend this benefit."

A large number of officers who were retired under the original act, prior to the Attorney General's opinion of January 18, 1929, and personally approved by General Hines, have been denied continuation of retirement benefits. If it is true that the present law is sufficiently liberal, then why has this group, retired under the original act, with General Hines' approval, not been returned to the retired list? The Administrator of Veterans' Affairs is charged under the provisions of Public, No. 2 with the duty of drafting regulations and instructions to be followed by the adjudicating agencies of the Bureau. The Board of Veterans' Appeals has gone so far as to deny cases where the officer was wounded in action and otherwise disabled by disease. It was not denied that the wounds resulted directly from performance of duty, but these claims were denied because the disability due to the wounds was not quite 30 percent and the medical disability which, when combined with the disability resulting from the wounds, far exceeded 30 percent, was not admitted to have been caused by a factor arising out of the performance of military duty.

It is evident from the Administrator's own statement that a large number retired under the original act should have been continued under the present law. It is apparent, however, that this legislation is necessary to correct the injustice brought about by the arbitrary interpretation placed on the act by the Administrator of Veterans' Affairs.

SEVEN PERCENT OF THOSE NOW ON EMERGENCY OFFICERS' RETIRED LIST ABOVE RANK OF CAPTAIN

It has been publicly stated that this bill was for the benefit of generals and other high-ranking officers. Three generals were

retired with pay under the original act. Two of these have died since, being removed from the list. Only one would be retired if he qualified under the restrictions contained in this bill. This officer is now 73 years of age. He served 35 years in the National Guard, including service throughout the World War period. The following is a table showing the officers of the Regular Army retired for physical disability and the emergency officers continued on the retired list as of June 30, 1937.

	Regular Army officers	Percent	Emergency officers	Percent
Major general	16		0	
Brigadier general	19		0	
Colonel	400	62	5	7
Lieutenant colonel	317		22	
Major	559		108	
Captain	588		416	
First lieutenant	179	38	725	93
Second lieutenant	32		558	
Total	2,110		1,834	

It will be seen from this tabulation that 62 percent of the Regular Army officers retired for physical disability are above the rank of captain. Only 7 percent of the emergency officers are above the grade of captain. All of the emergency officers have a 30 percent or more permanent disability incurred during active World War service, and their disabilities have been found by the Veterans' Administration to have resulted from such service. The Regular Army retiring boards do not require a 30-percent disability, but only that the officer is physically incapacitated to such a degree that he cannot perform full field duty, and that the disability was incurred in line of duty. He is not required to prove a "causative factor" or that he was performing some strictly military duty at the time of the incurrence of the disease, nor is combat service taken into consideration or made a requirement.

PRACTICALLY ALL DISEASE CASES NOW ON RETIRED LIST HELD INCURRED IN COMBAT

In a letter addressed to Senator WALTER F. GEORGE by the Administrator of Veterans' Affairs under date of April 5, 1937, it was reported that 431 officers had been restored to the retired list at that time upon appeal. The Administrator reported that a study of the 431 cases indicated that approximately 83 percent had disabilities resulting from combat; 17 percent not resulting from combat. It was further stated that of the 17 percent having disabilities not resulting from combat 89 percent were injury cases and 11 percent were disease cases. Applying these percentages to the 431 cases restored by the Board of Veterans' Appeals it is found that 358 had been restored for disabilities incurred in combat; 65 disabled by injury; and 8 were restored for disabilities resulting from disease not incurred in combat. Some of the eight are known to have had combat service. These figures are very startling, and indicate that the worst disabilities caused by World War service such as tuberculosis, mental disorders, and heart disease have no chance for relief under the Veterans' Administration's interpretation of the Economy Act unless they had considerable combat service, or were actually evacuated from the front lines.

CONGRESS PROVIDED RETIREMENT FOR EMERGENCY OFFICERS CALLED INTO ACTIVE SERVICE FOR CARRYING THE MAILS BY AIR

Under the provisions of Public, No. 140, Seventy-third Congress (H. R. 7966), "An act to authorize the Postmaster General to accept and use equipment, landing fields, men and material of the War Department, for carrying the mails by air, and for other purposes," provision was made for death compensation at the wartime rate for Reserve officers called to active duty to assist in carrying the mails by air and further provided retirement for Reserve officers who suffered permanent disability. This act was approved March 27, 1934. Section 5 of this act reads as follows:

"SEC. 5. Reserve officers performing duty hereunder shall be deemed to be in the active military service and if injured or killed such officer and/or his dependents and beneficiaries shall be entitled to the same benefits as in the case of officers of the Regular Army and/or their dependents and beneficiaries * * *."

During the debate on this act on the floor of the House of Representatives it was pointed out that the language of section 5 would entitle Reserve officers called into active service to the same retirement privileges accorded to officers of the Regular Army. It was contended by those in charge of the bill that the Government could not expect Reserve officers to accept such a hazardous assignment during an emergency unless they could be assured that they would be given the same treatment as the officers of the Regular Establishment in the event of death or permanent disability. It is noted that several who have opposed the principle of retirement for emergency officers disabled during World War service voted for this bill. This action definitely shows Congress recognizes the justice of equal treatment for the emergency officer and the regular in the time of an emergency. The action in March of 1934 is a further proof that had the question of retirement for emergency officers been put in definite language during the World War period it would have been approved, most likely by unanimous vote of both the House and Senate.

California Legislature Urges Action on H. R. 9256

EXTENSION OF REMARKS

OF

HON. H. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1938

RESOLUTION FROM THE STATE OF CALIFORNIA

Mr. VOORHIS. Mr. Speaker, in these times of unemployment a peculiarly difficult problem confronts the State of California. The westward migration of the American people still continues and California is receiving the distressed and dispossessed folk of many parts of the country. In normal times our State could absorb them without serious difficulty. Today a great problem from the standpoint of health, employment, housing, schooling, and many other human needs is presented.

Therefore I have introduced two bills to try to meet this transient problem not only for the sake of California but of the whole Nation. These bills are H. R. 8225 and H. R. 9256.

It is very gratifying to me that the California Legislature at its recent special session passed the following resolution urging favorable action by the Congress on my bill, H. R. 9256:

SENATE JOINT RESOLUTION NO. 5

Adopted in senate March 12, 1938.

J. A. BEEK,
Secretary of the Senate.

Adopted in assembly March 12, 1938.

JAMES G. SMYTH,
Chief Clerk of the Assembly.

This resolution was received by the Governor, this 12th day of March A. D. 1938, at 11 o'clock a. m.

MARK LEE MEGLADDERY, Jr.,
Private Secretary of the Governor.

CHAPTER 26

Senate Joint Resolution No. 5.—Relative to memorializing the President and the Congress of the United States to enact H. R. 9256, relative to reimbursement by the Federal Government to States and counties for expenditures in behalf of nonresidents.

Whereas the problem of relief for indigent nonresidents of the State of California has reached alarming proportions; and

Whereas there has been introduced in the Congress H. R. 9256, by Congressman VOORHIS providing for aid by the Federal Government to States which can and will meet the requirements of said act; and

Whereas said bill provides for the return of unemployable indigent transients to the State of their legal settlement at Federal expense, and gives the Social Security Board power to determine the State of legal settlement; and

Whereas said bill provides for Federal reimbursement to States and counties of moneys spent for relief and medical care of nonresidents; and

Whereas the provisions of said bill require that eligibility for relief thereunder is contingent upon registration for work with the United States Employment Service or an affiliated State employment service; and

Whereas while no State is required to come under the terms of the bill, the provisions thereof are peculiarly applicable to the State of California because of the fact that this State, by reason of its higher relief standards, has encouraged the migration of indigents into this State; and

Whereas the enactment of this bill would be of peculiar benefit to the State of California: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the President and the Congress of the United States are hereby memorialized and requested to enact said H. R. 9256; and be it further

Resolved, That the Governor transmit copies of this resolution to the President of the United States, the Vice President, the Speaker of the House of Representatives, and to the Members of the delegation from California in the Congress.

GEORGE J. HATFIELD,
President of the Senate.

H. P. MEEHAN,
Pro Tempore Speaker of the Assembly.

Attest:
[SEAL]

FRANK C. JORDAN,
Secretary of State.

Gov. M. Clifford Townsend, of Indiana, Pledges State's Support to Roosevelt's Recovery Program

EXTENSION OF REMARKS

OF

HON. EUGENE B. CROWE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1938

STATE-WIDE RADIO ADDRESS OF GOV. M. CLIFFORD TOWNSEND, OF INDIANA, ON APRIL 16, 1938

Mr. CROWE. Mr. Speaker and Members of the House, Indiana is prepared to cooperate with President Roosevelt's new recovery program 100 percent.

This pledge to the President and the citizens of Indiana was made by Gov. M. Clifford Townsend in a State-wide radio address on Saturday night, April 16. Stations in Indianapolis, Evansville, Gary, Terre Haute, Muncie, Anderson, and Fort Wayne carried the Governor's speech.

Indiana is blessed with a broad-gaged Governor who is progressive, who is a businessman, who is a leader, and who is interested in the general welfare of all the people of his State.

I am glad to bring to the attention of the Nation, under leave to extend my remarks in the RECORD, our Governor's loyalty to President Roosevelt's relief program. I hereby include the complete text of his address, as follows:

I am grateful to the broadcasting companies of Indiana for giving me this opportunity to report to you, the people of Indiana, the prospects for economic recovery in our State.

When you elected me Governor, I understood that you wished me to do everything possible to give you social and economic security. I understood that you wanted me to use the machinery of government to bring you that security.

TIME NOW FOR ACTION

Tonight we are in an economic valley, and each one of us—the laborer, the farmer, the businessman—is affected. If the economic stream continues in its present course unchecked, your security will be in real danger. Now is the time for decisive, effective action. And if private enterprise is not prepared to act, Government must.

Three nights ago you sat before your radios and listened to the inspiring message of President Roosevelt. You realized that once against the Federal Government was organizing all its forces to rout and defeat economic depression. You knew that the President had not let you down.

As your Governor, speaking for all the departments of State government, I have often told you that we will stand behind the President and that we will not let the people down. Tonight I am happy to report to you that the government of Indiana is prepared to cooperate 100 percent with President Roosevelt's recovery program.

We have the resources in Indiana. We have the willing hands in Indiana. We have the laws and machinery of government in Indiana to put our shoulders to the wheel and push the economic machine out of the rut.

CASE OF OVERPRODUCTION

You have probably asked yourselves, why are we in this rut? What happened to business in the fall of last year? If you are a businessman, you know the answer. You know that more goods were produced than the consuming public was able to buy. You know that the price of goods rose more rapidly than national income.

In the early part of last year, the shifts in the factories were doubled and tripled. The Machine Age was working overtime. America was enjoying one of the greatest periods of prosperity in its history, and regardless of future consumer demands more and more autos, more and more goods were turned out of the factories. We were infected with the fever of production.

I can recall an incident on the farm when I was a boy that illustrates the situation in early 1937. We had received a good price for hogs the year before, so my father decided that if 12 hogs brought $360 last year, 24 hogs would bring double that this year. But when the time came for us to sell our hogs, we found that other farmers had the same idea. There were more hogs on the market than there was a demand for. We received less for the 24 hogs than we did for the 12 the year before.

There was more steel, more furniture, more autos, more of all kinds of goods on the market in the summer of 1937 than there was a demand for.

INCREASE IN PRICES, TOO

At the same time, the cost of goods was rising more rapidly than income. In other words, the price you paid for food, clothing, coal, and a new car was increased above the raise in wages you received last spring.

We must within the next few years find some satisfactory way of stabilizing income and price levels. Business, government, labor, and the consuming public must work together to iron out the peak of overproduction and high costs and the valleys of recession.

I believe all of us must do some serious thinking about the possibilities of a minimum annual wage. We must eat by the year, rent by the year, and wear clothing by the year. Yet we are paid by the hour, or the week, or the month.

If the income and job security of the workingman were spaced over an annual period, purchasing power would be steadied and industry could more accurately plan to meet the needs of the people.

Some effort must be made, also, to keep the prices of the goods you and I buy within certain levels, so that prices will not rise beyond the reach of the consumer on the one hand, and fall below a reasonable profit for business on the other. Both the consumer and business are penalized by widely fluctuating prices.

But these are not the immediate problems. The task at hand is to put idle capital back to work. The task at hand is to put idle hands back to work. The task at hand is to lift the purchasing power of the people, so that the steel mills in the Calumet, the auto works in South Bend, Anderson, Newcastle, and Evansville, and the many other industries in the State can bring their employees back to work.

WILL PRODUCE PURCHASING POWER

President Roosevelt's recovery program is divided into three phases. First, he proposes additional funds for the W. P. A., National Youth Administration, C. C. C., and Farm Security Administration, and loans to business by the Reconstruction Finance Corporation. We have many idle hands in Indiana which can be employed in the W. P. A., N. Y. A., and C. C. C.

This employment will check the downward curve of purchasing power. The W. P. A. in Indiana will be able to continue its present program of road building, construction of flood levees, installation of sewer systems, and other projects of permanent value to your community.

The C. C. C. can continue to beautify our State parks, prevent forest fires, fight soil erosion, and plant trees to reclaim wasted lands. The N. Y. A. can continue to give young people vocational and practical training, send young people to school, and carry on landscaping, construction, home economics, library, and educational projects. The Farm Security Administration can loan money to distressed farmers and tenant farmers in Indiana and assist them in planning their farm operations. The R. F. C. can loan money to businesses which are in grave danger of shutting down and throwing more people out of work.

But more than these practical, materialistic values, the additional funds will save thousands of our people from destitution. It will prevent human bankruptcy in Indiana.

IDLE CAPITAL PUT TO WORK

The second phase of the President's program was complete 3 days ago. Millions of dollars of idle capital was put to work, when the Secretary of Treasury released the Government's gold storage supply. Small business in Indiana will profit by easier credit.

The third phase of the program is equally important to your security, whether you are a housewife, a worker, a farmer, or a businessman.

The President is asking an additional $300,000,000 to be expended immediately on slum clearance and low-cost housing. I am proud and happy to report to you that Indiana is better prepared to participate in this program than any other State in the Union. The last general assembly created a State housing board to work with the Federal Government in solving our slum and low-cost-housing problems. Within the last few months, 20 cities and counties in Indiana have set up local housing authorities and are prepared, as soon as the money is available, to replace the filth and degradation of the slums with clean, livable homes renting up to $20 a month.

WILL AFFECT INDIANA QUARRIES

The President is asking for a renewal of public-works projects to stimulate activity in the durable-goods industries. Public-works projects—the construction of schools, waterworks, sewage-treatment plants, and public buildings—will bring demands for steel from the Calumet, stone from southern Indana and other building materials.

Because of our pay-as-you-go road-building plan in Indiana, we will be able to obtain the Federal funds proposed by the President for new safety-engineered roads, new farm-to-market roads and new factory-to-customer roads.

Last year the people of southern Indiana suffered sorely from the flood. The President proposed that the rivers and streams be chained to work for man instead of against him. We are prepared to participate fully in this phase, because we have been working on flood-control plans. We have been working on plans to guard life and property and to conserve land washed away by the turbulent waters.

All phases of President Roosevelt's great recovery program will be beneficial to Indiana. I sincerely believe that this program will

turn the tide of economic recession and once more bring prosperity and security to the people of Indiana.

URGES SUPPORT OF CONGRESS

There will be a minority attempt to sabotage this program for selfish and partisan reasons. I submit that this is no time to inject personal or partisan bitterness into national affairs, because upon this program depends the security of the American people. I appeal to all of you—workers, farmers, businessmen—to enlist in this battle against insecurity.

The efforts of organized propaganda to defeat this program must be halted, because the welfare of hundreds of thousands of our Indiana citizens is at stake. We cannot afford to let the people down and permit misery and destitution to lay waste to our State.

If you wish to do your part to protect your own economic security, you should let your Congressman know that you wish him to support the President's recovery program.

The Danger of Private Interests Regulating the Value of Money

EXTENSION OF REMARKS

OF

HON. CHARLES G. BINDERUP

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1938

Mr. BINDERUP. Mr. Speaker, it has been suggested that the debt of the United States, public and private, is equal to the assessed valuation of all the property of the United States; therefore, if debts were all liquidated, all debtors, public and private, would be bankrupt.

The fact that a depression happened under a Republican or a Democratic administration does not help us much in endeavoring to solve the difficulty.

It would seem that those who see nothing wrong with our monetary or economic program—men like Dr. Spahr, of New York University—feel that there is no help for the situation, that we must face these periodical depressions, and that when one comes upon us it must be allowed to run its course; that complete liquidation must take place; that millions of farmers and home owners, who were neither speculators nor financial racketeers, must lose their farms and homes; that millions of innocent people who had trusted our monetary and banking system must lose their life savings, amounting to billions of dollars, in thousands of failed banks; that thousands of legitimate business and financial institutions must fail, with billions of dollars of loss to their stock and bond holders; that all this and more must take place before we can again start on the road to recovery; and that the Government—the people—must stand idly by, helpless to do anything to relieve the situation. And yet Dr. Spahr and every thinking soul will admit money panics and depressions are man made. The record of how panics and depressions are made is a matter of history, where names and plans are definitely stated.

The public and private debt of the United States, as evidenced by bonds, notes, or other written evidences of indebtedness, is about $250,000,000,000, to which may be added probably $50,000,000,000 more that is not of record, or a total of $300,000,000,000. The total physical wealth of the United States is estimated at $250,000,000,000. Therefore, if we attempted to liquidate the debts of this country with its physical wealth, it would bankrupt the Federal Government, every State, county, or subdivision of the Government, and every citizen of the United States.

My bill for monetary control by Government primarily provides that the banks get out of the money-creating business and the Government will go out of the money-loaning business.

Our whole economy seems to be based on debt. It would seem that with the rates charged for goods and services, eventually our industrial and commercial organizations would be on a cash basis and relieve the necessity of the consumer being compelled to continually pay these interest charges, which reduce the purchasing power to that extent.

We leave the banking structure just as it is. We encourage unit or independent banks. Our proposal eliminates arguments that may be made for chain banking. We do not interfere with the banks' function of loaning such bank deposits that banks have available for loaning, but we do prevent banks from creating new deposits or new money by expanding their own credit.

From 93 to 97 percent of our circulating medium of exchange—money—is so-called credit money based on debt. Under our present program it would be impossible for these debts to be paid, for if they were, the money would go out of existence. We would have deflation, with destruction of prices and values, and a depression would be upon us. The same result is obtained when, for fear or any other reason, banks begin to call in loans and cannot or refuse to make new loans to take the place of the ones that are called in.

Smaller banks get their information from and generally follow the program dictated by the large banks. Under the present program, should the large financial interests decide that it is to their advantage to reduce prices or values, they would see to it that a program of reducing the circulating medium by having banks call in loans and refuse to make new loans would be inaugurated. Therefore the few at the head of our financial organizations can absolutely cause a depression to come upon the country under our present policy of allowing banks to issue (create) money (demand bank deposits) by expanding their own credit. This was clearly demonstrated in 1920, when the banker advisory board of the Federal Reserve Board persuaded the banking structure of the country to destroy not only some fifteen to twenty billions of dollars of credit money by calling in bank loans and refusing to make new ones but by destroying $2,000,000,000 in actual currency. Thus the danger of allowing private interests to control the volume and value of our circulating medium.

Un-American Activities

EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1938

AMERICAN LEGION AND GERMAN-AMERICAN BUND CLASH IN NEW YORK

Mr. DICKSTEIN. Mr. Speaker, an eyewitness presents a picture of the bund meeting in New York City, at which meeting the clash between the American Legion men and the members of the German-American Bund occurred. I feel sure that every true American will be incensed when he reads how the riot was started.

On Wednesday, April 20, 1938, when the American Nazis celebrated Hitler's birthday, pickets from the American patriotic organizations were parading in front of the hall at 210 East Eighty-sixth Street, New York City, distributing leaflets. Picketing was orderly throughout, the pickets never once giving the police any trouble. On the other hand, uniformed Nazi storm troopers arriving for the meeting kept on insulting the pickets, jostling them, etc., and passing remarks in German about "that damned American democracy," saying "in a decent country such picketing would not be permitted."

Inside the hall there were not only Nazi flags but regular storm-troop flags. Nazi storm troopers thrustly ordered people to their seats wearing the insignia of the Nazi bund. From the very beginning of the meeting the 500 storm troopers in the hall took a swaggering, bullying attitude, most of them already fingering the heavy leather straps in their hands.

The celebration began after a perfunctory singing of the Star Spangled Banner with a recital of a poem swearing undying allegiance to Hitler and to Germany. This put the Nazi audience into a high frenzy of emotion. Then came a political speech by a man named Wegener, who in the official catalog of the American Nazis is designated as head of the news division. Wegener harangued the crowd upon the annexation of Austria, using the

strongest language throughout his speech in condemning the American attitude toward this event. He called American legislators "stupid, narrow-minded, and crooked" because of their comments on Hitler's coup. He attacked the American press as a "vile, lying, stinking cesspool of atrocity manufacturers." He called the American public—in which the public-opinion polls showed that it was opposed to the Nazi march on Vienna—"selfish, hypocritical, and envious of Germany's glory." At the end of his speech Wegener with a raised voice, interrupted repeatedly by shouts of applause, said that President Roosevelt and Secretary of State, Cordell Hull, by their comments on the Austrian annexation and their well-known private opinion of it—and the following is a verbatim quotation—had acted "like a couple of heels" (traurige Gesellen), saying, "It is to be fervently hoped that some day the American people will get what they deserve, 'Heil Hitler.'"

At this point when Wegener left the stage, and the chairman of the evening, the Nazi bund leader of organization, Gustav Elmer, stepped up to the swastika-decorated rostrum, an American veteran, Mathias, in the audience (an ex-marine, wearing his many decorations won at Belleau and Chateau Thierry), who apparently understood German and was incensed by the insulting remarks, arose from his seat, raised his hand, and begged the chairman to answer a question. Before he had finished his sentence storm troopers with blackjacks and leather strips with heavy steel attachments in their hands, advanced toward him. Other veterans near Mathias arose and first pleaded with the storm troopers not to hit him and then tried to push them back. Thereupon at least 150 additional Nazi troopers, each one wearing either one of the aforementioned implements, deliberately assaulted the Legionnaires who had tried to aid their comrade, hitting them in the face and head. The Legionnaires who fell on the floor were kicked by the heavy-booted troopers. As the Legionnaires were driven toward the exit of the hall the Nazi troopers who received their orders from William Kunze, national director of propaganda for the Nazis, directed the troopers to take care of "this and that veteran" who managed to reach the door unscathed. A number of veterans were bodily thrown down the stairs.

When the people on the street saw the injured veterans they became so indignant that they wanted to enter the hall, and only then did the police have to hold back the outside public.

The New York police can in no way be blamed for the riot or what later happened on the street. They did their duty.

The President's Recovery Program

EXTENSION OF REMARKS
OF
HON. HERMAN P. EBERHARTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 26, 1938

AN OPEN LETTER TO THE PRESIDENT OF THE UNITED STATES FROM ALLIS-CHALMERS LOCAL, NO. 613, UNITED ELECTRICAL, RADIO, AND MACHINE WORKERS OF AMERICA, PITTSBURGH, PA.

Mr. EBERHARTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following open letter addressed to the President of the United States and a reply thereto signed by myself:

HONORABLE SIR: We listened to and read your fireside broadcast of Thursday, April 14, in which you presented a real program for lifting the country out of the present depression.

While under ordinary conditions our response to such a message would be a resolution of support from the membership of our organization, we feel that the warm personal note struck in your address and the sincerity of your concern for our welfare require a personal reply on our part.

We welcome particularly your emphasis on the fact that the only way to restore the prosperity of the Nation is to restore the living standards of the whole of the people; that the only way to ward off the threat to the further maintenance of our democracy is to provide guaranties that no American person shall go hungry.

We have followed with the greatest interest your past fireside broadcasts, and we declare that this is the most courageous and far-visioned program yet outlined by you. If this is so, and if we recall the fury and hatred with which the Tories of our day hurled themselves upon you and your supporters in Congress on every past progressive proposal for legislative reform, then we can expect a most savage campaign now to defeat this program as well.

Perhaps we are partly to blame for the many victories of the reactionary manufacturers and bankers in Congress. But we have come to rely on you, it seems, to do all our fighting for us. The lessons of the defeat of the reorganization bill and the methods used by the enemy have convinced us that it is our duty—the duty of all the common people whose cause you have so fearlessly championed since you entered the White House—to rally to your support and fight with you for the realization of a happier, more secure life for the majority of the American people.

We pledge to use all our strength and influence to arouse the people to action behind your program. We take this opportunity to warn the "economic royalists" in Congress that on this vital issue, which affects the bread and butter of the mass of our people, we shall not weaken. We pledge to use every means at our disposal to expose and defeat politically every Member of Congress or the Senate who dares attempt to prolong the misery of the people.

In conclusion, Mr. President, we urge you not to permit the enemy to weaken or compromise your present firm stand. In our turn we resolve to maintain alert watchfulness and engage actively in a campaign to put this program across.

With sincere admiration, we remain,

Very truly yours,

ADAM STEIN, *President.*
[SEAL] EDWARD RIEGNER, *Secretary.*

Adopted at regular membership meeting on Tuesday, April 19.

APRIL 25, 1938.

Mr. EDWARD RIEGNER,
Secretary, Allis-Chalmers Local, No. 613,
1917 Metropolitan Street, N. S., Pittsburgh, Pa.

MY DEAR MR. RIEGNER: I read with much interest the personal letter sent to our President by your local, expressing the sentiments which were adopted at your meeting on Tuesday, April 19.

I agree with these sentiments in their entirety and feel certain that the President will be heartened by a message of this sort from those whose interests he has had in mind ever since his accession to the Presidency.

If other organizations would follow the same course, it would strengthen his hand.

With kind personal regards, I am,

Sincerely yours,

HERMAN P. EBERHARTER,
Member of Congress.

Why It Is Necessary To Make a New Authorization for Roads at This Session

EXTENSION OF REMARKS
OF
HON. WILBURN CARTWRIGHT
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 26, 1938

Mr. CARTWRIGHT. Mr. Speaker, if the construction and improvement of public highways in the several States is to be continued next year, it is necessary that the Congress pass a new authorization bill at this session. The bill H. R. 10140 has been unanimously reported by the Committee on Roads. It provides for continuing the well-established Federal-aid highway policies through the fiscal years 1940 and 1941.

The imperative need for consideration of the bill now lies in the fact that 44 of the State legislatures will meet in regular session in 1939. Forty of these assemble only biennially. The State highway budgets must be prepared during the fall months prior to the beginning of these sessions early next year. The States should, and must, if they are to act with certainty, have knowledge of definite approval by Congress of this bill in order to make provision for their participation in the continuing highway construction program.

The participation of the Federal Government in planning and financing the development of the Federal-aid highway system is one of its most important and constructive activities. There can be no question as to the desirability of enacting legislation by the Congress so that the orderly processes of both Federal and State Governments shall be permitted to function in the highest advantage. The best results cannot be obtained through measures affecting practically every community in the United States, if the actions required are forced into an emergency status and characterized by lack of thoroughness or by inadequate preparation.

The law provides that on or before the 1st day of January of each year the Secretary of Agriculture shall apportion among the various States the amount authorized for the next fiscal year to aid the States in the construction of roads and highways, and that the State highway departments may then submit proposed projects for approval. This permits highway improvement work to be planned properly and well in advance, and actual construction to get under way each

year without long delays due to administrative formalities and preliminaries.

If this Congress does not authorize any funds for the fiscal year 1940, there can be no apportionment to the States on the first of next January and therefore there will be no opportunity for the States to submit projects for the year 1940 immediately following the first of January 1939.

Many States have a very short construction program due to weather conditions, and unless authorizations are made by the Congress this year they cannot plan and program their work and provide for matching funds in the State budgets. Likewise, the Bureau of Public Roads will not be authorized to examine and approve projects in advance. Therefore, the time which should be devoted to actual construction in the spring of 1939 would have to be taken up with preliminaries incident to the submission and approval of projects, even if authorizations were made promptly in the next session of Congress.

It should always be remembered that the Federal money must be matched, and that the States have expended twice as much money for highways as the Federal Government. The States also pay all the cost of maintenance of highways, which is a heavy burden.

The present system of Federal-State cooperation in highway building has been developed over a period of 20 years. It represents the survival of the most efficient method of handling Federal aid to the States for highway construction. It recognizes the fact that most of the States have biennial sessions of their legislatures, and it recognizes the fact that highway improvements cannot be undertaken at the drop of a hat. You cannot pass a bill and say to the Governor of a State, "Here is a million dollars for highways. Begin to spend it tomorrow morning." Highway improvement today is not simply the old-fashioned road improvement of 20 or 30 years ago. It is a highly technical engineering proposition that calls for the gathering of information and data and for the making of surveys and all the other activities that go into the planning and building of a complicated engineering enterprise. That takes time, and under our present system we allow the time necessary for the planning ahead of the work by the States, which must do the work, and the Bureau of Public Roads, which must approve and supervise it. By making the authorizations for 2 years, we meet the legislative situation, and by making them well before the beginning of the fiscal year in the States we recognize the need for and make possible adequate planning.

I know of no form of Federal expenditure for public improvements that has been maintained on a higher level for so long a time as the Federal aid extended to highway improvement. These large funds have been administered with rare wisdom and efficiency.

Federal-aid highway funds are apportioned to the several States, not on the basis of political pulling and hauling but according to a scientific formula that has been developed on the basis of population, area, and road mileage. There is no opportunity whatever for any partisan logrolling, and there has never been any serious question about the apportionments being fair and equitable.

Federal aid for highways is not in fact a current expenditure, but rather an investment in a national capital asset. The use of this investment touches and enriches the lives of more American people than any other form of Federal expenditure.

I firmly believe that there is no legislative proposal before this Congress which is more favored by or favorable to the people of the Nation than this bill to continue Federal aid for the orderly development of an adequate system of highways and roads.

There is every reason why this program should be continued and maintained on a stable basis, without interruptions and uncertainties.

I earnestly hope that the House leadership and the Rules Committee will grant the request of the Roads Committee for a special rule for the early consideration by the House of H. R. 10140.

I thank you.

Missouri—Mother of the Southwest

EXTENSION OF REMARKS
OF
HON. JOHN R. MURDOCK
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1938

Mr. MURDOCK of Arizona. Mr. Speaker, today I was talking with two eminent Members of this House from the great State of Missouri, thanking them for their splendid support of the cause of reclamation. It ran through my mind that something more than broad statesmanship induced the gentleman from Missouri to be concerned about whatever is vital to the West. After all, Missourians should have a sort of parental interest in the "farther West" of America.

In the first session of this Congress, I pointed out on one occasion a significant historical fact that the United States of America has been one of the greatest and one of the most successful colonizing powers of modern times. By that I meant that the Thirteen Original States constituted the mother country and that the 35 other States of the Union are the daughters. At the same time I mentioned some of the factors that explain the remarkable effects of the American colonial policy.

In somewhat similar fashion certain other States, especially in the Middle West, have in the course of our history, given birth to new commonwealths and are consequently looked upon as "mother" by the daughters in the Far West. Missouri certainly is one State that may historically be considered "mother" of a number of political children. In a sense Texas may be regarded as having a considerable political progeny. Recently, I commented on the historical influences of Texas under the caption "Texas and Greater Texas." A few years back a distinguished Member of this House delivered an interesting historical lecture entitled "Missouri—The Mother of Empires." I should like now to give my own expansion on that subject and the reasons why I regard it as a historically accurate topic.

Geography has ever played an important part in the westward development of our country. "Westward the course of Empire takes its way." Missouri occupies a unique place in our political and economic history. It was the first State formed west of the Mississippi River and in just such a location north and south as to give it a commanding influence over the development of all the rest of the continent westward to the Pacific. Being located both on the Missouri River and the Mississippi River and at a time when steamboat transportation played such an important part in connection with the covered wagon mode of travel, Missouri naturally was the gateway to the West.

Perhaps a dozen different cities claimed the distinction of being "Out where the West begins." Any city, by whatsoever name, located at the great bend of the Missouri River is inevitably predetermined to be where something great begins. It was from along this portion of the Missouri River that the Oregon Trail, the Mormon Trail, and the Santa Fe Trail, to say nothing of many lesser trails, had their beginning.

Before the modern Kansas City became the gateway to the Southwest, another notable Missouri City served as a gateway in more than one direction. I refer to St. Louis. The influence of St. Louis as a commercial center reached far out into the West, as well as up and down the river in the steamboat era. Long before the Rocky Mountain region became ours, Missouri statesmen and Missouri pioneers cast longing eyes on the land that belonged to our neighbor. For a generation St. Louis was the emporium of the fur trade. Several fur companies had their headquarters there and the pelts that were taken from all the rivers and tributaries in the Rocky Mountains found their way to St. Louis for trans-shipment to the eastern part of our country and to

Europe. The American Fur Co. had headquarters there. The Pierre Chouteau Co. had its origin there. It was from St. Louis that the Long Hunters of the Rockies set forth to bring from those mountains a never-ending supply of furs, and that was before it was known that "there was gold in them thar hills."

While daring frontiersmen as hunters and trappers, relying upon their own ingenuity and long-barreled rifles, were bringing wealth from the western mountains to St. Louis, merchants were establishing new commercial enterprises by trading with the Spanish settlements along the Rio Grande in New Mexico. Kansas City is more closely identified with the Santa Fe Trail and the "commerce of the prairies" than is St. Louis. For a generation prior to the Mexican War, the traders operating through Missouri, and most of them Missourians, carried on a lucrative trade between the States and the Spanish settlements. All of this had the encouragement of western statesmen, particularly Thomas Hart Benton, the distinguished United States Senator from Missouri for the first 30 years after her admission into the Union.

If the great American triumvirate, Calhoun, Clay, and Webster had been a quartet, Thomas Benton would have been the fourth member. His place in American political history is so significant that we are quite apt to forget the other meanings of his career as a statesman. Thomas Hart Benton was a far-seeing businessman. He did what he could as a lawmaker and otherwise to encourage the fur trade. He saw the great possibilities of the traffic with the settlements to the Southwest, and gave it his encouragement. He no doubt dreamed of a time when the American flag should fly over all that portion of Mexico with whom he encouraged this trade.

Senator Benton had a daughter named Jessie. This talented girl married a young army officer, John C. Fremont, who afterward became known as the pathfinder of the Rockies. Perhaps it was the inspiration of Jessie Benton and the assistance, directly or indirectly, of the Senator, her father, that made it possible for Fremont to play the part he did in the exploration and conquest of the West. Of course, Fremont had to have something on his own account to have been able to endure and achieve what he suffered and achieved, but his wife aided and abetted him in all he did, and his distinguished father-in-law saved his hide when he got himself into a predicament. John C. Fremont, backed by his wife and father-in-law, was as much the conqueror of the Southwest as he was the pathfinder of the Rockies.

Necessarily or unnecessarily, we got ourselves into a war with our neighbors on the southwest, and in the successful conduct of that war we acquired the whole corner of the country lying west of the Rio Grande River and between the forty-second parallel of north latitude and the Gila River.

It was Missouri troops under Kearny that first crossed the far southwest carrying the American flag. The Mormon Battalion, composed of many young men from Missouri, followed over that long trail on the heels of the Kearny expedition. Other Missouri troops under Doniphan carried the American flag across that same region going southward from Santa Fe into Mexico. Sterling Price, a distinguished Missouri soldier and character, took a leading part in the military proceedings on this southwestern stage. He was the first military governor of New Mexico after the conquest. As soon as civil government was established for that part of the conquered region, with Santa Fe as the capital, Governor Lane, a former mayor of St. Louis, was made the first civil governor. These are but slight indications of the part played by Missourians in wanting and acquiring this land of the sun—the land which I have here so frequently mentioned to you as Uncle Sam's sun parlor.

Acquiring and holding this vast area is one thing, and developing it is something else. However, the fact that more of the present-day inhabitants of Arizona came to that State from Missouri, more than from any other State except Texas, may imply that these later Missourians have helped to develop the land which early Missourians helped to acquire. Such has been the case. The man who was seven times Governor of the State of Arizona, George W. P. Hunt, was a Missourian. Many years ago he rode into the little mining camp of Globe on a mule. I will bet a hat that it was a Missouri mule. Although beginning his Arizona career by washing dishes in an eating place, he eventually became a power in State and National politics. Many of the minor officials, from the present secretary of state down through local offices, today in Arizona are Missourians, and they are performing their public duties in a way that reflects credit on their training in the State of their nativity.

Annually at this time of the year a big picnic attended by from five to six thousand people celebrate Missouri Day near the capital of Arizona. Each of this great host is proud of the State where he was born and prouder of the State of his adoption. I am one of these. Let me close by expressing a hope that these later Missourians will build in their new home with as much courage and foresight as earlier Missourians did in laying the foundation for the State of Arizona and other southwestern communities.

Educational Activities of Columbia Broadcasting System

EXTENSION OF REMARKS

OF

HON. WALLACE H. WHITE, JR.

OF MAINE

IN THE SENATE OF THE UNITED STATES

Wednesday, April 27 (legislative day of Wednesday, April 20), 1938

COLUMBIA BROADCASTING SYSTEM EDUCATION SERIES TO SHOW UNITED STATES AT WORK, EXPLORE SCIENCE, HISTORY

Mr. WHITE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement showing the activities of the Columbia Broadcasting System in connection with education by radio.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From Lyman Bryson, professor of education, Teachers College, Columbia University, New York, April 21, 1938]

STORY OF SANDHOG APRIL 28, OPENS THREE-PART WEEKLY SCHEDULE OF PROGRAMS EMBODYING NEW CONCEPT OF LEARNING THROUGH RADIO

The recently announced plans of the Columbia Broadcasting System's Adult Education Board, embodying a new concept of learning through the medium of radio, have reached fruition in three separate series of unique character and scope, Americans at Work, Adventures in Science, and Living History, the first of which is to be launched over the Nation-wide Columbia network Thursday, April 28.

Americans at Work, designed to give the radio audience a comprehensive and engrossing picture of the Nation in all fields of endeavor, will be given on the opening date from 10:30 to 11 p. m. (eastern daylight saving time), and each Thursday thereafter at the same time. The subject of the first dramatization is Sandhog, an enlightening and entertaining exposition on the men who dig our tunnels.

Living History and Adventures in Science will be given in quarter-hour periods shortly thereafter. Each of these will have a commentator distinguished in his field to give authoritative interpretations. Prof. Allen Nevins, of Columbia University, is to be the guest commentator of the opening Living History broadcast, in which the subjects treated are the expulsion of the Moors from Spain and Columbus' discovery of America, both of which took place in 1492.

Adventures in Science will have as permanent commentator Dr. Lawrence Kelso Frank, associate director of education of the Rockefeller Foundation's General Education Board, and one of the country's foremost sociologists, whose analyses will be given from the sociological viewpoint. The World Is Hungry, the inaugural subject of this series, is to present a comprehensive survey of outstanding developments in modern science.

Radio will go to the source of the Nation's component activities when Americans at Work includes interviews with workers on their jobs in factories, restaurants, locomotives, shops, homes, and

wherever else work is done. The scope of this project is indicated in the schedule to follow Sandhog:

May 5. Railroad engineer.
May 12. Beauty specialist.
May 19. Department-store executive.
May 26. Automobile worker.
June 2. Artist.
June 9. Compositor.
June 16. Bricklayer.
June 23. Food-business executive.
June 30. Tool maker.
July 7. Milkman.
July 14. Steelworker.
July 21. Restaurant waiter.

Living History is to be devoted at the outset to American history as the field in which this country's audiences are most at home and most vitally interested. At the end of each program a selected era will be announced as the subject of the following broadcast. Listeners will be invited to brush up on their history and suggest to Columbia what they consider to have been the outstanding high-light event of that period and also the most significant occurrence in the light of its later influence on history.

Incidents receiving the majority vote will be featured in the ensuing broadcast, which is to be patterned after the conception that radio existed during the period under discussion. Flash-back dramatizations will return audiences to the time and place under consideration, and thereafter an outstanding historian will discuss it. A second dramatization will interpret the most significant event of the time. Both are to be given in the style of modern news broadcasts, much as Bob Trout describes present-day public events for C. B. S. The second dramatization is to take about 9 minutes, after which the historian will analyze developments in subsequent history traceable to the incident. Professor Nevins, historian on the first of this series, will also be heard in later broadcasts. Prof. Harry J. Carman, another Columbia University educator, is among others to serve in this capacity later.

The remainder of the schedule follows in order of presentation, with exact dates and time to be announced later:

Shakespeare's retirement and the founding of Jamestown, Va.

The Dutch establish New Amsterdam and John Rolfe grows first tobacco in Virginia, both in 1612.

The Swedes arrive on the Delaware and Roger Williams founds Rhode Island; religious toleration—all during 1637–38.

John Peter Zenger's trial in New York; freedom of the press; Verendrye reaches Winnipeg; establishment of far western fur trade by France—all in 1735.

France cedes her American domains to the British Empire and royal proclamation shuts off trans-Allegheny region from colonial settlement in 1765.

Shays' rebellion in Massachusetts and the Annapolis Convention—curtain raiser to Convention of 1787—in 1786.

Mad Anthony Wayne whips Indians and gains Ohio by Treaty of Greenville and New York State establishes free public-school fund, 1795.

The Burr trial for treason and the *Clermont* on the Hudson, 1807.

Repeal of the embargo and Washington Irving publishes his Knickerbocker History of New York, 1809.

The Erie Canal is commenced and Rush Bagot agreement inaugurates permanent peace on the Great Lakes.

World-famous scientists will be guests on the Adventures in Science programs—a comprehensive survey of modern scientific achievement and the drama of its significance and application in everyday life. The schedule beyond The World Is Hungry is as follows, with exact dates and time of this series also to be announced later: The Governing Gland, Crops Without Soil, Men Against Insects, Science Surprise Program, Morphine Without Immortality, Sleep, Saving Our Soil, Chemicals Against Disease, Science Surprise Program, The Atom and You, Revolution in the Air, Remolding Mankind, The Farmer Takes a Robot, Science Surprise Program, New Plants for Old, Sun Storms and Citizens, The Longer We Live, A New Dress Every Day, and Science Surprise Program.

The adult education board's formation was announced in January 1938 by William S. Paley, president of the Columbia network, with Lyman Bryson, professor of education at Teachers College, Columbia University, New York, named as chairman. Heartened by its 8-year success in presenting the American School of the Air, its daily program for children, broadcast under the guidance of a professional faculty, the Columbia network formed this board in the belief that a more organized effort should be made to supplement existing program schedules with planned formal education for men and women. It was further concluded that such programs could best be developed by a democratically constituted, authoritative, professional group such as the one named.

The board met in New York January 17 and 18 and developed a set of recommendations out of which the three series have grown. Mr. Paley announced after the meeting that evening broadcast periods had been withdrawn from sale so that the recommended programs might reach a maximum audience of men and women.

The following members complete the board: Ray Lyman Wilbur, president of Stanford University; Alvin S. Johnson, director of the New School for Social Research; George Edgar Vincent, former president of the Rockefeller Foundation; Stringfellow Barr, president of St. John's College, Annapolis, Md.; William Benton, vice president of the University of Chicago; Joseph H. Willits, dean of the Wharton School of Finance; Henry R. Luce, president of Time, Inc.; Thomas V. Smith, professor of philosophy, University of Chicago; William Allen White, publisher of the Emporia Gazette, Emporia, Kans.; Robert I. Gannon, president of Fordham University, New York; Ruth Bryan Rohde, former United States Minister to Denmark; Harry Woodburn Chase, chancelor of New York University; and Spencer Miller, Jr., director of the Workers Educational Bureau of the American Federation of Labor.

Where Are We Bound?

EXTENSION OF REMARKS
OF
HON. ARTHUR CAPPER
OF KANSAS
IN THE SENATE OF THE UNITED STATES

Tuesday, April 26 (legislative day of Wednesday, April 20), 1938

ADDRESS BY JOHN HAMILTON, APRIL 17, 1938

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD an address by John Hamilton, chairman of the Republican National Committee, delivered over the Columbia Broadcasting System on April 17 last, on the subject Where Are We Bound?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It was with great reluctance that I accepted the kind invitation of the Columbia Broadcasting System to address you tonight. And I speak to you out of a heart and mind greatly disturbed by the events which have taken place in our country since I last addressed a Nation-wide radio audience in November. I had hoped, along with you, that the economic depression which settled down over the country late last summer as a result of fallacious policies of the National Government might soon be dissolved. At least, I think, we had a right to hope that by sound, constructive action on the part of our National Government this depression would be offset and our people would escape what they have suffered. In that hope we have all been gravely disappointed. But I refrained from speaking out because I believed that the national administration here in Washington deserved an opportunity to correct its errors and to lay before the country an affirmative program for fighting the economic paralysis which has gripped us. During the last 7 months, I need not tell you, we have seen our much-vaunted prosperity—that prosperity planned by the master minds in Washington—crumble with amazing speed. Never before in history has industrial production revealed such sharp declines in so short a period. Never before had security prices, reflecting the disease gnawing at industry, dropped so suddenly to such incredibly low levels. Most vital of all, we have watched hundreds of thousands of our citizens thrown into the ranks of the unemployed.

Such is the ending of the New Deal's first 5-year plan—a plan advertised as one to end depressions for all time, a plan to iron out the peaks and valleys of prosperity and depression and give us economic stability. Ironically, instead of stability and sound prosperity, we have during the last 2 years experienced in our market places, in our shops and stores, and in our factories the sharpest fluctuations in prices and production of our history. We have experienced greater economic instability than this country has ever known, and at a time when recovery was progressing at a steady upward pace in other lands. Yet it was inevitable that this should be the result, for the New Deal had placed our economic structure on shifting sands.

Despite all this, we had a right to expect that the Roosevelt administration would learn by its mistakes, would recant its economic heresies, and would, in the interests of the masses of men and women of this country who are the first always to suffer from economic depression, pilot the ship of state away from perilous shoals into a safe and sound channel. Until last week we waited in vain. The anchor of the ship of state was dropped, while its officers sulked in their cabins. For 7 months that vessel was permitted to swing in circles while its passengers became frantic. And then, in sheer desperation, the officers burst forth from their cabins, shattering the solemnity of Holy Week to announce their intention—not to steer away from the shoals and whirling eddies—but, full speed ahead, to steer straight for the rocks of greater spending and psychological inflation. Again they hold out to us, their passengers, the illusory hope that we might in some mystical or magic manner escape the disaster that has come to every other nation following such a course.

Now, I have no intention tonight to engage in recriminations, nor is it my purpose to sow any seeds of discontent. True I cannot

disassociate myself from my official position as chairman of the opposition party in this country, but I can state without any sense of partisanship that the program sent to Congress by the President is not only inadequate to meet the present situation but that it is based on the very unsound policies that actually created the depression it seeks to cure. As much as I dislike to adopt a dissenting tone, I would not be faithful to my duties and to my own personal responsibility if I did not speak with the utmost candor and frankness. I shall try to speak kindly, for I heartily agree with the President's plea for self-restraint. In this connection, I desire to compliment him for his statement that it is a patriotic duty for every citizen to guard against immoderate statements and appeals to prejudice. I am certain that his fellow countrymen will gladly follow the course he has so graciously indicated in this regard. His stand against hate and bitterness will find a general welcome. But the time has come when certain things must be said, and they must be said without resort to emotion. I, too, believe in the necessity during this critical period of a "united national will," but I cannot see any reason why the great majority of our people should be regarded as out of step because they do not concur in the viewpoints of a few men here at Washington. The Gallup poll—published this morning—showed that the people of this country are not sympathetic with the spending program proposed to the Congress by President Roosevelt last Thursday. That poll overwhelmingly indicated that what the people of this country want is to have their Government remove the paralyzing fear which has strangled business, big and little alike—a paralyzing fear that has resulted directly from New Deal policies.

I need not tell the people of this country the basic cause for the depression that has taken place during the last year. You know the answer. You have seen the capital markets frozen through fear of inflation and fear of unsound monetary policies generated by the activities of a small group of left-wing New Dealers who have centered around the President. You have seen the wheels of business slow down, and in some cases, come to a stop because of the constant and unremitting attacks on the profit system in this country. Oh, I know the President, when the occasion requires, expresses devotion to and a faith in our American economy and a fair profit, but the actions of Mr. Roosevelt and his friends speak louder than his words.

There was no undertaking in genuine fashion to dispel the basis of the fears of the country by such necessary actions as repealing the undistributed-profits tax, modifying the capital-gains tax, or repealing the greenback law. There was no undertaking to bring business and labor into harmonious working relationship. Yet all of these proposals had been made by Republicans in Congress many months ago. I am sure these men who had the foresight to suggest these remedies for our economic ills have no selfish pride of authorship. They would have been glad to see their constructive ideas put into use for the benefit of the country. In spite of the fact that these well-thought-out suggestions must have been brought to the attention of the New Deal leadership the Roosevelt administration for 7 months has chosen a do-nothing program.

More precisely, I should say that the administration has done nothing constructive to help and encourage business. On the contrary the administration has acted to discourage and dishearten business during this critical period. You know to what I refer. You remember the oratorical floggings given to business several months ago by the Roosevelt Secretary of the Interior and his Solicitor General. You remember the confusing, contradictory statements that emanated from the White House in recent months. One day, you will recall, we were told all holding companies should be abolished. The next week we were told holding companies should not be abolished. Another week we were told that Government should fight business and end monopoly, and the next week we were told business should learn to cooperate. But in the third week the Justice Department sought a grand-jury indictment against business enterprises that had tried to cooperate along the lines suggested by the President. And then, of course, you remember about the prices. First, they were too low, and then the President said they were too high, and now he once more thinks they are too low.

How could business go ahead under such circumstances? Is it any wonder that the merchant as well as the manufacturer is confused as to his future and asks "Where will we go?" Is it any wonder they have become frightened as to what their Federal Government may do to them? And their confusion and fright will not be allayed by the program which the President has placed before Congress.

Mr. Roosevelt's spending proposal is bad enough but his sudden reversion to monetary and credit dealings must seriously disturb every person familiar with the history of the ruin and havoc in every country which has tried that road.

Once again, we are shocked by the announcement in astronomical figures of credit expansion under orders of the President, although the Federal Reserve Board was intended to be an independent fiscal agency. By the scratch of a pen—just as a big, white Easter rabbit leaps from the high hat—the excess reserves of the banking structure are raised to $3,880,000,000, the greatest excess reserves in history. What justification can there be for the creation of such an enormous reservoir of idle money? None that I can see. Nor could the Federal Reserve Board see any justification for such action until the President issued his orders last week. The severest condemnation of this action of the administration is found in the mouth of the Federal Reserve Board. It was that agency which in July 1936 publicly warned the country that excess reserves of $3,000,000,000 constituted "a basis of possible injurious credit expansion." It was this Board that declared that the part of excess reserves eliminated by raising the reserve requirements was "superfluous for all present or prospective needs of commerce, industry, and agriculture." That is what the Federal Reserve Board said. Now, under the President's order it reverses itself.

The undisputed facts are that our banks long have been filled with idle money. Interest rates have been low. There is no need to create any more bank credit. What is needed are prospective borrowers who see an opportunity in private enterprise to make a reasonable profit and a reasonable chance to pay back the loan. What is needed is to instill confidence of the future in the minds of men and that cannot be done by the admission that inflation and spending are the New Deal's only answer to our economic ailments. Actually the New Deal has expanded credit to bolster up the Government bond market in support of the enormous spending program proposed by the President.

At the outset the question naturally occurs that if spending is the answer to the present recession, why did not Mr. Roosevelt make his proposals to the Congress when it met last November? The depression was upon us—the time to act was at hand. Surely the Government credit was as good then as it is now. The Congress was then as cooperative with the President and as sympathetic to any legislation which he might have then submitted as it is now. If the President sincerely believed in the efficacy of a pump-priming program, why didn't he start at that time when, if he is right, it would have saved the jobs of hundreds of thousands of workers and brought on at once the prosperity which he now promises. Perhaps the answer may be that last November was not the time to engage in such a huge spending program, because the congressional elections of 1938 were still 12 months away. The very fact that this spending program is brought forward at this time, with an emphasis on the necessity of spending during the next 7 months leads inevitably to the conclusion that the President and the New Deal are far more interested in priming the polls than priming the pumps of recovery.

In that respect I speak advisedly. The fact that the President in his message proposed an additional $300,000,000 for the United States Housing Authority to be spent immediately recalls to mind that last August Congress created this agency with power to raise $500,000,000 for slum clearance and low-cost housing construction in a 3-year period. One hundred million dollars was made immediately available with $200,000,000 more to be available on July 1 next.

It has been 7 months since that legislation became law, the same 7 months of the Roosevelt depression. Five months have elapsed since the appointment of an Administrator of that act. Certainly we might reasonably expect that at a time when building-trades workers were walking the streets looking for jobs in vain such a program would be made speedily effective. Indeed one would suppose from the President's message of Thursday that the program had been rushed and that more money was needed. Actually, not a single project has been constructed under that program, not a brick has been laid, not a shovelful of earth moved, not a single mechanic has been given work.

Moreover, so far not a dollar has actually been advanced to a city or public housing authority. Seven months have been spent in allocating the funds, earmarking the money, and issuing press releases glorifying this most recent New Deal bureau. Strangely enough, the program of building houses and clearing slums is expected to get under way this summer or fall. But let us pass the motives that have caused the President to delay his proposals until this time. They are, after all, of only secondary importance. Our real concern lies with the plan itself.

There are but few in this country who sincerely believe we can spend our way to prosperity. There are but few who do not realize that if it is possible to pull ourselves a little bit from the bog of economic depression by our own financial bootstraps that the laws of gravity will in short order sink us even deeper into that bog. Surely there is no one who thinks we can continue to have those things which formerly we acquired by the fruits of our labor under a system by which we simply delay the day of reckoning by setting up a charge account against ourselves. There was a time when the President clearly recognized these basic truths. Who more often condemned the relatively small deficits of the last Republican administration than he? Who has more often promised to balance the national Budget? Who more clearly has seen the danger of profligate spending? He recognized that such a program would undermine our national financial stability when he said: "Any government, like any family, can for a year spend a little more money than it earns. But you and I know that a continuation of that habit means the poorhouse."

He recognized that economic disaster would follow for every individual, as well as for the Government, if such practices were carried out. In his message to the Congress on March 10, 1933, he called attention to the fact that for the 4 years ending with 1934 we would probably have a deficit of $5,000,000,000. Apparently viewing such a situation with sincere alarm, he asserted: "With the utmost seriousness I point out to the Congress the profound effect of this fact upon the national economy. It has contributed to the recent collapse of our banking structure. It has

accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed."

He recognized more than a threat of national bankruptcy or of economic failure in such a course. He clearly saw the damage to representative and progressive government for it was also he who once said: "Too often in recent history, liberal governments have been wrecked on rocks of loose fiscal policy." Thus at one time or another he has recognized the danger of his present plan to the national credit, to our economic system, and to the very Government itself.

If those views constituted the foundation of Mr. Roosevelt's economic principles then, how much more deeply and sincerely should that foundation be secured now. For since he uttered those words, he has had the chance to add to his announced principles the experiences of trial and error. He not only has seen, but indeed, has directed the expenditure of approximately $40,000,000,000 in 5 years. Anyone who is not seized with vindictive stubbornness must know that the smokeless stacks, the fireless furnaces, the motionless wheels, the 13,000,000 unemployed are but the fulfillment of the President's own predictions.

In view of the President's failure to follow his original philosophy—in view of the failure of his spending program for the 5 preceding years we must assume that his present proposal is predicated upon the contention that this recession was caused by a reduction in Federal spending. To such an argument I can only answer with the facts. There has been no reduction in Federal spending for this fiscal year.

I have before me as I speak the Daily Treasury Statement for April 1938. From it I note that as of April 14 the Government has spent $6,015,350,619 since July 1, 1937. During the corresponding period immediately preceding, the expenditures of the Government were $5,872,637,517. In other words, the Federal Government, as shown by its Treasury statement, has spent in this fiscal year $142,713,102 more than in the same period of the last fiscal year. May I add that not only have the Federal expenditures thus exceeded the expenditures of the corresponding period of the previous year but also represent a larger sum than has been spent in any corresponding period since Mr. Roosevelt took office.

Of course, I know the New Deal will have some explanation of these figures. They always do. For 5 years the fiscal affairs of the Federal Government have been conducted on a "now you see it, now you don't" basis. It matters not what they say. The undisputable fact remains that the Treasury in its daily statement puts the sum total of expenditures for the period from July 1 last year to April 14 this year at a figure that is greater than Federal expenditures have ever been in peacetimes for that corresponding period. Yet, during that period of our greatest expenditures, the country has gone into an economic tailspin the sharpness of which is unprecedented. It has been proven that recovery does not keep apace with spending, but once again we are told that we must spend more in order to restore recovery.

When will the administration learn, as past experiences have proven, that for every dollar of abnormal expenditures on the part of the Government at least $3 of private capital are withdrawn from productive channels? Why, because of fear of Government competition, fear of inflation, fear of crushing taxes, and fear of national bankruptcy.

Again the President leaves unanswered in his message to Congress two very important questions, namely, who is going to spend the approximately $5,000,000,000 he asks and from where is this stupendous sum of money coming? Once again the President has asked Congress to give him what amounts to a blank check to do as he pleases. But I am certain that Congress will no longer surrender its authority over the Nation's purse strings. I am certain that Congress this year will carefully earmark whatever sums it sees fit to appropriate. The days of blank-check appropriations in this country are over. Congress knows only too well that its glorious defeats of the President's Supreme Court and Government reorganization bills—defeats which reestablished the independence of our legislative branch of government—will have been in vain if it now turns over to the Chief Executive any such sum as $5,000,000,000 to do with as he sees fit. It was a shrewd Democrat who told his colleagues, "You can't beat a man that has $4,000,000,000 to spend as he pleases."

The question, however, remains: Who will pay this bill? Ultimately you will pay it, regardless of whether you are a farmer, a factory worker, a merchant, a banker, or an industrialist. The old New Deal theory that only the rich pay the costs of government long has been exploded along with other New Deal fallacies. As Mr. Roosevelt said in 1932, "taxes are paid in the sweat of every man who labors." You will pay for this flood of spending not alone in taxes but in the damage done to our entire economic structure by the addition of another crushing burden to our already too large national debt.

And when that economic structure is damaged you are damaged. Mr. Roosevelt has so stated, and I reaffirm it. In time the Federal tax collectors will be around to take their toll. Business cannot flourish with the strangling hand of the tax collector around its neck. Already one of the major troubles in the present situation is that the business of the country is bowed down by taxation. The Chamber of Commerce of the United States in a recently completed study on taxation determined that in the decade from 1926 to 1935 active corporations as a group paid taxes amounting to more than $29,000,000,000, or 44 percent more than their earnings after deducting taxes. In other words, the tax collectors took nearly 60 cents out of every dollar of business earnings.

How can business stand any more taxation in view of that picture? Part of the President's spending program contemplates that the States and local governments shall go further into debt. In a recent report to the Senate Committee on Relief and Unemployment, a group of the Nation's outstanding municipal research directors pointed out that already a large number of our cities are on the verge of insolvency. Never forget that whatever sums the State and the municipal governments borrow from the Federal Government must be paid back out of taxes levied on your home and farm, and, in many instances, by taxes on your daily purchases.

It appears tragic that when so much could be done in a constructive way that our efforts should be directed solely to illusory and dangerous undertakings.

In his message to Congress on Thursday Mr. Roosevelt declared that in fairness to him it should be noted that since January 1, 1937, a period of 15 months, he had recommended to Congress only four measures of major importance to the business of the country. The President added, "The record speaks for itself. No other measures affecting business have been proposed." The President's statement is not quite correct, since certainly his proposal as to the Supreme Court and the reorganization of the Government were measures affecting business—but adversely. I am willing, however, to accept the President's statement, and I would like to ask, in view of the economic recession which started last summer, why, in his words, "no other measures affecting business have been proposed"? As one example of his failure to act, may I ask, why has Mr. Roosevelt neglected to take the leadership in formulating a solution for the railroad problem, one of the most serious spots in our economic life and one of the sickest industries? He long has known about the critical conditions of the railroads, but he has done nothing other than talk about the problem. As far back as his 1932 campaign, the President said at Salt Lake City: "I shall continue the policy of trying to prevent receiverships." And he added, but "I do not believe that is more than a stopgap." Unfortunately, under the New Deal, it has not even been a stopgap, for since Mr. Roosevelt took office 39 railroads have gone into bankruptcy. In his Salt Lake City speech Mr. Roosevelt promised to rehabilitate the railroad systems of this country, but, like so many Roosevelt promises, nothing has been done to assist that important industry toward recovery. We find that in June 1935 Mr. Roosevelt commenced a message to Congress by asserting "It is high time to deal with the Nation's transportation as a single unified problem." And again he went on to promise what he would do to rehabilitate railroads. Three years later we find the railroads of this country in the most critical condition of their existence. This time Mr. Roosevelt dropped the problem into the lap of Congress with the suggestion of more loans for carriers already hopelessly in debt.

I agree most thoroughly that security is our greatest need. But the real security that makes you confident of your future and the future of your children cannot be based on our National Government taking the easiest way out. Security cannot be based on the profligate spending or the piling up of crushing debt to haunt future generations. Security cannot be based on the vagaries of credit and money manipulation. Nor can the preservation of democracy be based on such proposals. The security of our people and the preservation of our democracy must march hand in hand. They can be assured only through constitutional, representative government dedicated to preserving free enterprise in this land. Democracy and free enterprise cannot be strangers. Democracy and loose fiscal policy, democracy and blank-check appropriations, must be strangers.

The times in which we live are much too serious to the well-being of our Nation to permit anyone to indulge in mockery or to resort to cynicism. I certainly have no desire to do so, but I do feel that I may with propriety leave with you two questions. Two questions which you alone can answer. Two questions which heretofore were made the test of national recovery. Two questions which were asked of you by another on several occasions not so long ago. The first, "Is your faith in your own individual future more firmly grounded?" The second, "Are you better off than you were last year?"

Make Security Secure

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, April 27 (legislative day of Wednesday, April 20), 1938

ARTICLE BY HON. JOSEPH F. GUFFEY, OF PENNSYLVANIA, APRIL 23, 1938

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Make Security Secure," written by the Senator from Pennsylvania [Mr. GUFFEY] and published in the April 23, 1938, issue of Economic Security, published at Harrisburg, Pa.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Economic security is something practically new in the United States.

The idea of economic security is one that has been forced on us by the great depression that began in 1929.

Up to that time there were only two places in the social system where economic security might be found.

At the top, among the masters of great wealth.

For them there was the cushion that a million dollars made soft.

And at the bottom, among those who lacked any wealth, or anything that could be traded for it.

For them there was the poorhouse.

As for those in between, they were expected to get along. According to the prevailing social philosophy of the mad boom era, "any man who wants to work can get a job." Furthermore, anyone who didn't make himself a million dollars in a stock market that always went up, up, up, was just a sucker.

The cold wind of 1929 to 1933 blew away this pipe dream.

As the dream clouds dissolved, we saw that our economic house had been built partly on solid rock, partly on quicksands, and partly hung out over a deep precipice, with nothing but thin air beneath it.

We began to discover some of the horrible facts that the fancy trimmings of our boom-era castle had concealed.

First we discovered that millions of people could want work, look for work, and still not find work.

Then we discovered that the people to whom we had trusted our economic system had misused our trust.

The "great financiers" to whom our small-business men and widows and orphans had turned for advice on investments turned out to be little better than bucket-shop operators, who didn't care what bonds they sold us, so long as they sold them for a profit.

The "sound bankers" to whom we had given our savings were gambling with them.

The "captains of industry," it turned out, had piloted us straight onto the economic rocks.

And then we discovered, last of all, that the whole boom era had been a fake. For in the greatest, the richest, the most advanced Nation in the world, "one-third of a nation," in President Roosevelt's inspired phrase, was "ill-housed, ill-nourished, and ill-clad."

From all this we learned an important lesson.

We learned that if in any country a few men have great riches and many men have nothing, then that nation is poor, no matter how rich its few rich men are.

In other words, if only a few people have economic security, but most people have no security at all, then the nation is not secure.

So we began building a structure of economic security.

We gave the jobless who couldn't work security through relief.

We gave the jobless who could work security—and a job to be proud of—through W. P. A.

We gave the young people security through the C. C. C. camps and the National Youth Administration.

We gave investors security through the Bank Deposit Insurance Act, and the Securities and Exchange Commission, to be a watchdog over Wall Street.

We gave the farmer security through the old A. A. A. and the modern Crop-Control and Soil-Erosion Acts.

And we gave the worker security by providing unemployment compensation, by strengthening workmen's compensation laws—and by giving legal scope and backbone to labor unions, which have been pioneer workers for security for labor, business, and agriculture.

But we still have a job left to do.

That job is to make security secure—for business, for agriculture, for labor.

That job faces us in the Nation today.

Yesterday's New Deal battle was a battle for security. Today's New Deal battle is a battle to make that security secure.

That means that business, labor, and agriculture must all be secure together.

President Roosevelt has often stressed the point, and you and I agree with him, that the one cannot be secure without the other.

Business cannot be secure unless business can make a profit nor can it be secure unless it enjoys sound and sane contractual relations with its employees, relations brought about between enlightened business leaders and sound and sane leaders of labor. For business knows that it cannot make a profit unless it has workers earning enough to buy the products of industry.

Likewise labor knows that it cannot be secure unless business is secure and profitable.

And both know that neither business nor labor can be secure unless agriculture is secure—unless the farmer is getting a decent return enabling him to buy what business and labor produces. And the farmer must be able to sell to business and labor to earn a living.

The New Deal and its idea of economic security is not the personal prerogative of any poltical boss.

It is not a political plaything that can be purchased for 30 pieces of silver by any contractor boss.

The New Deal lives in the hearts of the people—of the millions of unemployed to whom it gave relief—or a job; of labor, for whom it wrote a new charter of independence; of businessmen, who want to see their ideals translated into actual fact; of farmers, who want to see their soil conserved and their incomes adequate.

And in the Nation they want the New Deal and its program of economic security carried out by men and women who believe in security for all the people.

Pending Non-Federal Applications for Minnesota Under the Public Works Administration Now Total $22,596,260

EXTENSION OF REMARKS

OF

HON. DEWEY W. JOHNSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1938

Mr. JOHNSON of Minnesota. Mr. Speaker, in connection with the recovery program and H. R. 10185, which I introduced on April 7, 1938, to provide for the creation, promotion, stimulation, and maintenance of employment; the reduction of unemployment; the restoration of purchasing power; the encouragement of long-range planning in the field of public works; and otherwise generally to promote the general welfare through Federal cooperation in the construction and undertaking of useful Federal and non-Federal projects and public works, I wish to insert at the proper place in these remarks the list by counties of pending non-Federal applications for which no allotments have been made as of April 12, 1938, which projects have all been examined and recommended by examining divisions on the 45-percent-grant basis under the rules and practices of the Public Works Administration.

I introduced H. R. 10185 after long consideration and study of the business indices of the country. Last year, as of July 1, the durable-goods index was 67 percent of normal, which dropped shortly after the turn into 1938 to 37 percent, and 60 days thereafter to 33 percent of normal. The P. W. A. was ordered liquidated by the President in an Executive order as of September 15, 1937, with still about four-thousand-odd projects approved by the P. W. A. engineering department uncompleted. It is recognized by everyone that the P. W. A. served a very useful purpose in the recovery program, in that it used many commodities in the construction of its projects which were processed and manufactured by the industries of the country. It also had its useful function in the employment of workers at living standards of pay. The citizens of the country generally subscribed wholeheartedly to the stimulating principles of the P. W. A., which placed it alongside such other splendid Federal work programs as the Bureau of Public Roads and the Corps of Army Engineers in twofold results obtained: First, achieving the goal of employment; and, second, stimulation of private industry.

H. R. 10185 embodies all of the splendid features of the Public Works Administration as administered by Harold L. Ickes, Secretary of the Interior, but goes one step further and allows the Public Works Administration to integrate itself with the other public-works departments of the Federal Government. The bill also proceeds upon the theory that unemployment is more or less permanent in nature and sets up a long-time planning program in the field of public works on the theory that the Public Works Administration, through its engineering department and its field contacts all over the United States, shall be ready in unemployment emergencies to meet employment needs with Federal and non-Federal projects, which will increase the natural-resource wealth of the Nation. This bill operates on the theory that the Federal Government should keep a double set of books, the first set embracing the cost of operating the regular departments of the Federal Government and the second set of books embracing the need of meeting emergencies, whether they be unemployment, flood, fire, or other

catastrophes. To keep a national economic balance in the emergency budget it will necessitate a changing point of view. We must regard unemployment as a national debit, which must be balanced by a program which will meet the needs of the unemployment debit and still, after the debit has been wiped out, we will have an increase in the national credit in the way of useful and completed public works which will increase the natural wealth by the amount expended in the effort to regain economic balance, or what we popularly call "recovery."

Thus, my bill has been carefully drafted and I believe meets with the approval of the Public Works Administration, in that it not only contemplates non-Federal projects, but also allows for such splendid public works as grade-crossing separation and elimination, improvements to rivers and harbors, flood control, public roads, Federal buildings, and others too numerous to mention. It must be borne in mind, however, that this interdepartmentally integrated program must be concomitant with a so-called direct-relief program which can be contracted or expanded to meet very sudden slumps, such as that which has occurred in the automobile industry in and about the metropolitan vicinity of Detroit, Mich.

It is not to be understood that H. R. 10185 will meet these tremendous imminent emergencies, but is based upon a long-planned, forward-looking program which tends to develop the field of public works when our business experience indices and charts show the normal low points in our economic structure. Thus, H. R. 10185 meets the normal valleys and bogged-down places of unemployment and integrates with the P. W. A. which meets the imminent and unforeseen business slumps. In closing, as I insert the list of approved projects, I might say that every one of these projects are of lasting benefit to the public and are worthwhile expenditures of public funds, especially so when used to meet the problem of unemployment.

Included for the city of Minneapolis specifically are projects for an incinerator, sanitary sewer, and three schools. The list, as supplied by the Public Works Administration, is as follows:

Minnesota—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1933, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1933]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		State-wide:					
W1136		State of Minnesota	Grading		$540,202	$540,202	$1,200,450
W1137		do	Highway improvement		2,835,000	2,835,000	6,300,000
		Total			3,375,202	3,375,202	7,500,450
		Blue Earth County:					
W1331		Mankato	Museum		17,125	17,125	38,055
		Carlton County:					
W1184		Barnum	School addition		8,066	8,066	17,925
W1187		Carlton County	Highway		10,636	10,636	23,636
W1274		Cromwell	School addition		15,075	15,075	33,500
W1354		Cloquet	do		50,175	50,175	111,500
		Total			83,952	83,952	186,561
		Carver County:					
W1350		Winona	Library		41,130	41,130	91,400
		Cass County:					
W1328		Pillager	School addition		18,000	18,000	40,000
		Chisago County:					
W1374		North Branch	do		7,629	7,629	16,954
		Clay County:					
W1248		Moorhead	Streets		136,941	136,941	304,314
		Cottonwood County:					
W1152		Westbrook	Electric plant		30,272	30,272	67,272
		Crow Wing County:					
W1139		Brainerd	Disposal plant		135,000	135,000	300,000
W1306		do	Schools		113,850	113,850	253,000
		Total			248,850	248,850	553,000
		Dakota County:					
W1164		South St. Paul	Swimming pool		11,363	11,363	25,250
W1345		Hastings	Municipal building		20,250	20,250	45,000
		Total			31,613	31,613	70,250
		Douglas County:					
W1362		Alexandria	Municipal building		57,057	57,057	126,794
		Faribault County:					
W1042		Elmore	Paving		11,160	11,160	24,800
W1191		Winnebago	Community building		21,600	21,600	48,000
		Total			32,760	32,760	72,800
		Fillmore County:					
W1266		Mabel	Paving		16,611	16,611	36,913
		Freeborn County:					
W1371		Albert Lea	Schools		245,700	245,700	546,000
		Goodhue County:					
W1343		Goodhue County	Highway improvement		36,000	36,000	80,000
W1349		Kenyon	School addition		51,326	51,326	114,058
		Total			87,326	87,326	194,058
		Hennepin County:					
W1174		Edina	Community building		19,636	19,636	43,636
W1233		Hopkins	Electric plant		99,000	99,000	221,000
W1244		Minneapolis	Incinerator		61,290	61,290	136,200
W1245		do	Swimming pool		101,250	101,250	225,000
W1246		do	Sanitary sewer		34,702	34,702	77,116
W1263		Hennepin County	Embankment		259,300	259,300	576,100
W1288		Minneapolis	School		395,100	395,100	878,000
W1289		do	do		360,000	360,000	800,000
W1290		do	do		127,462	127,462	283,250
W1297		Bloomington	School addition		41,400	41,400	92,000
W1348		Minneapolis	Observatory		6,435	6,435	14,300
W1370		Brooklyn Center	School addition		14,727	14,727	32,727
		Total			1,520,302	1,520,302	3,379,329

Minnesota—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Houston County:					
W1177		Spring Grove	Paving		$22,500	$22,500	$50,000
		Itasca County:					
W1189		Keewatin	Heating plant		26,010	26,010	57,800
W1299		Grand Rapids	School addition		96,491	96,491	214,424
		Total			122,501	122,501	272,224
		Jackson County:					
W1304		Lakefield	Hospital		21,704	21,704	48,230
W1305		Jackson County	Highway		33,300	33,300	74,000
		Total			55,004	55,004	122,230
		Koochiching County:					
W1259		International Falls	Waterworks		84,272	84,272	187,272
W1373		Koochiching County	School addition		19,080	19,080	42,400
		Total			103,352	103,352	229,672
		Lac qui Parle County:					
W1216		Dawson	Bridge		22,950	22,950	51,000
W1308		Boyd	School addition		25,489	25,489	56,642
		Total			48,439	48,439	107,642
		Lake County:					
W1009		Two Harbors	Waterworks improvement	$61,000	49,909	110,909	110,909
W1123		do	Street		18,000	18,000	40,000
		Total		61,000	67,909	128,909	150,909
		Lake of the Woods County:					
W1322		Williams	School addition		21,150	21,150	47,000
		Marshall County:					
W1112		Warren	Paving		25,360	25,360	56,360
		Martin County:					
W1036		Sherburn	do		11,932	11,932	26,516
W1364		Welcome	School addition		18,000	18,000	40,000
W1372		Martin County	do		27,000	27,000	60,000
		Total			56,932	56,932	126,516
		Meeker County:					
W1311		Litchfield	Highway		18,450	18,450	41,000
		Mower County:					
W1156		Austin	Disposal plant		146,376	146,376	325,280
W1168		do	Amphitheater		6,136	6,136	13,636
W1313		Mower County	Bridge		71,640	71,640	159,200
		Total			224,152	224,152	498,116
		Nicollet County:					
W1151		North Mankato	Electric plant		78,750	78,750	175,000
		Olmsted County:					
W1208		Rochester	Highway		97,875	97,875	217,500
W1261		do	Streets		123,615	123,615	274,700
W1329		do	School addition		377,550	377,550	839,000
		Total			599,040	599,040	1,331,200
		Pennington County:					
W1330		Thief River Falls	Disposal plant		58,500	58,500	130,000
		Polk County:					
W1016		Crookston	Sidewalks		23,568	23,568	52,374
W1376		do	Disposal plant		126,000	126,000	280,000
		Total			149,568	149,568	332,374
		Pope County:					
W1281		Starbuck	School improvement		11,783	11,783	26,185
		Renville County:					
W1363		Morton	School addition		52,020	52,020	115,600
		Rice County:					
W1369		Rice County	Bridges		140,715	140,715	312,700
		Roseau County:					
W1089		Roseau	Water tank		4,040	4,040	9,040
W1359		do	School addition		36,720	36,720	81,600
		Total			40,760	40,760	90,640
		St. Louis County:					
W1017		Hibbing	Paving		106,270	106,270	236,155
W1053		Duluth	Reservoir repairs		72,225	72,225	160,500
W1171		do	Disposal plant		524,700	524,700	1,166,000
W1190		Nopeming	do		12,272	12,272	27,272
W1231		Gilbert	Community building		33,750	33,750	75,000
W1235		Chisholm	Electric plant		291,000	291,000	647,000
W1308		Gilbert	Street improvement		18,051	18,051	40,114
W1310		Hibbing	School		432,288	432,288	960,640
W1316		Lakewood Township	School addition		20,394	20,394	45,320
		Total			1,510,950	1,510,950	3,358,001
		Scott County:					
W1327		Jordan	School addition		20,790	20,790	46,200
		Sherburne County:					
W1356		St. Cloud	do		94,950	94,950	211,000
		Stearns County:					
W1228		St. Cloud	Disposal plant		189,000	189,000	420,000
W1230		do	Library		36,820	36,820	81,820
W1333		Sauk Center	High school		144,090	144,090	320,200
		Total			369,910	369,910	822,020

Minnesota—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Steele County:					
W1167		Owatonna	Disposal plant		$65,250	$65,250	$145,000
		Traverse County:					
W1344		Wheaton	Courthouse		63,000	63,000	140,000
		Wabasha County:					
W1303		Plainview	Disposal plant		42,494	42,494	94,431
		Wright County:					
W1165		Buffalo	do		40,090	40,090	89,090
W1367		do	Courthouse		112,950	112,950	251,000
		Total			153,040	153,040	340,090
		Grand total		$61,000	10,167,739	10,228,739	22,596,260

The Church, the State, and Unemployment

EXTENSION OF REMARKS

OF

HON. EDWARD L. O'NEILL

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1938

ADDRESS OF RT. REV. JOHN A. RYAN, D. D., APRIL 24, 1938

Mr. O'NEILL of New Jersey. Mr. Speaker, under leave to extend my remarks I include the following address by Rt. Rev. Msgr. John A. Ryan, D. D., of the Catholic University of America, Washington, D. C., delivered at the annual communion breakfast of the Newark Council, Knights of Columbus, on Sunday, April 24.

Dr. Ryan's address, a temperate analysis of present-day difficulties, points the way to their solution.

In his Encyclical on Atheistic Communism, Pope Pius XI declares:

"It must likewise be the special care of the state to create those material conditions of life without which an orderly society cannot exist. The state must take every measure necessary to supply employment, particularly for the heads of families and for the young. To achieve this end, demanded by the pressing needs of the common welfare, the wealthy classes must be induced to assume those burdens without which human society cannot be saved nor they themselves remain secure. However, measures taken by the state with this end in view ought to be of such a nature that they will really affect those who actually possess more than their share of capital resources, and who continue to accumulate them to the grevious detriment of others."

The obligation laid down in this passage is immediately and urgently binding upon our American state, upon the United States of America. Our National Government is the only agency that has the power or the resources to bring adequate relief to our destitute unemployed.

A year ago President Roosevelt and many other prominent Americans were hoping and expecting that private industry would continue steadily and with a fair degree of rapidity to provide more and more jobs for the 8,000,000 then unemployed. As we now know, this was a vain hope. About the middle of last August business activity and employment suddenly halted their forward march. Since that date the number of our involuntary idle has been swollen by at least 4,000,000. No well-informed person any longer indulges the hope that private industry will be able by itself to reemploy between now and the end of the current year more than a small fraction of our 12,000,000 unemployed.

Today the country is confronted by an emergency which differs in degree but not in kind from that which nearly submerged it in the spring of 1933. Now, as then, we are assailed by two conflicting theories of recovery. On the one hand, we are urged to engage in the wholesale manufacture and dissemination of a spurious "confidence" and to adopt a policy of political inaction and enormous credulity. On the other hand, we are summoned to support a vast program of public spending in order to put money into the hands of consumers. Thus they would be enabled to buy goods and thus bring about a revival in all the departments of industry. The "confidence" method failed in the years 1929–33. It led to failure in August 1937. It has had no success since. Today it is completely impotent and pretty generally discredited. The simple reason why confidence failed in both the Hoover depression and the Roosevelt depression is because businessmen will not produce goods unless they have a reasonable expectation of getting the goods sold. During the last few months businessmen have not resorted to a "sit-down strike"; they have not been cutting off their noses to spite their faces. They could not help themselves. Nor could they be helped by enormous doses of artificial confidence, soothsaying slogans and incantations. They simply took cognizance of the elementary fact that goods cannot be sold without buyers.

Hence the country must turn to a large program of spending. Happily the President of the United States has finally realized that this measure cannot be longer delayed. In his message to the Congress on April 14 he recommended emergency expenditures and loans aggregating a little more than $3,000,000,000. This sum would be in addition to the billion and a half dollars which has already been authorized by Congress for loans to businessmen by the Reconstruction Finance Corporation. The new appropriations would be expended for a great variety of useful purposes, the largest amounts going to work relief, public works, highways, housing, and conversion of farm tenants into farm owners. The amounts allotted to three of these items are too low. I am referring to housing, farm ownership, and public works. At the present time there is a shortage of dwellings amounting to more than 1,400,000 for families that are unable to pay a rent of more than $20 a month.

The construction of these 1,400,000 houses will have to be subsidized by the Government of the United States, yet only $526,000,000 was appropriated for this purpose last summer, and only $300,000,000 are to be added to this amount in the program presented by the President to Congress. This sum of three hundred million should be expanded to at least one billion. The one hundred million which the President recommended for the Farm Security Administration when added to the small amount already appropriated for that agency would meet only a very small fraction of the dreadful evil of farm tenancy. This allotment should be increased to at least one billion. The P. W. A. gets $1,000,000,000 in the new program. When we recall that the term "public works" comprises streets, sewers, school buildings, bridges, the elimination of railroad crossings, and a great number of other public benefits, we easily realize that the allotment for P. W. A. should be raised to at least three billion. The additions here suggested would not make the total sum too large, either as a stimulus to recovery or as a means of bettering the condition and promoting the welfare of the American people.

Undoubtedly the President's recovery proposals will provoke strong opposition from all the professional "Budget balancers" and all those penny-wise souls who are unable to view the situation in the right perspective. Apparently the additional borrowing required to carry out the President's program would expand our national debt to the neighborhood of $40,000,000,000. Obviously this is an immense amount of money, yet the burden which it imposes upon the American people is only about one-third as large as the burden which the British national debt imposes upon the people of Great Britain. This statement takes in the amount of debt per capita, the interest charges per capita, and the national income of the two countries.

Two other observations are pertinent in this connection. The first is that if our national income were raised to the level that it reached in 1929, namely, $81,000,000,000, the Budget could be balanced at once and a beginning made in the reduction of the national debt. There is no reason why that goal should not be reached within 2 years. In the second place, the increase in the burden of interest payments resulting from the President's spending program could easily be met by an increase in Federal income taxes and inheritance taxes. If the amendment to the tax bill offered a few weeks ago by Senator LA FOLLETTE had been adopted, the United States Treasury would be in a position to obtain at least six times the additional revenue required to take care of the President's spending program.

If adopted, will this program "prime the pump" of industry sufficiently to abolish unemployment? This question can be answered in the affirmative only on one of two conditions—either the permanent continuation of adequate spending or a better distribution of the national income.

According to the theory and the experience of "pump priming" for business recovery, particularly in the form of public works, the projects under construction create a demand for materials and labor in the subsidiary private industries. The Public Works Administration has found that for every person employed on the site of a project two and one-half persons find jobs in the industries which provide materials. Moreover, a very large demand for additional production arises out of the increased demand for consumption goods by the persons who find employment on both public projects and the subsidiary industries.

On the basis of this theory and this experience, many persons have assumed that when the process of recovery is completed through the reemployment of all available workers the process of "priming" can be discontinued; for the industrial machine will thenceforth be able to operate at full capacity on its own momentum. Unfortunately, this outcome is quite improbable. Indeed, it would be practically impossible without a considerable change in the distribution of the national income or national product. The fundamental defect in the present distribution is that capital gets too much and labor too little. As a consequence, the demand for goods is not sufficient to keep our industries in full operation. The receivers of interest, dividends, and profits save too much and invest too much. Labor does not buy all the consumption goods it desires because it does not receive sufficient wages. The receivers of interest, dividends, and profits do not take the surplus off the market because they have no desire for more consumption goods. In a word, that section of the population which desires more has not the requisite purchasing power, while the section which has the power lacks the desire.

The remedy is obvious. For the safety of our industrial system, for the sake of continuous operation of our industrial plant, if not for the sake of our underpaid and unemployed, we must bring about a better distribution of purchasing power and a better distribution of the national income as between capital and labor. Let us see what this would mean statistically.

In 1929 labor received 65.5 percent of the national income or national product; that is, all kinds of wage earners and salary earners obtained that proportion of the value of all the goods and services produced in the country in that year. In 1932 labor's share dropped to 64 percent. In 1936 it rose to 66.5, but 3.3 percent of this came not from industry but from the Government in the form of work-relief wages. In the worst year of the depression the share of capital increased by 2 percent, but in 1936 it fell to the figure of 1929, that is, 14.3 percent. The most important fact in the foregoing set of figures is that the shares of capital and labor were about the same, respectively, in 1936 as in 1929. The share of labor has not risen substantially, while the share of capital has not fallen. Labor is not gaining over capital. But the share of labor must increase at the expense of the share of capital if consumption is to be sufficiently increased and saving sufficiently decreased to keep our industrial plant in full operation.

The great bulk of saving comes from the earnings of capital; that is, from interest and dividends. The great bulk of the required increase in spending must come from the earnings of labor. Therefore, we must decrease the former and increase the latter. How much need labor's share be increased? It ought to be raised from the 1936 figure of 66.5 to somewhere between 70 and 75 percent of the national income. Had that course been adopted in 1929, the earnings of labor would have been increased by three to seven billion dollars. Recall that in 1929 ten billions of savings were wasted in unproductive investments of various kinds. Had a substantial portion of these billions been given to labor, the demand for goods would have been increased by that amount and the depression would not have been nearly so devastating. If labor were to get between 70 and 75 percent of the national income next year, there would still be plenty of money saved for the production of necessary new capital.

Unless this is done, the industrial pump will not stay primed. Industry cannot provide employment for all the unemployed unless it increases labor's share of the national product sufficiently to enable the wage earners to buy the goods which are not wanted by the receivers of interest, dividends, and profits. To all the latter classes this is indeed a hard saying. It portrays a reality of our industrial system which they refuse to face. They do not want to contemplate the fact that their share of the national income has got to be reduced. They prefer to take refuge in all kinds of wild hypotheses, vain hopes, psychological "dope." They cry out for encouragement by the Government, so that they may have "confidence" to expand their plants and build new plants; but they do not seriously ask themselves whether the output of the added productive instruments could be sold. They talk vaguely about new inventions for the creation of new luxuries which would lure purchasing power from the pockets of the comfortable and wealthy classes. They will not permit themselves to consider the situation described a few months ago by Prof. Arthur E. Gayer, of Columbia University—

"That an increasing secular difficulty may be confronting business today in finding promising channels for investment on an adequate scale.

"We are not justified in assuming without question that profitable new investment outlets will always automatically present themselves in abundance, and in counting upon the appearance on the scene of something similar in its effects to power-driven machinery, the railroad, electric development, or the automobile" (address delivered at the fiftieth annual meeting of the American Economic Association, proceedings, p. 106).

They refuse to notice the significant statement made by Myron Taylor on the occasion of his retirement as president of the United States Steel Corporation a few weeks ago. "The country has moved," he said, "from a capital-goods economy to a consumption economy." "Our society at present requires," he continued, "only such capital goods as are needed for replacement and in the day-to-day production of consumption goods." The sooner businessmen and investors grasp the facts stated respectively by Professor Gayer and Mr. Taylor, the sooner will they emerge from the fools' paradise in which they have been living for the last quarter of a century.

From the foregoing analysis the practical conclusion to be drawn is that the abolition of unemployment and a lasting recovery from the depression can be brought about only by increasing the incomes of the farming and wage-earning classes. They would then be able to buy all the goods that our industrial machine could produce. This would not only be good business but good ethics.

How can this better distribution, this necessary reform in distribution, be accomplished? The farm program adopted by the present Congress, reduction of the rate of interest by all the governmental agencies that have authority in this field, prevention of monopolies and excessive prices by adequate legislation—all of these are necessary and would be greatly helpful. At the moment, however, there is one measure whose long-run effects would be more beneficial than the effects of all the other measures put together. That is a maximum-hour and minimum-wage law. The objective should be the 30-hour week and at least $1,500 annual income for every wage earner.

If all our workers were employed and all our productive plants were fully utilized, these ends could easily be obtained. We have the natural resources, the technological equipment, the brawn, the brain and the skill to do all these. Indeed we could go much further, as is shown by the findings of the Survey of Potential Production Capacity, by Harold Loeb and associates. But it cannot all be done at once. The goal cannot be reached immediately and by one effort. The first aim should be the adoption of the maximum-hour and minimum-wage bill recently reported out of the Labor Committee of the House of Representatives. The 44-hour week would not provide jobs for a majority of our unemployed; a wage of 25 cents an hour is too low for decent living conditions and for the creation of the necessary new purchasing power. The important consideration, however, is the principle and the policy. Once these have been enacted into law a further reduction of the workweek and a further increase in wage rates will be merely matters of time.

This address may fittingly be concluded by citing the Holy Father's words concerning the necessity of a reformation of morals:

"However, if we examine matters diligently and thoroughly we shall perceive clearly that this longed-for social reconstruction must be preceded by a profound renewal of the Christian spirit, from which multitudes engaged in industry in every country have unhappily departed. Otherwise, all our endeavors will be futile, and our social edifice will be built, not upon a rock, but upon shifting sand."

Consider the numerous efforts of strong business concerns to injure and destroy the weak. Consider the enormous frauds perpetrated upon the consumer through unjustly high prices and upon the laborer through unjustly low wages. Consider the many and varied forms of dishonesty which compelled the invention of a new descriptive term, "chiseling." Consider the trickery and tyranny of powerful corporations that force their employees into company unions and deny the right of free organization. Consider the efforts of certain craft unions to promote their minority interests at the expense of the majority of their fellow workers. Consider the willingness of certain cooperatives of dairymen to join with certain milk distributors in gouging the consumer.

When we contemplate these and many other indications of the same sort, we realize the pertinence of the Holy Father's words about the necessity of a reform in morals. We perceive that if the New Deal fails or if the efforts to establish a better economic order are unsuccessful, the main cause of the failure will be a very ugly and very ancient vice. It is the vice that we call avarice or greed.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1938

Mr. GEARHART. Mr. Speaker, in view of the fact that negotiations are in progress at the present moment, negotiations which contemplate the consummation of reciprocal-trade agreements with the Republic of Turkey, the United Kingdom, and the Dominion of Canada, the attitude of those who represent the State of California in the popular branch

of the National Legislature in respect to this all-important subject becomes of interest.

The letter with which I will conclude my remarks by reading into the CONGRESSIONAL RECORD is not intended to declare or even to indicate the attitude of the individual signers in respect to reciprocal trading per se. Some of those who have appended their names oppose the reciprocal agreement program in its entirety. Others support the program with varying degrees of approval, some with reservations, others without qualification.

The letter was intended by those who affixed their signatures to merely declare a policy which they, collectively and individually, believe should control those who represent the interests of the people of the United States in international negotiations of this character so long as the Reciprocal Trading Agreement Act remains upon the Federal statute books and the State Department continues to be charged with its administration. In other words, friends and foes of the program have joined in this instance in an effort to declare a desired interpretative policy upon which they could agree, nothing more.

Within this limitation, the letter becomes very important and it is, for that reason, offered for inclusion in the RECORD. It is:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C.

Mr. HENRY F. GRADY,
Chairman, Committee for Reciprocity Information,
Washington, D. C.

DEAR MR. CHAIRMAN: The undersigned, Representatives in Congress from the State of California, have observed that some agriculture products of particular interest to our State are under consideration for inclusion as subjects for negotiation in contemplated trade treaties.

We voice the belief that where domestic agricultural supplies our market with a quantity, quality, and price of their products which are adequate, the present tariff thereon should not be reduced. We believe where the domestic producer supplies a substantial portion of our market of proper quality and consistent with the American standard of living, tariff schedules should be maintained consistent with the continuance of such an American industry.

We would specifically apply this policy as to the suggested revision of tariff rates on raisins, figs, walnuts, and other similar products.

American producers can amply supply our raisin market at reasonable prices and consistent with American standards of production expense. Neither from the standpoint of price, quality, or quantity is there need of increased imports.

Walnuts and figs of superior quality are produced to the advantage of American agriculture at market prices entirely consistent with American standards of production and under rates which, if materially reduced, would tend to supplant our own domestic products by unneeded imports.

We earnestly urge that the present economic status of such agricultural products shall be not menaced or placed in uncertainty at this time by needlessly created doubts as to the continuance of necessary restrictions against competition from abroad.

Respectfully,

Harry L. Englebright, B. W. Gearhart, Charles Kramer, Ed. V. Izac, A. J. Elliott, John S. McGroarty, Harry R. Sheppard, Frank R. Havenner, Richard J. Welch, Albert E. Carter, Clarence F. Lea, Byron N. Scott, Jerry Voorhis, Frank H. Buck, John F. Dockweiler, John H. Tolan, Charles J. Colden, Thomas F. Ford, John M. Costello, John J. McGrath.

P. W. A. Projects in Nebraska

EXTENSION OF REMARKS
OF
HON. HENRY C. LUCKEY
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 27, 1938

LIST OF P. W. A. PROJECTS IN NEBRASKA FOR WHICH APPLICATIONS ARE PENDING

Mr. LUCKEY of Nebraska. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following list of P. W. A. projects in Nebraska for which applications are pending:

Nebraska—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket number		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		State-wide:					
8669		State of Nebraska	Irrigation	$250,000	$204,545	$454,545	$454,545
		Blaine County:					
W1319		Dunning	Auditorium		6,300	6,300	14,000
		Box Butte County:					
W1162		Alliance	Power improvement		144,000	144,000	319,650
		Buffalo County:					
W1143		Kearney	City hall		58,500	58,500	130,000
W1171		do	Dormitory		67,500	67,500	150,000
		Total			126,000	126,000	280,000
		Butler County:					
W1304		Brainard	Water tank		3,744	3,744	8,320
		Cass County:					
W1062		Weeping Water	School		48,474	48,474	107,720
		Clay County:					
W1108		Sutton	Disposal plant		45,000	45,000	100,000
		Cuming County:					
W1228		Bancroft	School addition	15,000	12,272	27,272	27,272
		Custer County:					
W1332		Gates	School		9,225	9,225	20,500
		Dakota County:					
W1137		South Sioux City	Toll bridge		896,727	896,727	1,992,727
W1300		Homer	School addition		12,275	12,275	27,277
		Total			909,002	909,002	2,020,004
		Dawes County:					
2832		Chadron	Dormitory		63,675	63,675	141,500
		Dodge County:					
W1102		Fremont	School		45,000	45,000	100,000
W1287		Dodge	Auditorium		16,650	16,650	37,000
W1329		Fremont	Power improvement		133,500	133,500	296,644
W1333		North Bend	Auditorium		14,727	14,727	32,727
		Total			209,877	209,877	466,371

Nebraska—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Douglas County:					
W1161		Omaha	Combination sewer		$484,650	$484,650	$1,077,000
W1249		do	City hall		1,350,000	1,350,000	3,000,000
		Total			1,834,650	1,834,650	4,077,000
		Furnas County:					
W1246		Cambridge	Power improvement	$563,000	459,000	1,022,000	1,022,000
		Garden County:					
W1084		Lewellen	Reservoir	363,000	297,000	660,000	660,000
W1312		Oshkosh	High school		14,400	14,400	32,000
		Total		363,000	311,400	674,400	692,000
		Gosper County:					
W1196		Elwood	Courthouse		34,363	34,363	76,363
		Knox County:					
W1294		Niobrara	Bridge		261,000	261,000	580,000
		Lancaster County:					
W1327		Lincoln	Paving		45,450	45,450	101,000
W1328		do	Power improvement		78,750	78,750	175,000
		Total			124,200	124,200	276,000
		Lincoln County:					
W1122		North Platte	High school		126,000	126,000	280,000
W1313		do	Paving		29,123	29,123	64,718
W1314		do	Park improvement		28,477	28,477	63,283
		Total			183,600	183,600	408,001
		Madison County:					
W1331		Norfolk	Auditorium		77,366	77,366	171,925
		Merrick County:					
W1316		Silver Creek	Waterworks improvement		3,893	3,893	8,650
		Nuckolls County:					
W1245		Nuckolls County	Reservoir	1,181,000	966,000	2,147,000	2,147,000
		Perkins County:					
W1281		Grant	School addition		32,728	32,728	72,728
		Platte County:					
665	3	Columbus	Power equipment	2,855,000	2,335,000	5,190,000	5,190,000
		Richardson County:					
W1007		Richardson County	Canal improvement		113,727	113,727	252,727
		Saunders County:					
W1335		Wahoo	Hospital		36,000	36,000	80,000
		Grand total		5,227,000	8,555,041	13,782,041	19,014,276

Case for Government Ownership

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1938

ARTICLE FROM THE APRIL 1938 ISSUE OF THE CHRISTIAN FRONT

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein an interesting and persuasive article entitled "Case for Government Ownership," as published in the Christian Front magazine. The Christian Front magazine is a member of the Catholic Social Union, and is one of the strongest Catholic magazines in America. Its contents are listed in the Catholic Magazine Index of the Catholic Bookman. This publication is a product of Villanova, Pa. It is widely read, is broad and tolerant in its viewpoint, progressive in its treatment of its subject matter, and tremendously effective in enlightening the reader public.

In view of the widespread social and economic abuses arising from the private ownership and operation of America's basic natural resources and utilities, it would seem that some radical reform is urgently needed because the vast empires which these resources and utilities support present a source of socio-economic power which too often has threatened public authority itself.

During the 1870's and 1880's the railroads of the country operated with such disregard for social justice and the public interest, that finally the Congress of the United States passed the Interstate Commerce Act of 1887. During this same period the small industrial companies began the process of consolidation and combination—a process symbolized by the phenomenal rise of the Standard Oil Trust.

The Congress of the United States passed the Sherman Antitrust Act of 1890, a monument of ineffectual legislation. With the exception of the dissolution of the Stanrard Oil Trust, the Northern Securities Co., the Sugar Trust, and a few minor combinations, this act accomplishing nothing. The process of consolidation forged ahead.

The Clayton Act of 1914, designed to clarify and strengthen the Sherman Act, fared little better. New devices for evading Federal regulation were immediately adopted with the holding company heading the list as the most efficient instrument for beating the Government. Through it were effected the huge railroad and utility combinations that are plaguing the country today.

Some measure of reform and regulation of our natural resources and utilities has been obtained, yes. But in view of the Government's long, losing fighting against the socialism of private monopoly, such regulation has been far from satisfactory. Other considerations also play a part. For instance, the country is dotted with passenger and freight railroads which duplicate depots, facilities, and administrations. Large bankers have exploited the railroads, overcapitalizing them for private profit. The electric utilities present a great problem along these same lines of waste and financial exploitation. For instance, of the $55,000,000 invested by the public in Insull utility debentures, only 8 cents on every dollar invested was ever recovered—thus a loss to the public of approximately $51,000,000. The same holds true, more or less, for all of these vast empires which control our natural resources and utilities.

The root of the trouble lies in the fact that resources and functions which are essentially public in character are managed and controlled, for private profit and private power, by individuals who do not own any appreciable amount of the properties which they have dominion over. So long as public functions remain in private hands, it can hardly be expected that they will be operated solely in the public interest and at the greatest peak of mechanical and economic efficiency.

Many solutions for this problem have been suggested. One is to appeal to management, asking for cooperation in working out a sane national economy. Another has been to recommend that Congress pass more stringent legislation. Yet another proposes that the Federal Government assume control of these natural resources and public functions, operating them at the highest efficiency, without profit, in the public interest.

The Christian Front inclines to the third position, that of government ownership and operation The Christian Front believes

that a minimum of government ownership and operation will provide a stimulus to private industry, as well as form a well-regulated group of industries that will not be crushed in times of depression.

Calls for the cocperation of management are usually ignored. That is history. Government regulation has been frustrated at every turn by wily corporation lawyers, clever finance capitalists, and hair-splitting judges. That is to be expected. Minds cannot be legislated. The cure is to remove control from the hands of those who place private profit above the common good of the people of the United States.

The arguments advanced against governmental ownership and operation are legion. Many, overlooking the inefficiency of business, feel that anything done by government is intrinsically inefficient. Others feel that this is undue interference with private enterprise. And yet others see in government ownership the coming of socialism and communism, the destruction of private property.

That Government is intrinsically inefficient is an assumption as unfounded as it is widespread. The Post Office Department, so often held up as an example of such inefficiency, is rarely given proper credit for the fact that it indirectly subsidizes the newspapers and mazagines of the country by carying their mail at ridiculously low charges. The performance of the T. V. A., the C. C. C., and other Government projects show clearly that Government operation can be nonpolitical and efficient.

Government operation of the railroads during the first World War is often pointed to as proof positive for the case against Government operation. Yet a reexamination of the facts reveals that the Government had to assume management because private management broke down. After Government was in charge, it was discovered that railroad labor was overworked and underpaid. By bargaining with labor, by shortening hours of labor, by improving working conditions, and by raising wages, the Federal Railroad Administration gave to railroad labor what it had been denied by private management. The Government ran up a deficit during this period because of necessary wage readjustments. In coordinating the railroads, the Federal Railroad Administration achieved remarkable economic gains—gains which private enterprise had been unable, or unwilling, to effect.

As for governmental ownership of basic resources and utilities as a step toward socialism and communism, we have the words of Pius XI that "* * * when civil authority adjusts ownership to meet the needs of the public good it acts not as an enemy but as the friend of private owners, for thus it effectively prevents the possession of private property * * * from creating intolerable burdens and so rushing to its own destruction. It does not, therefore, abolish, but protects private ownership and, far from weakening the right of private property, it gives it new strength."

Crushing private monopolies invites revolutionary confiscation. When government intervenes and takes steps to restore social justice, even if by limiting private ownership, it is safeguarding all private property rights.

As for private enterprise, such enterprise is permissible only insofar as it does not interfere with the common good. That is plain common sense. When private enterprise is an agency of injustice and denies social justice to the many, it should be restricted or prohibited so as to remove the source of the injustice or social harm.

The Christian Front therefore urges that the Congress of the United States consider ways and means of assuming ownership and control of America's basic natural resources and utilities—water power, coal, railroads, telephone, and telegraph. We recommend such ownership and operation not for its own sake, but because it would appear that it is the only way to effect social justice, regulate our economic system, and prevent unwholesome private monopolies.

P. W. A. Projects in Oregon

EXTENSION OF REMARKS

OF

HON. NAN WOOD HONEYMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1938

LIST OF P. W. A. PROJECTS IN OREGON FOR WHICH APPLICATIONS ARE PENDING

Mrs. HONEYMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following list of pending applications for P. W. A. projects in Oregon:

Oregon—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		State-wide:					
W1188	.....	State of Oregon	Surfacing	.....	$13,500	$13,500	$30,002
W1200	.....	....do	Highway	.....	43,472	43,472	96,604
		Total		.....	56,972	56,972	126,606
		Benton County:					
W1158	.....	Corvallis	University building	$165,000	135,000	300,000	300,000
		Clackamas County:					
W1176	.....	Milwaukie	Office building	.....	22,574	22,574	53,664
W1180	.....	Oswego	Disposal plant	22,000	18,000	40,000	40,000
W1210	.....	Oak Grove	Water works	.....	10,944	10,944	24,320
W1217	.....	Clackamas	Auditorium and gymnasium	.....	7,200	7,200	16,000
W1220	.....	Milwaukie	High-school addition	.....	11,475	11,475	25,500
		Total		22,000	70,193	92,193	159,484
		Clatsop County:					
W1193	.....	Clatsop County	Surfacing	.....	30,556	30,556	67,903
		Columbia County:					
W1199	.....	Columbia County	Bridge	.....	30,469	30,469	67,709
		Coos County:					
W1172	.....	Coos County	....do	.....	41,171	41,171	91,491
		Deschutes County:					
W1211	.....	Bend	Municipal building	.....	13,500	13,500	30,000
W1215	.....	....do	Fire department	.....	6,795	6,795	15,101
W1236	.....	....do	Municipal building	.....	67,500	67,500	150,000
		Total		.....	87,795	87,795	195,101
		Douglas County:					
W1178	.....	Roseburg	Schools	.....	44,181	44,181	98,181
W1182	.....	Reedsport	School addition	.....	7,413	7,413	16,474
		Total		.....	51,594	51,594	114,655
		Gilliam County:					
W1194	.....	Gilliam County	Surfacing	.....	28,545	28,545	63,434
		Hood River County:					
W1165	.....	Barrett	School addition	.....	5,895	5,895	13,100
		Jackson County:					
W1186	.....	Jackson County	Highway	.....	18,517	18,517	41,150
		Josephine County:					
W1189	.....	Josephine County	Grading	.....	29,969	29,969	66,598
		Klamath County:					
W1177	.....	Klamath Falls	Office building	.....	8,335	8,335	18,522
		Lake County:					
W1192	.....	Lake County	Surfacing	.....	45,368	45,368	100,818

Oregon—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Lane County:					
W1214		Junction City	School improvement		$18,000	$18,000	$40,000
W1219		Eugene	Electric distribution		10,494	10,494	23,318
		Total			28,494	28,494	63,318
		Linn County:					
W1184		Linn County	Surfacing		23,960	23,960	53,245
W1230		Brownsville	Bridge		17,785	17,785	39,522
W1233		Albany	Courthouse		126,000	126,000	280,000
		Total			167,745	167,745	372,767
		Malheur County:					
W1174		Vale	Municipal building		5,400	5,400	12,000
W1196		Malheur County	Surfacing		14,646	14,646	32,548
		Total			20,046	20,046	44,548
		Marion County:					
W1235		Salem	Courthouse		266,405	266,405	592,010
		Morrow County:					
W1197		Morrow County	Highway improvement		12,495	12,495	27,767
W1229		Heppner	Street improvement		8,441	8,441	18,759
		Total			20,936	20,936	46,526
		Polk County:					
W1187		Independence	High-school addition		18,000	18,000	40,000
		Umatilla County:					
W1190		Umatilla County	Highway		20,077	20,077	44,615
W1198		do	Bridge		17,663	17,663	39,250
		Total			37,740	37,740	83,865
		Union County:					
W1082		La Grande	Dormitory	$39,000	31,909	70,909	70,909
W1195		Union County	Surfacing		30,130	30,130	66,955
W1205		La Grande	Bridge		9,178	9,178	20,396
		Total		39,000	71,217	110,217	158,250
		Wasco County:					
W1181		The Dalles	Waterworks		270,000	270,000	600,000
		Washington County:					
W1228		Forest Grove	High-school addition		29,475	29,475	65,500
		Yamhill County:					
W1185		Yamhill County	Highway		23,722	23,722	52,716
W1234		Newberg	High-school addition		64,839	64,839	144,087
		Total			88,561	88,561	196,803
		Grand total		226,000	1,658,998	1,884,998	3,690,168

The Tax Situation

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1938

RADIO ADDRESS OF HON. DANIEL A. REED, OF NEW YORK, APRIL 26, 1938

Mr. REED of New York. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address made by me over the Columbia Broadcasting System, Tuesday, April 26, 1938:

Friends of the radio audience: I know that the citizens of this Nation would like to accept the recent midnight assurance given by President Roosevelt that he entertains no desire to become a dictator, but because of his acts subsequent to that statement there still remain grave apprehensions in the mind of the public as to his intentions. There is a limit to human credulity. The insistent demand made by the President that the vicious principle of the undistributed-profits tax be retained in the pending revenue bill has not had a quieting effect upon the fears of those who have been the victims of the present depression caused, in part, by the 1936 Revenue Act.

It should be obvious to all of us that had it not been for the dictatorial attitude of President Roosevelt in demanding that the undistributed-profits tax and the capital-gains tax be retained in the present bill, the conferees would have promptly accepted the verdict of public opinion, and under a normal course of legislative procedure these two unsound principles of taxation would have been promptly removed. But instead of yielding to a Nation-wide demand for the relief requested, the conferees in abject obedience to Executive pressure, the exact nature of which the public can only surmise, have permitted the two objectionable features of the bill to remain. It may be that the President does not regard such pressure as dictation, but the millions of men and women who have suffered from months of business stagnation, unemployment, and uncertainty caused in part by the unsound principles of the 1936 Revenue Act, and who want every hindrance to prompt business recovery removed from the present tax bill, do regard the action of the Executive as dangerously dictatorial.

The President is responsible for an inexcusable interference with the orderly functioning of the legislative branch of the Government. This is the branch of the Government directly responsible to the people—and not to the President.

I maintain that when a man, who has been placed in the highest office within the gift of the people and clothed with almost unlimited power, sees fit to defy the will of the public by controlling the action of the representatives of a free people to the injury of the nation, such a course of Executive conduct is dictatorial and not in harmony with the principles of a representative republic.

If it were not for the fact that President Roosevelt has gained control over the legislative branch of the Government, the people, acting through their representatives, would have had no difficulty in speedily removing from business the shackles of the undistributed-profits tax and the capital-gains tax.

The 130,000,000 persons who are now suffering from the worst depression that has occurred in this country during the past 150 years are sick and tired of all this face-saving delay. A distressed people have waited for 6 months for action on the pending tax bill, and yet face saving is considered more important than efforts to relieve millions of men and women from the sad plight in which they find themselves today.

I call your attention to a survey of public opinion conducted by the Industrial News Review, of Portland, Oreg. This organization sent out a questionnaire to the 12,585 rural editors in the 48 States. The questionnaire was sent out since the tax bill has been before Congress, and the answers have just recently been compiled. The questions and the percentage of opinion of the thousands replying are as follows:

Do you favor repeal or revision of the capital-gains tax?—91 percent yes.

Do you favor repeal of the undistributed-profits tax?—91 percent yes.

Do you favor continuance of the trend to expand Federal competition with private business?—97 percent no.

Do you believe industrial monopoly is largely responsible for present business depression?—81 percent no.

Do you believe that present general governmental policy is conducive to orderly recovery and sustained prosperity?—88 percent no.

Do you believe a person with ready money is justified in fearing to invest it in industrial securities?—85 percent yes.

I believe that the answers to these questions by those to whom they were submitted fairly and accurately represent the views of thoughtful persons throughout the country. The President knows this, the Congress must be keenly aware of it, and yet the public has been compelled to submit to the dictatorial demand of the Executive in opposition to the will of an overwhelming majority of 130,000,000 citizens. Unless this great majority rises in its might and makes its voice heard and its power felt as it did in opposition to the reorganization bill, the tax bill will retain the principles which have proved so injurious and obnoxious to business.

I maintain that the citizens of this Nation have tolerated and endured too long the incessant creation of restrictive laws and regulations by which their individual liberty of action has been more and more curtailed. The most dangerous thing that can happen to the citizens of this Nation is to be seduced into the belief or to become persuaded that equality and liberty are better assured by the multiplication of restrictive laws.

I may illustrate the direction this Government is pursuing by quoting what Herbert Spencer once said with reference to the English Parliament:

"Rapidly multiplying dictatorial measures have continually tended to restrict individual liberties, and this in two ways. Regulations have been established every year in greater number, imposing a constraint on the citizen in matters in which his acts were formerly completely free, and forcing him to accomplish acts which he was formerly at liberty to accomplish or not to accomplish at will. At the same time heavier and heavier public, and especially local, burdens have still restricted his liberty by diminishing the portion of his profits he can spend as he chooses, and by augmenting the portion which is taken from him to be spent according to the good pleasure of the public authorities."

If the time ever comes when the citizens of this country look with indifference upon the restrictive laws being forced upon them by dictatorial pressure, they will pay for it by being reduced ultimately to a condition of servitude.

The principles in the pending tax bill for which President Roosevelt is fighting do not concern revenue primarily, but, rather, that of retaining the powers of industrial discipline. To gain this power he is willing to defy the will of the people and even go so far as to deadlock and defeat the very legislation which is so essential to the restoration of public confidence and business recovery.

I know that the citizens of this country recall that when another experimental piece of legislation was proposed by the President he said in his message to Congress on March 16, 1933:

"If a fair administrative trial of it is made and it does not produce the hoped-for results, I shall be the first to acknowledge it and advise you."

While the President never did acknowledge his mistakes with reference to that legislation, the disaster which the present tax law has brought to industry and to labor and to the country generally should be a warning to him not to insist upon continuing these unwise principles.

We Republican members of the Ways and Means Committee warned against the dangers to be expected from the 1936 Revenue Act in these words:

"That this tax would—

"1. Discourage and possibly prevent the accumulation of adequate rainy-day reserves and constitute a direct threat to the security of business, employment, and investments.

"2. Cause corporations to restrict the distribution of their existing tax-paid reserves, which could only be rebuilt under penalty.

"3. Discourage business rehabilitation and expansion and have a retarding effect upon recovery and reemployment.

"4. Hamper the growth of small corporations, impede the development of new enterprises, and foster monopolies.

"5. Put a penalty on prudence and a bounty on improvidence and constitute an unwholesome interference with the exercise of sound judgment in the management of business.

"6. Accentuate the extremes of future booms and depressions.

"7. Oppress businesses burdened with debts and result in a restriction on corporate credit.

"8. Drive capital out of productive enterprise into tax-exempt securities.

"9. Violate every sound principle of income taxation, be arbitrary and oppressive in its application, and unequal and discriminatory in its operation.

"10. Crucify financially weak business enterprises, while permitting the strong to minimize or entirely escape the tax.

"11. Create inequities and unfair competitive situations which would be far greater and more real than the imaginary ones it purported to correct.

"12. Result in the double taxation of all dividends paid out of reserves, whether accumulated in the past or in the future.

"13. Cause untold confusion and add bewildering complexities in the computation and administration of the tax.

"14. Abandon an assured revenue of $1,100,000,000 annually for one purely speculative and uncertain, and which promised to be most disappointing in amount, thereby further jeopardizing the Federal revenue.

"Our warning—accurately prophetic—was completely ignored. Had it been heeded, the country would not today be in the midst of a depression of the deepest magnitude—a Franklin D. Roosevelt depression."

We have likewise opposed with vigor the attempt to embody the same unsound principles in the present tax bill. I call attention to what we Republican members of the Ways and Means Committee said in our report upon the present bill:

"The mere fact that the proposed undistributed-profits tax in the pending bill may be less burdensome in some instances than the present law does not beguile us into approval of the unsound principle which it embodies. It has been said, 'Of two evils, choose the lesser,' but this admonition applies only when there is no other alternative.

"The same objections which we made to the existing undistributed-profits tax apply with equal force to the undistributed-profits tax principle which remains in the bill before us. Such differences as exist between the two measures are of degree only.

"The bill, if adopted, would continue to tax, at a higher rate, the business that is least able to pay; to discriminate among competitors by taxing them at different rates on the same earnings; and to put a penalty on the accumulation of 'rainy day' reserves, which in effect are insurance policies which enable business to weather economic adversity while maintaining in some degree at least employment and wages.

"In our view, there can be no compromise where fundamental principles are concerned. The undistributed-profits tax is punitive in character and repressive in effect, and should be completely eliminated from our tax system.

"We commend to the majority the sound doctrine of 'taxation for revenue only.' "

In conclusion, we Republican members of the Ways and Means Committee take this position:

"We are of the firm conviction that the greatest need of the hour, and the only thing which will turn our footsteps toward the road to recovery, is continuous, unwavering encouragement to business. The most important and far-reaching way in which such encouragement can be given is by relieving business of the restrictions and impediments which this administration has placed in its way, foremost among which is the present policy of repressive taxation."

It is the voice of a sovereign people that should be heard and obeyed by the Congress and not the dictatorial demand of one seeking more power to rule and regiment.

My Work As a Congressman

EXTENSION OF REMARKS

OF

HON. ARTHUR W. MITCHELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1938

ADDRESS OF HON. ARTHUR W. MITCHELL DELIVERED FIRST IN NEW YORK CITY

Mr. MITCHELL of Illinois. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech recently delivered by me in New York City:

My friends, when you invited me to come here to speak, you suggested that I tell you something of my experience in the Congress of the United States. In some form this question has been asked me by one or more persons in practically every audience before which I have appeared since I entered Congress, January

3, 1935. I know why this question is uppermost in your minds. It is because, of the 22 colored men to serve in the House of Representatives, I am the first and only one to sit on the Democratic side of the House and to represent the Democratic Party.

When I entered the Congress there were grave misgivings in the minds of thousands of our citizens as to how I would be received by the members of my own party, and there were many expressions uttered by men in high positions to the effect that my presence in Congress would mean nothing insofar as helping the race. They claimed that the party of which I am a member was so steeped in prejudice and hatred toward and for the Negro that not only would my presence in the Congress be looked upon with grave suspicion by a large number of my colleagues on the Democratic side of the House but that it would be impossible for me to enlist the sympathy, the good will, and the cooperation of these men in any effort I might put forth in the interest of my own group. I did not believe that such suspicions were well-founded. It has always been my contention that a man who goes into any field with the sole intention of doing good and measuring up to the highest standard of citizenship would find a hearty response in the souls of those with whom he associates; it matters not what field in which he chooses to engage.

As a candidate for election to Congress, I said time and again that for a man to succeed in life he necessarily must have friends to whom he can look, not only for sympathy but for help. I said further that what is true with individuals in this respect is in the same or in a larger measure true of a race. I therefore entered Congress with the intention of making friends for myself and for the race. To do this I knew I would have to be diplomatic and careful, not only in word but in deed. It was not difficult for me to do this, because I have always sought to live this kind of life. Fortunately for me, I was brought up largely at the feet of that great statesman and leader, Booker Washington, who believed and taught that if a man would have friends he must first show himself friendly. He urged again and again that if a race would have friends it, too, must show itself friendly. This spirit has dominated my actions in Congress. Indeed, it has dominated my actions in life.

You will be interested to know that during my campaign in Chicago for election to the Seventy-fourth Congress my opponent, the Honorable Oscar DePriest, circulated a pamphlet throughout the First Congressional District in which there was a cartoon designed to show me in Congress. I was portrayed as being enclosed in a wire cage in one corner of the House Chamber on the Democratic side, with no colleagues associating with me or permitting me to enjoy any of the privileges accorded the Members of the House. It was false statements of this type which contributed a large part in leading the public to believe that as a Member of Congress on the Democratic side I could perform no useful duties either for the race or for the Nation. It is a pleasure for me to tell you that these ideas no longer exist in the minds of anyone who is the least informed or knows anything about what has gone on in Congress with reference to my activities during the nearly 4 years I have been a Member of that great body. Here I would like to read a brief statement which appeared in a score of white newspapers of the Pacific coast, the title of which is:

"WATCHING WASHINGTON WITH BEN O'BRIEN

"POMONA, CALIF., September 30, 1937.—There are plenty of hard jobs in Washington, and many official positions put such a strain on the men who hold them that their effect is as deadly as any slow poison ever was. Congressman ARTHUR W. MITCHELL, from Chicago, holds one of those man-killing positions. He is the only Negro Member sitting in the Seventy-fifth Congress; and what is probably even more remarkable than that, he is a Democrat.

"He is relentlessly squeezed between powerful opposing forces. The members of his own race, naturally, are anxious to have him adopt an aggressive policy of action. Southern Democrats, on the other hand, are so steeped in prejudice that they would like to see him meekly surrender all power and privilege of his office.

"Congressman MITCHELL is an intelligent and able man, and by following neither of these courses he is serving the best interests of his people and accomplishing far more than he otherwise could.

"Although he sacrifices none of the dignity and honor of his position, still, by a policy of moderation and conciliation he is managing to perform his duties without arousing the resentment of touchy southerners. His work in securing his people the rights in the civil service to which as citizens they are entitled should have the admiration of all liberals.

"In personal appearance Congressman MITCHELL is perhaps a little above medium height, rather unusually handsome, and has shoulders and a chest which give evidence of exceptional strength. He dresses conservatively and in excellent taste. He is inclined to be reserved and to keep his own counsel—but this is not an indication of weakness. On the contrary, he makes a definite impression as a man of purpose and determination who knows what he wants to do and how best to do it, and is quietly resolved to do as much as he can.

"The admirable fashion in which he is discharging the difficult duties of his office merits commendation both from his own people and the white race."

I do not know the writer of this article. I have never met him, but evidently he is one of the many newspapermen who sit in the House gallery day after day and observe the activities of the Members of Congress.

MAKING FRIENDS FOR THE RACE

I wish here to read a letter or two from my colleagues in the House that will give you some idea of the impression I have made on those with whom I have worked daily. I have hundreds of these letters coming voluntarily from my associates. I have selected two or three to be used in this speech. The first is a paragraph taken from a letter coming from Governor Henry Horner, the distinguished Governor of the State of Illinois. This paragraph reads as follows:

"You have been doing a splendid piece of work for not only your people, but for the entire district, and your State. We are very proud of you. Good wishes.

"Sincerely yours,

"HENRY HORNER."

This letter is dated November 5, 1937. Following the Governor's letter, I want to read the whole of a letter coming from the Honorable JOHN W. MCCORMACK of the Twelfth District of Massachusetts, which reads as follows, I quote:

MARCH 16, 1936.

Hon. ARTHUR W. MITCHELL,
House Office Building, Washington, D. C.

DEAR MR. MITCHELL: I am taking this means in writing of conveying to you the respect that you have created in the minds of your colleagues in general for not only your ability but the fine manner in which you have performed your duties. It was my pleasure, as a member of the Ways and Means Committee—the Democratic members of that committee constituting the Democratic committee on committees in the House—to vote for your election to the important and major Committee on the Post Office and Post Roads, an unusual honor for a first-term Member to receive. I have never regretted my vote.

The Democratic Party is the only Nation-wide political party in the United States. Its membership is not limited to a section of our country, or to a portion of our people. It embraces persons of all creeds and races and nationalities. It was pleasing to note on your election, which fact made a profound impression upon the country, that the Negro race for the first time in the history of the Democratic Party had had elected to the Congress one of its members. The character of service that you have rendered, constructive, with broad vision and gentlemanly conduct, has aroused the admiration and respect of everyone, which reflects credit upon yourself, your family, and your constituents. Yours has been the type of public service that has and will continue to produce better understanding and appreciation of the position, hopes, and problems of the various economic and social groups of our people.

The fact that you are the first Democratic Congressman of the Negro race to be elected to the Congress, although I have been informed that 21 Republicans have been elected in the past, placed you in an unusual position, a great honor, and carrying with it great responsibilities. You have accepted the honor and assumed the responsibilities in a commendable manner. Your conduct in debate has been admirable, always showing a profound knowledge of your subject, always making constructive contributions in a broad and tolerant manner, productive of the best results possible, not only to the country at large but particularly to the people of the district that you so ably represent with honor and dignity.

I am sure that the motive which prompts this letter will not be misunderstood. My recognition and appreciation of your unusual position, the fact that while you directly represent the people of your district in their relation to the people of the rest of the country, that indirectly approximately 12,000,000 of our people are directly interested in and concerned with your manner of representation, the fact that this is your first term of what I hope, as it should be, will be a long career in the Congress, prompts me to convey to you, not orally but in writing, the thoughts which I have expressed herein.

With best wishes, I am,

Sincerely yours,

JOHN W. MCCORMACK.

Perhaps you are now ready to say that we have always received sympathy from the people of Illinois and the people of Massachusetts in high positions, but what about those from the far South? In answer to that I wish to read for you a letter which I have received from Congressman O. H. Cross, of the Eleventh District of Texas, which letter reads, as follows:

FEBRUARY 4, 1936.

Hon. ARTHUR W. MITCHELL,
House of Representatives, Washington, D. C.

MY DEAR COLLEAGUE: I want to commend you for your patriotic services during the Seventy-fourth Congress.

You have certainly made an enviable record, and by your gentlemanly conduct done much to raise the opinion of the House in its estimation of the Negro race. You have certainly been diligent in looking after the interests of your district, and the entire Democratic side of the House has for you the most sincere respect and admiration, and I know of no Member they had rather assist than they would you.

This comes from my heart. I was born and reared in Alabama and my father was a large slave owner, and, while I came on after

the war, my father being a large planter I was thrown with and played with the Negro children and learned to have a true affection for them.

I have heard you speak on the floor and know with what force you can speak and the sincerity of the ring of your voice, and if your constituents appreciate you as we do here, I am sure you stand high in their estimation.

Sincerely yours,

O. H. CROSS.

I will to call your attention briefly to two statements in Congressman Cross' letter. First, he says: "You have certainly made an enviable record, and by your gentlemanly conduct done much to raise the opinion of the House in its estimation of the Negro race." I ask my listeners if this is not as high a tribute as can be paid a member of our race thrown in daily contact with the outstanding thinkers of our Nation? What more substantial contribution can I make as a Member of Congress than to raise the opinion of the Congress of the United States in its estimation of the Negro race? If I have done that, as Congressman Cross so plainly states, am I not carrying out the great task of making friends not alone for myself but for my race and for the generations yet to come?

He states further, "* * * and the entire Democratic side of the House has for you most sincere respect and admiration, and I know of no Member they had rather assist than they would you." My friends, permit me to bring to your attention this fact: There are in the House 435 men and women participating in every measure which comes before the House; I am only one of that number; I could achieve no success except through and by the cooperation and help of other Members of the House. Do you realize what it means for a Member of Texas to say that there is no Member of Congress that the Democratic Party had rather assist than they would me? Does this not demonstrate to you and to others who have doubted my ability to make friends on the Democratic side that the task is being performed better than it has been performed at any time in the history of our freedom in this country?

And may I quote again the last paragraph of Congressman Cross' letter: "I have heard you speak on the floor and know with what force you can speak and the sincerity of the ring of your voice, and if your constituents appreciate you as we do here I am sure you stand high in their estimation." I do not hesitate to say to you that my record of achievement in the Congress, aside from what I have read in these letters, far overshadows that of any of the other twenty-odd men of our race who have occupied seats in Congress.

BILLS INTRODUCED

Twenty-two days after I took the oath of office I introduced an antilynching bill. In this connection, permit me to say that there have been more than 5,000 lynchings in the United States during the past 50 years. I am today the only Negro Member of Congress who has ever introduced an antilynching bill. Not only was I successful in introducing an antilynching bill, but secured a hearing on this piece of legislation which was most outstanding in its character and far reaching in its effect. My influence in the House for the passage of an antilynching bill far surpassed that of any other Member. In this connection, permit me to read you this letter written by one of my colleagues to Mr. Walter White, secretary of the National Association for the Advancement of Colored People, March 17, 1937. I quote:

MR. WALTER WHITE,
Secretary, National Association for the Advancement of Colored People,
69 Fifth Avenue, New York, N. Y.

MY DEAR MR. WHITE: Replying to your letter of March 5 in which you make reference to the antilynching bill, please be advised that Congressman ARTHUR W. MITCHELL, of Illinois, has succeeded in arranging with the Judiciary Committee for hearings to be held on his antilynching bill and, of course, I shall support Congressman MITCHELL in his efforts to secure the passage of his bill at this session of Congress.

Of course, you already know that Congressman MITCHELL is recognized as one of the outstanding leaders of his race in America and is highly esteemed by all Members of Congress, both Republican and Democratic.

Mr. MITCHELL is one of the most brilliant and useful Members of Congress. Everyone has confidence in him and everyone knows he is working in the best interests of the colored people.

It is because of these facts that Congressman MITCHELL has been able to secure the cooperation of the Judiciary Committee in arranging for hearings to be held on his bill which is, in itself, an achievement inasmuch as this is the first time in more than 20 years that hearings have been granted to a bill of this nature.

Congressman MITCHELL is making real progress in behalf of an antilynching measure and will have the full support of a majority of those who favor legislation of this type.

Sincerely yours,

BROOKS FLETCHER,
Eighth Ohio District.

The following paragraph, taken from a letter written by Congressman A. J. SABATH, member of the Rules Committee, March 26, 1936, to Mr. Walter White:

"Congressman MITCHELL of Illinois has been unceasing in his efforts to effect enactment of antilynching laws, and I am in accord with him in his desire to secure action at as early date as possible.

"Sincerely yours,

"A. J. SABATH."

Some of the other bills of far-reaching importance which I have introduced in the House and to which I would like to call your attention are H. R. 3691, a bill to provide for appointments in the classified civil service of the United States of persons making the highest grade in competitive examinations and denying to appointing officers power or discretion to pass over the name of the person highest on the eligible list established as result of such competitive examinations; H. R. 2249, a bill to prohibit the President of the United States and the United States Civil Service Commission, or any branch thereof, from requiring, as a condition precedent to the taking of an examination for a position in the classified civil service or as a condition precedent to an appointment in such service, a photograph of applicants for such examinations; and H. R. 2250, a bill to create an Industrial Commission on Negro Affairs and to study the economic conditions of the Negro; to study the labor problems in which the Negro is fundamentally interested; to stimulate and encourage thrift and industry among the Negroes of this country; to promote the general welfare of the Negro in industrial pursuits and to encourage his general uplift; to work out plans looking toward the solution of the different problems confronting the Negro race of the United States and to report the findings, etc., to heads of the departments and to the President; and H. R. 3692, a bill to provide for the manner in which appointing officers shall designate the sex of the person about to be appointed in the classified civil service; H. R. 12388, a bill to provide for the recognition of the heroic conduct and devotion to duty of Matthew A. Henson, one of the survivors of the polar expedition of Admiral Peary, and to provide a life pension for the said Matthew A. Henson; and H. R. 8821, a bill to amend the Transportation Act (title 49, No. 3 (1) U. S. C.) so as to prohibit the segregation of interstate passengers on account of race, color, or religion.

Hearings have been conducted on several of these bills and they are now about ready to be reported to the House for consideration. I should like also to call attention, my friends, to the fact that on various occasions I have addressed the House of Representatives not only on important legislation such as the antilynching bill, the Social Security Act, the agriculture bills, but I have delivered set addresses on The Democratic Party and the Negro, The Republican Party and Its Attitude Toward the Negro, The New Deal, and What It Means to the Negro, and many other subjects. I wish here to call your attention to the fact that on April 5, 1937, I spent 30 minutes addressing the House of Representatives on The Life and Work of the Late Dr. Booker T. Washington. This was the first and only time that the Congress of the United States has shown this kind of recognition to a member of the Negro race.

It is not possible for me to give you more than a brief hint of the far-reaching importance of my presence in the Congress of the United States. It is my opinion that nothing has done more to soften and remove prejudice in the minds of the lawmakers of this country than my presence and my conduct in the Congress. It is with a degree of timidity akin to embarrassment that I refer to these things, but you have asked me to tell of my experiences and my achievements in Congress. I believe the subject is important. I believe also that because of the false impression that has been given to the public through designing persons, it is necessary for me to make the statements and bring to your attention the facts I have just given you. I know you understand the spirit in which it is done. Those knowing my background and early training have never questioned my interest in working out a program for my group, and on no occasion have I ever failed to take a stand for all the rights and privileges for the Negroes that are enjoyed by other races.

MY FIGHT FOR EQUAL ACCOMMODATIONS IN TRAVEL

Only a few days ago my attention was called to a statement which I made before the Committee on Interstate and Foreign Commerce of the House of Representatives in the Sixty-sixth Congress in September 1919. This was 15 years before I was a candidate for election to Congress. I, along with a group of men and women, appeared before this committee to give testimony in behalf of H. R. 4378, commonly known as the Madden bill. The purpose of this bill was to destroy and prevent discrimination against colored passengers traveling interstate. The present leader of the House, Hon. SAM RAYBURN, of Texas, and Senator ALBEN W. BARKLEY, the present Senate leader, were members of this committee before which I appeared. Among other things I said, you will find the following, which it seems to me should show conclusively what my attitude toward Negro rights was long before I thought of occupying a seat in Congress:

"While the statute of every Southern State provides for equal but separate accommodations for the colored and white races, I have seen no place in the South where there is any serious attempt to enforce that part of the 'Jim Crow' law that provides for equal accommodations for colored and white passengers. In most instances old, inferior cars are used for colored passengers. In

many cases a part of the baggage car is partitioned off and used for the colored passengers. This compartment, though small, is divided between the conductor, who uses two seats for his business, and the colored passengers. White railway laborers traveling up and down the railroad usually sit in the colored car when they should be traveling in the smoker. Many railroads in the South do not carry a smoker for colored passengers. Often drunken and low-bred white men are permitted to ride in the so-called colored coach. It is the custom to carry prisoners, white or colored, in the colored coach.

"On more than 50 percent of the railroads in the South colored men and colored women passengers have to use the same toilet, as the small compartment used for colored passengers has only one toilet. The car is usually filthy and unsanitary. I have seen no place in the South where colored passengers are allowed Pullman accommodations on equality with white passengers. In most of the cities in the South a colored man cannot purchase a Pullman ticket.

"I have ridden from Birmingham, Ala., Atlanta, Ga., New Orleans, La., and from other cities in the far South, to Washington many times in company with professional colored men, all of whom were denied Pullman-car and dining-car accommodations. I have seen bishops of churches, colored doctors, and lawyers, traveling as interstate passengers, denied service in dining cars. I have seen the wives of colored officers traveling from the far South to Army training camps in the North to bid their husbands good-bye before they sailed to offer their lives for their country, compelled to travel from Atlanta, Ga., to this city in a crowded, unsanitary day coach, when white passengers were permitted to ride in Pullman cars and have access to the dining car. I have seen colored officers returned from overseas, wearing French and American decorations, denied the comforts of the Pullman and dining-car service and humiliated by having to travel in the 'Jim Crow' car.

"The purpose of the separate or 'Jim Crow' law is rank discrimination against the colored people. The defenders of the 'Jim Crow' law explain it on the grounds of racial inferiority and say that the laws providing for separate accommodations are made and maintained for the best interests of both races and for the preservation of peace, when, as a matter of fact, nothing has done more to create a spirit of unrest and dissatisfaction in the heart of every self-respecting Negro, perhaps with a single exception—lynching—that the 'Jim Crow' car and the accommodations for colored people on public carriers for which they pay first-class fare. The Negro should have every railroad accommodation for the same money that is granted other races. He does not ask this as a matter of charity but demands this as a right. The only way to have equal accommodations is to have the same accommodations for all. There can be no equality of accommodations with separation of passengers."

As further evidence of my fight for Negro rights in this country, I think it is permissible for me to refer to a suit which I now have pending against certain railroads and the Pullman Co., the purpose of which suit is to secure for Negroes traveling as interstate passengers the same accommodations as are given passengers of other races. This suit is outstanding in its nature. The facts are such that I am bound to get a decision compelling southern railroads to give Negro passengers the same accommodations they give white. The fight grew out of certain insults and mistreatments which I witnessed on the Rock Island Railroad while on a trip to Hot Springs, Ark., April 1937. Recently a hearing on this suit was held in Chicago, and many witnesses working for the railroad were brought from Arkansas and Tennessee to testify in this case, but their testimony and my own testimony were of such convincing nature that there is no question in my mind but that I will receive a decision compelling railroads to modify their attitude toward the Negro traveling public.

A RECENT STUDY OF THE RACE IN THE SOUTH

You will be interested to know that I have recently made an automobile tour through the South covering nine Southern States. I had conferences with 4 Governors, 80 mayors of cities and towns, many college presidents of both races, educators, ministers, bishops, political and fraternal leaders of both races, and I am convinced that this good will which I have endeavored to help foster is gaining a firm foothold on those who shape the policies of the races. I believe we are growing better. I am greatly encouraged because of that friendly spirit shown by those with whom I conversed while on this trip.

I say again what I said in the campaign, I shall bend every effort to make friends for myself and for the race. I believe in the doctrine of good will between individuals and between races. It is just as necessary to have it in the South as in the North. The Negroes' problem is largely in the South and must be worked out there. There is no substitute for good will between the races.

OUTSPOKEN IN MY SPEECHES

If you have read the speeches I have made since I have been a Member of Congress, you certainly know that on no occasion have I failed to speak out in ringing terms in behalf of Negro rights and absolute justice for the race. I have always contended that in this great American Government there should be no color line. While there might be scores of others who are Members of Congress today and who permit color to influence their action on legislation and on appointment, this certainly cannot be said of me. I have drawn the color line on no occasion since I have been a Member of that body. This is borne out not only by my speeches and by my vote, but specifically shown by the appointments I have made of colored and white boys to the Military Academy at West Point and to the Naval Academy at Annapolis. Before I became a Member of Congress no colored boys had been admitted to the Naval Academy for more than 70 years. I have made several appointments of colored boys to this academy, and two of these colored boys have been admitted. I have in the Military Academy at West Point today one white boy appointed by me and one colored boy, both of whom are making good.

I have pursued the same course in making recommendations for appointments to jobs, both in Washington and in Chicago. In December 1937 I made 152 appointments for temporary work in the post office in Chicago, 72 of these people belonging to the white race and 80 belonging to the colored race. I have appointed more than 50 to some sort of position either in Washington or in Chicago. I have appointed more than this number of colored. I have no right to censure my colleagues for discriminating against Negroes and drawing the color line in favor of members of the white race and at the same time I engage in drawing the color line and discriminating against white people for Negroes. I have contended that a man's color should play no part in determining his fitness to hold office and to fill positions either in the industrial world or in the political world, and I have lived up to this teaching. It was Lawrence Hope who said:

Men should be judged not by their tint of skin,
The gods they serve, the vintage that they drink,
Nor by the way they fight or love or sin,
But by the quality of thoughts they think.

The people of my district, white and colored, Republican and Democrat, have shown great appreciation for the stand that I have taken on legislative matters and on all questions of public interest. The number of my friends in both political parties in my district have shown great appreciation for the services that I have endeavored to render to my district, my city, my State, my race, and the Nation.

My final word to you is this: I shall continue to serve my country and my people with the very best there is in me. If on any occasion I fail to stand up for that which is just and right and show consideration and tolerance for all, regardless of race, I say to you, I want my right hand to forget its cunning and my tongue to cleave to the roof of my mouth. With these words I close.

"I'm Afraid," Said Daniel Boone, "Think I'll Stay Home"

EXTENSION OF REMARKS

OF

HON. H. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1938

Mr. VOORHIS. Mr. Speaker, I wish to call the attention of the House to an editorial which appeared in the Philadelphia Record for Tuesday, April 26, 1938. The Record is one of the few large daily papers which has consistently and intelligently supported President Roosevelt and the New Deal, and this editorial is one of the most splendid things I have read in a long time. Here it is:

Kentucky was a mighty experimental proposition in the days when the first American pioneers reached the blue grass. No conservative American, with both feet on the ground, would have made the attempt.

We can see their heads wagging, like china dolls on a shelf.

"Kentucky would be all right," they'd say, "but what about fear of Indians, fear of poor trails, fear of famine? How can a businessman go ahead under those conditions? We don't know what tomorrow might bring."

We wonder what the American pioneers would have thought of some of the American publishers gathered in New York for the Associated Press and American Newspaper Publishers' Association conventions. From one end of the country to the other they have come, in luxurious trains, to put up in luxurious hotels—and too many of them talk of nothing but fear. They say they are afraid of the New Deal, afraid of Roosevelt, afraid of the spending program.

Apparently, if there aren't any Indians, conservatives have to invent them.

"Fear of political conditions," says Col. Frank Knox, of the Chicago Daily News, "is hurting business."

"There's a lot of pessimism," says Col. Robert R. McCormick, of the Chicago Tribune.

(Apparently military titles are no safeguards against the jitters.)

"Fear of the New Deal," says the lady publisher of a newspaper in Tom Girdler's "little steel" territory, "is hurting trade."

Not all publishers, of course, join the calamity chorus. From New Orleans, from California, come more cheerful sentiments. And William Allen White last week pointed out that he saw little to worry about.

But the bigger the publisher, the more prosperous his enterprise, the more fearful he seems to be. If someone said "Boo!" at the convention, half the colonels in America would dive under their seats.

What are they afraid of? They're all eating regularly; they know where they'll sleep tonight; life may be earnest, but it is fairly soft for most of them.

Compared to the hard realities and the genuine fears of those who made America, their condition is sweet indeed. Men of this same kidney lamented under Jackson that the country was going to the dogs; that dangerous political experimentation was destroying the American way; that the old realities were being lost.

And compared to the condition of the jobless poor, patiently waiting for work relief, their condition is wondrous beyond words. The jobless do have grounds for fear * * * but you don't hear them talking about it; they buckle up their belts and look for work.

Truth is, our pioneering days are not over.

Long ago we found our last geographical frontier, but we are just penetrating a new economic frontier. We are discovering a new territory, a new market, within our own Nation. It is a territory of the underprivileged, the poorly fed, the poorly housed. Its existence is a national disgrace, and it is also a national opportunity for trade and progress far beyond the wildest dreams of colonization.

And because a President has the courage to press against this economic frontier, to attempt to bring civilization to this lost territory, within our borders, to provide jobs so that the jobless can provide markets, these gentlemen are afraid.

Afraid of their own harried faces in their own shaving mirrors. Afraid of perils their forbears would have laughed at.

P. W. A. Projects

EXTENSION OF REMARKS
OF
HON. FRED BIERMANN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 27, 1938

APPROVED P. W. A. PROJECTS FOR IOWA

Mr. BIERMANN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following list of approved applications for P. W. A. projects in Iowa:

Iowa—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Adams County:					
W1107		Adams County	Highways		$28,800	$28,800	$64,000
W1393		Corning	Courthouse		57,150	57,150	127,000
		Total			85,950	85,950	191,000
		Allamakee County:					
W1224		Postville	Storm sewer		11,475	11,475	25,500
W1397		Lansing	City hall		18,000	18,000	40,000
		Total			29,475	29,475	65,500
		Appanoose County:					
W1250		Centerville	Community building		55,350	55,350	123,000
		Benton County:					
W1416		Belle Plaine	Disposal plant		46,800	46,800	104,000
		Black Hawk County:					
W1254		Waterloo	do		472,909	472,909	1,050,909
		Boone County:					
W1233		Boone County	Highways		27,000	27,000	60,000
		Bremer County:					
W1426		Sumner	Town hall		12,150	12,150	27,000
		Buchanan County:					
W1421		Quasqueton	School addition		12,150	12,150	27,000
		Butler County:					
W1269		Butler County	Highways		82,800	82,800	184,000
		Calhoun County:					
W1241		Calhoun County	Highway improvement		98,325	98,325	218,500
W1412		Lohrville	School addition		36,000	36,000	80,000
W1420		Somers	School		13,950	13,950	31,000
		Total			148,275	148,275	329,500
		Cerro Gordo County:					
W1197		Mason City	School		135,000	135,000	300,000
W1303		do	Swimming pool		14,850	14,850	33,000
W1328		Rockwell	Auditorium-gymnasium		8,181	8,181	18,181
W1366		Mason City	Waterworks		54,450	54,450	121,000
W1424		do	Library		58,500	58,500	130,000
		Total			270,981	270,981	602,181
		Cherokee County:					
W1149		Cherokee	Street improvements		18,000	18,000	40,000
W1208		Cherokee County	Highway		140,400	140,400	312,000
		Total			158,400	158,400	352,000
		Clarke County:					
W1219		Osceola	Water mains		12,150	12,150	27,000
		Clay County:					
W1288		Clay County	Jail		11,385	11,385	25,300
		Clayton County:					
W1425		Strawberry Point	Auditorium-gymnasium		12,465	12,465	27,700
		Crawford County:					
W1364		Vail	do		7,650	7,650	17,000
		Dallas County:					
W1406		Granger	School addition		11,025	11,025	24,500

Iowa—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Delaware County:					
W1266		Delaware County	Highway		$20,250	$20,250	$45,000
W1267		do	Bridge		11,475	11,475	25,500
		Total			31,725	31,725	70,500
		Dickinson County:					
W1189		Dickinson County	Highways		23,400	23,400	52,000
W1383		Spirit Lake	Heat plant		7,560	7,560	16,800
W1398		Milford	Town hall		4,725	4,725	10,500
		Total			35,685	35,685	79,300
		Grundy County:					
W1373		Grundy Center	School addition		36,000	36,000	80,000
		Guthrie County:					
W1225		Menlo	Waterworks		18,000	18,000	40,000
		Hamilton County:					
W1204		Webster City	Paving		9,000	9,000	20,000
W1371		do	do		4,950	4,950	11,000
		Total			13,950	13,950	31,000
		Hardin County:					
W1375		Iowa Falls	City hall		54,000	54,000	120,000
		Henry County:					
W1278		Wayland	Waterworks		15,750	15,750	35,000
		Howard County:					
W1418		Cresco	Courthouse		87,750	87,750	195,000
		Ida County:					
W1004		Ida County	Highway		76,500	76,500	170,000
		Iowa County:					
W1401		Marengo	Disposal plant		10,125	10,125	22,500
		Jasper County:					
W1411		Colfax	Auditorium-gymnasium		10,350	10,350	23,000
		Jefferson County:					
W1262		Fairfield	Waterworks improvement		10,227	10,227	22,727
W1281		Jefferson County	Highway		24,075	24,075	53,500
		Total			34,302	34,302	76,227
		Johnson County:					
W1237		Iowa City	Athletic field		22,950	22,950	51,000
W1380		do	Community building		29,000	29,000	64,443
		Total			51,950	51,950	115,443
		Kossuth County:					
W1070		Bancroft	Paving		17,181	17,181	38,181
W1113		Wesley	Water tank		3,272	3,272	7,272
W1405		do	School addition		9,000	9,000	20,000
		Total			29,453	29,453	65,453
		Linn County:					
W1228		Linn County	Surfacing		24,120	24,120	53,600
W1229		do	Bridges		30,150	30,150	67,000
W1230		do	Grading		41,400	41,400	92,000
		Total			95,670	95,670	212,600
		Lucas County:					
W1423		Chariton	School		42,615	42,615	94,700
		Lyon County:					
W1277		Rock Rapids	Swimming pool	$12,000	9,818	21,818	21,818
W1362		Larchwood	School addition		10,800	10,800	24,000
		Total		12,000	20,618	32,618	45,818
		Marion County:					
W1245		Bussey	Auditorium-gymnasium		5,850	5,850	13,000
		Marshall County:					
W1066		Marshalltown	County home		35,550	35,550	79,000
W1280		do	Disposal plant	255,000	208,636	463,636	463,636
		Total		255,000	244,186	499,186	542,636
		Monona County:					
W1313		Mapleton	Auditorium-gymnasium		14,850	14,850	33,000
W1386		Blencoe	School addition		9,675	9,675	21,500
		Total			24,525	24,525	54,500
		Muscatine County:					
W1171		Muscatine County	Highways		81,000	81,000	180,000
		O'Brien County:					
W1304		O'Brien County	do		52,650	52,650	117,000
		Page County:					
W1192		Clarinda	Hospital		54,000	54,000	120,000
W1287		Essex	Waterworks	3,000	2,454	5,454	5,454
		Total		3,000	56,454	59,454	125,454

Iowa—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Polk County:					
W1196		Des Moines	Paving		$32,130	$32,130	$131,400
W1220		....do	Park improvement		14,400	14,400	32,000
W1282		....do	Street improvement		25,830	25,830	57,400
W1330		....do	Fire department		104,850	104,850	233,000
W1365		....do	Street improvement		25,200	25,200	56,000
		Total			202,410	202,410	509,800
W1318		Sac County	Highway		13,500	13,500	30,000
W1319		....do	....do		17,325	17,325	38,500
W1320		....do	....do		26,100	26,100	58,000
		Total			56,925	56,925	126,500
		Scott County:					
W1248		Davenport	Paving		131,400	131,400	292,000
W1316		Scott County	Bridges		30,150	30,150	67,000
		Total			161,550	161,550	359,000
		Sioux County:					
W1020		Sioux County	Highway		160,200	160,200	356,000
		Story County:					
W1384		Shipley	School		16,650	16,650	37,000
		Warren County:					
W1290		Indianola	Courthouse		65,250	65,250	145,000
		Washington County:					
W1046		Washington	Gymnasium		45,900	45,900	102,000
W1367		....do	Paving		4,410	4,410	9,800
W1414		Wellman	Street improvement		22,500	22,500	50,000
		Total			72,810	72,810	161,800
		Winnebago County:					
W1390		Lake Mills	Disposal plant		10,125	10,125	22,500
		Winneshiek County:					
W1140		Decorah	Community building		36,000	36,000	80,000
		Woodbury County:					
W1389		Sioux City	Library addition		56,250	56,250	125,000
W1408		....do	School		56,250	56,250	125,000
		Total			112,500	112,500	250,000
		Worth County:					
W1050		Northwood	Highway		22,500	22,500	90,000
		Grand total		$270,000	3,502,942	3,772,943	7,844,321

Government in Education

EXTENSION OF REMARKS
OF
HON. THOMAS A. JENKINS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 21, 1938

ADDRESS OF HON. THOMAS A. JENKINS, OF OHIO, OCTOBER 27, 1937

Mr. JENKINS of Ohio. Mr. Speaker, under leave heretofore granted me, I hereby extend my remarks by presenting an address delivered by me at the Ohio University at Athens, Ohio, on October 27, 1937, upon the occasion of the celebration of the establishment of the first institution of higher learning north and west of the Ohio River:

Mr. Chairman, honored guests, ladies and gentlemen, I feel highly honored today to be privileged as a member of the National Northwest Territory Celebration Commission to bring to you the greetings of this Commission composed as it is of the President of the United States as ex-officio chairman; two Members of the United States Senate; two Members of the House of Representatives; three distinguished citizens of national reputation, appointed by the President, and the State regents of the Daughters of the American Revolution for the six States carved from the Northwest Territory. I also feel proud that it is my opportunity to compliment the city of Athens and the Ohio University, and all those responsible for this most appropriate celebration which observes with quiet dignity the one hundred and fiftieth anniversary of a great event—the establishment of the first institution of higher learning north and west of the Ohio River. I am proud that I have the honor to represent such a people in the most important legislative body in the world—the Congress of the United States. The subject assigned to me for consideration is Government in Education.

Herbert Spencer wrote that the function of education is to prepare one for complete living.

With the advancement of civilization and the increasing complexity of life generally the people have been forced to melt their individual wishes and preferences in the pot of public weal. The terms "personal rights" and "the rights of the public" now define two well-recognized principles in Government and in human relationships. Government is an institution built to receive the privileges which the individual surrenders up for the common good, and it transfers those surrendered privileges to the public generally. The function of government is to regulate public affairs and to protect private rights. Therefore, in order for education to function, to wit, "to prepare one for complete living" it must have the regulating power of Government in public affairs and the protecting power of government in private rights to assist it at every turn and to make its way straight.

Humanity's need for education is beyond dispute. The blessings of education are reflected in the songs and chronicles of every age. The result of education is the story of advancing civilization. It can be said to the everlasting credit of American government—colonial, continental, local, State, and National—as they have functioned from colonial days to the present, they have always encouraged education and educational facilities. In fact no people in all history have, through public sentiment and through governmental action, done as much toward the advancement of public education as have the people of the United States. The Pilgrim Fathers, from their first landing in 1620, proceeded immediately to make provision for the education and culture of themselves and their children. Under the trying conditions of the pioneer life of the Pilgrims many parents and masters of apprentices became neglectful of their duties toward the education of those for whom they were responsible. This resulted in the passage

of the famous Massachusetts law of 1642 which provided that all parents were required to have their children trained "in learning and labor and other employments profitable to the Commonwealth" and taught "to read and understand the principles of religion and the capital laws of the land." This law of 1642 is remarkable for the fact that for the first time in the history of the English-speaking world a legislative body ordered by law that all children should be taught to read.

After a trial of the law of 1642 for 5 years it became evident that it was not being properly observed. The colonial legislature then enacted a more far-reaching statute. This is known as the Massachusetts law of 1647. In its preamble it stated, among other things, that "the old deluder Satan to keep men from the knowledge of the Scriptures, by keeping them in an unknown tongue" was about to cause learning to be "buried in the grave of our fathers in the church and commonwealth." The law then proceeded to provide:

1. That every town having 50 householders should at once appoint a teacher of reading and writing, and provide for his wages in such manner as the town might determine; and

2. That every town having 100 householders must provide a [Latin] grammar school to fit youths for the university, under a penalty of £1 for failure to do so.

These laws of 1642 and 1647 are by many writers considered to be the greatest contribution that the Pilgrim Fathers and the Puritan government in Massachusetts ever made toward the advancement of mankind and civilization. Beyond any question, they are the basis of the American free public-school system. Thus in colonial America in a few years after the landing of the *Mayflower* was established the first tax-supported free public school. Thus by governmental edict was it established that the universal education of youth is essential to the well-being of government, and that while the obligation to furnish education primarily rests upon the parents, the State has a right to enforce the obligation and to compel contribution from the general public through taxation to meet the expense of such education. These laws prepared the way for that bold and immortal statement by the Continental Congress as written in the ordinance of 1787:

"Religion, morality, and knowledge being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged."

Encouraged by a public sentiment that heartily approved the words, "Schools and the means of education shall forever be encouraged," State and National Governments have felt justified in levying taxes from which has been builded the first and the greatest free public-school system in the world, and the most serviceable system of higher education through colleges and universities that the world has ever known.

Horace Mann, who died in 1859, while serving as the first president of Antioch College, and who is one of the most conspicuous figures in the history of American education, contributed mightily in binding government and education together under a system whereby the former could most effectively aid the latter. He wrote:

"In our country, and in our times, no man is worthy the honored name of a statesman who does not include the highest practicable education of the people in all his plans of administration."

All over these United States as a tribute to Horace Mann and the public-school system there is being observed this year the centennial of the establishment of the first State board of education in the United States. This was established in Massachusetts largely by reason of the efforts of Horace Mann. He was its first executive secretary.

In a brief 100 years under the protection of government our great organized school system has grown from infancy to powerful proportions. This has not been without a great outlay of public moneys. The Public Treasury has been easy to tap for school purposes. Those in charge of school finances might well have a care not to jeopardize the popularity of the schools by encouraging extravagant expenditures.

At the risk of being tedious I shall give you some figures which will show that through finance as well as by theory there is a strong and close relationship between government and education. The Federal Works Administration announced recently that it had assisted in the construction of 6,300 new school buildings, and the Public Works Administration had aided in the construction of nearly 6,000 gymnasiums, school auditoriums, and other school buildings, all of which cost many millions. In Ohio 213 school projects, costing a total of more than $20,000,000, have been built with the United States Government paying about one-half and the State and local authorities paying the balance.

The auditor of state has tabuated for me on a 17-year basis the maintenance expense of the several State colleges and universities maintained by the State of Ohio. I shall only give you a brief summary of these. They apply to the Bowling Green University, the Kent University, the Wilberforce University, the Miami University, the Ohio University, and the Ohio State University. Altogether these universities have cost the State for the past 17 years the sum of $136,948,925. Included in this amount is a capital investment of approximately $15,000,000 for buildings and grounds.

The expenditure for public schools by the State government during the same time was a total of $573,734,000.

The tabulations show a tremendous increase in university and public-school maintenance during this time. The total contributed for maintaining all the universities in 1920 was $3,358,000; while in 1936 it was $9,815,000. The total distributed for maintenance to the public schools in 1921 was $80,633,000; while the total by 1936 had steadily grown to $127,432,000.

I cite these figures not as a suggestion of economy but rather proudly to show what a tremendous stake the people have in the schools and universities of our State. We have a right to enjoy a feeling of pride that government, local, State, and National, are well abreast of the times in providing the means of education. It surely can be said with propriety and pride that the Government is in education. The more free and untrammeled are the schools and means of education, the more complete will be the lives of our people, and the more firm will be our national life.

Can the People Be Bought?

EXTENSION OF REMARKS

OF

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1938

EDITORIAL FROM THE BATAVIA (ILL.) HERALD

Mr. MASON. Mr. Speaker, editors, columnists, and commentators all over the Nation today are asking themselves and their readers the question, Can the people be bought? It seems to me this is a very timely question. We know some individuals can be bought. We have seen the transactions carried out. We know that elections can be bought. We have witnessed this phenomenon also. We are interested in the great question of the day, the question that arises in the minds of many Members of Congress today when they consider the new pump-priming program that has been recommended to them.

The following editorial taken from the Batavia Herald, Batavia, Ill., covers the subject better than I can; therefore I offer it for your consideration:

GETTING READY FOR THE ELECTION

Nineteen hundred and thirty-eight is an election year. That information comes from Washington, D. C., where the New Deal maintains its national headquarters. The biennial distribution of Uncle Sam's bank roll is about to start. Of course, actually, Uncle Sam hasn't got a bank roll, but it is said his credit is still good and this time the old boy is out to raise and distribute $5,000,000,000. That means the rubber band will have to come off the roll at once, and the spenders turned loose to do their job.

Two years ago Uncle Sam distributed $4,000,000,000 among his nephews and nieces all over the country. The four billion had the desired effect on doubtful voters and a satisfactory recording was made in November of 1936. But 2 years have gone by. Things haven't been running so smoothly in the past few months. In fact, New Deal scouts have reported that things look bad at the country crossroads, and some of the votes that were thought in the bag are now on the fence.

Well, there is no use taking chances. Four billion might do the job again this year and send a New Deal majority for the next session of Congress. But there is no use taking chances. In the first place, it's just public money being used; in the second place, what's a billion dollars? Five billion dollars isn't such a tremendous lot of money after all, and the sum will be used to good advantage. Should there be any Jeffersonian Democrats, Republicans, Socialists, or Communists left after that five billion is gone, the five billion will have provided a New Deal Congress to appropriate five, ten, or fifty billions for the Presidential campaign of 1940.

That's not bad political strategy, is it? We'll say not. You remember what Jim Farley said 2 years ago? An inquiring reporter caught him sorting mail and asked him about election prospects. Jim burst out into a hearty laugh, and his reply was the most quoted public utterance of the year—"Beat $4,000,000,000! Don't be silly."

Jim knew how to handle the four billion. And what he didn't know about it he soon found out from Harry Hopkins, W. P. A. czar, and Honest Harold Ickes, the P. W. A. magnate. Harry distributed the hoes and rakes. Honest Harold gave 'em the public "woiks," and Big Jim rushed far and wide to locate post offices. Some of the work of distribution was turned over to Guffey, Nash, Prendergast, and others who are experienced and thoroughly schooled in making public money produce results on election day.

The election results were satisfactory. The $4,000,000,000 seemed to have done a good job. Folks were working. True, of course, most of those working on the "public woiks" were getting only $45 a month, but after all they had a job. Maybe ill-fed, ill-housed, and ill-clad, to use an old New Deal vote catcher—but the folks were working, and they ought to be satisfied. The Washington "medicine men" had come up with the right kind of tonic, and even industry was reviving from the artificial shot in the arm.

But even $4,000,000,000 eventually run out, and with an exhaustion of the money, unemployment went up with a jump that even startled folks back in Washington. Industry was on strike, yelled Ickes. Other New Dealers joined in the same chant. Down with businessmen, became the New Deal slogan. Business couldn't get much further down without going below zero.

So the pump-priming process starts again. Well, there is one thing we have learned from this pump-priming business, anyway. Whenever we see some chap carrying water to the well to give the old pump a little priming we will at least know that we are preparing for a national election.

Kansas Approves of the P. W. A. Program

EXTENSION OF REMARKS
OF
HON. JOHN M. HOUSTON
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 27, 1938

P. W. A. PROJECT APPLICATIONS APPROVED FOR KANSAS

Mr. HOUSTON. Mr. Speaker, by unanimous consent I insert in the RECORD a list of P. W. A. projects for Kansas, the applications for which have been approved.

School boards and municipalities have been seriously embarrassed by the discontinuance of grants by the P. W. A., in that elections were held and bond issues were voted, but construction was held up because of the failure to allot Federal funds for which there was a moral obligation. Applications for other projects will be filed if and when Congress gives the signal to go ahead, and this building program will do much to take up the slack in employment, stimulate industry in general, and provide needed public buildings.

Kansas—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket number		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Allen County:					
W1132		Iola	Jail		$36,000	$36,000	$80,000
		Barber County:					
W1201		Sharon	Waterworks		13,500	13,500	30,000
		Brown County:					
W1311		Hiawatha	Waterworks improvement		17,143	17,143	38,095
W1326		....do	Armory		36,494	36,494	81,098
W1348		Horton	Library		11,149	11,149	24,776
		Total			64,786	64,786	143,969
		Cheyenne County:					
W1026		Bird City	High-school addition		27,000	27,000	60,000
		Cloud County:					
W1278		Clyde	Electric plant	$63,000	49,970	112,970	112,970
		Cowley County:					
W1123		Dexter	Auditorium and gymnasium		12,273	12,273	27,273
W1161		Arkansas City	Waterworks	413,000	337,909	750,909	750,909
W1329		....do	Swimming pool		27,992	27,992	62,205
		Total		413,000	378,174	791,174	840,387
		Dickinson County:					
W1142		Chapman	School buildings		33,750	33,750	75,000
		Doniphan County:					
W1033		White Cloud	Waterworks		14,000	14,000	31,000
W1045		Bendena	High school		13,909	13,909	30,909
W1224		Troy	Jail		13,500	13,500	30,000
W1226		....do	Farm building		16,650	16,650	37,000
		Total			58,059	58,059	128,909
		Douglas County:					
W1096		Lawrence	School		94,500	94,500	210,000
W1110		....do	Community building		111,600	111,600	248,000
W1331		....do	School addition		4,946	4,946	10,995
W1340		....do	Museum		41,850	41,850	93,000
		Total			252,896	252,896	561,995
		Finney County:					
W1063		Garden City	Street improvement		54,450	54,450	121,000
		Geary County:					
W1187		Junction City	Jail		20,454	20,454	45,454
		Gove County:					
W1215		Grinnell	Waterworks		18,818	18,818	41,818
		Greenwood County:					
W1149		Severy	....do		29,835	29,835	66,300
W1153		Eureka	Filtration plant		63,652	63,652	141,450
		Total			93,487	93,487	207,750
		Jewell County:					
W1343		Esbon	Auditorium and gymnasium		12,150	12,150	27,000
		Johnson County:					
W1307		Olathe	Waterworks improvements		12,960	12,960	28,800
		Kearney County:					
W1194		Lakin	Courthouse		43,650	43,650	97,000

Kansas—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Labette County:					
W1016		Edna	Community building		$11,045	$11,045	$24,543
W1100		Oswego	Courthouse and jail		146,250	146,250	325,000
W1323		Parsons	Reservoir		158,970	158,970	353,245
		Total			316,265	316,265	702,790
		Lyon County:					
W1198		Emporia	Municipal building		54,207	54,207	120,460
W1324		....do	School		118,636	118,636	263,636
		Total			172,843	172,843	384,096
		McPherson County:					
W1328		McPherson	Heat distribution		40,500	40,500	90,000
		Marion County:					
W1339		Hillsboro	Vocational school		5,400	5,400	12,000
		Marshall County:					
W1205		Irving	School		29,250	29,250	65,000
		Miami County:					
W1162		Osawatomie	City hall		37,080	37,080	82,400
		Montgomery County:					
W1217		Independence	Gymnasium		33,750	33,750	75,000
		Nemaha County:					
W1128		Wetmore	Waterworks		18,000	18,000	40,000
		Osage County:					
W1118		Melvern	....do		19,636	19,636	43,636
		Pratt County:					
W1250		Sawyer	School		36,000	36,000	80,000
		Reno County:					
W1274		Nickerson	Municipal building		14,918	14,918	33,150
W1306		Hutchinson	College		168,750	168,750	375,000
		Total			183,668	183,668	408,150
		Rice County:					
W1308		Sterling	Waterworks		39,856	39,856	88,570
		Rooks County:					
W1163		Palco	....do		14,727	14,727	32,727
		Russell County:					
W1105		Bunker Hill	Auditorium-gymnasium		16,920	16,920	37,600
W1184		Dorrance	Waterworks		13,909	13,909	30,909
		Total			30,829	30,829	68,509
		Sedgwick County:					
W1164		Andale	Community building		12,600	12,600	28,000
W1256		Wichita	Schools		139,633	139,633	310,296
W1288		....do	Incinerator		76,950	76,950	171,000
		Total			229,183	229,183	509,296
		Shawnee County:					
W1120		Topeka	Auditorium		695,454	695,454	1,545,454
W1155		....do	Courthouse		315,000	315,000	700,000
W1255		....do	Storm sewer		12,330	12,330	27,400
W1262		....do	....do		47,250	47,250	105,000
W1265		....do	Combination sewer		46,485	46,485	103,300
W1314		....do	High-school addition		54,000	54,000	120,000
W1346		....do	Street improvements		31,578	31,578	70,174
		Total			1,202,097	1,202,097	2,671,328
		Smith County:					
W1297		Gaylord	School building		36,900	36,900	82,000
		Washington County:					
W1318		Clifton	High school		28,636	28,636	63,636
		Wyandotte County:					
W1239		Bonner Springs	City hall		13,545	13,545	30,100
W1313		Turner	School addition		63,000	63,000	140,000
W1336		Kansas City	Memorial building		33,750	33,750	75,000
W1345		Muncie	School addition		20,454	20,454	45,454
W1347		Kansas City	High school		337,500	337,500	750,000
		Total			468,249	468,249	1,040,554
		Grand total		$476,000	4,112,973	4,588,973	9,141,743

Northwest Territory Celebration

EXTENSION OF REMARKS
OF
HON. THOMAS A. JENKINS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 21, 1938

ADDRESS OF HON. THOMAS A. JENKINS, OF OHIO, AT NORTHWEST TERRITORY CELEBRATION, MARIETTA, OHIO

Mr. JENKINS of Ohio. Mr. Speaker, under leave to extend my remarks I present an address prepared by me for delivery at the Northwest Territory celebration at Marietta, Ohio, on April 9, 1938:

Mr. Chairman and fellow countrymen, this great concourse of people proves that you and the public generally are interested in this celebration and what it stands for. This celebration justifies the money and energy spent and the genius displayed in making it a great success.

Only three or four generations ago there was not a single permanent human habitation in this while section. The unlettered Indian who paddled his canoe languidly up and down the peaceful Muskingum or across the mighty Ohio was the only human visitor except an occasional trapper pushing his activities into new fields.

For the Indian there were no social or legal restraints that he needed to observe. He was lord of all. He recognized no speed limits, saw no red lights, and parked where he pleased. Taxes, nor rent, nor interest, nor debts, nor unemployment disturbed his peace of mind. Fat buffaloes, tender deer, wild game, and luscious fruits were Nature's bountiful gift to him. He knew nothing of the God of christian revelation but he fervently thanked the source of Nature's bounty. Nothing disturbed him in his quietude. Then

as Charles Sprague wrote: "The rank thistle nodded in the wind and the wild fox dug his hole unscared."

But all this has changed. The untamable Indian retreated before the omnipotent tread of progress. The event which we are celebrating today was the beginning of the end of his peaceful possession. Disconsolately he moved westward clinging to his ideal of freedom and liberty. Slowly he climbed the western plains and mountains from whence he read his doom in the setting sun. He is gone and lives only in the songs and chronicles of those who succeeded him.

In the place of his philosophy of freedom and liberty the pioneers planted their philosophy of freedom and liberty. Who can say that happiness, the ultimate craving of every soul, is ours more than it was his?

Surrounded as we are by all the embellishments of modern civilization living in cities filled with the treasures of art and war, or on fertile farms with broad acres of grain and meadow, and cattle on a thousand hills, are we happier than he was when he reigned supreme? Ours is a more abundant life in its activities and complexities; and ours, too, is a more abundant life in its opportunities; yes, and more abundant also in its responsibilities.

Those who landed here 150 years ago came not to supplant the Indian; neither did they come as missionaries to improve his spiritual or social welfare; neither did they come for conscience' sake; neither did they come from a spirit of adventure, although they and the millions that followed them in the succeeding century across devious mountain trails and down swift and treacherous rivers have been the inspiration of many a thrilling story of bravery and fortitude and many a touching ballad of love and romance. They came bearing the seeds of empire for planting in new and fertile fields.

How well they planted the seeds of empire let these great Commonwealths of Ohio, Indiana, Illinois, Michigan, Wisconsin, and Minnesota, with their 30,000,000 loyal citizens, testify. Let the church bells from thousands of church spires in the Northwest Territory peal out the proof. Let the millions of bright and happy school children sing:

My country 'tis of thee
Sweet land of liberty
Of thee I sing.

For further proof of their work watch the ceaseless currents of commerce as they bear their ever-increasing burdens for the comfort of the people. Who doubts that the warming influence of religion motivates our people more now than ever before? When was knowledge so productive of intellectual and spiritual power as now? And when was morality ever more its own reward than in these days of changing attitudes?

The pioneers came not to exploit, hoping to return with riches and plunder. Their caravans, rattling along noisily, with each wagon containing the nucleus of a pioneer home, were proof of their high purpose to hold and develop the new country.

The movement of immigrants to the United States for 100 years, from 1820 to 1920, was the greatest movement of people in the history of the world. During many of these years as many as a million would find their way into our country. The rapidity with which Ohio was settled was truly amazing. So rapidly did the people migrate into Ohio that within 15 years after Marietta was founded there were 60,000 inhabitants here—enough to entitle her to be admitted into the Union as the first State from the Northwest Territory.

In rapid succession after Marietta other thriving communities grew up: Gallipolis, Chillicothe, Athens, Nelsonville, and many other cities, and all this just a short time beyond the memory of our oldest living inhabitants. Many grand and eloquent tributes have been paid to the courage and fortitude of those who made these early pilgrimages. One writer has said of them, "The coward never started and the weak died on the way." The descendants of these brave men and noble women are in this audience today by the thousands. You have a right to be proud of your forefathers and their contribution to our country's welfare.

Noble and courageous and altogether proper as was the conduct of these hardy pioneers, we must not forget that much of their success is due to the fact that others had planned a system of government for the Northwest Territory before they started on their long and perilous journey. Unlike the Pilgrim Fathers, who established their own government after they landed, these pioneers came with a plan of government already made. Theirs it was to set up a government according to that plan. They did that nobly. While the first group were thoroughly American and familiar with colonial government and American ideas of freedom and liberty, yet many of those who came soon thereafter and spread themselves all over southeastern Ohio were fresh from Europe and entire strangers to our ideals and form of government and totally unaccustomed to the hardship of frontier life. Yet this plan of government had been so well drawn as to meet all such conditions. To those who formulated this great charter of liberty, the Ordinance of 1787, must go the great credit for the successful growth of this great Northwest Territory. The Ordinance of 1787 was the beginning of it all. The "first settlers" are sleeping in their glory, but the Ordinance of 1787 still lives on. Its principles are the fundamental law of those six States carved from it. And these principles have been written into the code of laws of practically every State to the west of us.

That "religion, morality, and knowledge are necessary to good government and the happiness of mankind" has been accepted as a foundation stone in the building up of many State governments. That "schools and the means of education should forever be encouraged" is already proved by the presence in the Northwest Territory of thousands of beautiful schoolhouses, colleges, and universities.

The Ordinance of 1787, promulgated in July of that year, contained several provisions that those who wrote the Constitution and promulgated it in September of the same year would not include in that great document. This fact proves that the government set up for the Northwest Territory contained provisions in advance of the general thought and culture of the Thirteen Colonies. When the framers wrote these words into the Ordinance of 1787, "There shall be neither slavery nor involuntary servitude in the said Territory otherwise than in punishment for crime whereof the party shall have been duly convicted," they settled the slavery question in this Territory without a war. If the framers of the Constitution had written these words into the great document the Civil War might have been averted. It was nearly 80 years thereafter that the thirteenth amendment to the Constitution was adopted. This amendment was adopted freeing the slaves after the close of the Civil War and is practically the same language as that contained in the Ordinance of 1787.

The historical ordinance carried many other wise provisions which were well in advance of the laws of most of the colonies. One of the most worthy impulses that actuates man is the desire to care for his family while he is with them and also after he is gone. Principles of law to control the descent of property are included in this immortal document and have been written in the codes of practically all the States of the Union. This ordinance is stronger than the Constitution itself was when first adopted. From the beginning it provided for trial by jury, freedom of speech and freedom of the press, and many other great human rights, while all these were omitted from the Constitution when it was adopted. They were added, however, by amendment shortly after the Constitution had been adopted. They were incorporated in what we know as the Bill of Rights.

My friends, we who are present here today appreciate the statesmanship of those who drew and promulgated this ordinance of 1787; we respect those who through hardship and fortitude set up for us a government thereunder. God grant that in these days when fascism and naziism and communism are stalking the world in their mad race for power that we as the only remaining democracy among the great powers of the world, may hold high aloft the torch of freedom, liberty, and equality. May we defend and save representative government for the world. We can always draw inspiration for this task from the sagacity of our forefathers who wrote the law for us and from the courage of our pioneers who proved its efficacy and from the thankfulness of the countless thousands who have enjoyed its protection.

What of the future? Not long since it was when one could chart his future with the compasses of the past, but not so now. National moorings have been cut away and anchors lifted. What were the verities of life in the near past are now its uncertainties. In the midst of all these new and changing attitudes let us not forget that the welfare of the people who live on the earth is man's most important consideration. They must eat, sleep, and move about, all of which brings many problems, which can be solved only by human beings. The future may not promise as much remuneration for work well done as the past, but there will always be much to do for clear heads, willing hands, and sympathetic hearts. Industry, integrity, honor, and efficiency will bring their reward in the future as in the past.

P. W. A. Projects in West Virginia

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1938

THE PUBLIC WORKS ADMINISTRATION HAS ACCOMPLISHED MUCH GOOD IN WEST VIRGINIA

Mr. RANDOLPH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

The Public Works Administration has accomplished a splendid program in the Second Congressional District of West Virginia. In many communities there exist today public buildings, water and sewer systems, and many other substantial improvements of a permanent nature which could not have been carried out without the aid of this agency of the Federal Government. I believe that this

splendid program of public improvements has meant much to the State of West Virginia.

In several communities of my district the voters have approved by elections the bond issues necessary to provide the local contributions for worthwhile projects. I hope that Congress will act speedily in enacting the legislation which will set up the machinery which can function to carry out projects already approved, and which can be started soon after funds are provided. I herewith include such a list:

West Virginia—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[Note: "W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
W1129		Braxton County: Sutton	Courthouse addition		$22,950	$22,950	$51,000
W1127		Cabell County: Cabell County	Schools		560,029	560,029	1,244,508
W1141		Huntington	Hospital	$1,096,000	896,727	1,992,727	1,992,727
		Total		1,096,000	1,456,756	2,552,756	3,237,235
W1114		Greenbrier County: Lewisburg	Courthouse addition		13,091	13,091	29,091
W1117		Harrison County: Clarksburg	Jail		49,091	49,091	109,091
W1116		Jefferson County: Jefferson County	Schools		18,000	18,000	40,000
W1104		Kanawha County: Dunbar	Municipal improvements		40,909	40,909	90,909
W1081		Lewis County: Weston	Jail		32,195	32,195	71,544
W1102		Mason County: Hartford	Waterworks		15,628	15,628	34,728
W1134		Point Pleasant	Courthouse and jail		77,400	77,400	172,000
		Total			93,028	93,028	206,728
W1113		Monongalia County: Morgantown	Courthouse addition		40,909	40,909	90,909
W1137		Morgan County: Berkley Springs	High school		87,525	87,525	194,500
W1110		Ohio County: Wheeling	Fire department		13,091	13,091	29,091
W1130		Ohio County	School repairs		58,500	58,500	130,000
W1133		do	School addition		177,557	177,557	394,572
W1139		Wheeling	Water mains		91,516	91,516	203,370
		Total			340,664	340,664	757,033
W1107		Raleigh County: Beckley	High school		48,372	48,372	107,493
W1121		Randolph County: Elkins	School		10,350	10,350	23,000
W1124		Ritchie County: Cairo	Bridge		11,745	11,745	26,100
W1131		Upshur County: Buckhannon	School addition		9,261	9,261	20,580
W1111		Wetzel County: Paden City	Street improvements		17,612	17,612	39,137
W1122		Wood County: Parkersburg	Waterworks		81,000	81,000	180,000
		Grand total		1,096,000	2,373,458	3,469,458	5,274,350

Jefferson and Hamilton Are Contesting Today, as They Have Since the Foundation of the Republic, for Determination of the True Course of Our Nation's Progress

EXTENSION OF REMARKS

OF

HON. HAMPTON P. FULMER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1938

ADDRESS OF CHAIRMAN JAMES A. FARLEY, OF THE DEMOCRATIC NATIONAL COMMITTEE, AT THE REGIONAL CONFERENCE OF DEMOCRATIC WOMEN FOR THE SOUTH ATLANTIC STATES AT COLUMBIA, S. C., APRIL 26, 1938

Mr. FULMER. Mr. Speaker, under leave to extend my remarks, I include an address of Hon. James A. Farley, Postmaster General of the United States, at a conference of Democratic Women for the South Atlantic States at Columbia (my district), S. C.:

I am more than glad of the opportunity to have a political talk with this regional gathering of Democratic women. In the first place, it is inspiring that the convention should be held here in Columbia. For some reason, that I am not historian enough to analyze properly, these southern folks have a very much warmer feeling for their political and patriotic shrines than we of the North appear to entertain. And it seems to me that in the stories of the past, Columbia stands out perhaps more than any similar community in the country. We find South Carolina away back in the early colonial days taking the buck for the whole eastern seaboard in dealing with the curse of piracy, which menaced these coasts. In the Revolutionary period we have this section bearing the brunt of the British raids, throwing up palmetto forts, and introducing to the world a whole school of heroes striking mighty blows for liberty.

So I know no place more fitting for such a convention than this southern capital.

When we speak of politics we ought to have in mind the two different applications of the term. In one sense it conveys merely the partisan idea, the scramble for office, and that sort of thing. That kind of politics has little meaning and little influence on our national progress. Actually, politics, if it amounts to anything, must be a synonym for patriotism. There may be, and frequently are, two schools of thought in regard to policies to be followed by the Federal Government. The adherents of each school may be, and frequently are, as sincere as the followers of the other. The controversies ought to be confined to a discussion of the merits of the divergent ideas. That is true politics. The incidental clashes of personalities and charges and countercharges, the expedients of strategy, and the other phases which nowadays figure almost exclusively in the newspaper headlines, are merely the froth and steam arising from the basic problem of determining what is best for all the people.

From the beginning of our national life there has, of course, existed the conflict between those who believed in an aristocratic

form of government—a government handed down from above to the ordinary citizen—and on the other hand, the democratic theory that the people are supreme and that the only fitting government for a republic is that in which great wealth had no more authority than great poverty, and that in any disputed question of policy the majority will must govern.

Jefferson and Hamilton are contesting today, as they have since the foundation of the Republic, for determination of the true course of our Nation's progress.

Whenever a measure is conceived in Washington for the benefit of the people at large, the cry goes up from the Hamiltonians that the Government is an enemy to business. It was so when Andrew Jackson crushed the power of the great private bank which dominated not only our early financing but which sought to usurp practically every other function of government. It was so when the antitrust laws were first put into effect. The pattern was followed when the Federal Reserve System was adopted, and it was shrieked from the housetops when the principle of the income tax was made the basis of our revenue system.

Nothing could be sillier than the idea that this administration—or any other administration, for that matter—is an enemy of business. No administration can be successful unless it struggles always for the prosperity of the Nation. That does not mean in all cases that it must enlist on the side of those who have already great fortunes and think that those fortunes should be increased without regard to the tens of millions of American citizens dependent on their labor for their daily bread. There is no real prosperity in a nation made up of a few hundred multimillionaires, with the great mass of the people so near the starvation line that their every day is a day of anxiety. It may seem serious to the head of a great corporation that that corporation's profits 1 year dropped from $100,000,000 to $90,000,000, but what is that in comparison with the terror of a man whose earnings just suffice to keep his family housed and fed and clothed, when he is confronted with the likelihood of losing his job?

Great wealth can always take care of itself. It is up to the Government to take care of the man and woman who have no reserves of capital to tide them over depressions, who are not buttressed against the terrible misfortunes incident to unhappy times.

We do not make the charge that every rich man is a despot or a cold-hearted villain. The enormous charities and welfare foundations that have come from these vast accumulations would alone make such a charge unfair and absurd. But, on the other hand, long custom has brought upon the great corporations a habit of considering the maintenance of a particular profit rate as the most important thing on earth. A corporation naturally feels bound to earn great salaries for its officers, and fine dividends for its stockholders. When the market for the corporation's particular product, for one reason or another, falls off, it feels bound to undertake economies, and the easiest economy consists in laying off workers. In the estimation of at least some of these people, the loss of their jobs by 10,000 mill employees is of less consequence than a smaller dividend to 10,000 stockholders. It may even be admitted that these corporations would gladly continue high wages, for, as businessmen, their directors must realize that they cannot increase the consumption of their goods unless there exists the purchasing power to buy these goods. But in the past it has been the almost invariable rule to let the greater purchasing power appear as an abstraction and to act on the pressing reality of passing the burden of less prosperous times on to those least able to assume that burden.

I began this address with the statement that I was glad to make it for two reasons. One I have indicated. The other is that I have an audience of intelligent, clear-thinking women. I have always gone on the principle that there is no difference in the mental processes of one sex and the other on public questions. The man who is threatened with the loss of his job is no less dismayed than are his wife and daughters. Indeed, the pain of such a disaster is usually more acute for the mother than for the father, more painful for the daughter than for the son. So I am talking to you tonight exactly as I would talk to an audience of men, with the full confidence that such arguments as I have to offer will be judged and appraised in precisely the same way.

In one respect, I think that the patriotism of politics is more appreciated by the so-called weaker sex than by the male voter. One evidence of this is the sag of interest in the period between campaigns. In the heat and passion of an election year it is not difficult to rouse enthusiasm and make the voters sensible of what is involved as to their individual interests or the interests of the country. But once the election is over, the majority of men appear to be willing to put away their political fervor, as they put their blankets and heavy clothes away in moth balls when winter is past. The majority of them feel that they have had enough of excitement of that particular kind and go about their usual activities, content to let public issues rest until another campaign year rolls around. I am not speaking, of course, of the professional politician but of the great mass of men who take it for granted that if they vote on election day they have fulfilled their every public obligation.

It appears to be different, I am glad to say, with such women as make up the membership of this convention. They seem to have realized that government is a continuing function and that, therefore, politics which determines the form and policies of government is not a matter of 1 day, but must be their concern on all days. They appear to understand that anything that justifies concentration and extreme effort for a couple of months must be of sufficient importance to be kept track of during all the rest of the months.

This convention is one evidence of the continuity of purpose and the persistence of effort that has made the woman's division of the Democratic National Committee so vital a force in keeping our public informed on the issues of the day and in explaining the simple basic truth of the administration policies, which our opponents are so persistently befogging in and out of Congress. Because of the care and attention the woman's division has devoted to this element of their activities, a thousand subsidiary agencies throughout our land are engaged in carrying on the work, militantly and efficiently. This is what they call their "reporter plan." I take this occasion to pay a tribute of gratitude and appreciation to the former director of the woman's division, Miss Molly Dewson, who inaugurated the work, and to Mrs. Thomas F. McAllister, the present director, who has carried it on, and to the other able women on the staff of this division.

The essence of party politics is that our whole population shall be made politically conscious. That is the only antidote for the evils that have resulted at various times in our past history from the domination of a relatively small group, who made politics their business, and whose ideals were perhaps not always of the highest. In making this statement I do not abate in the least degree my regard and appreciation of the performances of the party worker—the man or woman in the ranks to whose effort is due the efficiency of party organization. They do a fine and necessary work. But in modern times it has been demonstrated with more and more certainty that national politics is a continuous and permanent thing. It was absurd to believe that a party could go to sleep after a national election and doze along until the next following convention. It was ridiculous to suppose that party success could be achieved in the few months elapsing between convention and election.

After all, the result of any political campaign rests with that great multitude whose political life lies between the two great parties. There never were enough regular Democrats in this country to elect a President. There never were enough Republicans, in the strict sense of the word, to elect a President. It seems to be a fact that the balance of power resides in that independent element of our population who have either the thinnest and most casual relationship to either of the parties or no relationship at all. Campaigns start with the basic vote of the two parties reasonably matched. The object of a campaign comes down to persuading a majority of the neutrals to our own way of thinking; to convincing them of the validity and value to the Nation of our policies, as contrasted with the policies of the opposition. If you keep this circumstance in mind, you will see how necessary it is to have a continuous program and how inadequate it is to think that in the hurry and rush and bustle of a short campaign a nation can be aroused to the importance of the problems of government. The average man or woman has not the time, even if he or she has the inclination, to study the ramifications and the implications of highly technical measures which the complexity of our modern national life involves. Particularly is this consideration involved for the party of the administration in power.

The tactics and strategy of the opposition must always be to assail the administration. Take the reorganization bill, which was the object of such terrific attack by those hostile to our President, as an example of this.

It was easy for anti-Roosevelt agencies to attract a lot of attention by clamoring that the bill represented a grasping for power and the threat of a dictatorship. I don't suppose that one person in a hundred—maybe not one in a thousand—of our people has ever read that bill, or that even a fraction of that small fraction followed the debates in Congress in which the details of the proposed changes have been advocated or assailed. Yet the principles of the bill were simple and sound and, in general, have been advocated by every President since Cleveland, and probably for a long time before then. Through 150 years bureaus have been added, departments have multiplied their functions, and as nearly every new development in legislation is in some way mixed up with a couple, or perhaps a half dozen, of the great departments, activities are divided, responsibility is split, and authority is scattered through the whole Government.

What our President asked—as his predecessors asked—was congressional consent that will enable him to remove these hurdles from the path of efficiency.

Every American naturally abhors dictatorship, and it is a safe and simple thing to broadcast such a monstrous charge. Actually, they might as well accuse the President of going around the country burning barns and stealing sheep.

There never has been a strong President, from Washington down, who has not been portrayed as a would-be dictator. Jefferson, Jackson, Lincoln, Cleveland, Theodore Roosevelt, and Wilson, all heard the same cry. It was inevitable that the present occupant of the White House should share the distinction of his great predecessors, and it will no more harm his prestige or his place in future history than it did that of the other Presidents, who accomplished so much and so well for our country.

Just now the minority party is training its guns on the new recovery bill, designed to check any further business relapse, to reduce unemployment, and to take care of the destitute among our citizens. Their present theme song is that "pump priming" only

effected a temporary improvement in our economy, and therefore should not be tried again. Well, the process did get us back to a state of affairs where dividends and business profits were again among the commonplaces of industry and farming. The permanent results are apparent in every city where new public buildings have gone up; in every rural community where good roads have been run; in a multitude of needed post offices and 50,000 schools. It shows in the work of the C. C. C. camps, not only in the forest protection and flood prevention but in the salvation of a million fine boys who but for the opportunity afforded by the camps would have been exposed to the perils of joblessness, and many of whom would have sunk in a swamp of despond.

It kept this country from social disturbance, preserved intact our American institutions, restored and maintained confidence in our banks. It gave business a chance to catch its breath, and I am sure that business today will recognize the merits of the new measure and indorse its operation. I mean, of course, real business, not that which wants to help make partisan use of the situation, in its efforts to force us back to that form of government where all the privileges were for the favored few and all the hard knocks for the unfortunate many.

You may have observed that amid the storm of criticism of any of the measures our administration has advanced there was never a constructive word; never an alternative program—nothing but denunciatory generalities and hostile abstractions. Millions of people out of work is not a generality; wholesale destitution is not an abstraction. They are both hard facts that must be dealt with by Government, promptly and adequately.

If a city has a fire, the fire department puts it out—and is not economical with the water it pours on the flames. If the city later has another fire, nobody suggests that because the first extinguishing agent did not stop all fires, the fire hydrants should be sealed.

Our people know that for 5 years Franklin D. Roosevelt has performed a marvelous service. True, he has not been able to control the rainfall, and prevent floods, to check the hurricanes, or even to stop earthquakes. But so far as lay in human power, he has taken the problems as they arose and dealt with them courageously, sanely, and with only one object in view, and that is our national welfare. And, let me add, his task has been rendered no easier by the partisan assaults that have pelted him all the way along.

Republicanism—Its Future

EXTENSION OF REMARKS

OF

HON. HENRY CABOT LODGE, JR.

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Thursday, April 28 (legislative day of Wednesday, April 20), 1938

ARTICLE BY HON. CHARLES L. McNARY, OF OREGON, APRIL 27, 1938

Mr. LODGE. Mr. President, I ask unanimous consent to have inserted in the RECORD a very able article written by the senior Senator from Oregon [Mr. McNARY], the leader of the minority party in the Senate. The article, which is entitled "Republicanism—Its Future," appeared in the Christian Science Monitor in the issue of April 27, 1938.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

As leader of a remnant of 15 members representing the one-time glory of the Republican Party in the Senate of the United States, it may seem strange that I should speak with optimism of the prospects for the point of view of this party organization with its millions of loyal followers. Yet I feel sure that certain things for which the Republican Party has stood will again appeal to the sound common sense of the American people and that Republicanism will be an effective instrument for registering their views and ideals of government.

I am encouraged in this conviction when I look back over the history of party government in the United States and recall the number of times when one party or the other has dwindled in apparent influence or even disappeared as a name and yet has survived and revived as a guiding force in the career of the Republic. Of course, one great need of the Republican Party today is to look forward rather than back, and it is with the future that I am here chiefly concerned. But a brief survey of the past often enables us better to understand the present and the future.

We may remember that the Federalist Party, which included largely the men who had given the Constitution to the United States, was defeated in the elections of 1800 and declined, until in 1820 it made no nomination for the Presidency, and subsequently had only 4 out of 48 Members of the Senate, as it was then constituted. Yet the heritage of its principles and of those of its leader, Alexander Hamilton, are unmistakable in the Republican Party of today. These fundamental policies included a sound public credit, a tariff adequate to encourage production for home markets, and strong national government, though not one that should absorb the powers of the States.

The National Republicans emerged in 1828 behind Henry Clay, John Quincy Adams, and Daniel Webster to espouse Clay's "American System" and to supply an opposition to Andrew Jackson and the spoilsmen. The party later assumed the name "Whig" and in the 1840's elected William Henry Harrison and Zachary Taylor to the Presidency.

Again in the fifties this group split over the slavery issue, but the Republican Party came in to assume its mantle and to carry on the best of its traditions. And from the time of the Great Emancipator down to and not excluding the present, the Republican Party has served the Nation well by providing such leaders as Lincoln, Grant, Garfield, McKinley, Theodore Roosevelt, Taft, Coolidge, and Hoover, and by providing a constructively critical opposition to the extremes and indiscretions of the New Deal.

So, regardless of changes of name and the shifts within the organizaton, the party that stands for well-managed public finance, a reasonable and helpful attitude toward business, and a pursuit of social progress through true federalism—not authoritarianism but cooperation on practical lines—that party has had a fairly continuous history from the foundation of the Republic down to the present hour, and that history will continue, I am sure, for a long time yet to come.

In fact, although the Democratic Party has operated under the same name from the time it abbreviated the Jeffersonian label of Democratic Republican, that party probably underwent as much of a change when it was taken over by Jackson and when it reemerged after the Civil War—with only 11 Members in the Senate—as has the Federalist-Whig-Republican Party in its course of time.

Fortunately, the constitutional system set up by our forefathers seems to favor, almost to compel, the operation of a two-party system. I say fortunately because this leads to more clean-cut decisions; it provides for a relatively unified administration and unified opposition, and in particular it tends strongly to avoid that bane of democratic parliaments, virtual deadlock and stagnation, through the inability of a multiplicity of parties to agree on a program.

Thus the opposition is always on its mettle, as the Republican Party is today, to point out a better course, to provide a better body of policy and a sounder program than that which is being followed—if the administration in power can be said to have a coherent policy and program. The very mechanics of the two-party system tends to throw into our arms all who are dissatisfied with the management of the Government during the last 5 years.

Often the balance between parties has been redressed in this way. But in order to merit this allegiance, to make it real, and to lay the foundations for a satisfactory administration and one in which we can take pride when we shall have been returned to power, Republicans must develop and agree upon a consistent, cohesive bill of particulars as to how they would apply the long traditions of their party to the problems immediately before the American people now.

To the Republican program committee, now at work, I would commend a few ideas—not rigid, finished planks for their platform, but simply some general thoughts as to the shape and design it might profitably embody.

In the first place, the Republican Party must be progressive. It must meet new needs as they arise and new conditions as they take form. American industrial civilization has arrived at a point where, clearly and justly, many desire an increased degree of social security—of assistance in old age and protection against the hazards of unemployment. We believe this security can be provided without accumulating from business such an inordinate reserve as to unbalance the national economy or create an invitation to waste. We believe that sound and economical administration of the laws will prove as important in the long run as the legislation itself in providing social security. And we believe that the basis of security fundamentally must be laid in the prosperity of business and private enterprise that is to pay the taxes of all kinds and provide by far the greater bulk of regular employment.

It is clear, too, that substantial support must be given to the farmer. Agriculture is a major segment of American economy. But I believe the farmer can be helped in ways that will neither give away his markets by tariff concessions and crop restriction nor set up regiments of inspectors to police him into compliance with marketing quotas. Long before the present administration came into office I favored bills to give the farmer some marketing aid by means of an equalization fee or export debentures, and I believe something of that nature could yet be made effective.

There are other features of government on which I am sure a strong appeal can be made to the American people, such as more economy and decentralization in the handling of relief, clearer definition of the laws against monopoly, simpler forms of taxation, a sounder fiscal policy, and a conduct of international relations that will maintain American rights with minimum of risk of embroilment in foreign wars. As to details, of course, these and other questions are subjects for the policy committee and the party's representatives in Congress.

I am glad to note that in all the discussions of what is to become of the Republican Party there has been little mention of the idea

of resorting to a change of name and almost no support for the proposal when made. After all, it is the policy of a party, not its name, that makes it significant. But what name could be more truly representative of what the United States, under the Constitution, was intended to be?

It was not and is not a sheer democracy or rule of the mob. It was not and, I pray, never shall be a monarchy or dictatorship. But it was and should be a republic, a representative government, in which talents and abilities are appreciated and in which, at the same time, the humblest man may have his say.

Hence I feel sure that the ideas and ideals which have come down to us under the name of Republicanism will go on influencing in a major way the destinies of the American Government. And what could be more appropriate than that this force for policies we believe best suited to the preservation of the Nation as a republic should continue to go forward under the banner of the Republican Party?

The American Schools

EXTENSION OF REMARKS

OF

HON. CARL A. HATCH

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Thursday, April 28 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS BY HON. ELBERT D. THOMAS, OF UTAH, APRIL 27, 1938

Mr. HATCH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD remarks delivered by the junior Senator from Utah [Mr. THOMAS] over a Nation-wide network of the National Broadcasting Co. on Wednesday, April 27, 1938.

The address was delivered as a part of a program given under the auspices of the National Education Association, and is entitled "The American Schools."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

On April 19 Senator HARRISON and I in the United States Senate proposed a substitute for the Harrison-Black-Fletcher bill, and several other education bills. The substitute is in harmony with the report of the President's Advisory Committee on Education. The substitute embodies what we think are the best features of these bills and of the Reeves report to the President. Our substitute was ordered to lie on the table, which means that it is subject to be called up for consideration by the Senate at a later date.

The purpose of the bill is to give Federal aid for education on a basis of need. As I have stated before, there is no reason in the United States of America ever to have to justify governmental aid for education. Our public-school system is part of the fundamentals which go into making our democracy. The theory of education as it relates to the States and the Nation is also well-established. The basic thought in relation to the theory of education in America is that it should be locally controlled. The educational theory which dominates American thought today revolves around the home, the public school, the private school, and the church-controlled school. Each one of these contributing factors to the education of our buys and girls must be and will be protected in its individual sphere, because our substitute bill sees to it that the distribution of funds which the Federal Government donates to the States will be administered, decided upon, and divided in accordance with State action. Thus, any fear which anyone may have about a Federal control of the system of education is, of course, a baseless fear, because there is no one in the United States who would like to see education dominated from any single center in our country.

A bill which subdues the Federal Government as an administrator of education, yet requires and permits the Federal Government to guarantee to the States an abundance of education, cannot help but be a landmark in our national life, as we contemplate States with varying degrees of literacy and even more varying shades of opportunity, and with not one of them offering what might be termed a full, reasonable opportunity for education of child and adult. Under the bill the educational need is first determined by setting up certain general standards which are deemed essential for the proper training of a boy and a girl. The financial ability to meet this standard is next determined, and if a State should be fortunate enough to be able to meet the standard, then such State is deemed not in need of Federal aid. But any State which is discovered to be lacking in the essential educational ability, and in the financial ability to meet that essential, is deemed in need of Federal aid.

The bill specifically does four things: First, it makes grants to States for elementary and high schools. These grants embrace appropriations beginning July 1, 1939, and increasing each year through June 30, 1945, which may be used as the States direct for general educational purposes. Further, the bill authorizes an appropriation for improved teacher preparation under State plans and for the construction and improvement of school buildings.

The second major feature of the bill pertains to grants for adult education, beginning with an initial appropriation of $5,000,000. The third feature relates to rural library service, with an initial annual appropriation of $2,000,000. As in all other features, the standard plan will be set by the States themselves.

The fourth title deals with research and planning, with an initial appropriation of $1,250,000, while the remainder of the substitute looks after children of Federal employees on reservations and at foreign stations, and with aid for our territories.

Thus we see that the habits and customs, and the theories and the way in which education has developed in the United States will be continued, and the plan will be locally administered, but the aid which is so vitally necessary in many parts of our country will be forthcoming. However, the Federal grant of money will be made only when it is equally and properly distributed and when the need is proved and justified in accordance with a scientifically worked-out formula for the determination of that need.

If this great educational aim becomes a fact and a law in the United States we will have done for education something quite as big, quite as great, and quite as fundamental as we did when we established and set up the land-grant institutions. If, too, this bill results in a law which guarantees to every boy and girl an equal opportunity for a fundamental education, American democracy will, of course, be more sure of being preserved and American democracy will be functioning for the good of the individual citizen and resident in our country in a way that it has never functioned before.

Protest Against Government Spending

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Thursday, April 28 (legislative day of Wednesday, April 20), 1938

ARTICLE FROM NEW YORK TIMES, APRIL 28, 1938

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in today's New York Times relative to the Government spending policy.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, April 28, 1938]

SPENDING "REVOLT" STARTED BY WOMEN—SUFFERN HOUSEWIVES DELUGED WITH SUPPORT AFTER ISSUING PLEA FOR WIDE PROTEST

SUFFERN, N. Y., April 27.—Two Rockland County housewives, who have been worrying about rising food prices and the future of their children, were deluged today with inquiries over a "women's rebellion," which they started, as individuals, against Government spending.

With the distribution yesterday of 10,000 circulars to test sentiment near home, interest grew so rapidly both within and beyond the county that in less than 24 hours they found it necessary to order two more printings of 10,000 copies, making a total of 30,000 circulars.

The circular is a one-page printed sheet headed "Women of America, Wake Up!" and ending with the line "Start a 'rebellion' in your community." With a space marked for a signature and the names of the county congressional Representatives and Senators in a corner, the circular demands that Congress "reduce Government expenses, oppose further 'pump priming,' keep our children's future unmortgaged, and give us all a chance to save ourselves."

NEITHER ACTIVE IN POLITICS

Neither of the two women who started the "rebellion" has been active in politics. One of them, Mrs. Charles P. Bispham, is the wife of the rector of Christ Protestant Episcopal Church here and the other, Mrs. Charles L. Hulswit, is the wife of the manager of the Rockland Gas Co.

Mrs. Bispham has two grown sons and has been active in the Community Club here and garden clubs in the county. Mrs. Hulswit has a 13-year-old son and has few club affiliations. Both are nominally Republican, but said they had not taken much interest in politics.

In frequent visits at each other's homes they expressed growing concern at rising food prices, the program of Government spending, and the future that faced their children. Both women said that in talks with others they came to the conclusion that many women were opposed to the Government-spending policies,

About a week ago, they said, they decided that something should be done to give women an opportunity to tell their Representatives and Senators how they felt about Government policies.

Instead of forming an organization, they decided to keep their status as individuals in framing a form letter that could be distributed among women to be signed and sent to Congress. They drew up the circular together and the first 10,000 copies were printed yesterday.

Mrs. Bispham and Mrs. Hulswit then made a canvass of all stores in Suffern and handed out circulars to every woman they saw. Within a short time they were receiving telephone calls for extra copies not only from Suffern, but from other communities in the county.

This morning they decided to test out their plan in New York. With several hundred circulars they drove to the city, parked their car and then rode on a crosstown bus, handing the circulars to all passengers. At Madison Avenue they changed to another bus and rode until they had distributed circulars to all the other riders.

They then went to Times Square and stood at Forty-second Street and Broadway, offering the circulars to every one who passed. They soon had only a few left. They stopped in a drug store for sodas and a small crowd followed them, asking for extra copies, until their supply was gone.

Meanwhile, some one at home had given them an old copy of an Editor and Publisher annual containing a list of all the newspapers in the country, and a copy of the Congressional Directory. The Reverend Mr. Bispham remained at home, while his wife was in New York, typing envelopes in his study for circulars to be sent to 2,500 editors throughout the country and all the Representatives and Senators in Congress.

DEMAND FOR CIRCULARS GROWS

When Mrs. Bispham and Mrs. Hulswit returned home this afternoon they learned that the telephones in both their homes had been ringing all day with requests for circulars from almost every community of Rockland County, places in New Jersey, and from New York City. What had started as a county experiment was rapidly developing into a national movement.

Both women expressed surprise tonight at the interest shown in their experiment. They said they were still against the formation of an organization and thought it would be better to keep the protests on an individual basis.

From Plainfield, N. J., they received an invitation to speak at a meeting of women tomorrow to organize an "SOS" (Save Our System) movement. This organization, announced as a nonpartisan, non-political group, plans to hold a meeting in New York City in about 2 weeks to form a national organization.

TEXT OF WOMEN'S CIRCULAR

The text of the circular follows:

Stop new "pump priming" before your country is bankrupt!

What has "pump priming" of $18,000,000,000 during the last 5 years done for you?

Has your husband a steady job? How long will it last?

How about your home? Do you own it or is your home one of the 70 percent of Government-mortgaged homes behind in payments, or is it already in the possession of the Government?

Are you one of the 14,000,000 on relief or one of the 12,000,000 still unemployed? Spending has brought the Nation close to the peak of unemployment—why spend more?

The Government gives with one hand but takes with the other, for the only money our Government has comes only from the people.

One dollar out of every five paid a wage earner goes for taxes. That much less for shoes and meat!

Congress has just appropriated $800,000,000 to pay farmers not to raise food. This means higher prices in the grocery stores. You also pay the taxes to pay the farmers!

The Federal Government has spent $49,000,000,000 in the last 5 years. If this policy is good for the country, why are conditions worse than they were in 1933?

Depressions and inflations hit women hardest as conservers of the home. You know what a depression is. Do you know what inflation is? In Germany it meant starving children, worthless life insurance, savings that could buy nothing. If more billions are spent we will have inflation.

This handbill is put out by housewives as a protest against the way politicians are running the country, whether they call themselves Republicans or Democrats. This is not political—it is patriotic. We demand that our Senators and Representatives reduce Government expenses, oppose further "pump priming," keep our children's future unmortgaged, and give us all a chance to save ourselves.

We implore all women who agree with this to sign their name on this handbill and send it to their Senators and Representatives in Washington.

Women, save this country for your children!

SARAH OLIVER HULSWIT,
Chairman, Women's Rebellion,
Suffern, N. Y., Rockland County.

Start a "rebellion" in your community.

P. W. A. Projects in Florida

EXTENSION OF REMARKS
OF
HON. JOE HENDRICKS
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 28, 1938

APPROVED APPLICATIONS FOR P. W. A. PROJECTS IN FLORIDA

Mr. HENDRICKS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following list of approved applications for projects in Florida:

Florida—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		State-wide:					
W1092	1	State of Florida	University buildings	$183,000	$149,727	$332,727	$332,727
W1092	2	do	do	98,000	80,182	178,182	178,182
W1092	3	do	do	176,000	144,000	320,000	320,000
W1092	4	do	do	259,000	211,909	470,909	470,909
W1092	5	do	do	145,000	118,636	263,636	263,636
		Total		861,000	704,454	1,565,454	1,565,454
		Alachua County:					
W1379		Gainesville	Schools	175,000	143,181	318,181	318,181
		Baker County:					
W1196		Macclenny	Courthouse and jail		9,207	9,207	20,460
W1366		do	School addition	30,000	24,545	54,545	54,545
		Total		30,000	33,752	63,752	75,005
		Broward County:					
W1326		Fort Lauderdale	Pier	189,000	176,232	365,232	391,627
W1371		Hollywood	Waterworks improvement	99,000	81,000	180,000	180,000
		Total		288,000	257,232	545,232	571,627
		Dade County:					
9255		Dade County	Toll bridge	784,000	641,454	1,425,454	1,425,454
W1018		Miami	Harbor improvements	2,200,000	1,800,000	4,000,000	4,000,000
W1288		do	Waterworks improvement	60,000	49,090	109,090	109,090
W1313		Surfside	do	25,000	20,454	45,454	45,454
W1343		Miami	Bridge		188,100	188,100	418,000
W1365		Dade County	Sea wall		20,250	20,250	45,000
W1378		Miami Beach	School addition		27,000	27,000	60,000
		Total		3,069,000	2,746,348	5,815,348	6,102,998

Florida—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Duval County:					
W1035		Jacksonville	Power improvements		$1,127,000	$1,127,000	$2,503,000
W1231		do	Swimming pool		31,206	31,206	69,347
W1250		do	School addition		1,670,455	1,670,455	3,712,122
W1253		Duval County	School	$32,000	26,181	58,181	58,181
W1322		Jacksonville	Paving		110,423	110,423	245,385
W1323		do	Swimming pool		15,640	15,640	34,755
W1337		do	Waterworks		202,725	202,725	450,500
W1358		do	Drainage		5,355	5,355	11,900
W1373		do	Combination sewer		124,875	124,875	282,424
W1374		do	Sanitary sewer		148,400	148,400	329,777
		Total		32,000	3,462,260	3,494,260	7,697,391
		Escambia County:					
W1352		Escambia County	Bridge		24,545	24,545	54,545
		Gilchrist County:					
W1291		Trenton	School	29,000	23,728	52,728	52,728
		Gulf County:					
W1335		Port St. Joe	Harbor improvement		101,700	101,700	226,000
		Hillsborough County:					
W1081		Tampa	Water mains	981,000	802,636	1,783,636	1,783,636
		Jackson County:					
W1380		Marianna	Courthouse addition		22,500	22,500	50,009
		Lafayette County:					
W1218		Mayo	Waterworks	20,000	16,364	36,364	36,364
		Leon County:					
W1075		Tallahassee	Office building		180,000	180,000	400,000
W1175		do	Hospital	50,000	42,750	92,750	95,000
		Total		50,000	222,750	272,750	495,000
		Marion County:					
W1187		Ocala	School		168,750	168,750	375,000
W1330		Anthony	School repairs		7,363	7,363	16,363
W1353		Citra	School		9,549	9,549	19,800
W1360		Summerfield	do		11,738	11,738	26,085
		Total			197,400	197,400	437,248
		Orange County:					
W1192		Orlando	Power improvements		370,000	370,000	824,000
		Palm Beach County:					
W1262		Belle Glade	City Hall	13,000	10,636	23,636	23,636
W1338		Palm Beach County	Bridge		43,363	43,363	96,361
W1357		Pahokee	Hospital		15,750	15,750	35,000
		Total		13,000	69,749	82,749	154,999
		Pinellas County:					
W1106		Clearwater	Sanitary sewer	167,000	136,635	303,636	303,636
W1370		do	Waterworks		16,500	16,500	36,750
W1382		Pinellas County	do	17,000	13,909	30,909	30,909
		Total		184,000	167,045	351,045	371,295
		Polk County:					
W1285		Mulberry	School	30,000	24,545	54,545	54,545
		Putnam County:					
W1309		Palatka	Electric plant	138,000	112,000	250,000	250,009
		St. Johns County:					
W1115		St. Augustine	do	347,000	283,000	630,000	630,000
		St. Lucie County:					
W1241		Fort Pierce	Hospital	32,000	34,364	66,364	76,364
		Sarasota County:					
2086		Sarasota	Waterworks	76,000	62,181	138,181	138,181
		Grand total		6,355,000	9,881,734	16,236,734	21,965,561

Citizens of Michigan Offer Program to Save Nation From Depression, Despair, and Defeat

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1938

PETITION AND PROGRAM FROM CITIZENS OF MICHIGAN

Mr. SHAFER of Michigan. Mr. Speaker, I am in receipt of a petition that has been prepared by some of the most substantial citizens of my State, which I request unanimous consent to place in the CONGRESSIONAL RECORD.

In connection with this petition these Michigan citizens also offer a seven-point program to which I subscribe. It is my firm belief this proposed program would return peace and prosperity to this Nation.

The petition and program follow:

A PETITION

We are alarmed at the proposal that this business depression be fought with an extravagant program of wasteful expenditure of public moneys by the Government. This method has been tried once and failed. The problem of unemployment was never solved by this method. The public debt has been tremendously increased to no avail. The burden of taxation has been tremendously increased without benefit to the people. To repeat again at this time the same futile program is monstrous folly. To fail again after further extravagant waste of money would be ruinous.

We believe the concentration of power in the hands of the President—originally demanded by him to meet an emergency and now assumed by him as a vested right—has proved only to be a menace to our liberty, a threat to the safety of our livelihood, and a blight to any hope of economic progress or stability so long as it is permitted to persist. We believe the Executive control of the expenditures of money—and the distribution of patronage

in particular—has degraded our National Congress; has subjected Senators and Congressmen to Executive coercion; and if continued, will destroy the functioning of democratic legislative government and the political independence of the people's representatives to do the people's will. We believe in democratic government by the legislative action of the people's representatives. We do not believe in bureaucratic rule by the executive branch of the Government—however brilliant, sincere, and public spirited its leadership.

We believe the road to our prosperity, safety, stability, and progress demands thrift and prudence in the conduct of the Government, just as in each citizen's personal conduct and expenditures. We believe wealth is created by work. We believe the standard of living is only raised by increased production of more and more things available to all people at lower and lower prices.

We believe competition in industry should be fostered and the welfare of the people protected from exploitation by those producers who by conspiracies among themselves seek to raise prices, restrict production, and accomplish monopolies to obtain profits out of proportion to the value of their services to the public and with consequent imposition of hardships on the people.

We believe in the inalienable right of all men to work at any job they can get for as many hours as they choose at such wages as they may elect to accept. We believe the whole resources of government—national, State, and local—should be used to assure this right to every individual; to protect his person and his property from assault and damage; and to repress those forces of disorder and lawlessness that have come to terrorize us and deprive us of our traditional liberties and freedom as individuals to work out our own problems.

We believe this Nation is still so rich that no man, woman, or child should be allowed to be cold, hungry, or unsheltered, but we have learned the program for relief and abatement of unemployment imposed in recent years is cruel, wasteful, ineffective, hopeless. We believe relief in the future should be extended by appropriations to the Red Cross for use when really needed and on the most economical basis. We believe in this way every citizen of the Nation would again be brought to realize that this welfare is primarily his own responsibility and not the Government's. We believe the administration of all relief, through the Red Cross or otherwise, should be dealt with as a local problem, by local people, adapted to local conditions as only local people can know them, and absolutely divorced from political influences of any kind. We believe that failure to recognize these facts and to abandon the present wasteful, extravagant, and degrading policies will inevitably ruin us all individually, and ultimately destroy the credit of our Government upon which we all depend for the safety of ourselves, our children, our property, and all that we hold dear.

To the end that this depression may be halted, the road to prosperity resumed, and the future of our country assured, we believe the Congress of United States should immediately assume the responsibility of initiating and carrying out on a nonpartisan basis a recovery program which should embrace:

1. A program of rigid economy looking to a balanced national Budget at the earliest possible moment.

2. A legislative policy drastically restricting the power of the President to control the expenditure of money and the distribution of patronage; curtailing his excessive existing powers; curbing his further infringement on the independence of Congress; and restoring to Congress the responsibility for the legislative program of the country.

3. Immediate simplification and rationalization of our tax laws designed to offer private industry an opportunity to expand and prosper, and equitably distribute over the broadest possible base the high tax load we are doomed to meet because of previous folly. Every citizen with a margin above bare necessities should contribute something directly to the cost of his government in order that he may develop and sustain an intense interest in the efficiency and economy of its operation.

4. Immediate repeal or most drastic amendment of the Wagner Labor Relations Act, which in its present form has been the principal cause of the strife between labor racketeers and capital to the distress of the public generally and laboring men and women themselves.

5. Immediate discontinuance of the campaign against public utilities in order that they may again contribute to the prosperity of the country.

6. Elimination of all control over railroads by the I. C. C. except its authority to regulate operations in the interest of safety, and to prevent discriminations between users of their services, in order that American initiative may again function in the development and operation of our great railroad systems.

7. Immediate resumption of a sound-money program based upon gold and the restoration to the people of their right to acquire and hold gold at any time the conduct of the Government or the banking system makes such holdings seem advisable, thereby making it incumbent upon the Government and the banks to so conduct their fiscal policies as to merit the confidence of the people. The application of the spirit of the policies and viewpoint indicated in the foregoing seven points to every detail and branch of governmental activity, too numerous to list here, but in the aggregate of paramount importance.

P. W. A. Projects in Rhode Island

EXTENSION OF REMARKS

OF

HON. JOHN M. O'CONNELL

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1938

APPROVED APPLICATIONS FOR P. W. A. PROJECTS IN RHODE ISLAND

Mr. O'CONNELL of Rhode Island. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following list of approved applications for P. W. A. projects in Rhode Island:

Rhode Island—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Kent County:					
W1130	----------	West Warwick	Bridge	----------	$78,750	$78,750	$175,000
W1131	----------	Warwick	Municipal building	----------	22,500	22,500	50,000
W1139	----------	East Greenwich	High school	----------	112,500	112,500	250,000
		Total		----------	213,750	213,750	475,000
		Providence County:					
W1074	----------	Johnston	School buildings	----------	122,738	122,738	272,750
W1104	----------	Pawtucket	Filtration plant	----------	180,000	180,000	400,000
W1123	----------	---do	Paving	----------	366,750	366,750	815,000
W1129	----------	---do	High school	----------	342,360	342,360	760,800
W1132	----------	Providence	Wharf	----------	900,000	900,000	2,000,000
W1134	----------	---do	Heating plant	----------	26,550	26,550	59,000
W1135	----------	Woonsocket	School	----------	19,350	19,350	43,000
		Total		----------	1,957,748	1,957,748	4,350,550
		Washington County:					
W1133	----------	Narragansett	Waterworks	----------	209,382	209,382	465,294
		Grand total		----------	2,380,880	2,380,880	5,290,844

P. W. A. Projects in Indiana

EXTENSION OF REMARKS
OF
HON. JAMES I. FARLEY
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 28, 1938

APPROVED P. W. A. APPLICATIONS FOR PROJECTS IN INDIANA

Mr. FARLEY. Mr. Speaker, among the relief agencies that were set up at the time we came into power in 1933, that has impressed me outstandingly, is the Public Works Administration. A large sum of money was appropriated for that Department which I have heartily approved. I have favored it because of the substantial character of the work in which they have been engaged. You can go throughout the length and breadth of the land and see now the result of that work. Schoolhouses in which we are all interested have been constructed.

The public-works program that languished before has been completed, and all in all, the work done will remain for many years to come and be a pride to all of us who have had a part in the legislation.

I have watched the development of the Public Works Administration with a great deal of interest, and have likewise watched the management under the direction of Hon. Harold L. Ickes, the Secretary of the Interior. I think he has done an outstandingly constructive job and the people of this country will rise up in years to come and proclaim him as a great public benefactor.

A large percentage of the citizens whom I represent are sympathetic with this constructive legislation, and it is my hope and desire that all of this beneficial aid to the country shall be continued. Under permission to extend my remarks and include therein a list by counties of pending non-Federal applications for which no allotments have been made as of April 12, 1938, all examined and recommended by examining divisions on 45-percent grant basis, I submit the following for the State of Indiana:

Indiana—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Adams County:					
W1412		Pleasant Mills	School		$27,000	$27,000	$60,000
W1439		Adams County	do		32,521	32,521	72,269
		Total			59,521	59,521	132,269
		Allen County:					
W1081		Fort Wayne	Disposal plant		2,322,000	2,322,000	5,160,000
W1389		Allen County	School		31,090	31,090	69,090
		Total			2,353,090	2,353,090	5,229,090
		Blackford County:					
W1210		Hartford City	Disposal plant		58,909	58,909	130,909
W1425		Roll	School addition		26,280	26,280	58,400
		Total			85,189	85,189	189,309
		Boone County:					
W1441		Perry Township	School addition		13,950	13,950	31,000
		Cass County:					
W1424		Logansport	do		79,065	79,065	175,700
		Clark County:					
W1304		Silver Creek	School		29,340	29,340	65,200
		Clinton County:					
W1097		Frankfort	City hall		47,325	47,325	105,170
		Daviess County:					
W1313		Elnora	Waterworks		24,545	24,545	54,545
W1395		Washington	Power plant		77,962	77,962	173,250
W1411		Barr Township	High-school addition		20,455	20,455	45,455
		Total			122,962	122,962	273,250
		Dearborn County:					
W1125		Greendale	Paving		14,850	14,850	33,000
W1126		do	Storm sewer		11,250	11,250	25,000
W1216		Aurora	Sanitary sewer		18,765	18,765	41,700
		Total			44,865	44,865	99,700
		Decatur County:					
W1396		Sandusky	Auditorium and gymnasium		12,273	12,273	27,273
		De Kalb County:					
W1377		Garrett	Power improvements		17,550	17,550	39,000
W1422		St. Joe	Waterworks		18,630	18,630	41,400
		Total			36,180	36,180	80,400
		Delaware County:					
W1408		Muncie	High school		105,750	105,750	235,000
		Elkhart County:					
W1385		Goshen	Light plant		40,000	40,000	89,050
		Fulton County:					
W1224		Rochester	Waterworks	$40,000	32,727	72,727	72,727
		Greene County:					
8456		Linton	Waterworks improvements		20,863	20,863	46,363
		Hancock County:					
W1436		Maxwell	School		27,205	27,205	60,455
		Harrison County:					
W1152		Corydon	Disposal plant		42,750	42,750	95,000
		Henry County:					
W1114		Newcastle	Filtration plant		177,000	177,000	393,000
		Huntington County:					
W1269		Huntington	Electrical plant	737,000	603,000	1,340,000	1,340,000
W1271		do	do		141,300	141,300	314,050
W1428		do	School addition		30,600	30,600	68,000
		Total		737,000	774,900	1,511,900	1,722,000

Indiana—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Jasper County:					
W1380		Jasper County	School buildings		$28,864	$28,864	$64,142
W1405		Rensselaer	School		57,273	57,273	127,273
W1420		Tefft	School addition		13,584	13,584	30,187
		Total			99,721	99,721	221,602
		Jay County:					
W1417		Jay County	School addition		18,000	18,000	40,000
		Johnson County:					
W1066		Edinburg	Filtration plant		34,363	34,363	76,363
		Knox County:					
W1073		Vincennes	Cemetery		72,945	72,945	162,100
W1435		Bicknell	Municipal building		26,182	26,182	58,182
		Total			99,127	99,127	220,282
		Lake County:					
W1363		Hammond	School addition		107,798	107,798	239,550
W1376		Gary	Bridge		33,463	33,463	74,363
W1383		Crown Point	Hospital addition		146,277	146,277	325,060
W1399		Griffith	School addition		30,273	30,273	67,273
W1434		Munster	Waterworks improvements		24,480	24,480	54,400
		Total			342,291	342,291	760,646
		La Porte County:					
W1281		La Porte	City hall		7,200	7,200	16,000
W1374		do	School addition		28,852	28,852	64,115
		Total			36,052	36,052	80,115
		Lawrence County:					
W1449		Mitchell	Hotel		161,100	161,100	358,000
		Madison County:					
W1225		Anderson	Sanitary sewer	$687,000	562,091	1,249,091	1,249,091
W1268		Madison	Jail	51,000	41,727	92,727	92,727
W1393		Anderson	School addition		94,909	94,909	210,909
W1430		Madison County	do		22,880	22,880	50,845
W1444		Indianapolis	Disposal plant		19,125	19,125	42,500
		Total		738,000	740,732	1,478,732	1,646,072
		Marion County:					
5141		Marion County	Bridges		510,545	510,545	1,134,545
W1342		Indianapolis	Auditorium		900,000	900,000	2,000,000
W1402		do	High school		202,500	202,500	450,000
W1403		do	High-school addition		90,000	90,000	200,000
W1446		Wayne Township	School addition		28,350	28,350	63,000
W1447		Indianapolis	Police station		153,450	153,450	341,000
		Total			1,884,845	1,884,845	4,188,545
		Marshall County:					
W1191		Vallonia	School addition		17,955	17,955	39,900
W1386		Marshall County	do		25,363	25,363	56,363
		Total			43,318	43,318	96,263
		Miami County:					
W1194		Peru	Municipal building		14,445	14,445	32,100
W1277		do	Disposal plant	300,000	245,454	545,454	545,454
W1361		Union Township	School addition		9,450	9,450	21,000
W1370		Peru	do		92,572	92,572	205,713
		Total		300,000	361,921	661,921	804,267
		Monroe County:					
W1381		Perry Township	School addition		13,635	13,635	30,300
W1410		Bloomington	University building		21,234	21,234	47,187
		Total			34,869	34,869	77,487
		Montgomery County:					
W1129		Crawfordsville	Filtration plant		80,000	80,000	180,000
		Morgan County:					
W1302		Martinsville	Disposal plant		53,181	53,181	118,181
W1426		Morgan County	School		17,550	17,550	39,000
		Total			70,731	70,731	157,181
		Newton County:					
W1407		Kentland	Stadium		4,788	4,788	10,640
		Noble County:					
W1359		Albion	School building		29,700	29,700	66,000
W1416		Kendallville	Disposal plant		43,808	43,808	97,352
		Total			73,508	73,508	163,352
		Ohio County:					
W1437		Rising Sun	Courthouse		18,000	18,000	40,000
		Porter County:					
W1382		Hebron	School		45,076	45,076	100,170
W1397		Valparaiso	Disposal plant		77,727	77,727	172,727
		Total			122,803	122,803	272,897
		Putnam County:					
W1235		Washington Township	School	30,000	25,360	55,360	55,360
W1442		Greencastle	Hospital addition		34,650	34,650	77,000
		Total		30,000	60,010	90,010	132,360

Indiana—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
W1123		Randolph County: White River Township	School		$68,000	$68,000	$153,350
W1255		St. Joseph County: Mishawaka	Street improvement		101,610	101,610	225,800
W1429		Shelby County: Shelbyville	School addition		32,625	32,625	72,500
W1258		Spencer County: Spencer	Jail		11,900	11,900	26,450
W1205		Steuben County: Scott Township	Auditorium-gymnasium		14,600	14,600	32,450
W1251		Sullivan County: Carlisle	Waterworks	$21,000	21,272	42,272	47,272
W1435		Union County: Liberty	School addition		33,750	33,750	75,000
W1445		Vanderburg County: Evansville	Waterworks improvement		319,500	319,500	710,000
W1419		Vigo County: Terre Haute	School addition		32,727	32,727	72,727
W1375		Wayne County: Wayne Township	do		30,555	30,555	67,900
W1401		Richmond	Gymnasium		103,909	103,909	230,909
		Total			134,464	134,464	298,809
W1390		Wells County: Bluffton	Municipal improvement		9,000	29,000	20,000
W1432		do	Infirmary		27,000	27,000	60,000
		Total			36,000	36,000	80,000
6885		White County: Monticello	Jail		14,727	14,727	32,727
		Grand total		1,865,000	9,212,310	11,078,310	20,475,123

A Program for Recovery—Take Relief Out of Politics

EXTENSION OF REMARKS

OF

HON. ROBERT L. BACON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1938

ARTICLE BY WALTER LIPPMANN

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article by Walter Lippmann in which he writes about a program for recovery and also comments on the Bacon bill, which is designed to take relief out of Presidential politics. Mr. Lippmann calls my bill "an admirable bill and of the greatest importance."

A PROGRAM FOR THE OPPOSITION

(By Walter Lippmann)

To argue about the wisdom of pump priming by Government expenditures is at the moment rather beside the point.

The President's program is only in very minor degree, if at all, a pump-priming operation. For the essence of true pump priming is to make a sudden sharp increase of Government expenditures financed neither by taxes nor by the loan of real savings. Merely to spend a lot of money is not pump priming. Unless the priming represents a true deficit of what the Government spends over what it takes in, and unless the deficit is financed by inflationary money, there is no priming. Thus in 1937–38 the Government has been spending a huge amount. But because it has taken in taxes, including the social-security taxes, about as much as it has spent, and has done almost no net borrowing except to buy gold, there has been no pump priming.

It is doubtful whether the new program calls for any considerable amount of pump priming. The only important increase of expenditure proposed, for W. P. A., is not really an increase of expenditure. It is merely a proposal not to decrease the rate of expenditures, not to retrench in 1938 as was originally intended, when the new Budget, which goes into effect this coming July, was formulated. The other part of the scheme, the proposal for P. W. A. loans and grants, would eventually look like pump priming. But as this money cannot be spent quickly and in large forceful doses, it cannot be regarded seriously as pump priming.

The fact of the matter is that the Roosevelt administration entered this depression with expenditures already at such a high level that it does not dare to step them up suddenly and drastically in order to prime the pump. Because Mr. Roosevelt failed to retrench in the good years, he does not really dare to prime the pump in this bad year. So he is adding no important positive stimulus through Government expenditures. He is merely negatively refraining from carrying out the retrenchments that he talked about hopefully a few months ago. He is pretending to prime the pump, and rather hoping to create the impression that this is what he is doing, when, in fact, he is merely proposing to continue spending and taxing at the high level which he reached about the time of the 1936 elections.

If the President is not proposing to prime the pump, the opposition is not seriously proposing to refuse to spend the money he asks for. This is demonstrated by the bill just introduced by Representative BACON, of New York. It is, I think, an admirable bill and of the greatest importance, but it accepts the President's estimate about the need of not retrenching on relief. Mr. BACON, if I understand him correctly, proposes to do what the President wants, namely, to spend on W. P. A. at the rate of nearly one hundred and eighty millions a month rather than at the rate originally contemplated of slightly more than one hundred millions a month.

And on the other item, the P. W. A., Senator GLASS is objecting not to the idea of Government loans and more or less concealed subsidies for more public works; he is arguing that the R. F. C. already has the necessary funds available under a bill he himself recently sponsored.

It is desirable to fix all this in mind if we are to get away from unreal issues and devote our attention to the real issues. There are two real issues before Congress. The first is whether the President is to be left with the huge personal and factional power to allocate several billion dollars. The second is whether Congress, exerting its constitutional authority over revenues, will refuse to vote more money until it has obtained concessions from the President—concessions on the Senate tax bill, on peace with the utilities, on a reform of his labor policy.

The first issue turns on the question of reducing the personal power of the President by taking away his control over immense sums of money. The second issue turns upon compelling him to revise his policies enough to make effective a recovery program based, not on Government expenditure, but primarily on the expanded use of private credit. If the opposition in Congress will take a clear and resolute position on these two issues, it will be on firm ground. For at this moment there is no point in discussing the amount of the expenditures. The opposition should center its attention on the control of the amount and on obtaining concessions in regard to taxes, utilities, and labor.

As regards the control of the expenditures, the opposition should, I believe, take its stand on the principles of the Bacon bill. This bill provides that the money for relief shall be allocated not by the President but by a board, presumably a nonpartisan board. It would be spent by the States, not by Federal appointees, and

States could obtain Federal money only by putting up money of their own to prove their good faith. Under a system of this sort, the dangerous and demoralizing concentration of personal power in the President would be effectively liquidated. It would not take relief out of politics. But it would take relief out of Presidential politics, and, in an election year, this is particularly desirable.

The opposition should rally around the Bacon bill and, having perfected it, should make it the issue in the coming debate.

Simultaneously, the leaders of the opposition, more specifically the Garner Democrats, should make it known to the White House that they will vote none of these appropriations until the President yields on the Senate tax bill, until he gives evidence of a willingness to make peace with the utilities, and until he gives them assurances about his labor policy. They have the power, and they could readily obtain the necessary popular support, for a movement of this kind, and there is nothing in such a program which deprives the President of any of his rightful authority or impairs any of his genuine reforms.

Lobby Over Congress

EXTENSION OF REMARKS
OF
HON. HERMAN P. KOPPLEMANN
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 28, 1938

RADIO ADDRESS BY HON. HERMAN P. KOPPLEMANN, OF CONNECTICUT, ON APRIL 24, 1938

Mr. KOPPLEMANN. Mr. Speaker, under leave given me to extend my remarks in the RECORD, I insert a radio address which I gave in Hartford, Conn., over station WTIC on April 24:

The Nation has just been treated to the spectacle of a Congress, elected on definite principles to carry out a program clearly defined, defeating its purposes by going back on those principles and, in effect, laying itself open to the charge of having lost its usefulness. Less than 18 months ago, by the largest majority ever given to a Presidential candidate, the American people gave an overwhelming vote of confidence to Franklin Roosevelt, thereby entrusting to him as the Nation's Chief Executive the continued management of its affairs, as was provided by the Constitution.

Two weeks ago the Congress, elected to carry out through legislation the wide program the people demanded as necessary, even refused permission to the President to carry out under specific law some needed changes in a few executive departments of the Government. The work which would be done under the reorganization bill would bear as much relation to this Nation as the work of overhauling a subdepartment in one of our insurance companies would bear to the stockholders. Would you expect the stockholders to set up a hue and cry about simple administrative matters just because they don't like the president of the company? For, remember that at a set meeting of the stockholders, if a majority of the stock represented at that meeting so desires, the president of the company can be replaced. You, the American voters, too, have a set meeting, at which time you too can, if you so desire, throw out of office your President or those of your Representatives who do not please you.

Everyone by this time knows that the fight against the reorganization bill was not based upon opposition to the legislation itself. Throughout the weeks preceding the vote in the Senate and in the House, opposition editors and opposition columnists and opposition politicians, conceding that the legislation was desirable and necessary, railed, that because the law would be administered by a President in whom more American people placed their confidence than in any other, therefore this legislation must be, and it was, defeated.

The lobby stooped to conquer and it won. I wonder if the American people realize how important a position the lobby has come to command in American affairs. Certainly it has been commanding a prominent place in the affairs of Congress.

I met up with lobbies before I went to Congress. During my first 2 years in Washington I was repeatedly confronted by lobbyists. They would buttonhole me, giving veiled promises of support if I would vote right. They soon gave me up.

Frequently individuals have spoken to me, have written letters, about legislation. Many times they related what they thought would be the probable effect of certain bills on their own affairs. There appeared a definite personal interest in their opposition, and in replying to them I gave them the respect I considered was due their point of view. They don't insult my intelligence by uttering dire predictions as to what will happen to the country. None of them threatens either my life or my political future. Those individuals know, and they know that I know, that the majority of them are opposed to me politically anyway, and intelligently they deal with the issue at hand. When I have felt they were right, as men in Connecticut can well testify, I have given them the help they asked. And I have their letters and resolutions of thanks. I am always glad to receive petitions given in good faith and with proper motives.

When the Stock Exchange Act was before the House in 1934 there appeared very definitely in my correspondence evidence that people who knew nothing whatever about the legislation, either its provisions or its implications, were writing me to vote against the bill. Letters from employees, identical in wording, written on the same plain white stationery, with the same typewriter, but bearing different names over different addresses, told me they would lose their jobs if that bill passed. An easy check with the Hartford City Directory disclosed for which brokerage houses they worked. For the most part it was obviously a case of the employee being told to write me. Needless to say, directly, as a result of the stock-exchange law of 1934, no one lost his job if he were working for an investment house which was operating in good faith with its clients.

A year later when the Public Utilities Holding Act was up for discussion, the opposition lobby decided that by flooding the Congress with telegrams and letters of protest, we would think that if many people took the trouble to write or telegraph against the bill it would be defeated. For a time I, too, was perplexed. Then as I replied to people that the legislation was merely carrying out the recommendations of an investigation into the public-utilities industry ordered by Congress 5 years before the New Deal came into office, many of my original protestors withdrew their objections, explaining they didn't know that. From others to whom I sent a copy of the bill—and it was a long bill—and asked them why they thought the bill was bad and what provisions they would want amended or deleted, I received no reply—evidence sufficient that most of them had been asked to merely append their names to a letter or a telegram against the bill.

But the lobby, for those days, was so flagrant that a Senate investigation followed. Everyone knows now that telegrams were sent over the names of dead people, others over the names of people who never sent them at all. The Senate Committee to Investigate Lobby Activities was appointed not to curb the right of protest, nor the right to petition Congress, but to reveal the extent of the exercise of unrestrained coercion by a small but powerful group on a Congress elected to represent all the people. Some of its reports have been published and are available.

In its first report in 1936, the committee revealed that more than $1,000,000 was contributed to 14 outstanding lobby organizations, among them the American Liberty League, the American Federation of Utility Investors, the National Economy League, the Sentinels of the Republic, and the Southern Committee to Uphold the Constitution. The United States Chamber of Commerce and the National Manufacturers Association had their own funds. Nine hundred and twenty-four thousand dollars, or 90 percent of the total contributed, which is on record, was given by 10 groups, including among others $356,000 by the Du Pont family and their associates, $68,000 by J. P. Morgan associates, $60,000 by Mellon associates, $49,000 by Rockefeller associates, $184,000 by banks and brokers, and $27,000 by utility companies and associates. This report, remember, was published in 1936. Since then lobby activities over Congress have multiplied and intensified. And, mind you, to date there is no record available of all of these contributors, nor of the amount of their contributions.

Failing to defeat Roosevelt at the polls in November of 1936, the minority opposition planned their strategy to embarrass and frustrate him at every turn in his own stronghold, namely, in the Congress which was elected to support him. The test showed the real line-up, and demonstrated to the Republicans in Congress that they could win the 1936 election, even if a little late, by sitting back and letting the anti-New Deal Democrats carry on the fight against the administration. It made good copy for the press.

The first battle came on the Court reorganization fight. In a few words, the administration lost that battle but won the war, because on no important matter which has been before the Supreme Court since the introduction of the Court reform measure, have the people lost. Decisions have gone so far, that the Court, in notable instances, reversed itself, amply proving the justification for Court reform.

It looked for a time as if the three branches of our Government, the executive, the legislative, and the judicial, would work together for the social and economic advancement of the Nation they serve.

But, frustrated in their attempt to control the Supreme Court, the I Hate Roosevelt Club learned that it could get further by developing hitherto unproven powers of opposition. Congress, the elected representatives of the people, was the instrument they now chose to sabotage the New Deal.

The campaign to undermine the New Deal from within was clearly evidenced during the special session of Congress. Bickering on the Farm Act delayed enactment of that important measure beyond the date when its passage would have given the full measure of help the farmers needed. By 18 votes the wage and hour bill was voted down. The votes of many Democratic Members of the House killed that bill. Again the lobby won.

Thus we entered upon the second regular session of the Seventy-fifth, originally an overwhelming New Deal Congress, battered from without by incessant hammering against our methods, our

principles, our objectives; in short, our entire cause, and sabotaged by the lobby from within.

Do not misunderstand me. There are no two men who can agree 100 percent on all issues at all times. Every Member of Congress, as his intelligence directs him, can sincerely support or oppose certain legislation. I have no quarrel with the Republicans and with those Democrats who all along have not approved of the principles and policies of this administration and who so told their constituency when they were seeking office.

Recently there spoke in Hartford two Members of the United States Senate—one a Republican, one a Democrat. Last February, Congress voted an appropriation of a quarter of a billion dollars to take care of the unforeseen emergencies arising out of the unexpected drop in employment this past winter. By record vote, the Senate voted 67 to 1 for this relief appropriation. The one vote in the negative of the entire body was cast by the Democratic Senator who addressed a Hartford audience a little over a week ago, and who, incidentally, seconded the nomination of Franklin Roosevelt at the Philadelphia convention less than 2 years ago, when he himself was seeking office.

The young Republicans met in convention in Hartford a short time ago to discuss the critical problems of the Nation and to devise a plan of solution which they could offer to the country. It convened to hear the wisdom of one of the most vociferous of our critics. No measure involving a vital principle to which the New Deal is dedicated has that gentleman's approval. These young Republicans came together at this critical period to save the country. And what did they do? If one judges the most important news by the headlines of a newspaper, then the only worth-while thing discussed at that meeting was myself. And all because I gave an honest answer to four constituents whose motives in telling me to vote against the reorganization bill I had good reason to suspect. The pearls of wisdom that fell from Senator BRIDGES' mouth, as to the solution of the problems facing the country, were, to use his own words, that I be sent back to peddling magazines. If I accept this solution I wonder if he will call off the lobby over Congress.

I have been "raked," to use the words of a local paper, because I told the people of Connecticut in letter and in statement how I was going to vote on legislation. I suppose I could avoid a great deal of pious criticism if I would send my correspondents namby-pamby replies. If they hold against me the fact that I take a definite stand on issues, frequently coming to Hartford during the session to speak on these matters, and give in advance reasons why I am going to vote a certain way, no doubt they will be able to find many Republicans as candidates for my seat, who will give them the kind of answer they demand, or the wishy-washy meaningless replies they apparently would like.

The climax of the fight within Congress against the President was reached on the reorganization bill. Remember that by vote of 283 against 76, the House had passed part of the reorganization bill last summer. No Member from Connecticut voted against it. After the first few days, the lobby, dropping its camouflage, opened a campaign to slap the President's face. The lobby stirred up the people back home, created fear, and its work was so effective that even some Members of Congress succumbed to the hysteria. Whatever happens from now on until the adjournment of Congress will matter little. Necessary appropriation bills will be passed; there will be here and there minor battles for certain pet or personal projects but everything that was basic in the New Deal, everything that was basic in our program of social and economic rehabilitation and reform was involved in the fight which resulted in the scuttling of a piece of legislation which practically every opponent, whether he was a Member of Congress or whether he was a member of an editorial or news staff, conceded was not only desirable but necessary for the more efficient functioning of our administrative government. Of course, I know there were many who were conscientiously opposed to this legislation on one specific ground or another.

The lobby worked overtime, and it worked with results. We gave in on almost every point. The education feature of the bill was eliminated. The House adopted an amendment requiring that every order issued under the law by the President remain on the table of Congress for 60 days while it was in session, before it could go into effect. A mere majority vote of the Congress could nullify any change the President might make. The Veterans' Administration was exempted.

With the stuff that was fed the people on the reorganization bill it is no wonder so many were driven to a frenzy over imagined dictatorship. Were I in their place and having the same dope given me, I too would be writing to my Congressman threatening him, or picketing his home.

Already there have been returned to me more than a hundred of my replies to telegrams on the reorganization bill, stamped by the Post Office Department, "unknown" or "unclaimed." A Congressman told me he received a telegram from his wife in the Middle West to vote against the bill, while as a matter of fact, she was living with him in Washington.

People wrote me in reply to my letters that they had sent me no telegrams. From one of these—the man lives in Hartford—I quote, "I sent no telegram, nor did I authorize my name to be signed to one with reference to this bill." He goes on to say that his employer had asked him to sign a group telegram sent from the concern but that he had refused, because he thought the reorganization measure should be enacted. Last Wednesday I received a letter telling me that the president of an organization had wired me in the name of that organization to vote against the bill. He had received neither the authorization nor the agreement of the other members.

An American newspaper which has become an institution has as its slogan, "All the news that is fit to print." At least 85 percent of the newspapers in America today could well adopt the slogan, "All the news we see fit to print."

And the self-appointed defenders of the people's rights and privileges under the Constitution—though wherein those rights and those privileges would have been jeopardized by the reorganization bill no one has been able to explain—this lobby chose for the manager of their campaign a Dr. Edward Rumley, of unsavory reputation. Later pardoned by President Coolidge, the fact, nevertheless, remains that the same Dr. Rumley was convicted for dealing with the enemy during time of war. It was a small matter. All he did was to publish a newspaper in New York with $1,300,000 provided by the enemy. He served 30 days in jail. If it is in such hands that the protection of individual rights and liberties of the American people must be placed, then, truly, God save the American Nation.

In this reorganization fight a great deal has been made of the right of the people to petition Congress. I approve of that right. Anyone who has sincerely written me on any matter, anyone who has sought my help in any degree has been given the fullest amount of time and attention that was required. But I know that 90 percent of those who wired, wrote, and petitioned me against it, unless they received it from me, never saw a copy of the reorganization bill, never read the reorganization bill, never read even the committee report which presented the views for the bill and the views against it.

I am told I did not heed the will of the majority of the voters in refusing to recommit the reorganization bill. I received, all told, about 3,000 telegrams and letters and petitions, not alone from my district but from the entire State of Connecticut.

In November 1936, 101,766 people cast their votes for me, 66,005 voted for my chief opponent, and 6,811 voted for the third candidate. For the three of us there was a total vote cast of 174,582. Since when do 3,000 telegrams, letters, and petitions from the entire State of Connecticut represent the majority will of 174,582 people who voted for and against me 18 months ago in Hartford County alone? And I attribute my majority in 1936 to those who approved my stand on the New Deal program. Today I am more firm in the conviction that the people of my district, and of the State for that matter, are continuing their support of these principles.

During the Court fight a year ago I had occasion to tell a number of people who warned me that they represented the majority, that had I judged of the reaction in Connecticut to the New Deal by the number of letters I received against New Deal legislation, Connecticut would have gone for Landon instead of overwhelmingly for Roosevelt in November of 1936. Similarly the New Deal would have been thrown out in Connecticut had the people relied solely on the newspapers for information and guidance. We have an inarticulate majority in the United States, a majority which speaks infrequently but eloquently once every 2 years.

Don't think for a moment that with the defeat of the reorganization bill the lobby has stopped. Not at all. The country is demanding action against this recession. Business is demanding that we help them. We offer them action, we offer them help, but the lobby is already at work against the new relief bill. The Charlie McCarthy of the minority opposition, they are demanding that we vote down the relief bill, scuttle our principles, and return the country to the days when a President pleaded with the people to help the needy by purchasing an apple from the man on the corner for a nickel.

The women, too, are being organized. I have received about 15 identical voluntary pledges from certain ladies warning me in nice language, but a warning nevertheless, that they intend to vote only for Members of Congress, irrespective of party, who intend to protect the lives of their families, the security of their homes, their business enterprises, their savings and investments, and to conserve their rights and privileges as citizens under the Constitution.

But one lady unwittingly sent me the original pledge she received to sign and forgot to take off the instructions to send a copy of the pledge to her Congressman and copies of it to 10 or more women requesting that they do the same.

There are now before the Congress and the country measures of extreme importance to all of us. The forces which through their lobby just defeated us on the reorganization bill are girding their loins, ready to strike out against every measure in which you, the people, have a stake. Now we know their motives. We know how they work. And I acknowledge their ability to gain their ends. If we would be successful in attaining the enactment of measures we promised, whether in office or out of office, we must fight hard. The country needs our united strength. If we would have all our people enjoy the rights and privileges under the Constitution we must defeat this vicious lobby hanging over Congress.

Amend National Flood Control Act of 1936—Local Sponsors Cannot Pay Damages to Lands and Improvements, and Therefore Act is a Failure

EXTENSION OF REMARKS

OF

HON. JOHN A. MARTIN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1938

REMARKS OF HON. JOHN A. MARTIN, OF COLORADO, TO NATIONAL RIVERS AND HARBORS CONGRESS

Mr. MARTIN of Colorado. Mr. Speaker, legislation now being considered by the House Committee on Flood Control is vital and indispensable to the carrying on of a flood-control program in this country. I refer to legislation to amend the Flood Control Act of 1936 by relieving the local sponsors of flood-control projects of damages to lands and improvements on and adjacent to the sites of dams and reservoirs and making such damages a construction charge to be borne by the Federal Government. Unless this legislation is enacted, 90 percent of all the flood-control projects in the act of 1936, and in the amendments of 1937, and the program of proposed new projects will never be built. After nearly 2 years practically none of the scores of projects in the act of 1936 has been begun, nor will they be started.

On Tuesday of this week I had the honor of presenting to the National Rivers and Harbors Congress meeting in special convention in the city of Washington a resolution to bring to the House Flood Control Committee the support of the great National Rivers and Harbors Congress. The resolution, which was unanimously adopted, will be found in my remarks before the Congress, an official copy of which follows these introductory remarks.

I very deeply appreciate the submission of the resolution to the Rivers and Harbors Congress by its president, the Honorable WILLIAM J. DRIVER, of Arkansas, who is also a very able Member of this House, and who in his dual capacity is writing his name large into the history of flood control in this country.

The CHAIRMAN (Mr. DRIVER). Now, we have a man from the House of Representatives, one of the most independent men I have ever known in my life, and one of the most aggressive and, strange to say, combined with one of the finest judgments that I have ever seen manifested. I want to introduce my friend from Colorado, Representative MARTIN.

Representative JOHN A. MARTIN. Mr. Chairman and gentlemen, I can say truthfully that this call was wholly unexpected, but I didn't come wholly unprepared, because I brought a resolution with me. I hope I am entitled to the designation by my good friend, Judge DRIVER, as independent, whether I have good judgment or not. I have been manifesting some indications of independence recently, and that is in connection with the flood-control program. There has been nobody more disappointed than I with the largeness of the program as laid down by the national administration and the smallness of the appropriations recommended to carry that program out.

Judge WHITTINGTON, chairman of the House Flood Control Committee, this morning gave you the figures of the total of authorizations that will probably be carried for flood control, amounting, including projects heretofore authorized by Congress, to nearly a billion dollars by the time Congress adjourns. Over $300,000,000 of that, however, my friends, was carried in the Flood Control Act of 1936, practically none of which has been executed or placed under construction. That fact developed recently in the hearings before the House Flood Control Committee, before which I had the honor of appearing as a representative from my State, recommending legislation to cure that situation, and get this program under way.

The fact of the matter is the program of projects already authorized, and those which are to be authorized by this Congress, will be in the same fix, is bogged down because of the impossible local requirements of contribution which the sponsors are unable to meet, and which requirement by the way, my friends, is contrary to the entire former flood-control policy of this Government.

Prior to the act of 1936 these local damages to lands and improvements where flood-control projects were built were a construction charge on the Federal Government. This is true today with the Tennessee River. The total for the Tennessee Valley in the great series of dams which are being built on that river, by the time it is concluded, will be in the neighborhood of $750,000,000, not one red cent of which is made a charge against the people in the Tennessee River Valley. It is the same with the Fort Peck Dam, the great dam on the upper Missouri, Mont. It was the same with all flood-control projects until the passage of the Flood Control Act of 1936, which act made all these damages, the furnishing of lands, rights-of-way, relocations, damage to railroads and other utilities, a local charge, which the local communities are unable to meet, as a result of which the program today is stymied, as the golf players say; bogged down, in my language, because I don't play golf, and I saw this coming.

I saw it in the Budget message to the Seventy-fifth Congress when it came in in January 1937, that for some unknown reason there had been a let-down on the flood-control program. The Budget recommended only $30,000,000 in January of 1937 to begin the execution of a flood-control program of $310,000,000, when the Army engineers, testifying before the House Committee on Appropriations, stated that one-half of that program was all ready for execution.

Now the Flood Control Committee of the House is considering the removal of all or the greater part of these limitations. I don't know to what extent they will go; I hope they will go the limit, where they ought to go, and make these local damages incident to the construction of a dam or reservoir a Federal charge. There were persons who appeared before that committee who sought to distinguish between dams and reservoirs on the one hand, and levees on the other; who stated that the Federal Government should pay all the local damages on the reservoirs and dams but not on levees, on which they said the local damage should be met by local contribution.

While I am not locally affected by the levee proposition, I took the position before the committee, and I take it here, that there should be no distinction between any particular types of flood-control projects with reference to the matter of the payment by the Federal Government of the damages to lands and improvements involved in those projects. The water which necessitates the building of dams comes from somewhere else, it comes from the upper reaches of the stream flowing through other States, but the same is absolutely true of the situation that necessitates the building of levees.

The floodwaters are no more generated on the site of the levees than it is on the site of the dams, and in my opinion they should all be treated alike. Another thing troubling the House Flood Control Committee is the fact that in some areas where the local damage is very slight, there happening to be no improvements on the land involved and the lands happening to be of little value, the local sponsors could perhaps meet those land costs, but in situations such as Mr. WHITTINGTON indicated around Pittsburg the land costs may exceed the construction cost. They may have, and I believe this is an exact situation, a $25,000,000 dam which will involve $35,000,000 of local damages, but in my judgment you can't fairly make fish of one and flesh or fowl of another by setting up classifications and different methods of dealing with those situations.

The sole test ought to be whether it is a meritorious flood-control project, which contributes to the benefit and the safety of the whole stream on which it is located; and if it is, then the Government, in that case as in any other case, ought to pay the local cost and damages to improvements and lands.

Now I am not going any further, except to read you my resolution. You will suspect when I get through that I have got a bogged-down flood-control project in my State, and your suspicion will be right the first time. It was authorized in the Flood Control Act of 1936, the Caddoa Dam on the Arkansas River in the State of Colorado, and the final survey and plans have been made by the Army engineers at a cost of $100,000.

They are all ready to shoot, but the project today is just as dead as it was before the Flood Control Act of 1936 was passed unless we get the Government aid asked for, and which the House Flood Control Committee is now considering, to meet the cost of relocating a 25-mile line of railroad. So to meet that situation, which prevails generally throughout the country, I brought this little resolution down with me, which I will read and conclude.

"*Resolved by the National Rivers and Harbors Congress*, That it hereby approves and urges the passage at this session of Congress legislation now being considered by the Committee on Flood Control of the House of Representatives to make damage to lands and improvements, including relocation of railroads and other public utilities, a construction charge to be borne by the Federal Government on all dams, reservoirs, levees, and other flood-control facilities, on all flood-control projects constructed under the Flood Control Act of June 22, 1936, and amendments thereto; and that a copy of this resolution be furnished the chairman of the House Committee on Flood Control."

I don't ask, and I don't expect you to adopt my resolution, but I sincerely hope and most strongly urge that you do adopt a resolution which will carry the substance of the resolution I have just read to you, and I will say to you that if you don't do it there isn't any use in the National Rivers and Harbors Congress endorsing any program of additional flood-control projects or the Congress of the United States authorizing them, because they can't be built by the local sponsors. [Applause.]

Danger to Indiana Shippers Averted

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 28, 1938

Mr. LUDLOW. Mr. Speaker, when the House today in Committee of the Whole, by the overwhelming vote of 132 yeas to 27 nays, struck out section 30 of the pending merchant marine bill it removed a hazard that has been hanging like the sword of Damocles over the heads of our Indiana manufacturers and shippers. The subsidy of $2 per ton which this section would have granted to coastwise shipping would have had a paralyzing effect on Indiana producers, and no doubt it would have resulted in the removal of many of our industries to the seaboards, where they would have to go in order to secure the advantage of water rates.

By permission of the House I offer for printing in the CONGRESSIONAL RECORD telegrams I have received from key Indiana organizations and individuals bearing on this subject, as follows:

INDIANAPOLIS, IND., *April 28, 1938.*

Hon. LOUIS LUDLOW, M. C.,
House Office Building, Washington, D. C.:

H. R. 10315, section 30, proposing subsidy $2 displacement-ton coastwise shipping reported on floor today. We urgently request you oppose as this territory has already lost Atlantic seaboard markets. Further reductions in transportation costs from Pacific coast would greatly increase our handicap.

INDIANAPOLIS BOARD OF TRADE,
FREEMAN BRADFORD, *Traffic Manager.*

INDIANAPOLIS, IND., *April 28, 1938.*

Hon. LOUIS LUDLOW,
United States House Office Building:

H. R. 10315, section 30, proposes $2 displacement-ton subsidy on coastwise traffic. This would operate seriously against the ability of mills in Indiana to compete with mills in Pacific Northwest, who have a tremendous advantage at present time. Urge you to oppose it.

ACME EVANS CO.

INDIANAPOLIS, IND., *April 28, 1938.*

Hon. LOUIS LUDLOW,
House Office Building:

Urge you to make every effort to eliminate section 30, H. R. 10315, providing intercoastal shipping subsidy. Differential of up to 15 cents per hundredweight on flour or 9 cents a bushel on wheat allowed west coast shipper would be disastrous to Indiana producers, millers, and grain dealers.

INDIANA GRAIN DEALERS ASSOCIATION,
FRED F. SALE, *Secretary.*

EVANSVILLE, IND., *April 27, 1938.*

Hon. LOUIS LUDLOW, M. C.,
Washington, D. C.:

It seems that section 30, H. R. 10315, creates additional disastrous competition for railroads, which have about all they can stand. Trust you can see your way clear to advocate elimination of section 30.

F. H. HATFIELD.

Pending Non-Federal Applications for P. W. A. Projects in Arkansas

EXTENSION OF REMARKS
OF
HON. DAVID D. TERRY
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 28, 1938

LIST OF P. W. A. PROJECT APPLICATIONS BY COUNTIES IN ARKANSAS FOR WHICH NO ALLOTMENTS HAVE BEEN MADE AS OF APRIL 12, 1938

Mr. TERRY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Arkansas—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Benton County:					
W1206		Siloam Springs	Reservoir		$11,250	$11,250	$25,000
		Clark County:					
W1205		Arkadelphia	Science building	$69,000	56,454	125,454	125,454
		Craighead County:					
W1235		Jonesboro	University buildings	110,000	90,000	200,000	200,000
		Faulkner County:					
W1124		Conway	Park	42,000	34,363	76,363	76,363
		Grant County:					
W1056		Sheridan	Courthouse addition	6,000	4,909	10,909	10,909
		Jackson County:					
W1087		Newport	Courthouse	55,000	45,000	100,000	100,000
		Jefferson County:					
W1089		Pine Bluff	High school	112,900	91,636	203,636	203,636
		Lee County:					
W1021		Hughes	Disposal plant	16,000	13,090	29,090	29,090
		Logan County:					
W1203		Paris	Waterworks improvement	110,000	90,000	200,000	200,000
		Monroe County:					
W1160		Clarendon	Jail	17,000	13,909	30,909	30,909
		Phillips County:					
4245		Helena	Hospital	30,000	24,545	54,545	54,545
		Poinsett County:					
7347		Harrisburg	Sanitary sewer	18,000	14,727	32,727	32,727
		Polk County:					
W1197		Mena	Courthouse and jail	61,000	49,910	110,910	110,910
		Pope County:					
W1202		Russellville	Disposal plant	18,000	14,727	32,727	32,727
		Pulaski County:					
W1145		North Little Rock	Sanitary sewer	148,000	121,091	269,091	269,091
W1195		....do	School addition		23,407	23,407	52,017
W1198		....do	....do		8,504	8,504	18,897
W1234		....do	State building		45,000	45,000	100,000
		Total		148,000	198,002	346,002	440,005
		St. Francis County:					
W1147		Forrest City	Library	17,000	13,909	30,909	30,909
W1149		....do	City hall	14,000	11,454	25,454	25,454
		Total		31,000	25,363	56,363	56,363
		Union County:					
W1165		El Dorado	Electric plant	365,000	298,000	663,000	663,000
		Grand total		1,028,000	1,075,885	2,283,885	2,391,638

A National System of Railroad Unemployment Insurance

EXTENSION OF REMARKS
OF
HON. JAMES M. MEAD
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1938

1. THE RAILROAD INDUSTRY IS A NATIONAL INDUSTRY, AND ALL RAILROAD PROBLEMS ARE NATIONAL, NOT STATE, PROBLEMS

Mr. MEAD. Mr. Speaker, the railroad industry is a national industry, conducted by companies whose operations transcend State lines, with relatively uniform operating methods and management. The so-called "granger laws" demonstrated that the States are inappropriate units for the regulation of this industry, and since 1887, therefore, it has been subject to national regulation of steadily increasing scope. Employers and employees are well organized on a national basis and wages and working agreements are negotiated on what is largely a national basis. Other aspects of employer-employee relationships are nationally regulated by such agencies as the National Mediation Board, the National Adjustment Board, the Railroad Retirement Board, and certain bureaus of the Interstate Commerce Commission, with which the unemployment insurance plan for the railroad workers should be coordinated.

2. RECOMMENDED BY FEDERAL COORDINATOR OF TRANSPORTATION

As early as 1934, the Coordinator pointed out the difficulties of covering interstate transportation workers under 49 separate State unemployment compensation laws and recommended the establishment of a separate national system for them, saying in part:

> The first * * * principle calls for the establishment of a national transportation unemployment-insurance system rather than a host of separate State systems. Labor relations in the transportation industry, particularly on the railroads, are not conducted on a localized basis. Wages, hours, and working conditions are established through agreements which cut across State lines and upon occasion are national in scope. It would be unreasonable to suppose that the unemployment-insurance laws of all the States would be uniform. On the contrary there would inevitably be wide variations in these laws. These differences would in time tend to disturb existing wages and working conditions and so would adversely affect labor relations, especially on the railroads.
>
> Moreover, in the transportation industry there is a greater amount of transfer of employees across State lines than in any other industry. Such transfers are a normal phase of employment in the industry and would make very difficult the successful operation of an unemployment-insurance law on a State basis. To remove transportation from the jurisdiction of the States would not only facilitate the administration of unemployment insurance for the transportation industry, but it would also simplify some of the administrative problems of the States. The regulation of all aspects of interstate transportation and the agencies which conduct such transportation is primarily the function of the Federal Government. * * *
>
> The fourth principle which deserves consideration is that unemployment insurance and old-age insurance for the transportation industry ought to be administered by the same body. First of all, the total contributions for these purposes could thus be collected in one payment from each employer in the industry rather than by two payments made to different agencies. Second, the same set of records could be made to serve both purposes. If the benefits to be paid are to have relation to any contributions paid by employees, these records would be the main basis for the allowance or disallowance of claims.
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> (Report of Federal Coordinator of Transportation, 1934, 74th Cong., 1st sess., H. Doc. No. 89, January 1935, p. 76. See also Unemployment Compensation for Transportation Employees, Federal Coordinator of Transportation, March 1936.)

The Interstate Commerce Commission concurred in this recommendation, but did not comment on the details of his proposal.

It is true that the Coordinator recommended the coverage by a single national plan not only of railroad workers but of all interstate transportation workers, but there are several considerations which make so broad a plan inadvisable at this time. First, since the time of his report, Congress has established a special retirement system for railroad workers and has created a separate agency to handle this phase of social security for railroad workers. Second, the program of industrial relations and the pattern and problems of employment and unemployment in the industry are so distinctive—quite unlike those even in other branches of transportation—that anything which touches upon them as closely as unemployment insurance should be designed at this time for this industry alone. Third, the extension of the plan to other branches of transportation would increase the difficulty of administration, because of the large number of small employers still not accustomed to keeping records or making reports, out of all proportion to the additional unemployment covered, because several other branches of transportation are still in an expanding stage of development. Fourth, since a very large proportion of employment in transportation by bus and truck is intrastate, it would be inadvisable to attempt to cover this branch of the industry by a Federal plan, at least until the Interstate Commerce Commission, with growing experience in the regulation of this branch of transportation, has been able clearly to identify that part of it which can properly be regarded as engaged in interstate commerce.

3. RECOMMENDED BY THE PRESIDENT'S COMMITTEE ON ECONOMIC SECURITY

In 1935 the Committee on Economic Security, recognizing the force of the foregoing arguments, made a similar recommendation, saying:

> We are opposed to exclusions of any specified industries from the Federal act (Social Security Act), but favor the establishment of a separate nationally administered system of unemployment compensation for railroad employees and maritime workers. (Report to the President of the Committee on Economic Security, 1935, p. 18; the same, 74th Cong., 1st sess., H. Doc. 81, p. 15.)

Some of the reasons given above for not extending the plan to all transportation workers would make it inadvisable to extend this plan to maritime workers. The Railroad Retirement Board would not seem to be an appropriate agency to administer a plan which also covered maritime workers. The provisions of this bill, designed with reference to the characteristics of railroad employment and unemployment, would probably not be suitable for the certainly quite different characteristics of maritime employment and unemployment.

4. ANTICIPATED BY STATE UNEMPLOYMENT COMPENSATION LAWS

Two State unemployment compensation laws—those of Alabama and Wisconsin—do not now cover railroad workers. Forty other laws seem also to have anticipated a separate national system by specifically excluding from covered employment—

> Service with respect to which unemployment compensation is payable under an unemployment compensation system established by an act of Congress.

Such a provision may be regarded as superfluous in consideration of the right of Congress to assert its exclusive jurisdiction, but it serves to indicate that State legislatures were not wholly satisfied with the plan to cover all types of workers by State laws.

Further, 48 State laws express a willingness to enter into cooperative arrangements with any agency administering a Federal unemployment compensation law. The typical provision reads as follows:

> * * * the Commissioner is hereby authorized and directed to enter into agreements with the proper agencies under such act of Congress * * * to provide reciprocal treatment to individuals who have, after acquiring potential rights to benefits under this act, acquired rights to unemployment compensation under such act of Congress, or who have, after acquiring potential rights to unemployment compensation under such act of Congress, acquired rights to unemployment compensation under this act.

5. VALUE AS A FURTHER EXPERIMENT

Our whole social-security program is still frankly in an experimental stage. If there is any merit in the argument frequently used in defense of the present Federal-State unemployment-compensation program—that it provides 51 separate experimental laboratories—there is equal merit in the proposal to experiment with a limited Federal plan.

No experiment should be undertaken only for experiment's sake. There is an increasing realization that the present

Federal-State unemployment-compensation system is unsound in many of its basic features, both of policy and administration. To cite only a few recent declarations, Mr. Clarence Jackson, executive director, unemployment-compensation board of Indiana—Appendix of the CONGRESSIONAL RECORD, volume 83, page 799. Mr. Herman A. Gray, chairman of the New York unemployment-insurance State advisory council—testimony before the Senate subcommittee on employment and relief, March 17, 1938, and speech reported in New York Times, March 19, 1938—Mr. Glenn A. Bowers, until recently executive director, division of placement and unemployment insurance of New York—address before Controller's Institute of America, reported in New York Herald Tribune, March 25, 1938—and the unemployment compensation commission of Montana—first annual report for calendar year 1937, 1938, page 15—say the program must be "fundamentally revised" and unite in criticizing the collection of taxes by both the Federal and State Governments, the duplication of administrative agencies and functions, and the complexities of the present laws. In line with their suggestions, express or implied, the railroad unemployment-insurance bill provides a single administrative agency, simplified reporting, and a very greatly simplified benefit structure. For these reasons, and because this plan would necessarily be administered with the cooperative assistance of the Association of American Railroads and the Association of Railway Labor Executives, each peculiarly well informed and well organized, the passage of this bill would serve as a positively constructive experiment.

6. SIMPLER AND SOUNDER BENEFIT PROVISIONS

The national statistics of employment and unemployment on railroads are probably more adequate than those for any other industry and are certainly more adequate than for all industries in any State. Unemployment insurance for railroad workers can, therefore, be more soundly based on actuarial factors than the present Federal-State plans, many of which are recognized to be financially precarious. The railroad workers want the assured protection that the availability of this actuarial data makes possible.

Fortunately, it seems to be possible with a 3-percent tax to pay slightly more generous benefits under a national plan of railroad unemployment insurance than under the present Federal-State plans. The railroac workers, frankly, want to enjoy this added advantage and they thus offer the railroad employers the chance to avoid the higher tax rates which may prove inevitable in at least some States. In many States it is very improbable that the workers will continue to be content with the benefits now promised, which in many cases are so limited that they will fail to achieve the purposes of a sound social insurance plan. The fact that even these limited benefits may have to be cut to maintain solvency in some States makes it even more desirable now to create a more nearly adequate system of railroad unemployment insurance when that can also be financially more secure.

By providing a simple benefit plan which any worker can understand, which can be easily administered without expensive or unintelligible calculations, and which provides substantial minimum benefits, this bill may point the way to a sounder plan of unemployment insurance for all workers. If for many workers unemployment insurance can do nothing more than to pay, for example, $2 or $3 a week for 16 weeks, or $15 a week for 2 or 3 weeks, the program must be abandoned as inadequate to deal with even that part of the problem of unemployment which it professes to relieve.

Under this bill, every eligible worker will get benefits in an amount at least worth the cost of paying, in an amount sufficient at least to keep his head above water, and for a period at least long enough to give him a reasonable chance of reemployment.

7. POSITIVE DISADVANTAGES OF STATE UNEMPLOYMENT COMPENSATION FOR RAILROAD EMPLOYERS AND WORKERS

(a) Cost of reporting: All railroads have employees in several States. Some must file reports in as many as 20 to 30 States. Inevitable differences in the scope, timing, and form of reports, and in the definitions of such terms as employment, wages, full-time employment, full-time weekly wage, and so forth, will continue, despite the best intentions of State administrators to impose avoidable accounting, legal and reporting costs on the railroads. The use, for unemployment-insurance purposes, of the wage reports now made to the Railroad Retirement Board under the Railroad Retirement Act will free each railroad from the necessity for filing annual tax returns under title IX of the Social Security Act to the Bureau of Internal Revenue, monthly or quarterly contribution reports to a large number of State unemployment-compensation agencies, and quarterly wage reports to those State agencies. It is not unreasonable to expect the resulting savings to reach $3,000,000 or more per year.

There are already some indications that the total direct cost of administering social security, if costs both to the employer and to Government are included, will prove to be from 20 percent to 25 percent of social-security collections. Unless possible economies are soon effected, the program may collapse under this heavy burden. At any rate, especially when the railroad industry is in such severe present straits, there is no excuse for failing to realize even the substantial savings that would come from simplified reporting under the railroad unemployment-insurance bill.

(b) Possible duplication or avoidance of coverage under State laws: Despite a commendable effort to achieve substantial uniformity, there are basic differences in the coverage provisions of many State laws. These are found, and will inevitably continue to be found, in differences in the language of the statutes themselves, in the language of regulations pursuant thereto, and in the interpretations even of the same language by State administrators and State courts. In most States the test of where an employee's services, performed in more than one State, are covered depends on the location of his headquarters, but in some on where the preponderance of the work is performed. Under the laws of some adjacent States it is certain that some workers will prove to be covered in more than one State, others in none. The tests, whatever they may be, are applied in different States with respect to various units of time—pay-roll period, tax period, reporting period, or the duration of the contract of employment. Eventually only apathetic or neglectful administration by State officials will save the railroads and their workers from the annoying and expensive consequences of such differences.

The fact that many railroad workers normally perform their services in more than one State, and the further fact that many railroad workers frequently change their headquarters from State to State will continue in the absence of a national plan also to cause more difficulties for State unemployment compensation administrators than is yet generally realized. Most of the States have proceeded thus far on the comfortable assumption that the railroads could be left to decide in what State or States a worker should be covered. Some of the more conscientious administrations are beginning to realize that the passive policy of acquiescing in such decisions is not conducive to sound administration and that this policy is being viewed with justifiable alarm by the labor groups.

(c) Interstate movements of railroad workers: Railroad employees as a class are habitually themselves moving between States. This is true to a much greater degree than is commonly recognized because not only the employees who operate trains move frequently but station employees, telegraphers, dispatchers, maintenance-of-way employees, and so forth, are frequently called upon, in the course of their work, to move headquarters for longer or shorter periods. A large proportion, if not a majority of such movements, involve transfers across a State line. If State unemployment compensation laws were properly administered, such transfers would involve a transfer also of unemployment compensation coverage.

In the absence of a plan for the transfer of employment or wage credits from State to State, workers who have

worked and been covered in more than one State may lose substantial benefit rights. In fact, for these so-called multi-State workers, it has long been recognized that purely State systems of unemployment compensation are unsatisfactory. The problem of giving such workers adequate and equitable protection has been the subject of discussion at every meeting of the Interstate Conference of Unemployment Compensation Agencies since 1936. It has been the subject of much study by the staff of the Social Security Board. Nevertheless, no solution of the problem has been found. The interstate benefit payment plan of October 1937, as implemented by the procedures and regulations of March 1938, is almost a confession that the problem, in all of its really important aspects, is insoluble under the present Federal-State plan. The railroad workers feel, therefore, that as a group which constitutes a large fraction of both the interstate and multi-State workers it is reasonable to ask a separate, more satisfactory plan for themselves.

(d) Variable benefits for the employees of the same employer: Because of the differences in the State laws themselves and in their interpretation, employees of the same employer, members of the same union, working under the same contract of employment, may get quite different treatment according to the State in which they chance to be covered. The same employee, in fact, if he has moved from one State to another, may get quite different treatment at different times.

Differences in the financial solvency of different State funds will result in even greater differences in treatment. The States have made little effort to adjust their contribution rates and their benefit rates and duration to recognized, though not precisely measurable, differences in the risk of unemployment. Further, many States have introduced so-called automatic merit rating, providing for the future variation of contribution rates among different employers. This is probably the first time any attempt was ever made to fix in advance definite rates for insurance on the basis of factors which were impossible of measurement when the rates were set. Further, 11 State plans cover less than 100,000 workers. In many of these States employment is not sufficiently diversified to warrant the establishment of an insurance plan on so narrow a base. It is certain, therefore, that present benefits cannot be supported indefinitely by the present contributions under many State laws. Either workers will be denied benefits by the insolvency of some State plans or contribution rates will have to be increased. In the first case, one worker will be drawing benefits while his fellow employee will be denied them just because he was assigned on the basis of some technicality to another State. In the second case, the employer, hedged about by myriad Federal regulations, will have increased costs imposed by a State, with no chance to recoup them.

Even without reference to its possible effect on the ultimate solvency of the State funds, merit rating may produce unfortunate results. From year to year a railroad may have its contribution rates raised in some States, lowered in some, and left unchanged in others. This will not only increase the complexity of reporting and perhaps stimulate a desire nominally to transfer the headquarters of some workers from high-rate to low-rate States, but will also produce the anomaly of increasing tax burdens on those divisions of the road which may be least profitable and decreasing tax burdens on the more profitable divisions.

(e) Consequent disruption of State wage and industrial-relations policies: The possible inequities mentioned above may be serious enough in themselves, but they are much less serious than their possible consequences. At present railroad wages and working conditions are largely determined on the basis of national agreements. This is possible because most employers and employees belong to responsible national organizations, because the underlying economic factors are largely of a Nation-wide character, and because, for the most part, the railroads are regulated by national statutes. But the continued application to railroads of 49 different, variously interpreted, variously enforced State laws of various degrees of financial soundness, with the unpredictable vagaries of merit rating, must inevitably result in cost differentials among employers. Variations in the extent to which employees are called upon to share in contributions and variations in the rates and duration of benefits and in the extent to which each State plan can continue to pay the full amount of benefits promised will produce income differentials among employees. These differentials, capricious and unpredictable and unmerited, will introduce a variable State factor for consideration in wage negotiations, will tend to disrupt the orderly determination of wages and working conditions on a national basis, and will generally impair the sound basis of industrial relations now prevailing in the industry.

8. RELIEF OF RAILROAD WORKERS FROM EMPLOYEE CONTRIBUTIONS UNDER SOME STATE UNEMPLOYMENT-COMPENSATION LAWS

Six of the State unemployment-compensation laws which now cover railroad workers levy contributions on employees at rates ranging from one-half percent up to 1½ percent of wages. This might be sound policy if those State funds needed this extra income to offset a worse than average risk of unemployment or if these laws promised better than average benefits. It is, however, specially burdensome on railroad workers, who, under the Carriers' Taxing Act, are now paying tax rates nearly three times as high as the ordinary worker pays under title VIII of the Social Security Act. Without entering into the general argument against the use of employee contributions to finance unemployment insurance, the railroad workers in these six States feel that they ought not to have the additional burden, as compared with other railroad workers, of contributing to the cost of a system that is basically unsatisfactory for employees of their industry. To avoid employee contributions it has been reported that some railroad workers have even moved their residence out of the employee-contribution State to which they have been allocated by their employer and exercised their seniority rights to bid on jobs that would be performed entirely outside that State.—Fifty-second Report of Railroad Accounting Officers, Association of American Railroads, 1937, page 90.

9. COMMON-TAX BASE FOR CARRIERS' TAXING ACT AND RAILROAD UNEMPLOYMENT INSURANCE

The combined title IX and State unemployment compensation taxes amount to 3 percent of total pay rolls in 46 States, probably slightly over 3 percent of total pay roll in Michigan and 3.3 percent of total pay roll in the District of Columbia. The exclusion of the excess over $300 per month paid to any employee from the wage base in which this bill levies a 3-percent tax not only has the advantage of giving exactly the same wage base as the Carriers' Taxing Act but, incidentally, will immediately save the railroads about $1,200,000 per year. This exclusion is incorporated in the bill primarily to simplify the joint administration of the Carriers' Taxing Act, the Railroad Retirement Act, and railroad unemployment insurance. Such an exclusion, found also in titles II and III of the Social Security Act and the unemployment-compensation laws of Michigan and New York, is regarded by many students of social insurance as an equitable limitation on contributions paid with respect to the wages of the higher-paid workers whose benefits, if any, will not be proportionately related to their high wages. The incidental savings to the railroads which will result from this exclusion may seem small in the face of their present financial plight but is still worth achieving immediately.

10. UNIQUE CHARACTER OF UNEMPLOYMENT ON RAILROADS

Because of the widespread use of the seniority principle and for other reasons, the pattern of employment and unemployment in the railroad industry differs fundamentally from that found elsewhere. Typical differences, for example, are that unemployment is concentrated largely on short-service workers, that long-service workers are demoted—"bumping" their juniors—before being laid off, that the use of "extra boards" and the terms of some agreements almost result in certain formal work-sharing plans, that unemployment is largely concentrated in certain occupational groups.

Such differences necessitate corresponding variations in unemployment insurance and require that the industry be treated and studied separately.

11. POSSIBILITIES OF STABILIZATION OF SEASONAL EMPLOYMENT

One of the professed objectives of unemployment insurance is to encourage the stabilization of employment. Even if it should be conceded that State "merit rating" plans might in unusually favorable circumstances tend to stimulate the stabilization of some employments, it is certain that these plans cannot do so for the railroad industry. There are, however, genuine possibilities of controlling seasonal employment on railroads, if the problem is approached from a national or regional point of view. Stabilization of such employment can be effected to a less degree by a transfer of workers within States than by transfers across State lines. Already there is an appreciable degree of seasonal transfer, but it cannot be effectively encouraged under a series of State plans. Separate treatment of the railroads will permit special study of this problem.

How Long Shall Experimental Methods Continue?

EXTENSION OF REMARKS

OF

HON. NEWT V. MILLS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1938

Mr. MILLS. Mr. Speaker, my main objective is to make several observations of the economic or general welfare of the country and offer several constructive measures in the light of a new modern age. However, in making these observations, I am forced to disagree with many propositions and methods of legislation that are now being proposed and offered by certain interests, and in lieu thereof, I propose to substitute legislation that in a long range will prove unquestionably a benefit to the social and economic welfare of a modern society.

I assure you, I am well informed as to the unemployment situation as the census report of November 1937 shows we have 11,032,123 people total and partial unemployed, and I well realize that another depression or recession of business exists and that it is necessary to prime the pump again as an emergency with an additional appropriation in that, in a land of too much for all, those that are now hungry may be fed, and those that are naked may be clothed. However, Mr. Speaker, we must not neglect to point out that our national debt in 1929 was $16,931,000,000, whereas of April 15, 1938, it was $37,563,358,287.11, an increase of approximately $21,000,000,000; therefore, when the pump is primed again, as is now proposed, we will have a national debt of about $40,000,000,000. Further, it might be well to note that our public and private debt is approximately $260,000,000,000, that is almost $2,000 to every man, woman, and child in the United States. That means every child that is born comes into this world with $2,000 of debts as their inheritance, and further, if we figure interest at 3½ percent, our total annual interest will be approximately $9,000,000,000; that is, the interest on this country's total indebtedness is approximately one-seventh of our national income based upon 1937 national income of $68,000,000,000, or stating it in another way, we must pay about $1 interest on every seventh dollar made in America.

Mr. Speaker, Congress has well undertaken for the past several years, several courses to solve the economic conditions and among these we might mention a few: The F. E. R. A., inaugurated as a result of the President's message to Congress July 21, 1933; P. W. A., as a result of the President's message March 21, 1933; C. W. A., approved November 1933; R. A., R. E. A., and N. Y. A., each of 1935; C. C. C., created as a result of the President's message March 21, 1933, and was the first alphabetical nickname, and may be noted, however, is one of the few products of 1933 in existence unchanged; W. P. A., March 6, 1935, as an Executive order; E. F. M. A., approved May 12, 1933; H. O. L. C., created as a result of the President's message to Congress June 13, 1933; N. R. A., created June 6, 1933, however, held illegal by the Supreme Court, therefore, July 5, 1935, the N. L. R. (Wagner Act) became a law. The A. A. A. adopted by Congress May 10, 1933, and signed May 12, 1933, however, certain features held unconstitutional January 1936, and many more New Deal acts could be mentioned, but, Mr. Speaker, I believe sufficient evidence has been submitted to prove it is necessary to pursue a course of permanent constructive legislation after we prime the pump this time.

Now, Mr. Speaker, it cannot be denied one of the paramount issues of the whole New Deal program has been to balance production with consumption, however, the present administration so far has attacked the problem by retarding production and the spending of huge sums through certain channels, but I contend we have not necessarily had an overproduction, but instead, an underconsumption, and that if the Federal Government would immediately guarantee to the producers of all raw products parity prices, our unemployment situation would approximately be solved. Why, the farmers of the United States lost $22,000,000,000 of their normal income in the last 6 years, a levy of destruction upon one group of our citizens equivalent to the total national debt of 1933, and the report of the Bureau of Agricultural Economics on November 1, 1937, well proves the cotton farmer of the South received for his 1937 cotton less than one-half of what he would have received if the Federal Government had guaranteed a parity price. I say the present 1938 agricultural program is only correct in the direction of soil conservation, and I contend that to restore happiness and return purchasing power or to balance production with consumption so the wheels of industry can move, we must stabilize prices by an act of Congress.

Why, Congress can solve the agricultural problem by enacting two acts: First, accepting the report of the Bureau of Agricultural Economics of November 1, 1937, as the correct parity price the farmer should receive for his raw products and in that case the farmer would have received 16½ cents per pound for his 1937 cotton, 85.4 cents for his 1937 corn per bushel; however, the parity Agricultural Act would necessarily have to be changed to meet the economic changes. Second, a Federal monetary authority that will maintain an adequate sound currency system best suited for the national economic welfare. The commodity and general price level can be quickly restored by a constructive currency system with a controlled expansion and not inflation. I contend if gold is to function as a medium of exchange, this principle must be adopted now, thereby allowing the purchasing power of this Nation to expand equally in proportion to the production. Surely this Congress realizes without purchasing power among the farmers of the Nation, we shall continue to have hunger in a land where God has blessed us abundantly.

Congress is going to adjourn with nothing whatever done to increase the purchasing power of the masses. The Agricultural Act adopted only tends to reduce production and put men out of employment, and will not restore buying power among the farmers. Why, I have received numbers of letters where farmers with large families would not be able to farm; and I contend that as long as mass purchasing power stays down and continues to shrink there will be an overproduction of bathtubs, cars, radios, and so forth, which we like to think are elements in the American standard of living.

Shall we continue, as representatives of an honest people, representatives of a peaceful people, who put their faith, honesty, and trust in us to represent them, or shall we barter our birthright for a mess of pottage? Are we, as National Representatives, going to avoid our duty once again? Surely

there are men here who cannot by this time but see what the ultimate end will be if Congress does not alter its line of legislation immediately and pursue permanent and constructive legislation.

Mr. Speaker, I shall vote for the proposed spending pump-priming legislation for immediate relief for our country; however, unless a more definite and sounder program is adopted, we can look forward to the inauguration of sovietism. If this Congress appropriates $4,252,000,000, as requested by the President in his recent message to Congress, for immediate relief without adopting permanent legislation, Congress will be called upon again in the Seventy-sixth Congress for another pump-priming appropriation.

Mr. Speaker, the only means by which permanent relief may be given to all the people of this Nation is in taking the money with which to give such relief from the big fortunes at the top. The common people have not anything, and when you put a tax that falls on them for the purpose of unemployment relief or for old-age pensions, or for anything else, you are giving nobody relief, because you are taxing the same people, who have nothing, on the pretense that you are going to give it back to them; and, as a matter of fact, it all never does get back, but much of it remains in the hands of the bureaus here in Washington and the politicians.

Now we are clamoring for a number of relief measures, although we clamor the States must put up one-half of the money. I say, Mr. Speaker, the Federal Government should provide an old-age pension of $30 to $40 per month for every old person above the age of 60 that does not have property valued at $10,000 or receive an earning of $1,000 per year. Mr. Speaker, I readily admit it will take $3,500,000,000 to pay an old-age pension to all people who are 60 years of age and unless the United States Government puts up all the $3,500,000,000 you will not have any old-age pension system that is worth anything. Now, the only way you can get $3,500,000,000 is by taxing the billionaires and multimillionaires, and nobody else, because if you tax the poor wage earner who is barely making a living now you will do more harm than good in trying to build up an old-age pension system, as you cannot pull your own self up by your own boot straps.

Mr. Speaker, I am not offering anything new; however, I contend we can pass laws today providing for education, old-age pensions, unemployment insurance, for doles, public buildings, and anything else that we can think of. I still say none of them will be worth anything as permanent unless we provide the money for them, and the money cannot be provided for these blessings without doing more harm than good, unless that money is secured from the top and spread among the people at the bottom.

It cannot be denied if share-our-wealth principles are accepted, happiness and prosperity will spread in a land where now exist growing indebtedness, unemployment, want, and poverty. Who will object to the six principles I advocate? namely:

First. Every family in America shall at least own a homestead.

Second. No family shall own more than 300 times the average family's wealth, which means no family shall possess more than approximately $5,000,000, and we think that is too much.

Third. We propose every family shall have an income equal to at least one-third of the average family income in America; that is, if all were allowed to work, according to our statistics, there would be an average income in addition to a home from $2,000 to $3,000 per year for every family.

Fourth. We propose no family shall be allowed a net income annually in excess of $1,000,000. This means no family should earn less than one-third the average and no family should earn more than 300 times the average; that is, none to make too much and none too little.

Fifth. We propose a pension to the old people. Under this proposal, taxes would not be levied upon the poor working people to support their aged fathers and mothers, but on the contrary, such support as would be given for old-age pensions would be borne solely by the surplus money which the Federal Government would make off the billionaires' fortunes.

Sixth. We propose to care for the veterans of our wars and their widows and children and eliminate this bunk of continually saying to the veteran, "Submit new and material evidence and your case will be reopened." Further, we propose every child in America shall have a right to an education and training regardless of his financial ability.

This plan would injure no one. It would not stop us from having millionaires—it would increase them tenfold, because so many people could make a million dollars if they had the chance our proposed method gives them. The only difference would be that maybe 100 people would own a company instead of 20 people owning it. We have everything our people need, then why not agree that laws be adopted giving every man a chance. We have millions of people financially broke—places under mortgage, and farmers cannot pay their interest—boys and girls anxious to attend college but no means of finance because of wealth concentration.

Mr. Speaker, the question arises, Where are we going to get the money to provide blessing for all? We propose the fortunes of the multimillionaires and billionaires shall be reduced so that no one person shall own more than a few million dollars to the person. We would do this by a capital levy tax. On the first million that a man was worth we would not impose any tax. We would say, "All right for your first million dollars, but after you get that rich you will have to start helping the balance of us." So we would not levy any capital levy tax on the first million one owned. But on the second million a man owns we would tax that 1 percent, so that every year the man owned the second million dollars he would be taxed $10,000. On the third million we would impose a tax of 2 percent. On the fourth million we would impose a tax of 4 percent. On the fifth million we would impose a tax of 8 percent. On the sixth million we would impose a tax of 16 percent. On the seventh million we would impose a tax of 32 percent. On the eighth million we would impose a tax of 64 percent; and on all over the eighth million we would impose a tax of 100 percent. What this would mean is that the annual tax would bring the biggest fortune down to three or four million dollars to the person, because no one could pay taxes very long in the higher brackets. But three to four million dollars is enough for any one person and his children and his children's children. We cannot allow one to have more than that, because it would not leave enough for the balance to have something.

Why have this misery and this distress in America? Why have people hungry? Why have people naked for the want of clothes to wear? Why have our people homeless? Why have all these millions of unemployed? We have the food to feed the people. Why let it rot while people starve? We have the clothes and the cotton and wool to make more clothes and more than anyone will ever need to wear. We have the houses to live in; if not, we have plenty of material to build them. Then why have men, women, and children crying for a place to rest their heads? Only last week two friends of mine and myself ran into a man and his wife near the House Office Building crying for food, no place to lay their heads. Honest people they were. Only poor, begging for work, and no jobs; hungry they were, and too much for all to eat, yet favored laws deny them of the God-given rights. Sleepy they were, as they had lain on the naked ground the night before. Yet in a land of plenty, a land of sunshine, the home of the brave, the country we all love, this couple with millions of others do not have the necessities of life.

Mr. Speaker, it cannot be denied that Congress has not appropriated millions for public assistance. However, a large percent has gone out as a dole which has only served as an

emergency, although I well appreciate emergency legislation, but the time has come that we must accept a more permanent program in taxation, and I well value the President's message to Congress of April 25, 1938, as, in my opinion, it is the first step toward the redistribution method of taxation that he has advocated—that is, prohibiting the rich from investing their earning into tax-exempt bonds—thereby not paying their proportionate share of taxes. Who could object to the principles of the more a man makes the more taxes he should pay and the less he makes the less taxes he should pay?

Mr. Speaker, the amount of tax-exempt bonds outstanding for 1937 totals not less than $56,000,000,000, according to an estimate made by Mr. Godfrey Nelson for the New York Times, as quoted in the Daily Worker of New York under date of April 26, 1938.

On this $56,000,000,000 investment Wall Street banks, corporations, and private families draw an annual income of nearly $2,000,000,000—not less than $1,860,000,000, according to authoritative estimates. Tax-exempt bonds have played a prominent role in permitting the wealthiest corporations, banks, and individuals to escape taxes, thereby shifting the burden of taxation on the more unfortunate members of society. Mr. Speaker, one of my planks in my recent campaign platform for Congress was to prohibit the multibillionaires from investing their money in tax-exempt securities and not paying any taxes. However, any Member of Congress who advocates legislation of this nature, taxing the rich and blessing the poor or sharing the wealth, must expect that the rich will run several candidates against him every time he has an election. These disguised candidates will announce in the field, posing as poor men. But if you closely check it can be easily determined they are being backed by the big money interest or chain interest, but I had rather go down in defeat in an election as an honest representative, a representative for justice and right for the masses, than have it said of me, he proved a traitor to that which is noble and great.

P. W. A. Projects in Montana

EXTENSION OF REMARKS
OF
HON. JERRY J. O'CONNELL
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 28, 1938

P. W. A. PROGRAM MEANS MUCH TO MONTANA—WE MUST PASS ROOSEVELT'S RECOVERY PLAN

Mr. O'CONNELL of Montana. Mr. Speaker, under leave to extend my remarks, I wish to include a statement of pending non-Federal applications for P. W. A. projects in Montana, for which no allotments have been made, as of April 12, 1938.

All of these applications have been examined and recommended by examining divisions of the 45-percent grant basis.

Many communities in Montana took the proper steps some time ago to secure approval of these project applications, and because funds were not available actually to operate the projects, these communities have been left in the lurch, and I sincerely hope that the President's program to revive the purchasing power of the masses will have the early approval of this body.

LIST OF P. W. A. PROJECTS FOR MONTANA

It is my intention to support this program of President Roosevelt, and I sincerely hope that funds will be made available just as soon as possible so these many needy and worthy projects in the State of Montana can be started. The following feasible worth-while, wealth-creating projects are ready to start immediately in my State, and it is my intention to fight in every way I know how to see that allotment is made and Montana put on the road to recovery.

Montana—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Beaverhead County:					
W1179	.....	Dillon	School	.....	$123,750	$123,750	$275,000
		Broadwater County:					
W1003	.....	Broadwater County	Dam	$451,000	369,000	820,000	820,000
		Carbon County:					
W1174	.....	Joliet	School addition	.....	14,727	14,727	32,727
		Carter County:					
W1057	.....	Alzada	Reservoir	455,000	372,272	827,272	827,272
		Cascade County:					
W1162	.....	Great Falls	City hall	.....	46,800	46,800	104,000
W1175	.....	....do	Fair buildings	.....	18,000	18,000	40,000
		Total		.....	64,800	64,800	144,000
		Fergus County:					
W1125	.....	Lewistown	Water main	131,000	107,182	238,182	238,182
W1173	.....	....do	Disposal plant	.....	40,500	40,500	90,000
W1182	.....	Winifred	School	.....	24,750	24,750	55,000
		Total		131,000	172,432	303,432	383,182
		Flathead County:					
W1090	.....	Kalispell	School	.....	67,091	67,091	149,091
		Gallatin County:					
W1078	.....	Bozeman	Street improvement	.....	6,136	6,136	13,636
W1093	.....	....do	School building	.....	133,364	133,364	296,364
W1167	.....	Middle Creek	Dam	193,000	157,909	350,909	350,909
W1176	.....	Belgrade	High school	.....	27,000	27,000	60,000
		Total		193,000	324,409	517,409	720,909
		Glacier County:					
W1169	.....	Cut Bank	Sanitary sewer	.....	33,300	33,300	74,000
		Jefferson County:					
W1146	.....	Boulder	Waterworks	16,000	13,091	29,091	29,091
W1147	.....	Whitehall	....do	21,000	17,182	38,182	38,182
		Total		37,000	30,273	67,273	67,273

Montana—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Lincoln County:					
W1163		Libby	School		$32,850	$32,850	$73,090
W1184		Lincoln County	Irrigation	$8,500	6,955	15,455	15,455
		Total		8,500	39,805	48,305	88,455
		Mineral County:					
W1120		Superior	School improvements	19,000	15,545	34,545	34,545
		Missoula County:					
W1039		Missoula	University building	138,000	112,909	250,909	250,909
		Musselshell County:					
W1171		Roundup	Street improvements		20,700	20,700	46,000
		Sheridan County:					
W1158		Plentywood	School addition		12,262	12,262	27,250
		Silver Bow County:					
W1012		Butte	Streets		19,665	19,665	43,700
W1119		do	University building		112,500	112,500	250,000
		Total			132,165	132,165	293,700
		Teton County:					
W1178		Choteau	Water mains		13,500	13,500	30,000
		Yellowstone County:					
W1014		Billings	Street repair	5,500	4,500	10,000	10,000
W1129	2	do	Municipal improvements		136,485	136,485	303,300
W1148		Laurel	Waterworks	22,000	18,000	40,000	40,000
		Total		27,500	158,985	186,485	353,300
		Grand total		1,460,000	2,077,925	3,537,925	4,617,613

Academic Freedom and Tenure

EXTENSION OF REMARKS

OF

HON. JERRY J. O'CONNELL

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1938

DENIAL OF ACADEMIC FREEDOM AND PERMANENT TENURE AT THE UNIVERSITY OF MONTANA

Mr. O'CONNELL of Montana. Mr. Speaker, because the question of academic freedom is of such vital importance to the educational system of our country and because there has been such flagrant violation of academic freedom and tenure in the University of Montana in conjunction with the now nationally known Keeney and Rowe cases, I should like permission to include here the report of the American Association of University Professors on academic freedom and tenure at the Montana State University, with particular reference to the Keeney and Rowe cases, in which, among the more important things brought to the forefront, are:

First. The uneasiness which exists in the Montana State University with reference to tenure resulting from an act approved by the Montana State Legislature which gives Gov. Roy E. Ayers sweeping control, including power of removal over large classes of State officials and employees. There is apprehension among teachers that the terms of this act may be broad enough to include them. This act is known as the Hitler bill in the State of Montana.

Second. The opinion of the investigating committee states that Professor Rowe should be returned to permanent tenure and Professor Keeney should be either reinstated on permanent tenure or if he prefers to sever his connection with Montana State University should be granted a leave of absence for 1 year on full pay.

Third. All serious charges against Professor Keeney's librarianship, in the opinion of the investigating committee, should be retracted. They further state that "commendation for his librarianship, rather than condemnation, ought to be his reward from the university administration."

On April 12, 1937, the State Board of Education of Montana took action with respect to two members of the faculty of Montana State University at Missoula. (For purposes of clarity it should be explained that the University of Montana, over which the State board of education exercises control and supervision, includes all six institutions of higher education in the State. One of these institutions is Montana State University, located at Missoula. The board is composed of 11 members. Eight of the members are appointed by the Governor with the advice and consent of the senate. The remaining members are the Governor himself, the State Superintendent of Public Instruction, and the Attorney General.) The board placed on month-to-month tenure Prof. J. P. Rowe, head of the department of geology, who had been a member of the university faculty for about 37 years. The board also sustained President G. F. Simmons of the university in his decision, previously reached and announced, that Philip O. Keeney, librarian and professor of library science since 1931, should not be recommended for reappointment.

This episode duly came to the attention of the association. After preliminary correspondence an investigating committee composed of associate Prof. Harry F. Clements (botany; State College of Washington), Prof. Charles McKinley (political science; Reed College), and Prof. S. Stephenson Smith (English; University of Oregon) was appointed. Before the investigation commenced, Professor Smith withdrew from the committee in deference to a protest by President Simmons. Early in June 1937 Professors Clements and McKinley spent a week in Missoula and Helena interviewing President Simmons, other administrative officials, members of the State board, a large number of the faculty, and present and former students in the university. The committee has prosecuted further inquiry by mail. A preliminary draft of the committee's report was promptly prepared, and its contents were made known to President Simmons before the quarterly meeting of the State board in July. At that meeting there was no rescission or modification of the board's action. A redraft of the report was ready before the end of August 1937, but the comments by President Simmons on the preliminary draft were not received until late September. Meanwhile Professor Keeney had sought reinstatement through mandamus proceedings. Not only was the completion of this case delayed for many weeks, but judgment by the trial court was withheld until March 22, 1938. At that time District Judge George W. Padbury issued a peremptory writ of mandamus to the State board of education ordering the reinstatement of Professor Keeney as librarian and commanding the payment of his salary to Professor Keeney from September 1, 1937. The court held that Professor Keeney "has had a position of permanent tenure from which he has unlawfully and without such notice or hearing as provided by law been precluded by said defendants." Since it is expected that this decision will be appealed to the State supreme court, where its final determination may be indefinitely delayed, the association is departing from its ordinary practice of declining to publish comment upon situations which are subjects of pending judicial proceedings.

The revised report, even standing alone, is much too long for publication in the Bulletin. President Simmons' criticism is almost equally extended. This criticism, and recent amendments proposed by the investigating committee, have been taken into consideration in shaping the following condensed statement.

While the members of the investigating committee regard this statement as less adequate than the full report, they have acceded to its publication and consider that it contains no inaccuracies or misleading implications.

BACKGROUND OF THE CASES

To convey a proper understanding of the implications and possible future significance of the State board's action, it is necessary to make a preliminary statement of the general background. Two factors of uneasiness with respect to tenure exist in Montana State University. The first is of a general nature, affecting all teachers in State educational institutions. The Montana Legislature has passed an act, approved on February 8, 1937, which gives the Governor sweeping control, including power of removal, over large classes of State officials and employees. There is apprehension among teachers that the terms of this act may be broad enough to include them. This apprehension has not been entirely allayed by the Governor's disclaimer of any intention to invoke the powers granted by the act with respect to teachers, or by an opinion of the attorney general to the effect that the act does not extend to teachers.

Second, and with particular bearing upon Montana State University, a difficult situation was created by the appointment of President Simmons. His predecessor, President Clapp, enjoyed the respect, confidence, and active good will of the faculty. In the autumn of 1934 President Clapp was taken seriously ill. On May 9, 1935, he died. Professor Scheuch was appointed acting president. The State board also appointed a subcommittee of three members to seek a successor to President Clapp. The chairman of this subcommittee was Mr. Wallace Brennan, the board member from Missoula, who, by reason of his geographical proximity and active interest, had during President Clapp's illness come to exercise influence over the affairs of Montana State University. A faculty meeting on May 23, 1935, authorized the acting president to appoint a faculty committee to acquaint the State board with the desire of the faculty that it be consulted in the selection of a new president. In due course, with the acquiescence of Mr. Brennan, a faculty committee to canvass the field and present suggestions was appointed.

This committee ascertained an overwhelming faculty preference for the choice of an outsider as president. It also ascertained that if a member of the faculty were to be chosen, five or six different individuals were favored, none having a decided preference over the others. Asst. Prof. G. F. Simmons, ultimately the successful candidate, was not one of the individuals thus favored. In fact, his name was mentioned by only one person in a third-choice vote on the first canvass, and received only minor mention on a subsequent canvass. This is scarcely surprising, because his academic career had been brief. He came in 1934 direct from graduate work at the University of Chicago to his post in the department of zoology. The pertinent data of his professional career, as given in Who's Who in America, is as follows: A. B., 1921, and A. M., 1922, University of Texas (instructor, 1921–22); scientific leader of South Atlantic expedition of Cleveland Museum of Natural History, 1923–26, and curator of ornithology at same museum, 1926–29; research in zoology, University of Chicago, 1931–34.

The outside candidates suggested by the faculty committee already held such important and well-paid positions as to be beyond the reach of a university able to offer its president only comparatively low compensation. (The initial figure suggested was $4,750 and a residence. This figure was later raised to $5,460 and a residence.) Professor Simmons, because of the activity of certain businessmen in Missoula, gradually became a leading candidate, Mr. Brennan finally pressing vigorously for his appointment.

The faculty committee unanimously and emphatically opposed the appointment of Professor Simmons, stating that his credentials showed that "in his professional work he has had friction with his superior officers and his colleagues. During the 15 months that he has been a member of this faculty, similar traits have been in evidence. Our experience with him during the 15 months and our knowledge of the attitude of the faculty toward him convince us that he is not a suitable person for the presidency of the State University." And despite controversy on the point, the investigating committee was completely convinced that Professor Simmons was unacceptable to an overwhelming majority of the staff and that this majority regarded his selection as a distinct calamity to the university. Some faculty members, including Professor Keeney, felt so strongly that they wished to present a formal protest to the State board, after the choice of Professor Simmons became known.

Hence it was in an atmosphere of faculty defeat, distrust, and reluctant acquiescence that President Simmons assumed his duties in January 1936. According to his own statement he fully recognized the difficulties of the situation, but "accepted the challenge and the appointment." President Simmons did indeed make some progress toward gaining the confidence of his associates. The investigating committee found a consensus of testimony indicating that during the winter of 1936–37 there was a growing feeling that tensions were easing and that the new president was learning how to deal with the university faculty. But the committee also found that the Keeney dismissal, coupled with the Rowe chastisement, utterly demolished this incipient sense of security and good will and brought panic in its stead.

THE ROWE CASE

Professor Rowe is one of the most respected and able members of the university staff. He has received marked recognition throughout the State of Montana and in other universities for his competence as a geologist and teacher. He commands the respect of his fellow faculty members. It is true that he is 66 years old, and that under the university's tenure rules when a member of the faculty reaches the age of 65 his "official connection with the university may be terminated." But there are on the staff of Montana State University a number of members older than 66 who have not been subjected to any such drastic action as Professor Rowe. President Simmons frankly admits that Professor Rowe is vigorous and effective as a teacher, and particularly useful as chairman of the interscholastic committee. Moreover, the action taken against Professor Rowe is very different from the termination of his connection authorized by the tenure rules. This point is important with respect to the summary ex parte procedure employed. Action in accord with the rules might presumably be taken without notice or hearing. Action not in accord with the rules could not properly be taken thus with respect to a professor on permanent tenure. Such action should be preceded by notice and opportunity for a hearing.

The record of the State board's meeting of April 12, 1937, contained this illuminating passage: "Inquiry into the reason for placing Dr. Rowe on this [month to month] basis led to a discussion of the relation of the faculty of the State university to the president. Dr. Paul C. Phillips, vice president, stated that President Simmons has made every effort to conciliate the members of the faculty, who had opposed his appointment as president, and that many had changed their opinions, although there still remained an antagonistic group." (The quotation is from the original record, before its approval by the board. This passage related to proceedings in executive session, and was later expunged.) Quite obviously Professor Rowe was considered a member of the antagonistic group, and the action directed against him was disciplinary in its nature. President Simmons says that any criticism of the board for taking this step "should include an understanding that I was not satisfied with Dr. Rowe's services, that he had repeatedly shown his unwillingness to work in cooperation with the administration, had gone out of his way to make trouble on matters that he knew were of considerable concern to the administration and which the administration was trying to solve as rapidly as possible, and that the administration and the board were faced with the question as to whether Dr. Rowe should be dropped, since he was past retirement age, or whether he should be continued with an understanding that he would have to confine his activities to matters properly within his sphere."

The complaints against Professor Rowe fall into two categories. Those in the first category have to do with financial matters, principally or entirely problems of university salaries. The members of the faculty have time after time elected Professor Rowe to the budget and policy committee. In the academic year 1936–37 he was elected chairman of the committee by a 2-to-1 vote. The faculty regarded Professor Rowe as their champion in salary matters. These matters are pressing, because salaries in Montana State University, never on a very high scale, were cut during the depression and have not been restored to their original level.

It was asserted to the investigating committee that Professor Rowe had been a trouble maker with respect to the salary problem and otherwise in the administrations of President Sisson and President Clapp. Since April 12, 1937, former President Sisson has written a letter in which he emphatically denies any obstructionary tactics by Professor Rowe during the Sisson administration, saying on the contrary that Professor Rowe was "always cooperative, energetic, intelligent, in the service of the university both in [his] own department and in many important extra functions * * *." As to Professor Rowe's attitude during the Clapp administration, former Chancelor Melvin A. Brannon, of the University of Montana, who held office contemporaneously with President Clapp, writes: "At no time did the late President Charles H. Clapp mention any failure of Dr. Rowe in cooperation and in constructive service. On the contrary, he gave him high praise for his devotion to student welfare and to his notable service in visiting States in the Middle West as representative of the State university's summer schools. President Clapp also praised Dr. Rowe highly for his distinguished and outstanding service in developing the notable interscholastic at Missoula, and in making friends for the State university throughout the State of Montana." It was also asserted by Board Member Brennan that Professor Rowe induced Acting President Scheuch improperly to use in salary restoration certain funds which were obtained to inaugurate a pension system. Professor Rowe denies this, categorically and in detail, and the committee does not believe the charge because President Clapp prepared the salary schedule for 1935–36 before his death.

President Simmons complained of oral statements to the faculty and a letter to the president by Professor Rowe on and about June 10, 1936, to the effect that the university had funds available to restore part of the salary cuts which President Simmons stubbornly refused to use for this purpose. In connection with this complaint, President Simmons asserts that Professor Rowe disregarded the views of other members of the budget and policy committee. The investigating committee found that there was an

honest difference of opinion between Professor Rowe and President Simmons as to the propriety of using a certain fund in such a way as to release other funds for salary purposes, and perceives no impropriety in Professor Rowe's insistence upon his view. The president's position was probably sounder than Rowe's, but the faculty whom Rowe represented were entitled to know the latter's contention.

Incidentally, President Simmons asserts that on at least one occasion Professor Rowe obtained a copy of the salary list and improperly revealed certain details of this list. The investigating committee, while not suggesting that a breach of confidence should be approved, doubts whether any secrecy could long be maintained in matters of this kind because the salary list is a public document in Montana, and is customarily known on the campus. Professor Rowe asserted: "Every fraternity house has a list every time the legislature meets. Besides in a State institution the minutes of the State board of education and all other State boards are open to the public at all times. I have had the salary lists of this and the other units of the University of Montana for many years."

In this connection, President Simmons charges that Professor Rowe urged faculty increases for the older, rather than the younger, members of the teaching staff. The president's policy was otherwise, but the investigating committee fails to see why Professor Rowe was not entitled to his own philosophy. The president charges that Professor Rowe was not altogether disinterested in urging salary increases. This seems irrelevant to the investigating committee.

The second category of complaints against Professor Rowe includes accusations of indiscretion, disregard of normal channels of communication, and the like. Thus President Simmons asserts that Professor Rowe has dealt directly with the State board and with other State departments and institutions instead of passing his communications through the president's office or informing the president of what he was doing. The preceding charge about salary lists partakes somewhat of this nature. By way of further specification, President Simmons complained because Professor Rowe had discussed with a member of the State board and with members of the faculty the selection of a new chancelor for the University of Montana. As to the discussion with the board member Professor Rowe explains that he and this member were schoolmates, that they frequently visit each other, and that the discussion of the chancelorship was initiated by the board member rather than by Professor Rowe. Furthermore, Professor Rowe insists that he duly discussed the chancelorship question with President Simmons and the budget and policy committee. The investigating committee was unable to find any irregularity on Professor Rowe's part in this connection. The problem of obtaining a new chancelor, or having the post remain vacant, seems an appropriate topic for consideration and debate by members of a faculty coming under the chancelor's jurisdiction.

In his comment on the draft report, President Simmons strongly criticizes Professor Rowe for suggesting to Board Member Brennan during the period of President Clapp's illness that Professor Rowe should be made acting president. Whether or not such a suggestion was made, and whether or not it was wise, this charge seems irrelevant to the investigating committee. Were the investigation directed primarily toward discovering whether President Simmons is prejudiced against Professor Rowe, and disclosing the reasons for prejudice, the fact of Professor Rowe's having sought the acting presidency and possibly through it a permanent appointment to the presidential office might be of some significance. The primary object of the investigation, however, was to ascertain whether there was justification for the punitive action taken against Professor Rowe.

The investigating committee concludes that this action involved unfair discrimination and was unjustified. Further, the action was extremely unwise from the point of view of faculty morale because it might be and was interpreted as a blow at the chosen representative of the faculty by reason of his activity with respect to the restoration of salary cuts. If Professor Rowe inaccurately presented facts bearing upon this problem, normal and proper procedure on the part of the administration would seem to be explanation of the truth, possibly accompanied by the suggestion or implication that Professor Rowe was not giving his constituents proper service. This would have put to the faculty the issue of continuing or discontinuing Professor Rowe as a member of the budget and policy committee. The action in fact taken might justly enough be deemed an effort to intimidate the faculty's representative.

THE KEENEY CASE

The case of Professor Keeney involves one difficult problem not present in the case of Professor Rowe. The latter was unquestionably on indefinite or permanent tenure. President Simmons asserts that Professor Keeney had tenure only from year to year. If the president's contention is true, it follows that Professor Keeney might be dropped from the faculty without either specification of reasons or a hearing; if, on the contrary, he had an indefinite or permanent appointment he was entitled both to such a specification and to an adequate hearing thereon.

Montana State University operates under specific rules of tenure, set forth upon the reverse side of the contract blanks or forms sent, normally not later than April of each year, to members of the faculty. Paragraph 2 of the tenure rules contains the following pertinent provisions:

Professors and associate professors are on permanent appointment; provided, however, that the initial appointment to a full professorship or to an associate professorship may be for a limited term. Such limited-term appointment may be renewed; provided, however, that reappointment after 3 years of service shall be deemed a permanent appointment.

It will be observed that the clause last quoted contains no explicit reservation or exception. It would, however, be obviously unreasonable to suggest that the State University of Montana may not carry a teacher for more than 3 years without having him automatically go on permanent appointment. The reasonable view, and the one in accord with generally accepted principles of academic tenure, would permit continuance of a temporary or trial appointment beyond the 3-year limit, provided notice of such continuance is properly brought home to the faculty member concerned. This interpretation gives due value to the term "shall be deemed." In Professor Keeney's case one modifying factor exists. He assured the committee that, by oral understanding with President Clapp in the summer of 1931, his original appointment was accepted on condition that after the first year he should be placed on permanent tenure if his services proved satisfactory. Since there is no written record of this understanding, and since the death of President Clapp has made it impossible to obtain his version, both the investigating committee's report and this statement discuss the problem of Professor Keeney's tenure in the light of the standardized 3-year practice, which puts the crucial date in 1934, as well as in the light of the asserted 1-year promise which puts the crucial date in 1932.

Did Professor Keeney receive timely notice of the continuance of his trial status to nullify what would otherwise have been a reasonable belief of permanent tenure? The investigating committee found that the university's records, and the contract forms and teacher's oaths executed by Professor Keeney, are all consistent with a continued trial period covering the whole time of his service to the university. But Professor Keeney did not see the university records. Consequently they cannot properly be treated as conveying to him the necessary notice. Like reasoning makes irrelevant special instructions said to have been given the executive secretary of the State board. As to the significance of the yearly contract forms, the investigating committee found the problem somewhat more debatable. It has in fact been the practice in Montana State University to furnish those teachers placed upon permanent tenure with contract forms different from the forms used for teachers on year-to-year tenure. All the forms sent to Professor Keeney were of the latter variety. But Professor Keeney testified, and the committee finds, that he was never advised by the administration of this distinction, nor did he discover the distinction for himself until at least as late as 1936. Further, the committee finds from evidence given by other members of the faculty that there has been quite general ignorance of the distinction in contract forms as between the two groups of teachers. This finding also covers any question raised with respect to the significance of the filing of annual teachers' oaths by Professor Keeney.

The administration relies particularly upon oral notice alleged to have been given Professor Keeney by President Clapp on or about September 5, 1934. It will be observed that such notice came far too late if Professor Keeney's assertion of his initial understanding with President Clapp be accepted. Indeed, notice given after the termination of the third full year of Professor Keeney's service seems definitely too late even under the general tenure rules of the university. Such notice, in reasonable fairness, should have been given not later than the spring of the third year and certainly could not be considered effective when delayed until that year, ending August 31, had completely expired.

Aside from these points, the administration's case rests upon an unsigned memorandum, in the handwriting of President Clapp, which reads as follows:

"Interview with Keeney, September 5, 1935: Spoke to me informally about summer plans and leave of absence.

"General approval, no idea: Leave so early; staying away so long; did not make formal request for; not properly understood all concerned.

"Library Association and visit libraries.

"Upsetting to library staff: Disorganized leave for Pacific Northwest Association, Walla Walla, June 27, 28, 29, 30; much gossip and comment (mostly unjustified). St all on 11-12 month basis—chiefly clerical. Far from completely satisfied, reason annual appts.: Difficult to analyze—lack of interest in library and institution; other things overshadow interest in "dog complex"; lack of complete cooperation, staff and business office; lack of stamina—wanted man and not woman—disappointed cocktail party—year ago; Fitzgerald's downfall; Fisher took blame—up to you to say 'no.'

"Personal peculiarities—rather marked.

"JBS—careless—desk cluttered, lack of organization—members of staff not consulted.

"HGM—Not too much time, 'settled down' too gossipy 'Do not Bring Dog to Office.'"

Any attempt to interpret the whole content of this memorandum runs great risk of error. The investigating committee has carefully undertaken the task, but for purposes of this statement attention will be primarily focused upon the words: "Far from completely satisfied—reason annual appts." President Simmons reads the memorandum as the record of a conversation

between President Clapp and Professor Keeney, and of course sees in the foregoing sentence a statement by his predecessor that Professor Keeney was duly told of the continuance of his annual tenure.

Several difficulties inevitably arise in dealing with this enigmatic memorandum. To begin with, it is dated "September 5, 1935." President Clapp, as above stated, died in May 1935. The administration suggests, and the investigating committee believes, that "1935" was mistakenly written for "1934," and that the memorandum has to do with an interview in the earlier year. But was the President making notes in anticipation of the interview, or recording the substance of the interview after it had taken place? The investigating committee inclines to the former interpretation. President Clapp had a habit of preparing notes of this kind for future interviews and conferences. Moreover, no interview could possibly have taken place between the President and Professor Keeney on September 5, 1934, because Professor Keeney had not yet come back to Missoula from his vacation. During the summer of 1934, the Keeneys took a long automobile trip, and kept a "log" of this trip. The log shows that they did not return to the university until the evening of September 7, 1934. Professor Keeney also says that because he was engaged in moving to a new house after his return, and involved in work at the library, he did not see President Clapp until approximately September 18, 1934. Professor Keeney states postively that when his interview with the president finally took place, President Clapp confronted him with one, and only one, item included in the memorandum. This had to do with Professor Keeney's summer vacation of 1934. The president complained because permission had not been properly sought for so prolonged an absence. Professor Keeney reminded him that the matter had been covered in two conversations of the preceding spring and that President Clapp had given Professor Keeney full permission to be away but had obviously forgotten to make a note of it.

The administration's reply to this version of the event consists of a statement by the secretary of the late President Clapp, now the secretary of President Simmons. Her statement is, in substance, that during the summer of 1934 she saw from time to time another memorandum by President Clapp, written upon paper of a different size from that used for the memorandum quoted above, but covering similar subject matter. After President Clapp died the secretary cleared out his desk and discovered the memorandum immediately under discussion deposited in a drawer containing other documents concerning university affairs, and not in that part of the desk used by President Clapp for current matters. In addition, the secretary says that during the summer of 1934, President Clapp in conversations with her indicated entire forgetfulness of any talk whatever with Professor Keeney about a prolonged vacation. At some time in September, after the interview with Professor Keeney had taken place, the president told his secretary that Professor Keeney had refreshed his memory with regard to the vacation question. Hence the conclusion is urged by the administration that the disputed memorandum, because it includes "Spoke to me informally about summer plans and leave * * *," must embody President Clapp's summary of an interview which had actually taken place.

The investigating committee could not bring itself to believe that there has been a double mistake in the date of the memorandum. "Sept. 5" should stand, even though "1935" be changed to "1934." Also, it seems to the investigating committee that the memorandum is too orderly to be the actual record of a conversation in which topics would necessarily become intermingled. Finally, the committee is strongly moved by the fact that the memorandum gives no indication of any replies by Professor Keeney to the criticisms supposed to have been offered by the president. The substance, as well as the date, is consistent only with anticipatory notes. On account of the importance and considerable difficulty of this point the evidence respecting the memorandum is presented somewhat fully, so that the reader may be put in a position to form his own conclusion.

The investigating committee finds that no timely special notice in any form was given Professor Keeney to defeat his reasonable assumption of permanent tenure. It is significant to note that a majority of the budget and policy committee assumed Professor Keeney to be on permanent tenure as late as 1936. Further, Attorney General Freebourn has formally ruled that Professor Keeney was on permanent tenure. This determination by the appropriate law officer of the State is entitled to serious respect.

SPECIFICATION OF CHARGES AND HEARING IN THE KEENEY CASE

In consequence of its finding that Professor Keeney should be considered as having achieved permanent tenure, the investigating committee inquired into the specification of reasons or charges against Professor Keeney and the hearing granted to him. So far as specification of charges is concerned, President Simmons gives a brief and definitive answer. No specification, he says, was attempted, because it was unnecessary. The administration was entitled to terminate Professor Keeney's employment at any time upon appropriate notice. Here, then, under the investigating committee's findings, is a definite violation of proper procedure with respect to academic tenure.

President Simmons asserts, however, that despite his failure to specify charges, Professor Keeney was given an adequate hearing prior to the vote by the State board. Two bodies existed before which a hearing might be held. One was the State board itself, the other the service committee, composed of three members of the faculty of Montana State University. The tenure regulations provide that this committee, upon the request of any member of the staff whose removal is proposed, has the duty "to inquire into the case and to submit a report of its findings. * * *"

On April 6, 1937, President Simmons wrote Professor Keeney that continuance of his appointment would not be recommended. Two days later Professor Keeney formally requested that the service committee make an investigation. Since the Keeney case was decided at a meeting of the State board on April 12, 1937, it will be observed that the service committee had no adequate time for careful inquiry. Also President Simmons denied that Professor Keeney had such tenure as to entitle him to an investigation by the service committee. In part for these reasons, and probably in part because of the supervening decision by the State board, the service committee never investigated the merits of the Keeney case.

When the matter came up before the State board, on Professor Keeney's formal petition for reappointment, the board went into executive session, excluded persons other than its own members, heard President Simmons, then separately heard Professor Keeney, and declined to hear certain representatives of organized labor who wished to appear on Professor Keeney's behalf. It does not appear that the labor representatives had any material first-hand knowledge of the controversy. But a hearing in which Professor Keeney had no opportunity to hear the president's statement of the case for the administration, and had not received a summary of that case in the form of a specification of charges, is so obviously inadequate that argument about its merits seems futile. The investigating committee concludes that Professor Keeney did not receive an adequate hearing.

Indeed, it may be observed that no adequate hearing upon this complicated case could possibly have been had at a busy meeting of the board. In its attempt to follow out the details of charges, rebuttal, and countercharges the investigating committee was forced to an intricate inquiry, the account of which covers many typewritten pages. Plainly the matter is one which should have been submitted well in advance of April 12, 1937, either to the service committee or to a subcommittee of the State board, if any contention of adequate investigation were to be put forward.

The decision by the State board was against Professor Keeney, as already stated, but Attorney General Freebourn and Superintendent of Public Instruction Ruth Reardon appear to have been in opposition. The minutes of the executive session were later expunged from the records.

COMPLAINTS AGAINST PROFESSOR KEENEY

The investigating committee has traced the development of criticisms of Professor Keeney through President Clapp's memorandum of 1934, discussions of 1936 by the budget and policy committee, letters written at various times by President Simmons, and oral statements in 1937 by the President and also by Vice President Phillips and by board member Brennan. The investigating committee finds that the charges fit into two general categories. Those in the first category are, in one form or another, claims that Professor Keeney was a hostile and disturbing influence, interfering with proper functioning of the university. Those in the other category have to do with Professor Keeney's technical competence. The latter charges involve little or no suggestion that Professor Keeney is an incapable teacher, but raise questions as to his librarianship and his willingness to adapt himself to certain administrative regulations and policies.

Having in mind the fact that President Simmons at first put forward only accusations of disturbing influence, and did not until a considerably later date begin to formulate those respecting technical competency, the investigating committee has concluded that the real cause of the president's action against Professor Keeney is found in the former charges, the latter being introduced after President Simmons found that his case on the earlier ground did not seem convincing. Whether any evidence of technical incompetence was adduced before the State board does not appear. This conclusion of the committee is reenforced by a letter of July 8, 1936, in which President Simmons told Professor Keeney that he would be "protected * * * as long as things are going as nicely as they have been recently." This referred, says the president, to an expectation that Keeney would "stick to his own work and not interfere with the general administration of the university or go out of his way to make it difficult for me in my dealings with the faculty and students."

CHARGES THAT PROFESSOR KEENEY STIRRED UP DISCONTENT AMONG FACULTY AND STUDENTS

The most important item in President Simmons' claims that Professor Keeney had been a hostile disturbing influence is related to a controversy about censorship which was active from September 1935 to April 1936. During the month first mentioned, which, it will be observed, antedated the Simmons administration the State board adopted a resolution banning from the university library a certain novel and "all books of similar character." No explanation is necessary to show that a storm of controversy was certain to be raised, and actually was raised, by such action. The dispute extended not alone to books but also to the content of teaching, the influence of certain faculty members of the students, and various kindred topics. Much pressure was brought to bear upon President Simmons to obtain a rescission of the objectionable resolution.

A majority of the faculty plainly felt that in matters such as those mentioned the university authorities should have independence from outside dictation. Among the faculty, Professor Keeney; Prof. H. G. Merriam, of the department of English; and Prof.

Bernard Hewitt, the dramatic coach, were especially concerned. Professor Keeney did not conceal his hostility to any kind of censorship. He gave out a statement for publication and by other methods disclosed his attitude. It should be added, though, that he and Professor Merriam both counseled restraint and patience in the latter part of 1935, while the new president was being sought. However, Professor Keeney and other members of the faculty were led by the words and actions of President Simmons in the early part of 1936 to assume that the president would recommend some sort of censorship committee in the guise of a committee to preserve "good taste." To this Professor Keeney was vigorously opposed, and he renewed the manifestation of his views. Others did likewise. The investigating committee is of opinion that had it not been for the activity of Professors Keeney and Hewitt as well as the general resentment of the faculty, the university would have had a censorship committee in fact if not in name. President Simmons denies that he formed any definite plan for such censorship, and near the end of the censorship struggle came out with the statement (widely regarded on the campus as an about face): "I am a strong advocate of academic freedom and feel sure that we can leave it to the individual instructor and the individual student to use his own good judgment on matters of taste and not being offensive to his neighbors." He obtained from the State board in April 1936 a revocation of the resolution which had precipitated the controversy.

It is clear, however, that President Simmons strongly resented certain activities of Professor Keeney in connection with the censorship dispute. He seems to have identified Professor Merriam and incidentally Professor Keeney as having written, or been sources of information for, an abusive article published under an assumed name at a time when the controversy was raging strongly. While the president in his communications with the investigating committee did not accuse Professor Keeney on this score, he had felt it incumbent upon him to give Professor Keeney as well as Professor Merriam written warning respecting their future conduct. His admonitory letters were sent immediately after the April 1936 meeting of the State board and are partially quoted below. The first quotation is from the letter to Professor Keeney:

"In spite of the fact that this resolution (revoking the ban) was passed unanimously by the board, there was a great deal of discussion, occupying about half an hour, during which various members of the board made critical remarks about the English department and the library, and asked whether you and Mr. Merriam were giving full cooperation in our effort to avoid State criticism of the university. The board also made it a point that they thought it was no business of the English department or the library, working independently of the other departments, to emphasize any of the 'isms,' or to stress sociological, economic, or physiological material which might better be left up to the departments concerned.

"The State board feels that, even though no definite complaint was made by me against you or Mr. Merriam, if the two of you set a proper tone for your departments there would not exist at the present time the campus turmoil as shown by the Kaimin, which has gone over the State, and by the recent article of the Pacific Weekly and the flood of mimeographed material that has gone out from Billings to all the State daily and weekly newspapers and many citizens of Montana. The board feels that such turmoil and lack of teaching efficiency cannot be tolerated, and in the future expects complete cooperation to prevent criticism against the university."

The Merriam letter is even more complete and pointed. It ran, in part, as follows:

"While this resolution was passed unanimously, there was a great deal of discussion, covering perhaps half an hour, during which the question of complaints was raised, and nearly every member of the board said that at one time or another he had heard complaints from parents, citizens, and members of the State legislature about the tone of activities on this campus in the past. It was definitely stated that off and on, for at least the last 10 years, the members of the State board had thought that the English department was the source of much criticism off the campus against the university, and that, while you personally had not committed any breaches of etiquette, much bad taste had been shown by men who had been chosen by you and who were working under your supervision and direction. They felt that the present flood of criticism against the university, such as the recent article in the Pacific Weekly and the sets of mimeographed sheets which are being sent to all State daily and weekly newspapers, to the fraternities and sororities, and to many alumni, have hurt the university, and that whether they have emanated from the English department and the library, at least no such turmoil should or would exist if you made each member of your division and department understand that it is no part of the job of a faculty member to invite criticism against the institution for which he works or against any member of the executive staff. The board feels that a lack of teaching efficiency follows such campus turmoil and that this cannot be tolerated. A number of members of the State board repeated criticisms that had reached them from county superintendents and school principals in Montana, to the effect that graduates of this university who go out to teach school have a very bad attitude toward cooperation and toward good taste in literature. * * *

"I trust that you will call a meeting of the humanities division including the library staff and explain to them that, since the board now leaves this matter entirely up to the faculty, we expect to get complete cooperation in handling these matters, so that there will not arise in the future any necessity for the State board to sit in criticism of what is going on on this campus."

The tone of these letters indicates that the board's criticism expresses the feelings of the president.

The general finding of the investigating committee on this aspect of the Keeney case is that Professor Keeney neither did nor said in connection with the censorship controversy anything reasonably justifying his dismissal.

Certain other charges of disturbing activities were made against Professor Keeney by Board Member Brennan. Mr. Brennan asserted to the investigating committee that Professor Keeney propagandized in his library training courses for socialistic, communistic, and atheistic attitudes; also that students had complained to Mr. Brennan about vulgar discussion of sex matters in the course on library economy. President Simmons made no charges of this kind concerning Professor Keeney's class work but did insist that propaganda efforts were expressed in Professor Keeney's selection of books and in his contacts with students outside class. The committee made inquiries of a number of students, without being able to elicit any evidence in support of any of these charges. In fact, the trend of evidence was quite in the reverse direction. Being asked for the names of the students who had complained to him, Mr. Brennan refused to give more than the name (without the address) of one woman student who was then in California. The committee feels that Keeney performed a valuable service to the university by an open shelf collection which he had established for creating leisure reading habits. While books were selected to create interest in the current cultural scene, they appear to have covered a wide variety of interests and many divergent points of view. Likewise the best available evidence points to a very enlightened and fair-minded attitude in Keeney's selection of materials and methods for his library courses. For these activities the committee believes Keeney merited high praise rather than condemnation.

The investigating committee was informed that Professor Keeney's participation in the formation of a local of the American Federation of Teachers in the spring of 1936 might have some bearing upon the president's decision and the State board's action. While the committee found some circumstantial evidence bearing out the suggestion, this activity may have occurred at such a late date, or at least may have been brought so late to the knowledge of President Simmons, as to be irrelevant. The committee considers the effect of the incident difficult to appraise and prefers to rest its conclusions on other grounds. President Simmons, it should be said, denies any inclination to resist the formation of the local of the American Federation of Teachers.

President Simmons accuses Professor Keeney of making threats shortly after his receipt of the notice of April 6, 1937, that he would not be recommended for reappointment. According to the president, these threats were to the effect that unless Professor Keeney was given a further 1-year contract he would see that the university was attacked by labor organizations and that he would spread unfavorable publicity across the country. Professor Keeney denies making such threats, and gives a different and more temperate account of the interview involved. The investigating committee states that its experience in questioning Professor Keeney and in securing his explanations of various items in this complicated story leads the committee to deem his testimony at least as credible as that of President Simmons. This incident, of course, could not have influenced the president's prior decision to recommend denial of reappointment for Professor Keeney.

On this whole angle of the case, the findings of the investigating committee are to the effect that the charges against Professor Keeney are not proved to a sufficient extent to justify his dismissal.

CHARGES REFLECTING UPON PROFESSOR KEENEY'S TECHNICAL COMPETENCY

Criticisms of Professor Keeney's performance of duty from a technical point of view were confusedly presented to the investigating committee by President Simmons, Vice President Phillips, and in minor particulars by a few others. After the committee had left Missoula, President Simmons was good enough to phrase his version of these charges in written form. Clearly it will be best to quote the written version, although even it offers some difficulties because the various items are not mutually exclusive.

"1. Neither at the beginning of this period of service in 1931 nor at any time since then until requested in 1937 by the administration through Dr. Deiss, chairman of the library committee, has there been any evidence of his analyzing the needs of the library nor any plan for the proper functioning of the library and its staff and assistants. Any such suggestions come from other departments, especially the university business office."

There appears to be a difference of opinion between President Simmons and Professor Keeney as to the correct principles of librarianship and, therefore, as to the needs of the university library. The president desires that needs directly connected with undergraduate courses of instruction should be met as fully as possible, expenditures for reference and graduate instruction and research being minimized. He also desires exercise of careful selection in making library materials of a provocative or disturbing nature available to immature students. Professor Keeney, in the president's opinion, desires the library to serve as a stimulus to understanding of contemporary problems and a point of contact with "realism." In the opinion of the investigating committee, this difference of opinion, if correctly expressed, is not discreditable

to Professor Keeney. The committee finds that Professor Keeney's expenditures for what may be described as general reading were comparatively slight and that President Simmons has much overstated the handicap to course instruction resulting from the pursuit of this policy.

Complaint was made that Professor Keeney rarely called meetings of the library committee and made inadequate reports to the administration. While Keeney declares that President Clapp told him to use the committee only when he felt the need, and that the drastic reduction in library funds during the hard times made it necessary to spend mostly for continuations and so reduced the potential business for the committee, the investigating committee thinks Keeney erred in not calling more library committee meetings. He ought to have used the committee to share the onus of departmental allocations, small as they were.

In October 1936 President Simmons displaced Professor Keeney as chairman of the library committee, substituting in his stead Professor Deiss, who does not appear to have had any special library training or experience. The president asserts that inquiries by Professor Deiss disclosed Professor Keeney's ignorance and incapacity as to the organization of the library staff and the handling of library funds, and that tardiness of response by Professor Keeney impeded study of the situation. Professor Keeney concedes that there was at first a certain amount of misunderstanding on his part as to what Professor Deiss desired, but says that when this cleared up the proper information was furnished and the two worked satisfactorily together. This evidence squares reasonably well with statements made to the investigating committee by Professor Deiss. The committee is convinced that the president has grossly exaggerated both the delay and the implied lack of knowledge on the part of Professor Keeney.

"2. Mr. Keeney has not exercised proper supervision of the work of the librarian and student assistants. He has not attempted to coordinate the work of the staff."

While the investigating committee does not profess competence to make a detailed examination of library administration, it felt compelled, in the absence of a professional library inquiry into this question, to investigate those phases of administration relating to the above charges. It found that Keeney had greatly improved the esprit de corps of the library staff by making its work much more pleasant and effective than it had been under his predecessor. He gave each staff member a definite sphere of activity within which initiative might be exercised, and encouraged professional in-service development. He replanned many aspects of library routine so as to minimize needless exertion and improve the total functioning of the library. The new freedom granted seems to have been fully compatible with the needs of coordination and supervision which appear to have been sufficiently and skillfully exercised by Keeney and his assistant librarian.

"3. He (Professor Keeney) has frequently absented himself from the campus for long intervals without obtaining the usual permission or even notifying the administrative offices."

This third complaint should probably be treated as including criticism of Professor Keeney for failing to fill out proper instruction reports as well as proper applications for leaves of absence. The investigating committee finds that the reports in question were not of great administrative consequence, and that in certain instances Professor Keeney's failure to report was fully justified by the fact that he was not teaching classes and therefore had no report to make. The committee did, however, conclude that Professor Keeney failed to pay as much attention to the question of reports as a meticulous regard for administrative rules required.

As to compliance with the appropriate formalities in connection with absence from the campus, the investigating committee finds that Professor Keeney was under misapprehension, in large part reasonable, as to what was required of him. While the president speaks of "frequent" absences "for long intervals," only two specific examples were furnished to the investigating committee. Of these, one was the summer vacation of 1934, already referred to. The other was an absence extending from December 18, 1936 (this date is in controversy. Evidence for December 18 seems convincing to the investigating committee), to January 4, 1937. In both cases, Professor Keeney asserts that his intentions were explained in advance and received informal assent. The committee finds that while these occurrences may have been irritating to the administration, and may indicate deficient attention to administrative formalities, they do not constitute "frequent" absences or under all the circumstances furnish legitimate ground for serious complaint.

"4. He (Professor Keeney) has very infrequently concerned himself in the details of the library work and has done very little of the routine work in the library, in spite of the fact that the demands of the library staff have been very great."

This ground of complaint is presumably intended to include certain charges made by Vice President Phillips about the irregular use and issue of newly acquired books. These matters, when looked into by the investigating committee, appeared too petty for serious consideration. Professor Keeney testifies that he paid careful attention to, and personally participated in, the routine duties of the Library. On one occasion, he says, Vice President Phillips told him that he was demeaning his office by serving at the loan desk. He asserts that at no time did President Simmons direct him to do more routine work. The investigating committee finds that this charge is not supported by evidence.

"5. He (Professor Keeney) has not given his attention to the broad problems of improvement of university instruction by conferring with department heads, [and] has not helped to develop cooperation between the library and the four survey courses."

The foregoing charge led the committee into a maze of small details. Little or no evidence tending to sustain the President's assertions was discovered. One of the larger issues had to do with the handling of money from an endowment fund for the purchase of books in economics and sociology, and for certain other purposes. Here the evidence was unanimous to the point that President Simmons never clearly defined how the fund should be used or how responsibility should be divided between Professor Keeney and the department head involved. As to cooperation between the library, the department heads, and the survey courses, the evidence before the committee did not indicate any substantial failing on the part of Professor Keeney, but did suggest that his methods were sometimes too informal.

"6. He [Professor Keeney] has not maintained the good will of the library staff. This is shown by his acceptance of fees for summer instruction in 1935 and 1936, where the instruction was actually done by other members of the library staff, without making adequate provision for their remuneration."

The fees of 1935 were used to buy supplies for daily afternoon tea served to the library staff. No evidence was given that this caused complaint. In 1936 the fees aggregated $34. Professor Keeney indiscreetly, but not illegally, used half of this sum to defray part of the expense of a trip taken for professional purposes. The other half Professor Keeney distributed among the staff in a manner unsatisfactory to one or more of them. This affair was not handled well, but apparently in good faith. In every broad aspect Professor Keeney's staff liked him and worked with him well and happily. The committee finds that the president's allegations about internal dissension are not sustained.

"7. Under circumstances where a great deal of time should have been spent on studying and planning for the library, Mr. Keeney has had plenty of time to give to promoting various activities consuming much administrative time. An example of this is the agitation among faculty and students, especially among the students, on the matter of censorship in the winter of 1935–36."

The foregoing complaint, while coupled with criticisms of Professor Keeney's technical performance of his duties, seems out of place and is covered by earlier discussion, notably of the censorship incident.

The committee concludes with respect to this portion of the case that Professor Keeney has given extraordinary satisfaction to most of the faculty consumers of library services. Such criticisms as have been made are minor, and it is remarkable that in a period of six lean budgetary years more clashes between the librarian and the faculty personnel did not occur. It was universally admitted that Professor Keeney made a tremendous improvement over the work of his predecessor. The friendly cooperative relations within the library are all the more remarkable when it is appreciated that the staff, because of budget shrinkage, was cut by one-third, and remained thus reduced notwithstanding an increase of student enrollment of approximately one-third. Also, the establishment of four large orientation courses increased the circulation of the library 15 percent since the staff had to handle the texts for these courses. Professor Keeney encouraged much wider use of the resources of the library for general reading purposes by students, faculty, and townspeople. Commendation for his librarianship, rather than condemnation, ought to have been his reward from the university administration.

Summing up the entire Keeney matter, the investigating committee reports, in substance, as follows:

(1) While there is a good technical case for the claim that Professor Keeney was not on permanent tenure, there is also a good technical case for the opposite view. The substantial merits of the matter are in Professor Keeney's favor.

(2) The failure to reappoint Professor Keeney was, in fact, a dismissal. He should have been furnished a specification of charges and allowed a proper investigation by the service committee before the State board considered the president's recommendation.

(3) The hearing before the board was not fair or adequate in any sense.

(4) The real reasons for Professor Keeney's dismissal do not include his administrative management of the library. One of these reasons is Professor Keeney's opposition to the election of President Simmons and his inability to keep silent about his dislike of the president. Another is Professor Keeney's participation in the protest over the censorship suggestion. These reasons, separately or in conjunction, fail to furnish sufficient ground for the action of the State board.

GENERAL CONCLUSION

In the opinion of the investigating committee, Professor Rowe should be returned to permanent tenure, and Professor Keeney should either be reinstated on permanent tenure or, if he prefers to sever his connection with Montana State University, should be granted a leave of absence for 1 year on full pay. All serious charges against Professor Keeney's librarianship should be retracted; if he desires to relocate, he is entitled to credentials of satisfactory service in Montana State University.

There is no indication that the State Board and President Simmons will take any such curative action. Bearing in mind

the strained general situation, possible future consequences of the Rowe and Keeney cases must be regarded with apprehension. The president's statement of policy in his criticism of the investigating committee's draft report is scarcely reassuring. He says: "Whether the visiting committee considered the board action in the matter of Dr. Rowe in April of 1937, in placing Dr. Rowe's [sic] on 'current' tenure, particularly inopportune, that aspect could not be considered if such action seemed necessary. Certainly we could not temporize in the matter of necessary administrative action merely because it might upset the faculty. Certainly immediate executive action has been necessary in certain matters, whether the faculty liked it or not. As soon as disturbed members of the faculty have an opportunity to learn the truth and to see that matters have been handled in an entirely fair manner, that no real injustice has been done anyone, then they are very quick to settle back into matters concerning them more personally and to forget their temporary disturbed feeling * * *." Further, with respect to possible danger of Professor Merriam's dismissal: "I had told the committee that action might arise in the future, but for the present there was no such danger, and that I was not willing to be obligated for the future but would have to take into consideration matters as they arose. * * * I certainly have no intention in the future of permitting Mr. Merriam or anyone else to engage in deliberate activities of troublemaking or interference with the administration of this institution and standing idly by while such activities occur. This is not a threat against Mr. Merriam or anyone else. It is a general statement of policy."

The above statement is based on the findings of the special subcommittee of committee A on academic freedom and tenure appointed to conduct the investigation, and has been approved for publication by the members of committee A.

W. T. LAPRADE, *Chairman.*

Approved for publication by the subcommittee which conducted the investigation.

CHARLES MCKINLEY, *Chairman.*
HARRY F. CLEMENTS.

Relief and Social Problems—The Position of the State and Nation

EXTENSION OF REMARKS
OF
HON. ROBERT L. BACON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 27, 1938

SPEECH BY MR. CHARLES P. TAFT, AT WASHINGTON, D. C., MARCH 11, 1938

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech by Mr. Charles P. Taft at a luncheon of Community Mobilization for Human Needs, Washington, D. C., March 11, 1938:

It seems to be my fate to be called upon to speak before this group under difficult circumstances. The last time I was on a dinner program in which Dorothy Thompson spoke first. This time I am in the position of presenting to you the fact that we disagree with the President of the United States on a matter of vital national policy, the question of unemployment and relief.

* * * * * * *

The President said to us this morning that he continues to support the division of the relief load between those who are able-bodied needy and out of a job, and those who are unemployed. The Federal Government, to use his words, has chosen to confine itself to the normal victims of the maladjusted economy for whom it will create work. The State and local governments are to carry the unemployable without Federal aid except in limited degree for the old, the young, and the blind.

Our program which is before you on these tables, on the other hand, calls for an integrated program, with local administration and Federal supervision and standards; and the two ideas just don't mix. We don't like to disclose the existence of such a conflict, especially after enjoying such gracious hospitality and such kindly words for the work of our agencies at home. As a group we are certainly not political opponents of the President. Many of our leaders have been his stanch political supporters. As I pointed out this morning, the social workers and board members and campaign forces are not "economic royalists." I would say on the whole, taking the section of the community that they represent, that they would probably contain a larger proportion of supporters of the administration than any similar group that you could find. We are living close to this relief problem, closer in many respects than Washington. We model our program from life, not from theory. We have to learn from experience or our agencies cannot survive, and so we must try to analyze dispassionately the reasons why we believe that we are right.

Let me discuss first the administration program. It purported to take care of all the able-bodied needy unemployed. Corrington Gill, W. P. A. Acting Administrator, on January 4, 1938, told the Senate committee that W. P. A. had taken care of the able-bodied needy unemployed and was then doing so. I understand that since that time he has tried to withdraw that statement, that he says he was misinterpreted, but if you read that testimony he was cross-examined on it and he stuck by it; at least he did so until the figures overwhelmed him.

It was never true and the President in his prepared speech of today admitted that the national economy did not permit doing it in more than the great majority of cases. W. P. A., as a matter of fact, has never employed all employables who need help. The recent appropriation of $250,000,000 extra for W. P. A. is typical. It will provide jobs for a total average, along with money previously appropriated, of only 2,200,000 people, when at least 3,000,000 need such jobs and are able-bodied. What are the other 800,000 going to do? They are going to exist on the meager level, often the starvation level of home relief, administered by the local communities.

You might ask why Congress does not appropriate enough money to supply these 3,000,000 jobs. Well, Congress never has provided funds adequate to meet all the needs through work relief, and the reason is that they probably cannot. Pressure for economy in addition will prevent Congress from ever doing so, and so we have 2,200,000 on W. P. A. and probably 2,000,000 on relief from States, cities, and counties. In addition to that, we have those in 22 States who are now getting unemployment compensation. So there are three classes who are receiving relief today: first, those on W. P. A. who average through the country $53 per month per case, and they represent less than half of the relief load; in the second place, the class of those who are receiving unemployment compensation who average somewhere around $43 per month per case, $10 less, a difference which I may say, looking toward the successful future of unemployment compensation, is very, very serious; and in the third place, the class which is most discriminated against, the balance on local relief who are getting an average, nationally speaking, of $22 a case. That is all they are getting in my city today.

Suppose Congress should increase W. P. A. to take in everybody to meet this particular pressing emergency as it exists today. That has been proposed by certain groups of social workers. They advocate doubling—or they did before the recent increases—the amount of W. P. A. There are just two things that can happen. In the first place, if you maintain the standards which have existed under W. P. A. in two respects, (1) proper investigation before certification, and (2) proper preparation and study of projects, then you cannot get W. P. A. operating fast enough to take up the slack in this kind of a period. That is quite obvious. It was not doing so until they got recent orders to increase it more rapidly, and if they do that, then you run into the situation which Mr. Smith can tell you about in St. Louis, where they cannot get the projects up, where all they can do is to certify everybody without any particular investigation or study. They include a lot of people who have just gotten out of work and who have no business to be using up the W. P. A. that ought to go to those who have been unemployed for a period; and you have them going out on a project where they are literally doing leaf raking and nothing else—something which I think it is fair to say, on the whole, W. P. A. has not stood for over a period of time. So that W. P. A. by its increase cannot maintain its standards and meet this situation.

We are not opposed to W. P. A. as a works program. I may say there are some of us who have some doubts about the validity of the work idea in connection with relief. As far as I am concerned, that is not based on any desire to save taxes or to save the amount of money spent. I have been very closely associated with that particular problem in my own community where we have a separate work program before they get onto W. P. A. anyway, and there are very great difficulties in making it work at all. Nevertheless, the sentiment of the people of this country is in favor of work for relief. As far as I am concerned, and I know so far as our program is concerned, we are standing for work relief. We believe that W. P. A. has a good work program.

We are asking for decent care for all those on relief instead of the creation of a doubly underprivileged group representing about 60 percent of the load today, who are left to local resources without Federal aid or supervision, and more than half of whom are employables. They are not distinguishable in any sound way from those who are on W. P. A. We propose an integrated program which through Federal supervision and grants will provide adequate care for all persons in need. We advocate a flexible national relief program, including work relief, sensitive to local needs and managed by local officials, but financed jointly by Federal, State, and local government through a system of grants in aid based upon a stipulated formula, with special provision from Federal funds for interstate transients, who incidentally are getting the worst end of this deal entirely. I really should have mentioned them as a separate class in addition to the three that were mentioned above.

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Suppose you had a grant in aid from the Congress of the United States for the year 1938–39, beginning July 1, of $1,250,000,000. I am placing that figure slightly above the estimate given by Aubrey Williams in order to indicate that our program is not intended to save anybody a whole lot of taxes—now. It is true that it is the only way in which the cost of relief in the end can be reduced. Suppose, then, your division were approximately 75–25. The amount required then from the States and localities would be approximately $412,500,000. Suppose, then, Congress should require either that all of the billion two hundred fifty million, or say a billion dollars, should be used for work relief. You would find, I think, that that would certainly provide as much work as you now have in proportion to the total load; perhaps more. If it were more, it might possibly be reduced in amount so as to assure at least that you would have as much work relief as you have now.

By Federal standards and supervision I would mean the imposition of the merit system on the States, the requirement that they should use it and operate under it as the condition of securing that grant. You might also require adequate coverage. There is objection made, for instance, that if you turn this back to the States, the Negroes throughout the Southern States will get no relief. You can perfectly well require that there shall be adequate coverage as a matter of Federal standards and supervision. Certainly it would be no more difficult to determine whether that was being done than it would be to determine that in the State of Arkansas they were covering everybody over 65 instead of only those that were in need, as the Social Security Board has just determined very readily.

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There are various objections that have been made. One of them, which I am frank to say I think is a little bit foolish, and I won't quote by whom it was made, was that if we turn this thing back to the local community it means turning it back to politics. Just let that sink in. [Laughter.]

The main objection that is made to fixing a State-matching basis, like 75–25, is that there are certain States that cannot do it. Well now, I am frank to say that I don't believe that. There is no question that there are certain definite situations that affect certain areas in the country which have to be taken into consideration, as for instance the problem of drought in the Middle West, or the problem of the fruit fly in Florida, both of which were mentioned by the President when I called on him and discussed this program on February 8.

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So I say that I believe for the ordinary relief problem that there isn't any State which cannot put up its share when it once understands that without putting it up it won't get a dime of Federal money. As long as it thinks that there are exceptions, that there is as an administrative head or an administrative force which can be affected by political pressure or any other kind of pressure, then they are never going to do everything that they can, that is perfectly sure.

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It just happened that in some comments at a meeting at which I had presented this program this description was given of a certain county in Long Island: "In the beginning, back in 1930 and 1931, the county relief board was organized and operated efficiently under the leadership of 'a certain gentleman' who used the social work resources within reach. He had several hundred workers with enough case-work training to do pretty accurate follow-up on the people who applied. Everyone on the relief rolls came through local certification from the local community. And then overnight telegrams began pouring in from Washington. Within 3 months there were only 16 people in the office, handling a load that had been reduced 10 or 15 percent. Nobody in the local community had anything to do with it—no control and no responsibility. It resulted in our communities in that county, in wiping out the fundamental processes that were giving people within those communities some understanding of what it was all about."

It is just 2 years ago this spring that Monsignor Keegan in speaking at the National Conference on Social Work at Atlantic City, said this: "No function of government which can be performed by the local community ought to be passed on to the larger community," and that is a very basic truth with reference to governmental problems. It is a basic truth that, if you want people to take responsibility, they have got to know what is going on; they have to take part in the process of handling that problem.

We have had various experiments in my own community. We finally have developed one which we think is going to do a great deal toward meeting the problem of the residue on relief after business has picked up and has absorbed those who are better skilled, more highly skilled, on the relief rolls. Those people are very largely, perhaps as high as 80 or 85 percent, unskilled. They are both elderly and young, and they have no kind of training that gives them any capacity to do anything except day labor, and in many cases by reason of having been on relief, no capacity to do anything except a casual job. So we have induced the State employment service to set up their casual-employment office in connection with our relief department, our welfare department of the city. We have also gone out into the suburban communities with a staff, large at first and then smaller after you have gotten to the point where you only need to keep it going, building up the decasualizing of casual workers, by which I mean finding two or three or four casual jobs for one head of a family which make a sufficient income for him to keep the family. We have found in that process a good many permanent jobs, and we have found jobs, part time and permanent, in industry as well as in homes by that kind of a "find a job" campaign or even "make a job" campaign if you want to call it that. I mention that simply as typical of the kind of thing you do if you once bring home to the local community its responsibility in facing this problem.

If the grant in aid is right for old-age pensions, if it is right for dependent children, if it is right for highways, if it is right for P. W. A., if it is right for health; if local administration supervised by the Social Security Board is right for unemployment compensation, then why in God's name isn't it right for relief? We have the Social Security Board supervising the standards for old-age pensions, for dependent children, and for blind relief. We have them supervising unemployment compensation. We have W. P. A. actually administering the whole program for the able-bodied unemployed and we have only the local communities that are handling the unemployable, theoretically.

Why? Why a privileged group that is getting $53 a case a month and an underprivileged group that is getting $22 a case a month? Why any differentiation? Why any privilege? Even if they are unemployable as compared to those who are employable, still why the difference? Why should the Federal Government say: "We are going to see to it that this group gets what we call a security wage?" In some States, Massachusetts, for instance, the average may be as high as $70, compared to $30 that they pay under direct relief. Why? Why should there be that kind of a differentiation between people who after all are all American citizens, are all just as much entitled to care? Why should we in the local communities be told: "You have got to take care of the unemployables. That is your job. You do that. We don't care what you do to them. Throw them out if you want. Don't pay any attention to them. Take the transients as fast as they come in on the train and fire them out on the train going the other direction. What do we care?"

There is no soundness in that. What we need is a united approach to the whole problem. We cannot stress too strongly the vital importance of the relief program to the public, both from the point of view of the expense which is certainly serious in these days, and from the much more important view of the human values that are involved, and that is why we urge that there be constituted a permanent commission, a national commission, resembling in its standing, if you want to stick to American examples, the commission of which Mr. Newton D. Baker was the head, which investigated the whole situation as to aircraft for the United States, whose report in that field of inquiry, so full of conflict, was almost unanimously accepted. A report by a similar commission in this case might very well achieve the same kind of results. That kind of a commission could help to clear the air and get facts upon which everyone could rely. That is why we have put it in our program.

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We are willing to be reasonable. We have set down what we think is an ideal program. I take it that all of us have dealt with relief and social problems for a long enough time so that we are always willing to sit down and talk with anybody to work out something that we can all agree on. But this is what we think is right. Now let's start from there and see just exactly how far we can get. It is a realistic program. It is a program which we believe is based fundamentally on the democratic (small "d") processes which make the very foundation of our American life.

Unemployment—Money Scarcity

EXTENSION OF REMARKS

OF

HON. CHARLES G. BINDERUP

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1938

Mr. BINDERUP. Mr. Speaker, as one Congressman to another, there never was a period of unemployment that was not preceded by money scarcity or deflation, and there never was a period of deflation or money scarcity that was not followed by unemployment. That philosophy is as irrevocable as the law of gravity, as regular as the tides of the ocean. History records no exception to the rule, not one. I challenge the world.

Knowing this, then why not solve the problem of unemployment and bring back prosperity? There is only one war.

America, Whither Bound?

EXTENSION OF REMARKS

OF

HON. DEWEY SHORT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1938

ADDRESS BY HON. DEWEY SHORT AT CHICAGO APRIL 11, 1938

Mr. SHORT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address, America, Whither Bound? given by me at the Union League Club, Chicago, Ill., Monday afternoon, April 11, 1938:

Mr. Chairman and my fellow Americans, it is true that I have had the opportunity or the privilege of attending several different educational institutions in this and other lands, and even for 4 years I tried to pound some philosophy into the heads of students in a Kansas college, but, thank God, I quit before I became a member of the "brain trust." [Laughter and applause.]

Really, I am just a plain, ordinary, country boy, a native hillbilly from the Ozarks in southwest Missouri, where we still cover our houses with bull hides and use their tails for lightning rods. [Laughter.]

It is true that my name is DEWEY SHORT, but I am no more responsible for my name than I am for my birth. I was consulted about neither event. I happen to have appeared on the scene of action shortly before Dewey sank the Spanish fleet in Manila Bay, when they named all the cats, dogs, horses, and kids born, Dewey. [Laughter.]

While my last name happens to be Short, I am sure, if you knew my ancestry, you would agree I am almost as Long as I am Short, because the truth of the matter is my mother's name was Long before her marriage. [Laughter.]

There was nothing very short about my family, because there were 10 of us children. I was No. 8 in the brood. I was a little slow in arriving, but I finally got here. Under this New Deal, with its restriction of production and limitation of acreage, I often thank a benign and merciful Providence that they didn't have codes in effect when I was born or I never would have arrived at all. [Laughter.] Or had I been fortunate enough to have seen daylight, God knows, little Henry Wallace, Dr. Tugwell, or some of their assistants would have knocked me in the head or plowed me under. [Laughter.]

Today I propose not to tell you gentlemen anything new. For I am convinced that at this hour, the American people need not so much to be enlightened, as they need to be reminded. I want to remind you, in the beginning, that this noble heritage of ours called "liberty" was won not in a day or a year or a generation or a century, but that for over 1,000 years the Anglo-Saxon people have fought to throw off the yoke of oppression and to escape the heel of tyranny in order that we might become free and independent men.

For over a millennium the English-speaking people have fought for this precious thing that we take for granted today, and it was purchased not with gold or silver, but with precious blood upon gory fields of battle, starting even before our forefathers gathered on the plain at Runnymede in 1215 and wrested from King John, the tyrant, the Magna Carta. Four centuries later, from an obstreperous British Parliament, they won further rights in determining their destiny when they brought forth the Bill of Rights. It remained, however, for the American Revolution, with those colonial ancestors of ours who dared the wide-open seas and the hostile forces of Nature and of savage men, to give birth to those two other great political documents, the Declaration of Independence and, finally, the Constitution of the United States. It was the culmination of a thousand years of struggle to achieve self-government, with the four pillars—the Magna Carta, the Bill of Rights, the Declaration of Independence, and the Constitution of the United States—that set up for the first time in the history of mankind a republican form of government where the people themselves were their own masters.

Under that system of government, proclaimed in the Constitution, with its three separate and distinct coequal, coordinate branches of government, each to act as a check and balance upon the other, we have grown to be the greatest Nation and the happiest and freest people under the face of the shining sun. In spite of all our weaknesses and faults and shortcomings, in spite of its failures, its cumbersome and costly administration at times, this system of party government as we have known it under our Constitution for a century and a half has made us the outstanding sovereign power of all this world, notwithstanding the fact that there are other nations that have greater geographical areas, and certainly much larger populations, and just as rich natural resources. But under our democracy, under this constitutional representative form of government, with its checks and balances that are safeguards to our liberty and our freedom, along with the Christian religion that places supreme value upon the individual, America today is still, thank God, in spite of all the vicissitudes of fortune through which we have passed, the beacon light of hope and progress to the poor and distressed peoples of this earth.

I am glad we have two great political parties in this country. Just as competition is necessary in order to have good and efficient business, so, in order to have good, clean, efficient, and honest government, you must have a highly organized, aggressive, intelligent, fearless minority party. It is not only its inherent and sacred right, but it is also its constitutional and solemn duty to criticize and hold in check the party that happens to be in power. Though Democrats and Republicans have differed in days gone by on minor issues, on incidental matters as pertains to government, whether it be money, the tariff, the League of Nations, or what not—thank heaven there never has been a time when real Democrats and real Republicans have differed on the Constitution or on patriotism or on the cause of good, clean, and honest government. They do not differ now. [Applause.]

Today the whole world is going through one of its periodic transitions. It is not the first time the world has gone through a metamorphosis. We went through such a change at the close of the Crusades, after the Italian Renaissance, and after the Protestant Reformation. It is only natural and logical that the United States, with every other great nation that participated in the World War, a catastrophe of such gigantic magnitude, should now be forced to go through a period of transition and change.

I realize, as you do, that we can never go back to the old order. Every honest and intelligent American citizen will admit that certain economic and social changes are imperative. But, my friends, I pause to remind you that in the midst of all this change there are certain principles that are fixed and unalterable, ideals that are eternal. The truths enunciated by the Constitution of the United States and the Declaration of Independence—immortal truths—are just as true today and just as necessary for the protection of your life and property and freedom as they were the day they were written and adopted.

Ah, no one here will deny the fact that the principles of Freemasonry are the same today as they were when exercised in the time of King Solomon or of George Washington. Everyone here admits that the cardinal teachings of the Holy Roman Catholic Church are just the same today and are just as much needed and are of just as much value, though they were written in the "horse and buggy" age, as they were in the time of St. Peter or St. Thomas Aquinas. No sane person here would want to destroy the Decalogue simply because it was uttered by Moses centuries before Christ. The Ten Commandments are just the same now as they were when they were given to him on Sinai. Ah, times and conditions may change, my friends, but truth never changes, "and truth, though crushed to earth, will rise again, and though she hath no tongue, will speak with most miraculous organ."

So we don't have to burn down our house to get rid of the mice in the pantry. We don't have to destroy the fundamental principles of our Government and all its framework in order to bring back prosperity. God knows, we have had many depressions before. We have gone through other wars, but always we have emerged victorious and triumphant, stronger than ever before, without wrecking the Constitution, the very fabric out of which is woven that type and form of government under which we have lived and prospered. You don't have to kill your dog to get rid of its fleas. A few fleas are good for any dog. They keep his mind off being a dog all the time. [Laughter.]

So I say today there is a greater affinity between the Democratic Party and the Republican Party than there is between Democrats and New Dealers. [Applause.] I know the Democrats are just as intelligent, just as patriotic, and will just as willingly die for their country as will the Republicans. I know that liberty is just as precious to any Democrat as it is to me, and there can be no difference on the great fundamental issues.

It seems incredible that Franklin Delano Roosevelt, after sweeping this Nation in 1936, just a little over 1 years ago, carrying every State in the Union but two, and garnering all the electoral votes but eight, with an overwhelming majority in both Houses of Congress—an almost 4-to-1 majority in both House and Senate—would, within just a little over a year, the first year of his second administration, be defeated by a coalition of Republicans who are not trying to destroy him, but of Republicans and even a greater number of Democrats who, thank God, are capable of putting welfare of country above their own personal political fortunes, and who can place patriotism above partisanship. [Applause.]

What has that coalition done during the past 12 or 15 months? It has defeated the President on the four major pieces of legislation that he has tried, by every conceivable method, to cram down the throats of the Members of Congress and foster upon an unsuspecting and altogether too indifferent, apathetic, and gullible public. The straw that broke the camel's back, of course, came in February of last year, when, with brazen effrontery, with bold arrogance, and with haughty insolence, a message was sent from the other end of Pennsylvania Avenue down to the Congress. It fell like a pall upon our ears. We walked out of the Chamber

stunned, and the American people were left bewildered, shocked beyond expression, because the Chief Executive asked the Congress to give him the power to pack the Supreme Court of the United States, that would, if it had carried, undermined and shattered the foundations of an independent and free judiciary.

No, I am not going to play poker unless I have a marked deck. [Laughter.] I'll not go to trial until I "fix" the jury in advance. I am not going to play with you unless I make the rules, and I want to place men upon that Court who see eye to eye with me, who will sanction and hold constitutional any measures that my little coterie of theoretical, intellectual, professorial nincompoops, who were never elected, and couldn't be elected dog catchers in any part of our Nation, might send down from the other end of Pennsylvania Avenue. [Laughter and applause.]

What happened in that great Court fight? The Democrats didn't leave Franklin Delano Roosevelt. Franklin Delano Roosevelt—who is more Delano than he is Roosevelt—left the Democratic Party. Do you know who wrote the bill? Did BENNETT CLARK and BURT WHEELER and PAT MCCARRAN and JOSEPH O'MAHONEY and TOM CONNALLY and WALTER GEORGE and HARRY FLOOD BYRD and JOSIAH BAILEY and MILLARD TYDINGS and FRED VAN NUYS write it? None of these long-lived stalwart Democrats and several others who fought the battles of Democracy long before these little collegiate professors were scarcely dry behind the ears were consulted. [Laughter.] No. It was produced by Cohen-Corcoran-Cummings, Incorporated; the Hopkins-Henderson-Lewis gang.

I have said repeatedly both in Congress and out of Congress that Thomas Jefferson founded the Democratic Party and Franklin Delano Roosevelt has dumfounded it. [Laughter and applause.]

What was the excuse for that Court bill? Oh, the message that accompanied it was couched in clever and deceptive and disarming language. We were told it was to relieve congestion of the dockets whereas every informed person knew that the Supreme Court for the past several years had been abreast of its docket. That flimsy pretext was used; that glib excuse was given. The fallacy of it was soon exposed and exploded, and thank God, the Court, the Supreme Court of the United States, was upheld, protected, and defended, because we had in the United States Senate stalwart patriots, Democrats, if you please, who were big enough, I repeat, to place patriotism above partisanship. To those Democrats should go the everlasting gratitude of the American people, regardless of party affiliations. [Applause.]

Then we had a wage and hour bill. Mr. Roosevelt not only wanted to gain control of the judiciary, but he wanted the Congress to give him the power to set up a board of five men who could establish hours and wages, and eventually fix prices and have control of life and death over industry in this country. And that wage and hour bill was accompanied by sit-down strikes, by unlawful labor racketeers seizing unlawfully the property of American citizens, and in violation not only of the Constitution but of positive statutory law, the President, unlike Grover Cleveland, refused to intervene when State authorities broke down.

Fortunately, the House of Representatives, which, during the first administration of the New Deal, was a supine and subservient body, bootlicking and favor-courting because of patronage and of relief funds which the executive branch of Government held as a club over the heads of recalcitrant members of its own party—this formerly pusillanimous and supercilious body of nitwits in the House got their eyes open, because the American people were heard from back home.

What did the special session of Congress do last fall? Well, the House—to its everlasting credit—defeated this insidious bill that would have not only paralyzed but annihilated industry in this country, just as the Senate had defeated the nefarious scheme to pack the Supreme Court that would have destroyed one of the three great arms of our Government, rendering it impotent and subservient to the will of the occupant, whoever he might be, of the White House.

Then what has happened since the first of the year? The Senate not only killed the Supreme Court bill and the House not only shelved and recommitted the wage and hour bill, but, still obsessed with the idea that this overwhelming victory in 1936 gave him the right to "roll up his sleeves," in the language of Dr. Tugwell, and "make America over"—gave him the right to bring forth measures of reform instead of trying to bring about recovery—the President said, "I want a tax bill." Of course, the Congress, foolishly and cowardly, gave him one nearly 2 years ago; and you know what results we have experienced since. The House, of course, repealed, not outright, but certainly materially modified, the tax on excess profits, which the Senate has repealed outright, and which we will pass substantially as the Senate has amended it. [Applause.]

But the House, contrary to the wishes of the administration, and against the pressure of the administration advisers, killed that wicked provision aimed at closely held, family owned corporations. The bill has been over in the Senate, and the capital-gains tax is being materially modified, and I think I will prove to be a good prophet when I assure you, gentlemen, that the tax bill as passed by the Senate within the past few hours will be enacted substantially as amended by the Senate when it reaches the House in conference.

So not only the votes on the Supreme Court and the wage and hour and the tax bills have gone against the administration but we have just concluded a historic battle in the House of Representatives during the past 10 days which necessitated my working as I have never worked before. I never loved Democrats as much in my life as I have loved them the past 2 weeks. [Laughter.]

I never knew that I could proselyte so much, but I pleaded and I begged. Joining the 88 Republicans and most of the Progressives and 2 of the Farmer-Laborites, there were even more Democrats—108 of them—who joined us last Friday night to defeat by the narrow margin of eight votes this infamous, insidious attack on the Constitution that would have transferred the legislative functions and prerogatives of the legislative body to the executive branch of our Government.

Just as the Senate deserves the credit for having saved the judiciary, so the House of Representatives deserves the credit for having defeated this infamous attack and this undermining, more or less obscure but certainly very definite, because of the provisions on civil service, the Comptroller General, and the concurrent resolution which is of highly doubtful constitutionality, in keeping unto the Congress the powers that are reposed in us by the Constitution itself.

When our fathers wrote that Constitution and divided those powers into three separate, distinct branches, they did it not in the interest of economy or of efficiency. They did it, as was so well stated by Mr. Justice Brandeis, that great old liberal on the Supreme Court, "to preclude or prevent the exercise of arbitrary power."

Washington, in his farewell address, warned us, as Americans, never to become so partisan and bitter that we don't see big things big and little things little, and can't put first things first, and also never to allow powers to be usurped by a strong popular Executive, but that those powers must be granted or gained only in the constitutional and legal manner.

So, here we are. You can take a little hope, but there is something in the offing that I fear. Twenty years ago some of us in this room were fighting to make the world safe for democracy, this precious democracy under which we have lived for 150 years. Ah, we weren't Republicans and Democrats in that fight. We were Americans, who marched shoulder to shoulder and fought and were willing to die, if need be, to make the world safe for democracy. But since the World War, democracy has been dying, dying, dying, throughout the different countries of this earth.

Being a Missourian, I have to be shown and I have been shown. It has been my opportunity to have seen and to have heard the great dictators in Europe—Stalin, in Russia; Pilsudski, in Poland; Horthy, in Hungary; Hitler, in Germany; and Mussolini, in Italy—and the unmistakable trend has been inevitably toward dictatorship in this country. How does it arise? Only upon the economic misery of the masses. If we have such political upheaval, such social chaos, such economic misery and unrest in this country, then we will have a fertile soil in which to sow the seeds of rancor and of discord.

And isn't it strange, isn't it unusual, that the President of the United States would say, after the Senate had passed the reorganization bill by a narrow margin—because only one-third of the Senators were up for reelection—they tossed the baby into our lap—that the Senate could not be "purchased." They took it on the chin on the court bill, but they said, "Here, all you House Members are up for reelection this year. We will hand you this hot potato."

Let no one think the United States Senate wanted the reorganization bill. I know the Democrats. I should know them, being a southerner. My father's people came from Tennessee and my mother's from Kentucky, and I live just 18 miles north of the Arkansas line. I live in "Lapland," where Arkansas laps into Missouri. I know Democrats. My closest and best friends in Congress, in the Senate and the House, are Democrats. I know the Democrats didn't want it. One of my good Democratic friends in the Senate said to me, "Dewey, it is unfortunate that the Court bill and the reorganization bill were sent up to us at the same time. The Court fight was so spectacular that it overshadowed and submerged all other issues, but a lot of our boys have taken the rap on the Court fight, and they don't want to appear as constantly opposing their own President." [Laughter.]

You see, I like to speak both in Congress and out, because I can say so many things that not even my good Democratic friends can say. I just say what they feel. [Laughter.] Because, you see, they have postmasters to name and Federal judges and district attorneys to recommend, along with a lot of projects in their districts. But I know the New Deal outfit will not give me the sweat from their armpit. I can say anything I please. [Laughter.]

I say, isn't it strange that the President would get up in the middle of the night—he said it was 2 o'clock, or 12 o'clock, or 10 o'clock; I don't know what the hour of that nocturnal eruption was—and deny wanting to be a dictator, after saying the Senate couldn't be "purchased"—although the Senators said all the pressure in the world was brought to bear upon them by the administration to get them to pass the reorganization bill. I don't know what hopes of reward or threats of punishment were handed out to those gentlemen. But let's accept the President's word—the Senate cannot be purchased—though I think that remark would have been more appropriate after it had killed the Court bill.

The House of Representatives perhaps can't be purchased. God knows Jim Farley was trying very hard, calling all the boys on the telephone and carpet all week. Charlie West was hobnobbing with them. If we ever had an administration that knew

propaganda from A to Izzard, this is the best, with almost 300 employees, in violation of the law, nearly 300 newspapermen and magazine writers, paid over $600,000 a year now, by the New Deal to publicize and propagandize its assumed virtues to a distressed Nation.

Everybody knows it's so. That is the painful part of it. It is the undeniable truth. This Nation is honeycombed with spies and snoopers, investigators and regulators and accountants and clerks and foremen and administrators, and God knows what not [Laughter.] Mr. Roosevelt said he does not want to be a dictator. Fine. I hope he means it. Let's see what he does. Don't forget that just a year ago, in his message to the Congress of the United States, he was so bold as to admit—in fact, he brazenly boasted—that we have during the past 3 or 4 years "built up instrumentalities of power" which, in the hands of anyone else, any other government, would be inimical to, if not destructive of, the liberties of the people. This is what he essentially said:

"In my hands, all right. In anybody else's hands, look out. Your liberties are gone. They would shackle you, fetter you, enslave you. I don't want to be a dictator, but I want you to give me the powers of a dictator."

He is the man who fired William E. Humphrey, with the Federal Trade Commission, a quasi-legislative, quasi-judicial body, which the Supreme Court, by unanimous decision, said he had no right to do. He kicked out Dr. A. E. Morgan the other day without the right of trial by jury; sitting in a star chamber and acting as prosecutor, judge and jury, sheriff and high executioner, he kicked him out before we had an investigation. Congress has since voted an investigation.

I heard him take the oath on the steps of the Capitol, swear in the presence of Almighty God and 100,000 of his fellow countrymen that he would "preserve, protect, and defend the Constitution of the United States," so help him God. Then I know of the letter he wrote over his own signature to Congressman SAM B. HILL of the Ways and Means Committee when the "goofey bill" was being considered—the Guffey Coal Act, I mean. [Laughter.] In that letter, after taking that solemn oath, after sealing it with a kiss upon the Holy Bible, he urged Congressman HILL and his associates, as Members of Congress who had taken a similar oath to uphold, protect, and defend the Constitution, to allow no doubts as to the constitutionality, however, reasonable those doubts might be, to prevent them from passing the legislation.

Can you reconcile that? "I don't want to be a dictator." Well, I think the American Congress is not going to let him or any other individual be one. [Applause.]

I don't care what the political complexion of the man is who occupies the White House. I say the Democrats and Republicans, when it comes to fundamental issues and to patriotism and to our form of government, will be in sufficient number, in spite of all the pressure brought to bear upon them to do otherwise, standing by the Constitution and conscientiously carrying out their oaths of office.

Now, then, we won four great victories on the Court bill, the wage and hour bill, the tax bill, and the reorganization bill. We have done it against overwhelming odds, against all the patronage and all the huge funds that have been dished out. But I am not resting easily yet. I hope that you men are not. I am taking nothing for granted. If you go to sleep at the switch, you will get run over, I can tell you that. [Laughter.]

These new dealers are clever men. They are resourceful men. One thing I will say for the present occupant of the White House—he is the smoothest, slickest politician who has ever been in it. [Laughter.] He is as slick as an eel. You squeeze him here, and he is over there. [Laughter.] He blows hot and cold in the same breath. [Laughter.] He says, "yes" and "no" at the same time. [Laughter.] I have seen him bow to the right and comfort the conservatives, and then I have seen him smile and encourage the radicals, never letting his right hand know what the left hand doeth. The voice of Jacob but the hand of Esau. [Laughter.]

What does he propose to do now? Start upon a course that we already have chartered and traveled! Try again the same old pump priming that has failed. He wants four and one-half billion dollars more money. Whew! That's a lot of dough! [Laughter.] The paramount issue before the American people in this tragic hour is whether the people themselves or one man shall rule this country. Unfortunately, few of our citizens fully realize the tremendous powers that have been granted to the Executive under the cry of "emergency," which were promised to be temporary powers but which are now deliberately being made permanent powers.

The President of the United States is Commander in Chief of the Army, Navy, and air forces of our country. He can invoke a neutrality law tantamount to a declaration of war. He can single out the aggressor in any conflict. He can issue currency up to $3,000,000,000. By devaluating the gold content of the dollar he has more than a two billion dollar reserve of funds with which to speculate in foreign exchanges, buying Japanese yen, British pounds, French francs, and German marks. He can coin silver at the ratio of 16 to 1. He can close the stock market for 30 days at any time he chooses. He can raise and lower the tariff 50 percent on practically everything that is produced in this country, whether it be on the farm or in the factory. He possesses practically complete control over the economic destiny of the American people. He can build a subway in New York and deny it to Chicago. He can build an auditorium in Kansas City and something else in Indianapolis. He can build dog pounds in Memphis, such as they have done, and monkey houses in Little Rock. [Laughter.] He can pay some farmers benefits and deny those benefits to others. By making his Secretary of Agriculture, who holds his office only at the will of the President, a czar, he can tell the farmers of this Nation how much they can plant, how much they can grow, and how much they can market after they have produced it. If he gets the wage and hour bill, he can tell you how many men you can work, how long you can work them, and how much you must pay. It will be a revival of the old N. R. A., without any of its benefits. "As a dog returneth to his vomit, so the fool returneth to his folly."

He has been given by Congress more money to spend in his own discretion than was given to all his predecessors before the World War. During the first 143 years of our history, only $1,600,000,000 were turned over by Congress to all our Presidents during that period to spend in their own discretion. Since the 4th of March 1933 Franklin Roosevelt has been given more than fifteen and one-half billion dollars which he could spend at any time upon any kind of project that his infinite, infallible, and impeccable wisdom and virtue might dictate. I submit to you, gentlemen, not as a partisan, but as a patriot, that this is more power than any good man should want, and God knows it is more power than any bad man should have. [Applause.]

America, whither bound? Quo vadis? Whither goest thou?

I am just getting warmed up. I wish I could speak to you for 2 hours, but I must close now.

Fifteen years ago this month I rode camels from Cairo out to the Sphinx and the great Pyramids. I climbed to the top of Cheops, and as I stood on the top of the Pyramid and gazed at the expanse of the Sahara, I looked at the Sphinx and thought of Napoleon addressing his army, when he said, "My men, 40 centuries are looking down upon you." I said, "If you could only speak, what stories you could tell."

I went through the ruins of the tombs of the kings at Thebes and Karnak, saw the ruins of the mighty temples. I went back to Cairo and walked through the National Museum, cluttered with a bewildering collection of archelogical curiosities. I asked, "O Egypt, why has your civilization perished, and why does it lie today buried beneath centuries of sand?" "Because," I answered, "as you grew rich and powerful, you grew corrupt and tyrannical. You lost your vision, and where there is no vision, the people perish."

A few weeks later I went down the Tigris-Euphrates to Bagdad, and viewed the ancient ruins of Babylon. I wondered why Babylon didn't have a Hammurabi today. I asked again, "O Babylon, why have you died?" Again I answered, "Because, as you grew rich and powerful, you lost the vision of your fathers. You became a race of 'softies.' You became indifferent and apathetic to the problems of government. You turned it over to the thugs, to those who were the recipients of bountiful outpourings. You didn't care about your country, and it died."

I came to the classic land of Hellas. I walked through the ruins of the great Acropolis and Parthenon. I closed my eyes and dreamed of the world of Pericles. I said, "O Greece, that gave to the world philosophy, music, beauty, and learning—why have you perished?" It was because she forgot the teachings of Socrates, Plato, and Aristotle. Her people lived an epicurean philosophy rooted in materialism: "Eat, drink, and be merry, for tomorrow you may die." And Greece did die.

Then I went to Rome, along the Appian Way and through the Catacombs of St. Calixtus. I came back under the Arch of Constantine, with his "In hoc signo vinces" on it. I stood in the middle of the Coliseum and pictured beautiful women, gorgeously gowned, bedecked with jewels, welcoming the death of the gladiator. I thought of Rome in those days—that Rome of the Caesars—with her thundering legions, with her fabulous wealth; Rome that gave to the world law, order, and government. I pictured Rome giving her people free cake and bread and free circuses and free baths.

Rome wasn't destroyed by the Vandal, the Hun, the Goth, the barbarian, from outside. Rome was destroyed because of her own internal decay, her loss of moral and spiritual idealism, and her indifference to good government.

What is my message to you? America, whither bound is this United States, is the Republic, is this great constitutional representative democracy that has grown and prospered in spite of all its difficulties? Are we going on the rocks and to pieces because of the indifference of businessmen, because of people who are sleek and fat and well fed? Whose country is this? Do you belong to it, or does it belong to you? What kind of men do you send to Congress? If they are not the right kind, why aren't they the right kind? Congress is only a mirror in which the American public is reflected. Tragically, the American people have been so debauched and corrupted by the indiscriminate outpouring of public doles that it is eating out the character and genius and destroying the spirit of self-respect and self-reliance of our great people.

Men and women in my district, Democrats and Republicans alike, who a few years ago were proud, held their heads high, never depended on anyone, have been so debauched and corrupted by a patronizing, paternalistic, benevolent despotism, by giving them doles, by destroying their independence, making them wards first of the Government, only to make them serfs and slaves tomorrow, that today, before those once honorable men and women

paint the barn or hang a gate on its hinges or build a chicken coop, they write me a note asking if Congress can give them a grant or an appropriation.

We are in danger of fostering a generation of beggars and mendicants. We have spent $40,000,000,000 in the past 5 years. Our national debt has been doubled, from $20,000,000,000 to $38,000,000,000, and that is not counting an additional $5,000,000,000 that the Government is responsible for. Where has all this brought us, these half-baked panaceas, these noble experiments in the name of philanthropy and humanitarianism, which makes them all the more reprehensible? We are back where we started in 1933, with just as many men out of work, 12,000,000, with the debt doubled, with the morale of our people weakened, if not in many instances utterly destroyed.

With one or two quotations, I bid you good-bye. I want to read you this: Forecasting rather accurately our condition in the United States today, Lord Macaulay, in 1857, in his memorable letter to Randall, of New York, said, "Either some Caesar or Napoleon will seize the reins of government with a strong hand, or your Republic will be as fearfully plundered and laid waste by barbarians in the twentieth century as the Roman Empire was in the fifth, with this difference: That the Huns and Vandals who ravaged the Roman Empire came from without, and your Huns and Vandals will be engendered within your country by your own institutions." That was a long time before the New Deal was ever heard of, in 1857, before the Civil War. I quoted that last October in an address to the Grass Roots Conference of 6,000 Americans down in Missouri.

I ended that address with another great word of warning, a wise exhortation spoken not by a Democrat or a Republican, not spoken by an American, but by a great British statesman, one of the wisest political philosophers of all time, long before the advent of the New Deal, John Stuart Mill. Here is what he had to say: "A people may prefer a free government, but if from indolence or carelessness or cowardice or want of public spirit they are unequal to the exertions necessary to preserve it, if they will not fight for it when it is directly attacked, if they can be deluded by artifices used to cheat them out of it, if by momentary discouragement or temporary panic or a fit of enthusiasm for an individual they can be induced to lay their liberty at the feet of even a great man, or trust him with power which enables him to subvert their institutions, in all these cases they are more or less unfit for liberty."

I have about 14 other speeches in my system. There is so much I could speak about. But in closing I want to thank you for inviting me to address your club. It is an honor for any man, and particularly for a hillbilly who once drove "jennies" to a little cart from deep down in the Ozarks of southwest Missouri, where we may have some hayseed in our hair, but, thank God, we don't have cobwebs in our brain. [Laughter.] We have sense enough to know that Santa Claus really doesn't come down the chimney the night before Christmas, and we also know that as Easter approaches not all the Easter eggs will be laid by bunny rabbit. No; they are going to be paid for in the sweat and toil and blood of everyone, and no nation can ever give to its citizens anything it does not take from them.

The Government of the United States today is not in Washington. It is in Chicago, it is in St. Louis, it is down in Springfield and Joplin. It is in every little hamlet. The people themselves are the Government, and the Government is going to be what the people make it.

God, give us men! A time like this demands
Strong minds, great hearts, true faith, and ready hands;
  Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy;
  Men who possess opinions and a will;
Men who have honor; men who will not lie;
Men who can stand before a demagogue
  And damn his treacherous flatteries without winking!
Tall men, sun-crowned, who live above the fog
  In public duty and in private thinking;
For while the rabble, with their thumb-worn creeds,
Their large professions, and their little deeds,
Mingle in selfish strife, lo! Freedom weeps,
Wrong rules the land, and waiting Justice sleeps.

[The audience arose and applauded.]

Government and Banks Have Traded Overcoats

EXTENSION OF REMARKS
OF
HON. CHARLES G. BINDERUP
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 28, 1938

Mr. BINDERUP. Mr. Speaker, as one Congressman to another, the principles incorporated in the Monetary Control Act of 1938 are mandatory on the Monetary Authority, an agent of the Congress. It provides that the banks must go out of the Government business, creating money, and the Government must go out of the banking business, lending money. It rights a monetary system that we have been trying to operate inside out and upside down, thereby creating booms and depressions.

Joseph Taylor Robinson

MEMORIAL ADDRESS
OF
HON. ADOLPH J. SABATH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 20, 1938

On the life, character, and public service of Hon. JOSEPH T. ROBINSON, late a Senator from the State of Arkansas

Mr. SABATH. Mr. Speaker, the Nation lost a great man in the death of Senator JOE ROBINSON. The untimely and unexpected passing of Mr. ROBINSON smote heavily with sorrow the hearts of his colleagues and a myriad of his friends. His passing brings to me the poignant grief of personal bereavement, because he was one of the first Members of the House I met at the beginning of my first term, on March 4, 1907, in the Sixtieth Congress. Mr. ROBINSON had come here as a Member of the Fifty-eighth Congress, and it so happened that we had adjoining rooms in the Congress Hall Hotel, which occupied part of the site of the New House Office Building.

As most of you gentlemen know—and the remainder of you readily can imagine—the tempo of American life in 1907 was not so rapid as at present, although we did that year experience a minor panic; therefore, I, as a tyro, was privileged to associate leisurely and with pleasure and profit with this interesting personage who was later and for many years to be such a towering figure and play such a mighty role in the affairs of the Nation; and when his intrepid soul took flight the Congress of the United States lost one of its most militant and masterful Members.

When I came here I had an exaggerated opinion of the importance of my own section and many in public life therein; but an intimate contact with this mental titan, who had entered political life in 1894, soon taught me that sectionalism does not determine the usefulness and promotion of Members of the Congress. Many of us come here with the idea that we are representatives of our own districts only, but our departed friend soon taught me by precept and example that we are, after all, representatives of all the people of the United States. The welfare of all America was the late Senator's consuming passion. Never did I approach him with a public problem without getting valuable help. He was in no sense selfish or narrow.

Our departed friend was not born to a life of ease. His father was a country doctor of the old school, and the Senator was the youngest of 10 children. For years he went to school in the Arkansas way of the day—3½ months of school and 8½ months at home on the farm. At the age of 16, as we are told, he attracted local attention in debating, which was in that day an entree to the Arkansas General Assembly. But further schooling, necessarily, came first. He attended the University of Arkansas, supporting himself by teaching half the time and working hard and long. Then it was that a kindly old lawyer, Mr. Trimble, took young ROBINSON in as a law clerk. In those days "law clerk" meant everything, including sweeping the office, running errands, studying Blackstone; and he spent one summer session at the University of Virginia. Reasonably soon thereafter, in 1894, Mr. ROBINSON was elected to the General Assembly of his State, and, following successful service there, he came to this House at the beginning of the fifty-eighth session. On January 13, 1913, he was inaugurated Governor

of Arkansas, and on January 28, 1913, following the death of Senator Davis, he was elected United States Senator, taking his seat on March 10, 1913. Thus is he another outstanding example of how unfavorable environment may not subjugate one with the stature of character of sufficient magnitude to single him out from the masses.

Few men, if any, have occupied a more commanding position in the Congress, and nobody who ever served in the Congress has left a deeper or more lasting impression upon the legislation of his day and generation.

His untiring industry and intellectual versatility were the marvel of his colleagues. No avenue of information was closed to him. He had explored all the highways and byways of legislative knowledge; and the confusing labyrinth of parliamentary procedure was a plain and simple path for him. His powers of analysis were equaled by few and excelled by none. Fearlessly he turned the light of constructive criticism on every legislative measure, no matter whether its author be friend or foe. His one and only purpose was to promote safe and sane legislation and to prevent the enactment of illy considered and loosely drawn laws. He was a statesman in the broadest and truest meaning of the term. There was nothing artificial or superficial about him. He rang true at all times and under all circumstances. He was free of all affectation, sincere and genuine throughout. He cared nought for public applause, but followed always the path of duty outlined by a conscience that was ever responsive to the noblest and most patriotic impulses of true manhood.

A great and good man has passed from the activities of life to the great beyond. He has left behind him a record of splendid service and an influence that is far-reaching for good. We sincerely mourn and regret his passing, but we know that whatever lies beyond the veil for such a heart and soul all will be well.

Faithful and chivalrous servant of the Republic, hail and farewell!

How End Cutthroat Competition in Transportation?

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1938

Mr. MURDOCK of Arizona. Mr. Speaker, as I said earlier in the day, I want to be consistent in regard to our treatment of the great transportation agencies, as well as in other matters. Although I opposed the Pettengill bill in the first session of this Congress, I did it for the safety of the interior region in regard to their rail-rate structure. At that time it grieved me to hear it announced that the railroads were suffering cutthroat competition from the ships that ply from coast to coast by way of the Panama Canal. Perhaps the Interstate Commerce Commission does not want and would not relish authority to fix marine rates as well as rates by interior transportation. However, in my judgment, it ought to be done by one governing agency. How else can justice be done between these naturally competing systems of transportation?

We do not want to eliminate all competition between rail and water carriage, but want only to eliminate the conditions which make cutthroat competition inevitable. One of the great reasons for building the Panama Canal a generation ago was that because of it ocean rates might exert a wholesome influence upon rail rates across this country. That was at a time when railroads needed more regulation and less encouragement than they need today. It has been a disappointment that through an international complication we have been unable to permit our own ships free passage through the Panama Canal. Today we have heard it suggested that we ought now to permit our own ships to go through the Canal free of toll, which would be better than a subsidy for them. I agree that it would be more appropriate to eliminate the toll charge for them, but feel that we are just as likely to run up against the objection of England, and possibly other countries, to that procedure, as we did in the days of the first Wilson administration.

Another way to equalize the rivalry between rail and water traffic would be to unify the rate-making control in one body. The most logical body would be the Interstate Commerce Commission, even if it has given a half century of its existence to a study of rail rate making only. This bill, however, on page 30, lines 10 and 11, changes section 204 (b) of the existing law by striking out the last sentence of that section. By reference to page 33 of the report it will be seen that the effect will be to place it beyond the authority of the President to combine the rate-making power within one commission. This seems to me a step in the wrong direction. I fear by this we will perpetuate the condition of cutthroat competition and not remedy the situation as we should.

Roosevelt Recovery and Reform

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, April 28 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS BY HON. JOSEPH B. KEENAN AT COLUMBIA, S. C., APRIL 27, 1938

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the CONGRESSIONAL RECORD a very informative address delivered by the Honorable Joseph B. Keenan, the assistant to the Attorney General of the United States, before the South Atlantic Conference of Democratic Women at Columbia, S. C., on April 27 at 2 p. m. This address was broadcast by the local broadcasting station at Columbia.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mme. Chairman and delegates of the South Atlantic Conference of Democratic Women, I consider it a privilege to have the honor of addressing such a representative group of American women.

I have always found that audiences of women cared less for rhetoric and more for facts. In light of that experience, it is my intention today to present to you some plain facts with reference to the political and economic situation in this country today.

For after all, facts are facts and, although they may be obscured and suppressed, yet, like murder they eventually will out.

In November of 1936 President Roosevelt was returned to office by the greatest vote ever given a candidate for the Presidency. His popular majority reached the staggering total of 10,000,000. His electoral vote included every State in the Union except two, or 523 to 8. I mention this not in any spirit of partisan pride, for his victory was more than a party triumph.

It was a mandate from the people of this country. It cut squarely across party lines and was representative of every walk of American life and every segment of our body politic. It was a triumph not only for Roosevelt but for the American people, because in a great crisis he had vindicated democracy and the democratic process. Yet it was no easy victory, for while all of the American people wanted recovery not all of them wanted reform. And reform was necessary if the disaster of 1929 was never to reoccur.

The attitude of certain people in this respect was and is easily understood. They wanted to go back to the old system of laissez-faire, because it was the only system and the only philosophy they knew. Had it not built up the country? Yet they forgot or failed to see that what the country was facing was not so much a depression as a social revolution, in which not only capitalism was challenged but America itself.

They were not to be blamed so much. For they had had instilled into them that business and economic success was predicated on the stabilizing of prices at high levels, and that labor was to be bargained for at the cheapest possible price. The finer ideas of social justice, ethics, and plain morality were regarded as fields apart.

It was forgotten that there was no more land to be had on the western plains—the old panacea when depression came.

It was forgotten that the introduction of machinery had thrown out of employment thousands of men and women for whom the future held no promise and no hope.

It was forgotten, until it was brought home, that if poverty stalks the farmer, want descends on the city.

It was forgotten that millions of our people had gone into the factories, business establishments, and like places for a wage, over which wage they had no control, no say, and no bargaining power.

It was forgotten that they were only paid when they worked, and that although what they were able to save went either into banks and homes, it thus went back into industry, either directly or indirectly, so that not only their present but their future depended upon the industrial system and the philosophy which had built it.

The markets for the product of this system were both foreign and domestic—the foreign went, and with the domestic glutted, and no purchasing power in the masses, the system fell under its own weight.

So that when President Roosevelt took office in 1933 he not only faced the task of rebuilding, but he faced the greater task of seeing to it that what had happened never should happen again. He faced the problem not only of recovery but reform.

Everyone, as I have said before, wanted recovery, but not everyone wanted reform. Reform—yes—if it affected the other fellow, but not reform if it affected them. This is not a strange point of view, but a perfectly human and understandable one.

But, I say to you, that unless reform went hand in hand with recovery, some form of collectivism in this country was inevitable.

So that while the President was assailed as a Communist or a Fascist by some of those who were directly affected, they themselves by their very attitude were forcing either one or the other of these two alien and contradictory governmental alternatives upon the country.

The President stressed, and is stressing, the necessity of increasing the real income of farmers and workers, money wages being increased by giving labor the right to bargain, and minimum hours, and finally the stimulation of purchasing power by the expenditures of public money for public works. Yet the cry has gone up—how about the public debt and the balancing of the Budget and the charge of waste?

I propose to devote myself to these allegations this afternoon.

The public debt of this country when Roosevelt became President for the first time on March 4, 1933, was approximately twenty-two billions. Today, in the midst of a temporary recession, with no banks closed and with the financial structure and credit of the country unimpaired, it amounts to about forty billions, an increase of eighteen billions in 5 years, money which has not been wasted but which has been spent for the rehabilitation of the country and its citizens. Billions spent in America on Americans, not in 1 year but in 5 years. Is that waste? Compare it then with the forty-two billions spent by the American people during the World War, not for purposes of rehabilitation and construction but for the work of hate.

Where are those war billions now? Where are the $400,000,000 that were lost to depositors in the banks of the United States during the year 1930, the six hundred and seventy-five millions that were lost in 1931, the six hundred millions that were lost in 1932, and the five hundred millions that were lost in 1933? Over two billions in all. Not to mention the staggering and colossal amount of money lost as a result of the stock-market crash of 1929—losses that can never be retrieved.

The money that has been spent by the Roosevelt administration is not lost or wasted. Millions of it went to feed and rehabilitate Americans in the form of direct relief. Other millions went into public works for which a dollar's value was given for every dollar spent. Let us see; let us look for a moment at the record of the W. P. A. as a case in point.

The W. P. A., from its beginning in October 1932 through to October 1, 1937, has constructed almost 44,000 miles of new highways, roads, and streets; 19,000 bridges of practically every type have been erected and over 13,000 bridges reconditioned. Is that waste? Drainage devices, such as culverts, to prevent erosion and subsequent failure of roadbeds have been built to the number of almost 185,000, while 30,000 additional culverts were repaired. Almost 40,000 miles of roadside have been provided with landscape beautification. Landing fields, runways, air beacons, aircraft hangars, and hangar aprons, in addition, have been built, thus aiding the national defense and making air travel safer and more efficient. Is that waste?

Forty-two thousand buildings have been either constructed or renovated, and of this great number 12,000 were built entirely by W. P. A. workers. Is that waste?

They included schools, libraries, recreational buildings, firehouses, garages, aircraft hangars, armories, and various other buildings. And I know you will be interested to learn that of the 262 institutional buildings erected 99 were new hospital buildings of sizes ranging from those of 10 or 20 beds for small towns and rural communities to hospital groups of a thousand or more beds for large cities, while improvements were made in 1,934 other hospital buildings. Is that waste?

It is estimated that over one and one-fourth million acres of irrigated lands were affected by the reconditioning of miles of canals, and facilities for the prevention of forest fires have been increased by the construction of fire and forest trails. Noxious plants have been eradicated for millions of acres; and in the fields of sanitation and health millions of people in communities all over the country have been benefited by the sanitary devices and health measures made possible by Government money. Is that waste?

Large cities have been aided by increasing the capacity of their water supply and city disposal systems. Rural areas have been made less vulnerable to the spread of disease by the construction of sewage systems, the drainage of swamps and lowlands. While medical, dental, and nursing projects have done much to maintain the general public health by the operation of clinics and by the dissemination of information and medical advice on the preservation of health. Is that waste?

A total of 1,574 new school buildings located in every State has been constructed, ranging in size from those accommodating 20 pupils in rural areas to those accommodating three or four thousand students in the cities. Is that waste?

In addition, 60 new library buildings, with space for 1,000,000 books, have been built, and thousands of recreational facilities such as buildings, parks, playgrounds, athletic fields have been constructed and approved.

Many projects were designed solely to employ women and other persons not readily adaptable to heavy construction work and have served the double purpose of producing goods and materials for distribution and rendering service to the needy. Let me be specific: By October 1, 1937, women workers on sewing projects had made nearly 108,000,000 articles, more than 85,000,000 of which were garments. Other articles produced on these projects included bed clothing, towels, mattresses, rugs, dressings, and hospital supplies. Is that waste?

Projects devoted to the distribution to needy persons of food have handled up to 60,000,000 quarts of milk and over a half billion pounds of other foodstuffs. Workers on canning projects canned 45,000,000 pounds of meat, fruits, and vegetables, part of which the workers themselves used—the balance being distributed among needy persons. Is that waste?

Shoe and furniture repair projects collected worn articles, repaired 600,000 pairs of shoes, and over 700,000 pieces of furniture which were subsequently used by persons on relief. Is that waste?

In addition, more than 128,000,000 hot lunches were provided to school children since the beginning of W. P. A. activities. Over 700 nursing schools were established, and blind persons received over a million pages of Braille and over 40,000 Braille maps, while over 18,000,000 books were cataloged for existing libraries and nearly 30,000,000 public school library books and others were rebound or renovated. Is that waste?

Yet this is what they have called boondoggling and now label waste.

Do you know that since the Civilian Conservation Corps began, in April 1933, it has supplied employment to more than 2,250,000 persons? Approximately 210,000 other persons have been given employment by the corps, including Reserve officers in charge of the camps, foresters and technical personnel in charge of the supervision of the work programs, and educational advisers. Total expenditures of the C. C. C. program approximate $1,900,000,000. Of this amount, close to $450,000,000 have been sent home by the boys to needy dependents. And for those millions expended, it is estimated billions have been saved for the Government in soil conservation, forest-fire prevention, the building of new roads, and the protection of our timber preserves. Not to mention the dividends in self-respect and the rugged health and the new attitude toward life that it has given millions of our youth.

And have in mind that the average age of these young men is 22. Compare the money spent on them with the money we are forced to spend—an average of $2,500 per cell, forgetting for the moment the other costs that enter into maintenance of our tremendous State and Federal prison population.

If this is waste and profligate spending, then it is waste and spending of a strange kind, for the Government and the people of this country have certainly been benefited much more than they were by the forty-two billions spent to fight Europe's battle, for which they got nothing except repudiated debts, ingratitude, and disillusionment, and—something more tragic still—thousands of little white crosses on the battlefields of France and Flanders.

So much for waste. Now, how about the Budget?

If we were engaged today in a conflict with a first-class power, there would be no talk about balancing the Budget. It would be "give until it hurts," not only of your substance and your wealth but of your youth.

Personally, I have always thought that the Government's bookkeeping system was rather strange. Let me explain. If a corporation or a businessman spends money for the erection of a new place of business or for the repair of the old structure, the money so spent is not considered as gone and, therefore, a liability, but as a capital asset and is carried on the books as such. Why should the millions spent by the Government for public works be regarded in any other way?

Would you call it boondoggling or a waste of money if you were forced to take money out of the bank and thus unbalance the family budget in order to secure needed medical attention for an ailing child?

Would it be a waste of money to spend it for needed dental care for our growing adolescents because the conservation of their teeth is senseless, because they will lose them sooner or later? You who have and have had the care and the responsibility of the raising of children know how utterly foolish that would be.

How can it be reasonably or truthfully said, therefore, that the millions of dollars spent on great public works, the miles of new highways, the new public buildings, the schools, the hospitals, and the millions which have been poured into the C. C. C. camps are wasted? They are capital assets, created by the money of all the people of this country, which have provided employment for thousands, stimulated private business, and added to, rather than diminished, the public wealth.

Again the comparison of the Government with a private business or a corporation is not a true one. The one is engaged in business for the purpose of profit, and when profit no longer exists or is unable to be attained, then the purpose of the business ceases—but, Government must go on—as long as men live together in civil society. It exists not for profit, but for the greatest good of the greatest possible number.

There is a school of thought which believes otherwise, however. It was this attitude translated into governmental action which blocked woman suffrage, the direct election of United States Senators, the income tax, the minimum wage, and all the far-reaching social legislation it took decades to get upon the statute books.

It is the attitude and philosophy of reaction. The attitude that ridiculed Pasteur and Jenner and Koch and other great men of medicine who diagnosed an ill and cured it with the knowledge born of experiment and certainty. It is the type of mental astigmatism that even today confuses vivisection with murder.

Our most important problem today is to end the economic, vicious circle which sprang into being in the period of expansion, both of business and the country, and which has nearly encompassed the ruin of both. Farsighted businessmen and the great rank and file of the people realize this.

No one now complains about the worth of the Securities and Exchange Commission; yet when this agency of government was established a great hue and cry went up that it was an unwarranted interference by the Government in a great business—but today even those who opposed it so vigorously have now come, as have the people of the United States, to regard it as a benefit to both business and the Nation.

So, also, with the other great reforms which the President has pressed and is continuing to press, because the fact has never been lost sight of that with recovery must, of necessity, go reform, so that what happened in 1929 may never happen again.

This struggle is not new. It is a clash and a conflict between two philosophies of government. The one is the philosophy of economic and political liberalism; the other that of the Bourbons, who failed to note that the French Revolution had begun, even though they could see the mobs at the palace gates and hear the rumble of the tumbrils.

The one typifies the struggle which has been made by the people of the country to maintain a people's government; a struggle that began with Jefferson and Jackson, and then became dormant and lost for the time in the greater struggle of the War between the States, which received a new birth under Cleveland, a new impetus under Theodore Roosevelt and Wilson, and which ultimately triumphed under Franklin D. Roosevelt.

You women know how bitter that struggle has been; how the abnormal business conditions of the war and the period that immediately followed gave us an artificial prosperity with a false bottom, a shot of a hypodermic more powerful than any pump priming could ever be, a prosperity that gave us a false paradise but a real catastrophe.

You know how the Government, your Government, sat inept and numb with fear while its revenues toppled and business kept on its dizzy spiral downward, until it became apparent that unless consumption and normal price levels were restored and a strong hand were put on the throttle all was lost.

I do not say that the policies of the present administration have solved all of our difficulties, but I do say that the psychology, the attitude, and the mental outlook of the American people today is a whole lot different than it was on that dark day in March 1933 when the country was paralyzed with fear and expectation. That in itself is an achievement. We have not solved the unemployment problem—we may never—because improvement in machinery and in the technological process of necessity has thrown thousands out of work at an age when it is entirely probable that their employment days are over.

But I do say we have made the effort and are continuing to do so, for it is to be remembered that the structure of a new economy cannot be built overnight. Nor can our problems be solved by recrimination and abuse. The times call for a broad tolerance and a sympathetic desire upon the part of all of us to meet the challenge to our political forms, that the weakness and defects in our economy have revealed.

All of us, as I have said, want recovery; but not all of us are willing to pay for it. Some of us want it under the old system in the old way. We talk of liberty and what we mean is license and laissez faire. But we forget that the average man cares nothing for liberty when the only liberty he knows is that of starving in the midst of plenty or begging for bread in acres of wheat.

We have developed the greatest system of production in the world in the richest country in the world, yet we have failed to develop an economy that will provide for the workers who produce. For they care nothing for our vaunted system of production if all it means to them is to work plants night and day in order that goods may be produced at coolie wages, and then when production has run months ahead of demand close the plants and lay off men rather than pay a decent wage.

I say to you honestly and sincerely it is not the clenched fist of the masses that we need fear in this country, but the soft, folded hands of indifference. For men cannot eat our institutions, nor will they be satisfied with platitudes while they and their children starve.

Those who think so play hard and fast with the ingredients of their own destruction and with forces that can shake the world, and where are your profits then?

Those who believe in the old system forget that the mandate given the President of the United States in 1936 has pointed out to him definitely the road which he must travel.

That road he chose in 1933. The American people have always been politically free, but in 1933 they wrote their economic declaration of independence. To that declaration they have given their assent and their mandate to the man who made it possible.

Not only must the battle continue but the educational process must go on until it is brought home to every group in this country that the American democracy exists not for what the elder La Follette called "special privilege" but that it exists as a government of all the people, and that the benefits that flow from the new industrial and economic structure that has been reared shall benefit not the few but all.

Cooperation and tolerance should be the watchword of the day with a profound respect for and an understanding acquiescence in the expressed will of the people, so that the work of recovery and reform can go on, to the end that a greater and permanent prosperity may be built upon the ruins of the old.

Taxation and Relief Recommendations of Smaller Business Association of New England

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Friday, April 29 (legislative day of Wednesday, April 20), 1938

TELEGRAM SUPPORTING THE PRESIDENT'S RECOMMENDATIONS

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD copy of a telegram addressed to President Roosevelt by the Smaller Business Association of New England, together with a copy of resolution adopted by the same association.

There being no objection, the telegram and resolution were ordered to be printed in the RECORD, as follows:

[Telegram]

APRIL 26, 1938.

Hon. FRANKLIN D. ROOSEVELT,
White House, Washington, D. C.:

Smaller Business Association of New England offers to you its congratulations for your recommendation to Congress to remove tax exemptions from all future Government bond issues and approves your stand on the taxation of all Government salaries. These were among the original recommendations made to you by smaller business at the Washington conference.

BOARD OF DIRECTORS,
Smaller Business Association of New England.

ADOPTED APRIL 25, 1938, BY UNANIMOUS VOTE OF BOARD OF DIRECTORS, SMALLER BUSINESS ASSOCIATION OF NEW ENGLAND

There is before the Congress of the United States legislation pending for the raising by taxation or otherwise a sum variously quoted from four to seven billion dollars.

The directors of the Small Business Association of New England ask of the Members of the Senate and the House of Representatives:

That the appropriation voted be definitely segregated with the separation of sums for relief from sums for so-called pump priming.

That the administration of such sums as it may be necessary to appropriate for relief be decentralized and returned to local communities.

That moneys allotted to States and municipalities on the basis of need and that such States and municipalities be required to participate to such extent as they are able.

That no loans be made on a noninterest bearing basis.

That no grants or loans be made for projects that will burden States or municipalities with expenses of upkeep which they cannot afford.

Business and Government

EXTENSION OF REMARKS

OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Friday, April 29 (legislative day of Wednesday, April 20), 1938

EDITORIAL FROM FORTUNE MAGAZINE

Mr. BAILEY. Mr. President, I ask leave to have printed in the Appendix of the RECORD a thoughtful editorial entitled "Business and Government," published in Fortune Magazine.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IN A DEMOCRATIC ECONOMY IT IS DANGEROUS TO IMPOSE PUNITIVE TAXES AGAINST PROFIT

There has been growing in this country a school of thought that says: Men gathered together in government agencies are wiser than men gathered together in private enterprises; they are less selfish, more honest, freer to regard the common good, and better able in their wisdom to see that goods are distributed equitably. Therefore these people say we shall impose the control of taxation upon the profits of industrial society, drain off a great mass of profit into one big pool, and redistribute it according to the lights of even-handed, humanitarian government, rather than according to the selfish lights of industrial management.

Concerning the good intentions of this school there can be no doubt. But concerning the soundness of its economics there is not only doubt but danger. There is danger because profit, which is what these reformists wish to tax, is the mainspring of the American economy.

The notion of profit was inherent in the capitalist system from which the American economy was born. But in the political thinking of the American settlers there were established certain guaranties of profit opportunity that resulted in the biggest and fastest economic expansion the world had ever seen. To understand fully why this expansion occurred it is necessary to remember that profit acted upon it in two ways. Profit stimulated expansion because men were trying to make profit. And it stimulated expansion because men were able to put profit to use.

The idea of profit is thus perfectly circular. The phrase "to make a profit" has no meaning by itself, for it immediately raises the question of what is to be done with that profit—what is it for—how much, so to speak, is it worth? The fact that the American economy offered extraordinary opportunities for putting profit to use was an extraordinary stimulant to men's desire to make it. If, on the other hand, the American economy had offered relatively few opportunities for the investment of profit, men would still have desired to make profit but would not have desired it so much.

To state the principle in another way, it is axiomatic that capital seeks two desiderata: profit and safety. Faced with the possibility of a big profit, capital will to some considerable extent sacrifice safety; but the lower the potential profit, the less is the risk that capital is willing to take. In considering an investment a businessman will balance the possibility of a big loss against the possibility of a big profit and may decide in favor of the risk. But if the possibility of big profit is taken away, then he must reject the risk. The principle could well be illustrated by setting up what the economists call "indifference curves" to compare these fundamental options. The curves would show that every obstacle put in the way of the earning of large profit is, per contra, an encouragement for capital to seek safety. The world's outstanding example of safety-seeking capital comes from India, where princes preserve their wealth in the indestructible form of gold and jewels—and the Indian masses starve. Safety, one need scarcely be reminded, is not characteristic of any new or rapidly expanding enterprise. On the contrary, safety is the characteristic of the relatively least productive securities, of the so-called "legal investments," of liens on fixed property whose value is already established and proved, and of government bonds. In investments and enterprises such as these capital is content with a return from 1 to 4 percent; and the more capital falls back on this kind of return the slower must be the expansion of the economy.

On the opposite page the reader will find a little chart[1] of the national income since 1790, showing total income realized (excluding corporation profits not paid out as dividends and certain minor items) in billions of dollars, and per capita income in hundreds. The estimates upon which this chart is based were prepared by Dr. Robert F. Martin, of the National Industrial Conference Board, and while estimates in this field can never be satisfactory, these are among the soundest ever compiled. Prior to 1899 the curve is little better than an approximation and is known to be too low; but as modern times are approached it becomes more accurate.

[1] Chart not printed in RECORD.

Now, the characteristics of this curve are enlightening. It will be observed that the first substantial decline in national income since 1900 occurred in 1921. In that year the curve cut its first important tooth (the first, probably, since the depression of 1873, for which figures are not available). From this untoward incident it recovered and no new characteristic is introduced until 1932. Then, probably for the first time in history, the national income shrank to something substantially less than it had been 10 years before. This fact suggests in itself a pause in expansion; and that the pause may be extremely serious is now suggested by an imminent possibility. There is no telling what the national income will be for 1938 (it will depend, for one thing, on Government spending), but it is a fair assumption that it will be less than the 1937 income, and this assumption is indicated by the tentative dotted-line projection at the right of the chart. But if this happens, and if the decline is extensive, the American people will suffer an unfamiliar experience. The American people will in that event suffer the experience of a peak in national income lower than the previous peak.

It is possible to say, then, that beginning in 1921 the action of the national-income curve has suffered a sea change. Its characteristics are different. The story it has to tell of expansion is no longer convincing; indeed, in the light of the fact that a great part of the rise from 1933 to 1937 can be accounted for by Government spending of borrowed capital, it tells no story of expansion at all.

No economist has ever been able to perform a satisfactory diagnosis of the complicated factors involved here. But among the obvious factors, and suspiciously coincident with the changed characteristics of the curve, is the philosophy of taxation mentioned at the outset. This philosophy has evolved slowly, from various tentative efforts at an income tax in the nineteenth century, through the imposition of the first corporation income tax in 1909 to the establishment of a personal income tax in 1913. Even then, however, it had not fully developed. The principle involved in the early income and profits taxes was simply that, on the grounds of social justice and expediency, the profits of expansion ought to be taxed in order that successful men might carry a greater share of the expense of government. The principle was enlightened, forward-looking, and fair. And that it did no harm to the national income was proved by the fact that the peak reached in 1929 was very substantially higher than the peak of 1920.

But during the depression the above-mentioned philosophy evolved rapidly. It was talked about. It influenced the New Deal. The idea grew up of leveling the economy, of distributing the wealth that was already made, or being made, to a larger number of people. And the instrument to be used in this distribution was high (sometimes called punitive) taxation. Beginning in 1932 incomes were taxed up to 63 percent and by 1937 the top tax rate had reached 79 percent. In 1934 the capital-gains tax was strengthened by prohibiting the deduction of more than $2,000 of capital losses, and by taxing the gains on a sliding scale upward, inversely with the age of the investment. And finally, in 1936, a tax was devised to force corporations to pay out their profits as taxable dividends. All this is very familiar ground, and the evil of each of these taxes has doubtless been exaggerated. But concerning the effect as a whole there can be little exaggeration.

If, as set forth at the outset, a prime mover of the American expansion has been high profit; and if obstacles in the way of high profit encourage capital to seek safety and unexpansive returns, then it follows that a high-tax policy directed against high profit must retard the growth of the economy. Moreover, in the light of the circular concept of profit, already mentioned, it is apparent that a high tax against the making of profit is a high tax against the opportunity for putting profit to use; that a high tax on what an entrepreneur has done is in effect a high tax upon what he is going to do; that a high tax upon the past is inescapably a high tax upon the future. Capital always seeks profit. But it will not seek high, expansive profit when the future is taxed.

Only intensive study can determine the full economic consequences of this high tax philosophy. As a first important step, the careful reader is referred to the recent report of Gerhard Colm and Fritz Lehmann, put out by the New School for Social Research under the title "Economic Consequences of Recent American Tax Policy." But to determine the immediate consequences to himself and his own business, the businessman scarcely needs to inquire of economists. He knows that in the light of the above factors the problem of investing $1,000,000 is really very simple. That new patent which he has wanted to develop; that new process for which he needs a modern extension to his present plant; that branch-factory idea which would help him to cut the expense of his present centralized distribution system—all these are far too speculative. They are too speculative, not because they do not promise good profit with reasonable risk, but because there would be no place for him or his stockholders to put that profit, once it was made and passed along in the form of dividends. This being so, the businessman chooses a perfect alternative provided by the Government and puts his $1,000,000 into tax-exempt, or partially tax-exempt, securities on which the profit factor is practically negligible but the safety factor high.

Thus the current tax system not only discourages capital from taking risks but by means of the tax-exempts actually encourages it to play safe. And it can scarcely be supposed that this two-way action has had no effect on the expansion of American business. On the contrary, while it cannot be argued that the tax philosophy just described is the sole cause of the shrinkage in the national income, it is all too evidently one cause. And while it cannot be argued that the principle of graduated direct taxes is unsound, it is all too evident that this principle must not be carried to

punitive extremes. For to suppose that a capitalist economy can be made to thrive by punishing capital is to suppose an absurdity.

It is true that one inevitable concomitant of industrial expansion is the concentration of wealth in the hands of a few. But it is doubtful whether the statesmanlike course by which to prevent that concentration is to lessen the Nation's power of making wealth. If the national income were to expand rapidly to, let us say, $150,000,000,000, it is certain that several billion dollars of the increment would be siphoned off into the hands of the few. But the increment to the people as a whole would be so vast in this event, that the increment to the few could justifiably be disregarded and could eventually be recaptured by devices that would not retard the growth of the economy. He who argues otherwise argues himself into this position: That expansion must be retarded in order to prevent wealth from concentrating.

Neither business nor Government contemplates any such absurd position. American business has expressed itself from many sources as willing to bear a heavy load of taxation; it merely asks that the motivating forces of the economy be spared too much of the load. In this, American business is backed by the experience of the British, who still allow unlimited capital-loss deduction against capital gains. On the other hand, Government itself desires an expansion of the economy. Government itself knows that the social justification of profit lies in the fact that it is capable of causing such expansion. Government itself cannot contemplate, or even survive, a contraction that must punish everyone.

Almost all economists—Marxists, Socialists, liberals, and conservatives—acknowledge that in order to preserve itself, capitalism must grow. In growth at the risk of the individual lies the safety of the capitalist state. But the reformers already cited say that growth is finished. American economy, they say, has matured, and its inherent opportunities are less. It is, they say, futile to hope that a more conservative tax policy might reawaken opportunity or restimulate expansion. They would abandon that alternative forever.

It is undoubtedly true that speculative profits are made at the frontiers of an economy. But is it necessary to suppose that there are no more frontiers? All frontiers are not geographic. There are frontiers of politics, of technology, of finance, of all human discovery. And can it be said that we have reached the end of that? If so, if growth has really ceased or has fallen to a cautious few percent per annum, then it follows, by almost all economic thinking, that free capitalism is doomed. The economics of democracy must then crystallize into another kind of economic order, an order that has been discussed on this page before, and toward which, against the will of a majority of the people of the United States, we are now heading. This is the collectivist order, in which the democratic economy will have lost its dynamic motives and its dynamic controls and will therefore of necessity be planned and administered by a central authority, which, presumably, and in spite of the reformers, will not fail to be as fallible as all human authority has been since the beginning of time.

General Welfare Act—H. R. 4199

EXTENSION OF REMARKS

OF

HON. MARTIN L. SWEENEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 29, 1938

Mr. SWEENEY. Mr. Speaker, the advocates of H. R. 4199, the general welfare act, are keenly disappointed in the failure of the Ways and Means Committee of the House of Representatives to give the duly elected Representatives of the several millions of our citizens the opportunity to be heard before this distinguished committee in behalf of the measure that represents the philosophy of Dr. Francis Townsend, the sponsor of this tremendous drive throughout the Nation, designed to alleviate the distress caused by our unsound economic and social conditions.

In the opinion of a large group of our citizens, H. R. 4199, if enacted into law, would be a solution of the difficult problem of providing adequate old-age security and increasing the purchasing power in this country. I have been an advocate of this legislation since it was first presented to the Congress of the United States. In the present session of the Seventy-fifth Congress I signed the discharge petition seeking to bring the bill before the House for debate and consideration. I joined with 140 Members of the present Congress in signing the petition memorializing the Ways and Means Committee to grant us a hearing on this measure.

Mr. Speaker, it is a sad commentary on our democratic form of government when the appeal of 140 Representatives of the people's Congress in support of this measure, H. R. 4199, is denied. This is the people's branch of the Government. I have proclaimed several times from the floor of this House on previous occasions that I care not whether any proposed legislation be labeled by some individuals as sound or unsound, when a given group of citizens are supporting a measure it is the prerogative of those sponsoring such legislation to have their day in court; to have the opportunity to be heard and debate any measure in their Congress. This body belongs to all the people, and it is not the common property of any individual or administration. When conditions appear otherwise, it would seem to me that our representative form of government is in danger.

Recently in debate on this subject the chairman of the Ways and Means Committee, defending the action of his committee in denying hearings on this bill, said:

> There were over 600 bills before his committee and it was impossible to grant the proponents of all these bills a hearing.

May I make bold to ask what other bill except H. R. 4199, out of the 600 referred to, had behind it the united support of 140 Members of the House of Representatives in asking for a hearing before this distinguished body? I shall answer the question by saying not a solitary one.

Mr. Speaker, every conceivable weapon of propaganda has been employed by the enemies of this legislation to discredit its advocates. Internal fights and disputes among the leaders of this movement have been purposely fostered by enemies within its ranks. From time to time division has been created even to the extent of attempting to divide the Members of Congress sponsoring this legislation.

A political inquisition unparalleled in the history of this Nation brought about the arrest and conviction of Dr. Francis Townsend for no other crime than protecting his constitutional rights as an American citizen. The pardon granted the leader of this movement by President Roosevelt, while a humane and kindly act, does not remove the stigma of political persecution which attended the hearings of the congressional committee investigating the activities of the organization sponsored by Dr. Townsend. It is significant to note that in many sections of the country the organization has doubled its membership because of the treatment accorded its leader by the congressional committee, and the attempts to preclude consideration of the legislation embodied in H. R. 4199. Despite the obstacles placed in its path, this organized movement surges forward stronger than ever. In every community where Townsend clubs are organized, sincere, competent men and women are banded together, determined to bring this issue to a head, and to hasten the day when the Congress of the United States will take a definite stand one way or the other on the objective of this legislation.

Mr. Speaker, on March 16, 1936, I inserted in the CONGRESSIONAL RECORD tables presented before the Finance Committee of the United States Senate May 20, 1921, in support of a transaction tax sponsored by the late Secretary of the Treasury, Andrew Mellon, and others with large incomes, who were seeking to escape payment in part of heavy taxes on large incomes.

It is significant that the large-income group are opposed to H. R. 4199 because it imposes, in addition to paying a tax on other commodities, a tax on stock-market and bond transactions. There seems to be some difference of opinion among the Members of Congress on the subject of whether a transaction or gross-income tax is preferable. This can best be decided in open hearing with supporting evidence on the subject. The important thing is to have this subject matter discussed at an early date.

Mr. Speaker, our present Social Security Act, while in keeping with the modern social trend following the example of action taken by other countries, does not go far enough. This depression has been with us since 1932 and there seems to be no solution on the horizon. Approximately 10,000,000 of our people are unemployed. Old-age pension grants in most States of the Union supplanted with additional aid from the Federal Government does not in any State pay an average

pension over $30 a month to a qualified annuitant. In many States the age requirement is over 60 years. Property qualifications are different in several of the States. There is no uniformity on the subject. Out of a small grant paid to deserving old people who have spent their lives in the service of industry and the community life of the Nation, they have to sustain themselves completely, pay rent, buy clothes, food, and pay doctor bills, and so forth. It is just impossible to maintain a decent standard of living under such circumstances.

Despite the rumor to the contrary the General Welfare Act (H. R. 4199) is not an old-age pension act in itself. While that feature is secondary its primary purpose is to create a purchasing power through a mandatory spending provision and the removal from gainful employment of over 4,200,000 individuals now over 60 years of age who are employed, making way thereby for young men and women to take their place. H. R. 4199 plans an annuity not to exceed $200 a month to those over 60 years of age with the mandate that the same be spent each month. It may be considerably less. It cannot exceed that sum.

The responsibility facing the advocate of this legislation should assert itself in the general congressional elections. Every attempt should be made in each congressional district to secure the election of Representatives who will at least vote to bring this measure out into the open, and give every opportunity for debate and vote.

I conclude by paying tribute to the fine men and women who have remained faithful to the movement to improve our economic and social conditions by supporting this legislation with their time and money. Occasionally it has been hard on those mostly poor people who are affiliated in this organization keeping a sustained interest in the subject. I pay tribute to Mr. Otto J. Bouma who was the legislative representative in Washington during the present session of the Seventy-fifth Congress. He is an untiring worker, always courteous, and a sincere advocate of the legislation in its present form. The tremendous activity shown by the thousands of clubs throughout the country indicated an intellectual ferment among our citizens which did not exist heretofore. Because of this sincerity these individuals are vitally interested in the affairs of the National Government. They are no longer swayed by promises of politicians. They are able to make a careful appraisal of the friends of the legislation they are sponsoring and they are, I firmly believe, capable of making a proper decision when they exercise their right of franchise on election day.

State Medicine

EXTENSION OF REMARKS

OF

HON. MILLARD E. TYDINGS

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Friday, April 29 (legislative day of Wednesday, April 20), 1938

ARTICLE BY JOSEPH F. THORNING, PH. D.

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "The Challenge of State Medicine," written by Joseph F. Thorning, Ph. D., and published in the magazine Light of the issue of February 1938.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Light for February 1938]

THE CHALLENGE OF STATE MEDICINE

(By Joseph F. Thorning, Ph. D.)

Just as the controversy about the Supreme Court produced a split in the ranks of the American Bar Association, so the debate about State medicine created a sharp difference of opinion among the members of the American Medical Association. In both great professional organizations there is an active movement to enlarge the sphere of governmental operation. Although the plan to dominate the courts has been defeated, at least temporarily, the attempt to secure more lavish Federal subsidies for medical education, research, clinical care, and hospitalization is merely getting under way.

The 430 physicians who form the nucleus of a "rebel" bloc in the American Medical Association do not deny that increased Federal appropriations for health education will require a stricter degree of governmental supervision of medical education and medical practice. Each one of them, like Falstaff, knows that "money is a good soldier and will on." Wherever the State supplies the sinews of war, its voice is heard with greater and greater respect.

That the sponsors of the national health program understand the logical outcome of their proposals is clear from the conclusion which is the climax of their series of recommendations. This reads as follows: "That the adequate administration and supervision of the health functions of the Government * * * necessitates, in our opinion, a functional consolidation of all Federal health and medical activities, preferably under a separate department."

AN ASTONISHING PROPOSAL

This is an open, clean-cut statement of purpose. The "rebel" doctors want a representative in the President's Cabinet. They will be satisfied with nothing less than a Federal Department of Health which will consolidate not only all existing agencies but also provide for Federal expansion in the whole area of medical training and care.

It should be noted that this is only one of many proposals for new Federal departments. For years the National Educational Association has urged a Department of Public Education. The relief activities of the National Government, it is claimed, require consolidation in a separate Cabinet office under Mr. Harry Hopkins. The women believe they should be recognized by the creation of a division exclusively for the consideration of feminine problems, while a large number of civic organizations have gone on record in favor of a Department of Peace. Those who are aware of the accelerated trend toward centralization and bureaucracy noticeable in Washington today realize how these proposals, if acted upon simultaneously or even consecutively, would enormously enhance the power and prestige of the executive branch of the Government. It may be that the critics of "creeping collectivism" deserve a wider hearing.

In fact, the pace of contemporaneous federalization is much like that of "galloping consumption." Every Washington bureau and commission has its own publicity artists. The latter draw big salaries from the taxpayers in order to sell the citizens who still pay taxes plans that call for larger and more elaborate offices in the capital. That is the explanation of Postmaster General Farley's request for increased appropriations in his Department. "Heavy franked mail from New Deal publicity bureaus," writes Paul Mallon, "is running up his expenses." The first instinct of every Federal administrator is to justify his presence on the pay roll just as it is the principal ambition of the most lowly commission or bureau to graduate to the level of a national agency with Cabinet rank.

MAN'S PRINCIPAL CONCERN

The possibilities for propaganda in the field of health are positively dazzling. In the course of a survey conducted by the University of Chicago at Meriden, Conn., it was found that health not love, was the prime concern of the great majority of people. What a field day a publicity expert would have in promoting the development of a Federal Department of Health!

Health, it cannot be too often reiterated, is the principal concern of the individual, the family, and the community. As in the field of education, the proper sphere of the Federal Government is that of simple fact-finding and research. No one objects to the annual congressional appropriation of $750,000 for research under Federal auspices for means of combating the evil of cancer. Where private initiative is remiss, the Government may step in in order to stimulate interest, furnish accurate information and supplement efforts in the local field. But the national aid should be purely subsidiary and subordinate. Otherwise, the sources of private philanthropy and voluntary enterprise will be dried up.

Again, we may cite a typical Washington experience. During the recent Community Chest campaign most Government departments gave 70 to 100 percent of their quota to the local fund—but not the W. P. A. Mr. Harry Hopkins' "spenders" Bureau, in the words of Paul Mallon, "contributed but 30 percent of its quota, a bare $3,913 of the assessed $12,760." This was one reason why the Community Chest fell short of its goal and had to ask for an extension of time for the campaign. Apparently, those who are most generous with the taxpayers' money are most scrupulous in the matter of personal expenditure.

A CASE IN POINT

Nor is it clear that Federal control of hospitals is a matter of congratulation. The high ratio of deaths in Gallinger Hospital in the District of Columbia provoked an inquiry by an expert investigator. The latter discovered that very few of the defects in the Gallinger set-up were due to lack of funds. Indeed, the chief burden of his report pointed to waste and filth as predominant factors in the mortality rate. A number of food handlers were found to be suffering from syphilis and gonorrhea. Mice and cockroaches throve in the kitchens and basement. Even more striking was the statement: "A lack of morale among the internes

was evidenced by members of the interne staff smoking in the wards and 'petting' with girls of the hospital personnel on duty."

Wherever you have political appointees or personnel dependent upon political influence, you will unearth similar conditions. Senator ELLENDER, of Louisiana, claims that prettiness and not efficiency is the touchstone to promotion in many Government departments. It would be nothing short of a tragedy to permit our hospitals, medical schools, clinics, and dispensaries to become honeycombed with politics. Is there anything in the history of bureaucracy to indicate that these evils would be eliminated in a Federal department?

Those who advocate State intervention in medicine point to the millions of citizens on public relief who reputedly are legally as well as "medically indigent." As a matter of fact, the very poor and the very rich are usually able to secure fairly adequate medical attention. Clinics and out-patient departments in private and public hospitals cater to those who cannot pay. In many hospitals this free service amounts to as much as one-third of the entire institution's activity. Those who at present are the chief victims of the high cost of medical service are the people of the lower middle class. Their income barely covers the necessities of life. Obviously the remedy for their condition is to be sought in social and economic reconstruction, the payment of a health and decency wage, improved group-insurance techniques, and better housing and sanitary facilities. The post-payment plan inaugurated by the District of Columbia Medical and Dental Service shows how much may be accomplished within the framework of the existing order.

MATERNITY DEATH RATES

More than one State medical association has called attention to the acute problem presented by maternity death rates. Can it be contended that Federal control of medicine will change this situation? Or do we not know that a constructive solution must be sought in a decreased reliance on drugs and "twilight sleep" preparations which induce labor prematurely and thus jeopardize the life of the mother? The use of such opiates, it may be added, is far more prevalent among the rich than among the poor.

What is needed from the Federal Government is a sound food and drug bill. A system of license control would insure that new drugs be not generally distributed until experimental and clinical tests had shown them to be safe. False and misleading advertising can be eliminated; labels can be required showing the composition of so-called "secret remedies;" and directions can be affixed to certain preparations warning against possible misuse. Success in this respect would do a great deal to remove the impression that patent medicine manufacturers and others who exploit the virtues of proprietary prescriptions are diverting the pennies of the poor and near-poor from the budgets of competent doctors with nothing to show on the ledger in the shape of health assets. If the Government would do a good job in this sphere, critics would be inclined to view with satisfaction efforts in a wider field.

In the meantime, advocates of State medicine should not lose sight of the immense progress that has been made in public health during the last 25 years. Thanks largely to the decrease in infant mortality, the normal expectancy of life has been enlarged by some 15 years. The ravages wrought by communicable diseases such as scarlet fever, diphtheria, and small pox have been almost entirely eliminated.

Though much remains to be done in the realm of tuberculosis and the degenerative diseases, the outlines of a constructive policy in respect to diet and nutrition have been furnished by physicians in private practice and by hospital administrators who have contributed a generous measure of gratuitous service. Standards of medical education were never higher. In our eagerness to extend the benefits of this experience we should not run the risk of endangering the substantial foundations of our present progress. By a radical change, even though it be an "evolutionary process," we have little to gain and much to lose.

As it is, the State is the foremost employer of labor. The establishment of a Federal Department of Health will bring 130,000,000 individuals into the scope of its authority. And that will mean that the citizens of the United States will be divided into two classes, not the proletariat and the capitalists, but the doctors and their patients, all wards of the Federal Government.

The President's Recovery Program

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Monday, May 2 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS BY GOV. ELMER A. BENSON, OF MINNESOTA, APRIL 21, 1938

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have inserted in the RECORD a radio address delivered on Thursday, April 21, 1938, by Governor Benson of Minnesota on the subject of President Roosevelt's program for economic recovery.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Just a week ago President Roosevelt discussed with the American people the problems which now confront us. Tonight I would like to talk with the people of Minnesota about these same problems as they face us in Minnesota.

In his fireside chat the President told us of his program for economic recovery, and tonight I would like to tell you what this program will mean, concretely, to the people of our State. I am certain that you will join with me in a common expression of gratitude to those radio stations which are making possible this State-wide "town meeting."

Unemployment in Minnesota almost doubled in the second half of last year. And while our 100,000 idle were increasing to 200,000 the Nation's unemployed were increasing by the stupendous figure of 4,000,000. Throughout the Nation—in every State in the Nation—and in Minnesota as well, in all these millions of homes there was again the specter of uncertainty, of fear, of lost hope, of suffering.

This is the problem which the President faced. This is the situation toward which his program was directed.

I shall not attempt to describe every detail of that program. You will recall that it consists of three closely connected proposals. First, the President proposes to make available a billion and a half for a program of lending to business, particularly small business. Secondly, the President proposes to increase the money available for various types of relief programs, such as W. P. A., P. W. A., Farm Security, and C. C. C. Finally, the President proposes the desterilization of $1,400,000,000 of the gold held by the Federal Treasury. You will note that each part of this program anticipates that the Federal Government will increase the extent to which it is now supplementing the efforts of private industry to bring the economic activities of this country back to normal.

We will all understand both the philosophy underlying the President's program and the situation which makes this program necessary if we will look at certain fundamental facts.

Between 1932 and 1937 the annual national income increased from $40,000,000,000 to $71,000,000,000. Unemployment dropped from 17,000,000 to 7,000,000. This enormous improvement was based on a tremendous Federal spending program—a program which resulted in an expenditure in Minnesota of over $400,000,000.

These expenditures were decreased just as rapidly as signs of improvement seemed to warrant such curtailment. In 1934, for example, Federal expenditures were over $6,000,000,000, while by 1936 this had been cut to $3,000,000,000.

Meanwhile the howls and the groans of the reactionaries were constant. Disaster, they said, faced us as a result of such extravagance. Let us see what happened when their advice was followed and Federal spending sharply curtailed.

Between 1936 and 1937—and this is the most important fact I shall put before you tonight—the Federal Government cut its expenditures by more than $250,000,000 per month. In other words, during the past year the Federal Government has reduced its net contributions to purchasing power by more than $3,000,000,000.

From a point at which the Federal Government was supplying perhaps as much as a tenth of the total purchasing power of the Nation there was a sharp reversal, and the Federal Government actually collected during that period more than it spent.

But what happened when this prop was removed from business? I have already given you those figures in terms of unemployment, uncertainty, suffering, and want.

By the middle of 1937 the storm clouds were gathering. You will remember how in August of last year, just before Congress reconvened, the President asked big business to write its own ticket. Between August 1937 and January 1938, estimated unemployment increased in Minnesota from 107,000 to 204,000. This same thing happened all over the Nation. Consequently the President again has had to take the ball.

What does his program mean to Minnesota? I have had estimates made of the amounts which we may reasonably expect will be expended in this State if the program is adopted. These figures are based on past expenditures. Over $40,000,000 should be available to the Minnesota W. P. A. in the next fiscal year. P. W. A. should receive over $17,000,000 of Federal funds. Farm Security will probably top $3,000,000. Another $2,000,000 should be available for the extension of the rural-electrification program. Our youth will benefit from the more than $1,000,000 which will be available to the Minnesota N. Y. A. C. C. C. camps will receive about $10,000,000. Federal assistance to Minnesota welfare programs and other Federal expenditures will add another $30,000,000.

Furthermore, business—especially small business—will find additional R. F. C. funds ready for its use. Present bank loans to business in this State total approximately 50 percent of the 1929 figure. Small business, squeezed by the monopolies, caught in the forces of depression, taxed by the unavoidable expenses of the recovery battle, should now be able to build soundly for the future.

If you have kept notes on all these figures, you will find that they total approximately $100,000,000 in addition to the tens of millions which will be loaned in Minnesota by the augmented R. F. C. program.

This figure is so huge in comparison to those which you and I meet in connection with our personal lives that I am going to translate it into other terms which are more easily understood. In 1935 the State income—that is, the income received by all

the citizens of the State in one year—was approximately a billion and a third dollars. In 1936 this increased, but during the last half of 1937 it probably fell in step with the decrease in every other State and the Nation as a whole. Exact figures are not available, but it is estimated at between a billion and a billion and a quarter for 1937.

You will therefore see that the President's proposed program will mean an increased purchasing power in Minnesota of some 15 or 20 percent. This is about the decrease in purchasing power which came about between 1936 and 1937 as a result of Federal economies—economies which resulted in the business recession. Putting this purchasing power back into circulation should undo the harm which has been done.

I have not referred to the real and direct saving to the people of Minnesota in reduced taxes for cities, counties, and the State, that will be possible through this Federal program advanced by the President. This is the basis for the President's program.

This is why we must support the President. And make no mistake, we must support him as we have never supported him before. The same crowd which knifed the Court-reform bill and the reorganization bill, the small crowd which fought the antilynching law and blocked the wage and hour bill, the national pals of your local citizens' alliance, this crowd is out to block the new recovery program.

No finer tribute could be paid to the integrity and ability of our President than the enmity of this group. These are the reactionaries who, having brought about human misery on a mass scale, are now determined that curtailment of Federal expenditures shall be maintained regardless of the suffering which has resulted. If for no other reason—and there are many other reasons why you should support your President—I would urge you to back up President Roosevelt because of the persons who are proclaiming themselves as his enemies.

Who are these men? Who are these knifers? What have they done to restore prosperity? What program have they ever advanced? Yes; they advanced the program which Herbert Hoover adopted and which drove this country into the deep valley of a depression from which we have not yet emerged. The problem with which our President is battling is the problem which this group of saboteurs themselves created.

I say that it takes courage to be an enemy of these people. It also takes loyalty to the American people, for one cannot be loyal to the American people and be loyal to the Liberty Leaguers of our country at the same time. When the Liberty Leaguers begin praising your President, when their hireling newspapers begin praising your President, you will have a right to become suspicious that his loyalty has turned from you to them. I am certain that this will never happen. I am certain that President Roosevelt will remain true to his trust.

In his present fight President Roosevelt must have the support of the great masses of Americans. He must prevail. I do not ask you to deluge the White House and your Congressmen and Senators with telegrams. They cost too much, and the American people in these days cannot afford to send telegrams. But you can send postcards and you can send letters. Let Washington know that you are backing President Roosevelt.

Again let me say that your President must win this fight—your fight. Reaction has already won two victories in Washington. It is imperative that the American people win this one.

Many of us, as do I, appreciate the fact that the President's program does not offer a permanent solution to our economic problems. I feel, as do many of you, that a real modification of our economic system which will bring about a more equitable distribution of wealth and income than we now have must be accomplished before lasting prosperity can come to our people. This we know can be accomplished only after a long and bitter struggle. It cannot be done right away. But unless the program of President Roosevelt is passed by Congress, if selfish, entrenched wealth again has its way, the country will sink deeper and deeper in the slough of depression and the sufferings of our people will continue to multiply.

It lies within your power to say who shall win this fight.

Presidential Third Term

EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Monday, May 2 (legislative day of Wednesday, April 20), 1938

HEYWOOD BROUN'S ARTICLE ON PRESIDENTIAL THIRD TERM

Mr. TRUMAN. Mr. President, I present an article written by Heywood Broun, one of the leading writers of the country. It appeared in the Philadelphia Record on April 29. It discusses the question as to whether President Roosevelt should be a candidate for a third term. While many persons may disagree with the writer's conclusions no one will deny that Mr. Broun has presented a most interesting analysis. I ask unanimous consent that the article may be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record, April 29, 1938]

IT'S UNTHINKABLE THAT ROOSEVELT SHOULD NOT RUN AGAIN—HE'S ONLY ONE WHO CAN MAINTAIN LIBERAL GAINS MADE UNDER HIS LEADERSHIP

NEW YORK, *April 28.*

It is a sound American tradition which holds that no Chief Executive of the Nation should have a third consecutive term. And so it might be good strategy for Franklin Delano Roosevelt to announce that after his reelection in 1940 he will serve no more.

To me it is unthinkable that he should not be a candidate to succeed himself 2 years hence. There is no one else who can maintain the gains which progressive government has made in the last few years.

I thoroughly agree with many of the criticisms which have been directed against Mr. Roosevelt. It seems to me that he has proceeded with an excess of caution and that on all too many occasions he has held out an olive branch instead of a hickory stick. He has played with forces which have welcomed periods of truce only as opportunities to undermine and undercut all his liberal policies.

SOMETIMES HIS TECHNIQUE HAS BEEN SINGULARLY INEPT

And at times the technique of the man in the White House has been singularly inept judged by any political yardstick whatsoever. I refer to those occasions upon which Mr. Roosevelt has succeeded in alienating his supporters and maddening his foes with one and the same gesture.

But all this should be skipped by those who are interested in the forward march of liberal policies in America. This can be proved by a simple laboratory test. Let any progressive take a pencil and a piece of paper and set down the names of those who are available to carry on New Deal policies.

Nor can the worth and ability of the potential candidate be the sole consideration. The man to be named upon your trial-balance sheet must also have some chance of nomination and election.

A small group tried it the other night, and we ended up with Lehman, Minton, Schwellenbach, and Harry Hopkins. Most of the support among the members of this particular small cross section went to Hopkins, but there was no one who seriously thought he could get by the Democratic delegates, let alone the voters, in 1940.

LaGuardia is a progressive but his only chance of a major-party nomination lies with the Republicans, and that party most certainly is not going to choose a liberal as its standard bearer. At the moment the G. O. P. leaders feel that they are sitting pretty, and that they can win with anybody. I wouldn't be at all surprised to see them pick Bruce Barton.

INCLINED TO STRUT THEIR STUFF WHEN IT DOES MOST HARM

The La Follettes—Phil and Bob—are liberals and behaving very much like old-line liberals at the moment. There is a fatal tendency among men of that persuasion to step out and strut their stuff at the very moment when it will do the adversaries the most good.

Now that the Governor and the Senator have indicated a breach with Roosevelt, their Republican associates are beginning to kid them along and say that Bob and Phil are not such bad skates after all. If either La Follette runs in 1940, he will have to do so on a third ticket, and it will be an adventure calculated to make the election safe for a Republican reactionary.

Friends of the President seem to be of the opinion that he wants to get out at the end of his term. That's irrelevant. Mr. Roosevelt's wishes in the matter are not important. Progressives must draft him, and they must get behind him now. He is no longer an individual. He has become a symbol, and once that symbol has been pushed aside the voter will find himself in the hopeless spot of having to decide between Vandenberg or Byrd, or making some other selection equally fruitless. Franklin D. Roosevelt is the only one who can save the progressives of America from becoming Hobson choosers.

Spirit of Religious Liberty

EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Monday, May 2 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. JAMES J. DAVIS, OF PENNSYLVANIA, AT PITTSBURGH, MARCH 27, 1938

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a brief address

entitled "The Golden Key," delivered by the Senator from Pennsylvania [Mr. DAVIS], which appeared in the Pittsburgh Criterion, April 29, 1938. This article embodies an address he made during the dedication exercises of the Ark at Beth El Congregation, 1910 Broadway Avenue, Pittsburgh, on Sunday, March 27. It represents a desire to help maintain the spirit of religious liberty.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

[From the Pittsburgh Criterion, April 29, 1938]

GOLDEN KEY

Mr. Chairman, ladies, and gentlemen, it was my pleasure to participate in the dedication of Beth El Synagogue on Sunday, June 19, 1927.

On that day I was part of the congregation which met on the outside of the synagogue, where the key was offered by the president of the congregation, and after a spirited discussion it was awarded to me. This gave me the right to turn the lock which opened the door of Beth El Synagogue that the members might enter their house of worship according to the venerable traditions of the Jewish religion. The key which was presented to me I in turn presented to Harold Levenson, son of the treasurer of the Beechview Hebrew Congregation.

As I stated at that time, this golden key of toleration and good will is a symbol of the way in which the gates of the temple of universal sympathy and understanding may be opened. The Jewish people have given the world this key as the congregation of this synagogue has presented it to me. I wish now that I had a golden key to use for the benefit of that vast multitude of people who are being deprived of their religious and racial rights. I trust that for all time this key will hold an honored place, that it will be constantly used, and that a vast multitude of people will enter into the great hope and peace this temple is designed to bring.

The persecution of helpless minorities of many races and creeds in different parts of the world today is a godless evidence of man's inhumanity to man. It is indeed a sad commentary on modern hate when we read of the scores of unfortunate victims of persecution in Central Europe who have been so distracted as to take their own lives rather than to be condemned to the horrors of concentration camps. It is fearful to read of the large number, totaling thousands, who have been arrested in the last few weeks. The spirit of the serpent and beast has been enthroned and the true temple of love and good will has been profaned. Suffering, tribulation, and grief are evident everywhere.

Faced with these difficulties, many have advocated turning to new systems of government in our own land. They are apparently unaware of the fact that the United States is now the only land in all the world having a large Jewish population where religious toleration is as yet secure. Let us think carefully before we permit any disruptive tendency to work its way in our Government to undermine the Constitution of the United States or to impede the progress of representative government.

The prophetic insight of the Bible is needed today. The ancient sages of the past made clear that material riches are not enough to bring prosperity and peace. The fundamental human relationships must be grounded in good will and sympathetic understanding before the things to which we put our hands will bring us blessings. Social justice and the vision of brotherly love are the great need of our modern world. This is the true message of Israel and the teaching of every orthodox synagogue.

May the spirit of the golden key prevail in the hearts of all men and may the kindly feeling we bear each other in this solemn hour increase. The problems of the Jewish people have ever been close to my heart. The best wishes and devout hope of my heart are for their continued success and peace.

Discussion of Business Ills

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, May 2 (legislative day of Wednesday, April 20), 1938

ADDRESS BY FORMER COMPTROLLER GENERAL McCARL BEFORE COMPTROLLER'S INSTITUTE OF AMERICA, APRIL 25, 1938

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. John Raymond McCarl, former Comptroller General of the United States, on April 25, 1938, at the spring conference dinner of the Comptroller's Institute of America at the Waldorf-Astoria Hotel, New York City.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I have been highly honored by your invitations to meet with you and am deeply grateful that at last I am enjoying that pleasure.

I am keenly interested in your organization, because I believe I can see great possibilities for good in this bringing together for interchange of ideas and frank discussion of business ills those whose work enables them to witness the very heartbeats of great enterprises—enterprises upon which we so depend for the everyday things of life that their proper operation is a matter of deep concern to every mother's son of us.

First, I want to congratulate you comptrollers for following whatever impulse it was that induced you to become comptrollers—often a thankless and disagreeable job, yet one utterly necessary to the success of any business organization and with possibilities for helpfulness above all others. It speaks well for you, well indeed, the fact that you are willing to endure the disagreeable for a chance to accomplish good.

Comptrollers in industrial and related organizations are at long last being recognized by management and by stockholders and by the public—especially the investing public—as officers of great value. This belated stroke of good judgment gives promise of betterments in business that will inure to the benefit of all.

It means that the day of slipshod methods, lost motion, needless overhead, haphazard buying and spending, playing favorites, and other wastes and extravagances has ended, or at least is drawing to a close. It means that not competition alone, but that clear duty to society and the obvious wisdom of eliminating such wastes have decreed their banishment, to the end that goods and service may be made available to the public at the lowest price affording adequate compensation for the labor and management involved and other legitimate costs, including a fair return on the value of the property or capital employed.

Comptrollers—at least those worthy of that title and wisely empowered—can be of immeasurable value in any business enterprise of size, not only in giving effect to adopted policies designed to eliminate wastes and to accomplish betterments, but in unearthing the material facts and working out wise policies for adoption.

The paths they must follow in this connection are likely to be rough and filled with obstacles. Unworthy ambitions will be encountered, obsolete methods and practices will be stoutly defended by those personally benefited thereby. In fact, almost innumerable obstacles will likely be encountered, but the comptroller, if he be worth his salt, must show the facts and point the way to improvement.

There exists an even more serious need for comptrollers in government, in our Federal Government and in the government of each State and large city, but for an additional reason, a reason of grave importance, a matter of imperative necessity if our system of self-government is to endure.

In industry the elements of profit and deserved good-will are incentives that will make for ever-improving management because loss of either spells disaster. We have reached that point in productive ability when only the ablest will long survive. In self-government the controlling factor is not profit but rather law observance, faithfulness to the law as enacted by those representing the electorate and legislating in their behalf.

Having had some experience in this latter field I would enjoy telling you of some of the difficulties I encountered while striving to exact law observance in the uses of public moneys. I feel sure you would be interested. And it would be time well employed if we should consider the need for a sure-fire system for law enforcement in the uses of public moneys, that is, if our Congress is ever again to resume discharge of its constitutional responsibilities. I hope to refer to this subject later, but since our future—not only the future of all forms of business but of self-government—is dependent upon a righting of conditions and trends that are taking us ever downward, it seems the part of wisdom, and duty, that we first take a close look at some of these conditions.

Unless our system of competitive enterprise is to endure there will be little need for the services of comptrollers—and unless we are to maintain our system of self-government there will be little need for adequate means for control by Congress over the spending of the public moneys—little excuse in fact, even for a Congress.

There is a temptation which seems to beset those called upon to address public gatherings—a temptation to please the ears of their auditors at any cost, and to avoid discussing the disagreeable—even to ignoring the facts. I, too, am human. However, anyone who has had experience as comptroller in a business enterprise or as comptroller in government, knows as a fact that it is dangerous business to attempt appraising a condition or to attempt finding the right way out of a bad one, without knowing the facts, the true and unvarnished facts, and without giving them first and full consideration. Mine has been experience in government.

It would be a happy day, a glorious day, if we could say, even in boastful half truth, that all is well with our beloved country. But to so say, as conditions are, would be boasting indeed—ignoring the facts.

Favored either by an overabundance of fortitude or a divine benefactor—probably both—we have managed to struggle through 8, nearly 9, terrible years. Years filled with trials that test the hearts of men and bring lines, lines that mar far too early the

beauty of thoughtful women; years of turmoil, uncertainty, extravagance, plunging; years of floundering.

The costs have been great, not alone in money but in deterioration of that quality within us necessary to success in self-government.

But great as have been the costs, we could in due time have paid the bills and repaired the damage had our sacrifices and our extravagances brought us out of our dilemma. Unfortunately, they have not. Quite the contrary.

There is required no ability for special vision to know that we have gotten ourselves into a terrible tangle, or, that in our floundering we have been moving steadily away from self-government and toward a superstate—growing weaker and weaker in self-analysis and self-discipline, in self-reliance and self-respect, likewise in purpose to cooperate, to pull together. Each day more dependent, dependent upon government.

As a matter of fact, we have been becoming more and more involved until today we are in much more precarious condition than we were at the depth of the depression in 1931 and 1932; and, even worse, we are far less prepared today than we were in 1932 to make an effective and cooperative fight. We are weaker, woefully weaker, not only financially but in unity.

I do not say these things in bitterness or because of ill feeling toward any man or woman now or heretofore in public life. I say them with deepest regret. I say them because I feel it is high time we look the truth squarely in the face, that we realize the desperateness of our plight and begin doing something about it. We have been ignoring our real problems far too long.

As for those now occupying high places: I would cheer them to the echo if they were to about-face and started leading us toward stability and sound motion forward; if they were to begin building us up instead of building Government up and us down; if they were to quit playing to the galleries and started trying to make self-government work the only way it can be made to work—through cooperative endeavor.

This is no time for ill-feeling, for group antagonisms, or for grabbing—grabbing either for power, for special advantage, or for something for nothing. It is time for giving—giving abundantly of the best that is within us—to the end that we may, by working together, stop slipping backward and begin again marching forward—forward toward that goal for which we were destined.

We have been in tough spots before but never before in one like this—never before when the consequences of our folly were so threatening, when we were skating on such thin ice, when there was such need for sober and unselfish thinking, prompt and decisive action, and, above all, need for cooperative effort.

We can't hope to find the way out of our difficulties unless we first find where we are, just what fix we are in—and we can't expect to build sanely and safely for the future, or judge proposed remedies wisely, unless we first ascertain what blunders put us where we are.

In such analysis we are immediately confronted by the fact that notwithstanding these years of lavish spending by Government—years of so-called pump priming—these years of sacrifice—years of back-breaking taxes and public-debt building—we have made no real progress toward recovery and stability. Business at a standstill, ten or twelve millions of our people out of work—and unemployment increasing daily. We have succeeded in keeping our heads above water—from going clear under—but have made no real progress toward firm footing.

You, who know the pulse and problems of business as well, if not better, than does any other group in our country, need not be told that the flow of lifeblood has all but ceased; that we have reached a condition of sluggishness approaching stagnation; that we are just milling along existing from day to day and from week to week doing such jobs as are proffered—waiting for the storm to cease.

You who deal each day with the problems of financing such business activity as still exists need not be reminded of the damaging effect of tax drains that leave nothing for job-giving improvement and far too little even for adequate maintenance.

You comptrollers need not be told of the depressing effect of a public debt so big that further borrowing, even for most legitimate uses, would be risky business or of the brake-setting effect of that enormous debt upon job-giving activity, a debt which takes each year from our earnings nearly a billion dollars merely for interest.

What remedy is proposed? Government has spoken.

More lavish spending, more so-called pump priming, a rush outlay by Government of another four and a half or five billion dollars. This notwithstanding the utter failure of years of lavish spending, so lavish indeed that we have depleted our substance, have been bled white by taxes, and have added more than $20,000,000,000 to our public debt.

More billions to be doled out again to make war on a depression. This time a so-called business recession, but in fact nothing more or less than renewed activity of the same old ailment, activity thereof having been but temporarily arrested by the salve of former spending.

A remedy of doubtful value under most favorable conditions and with scientific application, our spending is in no sense bona fide pump priming; that is, spending in such careful and guarded manner as to induce that gradual and sound motion forward in key activities likely to encourage similar motion in other and, finally, in all our activities. Ours is worse than useless, because not safeguarded from pollution by politics. On the contrary, from the beginning and to this day expenditures from recovery and relief appropriations are not prescribed and safeguarded by law, are not even controlled by a nonpartisan or bipartisan board, but rather are doled out, project by project, bit by bit, by agents of the President and subject to his discretion—discretion to withhold or to grant, as may suit his pleasure or his purposes; discretion to reward subserviency and to punish those who dare question the wisdom of his course.

We are told, by way of confession and avoidance, that even though this new spending may bring no lasting benefit, it will tide us over for a year or two, and that it won't hurt too much because the public debt will not be increased by more than a couple of billion dollars. What thin thinking. What difference does it make whether one spends—spends in profligate fashion—from cash in his pocket, from his bank account, or as a result of borrowing—in just such amount as he so spends does he not in that amount deplete his resources? Of course.

The President's proposal is that we further deplete our substance by a spending program involving an additional four and a half or five billion dollars. The question is: What will we do about the next business recession, the one that hits us as soon as the quieting effect of this anesthesia wears off? That another one will hit us seems assured if Congress should accede to the President's plan, if for no other reason than the fact that while once again Government spending will be labeled "pump priming," once again it is to be politically managed—doled out pursuant to Executive discretion by the same political agencies as heretofore—W. P. A., P. W. A., and so forth.

The proposal is, at best, a further dissipation of our substance—and a substantial one—merely to postpone the day of reckoning, the day for an about-face, and at worst, a desperate effort, through uses of public moneys, to get the present administration safely past the November elections, and fortified for those to come in 1940.

What a dismal and discouraging picture.

Congress has not yet spoken on the President's proposal and there may develop enough fortitude in one Chamber or the other, or in both, to withstand the terrible pressure he can exert because of the extraordinary powers that have been given him.

Congress must, of course—and as to this there is unanimity—make provision for government to assist in the adequate care of those whom our follies have reduced to necessitous circumstances. But not alone because of our depleted condition and the imperative need that each dime in each dollar be made to count but that government may deserve and may regain the respect and confidence of our citizenship—Congress must purify relief spending. If in providing for relief assistance Congress again should fail to safeguard such moneys from dissipation through waste and political manipulation, then Congress will again have failed us—let us down in an hour of deepest need.

But to resume again our quest to find out where we are and what put us there:

Perhaps even better than all others, you comptrollers realize the extent and the deep-seatedness of those fears that beset business from top to bottom and in all fields—fear to venture, fear to risk, else even that which was managed to be saved from the wreck may be lost.

Fear? Fear of what? Fear of government.

What a hideous thing for us to be forced to admit. But is it not the fact?

What has caused this fear?

There are many reasons, but it seems to me these three are outstanding: (1) Because government has attempted too much, much too much—has attempted to take over all our woes, to solve all our problems, to give us ready-to-wear security—has attempted to run everything. We have heard far too much of "don't worry, don't even try; just let government do it." We have been building government up, and ourselves down, until government is a monstrous thing, and we have become weak, afraid even to try standing alone.

(2) Because, to permit government readily to manage everything, there have been concentrated in our Chief Executive such broad powers, and there has existed in our Congress such disposition to submit to his every command, as has so weakened, if not suspended, our constitutional safeguards against unbridled authority as to cause every man who thinks to stop, look, and listen, and to watch his step, as to cause every eye to be focused on Washington.

(3) Because our Chief Executive has made mistakes—has so employed, or has so brandished, these vast powers as to fill the hearts of men with fear—fear as to what even harsher steps government next may take.

While the mere knowledge of the existence of such broad powers in the hands of any one individual would alone be enough to cause uncertainty, because autocratic power, when in the mood, can act not only harshly but quickly; once such power is unwisely used, uncertainty turns to fear.

As a matter of fact, we have been trying supergovernment, playing with dynamite. Trying an all-powerful Executive with exercise of congressional authority virtually suspended. What has been the result? While we will never know the full extent of the damage suffered we do know—

It has delayed the working out of our problems, resulting in their multiplication and aggravation.

It has dissipated our substance, encouraged wastefulness instead of frugality, dependency instead of self-reliance.

It has stagnated individual initiative.

It has encouraged class distinctions (as deadly to democracy as leprosy to mankind) and has alined class against class—damaged immeasurably the spirit of cooperation that has brought us so far and which is utterly essential to further progress.

It has weakened us, as a people, damaged our moral fiber, induced selfishness and greed, dulled our ambitions and self-respect, made us afraid—weakened us for the duties of self-government.

It has induced such an avalanche of taxes that our minds are in a whirl, wondering whether we can make enough to pay them and still eat. Taxes so heavy and so carelessly or so cruelly imposed that they not only stifle employment-giving activity, even cause unemployment, but which, coupled with Government-required curtailment of production, drive prices for necessities beyond our ability to pay, and actually operate, through hidden methods, to tax the bread of benevolence from the mouths of the needy.

By its ravagings our financial structure has been dangerously weakened, our reserves have been depleted, our savings have been taken for Government spending, and we are struggling under the burden of an ever-mounting public debt which now has reached such proportions as not only to strain the Nation's credit, and endanger too, our high place in the family of nations, but for interest alone to make a devastating drain upon our annual revenues.

It has brought us to the brink of another crash by recommitting most of the sins that caused the crash of 1929, particularly inducing a semblance of prosperity on borrowed money. In the twenties the money was loaned abroad for buying here. This time we loaned it to Government for spending. This time, however, we are lacking both the unity and the national credit that stood us so well in hand during the dark days of the early thirties.

It has prevented recovery.

Supergovernment, aided by a willing Congress, an abundance of both power and money, and by a hopeful public, has been given a 5-year opportunity to reestablish stability and to make at least some progress toward Government's announced objectives. Regardless of how sincere its motives, it has failed because it built us down and not up—made us dependent, not strong. Paternalism is poison to a democracy. It had no chance to succeed because self-government requires a strong and self-reliant people, while supergovernment feeds upon the diminishing vitality of a people and becomes all-powerful when they are too weak to resist.

The experiment has established beyond room for even a shadow of doubt that no man or group of men, no matter how wise or how high the ultimate aim, is wise enough to make self-government succeed on a program of pampering and paternalism.

There exists no middle ground between absolutism and democracy. Absolutism means rule by might. Democracy involves a free people working out their own problems, taking it on the chin when the law of compensation so dictates, and growing strong through self-analysis and self-discipline, strong enough to appreciate and enjoy successes when, and because, earned and deserved.

First impulse, in these circumstances, is to charge everything that is wrong to the President. He must suffer, of course, all blame that is justly due him—but no more. As a matter of fact, and at the very bottom of things, he is not the chief offender. It was a weak Congress that started us in the wrong direction.

True, the President failed to grasp a marvelous opportunity in leadership—a chance the like of which comes to few men. A chance to lead a struggling and bewildered people to such a working out of their own problems—through cooperative endeavor—as to strengthen them immeasurably for the duties of self-government. His failure in this was a telling blow because in that dark hour, when there existed our greatest need for unity and cooperative action in an effort to regain stability and motion forward, to revive individual initiative and sense of personal responsibility—need for pulling together—it was to deprive our country of a leadership, a popular confidence, a driving force, a pleasing and persuasive personality—a leadership that could have induced us to work our way out of the woods, and to have so understood the need for effort and the ultimate advantage therein for all, that we would have found happiness in the doing of the job.

He sought great powers—powers that under our system of self-government Congress alone should exercise—and he got them. Thus, he is chargeable with every mistake he has made while trying to wield those vast powers—trying to manage everything.

He is chargeable, too, with ever seeking more power at the expense of Congress—at the expense of self-government. But in this, superpower is merely running true to form. It never gives up. In the face of failure it invariably seeks greater power—and that our experiment provides no exception to the rule there is for recalling the recent reach for control of the Supreme Court, and the later and even more ambitious reach for Executive freedom in the uses of public moneys—masquerading as "reorganization"—likewise the tenacity with which it clings to political control over so-called relief spending.

The President is chargeable with all depletions of relief and recovery appropriations due to wastes, political manipulation, and improvident spending. Remember, those billions have been for spending subject to his direction and discretion.

Among other things, much could be said as to the lack of need for many of the so-called emergency agencies—lack of need even for their creation, and utter lack of need for their continuance. For instance:

There was no legal requirement, and no need, that he create that huge and costly machine, the Works Progress Administration, to spend relief moneys. A machine that extends into every voting precinct of the Nation. He could have exacted that spending for relief be on a factual rather than on a guessing basis—on a basis of actual and established need rather than on a basis of all the traffic would bear. He could have kept the extending of relief assistance wholesome by requiring the establishment of and by operating only through local nonpartisan or bipartisan boards or committees, the Government supplying only what local communities reasonably could not. True, this machine provided jobs for a hoard of hungry politicians and served effectually as a political machine in influencing primary selections and ultimate elections, but it served and is serving, no actual need.

Much the same rightly could be said regarding the size and cost of that huge organization brought into being to administer the public-works program and of the much larger and even more costly machine we are maintaining to boss our farmers—too much for overhead, too much for bureaucratic bossing.

In the face of a general statute denying use of appropriated moneys to employ publicity experts, there was no requirement or need that through devious back-door methods large and costly forces be put on the public pay rolls, otherwise labeled, to be sure, but propagandists in fact, be hired to flood the country with distorted facts, the basis for foundationless hopes.

Yes, for these and many other wastes and extravagances, the President cannot avoid accountability. They are a part of the costs resulting from our taking the wrong course.

We must remember, however, that even though he sought these extraordinary powers it was the fault of a weak Congress that he got them—that it has been the fault of succeeding Congresses he is keeping them—and that the fault is really ours because the Congress belongs to us, is accountable only to us, not to the Executive. Or overlook either, that it will be our fault if by any action of our present or succeeding Congresses, these extraordinary and dangerous powers are perpetuated or more power is given him.

Yes, it was a weak Congress that let us in for this mess. Only Congress had the power to do it—and thus, only a strong Congress can lead us out of it.

True, we have a three-motored ship of state, but the master motor is our Congress—not the Executive. Our plan of self-government is built around our Congress. A governing body composed of two Houses containing representatives elected by and immediately from the people and possessing exclusive authority to legislate in their behalf. There is no power in either the Executive or the judiciary to govern. Their duties flow from what is done by Congress—one to enforce the laws as enacted by Congress, the Executive, and the other to interpret such laws, the judiciary.

We must not forget that—

Only Congress can legislate—make laws.

Only Congress can impose taxes.

Only Congress can authorize borrowing on the Nation's credit.

Only Congress can authorize the withdrawal of public moneys from the Treasury—and thus can prescribe, and is responsible for prescribing, its uses.

Only Congress has the means to exact economy, efficiency, and honesty in Government—and to bring our Budget into balance.

Only Congress can crucify the independence of our judiciary.

Only Congress can give away our right to govern ourselves.

It is when this master motor goes wrong that we suffer—and it went wrong in 1933.

Just when we were most in need of a capable and courageous Congress, in those dark days of 1933–34, we elected the Seventy-third.

Its task and duty were clear. Our problems, resulting from the crash, were unsolved. There were millions still out of work, and more millions in necessitous circumstances due to such condition. Our industries were just beginning to move in employment-giving activity. Agriculture was suffering, particularly because of the lost buying power of the unemployed. We were wobbly and afraid.

Elected on a platform pledging a fearless attack upon our problems and under a promise to reduce the costs of Government at least 25 percent, and with that overwhelming approval of their promised program, as is seldom given by our electorate, its duty was clear. Did it do its job? It did not. It not only did not attack our problems, or help us to do so, it laid the foundation for our present dilemma.

Afraid to attack our problems, the course of least resistance was taken; they were dumped into the lap of a waiting President. One measure followed another either delegating legislative powers to the Executive or authorizing him to act in his discretion. Fabulous sums of public moneys were appropriated for his uses, with authority to create still more agencies to spend it. Wise statesmen in both the Senate and the House pointed out the dangers but there was no stopping the mad rush for "cover." They had found a popular idol—one both confident of his way and ambitious for power—why not let him take the gaff?

In the beginning all this was branded for consumption, and, in general, was so accepted, as emergency activity—to stop once the pump was primed—but they were not self-stopping and, like so many movements that encourage selfishness and greed—and ambition—have now grown to menacing proportions.

Since that first terrible mistake billions upon billions have been similarly appropriated and doled out—and too largely dissipated in needless overhead, popularity propaganda, politics, and sheer waste.

When the voice of statesmanship was finally heard and Congress took stock of its conduct, it found itself in a predicament. It had

created a monstrosity—a mammoth and costly governmental machine, overflowing Washington and extending into every nook and corner of the country—and it had delegated so much of its constitutional authority over government that the machine was out of control.

Congress found, to its sorrow, that lavish and careless spending had created a widespread impression there exists unlimited wealth available to government—and that it was considered the first duty of a Congressman to bring home his share of the loot. Sections of the country vied with each other to see which could get the more and bigger projects—to see which had the stronger political pull.

Congress discovered, too, that it had unwittingly put its neck into a noose—that it had foolishly granted the Executive discretionary control over the spending of those billions Congress itself had appropriated for recovery and relief and that Members themselves must see the President, or haunt the writing rooms of one of his spenders, in order to secure approval of projects for their own States or district—and no matter how sorely needed. What a whip! and how it has been wielded.

There was, of course, no way to avoid the consequence of the damage inflicted by the crash of 1929. They might be minimized, worked out gradually, but not escaped. Notwithstanding this fact, and in an effort to postpone that dreaded day, a face-to-face meeting with our problems, artificial devices were resorted to. One difficulty with artificial devices, like falsehoods, is that each one employed calls for use of many more to keep the first one going, and this pyramiding has been going on until we are being crushed by the weight and cost of such devices.

We started trying to do everything with money—spend our way to prosperity, spend our way to happiness, spend our way to security, tax our way to reform—and all the while borrowing billions upon billions to keep up the spending. We have been talking money, thinking money, seeking money, until we are money bent if not money mad. Until what won't we do for money, until we seem to have forgotten that there are things of vastly greater value.

Not all government has done, even though moving in the wrong direction, has been barren of value. Some of the vast sums that have been poured out for relief have reached those in need. Some of the even larger amounts expended for projects have provided temporary jobs.

The trouble has been that instead of helping us to work out our problems, that we might thereby regain confidence and firm footing, government sought to take over the whole job—to make it easy for us—and we were selfish enough to entertain the hope it might be done. That's where we slipped because, while pretending to be busy doing the whole job, government has been growing big, dominant, powerful—and we have been growing dependent—and it has been in the building and maintaining of this supergovernment, in popularizing it, in keeping it constantly moving up, and in preventing it from crashing under its own weight, that waste, extravagance, needless, foolish spending, have done so much damage.

The tragic part of it is, that notwithstanding this draining of our substance, we have made no gain toward stability.

Placated by an oft-repeated program of objectives so wholesome as to draw instant approval—and thereby disarm us—our eyes have been in the clouds while our hands have been doing mischief.

Despicable indeed would be the man or woman who does not wholeheartedly believe in relieving want and distress; in improving the lot and outlook of our underprivileged; in striving toward the goal of a more abundant life for our citizenship; in helping our workers secure better things, improved working conditions, more security in employment, and a fair share of the fruits of their labors; in improving the lot of agriculture; and in making self-government work. These are things we must everlastingly strive for, but we never will attain them unless we begin moving in the direction of their accomplishment. The sad part is we have been moving in an opposite direction. Instead of striving for our objectives we have been—

Relieving want and distress by injecting politics into relief, by dissipating public moneys appropriated for the care of the needy;

Improving the lot of the underprivileged and providing the more abundant life by retarding reemployment, keeping the needy on dole, through nagging and otherwise hindering those who are striving to create employment;

Helping our workers by encouraging them to such excesses as to sacrifice public sympathy and support, by encouraging dissension within their ranks, by widening the gap between worker and management in industry and thereby postponing the advent of true collective bargaining;

Helping agriculture by trying bureaucratic farming, trying to run our farms from Washington—building agriculture down, not up;

Making self-government work by trying to ruin it, attempting to build a superstate in its stead; and

Grand objectives but poor direction.

The Seventy-third Congress having so surrendered its powers and shirked its responsibilities as to create this monstrosity—this supergovernment—subsequent Congresses have been laboring under a frightful handicap—principally, that power delegated to the Executive whereby to punish Members for disobeying Executive commands—the discretionary spending of those billions of dollars annually appropriated and officially labeled "Recovery and Relief" but popularly labeled "The President's Slush Fund." This condition is so notoriously unwholesome that whenever a new reach for power is under consideration by Congress the outcome is popularly estimated on the basis of whether Congress or "pap, patronage, and projects," will win.

True, this is a condition Congress could promptly cure—had it enough farseeing and upstanding Members. Congress could, and would promptly regain all its powers and begin functioning as a deliberative body—discharging its responsibilities—were it rightly composed.

There is some excellent talent in both the Senate and the House—as capable and as fearless as ever graced those Chambers—but not enough. The best these statesmen have been able to do—being woefully outnumbered—has been to defeat such reaches for power as were involved in the President's attack upon the Supreme Court and in his so-called reorganization bill. And let me remind you in this connection, that in these fights, not difficult for Republicans, the country saw men who had been Democrats all their lives, rise courageously above all partisan considerations, forego all "pap, projects, and patronage," and brave the attack of the richest and most powerful political machine that ever swayed elections in America—to fight for democracy—constitutional self-government. And the country saw too, emerge from relative obscurity—from time-serving under supergovernment—some half dozen men who would grace the executive offices and there employ their fine talents in furthering the cause of self-government.

They, who won these fights, are deserving of our deepest gratitude—and of our help in their effort to reestablish constitutional self-government.

What is to be done about it. What is the way out—the way to stability and sound motion forward, a united and cooperative free people?

There is but one way out.

We must resume self-government and begin working at it. We must stop this march toward a superstate. We must about-face.

We must make Congress realize its responsibility—its responsibility to us, the citizenship—its responsibility to discharge and not to abandon or to delegate its duties. We must demand that it regain its powers and that it begin discharging them in such manner as will save and perpetuate self-government, as will save us from bankruptcy, and as will help us regain confidence and self-respect by working our way out of this maze of confusion.

To this end we must build up our Congress, and quickly supplement present statesmanship with more of the same quality—more constitutionalists—and this, regardless of political party. Country and preservation of our self-governing system must come first.

To realize the need for a capable and upstanding Congress, not only now but always, we need only recall what the Seventy-third Congress let us in for—and what subsequent Congresses, while vastly better than the Seventy-third, yet still far too weak, are keeping us in for. As to this—contemplate, if you please, the spectacle of a Congress that could be induced even to seriously consider a proposal to destroy the independence of our judiciary, and that actually so threatened such destruction that the country was in suspense for months while the proposal was debated by the Senate, fearful that at any moment the radio news announcer might broadcast Senate approval.

And contemplate, if you will, a Congress that was induced not only to bow to the brazen affront which the President's so-called reorganization bill hurled into their teeth, but to seriously consider taking so long a stride toward a superstate as that measure proposed—which measure, by the way, was actually approved by a majority of the Senate and was referred back to the committee by the House only after a desperate fight led by those fighting constitutionalists, and that only by a dangerous, slim margin of those voting.

It being a constitutional responsibility of Congress to prescribe by law the particular uses to which appropriated public moneys may be put, and a clear duty to safeguard such moneys from danger of dissipation or unauthorized uses; consider the spectacle of Senators and Representatives glibly advocating surrender of the only means available to Congress to exact law observance by public officials in their uses of such public moneys, advocating complete abandonment of that control utterly essential to Congress if self-government is to endure—advocating emasculation of our independent accounting system. Utterly inconceivable.

Such, however, was but one of the disasters passage of the President's so-called reorganization bill would have inflicted.

It being a further clear duty of Congress to determine from time to time what governmental activities there shall be and the extent to which each shall function, and to require economy and efficiency in the conduct and administration thereof—and it being notorious that our executive branch is overflowing with lost motion, waste, and inefficiency—consider the spectacle of Senators and Representatives actually advocating that Congress do nothing about it for 2 years, that it tie its hands for 2 years by turning reorganization over to an already overburdened Executive, at his request to be sure; and this, with no assurance, not even a promise, that 10 cents would be saved. What excuse did these Senators and Representatives offer? Not, of course, that it was a duty of the President and not a duty of Congress. No such excuse could be offered, because were such the fact then no reorganization bill would have been necessary. Much worse. Their excuse was that Congress is incompetent to discharge this duty, is lacking either the brains or the fortitude. Think of it. In God's name, why do such men remain in Congress? Why don't they resign and allow their seats to be taken by men and women who will at least try to discharge their legislative duties?

Consider, too, the spectacle of each succeeding Congress perpetuating Presidential control—partisan control, undemocratic control—over the spending of those billions of dollars annually appropriated ostensibly for relief and recovery—Congresses that have not only winked at the devastating waste involved but have meekly submitted to such Executive domination as a result thereof as has erected those terrible handicaps to independenence, honesty, and conscientiousness in legislating.

The weaknesses recent Congresses have displayed, if enumerated, would provide a long and discouraging list, but these will suffice to indicate the imperative need for corrective action by our electorate.

To build up our Congress, to induce capable and courageous men and women to stand for election to the House and the Senate to displace superstaters and rubber stamps, and to elect them, will not be an impossible task, not even a difficult task, if we go about it in a sensible manner and in dead earnest. And this, notwithstanding the slush fund and its availability to aid subserviency. The country is waking up, arousing itself. The people sense the dangers and need only courageous leadership and a chance to vote for upstanding talent for places in our governing body, Senate and House. You can help provide that leadership and likewise opportunity to vote for capable talent.

Remember, so soon as November next, this year of 1938, there will be opportunity to strengthen our Congress. If you are not already at work in your respective communities, begin at once and keep everlastingly at it.

Don't imagine you are too busy. If things should be permitted to go on as they have been going, you may find yourself with far too much leisure.

Don't be deterred from having your part in self-government by government's intimations that those who produce the taxes should attempt no voice in the matter of their uses, except perchance to applaud uses as made. The time is at hand when those who assist in making the work that gives employment—and likewise the money that provides the taxes—should not be denied and should not permit themselves to be denied their citizenship rights.

Don't imagine there is nothing you controllers can do to help build up Congress. Until you have tried you will never know the extent of your influence. The first-hand knowledge you possess of the ills and needs of those activities to which we must look for solution of our unemployment problem equips you for an effectiveness that few others can match, and with facts that will speak eloquently in their own behalf.

Once we get such a Congress—capable and upstanding Congress—it will realize that there exists no force capable of extracting us from these entanglements but the force of a cooperative and sustained effort by a united people—and that self-government can succeed only through the upbuilding and strengthening of that force; it will realize, and quickly, that to the extent we allow government to assume our burdens and to build itself up in an effort to attempt carrying them—we are weakened, we are building ourselves down—dissipating our inheritance.

It will realize that self-government is endangered not by the grasping ambitions of those who would rule but by such weakening of our people as saps their courage and means with which to fight, dulls their self-reliance and self-respect and their will to do.

It will realize that only Congress can stop our slipping—slipping backward, moving toward a superstate—and start us in the right direction.

It will realize too that bankruptcy is as short a route to superstate as any other, and perhaps the most dangerous because the most tempting.

It will realize that the country is tired of turmoil, tired almost to exhaustion—this jumping at one thing and then at another, each day promise of some new cure—that it yearns for quiet, for the truth, for certainty, and for a chance to go to work, an unhampered chance.

Quiet, that there may be opportunity to think and to plan; the truth, so we may see the extent of our plight—the truth—even though the picture behind the camouflage may have grown to be a dismal one; certainty, that there may be assurance of no further sudden upsets—certainty that cannot exist when such vast power is concentrated that a casual remark is enough to fill men with fear, to violently disturb the sensitive mechanism of our competitive system; a chance, a chance to try working our way back to sound and steady motion forward—a chance to try reviving that cooperative spirit that served to bring us so far forward in social advancement and in nation building—a chance to regain our self-reliance and self-respect through winning this battle—a chance so to build ourselves up that there will exist even no excuse for a superstate, need for someone to boss us.

A wise Congress will know there exists such cause for fear that confidence cannot be revived by anything anyone may say or promise, but that it can be revived by definite and convincing action—action which only Congress can take—and that it will be revived on that day when Congress makes it vividly and convincingly clear that it intends to resume all of its constitutional functions, that it intends to do its own thinking and its own legislating, that the danger of drifting down to a superstate is definitely ended, that constitutional self-government has been resumed.

Such a Congress will, of course, and at once, effectually eliminate all politics and waste from such further relief spending as may be necessary, so that every dollar appropriated can be and will be devoted to aiding the needy. God alone knows just how seriously this reform is needed.

It will waste no time in taking steps to avoid bankruptcy; to bring our expenditures within our income; in stopping all need for risking further increase in our public debt; in adjusting our tax laws, removing the punitive and unjust and fixing the burden in keeping with our ability to pay and still keep going; in beginning such close study of all activities of Government as will make possible both early and effective reorganization thereof, by law, with elimination of all nonessential activities and such readjustment of essential activities as will make not only for efficient and more effective administration but actual saving of those hundreds of millions of dollars that annually are being wasted.

As a deliberative body it will quickly conclude that at least some of the problems Government has recently assumed responsibility to carry had best be worked out by us, and it will turn them back to us that we may learn a needed lesson in self-government. It will conclude, too, that there exists no formula whereby a people can be made happy by law; that frugality, honesty, wholesome ambition, industry, self-respect, and right thinking may not be injected into a people by law.

Above all, it will safeguard the independence of our three coordinate branches of government, conserve our resources, save us from bankruptcy, strive for stability and sound motion forward, and for the building up—and not down—of our citizenship.

But no Congress can do these things alone—unaided by the patriotism and intelligence of the Nation. It must be made to feel not only the full weight of its responsibility to country—but that the intelligence of the Nation is behind it—looking to it, depending upon it, and anxious to help it.

What can we do—we, the people—that will be helpful to Congress?

Quit making problems and tossing them into the lap of government.

Quit leaning on government, and try going it alone.

Quit assuming there is something super about government. Within its proper sphere it is and must be, the "last word," but it is wholly incapable of miracles, and outside its proper sphere—especially when attempting to substitute for individual initiative—is clumsy, arbitrary, and wasteful.

Quit imagining you can gain some advantage by compromising with principle—selling self-government short.

Look about you and find something to do that will help lighten the load government is attempting to carry; get your friends to help. Make a campaign of it. What a fine help this would be if all of us were actually to try our best. What splendid results such a campaign would bring if vigorously prosecuted in every locality and how it would help us regain both confidence and self-respect. What an opportunity for management and workers in industry.

Give your Senators and Representative, and committees of Congress, having problems under consideration, your best suggestions—all helpful assistance within your power. Don't be peeved or discouraged if your letters are not answered. Remember, if they are doing their jobs they are busy—not too busy to consider wise suggestions, but too busy to write letters unless there is something they need. Don't ask—give.

There are certain unhealthy conditions that may handicap until they are rectified.

Congress has neglected to provide itself means for independence in action—its own machinery for getting the truth. It is too dependent upon the executive branch for facts—and this weakness gives the executive branch an advantage which it works overtime. It opens wide the door of the Congress to one of the most powerful and most insidious lobbies ever organized—the executive branch lobby. Most of the innumerable divisions and subdivisions of the executive branch actually maintain at public expense, highly paid specialists—and some agencies many of them—just to work Congress.

This condition, until rectified, can be overcome in part by citizenship effort—by our helping Congress to get the truth notwithstanding the executive branch—by helping Congress to analyze and test executve branch showings and recommendations, and showing them up when either inaccurate or self-serving.

To this end there must be broken down the barrier that has been set up with a view to keeping Congress in the dark—available only to the executive branch, its so-called experts and its camp followers. Groups within the Congress itself have aided in erecting this barrier, by making it unpleasant for those venturing views not conforming with supergovernment conduct. Congress must be made available to all our people. Those seeing the dangers in our ever-nearing approach to superstate must not be denied the right to bring forward their views for consideration.

Once our Congress actually starts in the right direction don't be impatient with it. Give it a chance to go to the bottom of our difficulties—to investigate and study. No more rubber stamping. Its sound and sober judgment the country needs—carefully planned laws and no more experimental "musts."

Don't expect always to agree with what Congress does. There will be disagreement as to ways and means—even after full consideration and debate—efforts to remedy conditions, sometimes with need for amendment or even abandonment, after trial—but that is self-government. So long as its mistakes are confined to matters of ways and means—do not involve the fundamentals of our system of self-government and are mistakes of judgment after full and open consideration—they will inflict no fatal damage because they can always and easily be cured—cured by Congress. Mistakes as to fundamentals, however, may require bloodshed to overcome.

Yes, we are moving in the wrong direction—moving rapidly—and while we have already moved so far that there would not be required so long a step to be one step too far, and notwithstanding that even greater impetus is proposed and threatened, be encouraged by the fact that we have not yet lost the means whereby to save ourselves—and to save self-government. We still have Congress and Congress can save us from irreparable damage. We still have a chance to stiffen the backbone of those who now compose our Congress and we will have a chance in November to strengthen Congress by putting statesmen in seats now occupied by rubber stamps. We still have the ballot box and we still have free speech. What will we do about it?

Interstate Compacts on Interstate Streams

EXTENSION OF REMARKS
OF
HON. EDWARD T. TAYLOR
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Monday, May 2, 1938

DECISION OF THE UNITED STATES SUPREME COURT REGARDING INTERSTATE COMPACTS

Mr. TAYLOR of Colorado. Mr. Speaker, by unanimous consent, I insert in the RECORD a decision of the United States Supreme Court rendered a week ago today determining the constitutionality, the validity, the legal effect, extent, and status of interstate compacts establishing the rights and obligations of the respective States concerning the waters of interstate streams.

The case was taken up to the Supreme Court from the Supreme Court of Colorado. The decision is of very great importance to nearly every State in the Union, but more especially is it of vital concern to all the Western States in the arid region.

I feel the decision is of such vast and far-reaching effect it should be inserted in the CONGRESSIONAL RECORD where it will be accessible to the newspapers throughout the country and may be read by many thousands of interested people who would otherwise never see it. Justice Brandeis delivered the opinion of the Court, and there was no dissenting opinion.

The decision is as follows:

SUPREME COURT OF THE UNITED STATES

No. 437. October Term, 1937

M. C. Hinderlider, State engineer, et al., appellants, v. *The La Plata River & Cherry Creek Ditch Co.* Appeal from the Supreme Court of Colorado. April 25, 1938.

Mr. Justice Brandeis delivered the opinion of the Court.

The La Plata River & Cherry Creek Ditch Co., a Colorado corporation, owns a ditch by which it diverts from that river in Colorado water for irrigation. On July 5, 1928, it brought in the district court for La Plata County a suit which charged that since June 24, 1928, the defendants, Hinderlider, State engineer of Colorado, and his subordinates have so administered the water of the river as to deprive the plaintiff of water which it claims the right to divert. A mandatory injunction was sought.

The defendants admit that in administering the water of the stream during the period named they shut the headgate of the Ditch Co. so as to deprive it of water for purposes of irrigation; but assert that they did so pursuant to the requirements of the La Plata River compact entered into by the States of Colorado and New Mexico with the consent of the Congress of the United States. The compact provides that each State shall receive a definite share of water under the varying conditions which obtain during the year, and, among other things: [1]

"1. At all times between the 1st day of Decemeber and the 15th day of the succeeding February each State shall have the unrestricted right to the use of all water which may flow within its boundaries.

"2. By reason of the usual annual rise and fall, the flow of said river between the 15th day of February and the 1st day of December of each year shall be apportioned between the States in the following manner:

"(a) Each State shall have the unrestricted right to use all the waters within its boundaries in each day when the mean daily flow at the interstate station is 100 cubic feet per second, or more.

"(b) On all other days the State of Colorado shall deliver at the interstate station a quantity of water equivalent to one-half of the mean flow at the Hesperus station for the preceding day, but not to exceed 100 cubic feet per second.

"3. Whenever the flow of the river is so low that in the judgment of the State engineers of the States the greatest beneficial use of its waters may be secured by distributing all of its water successively to the lands in each State in alternating periods, in lieu of delivery of water as provided in the second paragraph of this article, the use of the waters may be so rotated between the two States in such manner, for such periods, and to continue for such time as the State engineers may jointly determine."

For the administration of water rights, Colorado and New Mexico each set up an administrative system with the State engineers at its head. The State engineers agreed that, in order to put the water to its most efficient use in the hot summer months of 1928, when the river was very low, the whole of the available supply should be rotated between the two States. In other words, that each State should be permitted to enjoy the entire flow of the river during alternating 10-day periods. During the 10 days commencing June 24, 1928, all the water of the river (except small amounts diverted in Colorado for domestic and stock requirements) was thus allowed to pass to New Mexico; and during the succeeding 10-day period all the water in the stream was similarly allowed to be diverted in Colorado. The defendant water officials contend that in so rotating the water of the stream they administered it as required by the compact, and wisely.

The La Plata River rises in the mountains of Colorado, flows in a southerly direction until it reaches the boundary of New Mexico and in the latter State until it empties into the San Juan River. The stream is nonnavigable, has a narrow watershed, and a large run-off in the early spring. Then the quantity flowing begins to fall rapidly; and during the summer months little water is available for irrigation. In each State the water of the stream has long been used for irrigation, and each adopted the so-called appropriation doctrine of water use.[2] Under that doctrine the first person who acts toward the diversion of water from a natural stream and the application of such water to a beneficial use has the first right, provided he diligently continues his enterprise to completion and beneficially applies the water. The rights of subsequent appropriations are subject to rights already held in the stream.

The relative rights of all claimants to divert in Colorado water from the La Plata River were adjudicated in a proceeding under the Colorado statutes. By decree therein of January 12, 1898 (and later amended), the Ditch Co. was declared entitled to divert 39¼ cubic feet of water per second, subject to five senior priorities aggregating 19 second-feet. On June 24, 1928, there was in the stream, at the recognized Colorado gaging station, 57 second-feet of water. The Ditch Co. claimed that by reason of the 1898 decree it was entitled to all the water in the stream except that required to satisfy the Colorado priorities. If it had been permitted to draw all that water, none would have been available to the New Mexico water claimants, who, under similar laws, had made appropriations. Some of them were earlier in date than the Ditch Co.'s.

The case was first heard in the district court on evidence in 1930. The ditch company objected at the trial to the admission or consideration of the compact. It insisted that the campact attempted to surrender to New Mexico and thus destroy vested property rights of Colorado citizens; that this is a violation of the obligations of its contract; and that the compact insofar as as it "applies or is intended to apply to private rights of the

[1] The compact had its inception in 1921 when the legislature of each State authorized the appointment of a commissioner who shall represent the State "upon a joint commission * * * to be constituted by said States for the purpose of negotiating and entering into a compact or agreement between said States, with the consent of Congress, respecting the future utilization and disposition of the waters of the La Plata River, and all streams tributory thereto, and fixing and determining the rights of each of said States to the use, benefit, and disposition of the waters of said stream: *Provided, however,* That any compact or agreement so entered into on behalf of said States shall not be binding or obligatory upon either of said States or the citizens thereof, unless and until the same shall have been ratified and approved by the legislatures of both States and by the Congress of the United States" (Colorado Session Laws, 1921, p. 803; Session Laws of New Mexico, 1921, p. 323).

The compact drafted by the commissioners was ratified by the General Assembly of New Mexico on February 7, 1923 (Session Laws of New Mexico, 1923, p. 13), and by the General Assembly of Colorado on April 13, 1923 (Colorado Session Laws, 1923, p. 696). The consent of Congress was granted by act of January 29, 1925 (43 Stat. 796).

[2] Colorado constitution, art. XVI, sec. 5, provides: "The water of every natural stream, not heretofore appropriated, within the State of Colorado, is hereby declared to be the property of the public, and the same is dedicated to the use of the people of the State, subject to appropriation as hereinafter provided." Article XVI, sec. 6, provides in part: "The right to divert unappropriated waters of any natural stream to beneficial uses shall never be denied. Priority of appropriation shall give the better right as between those using the water for the same purpose." For the law of New Mexico, see its constitution, art. XVI, secs. 2 and 3.

individuals or citizens of Colorado, or to be used as a defense of or justification for the acts of the State engineer or his subordinates in interfering with or violating the private rights of citizens of Colorado, or in attempting to disregard, ignore or set aside the decrees of this [district] court for the distribution of water in accordance with the decrees, is unconstitutional and void" in violation of the due process clauses of the fifth and fourteenth amendments of the Federal Constitution and of section 25 of the Constitution of Colorado.

The district court overruled the objection; found in substance the facts stated above; held that the compact justified the action of defendants; and entered a decree that the bill be dismissed, each party to bear its own costs. That judgment was reversed by the supreme court of the State (one judge dissenting), *La Plata River & Cherry Creek Ditch Co.* v. *Hinderlider* (93 Col. 128). The opinion declared:

"There is not the slightest pretense, either in this compact itself or in the proceedings leading up to it, to a decision of the question of what water Colorado owns, or what water New Mexico owns, or what their respective citizens own. It is a mere compromise of presumably conflicting claims, a trading therein, in which the property of citizens is bartered, without notice or hearing and with no regard to vested right."

An appeal to this court was dismissed for want of final judgment below. *Hinderlider* v. *La Plata River & Cherry Creek Ditch Co.* (291 U. S. 650). The case was then retried by the district court on the same pleadings and evidence; and, pursuant to the opinion of the Supreme Court of Colorado, a decree was entered which, after reciting in substance the facts above stated, declared:

"6. That the said La Plata River compact, entered into between the States of Colorado and New Mexico with the consent of the Congress of the United States of America, does not constitute a defense to the actions of said defendant water officials complained of by plaintiff, and is not available to said defendant water officials, as a legal defense or justification for their acts in closing and shutting down the headgate of plaintiff and depriving the said plaintiff, thereby, of its right to the use of the waters from said La Plata River for irrigation purposes, as provided by the terms and provisions of said decree of adjudication of January 12, 1898."

The decree specifically:

"(3) Enjoined and commanded [the defendants] to permit the diversion through the plaintiff's headgate [of] water for plaintiff's ditch in accordance with the terms of said decree at any and all times when there is water in said stream to which said decree, under its terms and conditions, would apply;"

This second judgment of the trial court was affirmed by the supreme court of the State; an additional opinion being delivered by the court, and a dissent by a different justice (101 Colo. 73). An appeal to this court was allowed by the acting chief justice of the State.[3] Pursuant to the act of Congress, August 24, 1937 (c. 754, 50 Stat. 751), the attention of the Attorney General of the United States was directed to the contention that the validity of a Federal statute is involved (302 U. S. —). He filed memoranda in which he contended that:

"(1) This Court is included in the courts to which section 1 of the act of August 24, 1937, is applicable; (2) the constitutionality of the compact is drawn in question whether or not a decision on this point is necessary; (3) a compact is an act of Congress; and (4) it is an act 'affecting the public interest.'"

Opposing some of the views expressed by the Attorney General, a brief was filed on behalf of Delaware, Maryland, New Jersey, New York, Virginia, the Port of New York Authority, and the Delaware River Joint Commission.

The Ditch Co. moved to dismiss the appeal, contending among other things, that the mere fact that the compact was approved by Congress does not make it a Federal statute within the meaning of the jurisdictional act authorizing appeals. Decision on the motion to dismiss was postponed to the hearing on the merits. For reasons to be stated, we are of opinion that the case is not reviewable on appeal; that it presents a Federal question reviewable on certiorari; that because of its importance certiorari should be granted; and that the judgment must be reversed.

First. As the La Plata River flows from Colorado into New Mexico and in each State the water is used beneficially, it must be equitably apportioned between the two. The decision below in effect ignores that rule. It holds immaterial the fact that the acts complained of were being done in compliance with the compact, and does so on the ground that the compact in authorizing diversion and rotation violated rights awarded by the January 12, 1898, decree in the Colorado water proceeding; holds that the decree awarded to the Ditch Co. the right to divert from the river 39¼ cubic feet per second (subject only to the senior Colorado priorities of 19 second-feet), even if by so doing it exhausts the whole flow of the stream and leaves nothing for the New Mexico claimants; and holds that the right so awarded is a vested property right which the two States, although acting with the consent of the United States, lacked power to diminish or modify except by a condemnation proceeding and payment of compensation. No such proceeding was provided for in the compact and none was had otherwise.

It may be assumed that the right adjudicated by the decree of January 12, 1898, to the Ditch Co. is a property right, indefeasible so far as concerns the State of Colorado, its citizens, and any other person claiming water rights there. But the Colorado decree could not confer upon the Ditch Co. rights in excess of Colorado's share of the water of the stream; and its share was only an equitable portion thereof.

The claim that on interstate streams the upper State has such ownership or control of the whole stream as entitles it to divert all the water, regardless of any injury or prejudice to the lower State, has been made by Colorado in litigation concerning other interstate streams, but has been consistently denied by this Court. The rule of equitable apportionment was settled by *Kansas* v. *Colorado* (206 U. S. 46, 97). It was discussed again in *Wyoming* v. *Colorado* (259 U. S. 419, 466), where the Court said:

"The contention of Colorado that she as a State rightfully may divert and use, as she may choose, the waters flowing within her boundaries in this interstate stream, regardless of any prejudice that this may work to others having rights in the stream below her boundary, cannot be maintained. The river throughout its course in both States is but a single stream wherein each State has an interest which should be respected by the other. A like contention was set up by Colorado in her answer in *Kansas* v. *Colorado* and was adjudged untenable. Further consideration satisfies us that the ruling was right."

And in *New Jersey* v. *New York* (283 U. S. 336, 342–343), the Court said of an interstate stream:

"It offers a necessity of life that must be rationed among those who have power over it. New York has the physical power to cut off all the water within its jurisdiction. But clearly the exercise of such a power to the destruction of the interest of lower States could not be tolerated. And on the other hand equally little could New Jersey be permitted to require New York to give up its power altogether in order that the river might come down to it undiminished. Both States have real and substantial interests in the river that must be reconciled as best they may be."

The decree obviously is not res judicata so far as concerns the State of New Mexico and its citizens who claim the right to divert water from the stream in New Mexico. As they were not parties to the Colorado proceedings, they remain free to challenge the claim of the ditch company that it is entitled to take in Colorado all the water of the stream and leave nothing for them.[4]

Second. The declared purpose of the compact was, as the preamble recites, equitable apportionment:

"The State of Colorado and the State of New Mexico, desiring to provide for the equitable distribution of the waters of the La Plata River and to remove all causes of present and future controversy between them with respect thereto, and being moved by considerations of interstate comity, pursuant to acts of their respective legislatures, have resolved to conclude a compact for these purposes and have named as their commissioners Delph E. Carpenter, for the State of Colorado, and Stephen B. Davis, Jr., for the State of New Mexico, who have agreed upon the following articles."

The Supreme Court of Colorado held the compact unconstitutional because, for aught that appears, it embodies not a judicial, or quasi judicial, decision of controverted rights, but a trading compromise of conflicting claims. The assumption that a judicial or quasi judicial decision of the controverted claims is essential to the validity of a compact adjusting them, rests upon misconception. It ignores the history and order of development of the two means provided by the Constitution for adjusting interstate controversies. The compact—the legislative means—adapts to our union of sovereign States the age-old treaty making power of independent sovereign nations. Adjustment by compact without a judicial or quasi judicial determination of existing rights had been practiced in the Colonies,[5] was practiced by the States before the adoption of the Constitution,[6] and had been extensively practiced in the United States for nearly half a century before this court first applied the judicial means in settling the boundary dispute in *Rhode Island* v. *Massachusetts* (12 Pet. 657, 723–25).[7]

The extent of the existing equitable right of Colorado and of New Mexico in the La Plata River could obviously have been determined by a suit in this court, as was done in *Kansas* v.

[3] The first judgment in the trial court was entered June 16, 1930; the first judgment of the Supreme Court of Colorado on July 3, 1933; the dismissal by this court of the first appeal on March 12, 1934; the second judgment in the trial court on May 12, 1936; the second judgment of the Supreme Court of Colorado on July 6, 1937.

[4] *Washington* v. *Oregon* (297 U. S. 517, 528). Compare *Fowler* v. *Lindsey* (3 Dall. 411, 412); *Arkansas* v. *Tennessee* (246 U. S. 158, 176).

[5] Nine colonial boundary agreements are listed by Frankfurter and Landis, The Compact Clause of the Constitution—A Study in Interstate Adjustments (1925) 34 Yale L. J. 685, 730–32.

[6] Five agreements made under the Articles of Confederation have been found. See Frankfurter and Landis, supra, note 5, at 732–34.

[7] Nine compacts were apparently executed in this period (although five of these were without express congressional consent). See Frankfurter and Landis, supra, note 5, at 735–37, 749–52. See also Ely, Oil Conservation through Interstate Agreement (1933), 371–72, 389–91; (June 1936) 9 State Government 118; Dodd, Interstate Compacts (1936) 70 U. S. L. Rev. 557, 574. The agreement between New Jersey and New York in 1833 put an end to the boundary suit begun in 1829. *New Jersey* v. *New York* (3 Pet. 461, 5 Pet. 284, 6 Pet. 323).

Colorado, supra, in respect to rights in the Arkansas River and in *Wyoming* v. *Colorado*, supra, in respect to the Laramie.[9] But resort to the judicial remedy is never essential to the adjustment of interstate controversies, unless the States are unable to agree upon the terms of a compact, or Congress refuses its consent. The difficulties incident to litigation have led States to resort, with frequency, to adjustment of their controversies by compact, even where the matter in dispute was the relatively simple one of a boundary. In two such cases this court suggested "that the parties endeavor with the consent of Congress to adjust their boundaries" (*Washington* v. *Oregon*, 214 U. S. 205, 217, 218; *Minnesota* v. *Wisconsin*, 252 U. S. 273, 283[9]). In *New York* v. *New Jersey* (256 U. S. 296, 313), which involved a more intricate problem of rights in interstate waters, the recommendation that treaty making be resorted to was more specific[10]; and compacts for the apportionment of the water of interstate streams have been common.[11]

Third. Whether the apportionment of the water of an interstate stream be made by compact between the upper and lower States with the consent of Congress or by a decree of this Court, the apportionment is binding upon the citizens of each State and all water claimants, even where the State had granted the water rights before it entered into the compact. That the private rights of grantees of a State are determined by the adjustment by compact of a disputed boundary was settled a century ago in *Poole* v. *Fleeger* (11 Pet. 185, 209), where the Court said:

"It cannot be doubted, that it is a part of the general right of sovereignty, belonging to independent nations, to establish and fix the disputed boundaries between their respective territories; and the boundaries so established and fixed by compact between nations, become conclusive upon all the subjects and citizens thereof, and bind their rights; and are to be treated, to all intents and purposes, as the true and real boundaries. This is a doctrine universally recognized in the law and practice of nations. It is a right equally belonging to the States of this Union; unless it has been surrendered under the Constitution of the United States. So far from there being any pretense of such a general surrender of the right, that it is expressly recognized by the Constitution and guarded in its exercise by a single limitation or restriction, requiring the consent of Congress."

In *Rhode Island* v. *Massachusetts* (12 Pet. 657, 725), the Court, discussing the origin and scope of the compact clause, said:

"If Congress consented, then the States were in this respect restored to their original inherent sovereignty; such consent being the sole limitation imposed by the Constitution, when given, left the States as they were before, as held by this Court in *Poole* v. *Fleeger* (11 Pet. 209); whereby their compacts became of binding force and finally settled the boundary between them; operating with the same effect as a treaty between sovereign powers. That is, that the boundary so established and fixed by compact between nations become conclusive upon all subjects and citizens thereof and bind their rights, and are to be treated to all intents and purposes as the true real boundaries."

See also *Garcia* v. *Lee* (12 Pet. 511, 621); *Coffee* v. *Groover* (123 U. S. 1, 29, 30, 31); *Virginia* v. *Tennessee* (148 U. S. 503, 525).

The rule as applied to the apportionment by judicial decree of the water of an interstate stream was stated in *Wyoming* v. *Colorado* (286 U. S. 494, 508):

"But it is said that water claims other than the tunnel appropriation could not be, and were not, affected by the decree, because the claimants were not parties to the suit or represented therein. In this the nature of the suit is misconceived. It was between States, each acting as a quasi sovereign and representatives of the interests and rights of her people in a controversy with the other. Counsel for Colorado insisted in their brief in that suit that the controversy was 'not between private parties' but 'between the two sovereignties of Wyoming and Colorado'; and this Court in its opinion assented to that view but observed that the controversy was one of immediate and deep concern to both States, and that the interests of each were indissolubly linked with those of her appropriators (259 U. S. 468). Decisions in other cases also warrant the conclusion that the water claimants in Colorado and those in Wyoming were represented by their respective States and are bound by the decree."

Fourth: As the States had power to bind by compact their respective appropriators by division of the flow of the stream, they had power to reach that end either by providing for a continuous equal division of the water from time to time in the stream or by providing for alternate periods of flow to the one State and to the other of all the water in the stream. To secure "the greatest beneficial use of" the water in the stream, the compact provided that the water may be "rotated between the two States in such manner for such periods and to continue for such time as the State engineers may jointly determine." That such alternate rotating flow was then a more efficient use of the stream than if the flow had been steadily divided equally between the Colorado and the New Mexico appropriators was conclusively established by the evidence. That is, the rotating supply which the compact authorized, and the two State engineers agreed upon, was clearly more beneficial to the Ditch Co. than to have given to it and other Colorado appropriators steadily one-half of the water in the river. The delegation to the State engineers of the authority to determine when the waters should be so rotated was a matter of detail clearly within the constitutional power. There is no claim that the authority conferred was abused.

Fifth. As Colorado possessed the right only to an equitable share of the water in the stream, the decree of January 12, 1898, in the Colorado water proceeding did not award to the Ditch Co. any right greater than the equitable share. Hence the apportionment made by the compact cannot have taken from the Ditch Co. any vested right, unless there was in the proceedings leading up to the compact or in its application, some vitiating infirmity. No such infirmity or illegality has been shown. There is no allegation in the pleadings, no evidence in the record, no suggestion in brief or argument, that the apportionment agreed upon by the commissioners was entered into without due inquiry; or that it was not an honest exercise of judgment; or even that it was, or is, inequitable. The fact that the appointment of the joint commissioners was authorized in 1921, and their agreement was not adopted by the States until 1923, and that it was not approved by Congress until 1925 shows that there was ample time for consideration by all concerned. There is no suggestion that the Ditch Co. or indeed anyone else, was denied by the commissioners opportunity to be heard; or even that any water claimant objected to the terms of the compact. It appears that although the State of Colorado was not permitted to intervene in this litigation, *Colorado* v. *Hinderlider* (73 Pac. (2d) 997), its attorney general represented the State's water officials. Moreover, the compact provides in article VI that it "may be modified or terminated at any time by mutual consent," and there is not even a suggestion that either State or the Ditch Co. has expressed a desire to modify or terminate it.

Sixth. The water officials rely for their defense upon the rule requiring equitable apportionment of the water of an interstate stream and the action of Congress in approving the adjustment of the equitable apportionment which the States made by their compacts. The assent of Congress to the compact between Colorado and New Mexico does not make it a "treaty or statute of the United States" within the meaning of section 237 (a) of the Judicial Code, and no question as to the validity of the consent is presented. (*People* v. *Central R. R.*, 12 Wall. 455.) A claim based on the equitable interstate apportionment of water, like one based on the proper location of a State boundary, is not within the provisions of section 237 (a). (*Rust Land & Lumber Co.* v. *Jackson*, 250 U. S. 71.) The appeal must therefore be dismissed. But in holding that the State engineer and his subordinates should be enjoined from taking action required by the compact the State court denied an important claim under the Constitution which may be reviewed on certiorari by this court under section 237 (b). For the decision below necessarily rests upon the premise that at the time the compact was made Colorado was absolutely entitled to at least 58¼ cubic feet of water per second regardless of the amount left for New Mexico. The judgment cannot stand if this determination is erroneous. For whether the water of an interstate stream must be apportioned between the two States is a question of "Federal common law" upon which neither the statutes nor the decisions of either State can be conclusive. (*Kansas* v. *Colorado*, 206 U. S. 46, 95, 97–98; *Connecticut* v. *Massachusetts*, 282 U. S. 660, 669–71; *New Jersey* v. *New York*, 283 U. S. 336, 342–43; *Washington* v. *Oregon*, 297 U. S. 517, 523.) Jurisdiction over controversies concerning rights in interstate streams is not different from those concerning boundaries. These have been recognized as presenting Federal questions.[12]

[9] See also *Connecticut* v. *Massachusetts* (282 U. S. 660, 283 U. S. 789) (Connecticut River); *New Jersey* v. *New York* (283 U. S. 336, 805) (Delaware River); *Wyoming* v. *Colorado* (286 U. S. 494, 298 U. S. 573) (Laramie River); *Washington* v. *Oregon* (297 U. S. 517) (Walla Walla River). Three other water-apportionment suits are pending in this court. *Colorado* v. *Kansas*, original No. 6 (Arkansas River); *Nebraska* v. *Wyoming* (295 U. S. 40), original No. 9 (North Platte River); *Texas* v. *New Mexico*, original No. 11 (Rio Grande River).

[9] The long-drawn-out irritating boundary litigation, *Rhode Island* v. *Massachusetts* (7 Pet. 651; 11 Pet. 226; 12 Pet. 657, 755; 13 Pet. 23; 14 Pet. 210; 15 Pet. 233; 4 How. 591); was finally settled by a compact. See Frankfurter and Landis, supra, note 5, at 696, 737–738.

[10] "We cannot withhold the suggestion, inspired by the consideration of this case, that the grave problem of sewage disposal presented by the large and growing populations living on the shores of New York Bay is one more likely to be wisely solved by cooperative study and by conference and mutual concession on the part of representatives of the States so vitally interested in it than by proceedings in any court however constituted" (p. 313).

[11] Congress has consented to 15 such compacts, of which 5 have been ratified by 2 or more of the contracting States (see State government, supra, note 7, at 120–21. See also Ely, supra, note 7, at 381–388; Dodd, supra, note 7, at 574–578).

[12] *Cissna* v. *Tennessee*, 246 U. S. 289, 295; compare *Rust Land & Lumber Co.* v. *Jackson*, 250 U. S. 71, 76. In *Howard* v. *Ingersoll*, 13 How. 381, this Court reversed the Supreme Court of Alabama's decision locating the Alabama-Georgia boundary, which depended upon the construction of a cession of territory by Georgia to the United States in 1802. Compare *Coffee* v. *Groover*, 123 U. S. 1. The decisions are not uniform as to whether the interpretation of an interstate compact presents a Federal question. Compare *People* v. *Central R. R.*, 12 Wall. 455, with *Wedding* v. *Meyler*, 192 U. S. 573, and *Wharton* v. *Wise*, 153 U. S. 155.

It has been suggested that this Court lacks jurisdiction to determine the validity and effect of the compact because Colorado and New Mexico, the parties to it, are not parties to this suit and cannot be made so. The contention is unsound. The cases are many where title to land dependent upon the boundary between States has been passed upon by this Court upon review of judgments of Federal and of State courts in suits between private litigants.[13]

Reversed.

Mr. Justice Cardozo took no part in the consideration or decision of this case.

A Great Tribute to a Great Cause

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1938

ADDRESS OF HON. HAROLD L. ICKES AT CHICAGO, APRIL 3, 1938

Mr. SABATH. Mr. Speaker, I have asked for unanimous consent to extend my remarks in the CONGRESSIONAL RECORD so that I may include an address delivered by the Honorable Harold L. Ickes, Secretary of the Interior, at a dinner in Chicago on April 3. His remarks are a great tribute to a great cause.

The occasion of these remarks was the commemoration of the fiftieth anniversary of the founding of the Jewish Daily Courier, of Chicago. The address was delivered over a Nation-wide hook-up of the Columbia Broadcasting System. The title of the speech was "Progress by Purges."

I am placing Secretary Ickes' remarks in the RECORD not only because he has paid a splendid tribute to a great editor and courageous crusader for his people not only in this country but throughout the world, but principally in the hope his words of wisdom and high tolerance may be read by as many as possible, not only in this land but in the lands beyond the seas. Especially I hope the Secretary's address may come to the attention of those small but intolerant groups in the United States who have warped views on racial and religious questions, due principally to ignorance based on misinformation, misunderstanding, and prejudice.

I personally was present when this speech was delivered in the presence of 1,500 prominent citizens of Chicago, and it received the unanimous approval of those assembled. The address was a reaffirmation of the Nation-old policy, as recently restated by President Roosevelt and Secretary of State Hull, that the United States of America was originally intended to be and still today is "a refuge for those who can no longer endure the heavy hand of a tyrannical dictator at home or of a ruthless invader" from beyond our borders. It is my sincere and devout belief that this sentiment expresses the feelings of the nearly unanimous attitude of all American citizens who from the very inception of this Government resolutely have stood for religious and racial equality, and who always have been in accord in the extension to the oppressed and persecuted peoples of all lands a haven here of refuge and sympathy.

Let us all hope that this timely address of the Secretary of the Interior will serve as an encouragement and inspiration to others, not only in our own country, but that it may bring home some common sense to the guilty tyrants of some of the other lands.

[13] Compare *Handly's Lessee* v. *Anthony*, 5 Wheat. 374; *Howard* v. *Ingersoll*, 13 How. 381; *Poole* v. *Fleeger*, 11 Pet. 185; *Coffee* v. *Groover*, 123 U. S. 1; *St. Louis* v. *Rutz*, 138 U. S. 226; *Moore* v. *Maguire*, 205 U. S. 214; *Cissna* v. *Tennessee*, 246 U. S. 289; *Marine Ry. & Coal Co.* v. *United States*, 257 U. S. 47; *Smoot Sand & Gravel Corp.* v. *Washington Airport*, 283 U. S. 348.

The address of Secretary Ickes to which I have been alluding is as follows:

PROGRESS BY PURGES

A golden jubilee is always an occasion for rejoicing. Fifty years is a good round period in the life of any individual or institution. Measured against the 100 years that our city boasts, the half century which the Jewish Daily Courier has advanced the cause of its own people and made its contribution to the development of Chicago stands out in bold relief.

It is a matter of congratulation that M. Ph. Ginzburg, the published of the Jewish Daily Courier, has been spared for so many fruitful years to guide the destinies of his paper. There has been nothing transitory or ephemeral about the Jewish Daily Courier. Its character has been as outstanding as that of its publisher. Its achievements as an institution have been the measure of its leadership and its able staff. It is always a pleasure to me to pay tribute to any man who, having come to this land, whether earlier or later than some of the rest of us, has joined in the task of building up a civilization firmly grounded upon democratic institutions.

America was founded on the theory of liberty; liberty for every man to live his own life in his own way, subject only to the right of others to live their own lives in their own way; political liberty; liberty of religion; liberty of conscience. It was natural that the oppressed of other countries, those reaching out for that liberty which always has been the aspiration of human beings, should have come to this land of freedom by the millions—come to fuse together into a new race; come to mold a higher and better civilization.

One of the proudest traditions of our America is that its gates have always stood wide open to the politically oppressed from all parts of the world. The Pilgrims and the Puritans sought a haven here, as did the French royalists in 1789, the exiles from the Napoleonic pressures of 1811, and vast numbers of Germans in the middle of the nineteenth century. Our land is richer in humanity for the thousands of Irish who have become a part of us. Protestants and Catholics and Jews have come and have found a welcome. These are historic indications of our unwavering attitude. The rededication by President Roosevelt and Secretary Hull of America as a refuge for those who can no longer endure the heavy hand of a tyrannical dictator at home or of a ruthless invader from beyond the border, is as fine and noble as it is typically American.

Many have forgotten the incident involving Martin Koszta, the Hungarian patriot, who was one of the leaders in the revolt in 1848 led by Louis Kossuth. Although he escaped after the failure of the revolution, Koszta was found in Turkey and imprisoned by Austrian agents aboard the Austrian brig *Hussar*, to be taken back to prison or death. Capt. Duncan N. Ingraham, commander of the American sloop *St. Louis*, who was in the Smyrna Harbor with his vessel at the time, learned of the situation. He demanded the surrender of the prisoner. The Austrian captain refused. Captain Ingraham, despite the fact that a 12-gun ship and two others supported the *Hussar*, anchored a cable's length away and announced that he would use his guns if necessary to protect Koszta. Reluctantly the Austrians released their political prisoner. When Captain Ingraham returned to this country, the State Department apologized in proper fashion to the representatives of Austria-Hungary, while Congress voted our intrepid captain a gold medal to the acclaims of the people.

It is only necessary to recall the names of some of the outstanding heroes of the Revolutionary War to realize what a melting pot this America of ours has been from the beginning: Washington, the man of English descent; Lafayette, the Frenchman; Kosciusko, the Pole; Kossuth, the Hungarian; Von Steuben, the German; Haym Salomon, the Jew, and many others of various nationalities. Through our harbors has flowed a constant stream of humanity seeking surcease from intolerable inequities inflicted by despots and tyrants, seeking a land where they could breathe the air of freedom and find security and peace for themselves and their children.

With few exceptions, all of these immigrants were persons of character, hopeful of improving their lot while at the same time willing to help others to obtain that same measure of freedom that they so desperately wanted for themselves. They brought with them the language of their homeland. They brought with them the culture that they had inherited from their ancestors as a free offering to the American culture that was to be. All of these eager comers from foreign lands became integrated into this great Nation, which is consecrated to the maintenance of fundamental principles of freedom.

As far back as 1793 there is a record of a Jewish citizen who settled in the State of Illinois. Not long thereafter one of this faith came to Chicago, to be quickly followed by others. The Jewish community in this city grew rapidly and soon became a valued segment of our metropolitan population. Here Jews who had been persecuted in other lands soon learned that they could live in peace and amity with other immigrants from Europe who were animated by the same desire for freedom and opportunity, although in Europe the strains and stresses of tyranny had made neighborliness difficult, if not impossible. They found that here, despite his origin, "a man's a man for a' that."

The America that we have known is the America that we want to continue far into the indefinite future. But if this is to be we must take measures to maintain our institutions. We must be prepared to guard them not only from assaults from without but from insidious sappings from within. If it was worth while for our forefathers to fight to acquire freedom, it is no less worth while for us to fight, if need be, to maintain freedom.

Well might every one of us declare with Thomas Jefferson, that great Democrat whose birthday we will celebrate in a few days: "I have sworn upon the altar of God eternal hostility against every form of tyranny over the mind of man."

There would be no suggestion of mock heroics if there were such an affirmation in challenging tones by all of us today, for our times are fraught with a serious threat to democracy as we have known it. When we look in one direction we see the leering visage of communism; in another the threatening countenance of fascism. Countries that today enjoy the blessings of liberty under democratic forms of government tomorrow may find themselves deprived of those liberties by a totalitarian dictatorship. Purges, concentration camps, liquidations have become common expressions on the tongues of supposedly humanitarian and liberty-loving peoples. Men and women whose unfortunate lot it is to live under a modern despotism are not permitted to seek happiness as individuals. They are pawns of a totalitarian state, cannon fodder, political robots, sterilized intelligences who may not live their own lives in their own way; who may not express their thoughts freely; who may not worship God according to their own consciences; who may not vote unless they are prepared to vote "yes"; who may not even determine the size of their own families.

May I say that if communism constituted the threat to this country today that fascism does, I would be as unsparing in my denunciation of this equally obnoxious and un-American system. But if we are realists, if we are taking note of what is happening in other parts of the world, we cannot escape the conviction that, so far at least as the present is concerned, fascism is the deadly and insidious foe that we must prepare to combat without loss of time. For this reason I suspect either the motives or the intelligence of those who would have us marshal our forces against a barely imaginary danger of communism while fascism thunders at the gates of our citadel of liberty.

Let us make no mistake. Totalitarianism is a real threat to our institutions. More and more people are coming to recognize the danger even to America of this ruthless political monster that hunts by day and prowls by night. They are coming to realize that unless we are luckier than we are likely to be, our concern for the safety of our democratic institutions will increase rather than diminish. For totalitarianism—arrogant, devoid of conscience, and knowing no mercy for man, woman, or child—is on the march.

Let us make no mistake. Totalitarianism is insidiously boring today from within the temple of our liberties and assaulting it from without. It rides the radio waves, spews from the presses, soars through the air in bombing planes, slinks under the sea in submarines, and crosses the surface of the earth to a chorus of clanking tanks. Never has any foe of civilization moved so mysteriously, so unerringly, with such deadly swiftness, or over so wide a territory. The urgent and the unpostponable duty of every American who loves liberty is not only to let the light of reason guard him from within against this treacherous foe, but to join with his fellow citizens in resisting it from without.

Those who have bravely carried on a continuing tradition of civilized living through many dark periods are now in a position to help democracy maintain such a tradition at a critical period of social and economic change. It is not always easy to guide ourselves by the light of reason through the dark night. Subtle pressures upon minority groups are constantly exerted by those whose special economic interests appear at the time to be similar, to array themselves not with but against those who are struggling to preserve democracy.

It should be remembered that the foes of democracy in other lands were financed by economic groups that professedly were only attempting to protect their property from political incompetence. We have only to look abroad to discover that while, in theory, fascism is controlled capitalism, before long there is always someone ready and able to seize control of controlled capitalism.

It should be remembered that many now suffering in other lands from the oppressions of dictators foolishly believed that they could protect themselves by giving financial support to the foes of democracy. They persuaded themselves to the self-deception that the intolerance of tyrannical power was really not aimed at and certainly would not be directed against them but only against so-called enemies of law and order.

It should be remembered that the only tolerance that is not illusory is tolerance, not of ourselves, but of others. The only freedom of thought that is worth while is freedom for the thoughts of others, even for the expression of opinions which we loathe, even for the opinions of people whom we despise.

Members of any minority group should be particularly alert to the danger implicit in fascism. It seems that fascism is an engine of two cylinders. One cylinder is powered by the illusion, that will prove to be transitory, of greater economic security, of a higher degree of social justice, of more widespread personal happiness. The other cylinder runs on hate—racial hate, religious hate, hate of a minority group.

It happens that in practically all of the nations in Europe that have gone Fascist the Jews constitute the racial minority against which bitter hate is fanned into a searing flame. It seems that the false god of fascism must have its devil upon which it can pour out its objurations, wreak its bloody vengeance. But do not forget that in America the Jews are not the only minority group. One has only to turn his mind from the international Ku Kluxism of fascism to the Ku Kluxism that is natively American in order to discover here a rich field for oppressions and terrorisms.

Against this background it is not difficult to foresee that fascism, if it should ever become established in this country, would have not only its Jewish devil, it would have its Negro devil, its Catholic devil, to say nothing of an assorted variety of other devils, fashioned out of different nationalities or religious groups that had come to our shores to seek peace and freedom.

If I were a Jew, remembering the harrowing persecutions, the valleys of the shadow of death through which my people had passed for well nigh 2,000 years, I would lose no time in making my position clear on the issue of democracy versus absolutism. I would do my utmost to purify and keep clear the sources of democratic power in this country so that no one, because of corruption and fraud in our civil process, could find any justification for choosing another political system as superior to our own.

If I were a Jew I would not add to the power or the wealth of any institution or any man that in his heart cherished fascism. And right here in Chicago there are men as well as institutions that are doing their Machiavellian best to tear down democracy, to make a mockery of our institutions under the pretense of protecting and defending those very liberties which they are insidiously undermining. And what I would do if I were a Jew I would do if I were a member of any other racial, nationalistic, or religious minority. And what I would do if I were a Jew I propose to continue to do as an American who belongs to the majority group.

After all, regardless of the place whence we came or the time of our coming, regardless of our race, religion, or creed, we are American citizens and as such we are all entitled to the rights, privileges, and immunities that go with American citizenship. To the degree that we recognize these principles, to the degree that we are willing to stand together as American citizens in defense of our institutions will we be secure from either communism or fascism.

The citizenship that I am talking about is the citizenship of complete loyalty to our institutions. Such a citizenship gives the lie to those who traitorously entertain the belief that the forswearing of allegiance to a foreign ruler still leaves them subject to the tyrannical demands of an alien government. An American cannot consistently parade in the uniform of a foreign power. He cannot consistently adhere to a secret nationalistic organization whose political eyes are turned back longingly to an alien land.

America does not want this kind of citizens. It wants men who, when they take the oath of allegiance to the American flag really mean what they say; men who will not forswear themselves; men who will not conspire or combine to betray the hospitality of the country that they have chosen for their new home; men who would scorn to undermine the institutions of their adopted land.

America wants no man who is half American and half something else. America cannot spare even a square foot of its precious soil for the military training of aliens who have not yet cut the umbilical cord that unites them to the land of their birth. America cannot spare even a square foot of its precious soil for the regimentation of hyphenated feet. Tolerant though we be, we will not brook practices that are a threat to our liberties. Liberties buried in the graveyard of a despotism are no longer liberties. Liberties must be kept alive if they are to be worth anything. He who would uphold the right to destroy our liberties in the mistaken belief that he is thereby preserving our liberties is a fit subject for a psychoanalyst.

Liberty is not merely a thing of today; it is a boon as well for tomorrow and the day after. All my life I have fought for the civil liberties that are guaranteed to us in the Bill of Rights of our Constitution, but I believe in the substance of liberty and not merely in the shadow. What every American who loves liberty should strive for is a continuing and enduring liberty. The civil rights that we enjoy are intended to buttress and support our liberty. We would not be preserving our cherished civil rights if we interpreted them in such a way that they would destroy not only themselves but liberty.

There is another danger against which I would warn you. In the clash and clamor of political strivings we often indulge in exaggerated statements. In ordinary times this does not matter. But since I am speaking to an audience gathered to celebrate the golden anniversary of a newspaper I may be permitted to sound a word of caution. At a time when new dictators are appearing in different parts of the world, at a time when dictatorships are extending their power, those who cry out in tones of simulated anguish that at this moment in the United States there is an existing dictatorship, are doing a distinct disservice to their country.

There is danger in crying "wolf" too often or at the wrong time. There is danger in creating fears of dictatorship when there is no dictatorship. If the brave efforts of a great Democratic leader to improve conditions of the oppressed and underprivileged by means of democratic processes are continually balked by false cries of dictatorship, there is the danger that our people may come to feel that economic security can be had only through a dictatorship. There is the danger that our people, deprived of economic security by false cries of dictatorship, may accept a real dictatorship that beguiles them by false promises of economic security.

If there were a dictatorship here I would be one of the first to raise my voice against it, no matter who might be involved, but so long as our institutions are preserved, as they have been preserved; so long as men and women may freely vote and express their opinions as they now do; so long as people may live together in peace and freedom; so long as all may worship according to the dictates of their conscience, there need be no fear of dictatorship. But it is worse than folly, it is in fact disloyalty and treachery to our institutions, merely for an unworthy political advantage to try to instill in the minds of the unthinking the thought that a dictatorship exists in these United States.

It is obvious that people who are made to believe that they are living under a dictatorship might be willing to exchange one dictator for another. It is unthinkable that people living under a democratic form of government would willingly shift to a dictatorship if they knew what they were doing. We do need to guard against fascism, as does every democratic country that is left in the world. But to shout dictatorship when none exists is only to cause confusion. It plays into the hands of the enemy. It detracts attention from the danger that threatens. It weakens our resistance. The simple and conclusive answer to the false and insincere clamor of present dictatorship in America is that if the President were the dictator that certain people and interests say that he is, he would quickly put an effective silencer upon such clamor.

There never was a time when it was so necessary for Americans to stand together against a danger that threatens all of us; that threatens the very core and substance of our America. Let us criticize our public officials vigorously, trenchantly, when criticism is due. But let us guard against the danger that is inherent in the gross misrepresentation in mischarging a dictatorship when none exists. It is a poor way to prepare people to resist a threatened dictatorship by cultivating in their minds the belief that a dictatorship already controls us. Regardless of factional strife, of political maneuverings, of personal ambitions, let us serve notice on all the world that when our democracy is threatened, the only vying between Americans will be to determine who shall first spring to the defense of democracy. Let us also serve notice that America wants no culture that is imposed by armed forces from a foreign land. America wants no culture which is so "enlightened" and so "beneficent" that to escape it people of cultivation and learning will choose to take their own lives rather than submit to it.

On this occasion that is so significant of what the Jews of America have contributed to the civilization of America, I want to urge your cooperation in a democratic solution of the grave problems confronting democracy in the modern world. Men may differ as to how these grave problems may be solved. You will differ among yourselves, not as Jews, but as Americans. But what I am asking you to agree upon, and all Americans to agree upon, is that these problems shall be solved in a democratic way; solved not by physical or economic forces, but by reason and fair play.

The world may not listen to our preachments, but the world cannot ignore our example. There is nothing so much that we in the United States can do to promote peace, good will, and tolerance throughout the world as to show to the world an example of the kind of government that peace-loving, liberty-loving people can have, if they will; a government without dictators; a government which can assist its citizens who want to work to find work and to maintain a standard of living limited only by their capacity to produce; a government which recognizes the dignity and worth of the humblest of humanity and which values freedom of thought and speech of all men regardless of their race or religion.

The flame of liberty must be kept burning even as the everlasting fire lights up the ark of the law in the temple.

In conclusion, may I paraphrase Jeremiah xxix 7:

"Seek ye the welfare of this land in which you are, and pray unto the Lord for it, for in the welfare thereof shall ye fare well."

A Picture of Mr. Roosevelt, Mostly in His Own Words

EXTENSION OF REMARKS

OF

HON. DEWEY SHORT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1938

EDITORIAL FROM THE NEW YORK SUN, APRIL 28, 1938

Mr. SHORT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the New York Sun, April 28, 1938:

Published today, in five large and handsomely printed volumes, by Random House, are The Public Papers and Addresses of Franklin D. Roosevelt, covering the period from October 16, 1928, when Mr. Roosevelt accepted the Democratic nomination for Governor of New York, to January 19, 1937, the eve of his second inauguration as President. The five volumes have been compiled and collated by Judge Samuel I. Rosenman. They contain, in addition to the public papers and addresses, a special introduction to the series of volumes and to each volume and explanatory notes by the President. The five volumes bear, in succession, these titles: The Genesis of the New Deal, 1928–32; The Year of Crisis, 1933; The Advance of Recovery and Reform, 1934; The Court Disapproves, 1935; and The People Approve, 1936.

Below will be found significant extracts from the five volumes, brought together in topical fashion rather than in the chronological order in which they are printed in the record. The matter in italics is the comment of the Sun.

With respect to economy and the balanced Budget, the first of these extracts is from Mr. Roosevelt's acceptance speech of July 2, 1932:

"For 3 long years I have been going up and down this country preaching that Government * * * costs too much. I shall not stop that preaching * * *.

"I propose to you, my friends, * * * that Government * * * be made solvent and that the example be set by the President of the United States and his Cabinet."

On July 30, 1932, in a radio address: "Let us have the courage to stop borrowing to meet continuing deficits. Stop the deficits."

The borrowing by the Roosevelt administration increased the public debt from $22,000,000,000 in 1933 to $37,000,000,000 in 1938.

At Sioux City, Iowa, on September 29, 1932, Mr. Roosevelt said:

"And I propose to use this position of high responsibility to discuss up and down the country, at all seasons and at all times, the duty of reducing taxes, of increasing the efficiency of government, of cutting out the underbrush around our governmental structure, of getting the most public service for every dollar paid in taxation. That I pledge you and nothing I have said in the campaign transcends in importance this covenant with the taxpayers of the United States. * * *

"I accuse the present administration of being the greatest spending administration in peace times in all our history. It * * * has piled bureau on bureau, commission on commission, and has failed to anticipate the dire needs and the reduced earning power of the people. Bureaus and bureaucrats, commissions, and commissioners have been retained at the expense of the taxpayer."

This accusation was made against an administration that had increased the level of expenditures from $3,300,000,000 in the fiscal year 1929 to $4,800,000,000 in the fiscal year 1913. This charge was leveled by a candidate under whom as President the public debt was to rise a clear $15,000,000,000, with additional billions of conditional debt. As to bureaucracy, so heartily denounced in 1932, Mr. Roosevelt proceeded in 1933 to build up alphabetical agencies into the greatest bureaucracy the world has ever seen.

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From a speech at Pittsburgh on October 19, 1932:

"Taxes are paid in the sweat of every man who labors. * * * If those taxes are excessive, they are reflected in idle factories, in tax-sold farms, and in hordes of hungry people, tramping the streets and seeking jobs in vain. Our workers may never see a tax bill, but they pay. They pay in deductions from wages, in increased cost of what they buy, or [as now] in broad unemployment throughout the land. * * * Our people and our business cannot carry its excessive burdens of taxation. * * *

"That (the Hoover spending), my friends * * * is the most reckless and extravagant pace that I have been able to discover in the statistical record of any peace-time government anywhere, any time."

From the economy message of March 10, 1933:

"For 3 long years the Federal Government has been on the road toward bankruptcy. * * * Too often in recent history liberal governments have been wrecked on the rocks of loose fiscal policy. We must avoid this danger."

The same message said: "If this is done, there is a reasonable prospect that within a year the income of the Government will be sufficient to cover the expenditures of the Government."

The probable annual savings of the Economy Act were put at $700,000,000. Some of these economics were quickly nullified by legislation passed over the President's veto; some by White House concessions. By August 13, 1935, however, the President reached the point at which he signed, after issuing a mild statement of reproof, a bill giving $45,000,000 a year back to veterans.

From the first Budget message of January 3, 1934:

"If we maintain the course I have outlined, we can confidently look forward to cumulative beneficial forces represented by increased volume of business, more general profit, greater employment, a diminution of relief expenditures, larger governmental receipts and repayments, and greater human happiness."

Part of the "greater employment" came, but it has melted away. The 11,000,000 unemployed of 1933 are matched by the 11,000,000 unemployed of 1938.

The veto message of March 27, 1934, said that "a program for a completely balanced Budget by June 30, 1936, was determined upon as a definite objective."

The Budget message of January 3, 1935, showed a more hesitant attitude. It said, "It is evident that we have not yet reached a point at which a complete balance of the Budget can be obtained."

A supplementary Budget statement, issued on September 29, 1935, said:

"It may be pointed out in this connection that erroneous and gloomy predictions have frequently been voiced in some quarters to the effect that heavy increases in taxation will be required to balance the Budget and retire our public debt. The underlying tax structure of the Government is now sounder than ever before in our history, and as normal business returns will produce revenues adequate for all essential purposes. The prevailing rate of recovery points to the speedy decline of Federal expenditures for emergency activities."

The indicated work-relief expenditures for the year beginning July 1 are more than $2,000,000,000.

From the Budget message sent to Congress on January 3, 1936:

"Secure in the knowledge that steadily decreasing deficits will turn in time into steadily increasing surpluses, and that it is the deficit of today which is making possible the surplus of tomorrow, let us pursue the course that we have mapped."

From a campaign speech at Wichita, Kans., on October 13, 1936:

"Taking it by and large, we are coming through a great national crisis with flying colors. * * *

"From the point of view of national income and national wealth, we are better able to bear our debt now than we were then [in 1933]. And within a year or two, with income increasing and expenditures declining, we shall be able to balance the Budget and start paying down on the debt."

The Budget has not been balanced. The debt has been increased.

On relief and recovery, the first extract is from a radio address of April 7, 1932:

"People suggest that a huge expenditure of funds by the Federal Government and by State and local governments will completely solve the unemployment problem. But it is clear that even if we could raise many billions of dollars and find definitely useful public works to spend these billions on, even all that money would not give employment to the 7,000,000 or 10,000,000 people who are out of work. Let us admit frankly that it would only be a stop-gap."

From a radio address of October 13, 1932:

"The first principle I would lay down is that the primary duty rests on the community, through local government and private agencies, to take care of the relief of unemployment. * * *

"I am very certain that the obligation extends beyond the States and to the Federal Government itself if and when it becomes apparent that the States and communities are unable to take care of necessary relief work."

From an address to the Governors' Conference on March 6, 1933:

"The Federal Government, of course, does have to prevent anybody from starving, but the Federal Government should not be called upon to exercise that duty until other agencies fail. The primary duty is that of the locality, the city, county, town."

From an address to State relief administrators on June 14, 1933:

"As to this relief money that the Federal Government is putting up, I think it should be made perfectly clear that it is only to be used where the localities have done everything that they can possibly be asked to do, both through private charity and public appropriation, and that the State governments have done everything that they could possibly do within reason."

From his third fireside address of July 24, 1933:

"It may seem inconsistent for a Government to cut down its regular expenses and at the same time to borrow and to spend billions for an emergency. But it is not inconsistent because a large portion of the emergency money has been paid out in the form of sound loans which will be repaid to the Treasury over a period of years; and to cover the rest of the emergency money we have imposed taxes to pay the interest and the installments on that part of the debt."

From the relief statement of February 28, 1934:

"Direct relief as such, whether in the form of cash or relief in kind, is not an adequate way of meeting the needs of able-bodied workers. * * * Therefore, work programs which would not normally be undertaken by public bodies, but which are at the same time outside of the field of private industry, will be projected and prosecuted in and near industrial communities."

From the annual message of January 4, 1935:

"The Federal Government must and shall quit this business of relief."

That Government has just proposed a work-relief appropriation of $1,250,000,000 for the first 7 months of the coming fiscal year.

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From the first 1935 fireside chat, delivered on April 28, 1935:

"While our present and projected expenditures for work relief are wholly within the reasonable limits of our national credit resources, it is obvious that we cannot continue to create governmental deficits for that purpose year after year."

Nevertheless, the citation of deficits has gone on as usual.

From a speech at Charleston, S. C., on October 23, 1935:

"Yes, we are on our way back—not just by pure chance, my friends, not just by a turn of the wheel, of the cycle. We are coming back more soundly than ever before because we are planning it that way. Don't let anybody tell you differently."

From the annual message of January 3, 1936:

"We are justified in our present confidence. Restoration of national income, which shows continuing gains for the third successive year, supports the normal and logical policies under which agriculture and industry are returning to full activity. Under these policies we approach a balance of the National Budget."

Two years later the balancing of the Budget was still beyond the horizon.

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From the first fireside chat of 1936, delivered on September 6, 1936:

"Government spending was in large part responsible for keeping industry going and putting it in a position to make this re-employment possible."

Industry still does not know where it is going.

From his Chicago speech on October 14, 1936:

"Some people say that all this recovery has just happened. But in a complicated modern world recoveries from depressions do not just happen. * * * Behind the growing recovery of today is a story of deliberate Government acceptance of responsibility to save business—to save the American system of private enterprise and economic democracy—a record unequaled by any modern government in history."

The record is indeed unequaled, but not in just that way.

From a campaign speech at Detroit on October 15, 1936:

"I do not accept the conclusion of many Republican leaders that major depressions are inevitable in modern life * * *. I believe that it is the duty of government to bend every effort to prevent another major catastrophe such as that which hit this country as a result of the Republican leadership which ran government from 1921 to 1933."

The paternity of the Roosevelt recovery was loudly acknowledged, but not that of its twin, the Roosevelt depression.

With respect to the Constitution and the courts, the first significant extract from the five volumes is from a footnote to a White House statement of October 7, 1933, issued on the removal of William E. Humphrey as Federal Trade Commissioner. The footnote says:

"The Supreme Court later held that it was not within my power as President to remove Commissioner Humphrey except after charges. Such procedure was not followed by me. It seems advisable at this time not to discuss the reasons for my action."

One reason for this reticence may be that Commissioner Humphrey was removed because his mind did not go along with that of the President.

From a transcript of the press conference of May 31, 1935, following the Supreme Court decision nullifying the National Industrial Recovery Act:

"The big issue is this: Does this decision mean that the United States Government has no control over any national economic problem?"

From the introduction to volume V, The People Approve:

"As to the choice of a specific remedy to meet the undeniable fact that the majority of the Supreme Court was in fact legislating on the desirability rather than the constitutionality of laws, none was made during the campaign. There were several possible alternatives of method. Emphasis in the campaign was therefore properly placed on the goal of a government which, through the cooperation of all its branches, would make democracy work."

This was the defense offered to the charge made during the Supreme Court fight that the Court was never made an issue of the 1936 campaign.

From the annual message of January 6, 1937:

"With a better understanding of our purposes, and a more intelligent recognition of our needs as a Nation, it is not to be assumed that there will be prolonged failure to bring legislative and judicial action into closer harmony. Means must be found to adapt our legal forms and our judicial interpretation to the actual present needs of the largest progressive democracy in the modern world. * * *

"The judicial branch also is asked by the people to do its part in making democracy successful. We do not ask the courts to call nonexistent powers into being, but we have a right to expect that conceded powers or those legitimately implied shall be made effective instruments for the common good."

From a radio address of March 2, 1930:

"The United States Constitution has proven itself the most marvelously elastic compilation of rules of government ever written. * * * It was clear to the framers of our Constitution that the greatest possible liberty of self-government must be given to each State, and that any national administration attempting to make all laws for the whole Nation * * * would inevitably result at some future time in a dissolution of the Union itself. * * *

"Now, to bring about government by oligarchy, masquerading as democracy, it is fundamentally essential that practically all authority and control be centralized in our National Government. The individual sovereignty of our States must first be destroyed. * * * We are safe from the danger of any such departure from the principles on which this country was founded just so long as the individual home rule of the States is scrupulously preserved and fought for whenever it seems in danger."

This admiration of the Federal Constitution and this detestation of centralized authority were uttered by Governor Roosevelt, not by President Roosevelt.

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From the annual message of January 3, 1936:

"They realize that in 34 months we have built up new instruments of public power. In the hands of a people's government

this power is wholesome and proper. But in the hands of political puppets of an economic autocracy such power would provide shackles for the liberties of the people."

Mr. Roosevelt said on September 29, 1932: "We are attempting too many functions. We need to simplify what the Federal Government is giving to the people."

Extracts which suggest the tone and temper of the New Deal include one from an address at Oglethorpe University, on May 22, 1932, when Governor Roosevelt said:

"The country needs and, unless I mistake its temper, the country demands bold, persistent experimentation. It is common sense to take a method and try it. If it fails, admit it frankly and try another. But above all, try something."

It was generally conceded, at the end of 5 years, that the New Deal had tried everything except the obvious remedies.

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From a campaign address at San Francisco, on September 23, 1932:

"The Government should assume the function of economic regulation only as a last resort, to be tried only when private initiative, inspired by high responsibility, with such assistance and balance as government can give, has finally failed. As yet there has been no final failure, because there has been no attempt; and I decline to assume that this Nation is unable to meet the situation."

Within a year after that speech Mr. Roosevelt forced the passage of the unconstitutional National Recovery Act, the ultimate in governmental regulation of business.

From a campaign speech in Topeka, Kans., on September 14, 1932:

"When the futility of maintaining prices of wheat and cotton, through so-called stabilization, became apparent, the President's Farm Board, of which his Secretary of Agriculture was a member, invented the cruel joke of advising farmers to allow 20 percent of their wheat lands to lie idle, to plow up every third row of cotton, and to shoot every tenth dairy cow."

Was the joke more cruel than the economy of scarcity which has guided the agricultural policy of the New Deal?

From the message submitting recommendations for a farm relief act, on March 16, 1933:

"I tell you frankly that it is a new and untrod path, but I tell you with equal frankness that an unprecedented condition calls for the trial of new means to rescue agriculture. If a fair administrative trial of it is made and it does not produce the hoped-for results I shall be the first to acknowledge it and advise you."

This familiar promise to be the first to acknowledge error is to be found in other statements of the President. No acknowledgments of error appear in these volumes.

From the President's statement on settlement of a threatened automobile strike, on March 25, 1934:

"The Government makes it clear that it favors no particular union or particular form of employee organization or representation. The Government's only duty is to secure absolute and uninfluenced freedom of choice without coercion, restraint, or intimidation from any source."

This was before the enactment of the jug-handled Wagner Act, before the rise of John L. Lewis to favor, before the career of the National Labor Relations Board began, before the introduction of the sit-down strike.

Many historians will carefully preserve these volumes which reveal so well, in his speeches and writings, the mind of Franklin D. Roosevelt.

The President's "Pump-Priming" Program

EXTENSION OF REMARKS

OF

HON. CHARLES L. GIFFORD

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1938

RADIO ADDRESS BY HON. CHARLES L. GIFFORD, OF MASSACHUSETTS, ON APRIL 30, 1938

Mr. GIFFORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit a radio address by me, April 30, 1938:

The present is a period of swiftly recurrent severe national problems.

The fact that they have not been so spectacular as those which have occurred in certain foreign countries and that our national life has thus far been able to continue its appointed way—a fact that speaks volumes for American democracy as a political system—does not mean that these crises are not fundamentally as serious and far reaching as to potential consequences as those which have occurred abroad.

The constitutional balance of power in the three coordinated parts of our National Government was threatened by the President's desperate effort to subject the judiciary—the Supreme Court—to the Executive. At that time the people made known their feelings on this proposal in no uncertain terms and the Senate rose to patriotic heights and defeated it. Three weeks ago the reorganization bill, under the provisions of which the legislative branch was called upon to surrender many of its constitutional prerogatives and grant vast additional powers to the Executive, was defeated by a patriotic House of Representatives, at length responsive to the will of the majority of American citizens, suddenly become articulate.

Today the Nation is faced with still another crisis. In the previous instances the threat was rightly regarded as one against constitutional democracy and the American form of representative government. Now, however, it is to the financial and economic structure of the Nation. The challenge, which this brings, is probably not one calculated to stir such a patriotic response, since it is less spectacular and does not in itself contain a threat to our cherished form of government. Nevertheless, the danger therein is exceedingly great. It involves the very foundations of our national economic structure. The dangers are concrete and immediate.

I am speaking to you on this vital subject, not merely as a Member of Congress interested in the well-being of our common country, but also as the ranking minority member on the Committee on Expenditures in the Executive Departments. This, as its name implies, is the committee in the House of Representatives specifically charged with watching over national expenditures, and in these times of lavish spending it should be particularly active in the performance of its duties, although not once this session has it been summoned to consider this highly vital national problem. The reason is obvious. The administration does not wish its gigantic expenditures to be analyzed and questioned by the legislative branch, which provided the funds. It wants and demands a free, untrammeled hand in making these expenditures, and with the President's party in full control, all efforts by the minority to secure a fair accounting have been blocked at every turn.

Let us pause to look briefly at the record of the past 6 years. In 1932 the Nation was in the midst of a tragic depression. Although President Hoover was in no wise responsible for it—since its causes were economic and world-wide—he was naturally the victim, the one singled out to bear the brunt of popular discontent with existing conditions. That was inevitable.

Nevertheless, any thoughtful person, Republican and Democrat alike, must agree that the Democratic national platform in the 1932 campaign was at least fundamentally sound. Among other things, it called for economy in Government and immediate reduction of the national debt. For a brief period the new administration stood by that pledge and the Nation began to pull itself out of the depression. Let us see what the President himself said at that time regarding existing conditions and what was required to remedy them. I am now quoting from his message of March 10, 1933. It should have constant reiteration:

"For 3 long years the Federal Government has been on the road to bankruptcy * * * and we have piled up an accumulated deficit of $5,000,000,000. With the utmost seriousness, I point out to the Congress the profound effect of this fact on our national economy. * * * Upon the unimpaired credit of the United States Government rests the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It, therefore, becomes our first concern to make secure its foundation. National recovery depends upon it. Too often in recent history liberal governments have been wrecked on the rocks of loose fiscal policy. We must avoid this danger."

These were the President's own words in 1932. They were true words then; they are true words today.

Very shortly thereafter, however, something happened to alter the President's views. The Congress was called upon to enact the first huge so-called relief appropriation measure, designed—it was alleged—to prime the pump of industry. Even then many far-sighted economists bestowed upon it the term "a shot in the arm" of business, and prophesied that while the immediate results would be effective, no lasting good would come from such treatment.

How well those prophesies have been borne out is a matter of painful record. What is the picture today? Instead of a national debt of some $22,000,000,000, we have a debt of thirty-eight billion. The Nation is again in the midst of a depression—this time undeniably a depression which is definitely a result of many of the New Deal policies, in referring to which a few months ago, when the skies were not so dark, the President said, "We planned it that way. Make no mistake about that."

In these remarks I do not wish to be technical nor bore listeners with financial statistics, which are often meaningless. Nowadays we talk of billions so freely that the word has ceased to impress the mind and stagger the imagination as once it did. It is as easy to say a billion as a million and probably few of us have any real conception of the vast amount which the word represents.

The President asks us to appropriate approximately $4,000,000,000 more at this time. Another "shot in the arm." More pump-priming. Additional billions of debt and the spending of our present assets and recoverables—the same things which were tried a few years ago and which dismally failed to produce any genuine and lasting recovery. Despite all the fair-sounding phrases which are being uttered by the proponents of this fallacious proposal, we assert that a Nation can no more spend itself into prosperity, nor borrow itself out of debt, than can an individual. The theory is wrong.

Of course, we who feel constrained to oppose much of this new lavish spending must expect to be accused by some of being hostile to the granting of relief to those unemployed or in need. That is a familiar charge, but it is as false as it is frequent. No Member of Congress, no American, could be either so hard-hearted as to be willing to see his fellow countryman in want, or deaf to the crying need for providing relief. Of course, the question is merely one of the proper method to be pursued and we assert that when one way has been tried and failed, there is no excuse or reason for trying the same thing a second time. "Very well," they say, "you of the opposition offer criticism which is merely destructive; not constructive. You have nothing concrete to offer as an alternative." This is equally fallacious. In the first place, opposition to a proposal which has already been once discredited is in itself sound and constructive statesmanship. In the second, we have proposed an alternate method for providing relief—the immediate return of relief activities to the States and local municipalities, the place where it has always belonged, since the problem varies as to kind and extent in each of these. Of course, the Federal Government must, and will, assist in providing the additional funds required by these local divisions so that none need go hungry, but this method would inevitably mean greater economy in operation. Less Federal funds—furnished by the taxpayers of the Nation—would be required and the individual on relief would simultaneously be enabled to obtain a greater proportion of every dollar spent for his assistance. With the termination of "made work" and innumberable new projects—perhaps in themselves desirable, yet nonprofitable, nonliquidating, extravagant, and wasteful—less money would be required at a time when the appropriation of additional vast sums might well wreck the Nation's credit which so many believe to be near the breaking point. One of the most serious charges against the present methods is the woeful waste involved therein. Experts estimate that of every dollar of Federal money being spent for relief, during this administration, only 61 cents actually reaches the reliefed. The picture is even blacker in the case of certain types of "made work" on Federal projects where probably not more than 25 cents out of every dollar reaches the recipient of relief. At a time like the present, with the National Treasury already so hopelessly in the red, this is tragic; it is sinful.

Whatever may be said about the ethics of making political capital out of human misery and winning an election by means of money wrung from all the taxpayers of the Nation, there can be no doubt but that it has brought a distinct lowering in the morale of the people affected. At the same time, it was one of the several elements that have caused the present lack of confidence to this administration, which has to such a material degree resulted in the stagnation of business and led to the present depression.

Fear is not allayed but increased by this new proposal which means the placing of an additional burden on the already overburdened back of industry and everyone who pays taxes, which means every citizen in the Nation.

I am wondering if the people still believe that we have miracle men in Washington. If so, contemplate the sad results of their visionary operations. Gigantic reforms, hastily conceived and hastily put into effect, have produced a great fear in the hearts of honest businessmen and honest investors, with almost barren results in catching the dishonest ones. The Congress should pass necessary laws to protect our people from those who prey upon them, and the Department of Justice should be amply provided with the means of prosecution upon a proper basis of complaint. But to set up a bureau with the power to license and control all activities, as well as funds, and for all varieties of snoopers to harass all business activities, is unreasonable and a sure preventive of expansion. In order to stop unfair trade practices laws have been enacted that have required many reputable business firms, at great cost, to prove themselves innocent. It seems to be a theory that all should be considered to be under suspicion until they prove themselves to be honest.

How difficult for the ordinary person to understand the money manipulations indulged in by this Government of ours during the last few years. Because of the huge borrowings, Government securities must be made more attractive and appear as a more safe investment than the securities offered by private business. I wish I had time to discuss at length the methods used. Economists are issuing the sharp warnings that if and when the securities of private industry offer a more attractive return on investment, Government securities will be placed on the market in such quantities as to be highly dangerous to our institutions holding vast amounts of such securities. Must the savings of our people and the endowment funds of colleges, hospitals, and other institutions be subjected to such a shrinkage of dividend returns as to cripple or even jeopardize their very existence? It is said that the resources of the Nation are back of Government promises. This is hardly true. We have only the power to tax. Municipalities are learning that our citizens are becoming tax conscious. To levy taxes beyond a point where the people are willing to pay is a recognized danger point to the preservation of the Government itself. We trust the people will awaken to the dangers that confront us. When we know that we are headed for the rocks, why should we be unwilling to turn from that direction and follow a safer road, even though it be a harder one to travel? The Nation has suffered many other periods of depression. It has always recovered without resorting to the placing of a terrific burden of debt upon the generations to come after. Indeed, their troubles that we cannot now visualize may be more severe than those that beset us at the moment. We may well wonder what history shall record in condemnation of the easy, careless spending of the future earnings of our children's children.

Let us urge proper relief measures, so that no one shall suffer want. Above all, may the people demand in no uncertain terms of the authorities in Washington that the olive branch be extended to those who carry on the business life of this Nation. General condemnation, vicious epithets bestowed from high places, should never have been indulged in and must now cease, if cooperation by the Government and business is to be attained. At the moment this—and this only—can save our Nation from economic destruction.

A few days ago some writer suggested that Henry Ford might have made the following remark to the President at his recent conference: "You can never convince me that when the car has broken down all you've got to do to make it work again is to keep doubling the orders for oil, gas, new tires, and expensive varnish." I would ask my audience that their anxiety and their fears be not allayed by honeyed phrases and careless explanations.

The anxious lady inquired of the captain, "What would happen if the steamer should hit an iceberg?" The captain answered in the most assuring manner, "Oh, the iceberg would go right along as if nothing had happened." "O Captain," she replied, "I do feel so much relieved." Weigh carefully the words of the captain of the ship of state before expressing complete reassurance.

Federal Aid to States for Education

EXTENSION OF REMARKS

OF

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1938

RADIO ADDRESS OF HON. WADE KITCHENS, OF ARKANSAS, APRIL 27, 1938

Mr. KITCHENS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me over N. B. C. network on April 27, 1938, the address being part of the program under the auspices of the National Education Association:

Members of the radio audience, Senator THOMAS of Utah has just described to you the bill now before Congress which more nearly will equalize educational oportunities for the children of America. I shall tell you a few of the reasons why Federal aid to education is proper and urgently needed.

First, it is needed for defense of our national economy and safety. All of us are interested in national defense. I served 4 years in Spanish-American, Philippine Insurrection, and World Wars, and now support reasonably adequate military and naval preparation to protect our country from enemies abroad. However, our most immediate enemies are not beyond our borders. The enemies harassing us right now are from within—disease, illiteracy, crime, poverty, and that long train of human ills which flow from lack of education. Therefore, while we plan to defend our people from potential foreign foes, let us remember that democracy, based upon the right of the people to govern themselves, cannot survive while the enemy—ignorance—ravaging from within, disqualifies our people for self-government.

There is a definite relation between inadequate schooling and the extent of crime. A few years ago we made a study of 9,000 inmates of the Arkansas penitentiary. One out of every four of the prisoners was unable to read and write; three out of every four had not gone to school as far as the fifth grade; and only one out of every 200 had been through high school. Studies made in penal institutions in many other States show the same condition. One-half the people in the prisons of this Nation have less than a fifth-grade education. The cost of crime alone in this country is $12,000,000,000 annually.

At present we are greatly concerned about the expanding relief program in the United States. Studies made by the Federal Emergency Relief Administration indicate that uneducated

workmen are among the first who are forced to go on relief. Poor educational opportunity and high relief rate go hand in hand. The relief administration found that nearly one-fifth of the heads of rural families on relief were entirely illiterate, and almost 90 percent of them never had finished the elementary school. Several years of experience in relief programs have proved that the least trained are the first to be dropped and the last to be reemployed.

Ill health and a shorter span of life, as well as crime and poverty, result from lack of education. It is not difficult to show that, on the average, people with better education live longer. Cities and communities with good educational systems enjoy better health and lower death rates, as well as greater economic efficiency and freedom from crime.

Future America is now in school. In some classroom somewhere a future President of the United States today studies his history, geography, arithmetic, and government. In some schools throughout this Nation tomorrow's Congressmen, Senators, Governors, and officials are learning the history of democracy—the long struggle to wrest the power of government from autocrats and dictators, place and keep it in the hands of the people—a battle which in many parts of the world is still far from won. In the Nation's classrooms today these future statesmen and leaders of our country—and just the ordinary everyday citizen of tomorrow, too—are imbued with the ideals of loyalty to country and with a zeal for education, freedom, and liberty which has made our Nation great. To deprive American youth of the opportunity to prepare adequately for tomorrow is to threaten the permanence of our country much more than the bristling squadrons of men-of-war and the thundering of bombers far away can ever threaten it. Adequate and continuous mental and physical training of all our youth must no longer be neglected.

The fact remains that there are some States in this Union in which many children are deprived of an educational opportunity. My own State of Arkansas is one of these. The people of my State are anxious to do their full part and are not afraid to tax themselves for good government and for the education of their children. They have run the whole gamut of taxes and have an income tax, property tax, severance tax, tobacco tax, beverage tax, slot-machine tax, gasoline tax, and a sales tax. We tax even the shoes we wear, the Bibles we read from the pulpits, and the coffins in which we bury our dead. Yet Arkansas is unable to provide an 8-month term of school for approximately one-third of its children. More than a third of the children in Arkansas cannot attend accredited high schools. The lack of sufficient finance is evident in the inadequate equipment and meager library facilities of many of our schools. The average salary of teachers throughout the State is $465 per year, and some teachers receive as low as $300 in annual salary. In my State we spend $24.55 per pupil in average daily attendance, while the average over the United States spent for this purpose is $74; and, mind you, numerous States have about as low an average as Arkansas. If the schools of Arkansas were supported as generously as the average cost of schools throughout the United States it would require 116 percent of all taxes of the State, leaving nothing for operation of the State government, highways, and other needs of State government.

Is Arkansas then a poor State? * * * It is not. Arkansas is rich in human and natural resources. It is said that 95 percent of all aluminum mined in America comes from Arkansas. The State has vast forests, finest of timbers, abundant oil, gas, coal, fertile lands, water for power, and other resources. In many instances these resources are owned by those who live outside the State. The ordinary taxes paid on these resources mostly go to schools for children in the States where wealth has centered and the large corporations exist. The large income, estates, and inheritance taxes, collected from the owner of our natural and other resources, go to other States by virtue of domicile only.

This situation is not peculiar to Arkansas. It is a condition which has accompanied industrialism. Wealth and population concentrate in certain centers. A large portion of the national wealth and population in recent years has centered on the eastern seaboard, and in a few large manufacturing cities. The fact that wealth has a way of being siphoned across State lines is no fault of the people of Arkansas. They are proud to contribute to the wealth of our Nation, but feel that an equitable portion of the taxes levied upon their wealth, which has found lodgment elsewhere, should be returned to the State for the children whose fathers and mothers helped preserve and produce that wealth.

My section pays highest freight rate in the United States. It costs over one-third more to ship our manufactured products out of Arkansas than to ship the products of eastern factories into Arkansas. The discrimination in railroad tariffs has resulted in bringing to Arkansas less income to its labor and industry than it deserves for the great amount of valuable natural resources which it has, and which it shares with the Nation for advancing the material achievements of this industrial age. Who pays these discriminatory freight rates? The people of Arkansas to be sure, and our income to that extent is diminished.

The children of Arkansas are citizens of the United States. They may find their homes eventually in many other States in the Union. A child inadequately educated in Arkansas may be a handicap to a book publisher in Philadelphia, an automobile manufacturer in Detroit, an orange grower in California, and to labor in centralized and sectionalized industry in general. One-half of the American-born people residing in California, for instance, went there from some other State. The migration of people in America from one State to another, seeking better opportunities, for themselves and their children is a matter of national concern.

Education certainly is partly a national problem, partly a national responsibility. As we plan for the permanence of democracy in the face of glaring discriminations in opportunities and particularly inequalities in education in this country, and a rising tide of fascism, communism, and other isms throughout the world; as we plan to maintain those human rights, that freedom, that liberty, and better the general welfare for which our ancestors sought and fought, let us remember that self-government can never be safe in the minds and hearts of those suffering discriminations, inequalities, lack of opportunities, and who have never been sufficiently educated to meet fair competition and to protect and govern themselves.

Our tariff system has resulted in the building up, centralization, and protection of certain industries, sections, and States at the expense of others. Likewise, freight rates are used for the same purpose. An equitable adjustment by Federal aid to the States for education seems to me only fair, just, equitable, and immediately necessary.

Conservation of Natural Resources

EXTENSION OF REMARKS

OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1938

EDITORIAL IN THE SHENANDOAH HERALD, OF WOODSTOCK, VA., APRIL 29, 1938

Mr. ROBERTSON. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following editorial, which was published in the Shenandoah Herald, Woodstock, Va., April 29, 1938:

CONSERVE THE RESOURCES

Through the combined efforts of the Garden Club of Virginia and the Virginia Federation of Garden Clubs, the week of April 25–29 has been set aside in Virginia as Conservation Week. The purpose of this 5-day observance is to develop and encourage a greater public consciousness to the necessity for conserving and restoring the natural resources of the State and of the Nation.

Truly a great and timely purpose, and truly every Virginian should take proper cognizance of it, for certainly it is the most vital matter of the land today.

Vanishing forests, polluted waters, eroded soil, droughts, floods, dust storms, and a mass of people quarreling and fighting over the distribution of the pathetic remnant of what was once the earth's richest store of national resources. That's how vital the matter is, and that's what the garden clubs are trying to bring to the attention of the public.

It is true up to the present time the majority of us have not seriously felt the effects of the appalling and unprecedented destruction of nature that has gone on, and is still going on, in America. But unless we soon change our course, the time is coming when we are going to feel it. Out on the western plains and down in the Mississippi Delta thousands have already felt it, and felt it badly. So badly, in fact, that they have become one of the Nation's gravest problems. Millions of dollars have already gone out of the Nation's purse for their assistance, and millions more will be needed. And all this is directly attributable to a misuse of our resources.

We can no longer reach out into new and fertile fields for more materials to sustain an ever-increasing population. There are no new and fertile fields. The North, the South, the East, the West have all felt the blows of a conquesting civilization. Our hope for future development, our hope for future sustenance lies in the conservation and restoration of the old fields—the fields that are now thoughtlessly being drained of every vestige of life—the fields that must sustain man on earth forever.

More things for excitement, more things for adornment, more things for amusement, more things to make life luxurious and meaningless has been the constant cry of the American people. We now have all those things. But what is the price that has been paid? Hills without trees. Earth without life. Waters without fish. And millions of people flirting with poverty. That is the price that has been paid, that is the heritage we are handing down to our children.

Excitement, amusement, and adornment are all right, but neither nor all of them produce beans and corn, and beans and corn cannot be produced on a desert.

It is high time that the American people awaken to their indiscretions against Nature. It is high time that they start doing something about it. Talking, writing, preaching are never going to amount to anything. It took more than that to destroy the resources, and it's going to take more than that to restore them.

One of the first and most beneficial things that can be done is for us to stop destroying what we have left, and give Nature a chance. Nature is quite a restorer in her own right, and when she does the job she knows what she is about. If you don't think so just visit one of the national parks and take a look around. If we don't give Nature a chance, one of these days she is going to give her own self a chance by getting rid of us.

Another thing we can do is be consistent with our conservation and restoration. It is senseless to plant a few scrubby exotic pines here and there in an area, and then turn around and chop down a thousand native trees somewhere else in the area. It is illogical to stop a man from fishing in a stream, and yet permit some big industry to settle down and pollute the whole works.

And still another thing that can be done is teach the children that the destruction of Nature is not always progress. Give them to understand that they are on this earth for a higher and finer purpose than just to see how quickly and thoroughly they can eliminate the other life here. Get them to realize that pure air and clean water are far more important to their health and happiness than skyscrapers and automobiles. The older people are pretty well set in their ways and opinions. In youth, there is hope.

We have got to give Nature a chance, we have got to be consistent in what we are doing, we have got to work together. Not for some office, not for some job, not for personal glory, but for the whole good of the whole Nation.

Hats off to the garden clubs of Virginia. May the red gods assist them in their great and timely purpose.

The New Farm Program

EXTENSION OF REMARKS
OF
HON. WILLIAM L. NELSON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1938

LETTER TO SECRETARY WALLACE AND HIS REPLY

Mr. NELSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following copy of a letter I addressed to Secretary Wallace and his reply thereto:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 15, 1938.

Hon. HENRY A. WALLACE,
Secretary of Agriculture, Washington, D. C.

MY DEAR SECRETARY WALLACE: Yesterday I wrote you with reference to the way the soil-conservation program is being handled, and enclosing a letter from a leading farmer in my congressional district. Today I have received a copy of the Armstrong [Mo.] Herald, published in the heart of the Missouri Corn Belt, and whose editor, Col. R. S. Walton, is in as close touch with the farmers of Missouri as is any other man. Mr. Walton has been a leading country editor for half a century, a man of fine judgment, is conservative and sensible, and knows farm sentiment.

In an editorial of more than a column, Mr. Walton refers to the way the legislation as provided for in Agricultural Adjustment Act of 1938 is being administered as "about the craziest thing we have ever run up against." To this sentiment I believe that thousands of farmers will subscribe, just as I do. I doubt if one member of the House of Representatives ever had any idea, when the bill was passed, that the regulations referred to would follow. My opinion is that right now, without further delay, the objectionable features as to crop bases must be removed and common sense substituted. If not, then we may expect a widespread and righteous indignation on the part of farmers, and especially of those who have in the past been conducting their farm work with a view of soil conservation.

I am enclosing the editorial from the Armstrong Herald and will ask that it not only have your immediate attention, but that of Mr. Tolley and others having to do with the administration of the Agricultural Adjustment Act. If this is not done, I am convinced that the Soil Conservation Program will not only fall far short of your expectation and that of others in the Department, but that the dissatisfaction on the part of many progressive farmers will find expression in righteous resentment.

As a member of the Agricultural Committee, as one whose life has been devoted to the farm cause, and as an actual farm owner and operator, I feel that the situation is so serious that I ask an immediate reply to this letter. If not, I shall feel it my duty, as a Member of Congress and as a member of the Agricultural Committee, to express my views and thoroughly discuss the matter on the floor of the House.

Sincerely yours,

W. L. NELSON.

APRIL 28, 1938.

Hon. WILLIAM L. NELSON,
House of Representatives.

DEAR MR. NELSON: In your letter of April 15, 1938, enclosing an editorial by Col. R. S. Walton, editor of the Armstrong (Mo.) Herald, which we are returning to you, and in your letter of April 16, 1938, enclosing a copy of a letter from Mr. J. W. Waltman, of Tina, Mo., you raised certain questions about the administration of the farm program in Missouri. Knowing that you have always been interested in farmers and in farm problems, and knowing of your keen interest in the success of the farm program through good administration, we should like to discuss certain phases of the program.

In order to get acreage allotments to farmers before planting time so that they could determine in advance whether they wished to participate in the program and what their participation should be, we have no doubt slighted our educational work of acquainting the farmer with the real aims and purposes of the 1938 Farm Act. A certain amount of confusion has resulted, and there is much misunderstanding in the minds of some people.

The present program is a voluntary program based on mutual understanding and voluntary cooperation of farmers with the assistance of the Government. There are no restrictions or penalties connected with the acreage of soil-depleting crops or corn that any farmer may plant. A farmer may buy or sell corn or feed it to livestock without any restrictions whatsoever. In fact, any farmer may plant any crops he may desire. Furthermore, except in years of a very large corn crop, he may sell or feed all the corn that he chooses.

The average carry-over of old corn on October 1 during the last 10 years has been 7 percent. To provide greater protection and stability of the supply for livestock feeders, and indirectly for the consuming public, national corn-acreage allotments are planned to result in a carry-over of 10 percent. Most farmers already have been notified of their share of this national corn-acreage allotment.

Marketing quotas can result only from large plantings of corn or on account of exceptionally high yields due to favorable weather conditions. Farmers are asked to vote on marketing quotas only when the estimated crop of corn in August will result in a supply and carry-over on October 1, 10 percent higher than the 10-year average. Even under such circumstances marketing quotas can become effective only if approved by a two-thirds vote of the farmers themselves. All farmers who might be affected by marketing quotas are entitled to vote, even though they do not take part in the farm program. In the event that marketing quotas were in effect through approval by the farmers themselves, farmers would be asked to withhold from market by storage in their own possession a small part of their corn until such time as it should be needed. Under these circumstances, and these circumstances alone, the man who did not cooperate in helping store his share of the surplus would be subject to a penalty of 15 cents per bushel for each bushel of corn that he was asked to store. No farmer would be asked to store corn under marketing quotas unless he had raised the corn. Corn so stored would always be released if it were needed on account of partial or total crop failure on his farms or in his community.

There are many advantages to the individual farmer for participating in the program. He has a certain amount of income coming to him regardless of drought or crop failure. This is a form of crop insurance. By shifting some of his land from soil-depleting to soil-conserving crops and by carrying out soil-building practices, he is building up his farm and helping secure a better price for his commodities. The governmental payment repays him for the fact that he may have a smaller acreage of crops such as corn, wheat, and cotton. Moreover, he can avail himself of governmental loans on corn, which tend to stabilize prices.

The Secretary of Agriculture determines the national acreage allotment of corn and of soil-depleting crops which will best maintain farm income, provide adequate supplies for all needs of feeders and consumers, and help to conserve the soil. These national allotments are broken down to State and county allotments on the basis of 10 years' history of crops grown in the State and counties, making full adjustment for abnormally low plantings during years of drought or wet weather. Fair acreage allotments are determined for each farm. This is done through the elected county and community committeemen, who determine the facts relative to each farm. To the extent that the facts are carefully and properly determined, to that same extent will acreage allotments be fair.

In determining the acreage allotments for individual farms, the committeeman uses two sets of facts—"history," and "soil management," both of which are important. Under soil management committeemen look at the farm from the standpoint of slope, degree of erosion, and past and present fertility. Failure to use soil management indications where history is not representative may lead to injustices and acreage allotments which are not fair. Where history would give a farm acreage allotments either so high or so low that they would not be representative of other farms in

the county, the committee may disregard history and use the allotments derived from the soil management indications.

For instance, a farmer might have raised only 8 acres of corn during the past 2 years on a farm containing 100 acres of good cropland. The facts from the standpoint of soil management might indicate a corn acreage allotment of 22 acres. About 25 percent of the cropland in this county is normally in corn. Under these conditions the county committee might be justified in disregarding history and using the soil-management figure of 22 acres, which when scaled to the county limit might result in a corn base of 23 acres.

After a proper relationship has been established between the allotments on all farms in the county, these allotments are then scaled upward or downward so that the aggregate figure for all farms in the county meets the county's share of the national allotment. The final figures for each farm so determined represent each farmer's portion of the national allotment which has been determined as being to the best interest of both farmers and consumers.

The new farm act places responsibility for the administration of the program in the hands of the farmers themselves through township and county committeemen of their own selection. The success or failure of the program will depend upon the extent to which these committeemen not only do careful, accurate, conscientious work but to the extent that they are able to carry the background and reasons for the farm program to the farmers. No program can be forced on the farmers with arbitrary rules and regulations devised by Washington or the State office. On the contrary, a farm program to be successful must have the support and cooperation of the farmers themselves who feel that it is their program and their responsibility to see that it is properly administered through committeemen of their own choosing in whom they have confidence. Probably one of the most valuable results of the farm programs to date has been the development of leadership and responsibility on the part of these county and community committeemen. We are constantly asking and receiving constructive criticism and suggestions from these men for the improvement of our farm program.

We wish to thank you for bringing these matters to our attention, for we know that you are deeply interested in having farmers understand the philosophy back of the farm program and accept their local responsibility for its careful administration.

Sincerely yours,

H. A. WALLACE, *Secretary.*

Enclosures.

The Swedish-American Tercentenary

EXTENSION OF REMARKS

OF

HON. EDWARD C. EICHER

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1938

Mr. EICHER. Mr. Speaker, our Nation-wide celebration of the New Sweden Tercentenary will soon be in full bloom. On March 15, 1638, two little vessels came from Sweden bearing colonists to establish a settlement on the Delaware River. They landed on the site of the present city of Wilmington, Del., and purchased from five Indian chiefs the land which includes all of the present State of Delaware and part of the State of Pennsylvania. Title was taken in the name of the Swedish Government. Later, these same Indian chiefs sold more land to the Swedes, so that eventually, what may be called New Sweden on the Delaware, comprised all of Delaware and parts of Pennsylvania and New Jersey and Maryland.

House Joint Resolution 499, which was unanimously adopted by this body on April 24, 1936, constitutes a grateful public recognition of the significance of the event that we are this year celebrating. The resolution officially established the United States Delaware Valley Tercentenary Commission to participate in preparation for the holding of appropriate ceremonies. It is pursuant to the authority of that resolution that the President of the United States extended an invitation to the Government of Sweden and individual citizens to unite with the Government and people of the United States in a fitting observance of this important anniversary. The ceremonies will come to a climax on June 27, 1938, when the monument presented by the Swedish people and erected in the new State park at The Rocks on the banks of the Delaware will be unveiled and dedicated in a ceremony in which representatives of the Kingdom of Sweden, along with representatives of the United States and the States of Delaware, Pennsylvania, and New Jersey, among others, will take part.

Although the First District of Iowa is almost a thousand miles westward from the place where the first expedition from Sweden landed on American soil, many fine folk of the same nationality, during the intervening generations, have settled in Iowa, some of them probably being descendants of the original Swedish pilgrims who came to carve a home out of what was then looked upon by the world as an aboriginal wilderness.

The contribution that Swedish culture, literature, industry, and statesmanship has made to the advancement of civilization of the Western Hemisphere is tremendous, and all of us who are so vitally concerned in the future welfare of our country can profitably pause and draw from the past lessons that may be of incalculable value for the future.

Although, as I have said, Swedish influence on the course of our national history has been substantial, a disinterested appraiser of comparative historical development is prone to wonder whether the United States or the Nation would not have profited to a much greater degree had such Swedish influence been more dominating.

The more cosmopolitan point of view, which in the nature of things has been largely controlling in the United States because of our melting-pot characteristics, has apparently made some failures in certain realms of government wherein the pure-strained Nordic races have continued to chalk up marked successes. The present state of unrest in the world, for example, leads a disinterested observer to wonder why Sweden, Norway, Finland, and Denmark have alone been so successful in avoiding international embroilments. They came through even the World War cataclysm with their geographical and political entities unimpaired, and they did so without wasting their substance in the maintenance of large Military or Naval Establishments, and even now none of the mad-dog dictators of the world are threatening their independence or their solidarity.

Also, in their purely domestic relationships they seem to have found an answer to the problem of internal monetary policy that on our shores appears to be a riddle still as baffling as it was in the dark days of '29 to '33. Under the leadership of the distinguished Dr. Gustav Cassell, Sweden has succeeded in establishing and maintaining a stabilized money economy which adequately supplies the commercial needs of its citizens and has made it possible for the nation to avoid those violent ups and downs that have proven so disastrous to millions of our own citizens.

The following excerpts from an article on the early settlement of the Swedes in Delaware Valley by that distinguished historian, Amandus Johnson, Ph. D., will, I know, be of keen historical interest to all citizens of Swedish descent in the First Congressional District of Iowa. I quote from Dr. Johnson's article as follows:

The Swedish colony on the Delaware was small, but it made large and lasting contributions to American history and civilization. In the Delaware Valley the Swedes elected the first judges, built the first schools, held the first law courts, established the first towns. In this district they laid out the first roads, constructed the first mills, and built the first churches. Three descendants from the Delaware Swedes signed the Declaration of Independence, and one of these, John Morton, cast the deciding vote for that immortal document as chairman of the Pennsylvania delegation. Descendants of these same colonists helped to draft the Constitution, and one of them, John Hanson, was elected the first President of the United States in Congress assembled. He stood at the helm of this young Republic at a critical time when Sweden was the first nation to recognize our independence and the first to make a treaty of friendship and commerce with us.

The log cabin, which has played such a conspicuous part in American history, has been traced to the Swedes in Delaware. The first meteorologist and the first translator of a Protestant book into the Indian language, John Campanius, lived in New Sweden from 1643 to 1648. The founder of painting as a fine art in this country and the first organ builder in America was the Swede, Hesselius.

Since these early days there have been many leaders of Swedish descent. John Ericsson's invention of the *Monitor* came at the crucial moment in the Civil War that not only saved the naval supremacy of the North but strengthened its courage to win. John Dahlgren invented the gun that carried the *Monitor* to fame, and John Warden commanded it—a complete Viking ship. Even in our own times, Charles Augustus Lindbergh has added a glorious contribution.

The Thirteen Original States were settled by three European nations—the English, the Dutch, and the Swedes. The first two have had their celebrations, and it is only fitting and proper that the Swedes should have their tercentennial.

It will also be of current interest, I am sure, to read somewhat in detail of the plans made and to be carried out this spring and summer in connection with the celebration, and of the distinguished visitors who will participate. I therefore quote the following from an article in the Delaware Tercentenary Bulletin entitled "The Dedication of the Swedish Monument":

On June 27, 1938, as a part of the celebration of Delaware's Tercentenary, the monument presented by the Swedish people, and erected in the new State park at The Rocks, will be unveiled and dedicated in a ceremony in which representatives of the Kingdom of Sweden, along with representatives of the United States and the States of Delaware, Pennsylvania, and New Jersey, among others, will take part.

It is planned that the Swedish Royal Commission shall arrive in the Delaware River on a Swedish warship, convoyed by American warships and accompanied by one of the great Swedish liners, with perhaps a thousand unofficial tourists aboard. It is expected that the ships will be docked at the Wilmington Marine Terminal in the morning of June 27 and the official party thence conveyed in small yachts up the Christina River to The Rocks, where they will disembark and be received by the official representatives of the United States Government and the State of Delaware. The ceremony of unveiling and dedication of the monument will then take place. It has been officially announced that the Swedish Commission will be headed by the Crown Prince and Crown Princess of Sweden.

Crown Prince Gustaf Adolf, of Sweden, Duke of Skane, is the eldest son of King Gustaf Adolf V and his late wife, Queen Victoria. He was born in Stockholm, November 11, 1882. His college education was begun in the University of Stockholm and finished at Upsala University. In accordance with the traditions of his family, he entered the Army at an early age and now holds a general's commission.

On June 15, 1905, he married Princess Margareta, of Great Britain, daughter of the Duke of Connaught and granddaughter of the English Queen Victoria. Of this marriage five children were born, Princes Gustaf Adolf, Sigvard, Bertil, and Carl Johan, and Princess Ingrid, now Crown Princess of Denmark. Princess Margareta died May 1, 1920.

On November 3, 1923, the Crown Prince married his present wife, Lady Louise Mountbatten, daughter of Prince Louis, of Battenberg, and Princess Victoria, of Hessen, and granddaughter of Queen Victoria, of England.

The royal government of Sweden is notably democratic in its relations with the people. Besides his interest in archaeology, the Prince's especial hobby is gardening. The Princess takes part in charity work and other forms of social activity.

The prince and princess were in the United States in 1926 to take part in the unveiling in Washington of a statue of the great Swedish inventor, John Ericsson, designer of the original *Monitor*, the first warship with revolving turrets, which defeated the Confederate ironclad *Merrimac* during the Civil War, and to attend the dedication of the John Morton Memorial Museum in Philadelphia. Having arrived at the Pennsylvania station in Wilmington, May 31, they were received by Mayor G. W. K. Forrest and a committee of citizens, and bouquets of flowers were presented to the princess. The party was then escorted to Old Swedes' Church, where a large crowd had assembled. Boy Scouts lined the walk from the street to the church door and gave a salute with bugles and drums.

Rev. Dr. F. M. Kirkus, rector of Trinity Parish, and Rev. Robert Bell, vicar of Old Swedes, greeted the party at the church door. Bishop Philip Cook delivered an address and presented a silver plaque engraved with a picture of Old Swedes' Church and a commemorative inscription, to which the prince made a fitting response. The ceremonies ended with a prayer by the bishop.

After the ceremonies in Philadelphia and Washington, the royal party crossed the country to San Francisco, visiting the chief centers of the Swedish-American population on the way. During this visit to America the prince, who is internationally known as an archaeologist and an expert on ancient Chinese art, received honorary degrees from Princeton, Yale, the University of Chicago, and other institutions of learning.

To the foregoing observations of general national interest, I would add some comments on various flourishing settlements that were founded in the early days of Midwest history by pioneering Swedes. I acknowledge the kind assistance of Mr. Walford Lindeen, of Swedesburg, Iowa, in the gathering of the following material:

The first Swedish settlers in Iowa landed in Burlington in 1845. Leaving their families at Burlington, the men went west on foot to establish what became known as New Sweden. They stopped in Jefferson County, about 4 miles northeast of Lockridge, and purchased 60 acres of land for $75. A shanty had been left by some squatters and the men lived in it while they built some little log huts to which they could bring their families from Burlington before winter. They had no cattle nor horses and had to move on foot. The first winter they lived just like the Indians—on wild game, deer, and turkey. They had their turkey dinners then, all right.

During the winter of '45 and '46 they cleared enough ground out of the virgin forest to spade and plant spring wheat and other foodstuffs. Their principal tools were the axe, spade, and scythe. More families came year after year, the heaviest immigration occurring in the seventies.

The Evangelical Lutheran Augustana Synod was organized in 1860, and New Sweden, formed in 1848, was the oldest member of the congregation. By 1935, the Evangelical Lutheran Augustana Synod had grown to the following healthy proportions: Membership, 340,658; valuation of church property, $28,459,099; total expenditures for congregation and benevolence for the year, $4,052,094.

Emigration into New Sweden went on until it comprised about 300 families; from then on the movement was south to Lockridge, west to Fairfield and Salina, and east to Rome, Mt. Pleasant, and Swedesburg.

The Swedesburg community is preponderantly Lutheran, and the congregation was organized in 1866. The new settlers came in from New Sweden in Jefferson County, Iowa, and from Galesburg, Knoxville, Henderson Grove, and Biggsville, Ill. The church at the present time has a total membership of 600. Total contributions for the year 1936 were $9,761.94. Valuation of church property, $81,500. Their present pastor, Paul A. Westerberg, is a very able and highly educated young man. This is the one Swedish settlement in the First Congressional District of Iowa with which I am personally the most familiar, due to its proximity to my own birthplace, in fact, being almost a part of my own home neighborhood. It is located in the townships of Wayne, Jefferson, and Scott in Henry County, Iowa. Recently a young man of only about the second or third generation from the original settlers, who is now a student in the University of Iowa, located in Iowa City, also in the First Congressional District of Iowa, wrote an entertaining and informative description of this settlement from its beginnings to the present day. His name is Kenneth Johnson and his home is at Swedesburg, Iowa. I deem it to be such a valuable contribution to the literature on Swedish life in America as to justify its inclusion in this record. Every reader of this exceptionally meritorious sample of accurately descriptive narrative writing will appreciate the wisdom of Congress in marking down the three-hundredth anniversary of the landing of the first Swedish colonists on American soil as an occasion for national commemoration and congratulation. The article by Kenneth Johnson is as follows:

THE LITTLE WHITE TOWN WITH THE BIG BROWN CHURCH

"The northern part of Wayne Township is very swampy and covered with marsh grass: It will in all probability never be settled; nevertheless, there are a few Swedes moving in." This little pencilled notation was added surreptitiously on the border of a surveyor's map, now yellowed with age, made 75 years ago when Henry County, in southeastern Iowa, was being surveyed and divided into townships.

A history lies behind that little statement concerning the condition of a few square miles of Iowa land. Few people are acquainted with, or can even visualize, the work and change that was wrought to make this statement appear ridiculous and unfounded in 2½ short decades. Homesteaders coming through Mount Pleasant, the county seat, 10 miles south, asked about the land north of town. "Nobody is moving in out there, except a few Swedes with web feet." So the stories went. These people moving out to this marshy bog were the butt of many a joke by their more jocular neighbors. Their German neighbors on the north and west, who had moved in prior to the Swedish migration, called

them ducks from their higher rolling rough land with its natural drainage characteristics.

On the surface it appeared that there was every reason to make light of any attempt to settle on and farm such seemingly worthless land. Ducks thrived there, it was fine for buffalo wallows, prairie chicken, pheasants, and frogs; a haven for mosquitoes, but for farm land—that was absurd. These early pioneers, however, were a plucky lot. In their veins ran stanch Nordic blood that was willing to do things the hard way. In their patient, stubborn, persevering manner was hidden a keen foresight that told them of the boundless possibilities of this flat bog, once the drainage problem was solved. This cozy swamp, that made a sickly, sticky, sucking noise every time a cobbler-fashioned leather boot sank ankle deep in the swampy gumbo, was destined to be conquered. The Swedes began laying strings of tile that connected with other bigger tile, which in turn emptied into man-made ditches that were soon swirling with swamp water. Wagon after wagon load of these tile were hauled 10 miles over poor roads from Mount Pleasant. The fight with nature was in full progress.

Years passed; more tile, more Swedes, less ducks, less swamp. The jokes about web-footed Swedes began to lose their savor. Doubts and secret admiration began to arise in the minds of their neighbors as these staunch-hearted pioneers began to win their fight against nature. In less than 30 years this stinking duck pond had been changed into a beautiful oasis in the form of rich, black level prairie land. Fields enclosed by hedge fences began to yield bounteous crops. Corn and oats in good years averaged as high as 100 bushels to the acre. Fields that reached a cash value of over $500 an acre when prices skyrocketed during the war. It is small wonder that these early pioneers who saw this complete transformation during the span of their life felt so justly proud of their endeavor.

Later claims of the fertility of the soil were questioned, because of what seemed to some exaggerated yields made from it. The land in and along the Nile basin in Egypt is often cited as the most fertile soil in the world. Samples of this soil were taken with like samples from this transformed garden spot of Iowa and compared in quantitative chemical analysis. Their fertility characteristics were found to be practically identical in nature.

In the center of this now productive level prairie land stands Swedesburg, the "little white town with the big brown church," that is the center of Swedish Lutheranism in southeastern Iowa. A transplanted foreign community with American environment whose people have a love for peace and a generous hospitality that is their foreign heritage—that, too, is Swedesburg. Their church, the big brown brick monument towering over the little white village as a father over its children, is their true life.

As soon as a mere handful of these God-fearing folk had gathered together, their first thought was a place of worship. In the year 1866, 11 people gathered together at a little home west of the village and organized the Swedesburg Swedish Lutheran Church. A church was erected in the same year and a pastor obtained. This structure was destroyed by fire in 1883, and another, much larger, built in its stead. This church, in turn, was struck by lightning and destroyed by fire in 1927. Undaunted by these recurring catastrophes the congregation met and in less than a month plans for a future more beautiful structure were in the hands of a contractor and the big brown church was born. This church is considered today as one of the finest small-town churches in the State of Iowa. Its congregational standing is given an "A" rating through the State of Iowa by the Farm Bureau organization.

The town, or village of 76 people as it should rightly be called, as it is not incorporated, has some unusual characteristics. Each one of its 30 houses are painted white. All are well painted and neatly kept. They glisten in the sunlight against their background of green lawns surrounded by beautiful flowers. Even the streets glisten with their coating of white crushed rock. On a clear summer day with the sun beating down on the little village, it appears to the passerby as the most peaceful spot in the world. Cars humming through on the paved highway dissecting the village at high speeds and the occasional rumbling of a passing truck do not ruffle its peaceful, complacent mood.

The village park occupies a square block which is covered with towering maple trees. In a clearing in the center of the park is a large white hall in which all social gatherings are held. These reverent people believe that their church should be devoted only to the devout worship of God. The use of paper cloth for decorative purposes is prohibited in their house of God. Only real cloth may be used. Because of the deep reverence that they hold for their house of worship this spacious hall equipped with opera chairs is used for bazaars in the fall, plays and parties during the winter, banquets, dinners, concerts, ladies' aid, Luther league, and meetings of the various other organizations of the church.

The village is situated almost in the geographical center of this pure black-loam prairie land. This transformed strip of prairie swampland approximately 4 miles wide and 10 miles long lies with the longer part pointing in a southeast-northwest direction.

If the railroads had not missed Swedesburg, there is little doubt that it would have flourished beyond its present size. It has suffered the fate of many an inland town cut off from any direct transportation routes. None of its contented inhabitants would have it otherwise now. They would rather not have the solitude broken by a shrieking locomotive whistle. Instead the old-timers come up to the general store that serves also as post office and wait for the mail to come in. This is the big event of the day. A chance to talk as they wait, reminiscences of good old days or discussion on current topics with vivid interest in the world at large are the subjects of conversation.

The "old calico railroad," so called because workers were paid part in cash and the balance in calico cloth, was to have run through Swedesburg. The fate of many an early railroad was the fate of this one. The company ran out of funds before the road could be put into operation. The grade is still visible for miles across the flat prairie land.

The people that live in and about this peaceful little village are as interesting as the community in which they live. William F. Kopp had this to say of them in a speech delivered before the House of Representatives when he was a Member of that body in 1926:

"* * * The spiritual life of this people is a thing of supreme value. This is a peaceful community. Here crime is practically unknown. Here litigation occurs but seldom. Here they are exceptionally just. Here they are not deceived by strife, discord, and contention. These are religious and reverent people. They believe in God and show their faith in their works. To come in close contact with this community renews one's confidence in his fellow men. I have spoken of citizens of Swedish birth and descent. Let it be known, however, that over and above all they are Americans. They love our Constitution, they cherish our ideals, and they have fought and died for the flag. It means much to them to be here. Swedish immigration has been a blessing to the immigrants, to their descendants, and to our country * * *."

The Swedish people in the town of the big brown church are intensely patriotic. The little village has many times been the scene of the biggest Fourth of July celebration in that part of Iowa. Several strong Swedish young men were among the first to answer the call of the World War. They also had their quota of soldiers in the Spanish War and the Civil War.

They have their own cooperative insurance company, owned and operated by the people in the immediate community. It has never suffered a major loss, and its life as a company has never been endangered. All insured property is rigidly inspected annually by the officials of the company. All members are stockholders, paying only nominal membership fees, and subject to assessment in case of losses. There are two other cooperative organizations that have had like success. These are the Farmers' Union Exchange, a general store, and the Swedesburg Shipping Association. All have been in operation for a number of years and are doing a substantial business at the present time.

A drive in any direction from this prosperous village takes you by large, well-kept farm homes with spacious lawns. Large modern farm buildings are filled with the latest tractorized farm equipment, and high-grade livestock grazes in the nearby, well-fenced, green pastures.

A stop at one of these farm homes means a cordial invitation to come in. Shortly after you enter, the farm wife will excuse herself for a moment and return to a kitchen from which emanate the inviting odors of freshly baked bread. In a moment she will return with an apologetic smile, saying that she had put on the coffee pot and that you must stay and have a cup. This is a custom always in effect morning, noon, or night. To refuse an invitation is the equivalent of an insult.

Such is the little white town with the big brown church and the community in which it is situated. A miniature city in a garden paradise where hospitality reigns supreme. Large white signs with black lettering indicate to the passing traveler that the little white vista through which he passes is Swedesburg—The little white town with the big brown church—welcome. The word welcome is just as true as every other word on the sign. Stop once, have a cup of coffee in the shade of the cool veranda of one of the white homes, relax, and enjoy its peace. You will want to return just as do I who lived there several years of my life.

I have also had some valuable help from Mr. Carl Nelson and Mr. Waldo Johnson, of Swedesburg, in collecting and coordinating interesting and authentic historical material on the various other Swedish settlements in southeastern Iowa, notably in the counties of Lee and Des Moines, with some additional comments on pioneer conditions in the Four Corners neighborhood of Jefferson County.

Due to the character of the source material, the following outline will concern itself primarily with such historical side glances as are found generally in Historia Ecclesiastica. This again is narrowed considerably by the fact that the material was all from Swedish Lutheran sources. While this is the prevailing religion among the Swedish peoples, it suffered from divisions within the ranks after its transplanting to the new soil of the United States. In the First Congressional District of Iowa, around the 1870's, there was an influx of Mission Friends, or "Second Lutherans" as some called them. Their arguments theologically and otherwise must have been convincing, for the records show that some of the already settled Lutheran congregations lost as high as half of their membership. In part, this

may have been due to shifting of the Swedish people from one place to another, but the Mission Friends left their mark on the Swedish history of this district, and they still retain at least one church started by them at that time. It must not be forgotten that they too are Swedish, as well as those who became Methodists, Baptists, Presbyterians, or joined some other denomination in order that they might have a church home in the new country.

Another item that should be mentioned, because it is the cause of much misinformation and misunderstanding, is the apparent clannishness of the Swedish peoples. At first, of course, they were hampered by their inability to speak the new language, and settled together to offset the feeling of being alone in a strange land, which unfortunately seldom lived up to the hopes raised by the glowing descriptions circulated by land agents, steamship lines, and labor contractors in their native land. Once together, the habit of using the native tongue was too easy to be given up, and therefore many of the older people never learned to speak English with any proficiency. This did not affect in any way their love for their adopted land, and they became loyal Americans who not only were good peacetime citizens but gave of time and funds and of their very lives in time of war to protect the Union and preserve the United States and its integrity.

In the Mediapolis-Kingston neighborhood, the first Swedish settler was one John Peterson, who arrived in Kingston on March 1, 1853. From that time till 1860 quite a few more had settled in the vicinity, and when a sufficient number had gathered they deemed it wise to organize a church. The organization meeting was held in what was known as the Amity Schoolhouse, on the 8th day of November 1868. After a few years the shift of the Swedish people in the area made it advisable for the Kingston congregation to merge with the one at Mediapolis. Here they built a church in 1891. This church is still in regular use, and while the congregation is, at this writing, without a pastor, pending the arrival from Texas of the man chosen by the congregation to be its minister, its activities go on in charge of the vice pastor, or the Iowa Conference field secretary. The new pastor will be Rev. Rudolph Samuelson, and he will take up his duties in the Mediapolis Parish in a short time.

Burlington: Swedish people came to Burlington as early as 1840 and settled in and around the town. In 1859, under the leadership of the pioneer pastor T. N. Hasselquist, they met at the South Hill Schoolhouse and organized a congregation with a charter membership of 39 persons. Too few in number and too poor in purse to build a church, they held their first meetings in the temple of others of the same faith but of different nationality. This is the old German Lutheran Church between Columbia and Washington Streets. In 1860 they built their own edifice at the corner of Smith and Adams Streets. This structure, since remodeled and enlarged, still serves the Burlington people. The present membership totals 662 persons, of whom 449 are communicant members. The present pastor is A. D. Freden, who is a member of the Swedish Tercentenary Commission from Iowa, and whose residence is at 119 South Adams Street.

WEST BURLINGTON

This little congregation was organized on October 29, 1889. Their church was built in 1895 on land donated by the Chicago, Burlington & Quincy Railway. From its organization until 1901 this church was connected with the Burlington congregation but severed this connection April 2, 1901, and became independent. Sometimes served by the Burlington pastor, I am informed that at present this parish is being taken care of by a student pastor from Augustana College and Theological Seminary at Rock Island, Ill. The present membership is 104, of whom 80 are communicant members.

LEE COUNTY SETTLEMENTS—VICTORIA, SUMMITVILLE—LOCATED ABOUT 8 MILES NORTH OF KEOKUK ON THE OLD "K" LINE

The settlement of this area is at present a mystery. The meager historical background given in the History of the Iowa Conference (pub. 1916, by Augustana Book Concern, Rock Island, Ill.) says that a number of Swedish men found employment at this place digging a canal. This must have been during the period of canal building but where the ditch was supposed to go or why it was dug cannot be ascertained. At any rate the project either came to naught or was completed, because the Swedes on the job bought land in the vicinity and moved their families into homes there. They organized a church in the year 1873 and were known as the Sugar Creek Congregation. A church valued at $600 was built in 1882, and a pastor was hired who also served parishes at New London (Henry County) and Keokuk. Later this congregation merged with Keokuk.

KEOKUK

Swedish immigration began in the 1860–70 decade and by 1873 they had enough people to form a congregation of 118 members. During the early days the pastor served the three-cornered circuit of Keokuk, New London, and Sugar Creek, of which trinity Keokuk alone survives. At present the church conducts services in English only and numbers many non-Scandinavians among its membership of 297. The pastor is Rev. E. A. Lack. Keokuk has a relatively new church building and the congregation is growing and active.

JEFFERSON COUNTY NOTES

These notes are sidelights on the conditions under which the pioneers labored. For their produce they received the following prices: Eggs 3 cents per dozen and butter 5 cents per pound. On the other hand, they were required to pay 25 cents per yard for calico and 60 cents per yard for muslin.

The nearest mill was at Burlington, which necessitated a 40-mile trip on foot with sack of grist on back in order that flour might be had. At least one of the settlers of this area was drowned while fording a creek while on such a trip as this. Later mills were built in Lee and Van Buren Counties, and oxen were used to haul the wheat and corn to the mills. Even this, while a great improvement over the "shank's mare" method, is a far cry from modern methods of transportation.

The pastor who organized the Swedesburg congregation, while a regular pastor at the New Sweden congregation at Four Corners, used to wade or swim the river in order to conduct services at both of these places. The fact that in his spare time he was a blacksmith and general handyman and repairman may afford consolation to some of our modern overworked pastors.

In conclusion, Mr. Speaker, permit me to reiterate my felicitations to all of my valued constituents who are of Swedish descent over the happy landing that occurred on the banks of Delaware River 300 years ago. May it continue to grow in the judgment of mankind as a historical event of the first magnitude.

Government Monopolies Are Essential

EXTENSION OF REMARKS

OF

HON. HENRY G. TEIGAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1938

RADIO SPEECH OF HON. HENRY G. TEIGAN, APRIL 30, 1938

Mr. TEIGAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech which I delivered recently over the radio:

I appreciate full well that the word "monopoly" hasn't a pleasing sound to the average American's ears. We have become so accustomed to battling monopoly that differentiation between government or public monopoly and private monopoly is not easily made.

The fact is, however, that we in America shall soon have to make a choice between public or private monopoly. We have passed the stage of competition and, regardless of all attempts that are being made for its restoration, we shall have to go on to a different order of things.

MARCH TRACES GROWTH OF MONOPOLY

In an interview published in the Washington Sunday Star of July 11 last, Charles H. March, Chairman of the Federal Trade Commission, said:

"When the doctrine of socialism was spreading around this country 30 years ago, one of the most powerful arguments against it was that it would condemn a free people to be employees of the state. We are nourished by the philosophy that ability, courage, and honesty reaped the glittering prize of business independence. This prospect of freedom the American people were unwilling to exchange for any alien system of government or business that would condemn them to the bondage of a job.

"But, while we were keeping a wary eye on socialism, the loss of freedom came from another quarter. Today most of us in industry work not for the Government but for entities quite as impersonal and frequently as remote. The giant monopoly has snared most of us on its pay roll, and the old order of the independent proprietor is fast fading away. At the turn of the last century, only 66.7 percent of all manufactured products were made by corporations. By 1919 this percentage had risen to 87 percent. Today it is in the neighborhood of 95 percent."

That is the picture Mr. March gives us, and he is in a position to know.

Practically every commodity and many services are today controlled by private monopolies. This is true notwithstanding our antitrust laws and prosecutions that have been instituted by State and Federal Governments. This in effect means that economic evolution provides us with one form of monopoly or another. It rests with us whether we are going to have the public kind or the private sort to which organized wealth now restricts us.

PROFIT INCENTIVE SWAYS PRIVATE MONOPOLY

We now have public monopoly to some extent. We have established it in fields where protection of life or health makes it necessary or where profits are not likely to develop. Private monopoly refuses to engage in any economic endeavor unless profits are definitely in sight. The building of the Panama Canal, the providing of flood control, navigation upon our rivers, etc., are examples of Government action in a sphere where the profit incentive could not sway private interests to undertake the job.

In the few minutes that I have at my disposal it is not possible to discuss in detail either the failure of private monopoly or the necessity for public monopoly. The best I can do is to touch the high spots.

GOT $135,000,000; SPENT $30,000,000

Our railroads fall into the category ordinarily designated as natural monopolies. They furnish a fine illustration of the bribery, graft, and plunder that characterizes private monopoly wherever it operates without serious governmental restraint.

In his most interesting book entitled "Blaine of Maine," Charles Edward Russell discusses the building of our early transcontinental railroads and designates that chapter of his book "the Himalayas of graft." He showed how the Government not only paid for the construction of the Union Pacific and Central Pacific Railroads, but proves conclusively that the Government paid for them several times over. The promoters of the Union Pacific received as benefits under the guaranties of Congress a total of "$135,000,000 with which to do a work that had actually cost less than $30,000,000."

AN INTERESTING ADVERTISEMENT

What was true of the Union Pacific and Central Pacific Railroads was equally true of other transcontinental systems. Take the case of the Northern Pacific, which was built from St. Paul, Minn., to Puget Sound on the Pacific coast. When this road was in the promotional period, but after it had secured its enormous land grants from the Federal Government, the promoters inserted advertisements in magazines and daily newspapers in order to induce settlers to move into the territory to be served by the road. In an advertisement which appeared in the June 1871 issue of the Manufacturer and Builder, published in New York City, this railroad company evidently thought it well to tell the people of the bonanza it had struck in the land grant and other governmental aid which had been given. I want to quote just one brief paragraph:

"With the road built through the midst of these lands, what is their money value? The land of the Union Pacific thus far sold has averaged $4.46 per acre; the school lands of Minnesota, $6.30 per acre; the lands of the Illinois Central Railroad grant, $11 per acre. At even the average of $4 per acre the lands of the Northern Pacific Railroad will pay for its construction and equipment, and leave the road free from debt, and one-half of the lands unencumbered in the company's possession. At only $2.50 per acre, Government price, these lands will build and equip the road, leaving it free of debt, and place a surplus of $25,000,000 in the company's treasury."

It is obvious that the Government paid the cost of building the road and also paid its promoters, who had made no investment whatever, a huge sum on money on top of it. Had the Government built the railroad and operated it, it is a positive certainty that freight rates over the line today would be a mere fraction of what they are.

RAILROADS FIGHT AID TO RIVER TRANSPORTATION

In this connection it is interesting to note how the railroad companies, whose original cost was borne by the Government of the United States and who have been and still are the recipients of Government aid, vigorously protest against similar aid being granted our inland waterways service to relieve the shippers of the interior, in small measure, of heavy transportation charges on the shipment of their products.

But why consider the railroads alone? They constitute just one form of natural monopoly that needs attention. Our public utilities are equally plundering in their operations. The rates exacted upon their grossly inflated capitalization are so high that wherever public ownership enters the field in competition, rates immediately tumble.

Let us take a look at what is happening in the territory now served by the T. V. A. In the city of Tupelo, Miss., which was the first municipality to be served through a city-owned distribution system with current supplied from the Government-owned plant at Muscle Shoals, a thousand kilowatt-hours per month has been reduced in price from $66.10, charged by the private power company in the old days, to $8.90 now charged by the publicly owned system.

T. V. A. POINTS WAY TO A BETTER LIFE

In a recent article in the New York Times, Russell B. Porter, summarizes the work of the T. V. A. in an able manner and shows what tremendous benefits are accruing to the people of the southland through this tremendous and promising enterprise. Even at this stage, with only a fraction of the power disposed of, due in no small measure to the interference of the privately owned power companies, Mr. Porter says:

"But whatever the future may show as to its wisdom, as to its value in relation to its cost, and as to the propriety of Government competition with private business, the country at least has something to show for its money. The dams are there on the river, they are producing power, making progress in flood control, and giving a start toward rendering the river navigable. In case of war they offer a well-protected, centrally located source of immense power for the production of munitions, close to large deposits of coal and iron.

"If the collateral activities of the T. V. A. in seeking improvement of social conditions in the area have not yet brought the Utopia some expected, at least they can be said to have pointed the way to a better way of life for the people of the valley, especially those in the small towns, rural districts, and hill country."

PUBLIC MONOPOLY SUCCESSFUL EVERYWHERE

Many other illustrations of successful public ownership and government monopoly could be given. Public ownership in Ontario, Tacoma, Seattle, Los Angeles, Winnipeg, Cleveland, and in hundreds of smaller cities and villages of the Nation, has definitely proven the superiority of public monopoly over private monopoly as far as the common people are concerned.

In Sweden, Norway, Denmark, Great Britain, and other countries of Europe, public monopoly is slowly but surely displacing private monopoly in many fields. In his recent book entitled "The New Norway," O. B. Grimley shows how through public ownership and cooperation with the aid of heavy taxes upon incomes, poverty has been all but eliminated in that country. "There is no country in all Europe where private wealth today is so evenly divided as in Norway," says Mr. Grimley. "In other words," he continues, "where you will find so little great wealth on the one side and so little great poverty on the other—and that must surely be counted a social good of the first order."

PUBLIC MONOPOLIES STRONG IN NORWAY

Summarizing public ownership activities as they exist in Norway today, he says:

"In one of the cities of Norway, a man walks into the sitting room of his home and turns on the light from the municipally owned light plant and sits down to listen to the state-owned radio, while he is waiting for his wife to get ready to go with him to the municipally owned movie. The next morning he goes on a business trip to another city. Before leaving his office, he telephones his wife on the state-owned telephone and wires his business connection on the state-owned telegraph. Then he goes to the station in a municipally owned streetcar or a bus and travels to his destination on the state-owned railway. The same evening he sits in the home of a friend, enjoying a whisky and soda from the state-owned liquor store.

"The question of the ownership of such utilities has never been much of an issue. To the great majority of the Norwegian people, it is unthinkable that these different above-mentioned public utilities should be privately owned and run for the profit of a few.

"Most of them turn over a surplus to the State or municipal treasuries, as for instance the telephone, telegraph, radio, liquor monopoly, streetcars, movies, and to a large extent also electric light and power plants. The electric light department of the city of Oslo had in 1936 a surplus of over 2,000,000 kroner."

FAVORS GOVERNMENT MONOPOLY OF IRON AND STEEL

The profits of private monopoly in all fields in America have been tremendous. Profits have gone up despite low wages paid

the workers. The iron and steel industry in the first 9 months of 1937 increased its profits by 145 percent over the same period in 1936. In this connection, I want to say that within the next few days I expect to introduce a bill in the House to provide for the public ownership and operation of this industry.

Public utilities, railroads, and such natural resources as coal, iron, and petroleum should be taken over and operated as Government or municipal monopolies. I would also favor the Government taking over the Federal Reserve banks and for Congress to reassert its right guaranteed under the Constitution "to coin money and regulate the value thereof."

As I see it, Government monopolies are essential in order to eliminate the profiteering of private monopoly and to make employment and service the primary consideration of the exploitation of our natural resources and in the operation of our public utilities.

H. R. 10389—To Provide for a Useful Public-Works Program

EXTENSION OF REMARKS

OF

HON. ALFRED F. BEITER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1938

TESTIMONY OF HON. ALFRED F. BEITER, OF NEW YORK, BEFORE THE HOUSE APPROPRIATIONS COMMITTEE

Mr. BEITER. Mr. Speaker, under permission to extend my remarks, I include herein a statement which I made to the Appropriations Committee of the House on Saturday, April 30, concerning my bill, H. R. 10389, providing for a public-works program:

From the beginning of colonial development in this country until the beginning of the twentieth century, agriculture was decidedly the backbone of our economic structure, and as a matter of fact it still is, and should continue to be if we are to enjoy social and economic independence.

During the nineteenth century, particularly the last three decades, and the first three decades of the twentieth century, our statesmen and economists seemed to have become obsessed with the idea of promoting industrial development at home, ostensibly to make us a self-sustaining nation by balancing supply and demand at home. Protective tariffs were set up to promote and encourage home manufacturing and allied commerce. This balancing process opened new avenues for lucrative industrial investments which caused the pendulum of finance to swing rapidly away from slow-earning agricultural investments to faster-earning investments in commercial and industrial enterprises. Lured by higher wages, more interesting work, bright lights, and other attractions, millions who were, or who would have become, engaged in agricultural pursuits flocked to the cities, mines, mills, and factories. Then came the inevitable consequences; manufacturing, processing, and related commerce not only reached the saturation point of supply, it produced commodities so far in excess of the demand there is no telling when we will overcome the effects of the crash that followed.

High-pressure selling and long-term financing in the form of various and sundry easy-payment plans contributed a large share to the severity of the collapse. Billions upon billions of dollars invested in plant, industrial securities, surplus stocks, raw materials, mines, and woods were swept away almost overnight. Millions of industrial workers were left stranded in their tracks without hope of employment in the trades and occupations to which they were accustomed and for which they were trained. They had no place to go, no gardens, farms, or other facilities for producing food for themselves and their families, and no resources with which to acquire such facilities. The burden of taking care of them fell first upon the communities where they resided, and when these communities could no longer sustain them, the Federal Government was forced to go to the rescue.

Left without employment, resources, or reserves these stranded industrial and commercial workers and their families, who were among the principal consumers of agricultural products, were forced to curtail both the variety and quantity of their consumption, even though they were receiving relief from some source or the other. This rapid and drastic curtailment in the consumption of agricultural products passed the disaster on to those engaged in agricultural pursuits. They in turn were forced to curtail their purchases of manufactured products, and so the vicious cycle with which we now have to deal was created.

Then came the National Industrial Recovery Act and after 4 years of heavy public spending the purchasing power of the people as a whole was restored to great extent, but the lost reserves and resources of the masses were not restored. As soon as public spending was curtailed, recovery ceased and we skidded down into the depth of another depression. In my opinion permanent readjustment can come only through a stupendous, comprehensive rural rehabilitation program, started concurrently, and carried out simultaneously, with another industrial-recovery program.

Regardless of the causes of this new depression, we have the effects. Whatever the permanent remedy may be, we are face to face with the necessity for immediate action.

Millions of our people are unemployed. Millions of others are wholly or partially on some form of public relief. Tens of millions who are employed in some manner or other, or who have some form of income, are contributing all or a portion of their surplus earnings to the support of friends and relatives. Since the crash of 1929, millions of our good citizens have lost their reserves, and other millions have lost all, or nearly everything, they possessed; homes have been sacrificed, personal chattel and collateral of all kind have been exhausted, insurance policies have been forfeited, endowments and annuities have been consumed and many other facilities for self-preservation have been wiped out. It is a sad spectacle to contemplate, and it is absurd to expect people without resources, income, or employment to protect themselves until a permanent readjustment can be effectuated. We have reality to deal with. Work must be provided, and we may as well understand now, that the situation will not be permanently remedied until these people are put back to work and kept at work until they can accumulate reserves sufficient to tide them over at least one slack period. Call it "pump priming," "rehabilitation," or anything else.

Certainly we all realize that a construction program alone cannot effectuate a permanent cure for all of our economic ailments. Likewise, we all realize that over construction would be as fatal as any other form of overproduction. The one saving feature of a construction program is, that in this we have little to fear for a long time to come. Construction of almost every type has lagged seriously behind normal since 1929, to say nothing of obsolesence and depression in the meantime. We can safely proceed with enough needed public improvements to engage the entire construction industry for several years without fear of passing the saturation point.

Normally the construction industry, with its many ramifications, is the second largest industry in the country. Indirectly, it probably affects more of our economic pursuits to a greater degree than any other industry in the country. Under existing conditions, I can think of no form of Federal spending which will do as much to rehabilitate as many phases of our economic life as a gigantic construction program. With such a program under way, we can at least temporarily increase the purchasing power of a large majority of our citizens and provide a medium through which they can live in decency and comfort. While such a program is under way, it will be up to the various elements of Government to devise ways and means for a permanent economic readjustment.

In my opinion, and I find many who concur in it, the Federal Government has actually just begun to spend on permanent rehabilitation. None of us desire to increase the national debt, or to increase taxation to balance the Budget, but it is not what we desire that is going to accomplish the most good for the general welfare, it is what necessity demands.

Private industry has demonstrated conclusively that it either cannot or will not cooperate with the elements of government in the solution of our economic dilemma.

Another "pump-priming" or "rehabilitation" program of construction may not have been necessary if private industry had cooperated with the elements of government to promote private construction during the past 4 years, the last 2 in particular. Prices of construction materials and equipment were rocketed far beyond any reason in proportion to the cost of production. The little private construction, undertaken or proposed during this period was either strangled or discouraged. It may occur again, and that is another reason why we should devise ways and means to effectuate rural rehabilitation as rapidly as possible. For the present, I can see no alternative other than go ahead with another construction program and trust that private industry will be more cooperative than it was during the past 4 years.

None of us like taxes and we all desire to make profits on our investments, but if we are to exist as a society of, for, and by the people, existing conditions demand taxes and sacrifice of profits. As long as there are any resources left in the country we cannot allow members of our society to go undernourished, or without other necessities of life.

For many years Members of Congress have discussed the desirability of a permanent bureau of public works. Originally, advocates of such a bureau based their arguments almost entirely upon coordinated planning. Since the passage of the National Industrial Recovery Act of 1933, the necessity for a Federal bureau, constituted so as to give Federal aid, when needed, to States, territories, possessions, and their political subdivisions and instrumentalities in the construction, reconstruction, extension, or repair of needed improvements, has become more obvious than ever before. Our experience during the past 5 years has, in my opinion, conclusively demonstrated the practicability and soundness of such a bureau, having authority and flexibility sufficient

to permit it to go to the immediate assistance of any locality, district, State, or the Nation as a whole in times of distress or economic depression. Such a bureau should be vested with authority by Congress to receive and examine, at any time, applications for needed public works, both Federal and non-Federal, in order that a large reservoir of useful projects may be available for immediate financing or aid in financing when conditions or circumstances make such action necessary.

Since its creation in 1933, I have advocated and supported Federal financing, or aid in financing, needed public betterments and improvements of public bodies, which could not be otherwise financed, through the medium of the Public Works Administration. The entire Nation has had an opportunity to observe the Public Works Administration in action and the far-reaching benefits of Federal aid in construction administered through that agency. Its record of achievement is, in my opinion, irrefutable evidence of its efficiency and effectiveness, and of the soundness and practicability of its method of financing or aiding in the financing of public construction. Its record of performance has never been marred by scandal or accusation of laxity, graft, or corruption of any nature whatsoever.

Statistics show that, exclusive of the Federal housing program, approximately 5,332,146,522 man-hours of employment were provided in 4 years and 10 months on the sites of more than 26,000 Federal and non-Federal projects and in the production of raw materials, fabrication, and transportation. The indirect labor included in these figures is based on the ratio of 2½ man-hours of indirect employment to 1 hour of employment at the side of construction. This ratio was developed by the Bureau of Labor Statistics of the United States Department of Labor after a careful analysis of hundreds of P. W. A. non-Federal projects. These figures do not include more than 3,000,000,000 man-hours of employment in supplying demands for consumers' goods and services. Another analysis recently completed by the Bureau of Labor Statistics shows that it only costs the Federal Government $61.24 to provide one man with regular employment on a P. W. A. non-Federal project for 1 month, based on a Federal grant of 45 percent of the cost of the project. Non-Federal construction by the P. W. A. method encourages and actually brings into play tremendous private investments. Under existing circumstances this is one of the most desirable features of its scheme of operation.

Regardless of how perfectly industrial production is ultimately balanced against consumption for any normal period, there will always be departures above and below the level established. It is to be expected that there will be some localities or districts of the country suffering from disasters or unemployment at all times. There should be a Federal bureau of public works vested with sufficient authority and supplied with sufficient funds to give aid to such communities or districts without waiting for specific congressional action.

In the bill H. R. 10389, which I introduced April 25, 1938, I proposed changing the name of the Federal Emergency Administration of Public Works to United States Public Works Administration, and making it a permanent division of the Department of the Interior, with the Secretary of the Interior as the Administrator. I cannot conceive of more appropriate legislation at this time if we appropriate more funds for non-Federal construction. P. W. A. has in its files a reservoir of more than 2,700 applications for needed non-Federal projects which have already been examined and approved. The total estimated cost of these projects is in excess of $1,000,000,000. A recent survey conducted by that agency reveals that approximately 92 percent of these projects are still desired by their sponsors. This reservoir of approved projects places P. W. A. in position to proceed with their construction without delay. P. W. A. has a trained organization which can be expanded to take care of a construction program of almost any magnitude by the time the project sponsors can advertise for bids and award contracts. Material and equipment suppliers, contractors and subcontractors, engineers and architects, public officials, attorneys, insurance and bonding companies, and labor, are thoroughly acquainted with P. W. A. procedure.

In my bill I have included a provision limiting the ratio of Federal grant to the cost of the project to 45 percent. I have also included a provision authorizing the Administration to carry out all the powers and functions granted to the Federal Emergency Administration of Public Works by previous acts of Congress and Executive orders, without regard to the limitations upon such powers and functions imposed by existing legislation. This I did in order to avoid injecting into new legislation any provisions which would make it necessary for P. W. A. to change its procedure covering the conduct of the work on its projects. Obviously it is essential to avoid changes which will necessitate the reexamination of the projects which have already been examined and approved. It is likewise essential to avoid any changes which will make it necessary for P. W. A. to draft new rules and regulations.

My bill proposes the appropriation of $450,000,000 for grants to States, Territories, possessions, political subdivisions, instrumentalities, and agencies thereof, and other public bodies to aid in the financing of construction, equipment, extension, betterment, improvement, or repair of public works. It also proposes the appropriation of $1,000,000,000 to be available for loans to such public bodies and for other purposes. In proposing these figures, I followed the recommendation of the President in his message to Congress. Personally, I believe it would be advisable, under existing conditions to appropriate at least $800,000,000 for grants and $700,000,000 for loans.

If the previous programs of the Public Works Administration can be taken as a criterion, and I believe they can, the majority of project sponsors prefer to arrange their own financing for their shares of the project cost. Many public bodies can borrow money at a rate of interest considerably below 4 percent, and others can sell bonds bearing 4 percent interest at a substantial premium. My bill does not fix the rate of interest at 4 percent; it simply establishes that rate as the maximum, and provides leeway for loans at a lesser rate. However, in the administration of this provision of the bill, should it be made law, it may be impracticable to vary the rate of interest. It will probably be found that in a great many cases loans could not be made at a rate below 4 percent. Therefore, I believe it is safe to assume that 4 percent will be the rate fixed for all loans to sponsors who also receive an outright grant. Assuming this to be true, the Administration will not be able to utilize as large an amount for loans as it will for grants.

There is another reason why more money should be available for grants than for loans. We should encourage the maximum amount of private investment in public construction, and certainly there is no more attractive scheme than that of outright grants.

I have included in my bill a provision for releasing or refunding all or any part of the interest on loans made to project sponsors. This, I also did on account of the President's recommendation in his message to Congress. There may be cases where this form of financing might prove beneficial to project sponsors. Personally, I feel that it would be better to adhere to the forms of financing already in effect and with which everyone is acquainted.

There is incorporated in my bill a provision authorizing P. W. A. to construct projects for lease to public bodies. I consider this one of the most important features of the bill. It extends to public bodies, whose financial status is such that they cannot participate in the financing of needed projects, an opportunity to avail themselves of such facilities under long-term leasing arrangements, with or without the privilege of purchase at 55 percent of the project cost. It also provides an opportunity for relieving unemployment in such localities without requiring the community to make an initial investment.

There are two other provisions in my bill which would greatly facilitate its administration if it should be made law. It authorizes the administration to exchange securities acquired from a public body for any other securities of the same or any other public body, when in the opinion of the Administrator such transactions are desirable. It also authorizes the administration to sell any or all securities acquired from public bodies without requiring such transactions to be made through any other Federal organization; the proceeds of such sales to be paid into the Treasury of the United States to reduce the out-of-pocket expenditures of the Federal Government.

My bill contains a provision, authorizing the administration to make recoverable advances to public bodies for preliminary operating expenses. This provision serves two purposes; it will greatly add to the security of loans made by the administration, and it will be very beneficial to public bodies in cases where they are able to finance their share of the project cost, but are without funds with which to place the project in operation.

I believe, that with the exception of the amounts proposed for grants and loans, the provisions of my bill are simple, sound, and practicable, and I hope it will receive favorable consideration in Congress.

Relief for Borrowers From the Home Owners' Loan Corporation

EXTENSION OF REMARKS

OF

HON. GEORGE B. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1938

Mr. KELLY of New York. Mr. Speaker, I am the coauthor of a bill, H. R. 8226, which has for its object, relief for borrowers from the Home Owners' Loan Corporation. This bill has been in the Committee on Banking and Currency since August 12, 1937, but they have given no indication of reporting it to the House.

If these overburdened people who have been struggling to save their homes needed this bill last year, then certainly with the difficulties which the recession has placed upon them during the past 6 months, they need it twice as much today.

While there are bills which would provide more adequate relief than the bill I speak of, I am urging this because I feel that its provisions are so mild that no reasonable person can

object to them. And rather than see no bill at all, I think we should pass this one.

H. R. 8226 calls for a reduction of the interest rate on loans from 5 percent to 3½ percent. It also extends the period of amortization from 15 years to 20 years.

We established this H. O. L. C. to save homes for the American people. What good is their struggle to make payments during the past 4 years to be, if this recession is going to take their homes away now?

If the committee does not take action, let me plead with the Members of this House to provide relief for these people. There is a petition on the Clerk's desk to bring this bill upon the floor. Let us not adjourn Congress without providing the help which our people need. Please sign the petition, bring this bill to the floor, and pass it.

If We Desire to Retain the Capitalistic System Let Us Go to Work Earnestly to Reform It—"Hungry Men Must Eat"

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1938

Mr. BURDICK. Mr. Speaker, during this session of Congress there appeared to be a well-organized movement to make some necessary changes in our monetary system, and several bills to this end were urged by the monetary-minded Members of Congress. Among the bills was my own bill (H. R. 3297) providing for a standard of money measured by the labor-hour. I fully realize that this bill is the only bill, thus far, that contains a sound basis for the issuance of money, but, at the same time, it is apparent that this bill goes further than the majority of Congress would wish to go. Rather than jeopardize other bills which might possibly be passed, and any one of them would be a much better system than that under which we are now operating, I decided not to interfere with any other bill but give my support to a bill that might be passed now. I have at no time abandoned the philosophy of H. R. 3297, and until the substance of this bill is enacted into law, we shall continue to flounder along with an unworkable system, or at least one that is not an ideal one.

Since I have at all times been willing to assist others in passing what they believed to be the proper bill, I have discovered two outstanding facts. First, there will be no material change in our present monetary system at this session of Congress—that authority comes from the leaders of the administration. Second, that the monetary reformers are so absolutely sold on their own bills that they can see no other, and there cannot, therefore, be enough unity of action to bring out and pass any bill at all. That seems to be a general fault with most reformers, both in and out of Congress. They all agree that something must be changed, but they cannot agree for 24 hours on any one single plan that will have the support of all who are vitally interested in the subject.

The Patman bill has many followers; the Goldsborough bill has its supporters; the Lemke bill has gained a lot of momentum at this session; and the Gray bill is very much alive, through the untiring efforts of its author; the Binderup bill has created a great stir and numbers among its supporters some of the leaders of the House. But, all in all, no one of these bills can unite enough support at this session to win approval in the House.

Since I am now convinced that no one of these bills has a chance of being passed at this session, I do not feel that I am impeding the progress of any one of them by making a few feeble suggestions on my own bill, H. R. 3297.

Before proceeding to discuss the particular features of this bill, let us state a few fundamentals that must be recognized if any bill is to bring about monetary relief.

First. New money must be put into circulation at the bottom of the social heap. No amount of money spent at the top—like grants and loans to banks, railroads, and insurance companies—can do the job. Experience has demonstrated this beyond all possible question, although the Secretary of the Treasury, and the President, and most of his financial advisers think otherwise. They are in power and must not only share the credit of their works but must eventually share the responsibility of failure. It surely takes a lot of nerve to keep right on in a course of spending that has been demonstrated to be a failure in bringing about recovery.

It is apparent that this spending spree does not put any power of buying down at the bottom of the social structure—it gives those at the bottom, or some of them, a mere living dole—a sandwich—but not any buying power, for in any event, without any legislation, the people generally have a right to live; and if the Government does not provide the means to do that, the people will themselves find a way. A few hungry men will not find a way, but when enough of our people get hungry enough, a way will be found and that way will not be attended by that degree of law and order which should prevail in a republic like ours. When the people are driven that far, no one has the right to rise up and complain of radical action by a lot of hungry people, for it is us who are responsible for setting this course of conduct in action.

Get the money down to the bottom and get it there as quickly as possible is my message and my warning. In addition to this, we must formulate and put into operation a system that will keep the money circulating at the bottom; that shall leave the control of money, not in the hands of the money lender, but in the hands of the people who work; not in the hands of the manufacturer, but in the hands of those who work. Any other system cannot survive at a period of our national history where all new territory has been taken by the homesteaders and lost to the money loaners.

A dollar based in value upon its relation to some seven hundred commodities is much better than to base a dollar upon the fictitious value of one commodity—gold, but if our aim and purpose is to keep money always circulating at the bottom it must be based upon the value of labor. As soon as raw material is fabricated into a product called a commodity, that commodity is in the control of the owners of manufacturing and distribution systems, and the moment anything becomes a commodity, just that moment the control of it passes from the labor that produced it to the control of those who commercialize it for profit. When, however, the value of a dollar is based, not upon gold, silver, or some seven hundred other commodities, but upon the value of labor, then it logically follows that the control of money must always remain in control of those who labor. That is where the control ought to be if our whole social structure, under the profit system, or capitalistic system, is to survive. Any other control—control such as we have today—resulting in over 13,000,000 jobless people and a public and private debt that in amount is more than the cash value of all the property in the United States, will inevitably and as surely as night follows day, eventually result in the destruction of all individual initiative and the concentration of effort of all in a system of collectivism.

The anomalous thing about the present situation is that those who ardently desire to keep the capitalist system and preserve the full measure of individual effort, are by their actions doing the most to bring about exactly what they do not want. Those who are striving with all the power they possess to bring relief to the suffering millions at the bottom of the social heap, are charged with being Communists, and traitors to democracy. This phenomena is no different from that exhibited always through all the pages of history of the human race. Rome was not

destroyed by its enemies without but by its enemies from within. When greed, avarice, and the mania for the accumulation of wealth takes possession of any people in control of a government the people (and that means the majority of them) become the victimized and the plundered element of that state of society. When the forces of this mania work long enough to bring suffering and disaster to the many while the few are successful, there immediately begins a movement to end the means by which those few gained their wealth, which means power and control. The processes of history work slowly but the result is never in doubt.

Applying the pages of human history, open to all to read, to the present financial situation which the great majority of the people of the United States find themselves in, it should be to us, who make the laws, the "handwriting on the wall."

Concrete facts are before us. Thirteen million five hundred thousand men and women are jobless who want a job; private industry admits that with no hardships in Government regulations no more than 3,000,000 could be put back to work. Our task, therefore, is not to satisfy private business, adjourn this Congress, and go home. Something of far more importance remains to be done. We are here to protect those 10,000,000 who do not have a chance under our present system. Every year will see more laborers displaced, and every year will see more young men and women coming from our higher institutions of learning who will find themselves unwanted and no future in sight. Is there any Member of the Congress so dumb as to believe for one moment that this situation can continue indefinitely? We are playing with fire to remain inactive.

We are forced to the conclusion now, if we have any thinking power left, that this jobless situation is a permanent thing under our present system of government. If we recognize that the jobless will increase year after year unless we make a quick departure from the elements that have produced this result there ought to be no hesitancy in meeting the situation squarely and solving the problem.

If we are serious about the situation and actually intend to relieve the people in distress and revive business which is now camped here in Washington asking for Government loans to keep going we will take action upon some of the important bills now pending in the Congress.

The present $4,000,000,000 program of the President will not solve the situation, because that appropriates money for two purposes, and two only. First, to provide doles for the hungry; second, to make money available for loans so that business can meet its pay rolls. On the face of this program, without any debate at all, it is evident to anyone who has thought this subject through and has the fingers of his mind around the subject that doles will not reestablish the receiver to a proper social standard; it may keep him from dying, but under a dole as a grant or as payment for work under a dole system of wages he cannot regain the social position to which he is entitled and which is guaranteed to him in our great charter of liberties. Loans will not help the businessman, the distributor, or the processor—it is business he wants and which he does not now have; loans will only insure his final and complete collapse.

What we should have is:

First. Take unto ourselves as the Congress of the United States the powers which the Constitution granted Congress and operate as our fathers intended we should. Take control of our money and credits and bar forever the right of any individual or group from using the Nation's money and credit for his own profit. We have that right under the Constitution. We have never, in fact, relinquished this right, but by custom and common consent and unconstitutional acts of Congress transferred that right to the banking fraternity. Through the use of Government credit, for which they pay nothing, we have an annual interest burden of $15,000,000,000, or more than the combined net income of agriculture and labor over a period of the past 6 years. That annual interest burden will increase unless we stop the privilege granted to this special privilege class.

Paying doles will not put any buying power at the bottom of our social structure. Buying power is what we must establish. There are 65,000,000 people in the United States who have no buying power but are living on relief and the accumulations of the lives of themselves and their fathers for six generations. The end of this will finally come. Can these 65,000,000 people borrow any money—as the President would suggest? Not one cent. There is no Government financial agency that has a set-up to let them in. A loan means that the recipient must have security. These millions have no security. All they have is their hands and their brains, but with no possibility of putting either to work. We do not want doles, we do not want loans, we want an opportunity to work under a scale of wages that will enable us to satisfy the hundreds of necessary wants and which we cannot now satisfy. That is buying power.

Let this Government plan work that is necessary and lasting—that 10 years from now, 50 years from now will be an everlasting monument to common sense and statesmanship. No program arranged overnight and for the duration of a few months can mean nor has it meant anything. If we recognize our governmental obligation of furnishing work, and that we shall constantly have this problem to deal with, the people at the bottom will have returned to them that buying power which alone can satisfy their necessary wants and at the same time revive a stagnated business structure.

If we mean to end this nightmare of business and social ruin, we can do it at once by putting into operation the Townsend recovery program; the program of Government-planned work on a long-range plan; and, finally, but of far more importance to the future of this democracy, end this criminal interest system made possible by the private use of the money and credit of a great Nation. In doing this we can forever fix a basis for the issuance of money that will not permit again the situation that confronts us. We can establish the value of a dollar upon the value of a labor-hour for work, and thus keep the control of the "money," or medium of exchange, in the hands of the people, where it rightfully belongs.

Mr. Ford said here in Washington the first of the week that if the Government would get out of business and business get out of Government, things would come out all right. If Mr. Ford meant that business, through the banking system, has controlled this Government since the days of Alexander Hamilton and is responsible for our present financial chaos, I agree with him that his plan would work. There is only one drawback to it, namely, that the people of the United States as a class are so deplorably destitute from the operation of business in control of the Government that they must be given a helping hand to get back to a position of self-support. That is, this Government, while not desirous of engaging in business, must, nevertheless, guarantee every man and woman in the United States the right to work and receive wages that will sustain them as self-respecting, government-supporting citizens.

While I have no patent on the legislation that will restore our normal functions as a nation, I will assert that the passage of the following bills outlines a philosophy of government enacted by law which will put in motion forces that will restore the people of the Nation to the sacred rights guaranteed to them—the right of life, liberty, and the pursuit of happiness.

Those bills are H. R. 3297, H. R. 4199, H. J. Res. 317.

Lest we forget the messages sent us by our great leaders of the past, let me read again the messages from Lincoln, Jefferson, and Chase:

Capital primarily did not exist except as natural resources and when labor was applied to natural resources it brought capital. Hence, labor was previous to capital and entitled to first consideration.—Lincoln.

I believe that banking institutions are more dangerous to our liberties than standing armies. Already they have raised a money aristocracy that has set the Government at defiance. The issuing power should be taken away from banks and restored to the Government of the people to whom it properly belongs.—Jefferson.

My agency, in procuring the passage of the National Bank Act, was the greatest financial mistake of my life. It has built up a

monopoly that offsets every interest in the country. It should be repealed. But before this can be accomplished, the people will be arrayed on one side and the banks on the other in a contest such as we have never seen before in this country.—Salmon P. Chase.

I see in the near future a crisis arising which unnerves me and causes me to tremble for the safety of my country. The money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until the wealth is aggregated in a few hands, and the Republic is destroyed. I feel at this time more anxious for my country than ever in the midst of war.—Lincoln.

I have sworn on the altar of God eternal hostility against any form of tyranny over the mind of man. I am for freedom of speech and freedom of the press. I am opposed to silence by force instead of reason, any complaint or criticism, just or unjust, by our people against the Government.—Jefferson.

Corn Breeding Experience and Its Probable Eventual Effect on the Technique of Livestock Breeding

EXTENSION OF REMARKS

OF

HON. ANDREW J. TRANSUE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1938

ADDRESS BY HON. HENRY A. WALLACE, SECRETARY OF AGRICULTURE, AT MICHIGAN STATE COLLEGE, EAST LANSING, MICH., APRIL 21, 1938

Mr. TRANSUE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered by the Secretary of Agriculture at Lansing, Mich., on April 21:

The corn-breeding experience of the past 20 years is certain to have a most significant effect on the genetic thinking of midwestern farmers. In the long run, this effect is likely to be felt even more in the field of livestock breeding than in plant breeding. In brief, the method of breeding which has proved so useful in corn may be called "controlled heterosis." With most types of plants it is impractical to produce a fresh supply of seed each year by the methods of controlled heterosis. But with corn the method is practical and with many types of livestock I am convinced the same method with suitable modifications will likewise prove to be practical.

INDIAN INTERESTED IN CORN FOR HUMAN CONSUMPTION

Because I believe the methods evolved in corn breeding will eventually have a profound significance to livestock breeding, I propose to review the corn experience. The early Indian corn breeders must have done a remarkable job but how they worked no one knows. Many of the tribes apparently mixed up religious ceremonies with their corn-planting and seed-harvesting operations. To some extent they seem to have saved seed on the basis of an esthetic appreciation for different colors. They seem to have had a much greater appreciation for the early 8-row strains of flint and flour corn than is the case today with the white people who grow corn in the same region. Nevertheless, in the rich river valleys of Virginia, Maryland, and southeastern Pennsylvania, as well as along the Ohio, there seems to be evidence that the Indians grew dent corn with 16 to 24 rows. In Virginia and other parts of the South the Indians grew what the early settlers called shoe-peg corn, with narrow, deep rough kernels and with the ear sometimes carrying even more than 24 rows. The kernels were apparently very starchy and the test weight must have been 50 pounds per bushel or less. Undoubtedly the soft types of corn, whether the many-rowed gourd seed or the 8-rowed flour corn, strongly recommended themselves to the Indians because of ease of grinding. In many parts of the country and especially in the North, the 8-rowed flint corn seems to have been the strain used for roasting-ear purposes.

Many people have the idea, especially in the central Corn Belt, that the white man greatly improved the corn which the Indian handed over to him. When the white man came to Iowa, for instance, he found the Indians growing very largely blue and white types of 8-rowed flints and flours. There were also red and calico types and some, but not so very much, yellow. Nearly all of the Indian sorts were considerably earlier than the types which the white man ultimately grew in the same territory. From this it can be concluded, because late varieties ordinally outyielded early sorts, that white men in Iowa in the early twentieth century were growing higher-yielding types of corn than Indians were growing in Iowa in 1850. But there is no certainty whatever that the white man in the early twentieth century in Iowa was growing higher-yielding strains of dent corn than the Indians were growing in southeastern Pennsylvania in 1500. The white men who came to the Corn Belt merely brought from the East later-maturing types of corn than the Indians had been accustomed to growing in the Corn Belt.

Knowing the Indian's dietary habits as we do, it seems probable that modern dent corn was evolved in considerable measure by the white man by selecting from crosses between the gourd seed corn from Virginia and flint corn from a little farther north. Genetically, it would be equally plausible to argue that both flint corn and gourd seed corn were segregates from a primitive dent corn. The genetic plausibility of this assumption, however, is negatived not merely by our knowledge of the corn dietary customs of the Indians, but also by the observations made more than a hundred years ago by John Lorain (1753–1823), of Philipsburg, Pa. Mr. Lorain, known to historians as a man whose honesty and integrity were above reproach, speaks of the conscious crossing of the white gourd seed and the yellow flint and then selecting segregates of a type which we would call dent. In view of our knowledge of the Indians and of Lorain's testimony, it seems probable that the dent corns of the Corn Belt originated in large measure by selection from either accidental or planned crosses of the late gourd seed and the earlier flint.

Undoubtedly the Indians grew all the component parts of modern dent corn and the Virginia Indians may even have grown dent corn itself. It remained, however, for the white man fully to utilize the superior yielding power of dent corn. The white man, being interested primarily in growing corn for horses, cattle, and hogs, and having power machinery for grinding when preparing corn meal for human consumption, gave primary emphasis to yield rather than to ease in grinding.

About 1890 the people of the Corn Belt began to think seriously and in an organized way about improving their corn. Up to that time Corn Belt farmers in their corn-breeding operations had improved upon the Indians chiefly by substituting a later type of corn from the East for the earlier types which the Indians had grown. Up to that time, there is no evidence that when the difference in objectives is kept in mind, the white farmers had proved themselves in any way to be superior as corn breeders to the Indians.

CORN BEAUTY NOT CONNECTED WITH YIELDING ABILITY

Following 1890 came 30 years of enthusiastic interest in corn shows. Standards of corn beauty were evolved which had nothing whatever to do with yield but which gave great satisfaction to several thousand corn farmers. The agricultural colleges held corn shows at the time of the winter short course, and they trained farm boys to act as judges. In this way, an immense interest in corn was stirred up and while the corn-show doctrines which were taught were utterly misleading, the eventual outcome was good. The powers of observation of thousands of farm boys were firmly fixed on corn. It is not surprising that after a time some of them began to dig in deeper than the superficialities of the corn show.

Perry G. Holden, the great corn evangelist, proved in this respect to be an interesting study in dual personality. He had graduated from the Michigan Agricultural College in 1889 and while there he had the benefit of rigorous training in botanic observations by Dr. W. J. Beal, who is recognized as the first to hybridize corn for the sole purpose of getting hybrid vigor in the first generation hybrid, or what he called buoyancy or hybridization. Whether Dr. Beal told Mr. Holden about his experiments in crossing the varieties of corn here at the Michigan station in 1881, I do not know. But I do know that Dr. Beal, as professor of botany, made a profound impression on Mr. Holden. Dr. Beal, a student and follower of Agassiz, had impressed on Mr. Holden the need for observing all forms of plant life minutely, carefully, and continuously. And so Mr. Holden became a notable corn-show enthusiast and used the corn-show mechanisms to get hold of many hundreds of Iowa farm boys. He could place corn samples with an air of great finality, as though he really knew which ones were best. And yet he must have had some twinges of conscience about the whole matter, because in 1904 he encouraged me to plant on an ear-to-row basis 50 ears of corn which he had placed in a corn show. I remember yet, very clearly, the terms in which he extolled the superiority of one particular ear. But at the same time he whetted my eagerness to see how the different ears of corn would yield. And so I planted these different ears on an ear-to-row basis by hand in a 5-acre field, and harvested them and weighed them up myself in the fall.

Of course, I found that Mr. Holden, as a corn judge, didn't really know anything about the relative yielding power of the different ears. But Holden, as a stimulator of boys, was a tremendous success, and I shall never forget my debt of gratitude to him. Incidentally, I may say that the 50 ears which Holden furnished me to plant in the spring of 1904 came from stock which Holden had brought into Iowa in 1902 from the farm of James L. Reid, of Tazewell County, Ill. The Reid corn had been derived by long years of selection from a cross of an early yellow flint with a late reddish semigourd seed type of corn which had been brought in from the Ohio River bottoms about 50 years previously.

At the same time that Holden was waking me up to the fundamental impracticability of the corn show, George Shull and E. M. East, working respectively at Cold Spring Harbor, Long Island, and New Haven, Conn., were starting their historic experiments in the inbreeding of corn. They did their first crossing in 1907 and announced their astonishing results in 1908 and 1909. I remember

talking over their results with one of the men at Ames in 1910 and reaching the conclusion that the whole approach was probably impractical because of the difficulty of doing the hand-pollinating work.

BEGAN CORN-BREEDING WORK IN 1913

In 1913 I tried doing a little inbreeding, using a technique which had been devised by G. N. Collins, of the Department of Agriculture, and again reached the conclusion that the process was too laborious. At that time and for several years thereafter, I was experimenting with the crossing of varieties from all parts of the United States. Oftentimes these varieties would cross to produce unusually good results, but when I tried to repeat the result the following year, I oftentimes had bad luck. As a result of hard experience, my mind was forced to accept the conclusion that varieties might be uniform with respect to outward appearance and at the same time be tremendously variable with regard to genetic characteristics having to do with yield. By 1919, I had been driven completely into the arms of the East and Shull doctrines. Dr. James R. Holbert, working at Bloomington, Ill., had had a somewhat similar experience to my own. F. D. Richey, formerly in the Department of Agriculture, had had a like experience. Dr. D. F. Jones, at the Connecticut station, having received his original inspiration from East, had a great vision of the future possibilities of inbreeding and cross-breeding corn.

In August of 1919, or possibly it was 1920, I remember calling on Prof. T. A. Kiesselbach, of the University of Nebraska, who gave the Spragg Foundation lecture in 1931, and talking with him about the status of corn breeding. He told me about the desirability of growing a rather smooth long slender ear type under Nebraska conditions. He had no faith whatever in the corn shows but he didn't believe that there was any practical method of corn breeding aside from selecting good, sound, smooth ears from an adapted strain. He told about having a breeding plot in which they had pulled out the tassels of all the barren plants before they could shed pollen. This had been kept up year after year for a number of years, but the seed coming from this plot did not yield any more (in fact, it yielded slightly less) than the seed from another plot in which the barren, smutted, and otherwise undesirable plants were allowed to shed their pollen. Professor Kiesselbach at that time had very little faith in getting higher yields by the crossing of inbred strains. He told how he and E. G. Montgomery, of the Nebraska station, a number of years previously had done inbreeding work in corn, but said that on the average the crosses of the inbred strains had yielded no more than regular open pollinated corn. He was thinking of the problem, however, from the standpoint of the average yields of a large number of crosses of inbreds and not from the standpoint of discovering whether or not certain inbreds would cross to produce unusually good results.

I shall always remember Prof. H. D. Hughes, of the Iowa station at Ames, as one of those kindly tolerant men who compose the human problems involved when there is a rapidly changing situation. He sympathized with the men who were interested in the corn show but at the same time endeavored to bring to their attention the facts necessary to wake them up. Hughes did not want to hurt people, but at the same time he wanted progress. He was probably more responsible than anyone else for setting up the Iowa corn-yielding test in 1921. Any Iowa farmer who wanted to do so could send in 4 pounds of his corn and a $3 entry fee and get the corn tested for yield in comparison with corn from other farmers living in his district. It was a completely impartial test because the names were not associated with the different samples as grown in the field and were not brought together with the results until the day of the announcement of the results. The first comprehensive, entirely impartial yield comparison of hybrid with open-pollinated corn was in the Iowa yield tests, and if it had not been for the Iowa yield tests, it is practically certain that today there would be less than one-half as many acres planted to hybrid corn as will be the case this spring.

ABOUT 15,000,000 ACRES OF HYBRID CORN IN 1938

It seems probable that in the year 1938 there will be planted at least 15,000,000 acres of hybrid corn, and if we have ordinary weather, the total yield of corn will be at least 100,000,000 bushels more than would have been the case if the same acres had been planted to open-pollinated corn. Under some conditions the hybrid corn will yield little if any more than open-pollinated corn, but under other conditions it may yield as much as 30 bushels an acre more. No one knows what causes these wide variations but we do know that under average conditions adapted hybrids will yield fully 8 bushels an acre more than open-pollinated corn. Also, most of the commercial hybrids have stiffer stalks than the open-pollinated corn. At the present time there are very few adapted commercial hybrids for the northern corn belt or the southern corn belt. In time, undoubtedly, there will be plenty of good commercial hybrids for both the northern and southern corn belts.

The experiment stations, the private breeders, and the United States Department of Agriculture have, during the past 10 years, produced literally thousands of inbred strains of corn and hundreds of thousands of single crosses, three-way crosses, and four-way crosses. The experimental work by these various agencies probably costs, at the present time, more than a million dollars a year. Of the many thousands of inbreds produced, probably only 40 or 50 are really outstanding. An immense amount of work is now going forward to improve these various inbreds by back crossing, so that their respective strongs points can be retained and the weak points eliminated.

From now on the rate of progress in hybrid corn will undoubtedly be much slower than during the past 15 years, but nevertheless there is certain to be progress. Looking ahead, we can be fairly certain that in 1945 there will be well adapted commercial strains of hybrid corn for practically every section of the Corn Belt, that will yield at least 20 percent more than the average open pollinated corn as grown in the respective parts of the Corn Belt in 1920. This means that on most of the farms in the Corn Belt, the 20 percent of the corn land which is most poorly adapted to corn and most likely to be hurt by erosion, can be taken out of cultivation and returned to grass. From an economic point of view the significance of hybrid corn is probably greater than most of the plant-breeding achievements in which the experiment stations and the Department of Agriculture have been involved.

LIVESTOCK BREEDING COMPARABLE TO CORN BREEDING IN 1910

I have described the evolution of corn-breeding methods and especially the development of hybrid corn in such great detail because I wish to indicate the method of approach that I believe may eventually prove to be fully as significant with livestock as with corn. If we leave dairy and poultry out of account we may say that livestock breeding operations today are in much the same state as the corn-breeding operations were previous to 1910. In all too many cases the graduates of the animal husbandry department of the agricultural colleges assume that the placing of an animal in a livestock show really determines relative genetic merit.

Outside of poultry and dairying the whole animal-breeding field is still permeated in large measure with the thought of show-ring excellence as contrasted with functional excellence. Nowhere in animal husbandry is there a test which means as much as the yield test in corn. The closest approach is in poultry, but the egg-laying contest is only a partial approach and in certain respects can be improved on very greatly. In a genuine poultry test each competing breeder would send 100 eggs to the testing station in the early spring. All eggs would be hatched at the same time and a complete record, including mortality and rate of growth of the chicks, would be kept. All pullets would be saved and there would be no culling. The trouble with the present type of egg-laying contest is that it measures much more the capacity of the breeder as a culler than as a breeder. If eggs were sent to a testing station instead of pullets ready to lay, the breeder who is outstanding as a culler rather than as a breeder would soon be eliminated. A bird's ability to resist disease is rapidly becoming just as important as its egg-laying ability. In this connection, the new Regional Laboratory for the Improvement of Viability in Poultry, which is to be located here at East Lansing, should be very helpful in solving some of our poultry-disease problems. It is expected that breeding for resistance will be one of the important phases of the work of this laboratory. But above all, we want to know the average capacity of all of the pullets to produce a large number of standard-size eggs and not merely the capacity of a few selected pullets. A number of individual poultry breeders, both at the experiment stations and in private life, have taken into account in their breeding operations the criticisms which I have stated. But I do not know of any egg-laying contest that has taken these criticisms into account, and until the egg-laying contests have changed their practices I do not anticipate that really rapid progress can be made in terms which will greatly affect the production of the average farmer.

METHODS OF BREEDING IN DAIRY CATTLE

From a genetic point of view the dairy testing work is not as good in many respects as the poultry. The difficulty is that the milk records are not made under comparable conditions. Cows under test calve at different times of the year, are fed varying rations, and some are milked two times a day, some three times, and some four times. Strenuous efforts are made to make the records as nearly comparable as possible, but we all know there is a wide margin of error. It is recognized that there are practical limitations in getting records under comparable conditions. There is great need right now, however, for the development of better techniques for making comparable tests. The best line of approach has been the proven sire who has to his credit a large number of dam-daughter comparisons, which prove beyond question that the bull under consideration possesses an inheritance that will enable him to transmit a uniformly high level of production to his offspring. In this connection I believe the work of the Bureau of Dairy Industry of the Department of Agriculture, under O. E. Reed, formerly in charge of dairy work at the Michigan station, is of unusual significance. For the first time the effort is being made to keep up to date the indexes of all sires proved in dairy herd improvement associations. The individual breeder never knows whether the calves out of a new bull will prove to be better than their dams or not. It is a great gamble. A bull for which a large sum of money has been paid can easily produce calves which, when mature, will give less milk than their dams. Heterozygosity for productive factors in the bull and the possibility of varying degrees of heterosis as between the bull and the particular dams used, make dairy breeding under conditions as they exist today a highly speculative enterprise.

The show ring, of course, is practically worthless from the standpoint of discovering superior germ plasm in dairy cows. A system of establishing big records on a particular cow or a small group of highly selected cows has some advantages over the show ring as a method of discovering superior germ plasm. Often, however, it

also is seriously misleading. As ordinarily used, the method of making a big record on a few highly selected cows is phenotypic in its approach rather than genotypic. A phenotypic approach might be useful for the purpose of deceiving prospective purchasers who don't know the difference between a genotype and a phenotype. I am sure that informed persons in our agricultural colleges, however, are more and more getting away from the practice of fooling themselves and their students by creating pride in the high producing phenotype which may or may not be able to pass on its genetic capacity in succeeding generations.

Bull testing by the dam-daughter comparison is infinitely superior both to the show ring and the system of making big records on a few highly selected cows. But bull testing by the dam-daughter comparison can also be highly deceptive if the comparisons are made only as the basis of a few dam-daughter comparisons when more are, or should be available. If the inferior dam-daughter comparisons are left out, deception will be created unless very unusual reasons fully explain the omitted records. But even when all of the dam-daughter comparisons are included which should be included, the result of bull testing by this method may to some extent be misleading in case the bull is heterozygous for high productive qualities. If he is heterozygous, some of his calves may be very good and some very bad. In the case of a bull, heterozygous for productive qualities, with an outstandingly high index, the problem of fixing his good qualities by inbreeding becomes an impossible one without a large amount of selection. Even after the first generation of inbreeding, the sons of an outstandingly good heterozygous bull may in some cases prove to be bad. Moreover, the good sons may, in turn, prove to be heterozygous.

It will save time, of course, if some method can be developed whereby those bulls which are homozygous for high productive qualities can be discovered before much time has been spent on fixing those qualities more definitely by inbreeding. By actual breeding experiments of the Bureau of Dairy Industry such bulls have been discovered. They have been placed in experimental breeding herds and in farmers' herds and have demonstrated that their homozygosity for high production does carry on into succeeding generations. In any event, it is advisable for the experiment stations and the Department of Agriculture in developing homozygosity for productive qualities in bulls by the dam-daughter method to remember the need for using as many comparisons as possible.

In breeding experiments at the Beltsville Station where sires of known transmitting ability have been used for a number of generations, they have been able to breed cows with a consistently high level of production. In these experiments every daughter, no matter how poor she may be, is given the same opportunity to show her producing ability as are the highest producers. Eighty-two Jersey cows sired by bulls of proved transmitting ability, that were bred at the station and tested under uniform conditions, have made an average mature yield of 657 pounds butterfat. Twenty-one of the 82 cows produced less than 600 pounds butterfat. Four sires were used that did not sire a daughter that made less than 500 pounds butterfat (mature basis). Ninety-one Holstein cows have been sired at this station by sires of known transmitting ability, and their average production on a mature basis was 689 pounds butterfat. Sixteen of the 91 cows made records of less than 600 pounds butterfat. The lowest producer of the 173 Jerseys and Holsteins had a record of 253 pounds butterfat. Extensive abscesses were thought to be the cause of her low production. A number of others that did not produce up to expectations were found to have abnormal pituitaries. In considering this production it should be remembered that the average cow kept for dairy purposes in the United States has an average yield of 170 pounds of butterfat.

This appears to indicate that the system of using only those sires that are selected on the basis of their ability to sire daughters that are uniformly higher producers than their dams is successful in fixing an inheritance in which those factors predominate that make possible high producing ability. The weakness of the superior proved sire system of breeding is the great scarcity of superior proved sires. In this connection, recent developments indicate that the usage of the superior breeding sire may be greatly increased by practicing artificial insemination. In Denmark, for example, a breeding circuit has been set up whereby a veterinarian examines all cows to be bred and in the afternoon secures semen from the sire to be kept for this purpose and inseminates the cows in the various herds. In 1936 more than a thousand cows were reported to have been bred by semen from one bull. Early this year a breeding circuit along this same line was organized in New Jersey, and in other States artificial insemination is being practiced.

Will it be possible to fix the inheritance that is possessed by these outstanding breeding sires more rapidly by inbreeding or will it be fixed if a succession of such sires are used continuously without regard to their relationship to each other? That question cannot be answered definitely at this time. In a sense, where these sires that have shown by the progeny test that they are approaching homozygosity for factors determining high levels of production, are used on each other's daughters, and particularly when this mating is restricted to animals within a breed, it may be considered that we are line breeding, or inbreeding, in terms of factors making for high production. Very often where very close inbreeding is practiced with dairy cattle the production level is sharply depressed.

At the Beltsville Station there is a group of Holstein cattle in which intensive inbreeding has been followed for many generations. For several generations the production level was well maintained but the size of the animals diminished steadily, until now the inbred Holsteins are no larger than Jerseys. In the last few generations production level and vitality in the calves have declined. A cross of these inbred females to an unrelated registered Holstein sire results in progeny of normal size and vigor. The possibilities of the crossing of breeds in order to secure the hybrid vigor which comes from cross breeding have not been very fully explored with dairy cattle as yet. Whether or not animals that possess an inheritance for only mediocre production when mated within their respective breeds, will gain sufficiently in hybrid vigor when crossbred to make their progeny significantly higher producers, remains to be seen. Even though the production level is not raised, there is the possibility of greatly increased reproductive vigor and an increased vitality in the calves. I understand that there are several herds that are either using this system or that are planning to do so. Some experimental work along this line is also being done in the Department.

LITTLE PROGRESS MADE IN SWINE AND CATTLE YIELD TESTING

In the case of swine and beef cattle, no really satisfactory yield testing has yet been done outside of Denmark. In Denmark for the past 30 years the breeding centers have, of course, done a remarkable job. Year after year four pigs from the offspring of each of the different sows involved in the test have been given the same feed and at a given weight their carcasses have been compared. We in the United States have done a little work along swine-breeding operations. At the present time in our swine breeding we seem to be at about the same stage as Beal was with corn back in 1876 in Michigan or as I was in 1915 in Iowa. We know that certain pure breeds of swine will oftentimes cross to produce more rapid gains and more economical gains than will the pure breeds themselves. But sometimes this is not the case. We don't know just which strains within one breed will cross with other strains in another breed to produce the best results. The Department of Agriculture in 1934 imported some of the Danish Landrace and Danish Yorkshire swine. In crossing with American breeds of swine some very unusual results were obtained. When the crosses were repeated another year, however, the results were just ordinary. The question is just which strains of Danish swine should be crossed with which strains of American swine. There must be enough inbreeding and enough line-breeding to produce a considerable degree of homozygosity in both the Danish and the American swine before consistently good results from such crosses can be expected. Large numbers of inbred and line-bred strains must be produced and then as a result of the large number of crosses it may be possible to discover the strains that combine to the best advantage. When the right homozygous sire strains and homozygous dam strains are discovered it may be found that both strains are within the same breed or they may be in different breeds.

From a practical point of view the breeding system in swine then becomes as follows: It is the function of certain purebred breeders to maintain in homozygous form the foundation stock to furnish boars to the practical feed-lot farmer. It becomes the function of another set of purebred breeders to furnish in homozygous form line-bred strains of sows which have been proved by previous experiment to combine well with the homozygous strains of boars. This all sounds complicated and expensive, and undoubtedly it is at the present time. And yet I am convinced that if we made the necessary modifications indicated by experience, some such system as this will eventually prove to be just as significant with hogs as the hybrid corn system is with corn. The farmers, in order to get the best results, would find it necessary continually to come back to the purebred breeders for their foundation stock.

The purebred breeders under this system would have a function many times as important to the practical farmer as is the case at the present time. I am sure that it will only be a few years until a large number of the purebred breeders will gradually shift their plans to help in an approach of this type. I am convinced the average purebred breeder has sufficient of the practical farmer in him so that he wants to cooperate to the utmost to enable the farmer to turn the minimum of grain into the maximum of satisfying meat for the ultimate consumer. Both the breeder and the farmer are interested not in showing ribbons but in those methods that will enable the farmer best to serve the consumer. Working in this direction, I am convinced both the breeder and the farmer want the maximum of cooperation from the experiment stations, the Department of Agriculture and the packers.

The method which I have described here might briefly be called the method of homozygosis followed by controlled heterosis. It is only by some such method as this that the gamble can be taken out of livestock breeding. It is only by some such method as this that the purebred breeders can serve the practical farmers to the utmost. I hope the Animal Husbandry Division of the United States Department of Agriculture, the animal-husbandry departments of the various agricultural colleges, and the animal husbandry extension agents throughout the land can join together gradually to make it possible for animal breeding to make progress along some such lines as these. The principles can first be worked out in chickens and swine, next in sheep and dairy cows and finally in beef cattle.

The establishment about a year ago of a regional swine-breeding laboratory at Ames, Iowa, in which the Corn-Belt Experiment

Stations and the Department of Agriculture are cooperating is a significant step in this direction. In this laboratory intensive effort is being given to the development of strains with varying intensities of inbreeding and to the perfecting of means that will make possible the evaluation of these strains, as well as the evaluation of individual sires in the herds of breeders.

One of the real handicaps in the development of superior strains of meat-producing animals has been the lack of adequate means of measuring performance. The Department of Agriculture is now devoting a great deal of energy to devising such methods. Once such measures are perfected it is believed that breeding progress in these species will proceed at an accelerated pace. If this is to be accomplished, however, less emphasis will need to be placed on an animal's appearance and more on its breeding qualities. The animal-husbandry staffs of our agricultural colleges have a great responsibility in bringing about this change of emphasis in the selection of breeding animals, as well as in the development of better ways for measuring performance and for carrying this knowledge to practical fruition.

INTELLIGENT APPROACH TO EUGENICS NEEDED

We have dealt at length with the contributions that Indian corn has made to American agriculture, and to our theoretical and experimental knowledge of fundamental principles of heredity. Does our knowledge about corn have any larger message at this time, when a world is being remade before our eyes? It is easy—and very hazardous—to deduce general principles from our observations of other organisms and to attempt to find analogies in human affairs. The history of corn and its development could easily be worked over into such a sociological bedtime story, which would have very little meaning. Nevertheless there are a few principles which may throw light on certain aspects of human affairs without straining our analogy to the breaking point.

Perhaps the clearest conclusion to emerge concerns that school of eugenic thought which hopes to bring about the millennium by sterilizations of deficients and defectives. The failure of Dr. Kiesselbach's attempt to improve Hogue yellow dent corn by detasseling the sterile, the smutted, and otherwise defective plants, convinces me that it is impossible to bring about genetic improvement of the human race merely through a sterilization program. What we know about the number of generations necessary to produce homozygosity in corn, and the rigorous technique necessary to utilize the principle of controlled heterosis in crossed corn production, renders it most unlikely that human society will countenance the rigid control necessary to utilize directly an effective program of genetic improvement that could be relied upon to change the inborn nature of mankind in any reasonably near future.

These negative conclusions are as far as we can go in reasoning directly from corn to man. Something may be said of a more general nature. Corn growing is not pure genetics. The variety of corn we attempt to breed is adapted to a certain definite environment. There is no one variety of corn that is equally good all over the United States. Either consciously or unconsciously we must accept a certain environment as part of our breeding program. We must make the best of that environment if we are to get a maximum crop. It would be the height of folly to spend years in developing a superior variety of corn, and then to give no thought to culture—preparing and fertilizing the seedbed, and cultivating weeds. This adaptation to environment, and the need to control environment so far as possible to insure a crop, has clear implication in human affairs, where these same basic truths apply. The development of a high human culture is further complicated by an added dimension which does not concern us when we develop a superior variety of corn and carry it through to the harvest. With corn the problem of the breeder and grower is relatively simple, and the goal quite definite. The farmer has only such definite imponderables as the weather, insect pests, fluctuation in prices, and labor difficulties, and the health of himself and his family to consider in bringing a crop to maturity.

The hardy soul who undertakes to direct human evolution must go beyond this and consider not only the genetic make-up of the human race and the environment in which this genetic background is expressed, but he must also give thought to the kind of environment in which the human spirit comes to its best fruition. It is very clear to anyone who has studied and tried to think philosophically about man, that a eugenics program to have any significance whatever must be much more than merely applied human genetics. When we consider the almost insuperable difficulties placed in the way of the cattle breeder by such esthetic hurdles as color and indefinite points of conformation, we realize at once that the salvation of the human race cannot come through human genetics applied by a dictator. Our problem is further complicated by the fact that while the breeder has a fairly definite ideal in mind toward which he can select, by the very nature of the case no such simple program will do for man, where our need is for diversity rather than uniformity.

It is impossible to follow the thought very far at this time, but I cannot close without saying what seems to me to be an inevitable conclusion from the premises: With the tremendously complicated background of civilization, with its varied physical, social, and spiritual environments, it would seem utterly foolish to expect any program of human breeding directed by a dictator to have any value. Even though we grant that by decree we might breed for superior genes, even though we concede that physical environment might be improved in such a program, nevertheless is there any possibility that a fine human culture could flower under an authoritarian system? In a high culture a great variety of types and abilities are necessary. We know very little about how such abilities are inherited, or what environment best suits their development. We know that on the mental or spiritual plane, freedom of inquiry and opinion and a definite sense of the dignity of the individual seems to be essential. It is definitely a false eugenic idea to work toward some standardized preconception of the perfect man, such as the "Aryan Race" of the Nazi mythology. No race has a monopoly on desirable genes and there are geniuses in every race. The fact that the dictator type of mind must inevitably oversimplify its problems, and attempt practical solutions, based on such false premises, can only mean that eugenic progress under a dictatorship will fail in the long run. Man does not live by bread alone, nor by genes alone. Without denying the importance of either, the third priceless intangible (hinted at by the founders of our country in such terms as life, liberty, pursuit of happiness, and the right to worship according to the dictates of one's conscience), is just as real a part of the environment of the civilized man as the physical world in which he lives.

To me therefore the democratic ideal, which recognizes the individual as having certain inalienable rights and virtues, seems to offer the only environment to which the type of personality which makes us human beings can flower into maximum development. Only with such a background can we prize genetic and developmental differences which must characterize men and women under a highly specialized civilization. No board of experts can tell a dictator how to breed a genius, nor indicate what kind of children our genius would have—if any. Were this possible we feel sure that a genius-breeding program by decree (even a decree buttressed by 99.75 percent of the "electorate") could only offer the kind of environment from which the best inheritance would bear only bitter fruit. If the eugenic outlook in democracies is today as bad as some eugenists feel, the solution is thus seen to lie not in an appeal to dictatorship but in the development of a kind of social environment in which superior individuals feel that life has values and possibilities which it is a privilege to pass on to one's children. This means developing a sense of responsibility and a faith in the future on the part of all our reasonable, capable people. Such an ideal is infinitely more difficult than the false hope of eugenics through dictatorship, but there may be no other solution.

When we consider these few facts bearing on the complicated question of human heredity and environment, it seems clear that the hope of our race lies not in following self-appointed prophets who play on our fears and prejudices but in working toward a culture in which normal people will have the greatest opportunity for developing and leading happy and useful lives. Such a program cannot ignore the knowledge we have gained by genetic research in corn and other organisms. Neither can it go far unless those who undertake to carry it out retain the reality of outlook, and the humility of approach which the plant breeder, if he is to succeed, must have. We cannot legislate new varieties of corn nor a better race of men. We must appeal to nature—and we must apply the best fruits of the human mind and heart if we are to build that better world which is the dream not only of the eugenist, but of all pioneers of the human spirit.

Montana Now Threatened With New Menace

EXTENSION OF REMARKS

OF

HON. JERRY J. O'CONNELL

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1938

Mr. O'CONNELL of Montana. Mr. Speaker, there was a time when the people of Montana were able to pursue their course with a reasonable amount of tranquillity, and the worst they had to endure were the hardships imposed upon them by drought, grasshoppers, windstorms, poor crops, worse markets, and the pernicious activities of the Anaconda Copper Mining Co. and the Montana Power Co.

However, no longer is such the case. Now the poor people of Montana, in addition to all their other difficulties, have inflicted upon them an attempt by the gentleman from Michigan [Mr. HOFFMAN] to foist upon them his reactionary views, which he has so often expressed to the Members of this body in his customary breast-beating, "red" baiting, labor-hating manner.

I wish to include herein a letter written by the gentleman from Michigan [Mr. HOFFMAN] to a constituent of mine in which the gentleman from Michigan [Mr. HOFFMAN] points

out that he has worked hard for all he ever had and that as long as he can totter around he will he will plant a few hills of potatoes, some sweet corn, set out a few tomato plants, and to the best of his ability pray that the good Lord may take him before he becomes a helpless, complaining burden on his children or the children of anyone else.

DEPARTMENT OF AGRICULTURE OFFERS FINE BULLETINS

I sincerely hope that the gentleman from Michigan [Mr. HOFFMAN] will, in this future endeavor, avail himself of the excellent bulletins put out by the Department of Agriculture, and I would like to call to his particular attention Bulletin No. 1064, Production of Late or Main Crop Potatoes; also Bulletin No. 1236, Corn and Its Uses as Food, and Bulletin No. 1233, Tomatoes for Canning and Manufacturing. He might even be interested in Bulletin Nos. 1367, Control of Potato-Tuber Diseases; 1746, Subsistence Farm Gardens; or 1082, Home Supplies Furnished by the Farm.

While my constituent has ably replied to the letter from the gentleman from Michigan [Mr. HOFFMAN], I cannot help but point out one portion of his reply to the effect that it is very easy for the gentleman from Michigan [Mr. HOFFMAN] to say that he does not hope to become a burden on his children or anyone else's children since he has been "drawing $10,000 a year and the trimmings and wants his down and out brothers to live on a few paltry dollars."

And so my colleagues may expect in the future, when I come before them to discuss matters of grave importance concerning the State of Montana and ask for ways and means to alleviate the suffering of my constituents, they will know I am referring to the disastrous results occurring from drought, grasshoppers, windstorms, poor crops, worse markets, the Anaconda Copper Mining Co., the Montana Power Co., and the gentleman from Michigan [Mr. HOFFMAN].

TOWNSEND PLAN DENOUNCED

The two letters are as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., May 3, 1937.

Mr. G. E. BARNUM,
702 West Babcock, Bozeman, Mont.

DEAR MR. BARNUM: Glad to have your letter, as it comes from one who is acquainted with an old schoolmate of mine. Frank Machemer was one of my best friends, and I wish you would remember me to him. I well recall the days when he worked at the Empire Furniture Factory, on Poverty Hill in Constantine, 10 hours a day for something like $3 a week; and, strange as it might seem to the modern generation, he made a go of it.

In my judgment, the great trouble at the present time is the desire of everyone to have everything. As I look back on my boyhood days, I know for a certainty that the average person today enjoys far more than he did then, and yet he kicks. Mass production, you suggest, is a bad thing. How much would any of us have without it? How many people would be riding in automobiles were it not for Ford?

Unfortunately, nothing has yet been discovered to take the place of industry—thrift.

Note what you say about the Townsend plan. It is merely another scheme to keep part of the population working for another part, the latter living in idleness. It's all right in theory, but, in my judgment, the revolution you talk about would be here overnight if the young folks had to work all the time to keep the old folks sitting on the porch in a rocking chair.

I am 61; all I ever had I worked for, and the last thing I would want today is to have my boys or my grandchildren, as they come along, support me in idleness. As long as I can totter around I'll plant a few hills of potatoes, some sweetcorn, set out a few tomato plants, and do the best I can, and pray the good Lord may take me before I become a helpless, complaining burden on my children or the children of anyone else.

No, things are not right; but do not believe they can be made right by law.

Very truly yours,

CLARE E. HOFFMAN.

TOWNSEND PLAN AND OLD PEOPLE DEFENDED

BOZEMAN, MONT., *June 1, 1937.*

CONGRESSMAN,
House of Representatives, Washington, D. C.

DEAR SIR: Your letter of May 3 was received. It is very evident that you and I cannot see the human side of life in the same light.

I am not expecting you to answer this, for it would be useless for us to argue the Townsend plan through correspondence, as there are some very able men in Washington who are trained for that kind of work, who can do a better job, but I am going to try and give you a few points, of my personal observations of what the masses are up against, and why I see merit in the plan.

I am going to be frank and I expect you will resent my being personal, but hope you will be broad-minded enough to do some real thinking on the subject.

You know we can get many good ideas from fools.

Before I start my tirade I will ask you to come to Bozeman and visit your friend Frank Machemer, and also be my guest, and I will show you many things of interest, among them what irrigation will do and I am sure you can get enough information first-handed to well pay you for the trip, and if you will come I will guarantee you will have a better opinion of me than when you finish this letter. I am sincere in asking you to come, because I believe in the motto "Get acquainted with your neighbor, you might like him."

Now I am going to shoot: You say you worked for $3 a week, many of us have worked for less; in 1894 I farmed and my entire income was $35, but that is not the point; those of us who are 60 or older know how uncertain life and finances are, no matter how conservative, how ambitious you are. Our statistics show only a very small percentage have enough at 60 or 65 to take care of them. You and I have been lucky so far; I say lucky, for many a better man or woman have gone down both physically and financially before they reached our age.

Any good stockman is better to his stock than you want to be to your fellow men; a stockman will segregate those down and out from the thrifty; he will give them the best feed and shelter he can; he knows it will pay.

It will pay to take better care of our brothers and sisters who are reaching the sunset of life. You have worshiped the almighty dollar so long it has the same hold on you as whisky has on the drunkard.

You are drawing $10,000 a year and the trimmings, and you want your down-and-out brother to live on a few paltry dollars, and you vote to retire Supreme Court judges on $20,000 a year, and these men have had large salaries for years. You have the wrong measuring stick for man's earning ability. In our large family, one man's or woman's work is as necessary as another. Law is supposed to be founded on justice. Where does your justice come in such cases?

You fellows are supposed to be the cream of good judgment and citizenship of our country. You get up a social-security bill to head off the Townsend plan which is so complicated no one could understand it, wholly inadequate, and only covering part of our people.

Most of you there in Washington look on the Townsend plan as most of the head railroad officials did on the inventor of air brakes. They said a man was a fool to think he could stop a train with air, and similar remarks have been made of other great inventions.

You say you must have thrift—the Townsend plan forces everyone to take 2 percent out of every dollar for old-age annuity. Is not that thrift? Is it not good business to take out annuities and insurance?

Lord, man, I could write you a book on why we need the Townsend plan.

You fellows don't want the Welfare Act of '37 to come on the floor because all you really can say is it won't work. How do you know it won't work? It never has been in operation and therefore you just think so; you are not willing to try it even if millions want it.

You said the young will rebel; we have canvassed Bozeman and only 5 percent of the young and 15 percent of those over 60 were against it.

You cannot pay or finance any small pension, and when you fellows see we cannot pay more taxes, without creating more business to tax, you may get somewhere. Why do you keep applying the same remedy to our sick Nation when you know, or ought to know, it won't work?

You say the plan is for one part of the population to keep the other in luxury. That is what you are doing now; we are paying you fellows $10,000 a year and trimmings, and what are you doing? You spent $50,000 to investigate the Townsend plan. Did you investigate? No; you persecuted him. If you fellows in Congress cannot set good examples for our citizens, what can we expect of our fellow men?

Mr. HOFFMAN, my life has been spent in the West, and years ago when our courts pulled "funny stuff" (such as was pulled on Townsend) the next case was settled out of court and in many instances trees were decorated.

I never wanted to be a burden any more than you do, but I realize the uncertainty of life and wealth, and I am sincere in believing that the Townsend plan will solve the financing of an old-age pension; also, if applied to other taxes, will better equalize taxation than anything we have. Make everyone pay according to income.

The more we study human nature the more need we can see for the plan.

I do not believe in waste; I believe in thrift and efficiency; but I can see we need consumers for our producers if those producers are to employ, and the Townsend plan will do the trick.

In the past, till 30 years ago, we had the West to go to and make a new start, but there is no more pioneering for many of us now. Our whole system has changed and we must change with it. Don't say anything won't work till it has been given a thorough trial, for if you do someone will prove to you it will work.

The human being and his happiness is above the almighty dollar. I am not advocating the plan as a cure-all, but it will do the country more good than all the legislation you fellows have passed in years.

Do you realize that you might be doing a great injustice to your fellow men by fighting us as you are? Get out on the floor and debate it; let us hear what a terrible harm it will do if passed.

I want you to dream about what a good thing that social-security bill is; I doubt if a Chinaman could live on it. Compare the simple, sane, and feasible Townsend plan with it. You say you will raise corn and spuds if your wealth disappears. Sometimes these crops are short and are not worth much, and you might be minus the ground and also the strength to care for them. You better work for the Townsend plan.

You do not think we can change things by legislation; let us try making a few simple and sane laws, some that nine men can interpret and agree on. I would like to see all our laws wiped out and a few simple ones made we could interpret and enforce.

Don't tear the Welfare Act and change it so the maker of it won't know it, but help to pass it as it is. Then after it is in operation we can find the weak spots and change them, not before. You can see I have not much confidence in you fellows.

If you study the Townsend plan you will see many principles or laws of Nature in it. And there is no better guide for us than Nature's laws.

If you have 20 dairy cows, and you only feed them what 5 cows should have, what are the results? You have the same results that you will have if you paid our old folks $30 a month; you have a burden and no income. If these old people have enough money to buy what you call luxuries, our people who work in those industries have jobs; otherwise they will be on relief.

When we stop our relief and W. P. A. and other alphabetical works, what is going to happen? The middle class of people are fast disappearing; and what will be the result unless we stimulate the buying power for the masses? Let us pass the Welfare Act of 1937, pay as you go, and cut out the W. P. A. and all these. Get rid of the poor farm; credit will ruin us as we are using it.

While you and I have seen many things happening which we were opposed to, we are or were helpless to stop them. Now we will have to find a solution for them. Remember we are going from the Pacific to the Atlantic, from sunrise to sunset; we have the men, we have the material and machines, and we are going to have more machines, so let us strive for the standard of living for all according to this speed.

There is more to this plan than just pensions for the aged; the young will benefit far more than we who are 60 or over.

We are compelled by law to educate our children; as a rule we care for them till they are 18 years old. The average expectancy or life after 60 is 7 years. Is it more than right your child help care for you for 7 years when you have cared for them for 18 years?

You fellows who have fared so well and are still faring well have been too selfish and you blowed off about the Townsend plan before you knew what it was all about.

I know it is hard for a fellow who has sinned to confess, but get yourself right with your Maker and get the Welfare Act of 1937 on the floor. The way you fellows are conducting Congress is not American or constitutional; get rid of the "gag" rule.

If it is good to pay Government employees a good salary, or for some industries to pay a living salary, and retire at certain times on a living pension, it is good for everyone. One man's work is as necessary as another. There should be no big I's or little You's in America.

We have wonderful progress scientifically, but we do not know how to live and let live. Let us try the Golden Rule for a while, let us put a board over the hole in the bottom of the old ship of state and try and float her a while longer.

The scientist experiments; let us experiment along the Townsend-plan lines, not along your social-security bill, for we must create more business to tax to pay for it, not less as your bill does.

Study the transaction tax to take the place of personal and hidden taxes—by all means work for a plan to pay as you go—the Townsend plan.

Yours truly,

G. E. BARNUM.

The Challenge to International Law

EXTENSION OF REMARKS

OF

HON. WILLIAM GIBBS McADOO

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Tuesday, May 3 (legislative day of Wednesday, April 20), 1938

ADDRESS OF HON. FRANCIS B. SAYRE, APRIL 30, 1938

Mr. McADOO. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a very interesting and illuminating speech delivered by the Honorable Francis B. Sayre, Assistant Secretary of State, at the annual dinner of the American Society of International Law on Saturday, April 30, 1938, on the subject The Challenge Which International Law Faces Today.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I warmly appreciate the honor of being invited as one of the speakers at this annual banquet. I should like to acknowledge on behalf of our Government the debt which all of us owe to the American Society of International Law. Founded 32 years ago, it has sought to serve not only our country but the entire civilized world by its efforts to clarify and to strengthen the law of nations. The builders of law are the builders of civilization.

Today, alas! clouds of discouragement hang low over the world. Fighting, cruelty, and mass killing in two important countries have continued unabated for months; barbaric ruthlessness is threatening Europe as well as Asia. In former years we were intent upon discussing the content and the rules of international law—what it permits under a given situation and what it prohibits. Now we are reduced to the stark question of whether or not a law of nations is to be recognized as in existence.

Ever since the days of Hugo Grotius we have been slowly and toilfully building up and carving into form an established and recognized law of nations. It has not been easy. It has taken fortitude and sacrifice and struggle and high statesmanship. The achievement during some 300 years is all too meager and insecure. Nevertheless, by the end of the last century, certain fundamentals had come to be well established. Treaties were to be held inviolate, for manifestly lasting security can be built only upon the sanctity of the pledged word.

Neutral ships upon the high seas not carrying contraband or breaking blockade were held immune from molestation or attack, because only thus could the commerce of the world upon which depend the welfare and even the economic existence of nations be made secure. The right of neutral states to carry on commerce with other neutral states within certain limitations came to be universally recognized; for only thus could war and its devastating effects be confined within fixed limits. Even the rights of belligerents were circumscribed and unnecessary cruelties of war forbidden; prisoners taken in war were not to be killed; undefended towns were not to be bombarded; private property was not to be confiscated. Of even larger importance than mere legal rules and principles was the gradual building up throughout the world of an underlying sense that the weak should not be at the mercy of the strong and that forces more potent than physical brute strength were coming to dominate the world.

In 1914 came a world-shaking challenge. For 4 dreadful years the nations of two hemispheres were locked in a death struggle, uncertain whether at the end anything would be left in the world but brute force and ruin. We emerged seeking to build peace upon a rule of law and organized international cooperation. We succeeded only in part. But it is of importance that during the ensuing 20 years we have gone further than ever before in learning the great possibilities and limitations of international cooperation and in seeking to build organized world peace upon intelligent effort rather than upon supine sentimentality.

But during the past few years, and particularly during the past few months, events have taken place which challenge the very existence of international law and, indeed, the very fundamentals upon which alone a Christian civilization can be built. Territory has been invaded, homes have been destroyed, property has been seized, and innocent people have been imprisoned and killed under no shadow of right or possible justification except superior brute strength. The supreme question which we and all the world face today is whether or not we are to live henceforth in a world of law or a world of international anarchy.

You see it is a matter which goes deeper than the conflict between democracy and dictatorship as forms of sovereign government. It goes deeper than the conflict between liberal ways of life and regimented, narrowly constricted ones. It is a challenge which goes to the very roots of what our civilization holds most precious. Nations today are caught between two profoundly conflicting ways of life—on the one hand, the primal law of tooth and fang; and, on the other, the way of cooperation and moral restraint and human brotherhood. The power of superior brute force will always be immediately conquering and temporarily profitable. But civilization can be built only upon brain and self-restraint. Dinosaurs possessed enormous brute strength. But puny man has survived the dinosaur.

Civilization cannot be built except upon moral foundations. Mass killings, the taking of others' property by force, the flouting of the pledged word, undermine and threaten all human progress. Freemen cannot tolerate a world of lawlessness, for freedom is built upon law.

In a world torn between these two fundamentally conflicting ways of life, what is to be the position and the policy of the United States? As one of the strongest and richest nations of the world, in what direction are we going to throw our influence and our power?

The cornerstone of American foreign policy is our people's profound and passionate desire for peace—peace that is lasting and stable, not the mere cessation of war. Stable peace does not come by chance. It must be won by thought and toil and struggle. Under a rule of tooth and fang, stable peace can never be won, for in a world where might is alone supreme every shift of strength must mean new outbreaks of war. Stable peace cannot be had except it be built upon a rule of law.

Our country, therefore, has a burning and vital interest in upholding and strengthening the rule of law, in standing for the sanctity of treaties, the obligations of international law, the restraint of might by principles of humanity and fundamental justice, the gradual upbuilding of an effective and potent international morality. Here is the guiding star of America's foreign policy.

How, practically, can this be done? The individual concrete moves must be worked out as each new international crisis arrives. But certain controlling principles seem clear.

First. Objectives such as these cannot possibly be gained through a policy of isolation. The gradual building up of a generally accepted code of law and of morality among nations is essentially and necessarily a community enterprise which cannot possibly be achieved by isolated units which won't cooperate. The selfish detachment of individual nations and refusal to cooperate with other nations is not the way to achieve human progress. Political and economic isolation is the direct pathway toward war. Industrial nations in these days cannot possibly maintain satisfactory standards of living without importing the foodstuffs and raw materials which they need and exporting to foreign markets the surpluses which they must sell. If access to these through ordinary processes of international trade is seriously obstructed, the pressure to secure necessary raw materials and increased markets through gaining additional territory by conquest and the mailed fist becomes well-nigh irresistible. Furthermore, economic isolation leads inevitably to government control of exports and imports, of prices and of domestic production, of capital investments, and of labor. It means increased regimentation of production and dictatorship of government, in utter conflict with every American tradition and ideal of individual liberty.

Second. Such an objective cannot be gained through a policy of military alliances. Law depends upon more than mere superior force plus the intent to do justice; it presupposes a well-defined code of justice, impartial courts to apply it, and, above all, a well-developed community will to accept and enforce it. These, in the international world, exist in but rudimentary form. The task of mankind is to develop and establish them. Armed alliances or secret military understandings between the United States and other nations would tend to defeat rather than to win the ends we seek.

Third. The building of a rule of law presupposes a certain degree of international cooperation. Each nation's freedom depends upon restraint on the part of others; international law depends upon common agreement and upon acceptance by all of certain fundamentals as rules of international conduct. This is the only possible way to stable peace; security can be built upon no other foundations. Furthermore, if law is to be effective and peace enduring, they must be upheld by the combined strength of the law abiding acting singly on parallel lines or in concert; and as confidence comes to be established the way of progress must lie through organized rather than haphazard cooperation.

Fourth. The strengthening of a rule of law comes not through supine inaction. When forces of lawlessness are abroad supine inaction in effect means siding with the evil against the good; the strongest encouragement which can be given to lawless aggressors is to make it quite clear that they have nothing to fear from those with power to withstand them. The United States cannot afford to be a cipher at this crucial moment of the world's history. We must be resolute and prepared, if necessary, to withstand the aggression of the lawless. This does not mean desire for war. War is evil incarnate. But it means recognition of the fact that some things are worse than fighting if fighting be in defense of life or principles.

I need scarcely add, in closing, that the general acceptance of a code of law and of morality among independent nations can never be brought about through force, for this is essentially a thing of the spirit. The task of the law abiding now is to save the world from being delivered over into the hands of the lawless—to prevent the shipwreck and annihilation of what we have been toilfully building for centuries. Force is often necessary to withstand attack.

But beyond this the road to the high objectives we seek lies not through force. It lies through patient seeking after truth through years of self-denial and sacrifice. Do you remember those striking words of William James: "I am against bigness and greatness in all their forms, and with the invisible, molecular moral forces that work from individual to individual, stealing in through the crannies of the world like so many soft rootlets, or like the capillary oozing of water, and yet rending the hardest monuments of man's pride, if you give them time. So I am * * * against all big successes and big results; and in favor of the eternal forces of truth which always work in the individual and immediately unsuccessful way, under dogs always, till history comes, after they are long dead, and puts them on the top."

Under God's guidance, believe me, in spite of man's blind folly and self-seeking greed, the eternal, irresistible forces foundationed upon justice and morality and humanity will finally emerge dominant and triumphant.

Closing of Weston Glass Plant

EXTENSION OF REMARKS
OF
HON. RUSH D. HOLT
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES

Tuesday, May 3 (legislative day of Wednesday, April 20), 1938

STATEMENT BY HON. RUSH D. HOLT, OF WEST VIRGINIA

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an Associated Press dispatch relative to the closing of the Weston, W. Va., glass plant, and, in connection therewith, to have printed in the RECORD also a statement by me on the same subject.

There being no objection, the Associated Press dispatch and the statement by Senator HOLT were ordered to be printed in the RECORD, as follows:

LOWERED TARIFFS—OPERATION OF NONPROFIT PLANTS GIVEN AS REASONS

WESTON, W. Va., April 6.—Continued operation of nonunion factories and lowered tariffs on glass were given today as reasons for the impending closing of one of Weston's glass plants and the threatened suspension of another.

Louie Wohlnc, president and general manager of the Louie Glass Co. and the West Virginia Glass Specialty Co., said in announcement:

"The Louie Glass Co. at Weston will discontinue operations indefinitely on April 16. The management very much regrets the necessity of this action, but conditions at the present time make it impossible to operate.

"Continued operation of nonunion factories, with lower labor rates and further tariff reductions declared in imported handmade tableware together, have created a cheap market with which we cannot hope to compete."

With respect to the other firm, Wohlnc said:

"The West Virginia Glass Specialty Co. will continue operations on a part-time basis. If conditions continue to grow worse, we will consider the same action imperative."

The 300 employees of the Louie Co. have been employed on part time only since the middle of February.

STATEMENT BY SENATOR HOLT

That Associated Press distpatch may not interest the entire country. It may be only a drop in the proverbial bucket as compared to the total manufacturing pay roll of the United States. It may be small in the total export-import business sheet. Yet it means much to those of us who live in the city of Weston, with its population of 9,000. The closing of the factory does not only affect the glassworker. It affects every storekeeper, every professional man, any farmer who sells his products in our community, the man who works for the gas company, the carpenter, the bricklayer, the manual worker—all suffer.

Those administering the trade agreements may point to generalities as to the effect of these proposals, but they will never convince the individuals who live at Weston that the agreements were for their good.

It is worth while to look at some figures as to the glass industry in Weston:

In 1935 there were 450 employees in the Louie glass factory who earned a total pay of $553,762.60. The following year this reached $568,598.66. In 1938 the doors of the factory were closed for an indefinite period.

The West Virginia Glass Specialty Co. employed 337 employees in 1935, with a total pay of $290,116.10. The following year this reached a sum of $470,837.66, with 436 workers. In 1938 the story is told in the press release quoted above.

The two factories contributed to the city of Weston a pay roll of $1,039,436.32 in 1936. The story of 1938 is quite different.

It is worth while to submit the imports of glassware since the inauguration of two treaties in 1934, as shown by the following table:

Imports of glassware for years 1934–37, inclusive

[All figures in terms of dollars]

PAR. 218 (B). TUBES (EXCEPT GAGE GLASS TUBES), RODS, CANES, AND TUBING, FINISHED OR UNFINISHED

Year	Wholly or in chief value of glass (65-percent duty, No. 5272.0)	Wholly or in chief value of fused quartz or fused silica (40-percent duty, No. 5272.1)	Gage glass (60-percent duty, No. 5272.5)
1934	15,947	14,794	41,504
1935	30,457	13,617	50,479
1936	34,420	10,068	106,448
1937	55,017	14,489	72,340
Yearly average, 7 years	36,903	16,793	51,57

Imports of glassware for years 1934–37, inclusive—Continued
[All figures in terms of dollars]

PARAGRAPH 218 (C)—ILLUMINATING ARTICLES OF EVERY DESCRIPTION, FINISHED OR UNFINISHED, WHOLLY OR IN CHIEF VALUE OF GLASS AND PARTS THEREOF, N. S. P. F.

Year	Prisms and glass chandeliers and articles in chief value or prisms (60-percent duty, No. 5273.0)	Lamp chimneys (55-percent duty, No. 5273.1)	Globes and shades (70-percent duty, No. 5273.2)	All other (60-percent duty, No. 5273.5)
1934	21,067	19,896	58,710	88,941
1935	26,478	25,076	73,921	148,398
1936	53,735	18,689	102,655	227,218
1937	80,410	30,038	151,413	431,144
Yearly average, 7 years	32,245	22,589	104,312	169,127

Imports of glassware for years 1934–37, inclusive—Continued
[All figures in terms of dollars]

PARS. 218 (D), 218 (G), 218 (F), 230 (D). BLOWN OR PARTLY BLOWN, PRESSED OR OTHERWISE PRODUCED OR COLORED, CUT, ENGRAVED, ETC.

Year	Plated or cased glass (60-percent duty, No. 5250.4)	Table and kitchen articles and utensils		Engraved, ornamental glassware, valued at $8 each or over (30-percent duty, No. 5276.5)	Pressed, not colored, cut, engraved (50-percent duty, No. 5276.7)	All other, whether or not decorated, ornamented, colored (60-percent duty, No. 5276.9)
		Pressed and unpolished (50-percent duty, No. 5276.1)	Other (60-percent duty, No. 5276.2)			
1934	3,814	818	770,942		79,764	708,545
1935	1,109	5,443	736,730	434	93,803	856,891
1936	459	5,637	909,858	3,494	65,809	1,227,084
1937	1,065	8,001	1,364,990	4,647	67,604	1,555,236
Yearly average 7 years	5,845	2,864	773,179		92,799	880,850

Let us study these imports as to countries. The table follows:

Study of glass imports into the United States from all countries, with principal sources and classifications indicated

PAR. 218 (F)

Year	Christmas-tree ornaments		Table and kitchen articles, and utensils blown and partly blown, pressed, polished, etc.		Engraved, ornamental glassware valued at $8 each or over[1]		All other dutiable under par. 218 (f)	
1933		$416,663		$414,421				$543,128
	Japan	259	Czechoslovakia	103,601			Czechoslovakia	179,464
	Germany	416,204	Japan	6,973			Japan	49,404
			Germany	95,104			Germany	174,979
			Italy	46,044			France	55,407
			Belgium	35,881			Italy	41,921
			France	26,903			United Kingdom	13,177
			Netherlands	26,750			Mexico	7,763
			United Kingdom	25,607				
			Sweden	16,374				
			Total imports, par. 218 (f), $1,374,210					
1934		470,921		770,942				708,545
	Czechoslovakia	8,214	Czechoslovakia	271,111			Czechoslovakia	163,949
	Japan	9,365	Japan	66,924			Japan	164,980
	Germany	448,654	Germany	103,671			Germany	205,570
			United Kingdom	60,443			France	57,746
			Belgium	59,823			Italy	43,689
			Italy	47,347			Mexico	17,689
			Sweden	40,513			United Kingdom	14,410
			Netherlands	23,297			China	10,889
			Hungary	12,997				
			Finland	10,595				
			France	46,022				
			Total imports, par. 218 (f), $1,950,408					
1935		1,016,799		736,730		$434		856,891
	Czechoslovakia	42,023	Czechoslovakia	220,315	Sweden	424	Czechoslovakia	255,932
	Japan	27,945	Japan	117,262	30-percent duty		Japan	178,020
	Germany	911,648	Germany	95,451			Germany	210,295
	Poland	32,998	Belgium	57,060			France	58,680
			Sweden	55,849			Italy	47,881
			United Kingdom	43,194			United Kingdom	22,853
			Italy	35,695			Austria	18,648
			Hungary	35,686			Belgium	18,519
			France	19,853			Mexico	12,194
			Netherlands	11,870			China	8,568
			Total imports, par. 218 (f), $2,610,854					
1936		991,792		909,858		3,494		1,227,084
	Czechoslovakia	48,522	Czechoslovakia	307,475	Czechoslovakia	205	Czechoslovakia	481,800
	Japan	35,357	Japan	115,799	Sweden	2,247	Japan	221,118
	Germany	854,118	Germany	128,008	United Kingdom	709	Germany	290,172
	Poland	52,755	Belgium	105,492			France	70,959
			Sweden	84,520			United Kingdom	37,091
			United Kingdom	42,897			Italy	28,911
			Hungary	28,687			Austria	20,625
			Italy	28,071			Mexico	16,549
			France	21,831				
			Mexico	11,524				
			Total imports, par. 218 (f), $3,132,228					

[1] Prior to Aug. 5, 1935, included in "all other."

The officials of the American Flint Glass Workers of America filed a very strong protest against the Czechoslovakian agreement. I desire to quote that protest:

TOLEDO, OHIO, *October 9, 1937.*

To the Honorable CHAIRMAN OF THE COMMITTEE FOR THE RECIPROCITY INFORMATION,

Department of State, Washington, D. C.

DEAR SIR: The international officers of the American Flint Glass Workers' Union of North America, with headquarters in the Hardee Building, Toledo, Ohio, have viewed with alarm what they have come to consider a very serious situation, involving the interests of the American glassware industry, which embraces approximately 36,000 or more workers directly connected with the industry and the many thousands indirectly dependent upon the industry, particularly those engaged in the manufacture of pressed ware, blown ware, and cut and polished ware, etc., of which there are estimated to be 25,000, whose wages are approximately $25,000,000 annually.

We refer to the intention of the administration to negotiate reciprocal tariff reductions with Czechoslovakia. It is our understanding that there is now under consideration the making of an agreement with Czechoslovakia, under which it is proposed that present tariff rates applicable to glassware imported from that country be reduced, in which event the interests of the American glassware industry will be vitally affected.

The American Flint Glass Workers' Union of North America, affiliated with the American Federation of Labor, was formed in July 1878, more than 59 years ago. During the intervening years it has always been recognized for its high type of leadership and stabilizing influence in the industrial life of our Nation, and particularly in the flint-glass industry.

As an evidence of this its representatives from the very inception have been able to negotiate very satisfactory agreements with the National Association of Manufacturers of Pressed and Blown Glassware and other employers of our members. Under such agreements, the workers have enjoyed reasonable hours of labor and wages, recognized as reasonably adequate to meet their requirements consistent with the best interests of the industry.

The American Flint Glassware Workers Union is comprised of approximately 20 different departments, which represent the different highly skilled operations and various types of glassware

production. In these highly skilled departments many years are necessary for workmen to acquire the knowledge, technique, and efficiency in the production of high-quality hand-made glassware, while in the semiskilled and unskilled departments and operations the individual workman is recognized as a very important factor in the industry.

The flint-glass industry is a well-balanced one insofar as it concerns the relationship between manufacturers and workers. This is evidenced by the fact that no serious labor disturbances have occurred in the industry during the past many years. However, there is now being generated much dissatisfaction among the workers caused by reductions in working forces, necessitating the laying off and throwing into idleness many skilled, semiskilled, and unskilled workers, who are demanding equal consideration with others in the distribution of employment in these glass factories.

The condition is largely due to the importation of ware from foreign countries, including Czechoslovakia, which ware is manufactured by workmen who are required to work long hours at extremely low wages. This imported ware manufactured abroad finds its way into the markets of our country and is sold at prices with which the American hand-made glass manufacturer is unable to compete, thus causing furnaces to be turned out and workers thrown into idleness and forced to depend upon public relief for food and other necessities of life.

The wage rates in Czechoslovakia expressed as minimum were, in the first quarter of 1937, from $4.95 per week for unskilled labor to $11.03 per week for skilled workers. Contrasting these wages we find that wage rates paid American workers in the glass industry are as follows:

Glass industry

1937	Weekly wage	Per hour	Hours worked
January	$22.03	$0.60.5	36.5
February	23.98	.63.8	37.8
March	21.98	.60.0	36.8
April	26.18	.67.4	39.1
May	25.61	.67.5	36.2

Source: U. S. Bureau of Labor Statistics.

We view with alarm any reduction in the present tariff by the negotiation of a reciprocal-trade agreement with Czechoslovakia or any other foreign countries which will not only further deprive the workers we have the privilege of representing of an opportunity to work in glass factories at a trade which they have spent the greater portion of their lives to learn, but will create more conflict among them in their desire to share in whatever employment there might be left in the flint-glass industry.

We have long realized that the interests of the employer and worker in the industry are mutual, and we have endeavored to cooperate with any movement intended to prevent the destruction of our industry or the employment opportunities of the workers in this branch of the glass industry where hand labor has been employed under reasonably adequate conditions.

Basic agreements jointly entered into by the representatives of the manufacturers and workers are largely responsible for the cooperative spirit which has always manifested itself in the industry. Important among these agreements is that which governs the adjustment of disputes between the employers and workmen. This agreement is operative and strictly observed in every department of the industry and organization where highly skilled, semiskilled, and unskilled workers are employed. This agreement has had much to do with the stabilization of conditions and the establishment of peace in the industry. It reads:

"In case of a disagreement in any factory in this association, it shall, if possible, be settled in the factory in which it occurs. In case of a failure to agree the matter shall be referred to the manufacturers and workers committee for settlement. Pending the discussion and decision of such differences, there shall be no lockout, strike, or cessation of work by either employer or employee, and the decision of said manufacturers and workers committee shall be final and binding upon the manufacturers' association and the American Flint Glass Workers Union and the members thereof. The American Flint Glass Workers Union agree to assist the manufacturers in procuring competent workmen to fill the place of any employee who violates or refuses to abide by this rule."

It should be understood that under the foregoing arrangement, disputes that may arise in any factory which cannot be settled locally will be referred to joint conference committees (manufacturers' and workers' representatives) for adjustment, and pending their decision there shall be no change in the working conditions; that is, work shall be continued just as if no cause for a controversy or dispute had arisen.

Annually the representatives of the manufacturers of hand-made glassware and the American Flint Glass Workers Union of North America meet for the purpose of negotiating wage scales and to give consideration to the many problems of the flint-glass industry, and invariably, under the excellent collective-bargaining arrangements which has kept peace in the industry, these problems are solved over the conference table.

In these annual wage conferences held in the month of July the workers' representatives endeavor to secure for the men and women in the industry more adequate wage rates, and one of the most vital factors standing in the way of the achievement of wage increases is that of competition of glassware made in Czechslovakia and other foreign countries under low wages and long hours and other unfavorable conditions and shipped into the United States which destroy the opportunity of the American hand-made glass manufacturer to sell the product of the American workmen at a price that will not only enable reasonable wage advances being granted, but such imports destroy also the opportunity for employment of the workers.

We are not interested in protecting the products of manufacturers who do not distribute a fair share of their earnings among their employees, but we do realize that unless the employers of our members can operate their factories at a reasonable profit there is absolutely no chance of higher wage rates and better working conditions being established in hand-production factories or maintaining present wage rates. Our problem is largely a mutual one.

The Government of the United States has assumed the attitude that adequate minimum-wage rates and maximum hours must be established which, we believe, is proper; but unless the American glassware industry, particularly in the factories where glassware is produced by the hand method, is protected against the influx of glassware produced in Czechoslovakia and other foreign countries under cheap labor conditions, it will be found a difficult matter for many factories to even meet such labor standards as set up by the Government, let alone the higher wage rates that must be paid the skilled glassworkers commensurate with their labor, knowledge, and technique in glass production.

We are not interested in protecting by means of tariffs or by any other means the profits of employers who do not recognize their just and lawful obligations to their workers. However, we do insist that those companies which deal with their employees collectively and accord wage rates in keeping with the advanced economic policy which recognizes the necessity of greater distribution of earnings and practice fairness in their relationship with their employees are entitled to protection from the unfair foreign competition and extremely low wages.

We hold that the workers employed in the flint-glass industry are at least entitled to the same consideration on the part of the Government in negotiating trade treaties with foreign countries as are other interests to which much attention is apparently given by the Government.

We wish to most emphatically state here that the position which we take with regard to reciprocal-trade agreements and tariff legislation is one which has not received proper recognition by the Government because, if such were the case, many of the glass factories employing our members would not be operating at a loss, some in receivership, others on restricted production because of inability to find a market for their product due to the glassware manufactured in Czechoslovakia, Japan, and other foreign countries flooding the American market.

The workmen in the flint-glass industry have long since come to realize that the Government should manifest more interest in their claims for protection against the menace of importation of glassware that is depriving them of opportunities to earn a livelihood at the trade which they have spent so many years to acquire.

Any reduction in the tariff rate by making a reciprocal-trade agreement with Czechoslovakia will further curtail production and cause more workmen to be thrown into idleness in the factories where hand-made glassware is manufactured.

The representatives of our Government have a moral obligation which makes it mandatory on them to use every honorable means to protect our industry, and particularly the workers employed therein, to the end that they will be afforded an opportunity to enjoy employment at their trade in order that they may honestly and faithfully provide a decent living for themselves and those dependent upon them. But if tariff barriers are to be broken down and glassware manufactured under cheap labor and other conditions, such as in Czechoslovakia and other foreign countries, is allowed to flood the American markets, then those dependent upon the flint-glass industry as a means of livelihood will continue to be thrown into idleness and suffer the resultant hardships, and the craft of the skilled mechanic, which has as yet not been destroyed by the installation of automatic machinery, will not only be jeopardized but eventually entirely annihilated.

Imports of glass articles from Czechoslovakia

Globes and shades:	
1932	[1] $9,432
1933	13,299
1934	48,747
1935	51,389
1936	39,048
1937 (first half)	59,023
Chimneys:	
1932	[1] 1,522
1933	1,613
1934	5,167
1935	15,140
1936	4,737
1937 (first half)	6,731

[1] Quantities not available.

Imports of glass articles from Czechoslovakia—Continued

Prisms, chandeliers, etc.:

	[1] $8,131
1933	12,787
1934	16,618
1935	21,479
1936	19,484
1937 (first half)	11,701
1932	[1] 48,693
1933	48,823
1934	67,447
1935	109,394
1936	64,859
1937 (first half)	173,219

[1] Quantities not available.

The foregoing import figures clearly show the great increase of imports from Czechoslovakia in the first half of 1937. In three classifications of four the 6-month imports of 1937 exceeded in value the total imports of 1936.

Par. 218 (f): *Glass table and kitchen articles and utensils, blown, etc., cut, ornamented*

	From Czechoslovakia	From Japan
1932	$115,055	$1,371
1933	99,481	6,048
1934	252,708	59,767
1935	202,406	106,626
1936	131,257	55,271
1937 (first half)	205,711	93,698

Again the sharp increase of imports during the first half of 1937 is clearly shown by the import statistics. Perhaps more impressive is the rise of Japanese imports since 1932.

The more than 20,000 workers represented by the American Flint Glass Workers Union directly and the many others indirectly dependent upon the flint-glass industry for employment to maintain at least a reasonable standard of living, have struggled through the years, and particularly the past few years, hopeful of more regular employment and more adequate wages.

The importation of glassware which is increasing in volume under present tariff regulations reflects itself in the average wages here referred to. Particularly is this true of glassware manufactured in Czechoslovakia and Japan, and any further reduction in the tariff rates on hand-made glassware by the negotiation of a reciprocal-trade agreement with Czechoslovakia will cause further curtailment of production in hand-made glass-manufacturing plants now operating on very low schedules and thereby reduce the earnings of the American workmen which now average approximately from 60 to 67 cents per hour based on approximately 35 weeks during the year in the flint-glass industry.

It is highly essential that more adequate protection be given the flint-glass industry against the importation of foreign-made glassware in order that the American workmen may enjoy steadier employment throughout the year, and thereby increasing the annual income to a point more consistent and sufficient to meet that necessary to maintain a reasonable standard of living.

Many of our glass factories are located in small communities which depend absolutely upon the operation of such factories for existence. The problems of our industry as a result are a vital factor in the life of such communities. When factories close or cease to operate on fairly regular schedules, business in the community suffers severely. Property values decrease to a minimum and workers are forced to look elsewhere for jobs which are quite impossible to secure under existing conditions, and if they are successful they must move their families into new communities and force upon them new conditions, thus seriously disturbing the security of the home and sadly interfering with the educational opportunities of the children and the regular routine of their home life.

With adequate protection furnished by our Government against the importation of glassware from Czechoslovakia, Japan, and other foreign countries, the idle workers, many now on relief, and those partly employed in the industry, would be furnished regular employment in glass factories, thereby lessening the pressure of their unemployment on the workers in other lines of industry, and also on relief.

The industry we represent and speak for (the flint-glass industry) embraces such type of glassware as illuminating, table glassware, all thin blow glass, thermos bottles, chemical and laboratory ware, perfumery ware, stoppers and bottles, etc., which character of glassware is produced by the pressed, pressed and blown, offhand and blown method, cutting and polishing, in fact, all types of glassware other than window, plate, and rolled glass, and also common bottles, containers, and prescription glassware.

The flint-glass industry is one of the pioneer industries in America, and it enjoys a prominent place in the industrial history of our country. It should not be sacrificed nor destroyed in the anxiety of the administration to negotiate reciprocal-trade agreements with foreign countries, which we feel will be done if further tariff concessions are granted to Czechoslovakia or any other foreign country.

In behalf of the many thousands of highly skilled, semiskilled, and unskilled workers directly connected with the industry, and the many additional thousands dependent upon the industry, we as the international officers of the American Flint Glass Workers Union most emphatically protest against a reduction in tariff rates in the negotiating of a reciprocal-trade agreement with Czechoslovakia and earnestly appeal to your honorable committee for protection. Therefore, this brief, hurriedly prepared in our own humble way, is presented for the consideration of your committee when the subject matter so vital to our interests is acted upon with regard to the negotiation of a reciprocal-trade agreement with Czechoslovakia or any other foreign country.

Respectfully presented.

M. J. GILLOOLY,
President.
HARRY H. COOK,
Vice President.
C. J. SHIPMAN,
Secretary-Treasurer.
ARTHUR ELBERT,
Assistant Secretary.

Shall we drive the American wage earner down to the standard of foreign countries? The glassworker of Czechoslovakia receiving $4.95 a week is unskilled, and $11.03 is skilled as compared to the average American wage of $24.22.

I have expressed myself many times on this subject. I protest with all my might when we put to work Czechoslovakian glassworkers and deprive American citizens of the opportunity to be employed. These men who lost their jobs in Weston are my neighbors and my friends. Tomorrow, if these agreements continue, it will be your neighbor and your friend who is thrown into the ranks of the unemployed. These men do not want relief checks. They want to work in private industry. Let us not force them to spend their relief checks purchasing foreign-made products.

Those who favor the reciprocal policies talk in generalities. They deal with the abstract. They cannot defend their specific agreements which have threatened our American workingmen. They will never prove to the glassworkers, their families, and their friends of my home city of Weston that they helped them by rewarding the importation of products which in turn contributed heavily to the closing of the factory doors of our community.

Some say one should not be provincial. My attitude is not alone provincial, but national. What is happening to the glass industry is happening to other industries, to agriculture, to the country. If provincialism is the title by which one fights to protect the people and the industry of his own State, of his own community, we need provincialism. People want jobs to feed their families, not Utopian ideas. People want industry, not relief.

Testimonial Dinner for Hon. Karl A. Crowley

EXTENSION OF REMARKS
OF
HON. KENNETH McKELLAR
OF TENNESSEE
IN THE SENATE OF THE UNITED STATES

Tuesday, May 3 (legislative day of Wednesday, April 20), 1938

ADDRESSES AT TESTIMONIAL DINNER TO HON. KARL A. CROWLEY, APRIL 14, 1938

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a number of short speeches made at a recent testimonial dinner given in honor of Hon. Karl A. Crowley on April 14, 1938.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

SPEECH OF HON. CORDELL HULL, SECRETARY OF STATE

Mr. Toastmaster, Mr. Crowley, and ladies and gentlemen, it gives me pleasure to come here and associate myself with so many distinguished citizens of Texas, of Tennessee, and of many other States, in paying deserved tribute to our friend Mr. Karl Crowley. I say this because he and I were reared in the same rural community in the foothills of the Cumberland Mountains of middle Tennessee.

As a small boy I knew his distinguished grandfather, who was one of the ablest stewards my State has produced. I knew his distinguished father, who was an eminent citizen of my State and who was an outstanding political leader. I knew this young man from his earliest youth. It was not long until he impressed himself most favorably upon his community and soon upon his section of the State, and later upon the entire State.

When as one of our most brilliant young men he took his departure for Texas, he carried with him the hopes and the best wishes of thousands of people who had known him, and since

his sojourn from Texas he has given a splendid account of himself. The hopes of his own people back in the foothills of the mountains have not been disappointed. I must say, however, that Texas has always been considerate of Tennesseans who have seen fit to cast their fortunes in Texas.

I cannot take the time to speak of Mr. Crowley as I would like. I can only say that in this period of stress through which the Nation is passing it is a period that calls for unusual responsibility as well as spirit on the part of public servants. Karl Crowley has taken his place among the front ranks of the most capable and outstanding servants of the American people. [Applause.]

As a youth we had hopes for a brilliant future for him; as a young man those hopes were confirmed and so we join heartily in paying deserved tribute to him tonight. I am sure that the future still holds in store for him many worthy honors.

SPEECH OF CONGRESSMAN JAMES M. MEAD, CHAIRMAN, COMMITTEE OF THE POST OFFICE AND POST ROADS

Mr. Toastmaster, honored guest, and ladies and gentlemen, accustomed as I am to very brief addresses, and because of the character of the introduction and of what we are to expect later on, I am going to be very brief.

When I was invited here this evening I had almost forgotten what Mr. Crowley was going to do when he got back to Texas, it having slipped my mind. [Laughter.] We are going to celebrate in his honor, in honor of one who has served you well and so ably, and who has completed a record that will long live in the history of the Postal Service.

My friends, I can say to you seriously that we meet tonight to honor one who has the high esteem of all who know him. He has carried us through a most difficult period of this Department, and I am happy to be one who is called upon to pay testimony to one who merits it as well as Karl Crowley.

I hope for him every full measure of success. He will make good in any walk of life, and he will make a great Governor for the great State of Texas.

SPEECH OF SENATOR KENNETH MCKELLAR, CHAIRMAN, COMMITTEE ON POST OFFICES AND POST ROADS

Mr. Postmaster General, ladies, and gentlemen, I am rather embarrassed over the introduction Jim Farley has just given me, but I shall have to stand it, as he is one of our great leaders, and what he says goes.

I take great pleasure in commending our splendid friend Karl Crowley to the people of Texas. My reason for this is that he was born and reared in the State of Tennessee, and I have known him ever since he was a boy. I know what an able, courageous, and fine man he is. He will make one of the great Governors of Texas. I am sure he is destined to become one of the truly great Texans.

We are here in his honor and to wish him well in all his undertakings, and especially in his ambition to be the first executive of his great State. I wish to say that he has made good wherever he has been placed. He made good as a young man in business and in his professional life. He went to Texas early in life and made a success in business. He then became Solicitor of the Post Office Department of the United States. No one has ever made a finer, more courageous, or more conscientious Solicitor than has Karl Crowley. He has looked solely and alone to the best interests of our great Government in that position, and I wish to say that if he is elected Governor of Texas, as I hope he will be, he will be a great honor and credit to that wonderful State. I am happy to be here and add my voice in his honor.

SPEECH OF SENATOR BARKLEY, OF KENTUCKY, MAJORITY LEADER

Mr. Toastmaster, Mr. Crowley, and fellow Crowleyites, I am glad to be privileged to say just a word in testimonial to the fine service and characteristics of the gentlemen in whose honor we have assembled.

I think that the personnel of the Post Office Department in the matter of harmony, of smooth operation, and of genuine realization of the importance of public service cannot be excelled by any other department in the Government of the United States. [Applause.] We are sorry to see Mr. Crowley leave Washington, the Department, and the Federal Government, but no man ever resigned from public office with the expectation that he would remain permanently in private life, otherwise he would not resign.

I join with Mr. Crowley's friends not only in Washington but throughout the country in wishing him great success in whatever he undertakes in Texas or elsewhere, and there is a suspicion that is being rumored around that he intends making an endeavor in connection with some political enterprise. [Laughter.]

I congratulate him, I commiserate the Post Office Department and the Federal Government upon his retirement from the service, and I hope that in some capacity he may return to us again in the near future.

SPEECH OF ATTORNEY GENERAL CUMMINGS

Mr. Toastmaster, Mr. Crowley, and ladies and gentlemen, it is a great satisfaction to have the privilege of participating in this magnificent testimonial for a very warm and dear friend. After all, I sometimes think that the chief assets which come out of political experience and public life are the friends that we make during that sometimes perilous and always turbulent journey.

I congratulate Mr. Crowley upon having these friends, upon this magnificent outpouring of generous spirit, and surrounded as I am tonight by statesmen and Presidential possibilities and Presidential improbabilities [laughter], it strikes me as one of the most remarkable gatherings that we have had.

So I make the statement to all who are listening and all who are gathered here and say to Mr. Crowley this: That I have had occasion to know of his work. The Department of Justice and the Post Office Department have many, many things in common. We meet each other frequently, and I have come to have a very genuine respect for the ability and character and the industry of the guest of this evening.

No matter what the future may hold for him, no matter what fate may be in store for him, he will never be able to get beyond the arms of our affection.

SPEECH OF HON. DANIEL C. ROPER, SECRETARY OF COMMERCE

Mr. Postmaster General, Karl Crowley, ladies, and gentlemen, it is a wonderful thing to do honor to a great citizen. I cannot claim that his ancestors came from South Carolina, though I imagine some did, but I do wish to congratulate this man as being a great American citizen, and more than that I congratulate him on being a Texan. It seems to me that to be a Texan is to have everybody in Texas thinking in terms of greatness, admiration, and love. I congratulate Karl Crowley in having served so effectively for 5 years in this administration of the New Deal. No man can serve effectively in the Post Office Department without finding that he is serving the American people because he comes in contact with all the people.

One great character has said, according to history, in speaking to a wise man, "If I had had the making of this world, I would have made a better one," and the wise man turned to him and said, "God Almighty put you here to make a good country; why don't you go to it?" Karl Crowley went to it and consequently the Post Office service, the New Deal, and the American people have benefited by his splendid service. I wish to congratulate Texas. I congratulate the American people on having so splendid a servant. Karl Crowley has done something about making this world a better world to live in.

SPEECH OF SENATOR JOSEPH C. O'MAHONEY, OF WYOMING

Mr. Postmaster General, friends, accustomed as I am to long speeches, I find it difficult to accommodate myself to the urging of the Postmaster General to be brief.

As we look around this hall this evening and see a great number of his friends who have turned out, it seems to me that is testimonial enough without any words from me or anyone else. I can say from personal experience in the Post Office Department that Karl Crowley is a great executive and I know in the paraphrase of that recent popular song, "There is something about a Texan, there is something about a Texan, there is something about a Texan that is fine, fine, fine," and I am sure the people of Texas know it.

SPEECH OF HON. JAMES A. FARLEY, POSTMASTER GENERAL

Five years ago almost to the day, upon the suggestion of Secretary of State Cordell Hull and some distinguished citizens of the State of Texas, I appointed Karl Crowley Solicitor of the Post Office Department. During the 5 years that he has presided over the destinies of that important Bureau of that Department he has performed the work in a most successful and a most efficient manner.

I think it can be truly stated that at no time in the history of the Department has it been run any more efficiently than under his able leadership. Those of us who have been associated with him during the past 5 years hate to see him go; and I think he doesn't mind if I say to him that I tried to keep him here, and I did it most sincerely because I and everyone associated with me in the Department appreciate full well the manner in which he assumed the responsibility of this very important legal position in the Department, and we wanted to continue under his able leadership.

This is a very fine and a very fitting testimonial upon the part of his friends from Texas and the men and women in the different departments, including our own, who have come in contact with Karl, and I am sure he has every reason to be proud of the fact that so many are here—so many fine people to pay him such a fitting testimonial. It is now my privilege to present the guest of honor, Mr. Karl Crowley. [Applause.]

SPEECH OF KARL A. CROWLEY

I am deeply grateful of the opportunity of telling my friends, comrades, and fellow officials good-bye after a close, pleasant, and fine relationship which has lasted for the past 5 years. I hate to leave you and I hate to leave Washington, and am compensated only by reason of the fact that I am going back home to the finest, brightest spot in the world—Texas.

There has never been a time when I have not received the finest and most cordial treatment at your hands, and I leave with a sense of leaving behind thousands of true friends connected with this administration.

It has been a rare privilege, indeed, to have been associated with this fine Federal Government of ours. It is the finest, most progressive, most responsible, and most respectable Government in the world today. Here in this Capital City, where he is beset by

enemies, there is a man who as our leader has been serving mankind faithfully and unswervingly and in the face of cruel, vicious, and unwarranted attacks. He is our leader—yours and mine. He is going to continue to be our leader; and may I in parting express the hope that every one of us will continue our steadfast loyalty, devotion, and service to our great President Franklin D. Roosevelt.

Fair-Wage Basis

EXTENSION OF REMARKS

OF

HON. ELLISON D. SMITH

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, May 3 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS BY WILLIAM P. JACOBS, MARCH 30, 1938

Mr. SMITH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered at Anderson, S. C., on March 30, 1938, by William P. Jacobs, president of Presbyterian College and secretary of the Cotton Manufacturers' Association of South Carolina.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Down through the centuries the smartest minds in the world have attempted to determine that elusive factor known as the fair-wage basis. Economists and statisticians by the thousands have persistently attacked the subject and have yet to determine the answer. Our lawmakers have studied the suoject in its many complications and have reached no satisfactory conclusions. Economists and sociologists and exponents of a new deal, in a frantic effort to help the underdog, have attempted to designate the low-wage areas and industries and regulate the difficulty with legislation. And the attempted legislation is usually balked by the ultimate realization that it is difficult even to determine minimum wages without serious injury to certain classes of workers who, because of varying circumstances, are necessarily earning less than others.

Logically one can only reach the conclusion that the matter of a fair wage is influenced by many factors, which vary in given sections and industries, and even in given plants. It seems most difficult to determine a fair wage through any other instrumentality than through the action and ability of the individual employer and the individual employee.

It is easy to select a definite group of working people or a definite industry or a definite section, and on the face of apparent facts put them in the low-wage classification. But when all of the factors are considered it is not so simple nor so clear, for contradiction and conflict disprove many of the social theories with which our country seems today to be rampant.

For instance, the South has been the brunt of many attacks and much propaganda within recent years. So persistent has been the effort to affix the low-wage stigma upon the southern territory that many people throughout America have begun to look upon this fair section as a section where poverty prevails, where the working conditions are unbearable, where the living standards are unbelievably low, and where the wage scale has degenerated to the low position which could only come from a feudalistic state.

Similarly, the textile industry has been decried as a low-wage industry. It has actually been accused of sweatshop conditions, and in the absence of the correct facts thousands in America have been brought to believe that the southern cotton mills have steadily taken advantage of their workers and have paid an unfair, insufficient wage.

FACTS DISPROVE CHARGES

However, in spite of these widespread assumptions, there are many authentic facts and figures to prove that such conclusions are not always correct, and that there are many factors influencing the situation, which if considered will bring new light and perhaps different conclusions. In fact, there are so many complications which affect the wage scales of the South and of the textile industry in the South, that no one can dogmatically, with a simple, flat statement, give an accurate picture of the situation.

In the first place, what is a fair wage? Is it a substance wage which permits the worker to secure the necessities of life or is it one which enables him to enjoy the manifold luxuries of the present age? Is it a matter of bread and butter or is it a matter of radios, automobiles, electric refrigerators, electric ranges, etc.? That question has never yet been answered, though it is a fact that in South Carolina, as a whole, it has been stated that 50 percent of the homes have radios, and in the cotton textile industrial villages of South Carolina the percentage is much higher than the average of the State. There are actually cotton-mill villages in South Carolina which upon actual count have been shown to have from 75 to 100 percent radio ownership in the village homes.

It is probable that until we as a people can determine just what is a fair wage from the standpoint of its purchasing ability, until we can determine just what are the essentials of modern living standards, until we can scientifically and accurately isolate the varying conflicting conditions which affect the determination of a fair wage, it is not likely that we will be able through legislation to solve this problem. It is more likely that legislative attempts will flounder and cause more damage than good.

Our only present method of measurement is the instrument of comparison, and even that is incomplete, often misleading and generally unsatisfactory. Nevertheless, since it is the only instrument that we have at the present time, let us for a moment make use of it.

Let us turn to the United States Department of Labor, Bureau of Labor Statistics, their nineteenth report on average hourly earnings in the cotton-goods industry, of April 1937, and quote from their table No. 8, The Average Hourly Earnings in the Cotton Goods Industry by States as of 1937. They show in the New England States, Connecticut, with an hourly wage rate of $0.497; Maine, $0.487; Massachusetts, $0.494; New Hampshire, $0.483; Rhode Island, $0.476. In the Southeastern States they show:

Alabama, $0.380; Georgia, $0.377; North Carolina, $0.376; Tennessee, $0.392; South Carolina, $0.40.

These figures would seem to indicate a difference between the average wage of the Southeastern States and the average wage of the New England States of approximately 20 percent.

WAGE CUT IN NORTH

However, it should be remembered that these figures are as of April 1937. Since that time there has been a 12½-percent decrease in wages in these New England States—a decrease which has not been noted in the South. The logical conclusion today would be that, on the basis of the United States Department of Labor figures, the New England textile wages on the average are approximately 8 percent higher than southern textile wages.

The South is predominantly engaged in the manufacture of coarse goods, which requires less skill. New England specializes in fine goods, which require more skill. The wage scales of the weavers, for instance in the better rayon-weaving plants in the South (there are a few of them) are actually higher in dollars and cents than the schedules of the rayon-weaving plants of the North. The coarse cotton-goods mills in the South have wage scales which may in some instances be lower than the fine and fancy cotton-goods mills of the South, and may upon occasion be lower than the rayon-weaving mills of the South.

However, on the basis of the skill required in production, the South (which, on the whole, specializes in coarse goods) should normally have a lower scale of wages than the East, which specializes in fine goods. Actually, however, in dollars and cents, as has been noted, there is very little difference indeed.

It should be noted at this point, however, that no statistical agency has yet been able to secure a comparative study which is 100-percent complete. Figures vary with the number and types of mills which happened to be involved in the statistical picture which is painted. Furthermore, average wage figures are frequently misleading, because they may be based (as is sometimes erroneously attempted) upon a simple division of the total number of employees into the total pay rolls. In such instances the large number of part-time workers and spare hands on the pay roll actually reduce the apparent average wage of the higher-paid workers, who put in full time, and this produces an erroneous conclusion.

Facts which I have been able to determine from statistics gathered directly from the mills indicate that the average wage in South Carolina is far above the figures indicated in this survey of the United States Department of Labor, which indicates an average wage of 40 cents per hour.

Many of you who are listening in today can point to mills right here in our own State that have very much higher averages than these figures. Nevertheless, for the sake of comparison, the records of the United States Department of Labor will suffice.

It should be noted from these comparisons that when you eliminate the conditions of employment, relative skill, wage equivalents, and when you ignore the difference in quality and value of the finished product, there would seem to be a difference in wage scales in the South as compared with the North and East of somewhere around 8 percent.

It is interesting to compare this percentage with the percentage difference between wages paid on public-works projects in the two sections. If feudalism has been responsible for the low-wage condition in agriculture, industry, and other activities of the South, will the wage basis, influenced, encouraged, or sanctioned by public administration, improve the situation? Or would they be forced to recognize the same economic factors in determining the proper wage?

FIFTY-ONE PERCENT DIFFERENCE

Perhaps the most accurate answer to this question is found in the report of the United States Department of Commerce, March 1938, Survey of Current Business, page 71, which shows under Employment Conditions and Wages that the wage rates on public-works projects in the New England States in January 1937 averaged 52 cents, South Atlantic States 25 cents—a difference of 51 percent. It should be noted that during the year 1937 the figures show a New England rate varying from 43 cents to 56 cents, and the South Atlantic rates varying from 25 cents to 27 cents.

It is clear, therefore, that the wage-scale differences on the public-works projects, as between the two sections, are far greater than the difference between the textile wages of the two sections. It was further seen from this comparison that employers in the textile

industry of the South have done far better by their employees proportionately in the South than have the employers of labor on public-works projects.

If the so-called low wage in southern industry, therefore, is chargeable to any type of peculiar southern system—no matter what you call it—it would seem that that system at least through the years has been more considerate of the worker than is the present public system which recognizes such a wide differential.

However, comparison according to sections or States is bound to result in inaccurate conclusions. There are many other factors that do not appear in the statistics which influence the situation very definitely.

The matter of previous service is of great importance. What were the former occupations of the particular workers in consideration? In the textile industry most of them came from the farms, and they came from the farms because of the fact that they could earn more in the industrial villages. The facts are too obvious for anyone who knows anything about the situation to warrant any extensive discussion. On the basis of the Department of Labor figures, the average cotton textile worker in South Carolina makes $832 per annum. This figure is based upon the simple calculation of 40 cents per hour, as quoted by the Department of Labor. Actually the average is considerably higher for the reasons already expressed. There are many instances in which families together earn from $2,000 to $3,000 per annum. Such instances are too numerous to be exceptions.

Other factors which influence the determination of a wage are personal efficiency and relative skill. This, as stated, plays an important part in the productive ability, as represented by the value of the finished product, such as the high-priced fine goods compared with the low-priced, coarse goods in the textile field. No one would expect the ditch digger to receive the same wage as the skilled watchmaker. The higher the degree of efficiency the higher the earning capacity and the higher the wage. This varies within industries, varies within individual plants, and varies even as between individual workers. The point is so obvious that it seems hardly necessary to develop it.

Then there is the matter of apprenticeship, the amount of time required to prepare one's self for life's work. The common laborer requires no time. The textile worker requires an apprenticeship of from 6 weeks to 6 months to reach the stage of normal productivity. The watchmaker requires years of apprenticeship. The printer and photoengraver may not reach the state of relative efficiency for 2 or more years. The school teacher must spend years in college, sometimes a long period in higher education, and always intermittently must undergo summer training. The surgeon must spend years in college, years in the medical school, and years in drudgery as an interne before he may practice as a surgeon. No one would expect a surgeon to receive the same income as the common laborer. Apprenticeship very definitely affects the wage.

ROOMS AT 37 CENTS PER WEEK

Then there are the many types of wage equivalents. In other sections of the United States wage equivalents are not so prevalent. The worker lives at a distance from the mill, and seldom sees it except during the hours of labor. His only financial connection with the mill is his cash wage. In the textile industry in the South, the mill village has sprung up as an economic necessity because of the absence of large population centers when the mills were originally established. As a result, the mills found it necessary to build and finance large communities for the benefit of employees. This has necessarily involved the building of homes, and the renting of such homes at ridiculously low rental charges, which in South Carolina are on the average far below cost—an average of 37 cents per room per week, including free water and free electricity. Then there is cheap fuel, free garden spaces, cooperation in cultivation, free seed, and a hundred and one other different advantages which the southern cotton textile worker enjoye at the expense of the mill, in addition to his cash wage, advantages which do not exist on the whole in industries elsewhere.

Such wage equivalents, very definitely affect the determination of the wage.

Then there is the difference in the value of the manufactured product which influences the wage. The automotive worker, the skilled watchmaker, producing products of greater value, are entitled to larger proportionate earnings than the man who makes a simple, coarse construction of cotton textiles. This variation, as already stated, reflects the difference in the apparent wage scales between the fine goods mills of New England and the coarse goods mills of the South.

In this connection, it should be noted that there is a variation in wage scales within a given mill. As a general rule, the loom fixer receives a higher wage than the weaver, and the weaver a higher wage than the spinner. This, incidentally, is partially responsible for the difference in the wage scale as reported by the United States Department of Labor between the State of North Carolina, where a larger percentage of the mills are spinning mills, and South Carolina, where the great majority of the mills do weaving also. The South Carolina wage is reported as higher than the North Carolina wage. It should be if most of the South Carolina plants are weaving plants, and a large percentage of the North Carolina plants do not have the more expensive process of weaving.

Then there is the competitive problem which influences the fixing of a wage scale. It is a well-known fact that the textile workers in Europe, with the lower living standards, have a much lower wage than the textile workers of America. The wage scales of the Chinese and Japanese textile workers are ridiculously low. The cotton-mill workers of the South are very directly competing today with the low-paid cotton-mill workers of the Orient. They are competing for their very jobs.

UNFAIR COMPETITION

The International Labor Office is authority for the statement that the Japanese wage per hour in 1936 in textiles was 3.9 cents. So far, in spite of the disruption in the market, this unfair competition has not yet forced a decrease in the relatively high wage scale of the southern textile workers of America. This factor is bound to have a very definite influence, however, in the determination of wages. It is one of the serious problems that is today faced by the southern textile industry.

Finally, perhaps the greatest factor of all in the determination of a wage is that of the ability of the employer to pay. The production of a job by the employer in the cotton-textile industry in the South is an expensive process. Considering the erection and the equipment of a mill, exclusive of its village, it is estimated that it costs the average mill in South Carolina $5,000 to produce a single job for the textile worker. This is no simple accomplishment. It costs another $3,000 per worker to keep it running. This involves great risk, and our domestic mills are today facing an uncertain future, with a demoralized market, with severe foreign competition, with exorbitant taxes of many types, discriminatory freight rates, and other similar handicaps.

It is easy enough to figure how a worker theoretically is entitled to a given wage scale. It frequently is well-nigh impossible to figure how his employer can pay it and stay in business, for, after all, there can be no wage at all unless the wage payer can afford to pay it. It is fine to reward the underprivileged at the expense of the more fortunate; but when the theory is carried far enough to "kill the goose that lays the golden egg," then both the underprivileged and the fortunate will suffer.

In considering the factors which influence wage, therefore, one should conclude that it is a complicated subject, which can only be determined in smaller groups or units, and in many instances on the basis of individual cases. In our highly complicated social program of today we should be careful not to allow theory to carry us beyond the realm of practical common sense; and while all Americans should zealously seek a state in which every man, woman, and child shall receive an adequate wage, we should recognize the economic barriers which control the situation and realize that even legislation cannot satisfy some of the wild desires of social theory.

Data on Walsh-Healey Public Contracts Act

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Tuesday, May 3 (legislative day of Wednesday, April 20), 1938

EDITORIAL IN THE AMERICAN FEDERATION OF LABOR'S WEEKLY NEWS SERVICE OF APRIL 30, 1938

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an editorial appearing in the American Federation of Labor's Weekly News Service of Saturday, April 30, which sets forth some interesting data and observations with respect to the operation of the Public Contracts—Walsh-Healey—Act.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the American Federation of Labor's Weekly News Service, April 30, 1938]

EDITORIAL—LABOR STANDARDS GUARDED IN GOVERNMENT CONTRACTS

The benefits conferred on working men and women by certain types of Federal labor legislation are revealed in the report of the Division of Public Contracts, United States Department of Labor, that "since the Walsh-Healey Public Contracts Act went into effect September 28, 1936, 7,279 contracts, valued at $409,385,245, have been awarded to firms throughout the United States and its territories, which have agreed to comply with its stipulations."

"During the week ended April 21, 1938," the report added, "12 Government agencies reported 71 contracts valued at $2,133,973 (of this amount $64,817 were for contracts of indefinite amounts based on last year's purchases and which purchases are to be made if, when, and where needed) as compared with last week when 10 Government agencies reported 76 contracts valued at $3,845,490. During this period the executive departments reported 46 contracts valued at $1,626,002, the emergency organizations reported 21 contracts valued at $304,536, and the independent establishments reported 4 contracts valued at $203,434."

The Walsh-Healey Act was passed by the Congress of the United States in June 1936. Its enactment had the complete support of the American Federation of Labor. The law provided that after September 28, 1936, all Government specifications and contracts involving the purchase of $10,000 or more of supplies, or loans or grants must contain provisions for paying the prevailing rate of

wages to be determined by the Secretary of Labor, that employees of these contractors must not work more than 8 hours in any day or 40 hours in any week, that boys under 16 years of age and girls under 18 years of age must not be employed and that all work must be done in sanitary buildings and decent surroundings. The law also prohibited the employment of convict labor. The measure does not apply to construction work.

Employers who believe it is their inherent right under the Constitution of the United States to impose long hours, low wages, and sweatshop conditions on labor generally, employ prison labor because it is cheaper than free labor, and coin into profits the labor of young people without restriction, put up a terrific fight against the passage of the Walsh-Healey bill. But a Congress dominated by humanitarian ideas, backed up by the solid and unflinching influence of the American Federation of Labor and other progressive groups, made the bill the law of the land.

Animated by a vindictive opposition to the decent labor standards of the Walsh-Healey Act, a number of large contractors, carried away by the unwarranted belief that they could whip the Government into subserviency to their reactionary principles, undertook to prevent the administration of the act by refusing to bid for Government work coming under its provisions. But finally the management of the steel industry, sensitive to the growing condemnation of public opinion, changed its policy of virulent opposition to the measure and finally applied the 40-hour basic workweek. Other industries interested in Government contracts bowed to the wisdom of the steel industry, and opposition to the measure gradually sank to the zero point. And now the Department of Labor reports that since the act went into effect on September 28, 1936, its labor provisions have been applied to firms awarded 7,279 contracts for products valued at $409,385,245.

An examination of the list of commodities purchased under these contracts shows that they include many varied industries—food and kindred products, textiles and textile products, forest products, chemicals and allied products; asphalt, coal, and petroleum products; stone, clay, and glass products; iron, steel, and their products; nonferrous metals and their alloys; machinery; electrical machinery, apparatus, and supplies, and transportation equipment.

A favorite and loudly voiced argument of the subversives who opposed the Walsh-Healey measure when it was before the Congress of the United States was the statement that the application of its terms to Government contracts would disrupt industry. But the law has been administered for 18 months and every commodity purchased in contracts totaling nearly five hundred million dollars has been produced in plants applying the 40-hour week and 8-hour day, paying the prevailing rate of wages, without the use of convict labor or child labor, with the one exception of the cotton-textile industry, where, temporarily, the employment of young people between the ages of 16 and 18 years is permitted in certain circumstances.

The enactment of the Walsh-Healey bill and its administration is a striking illustration of the social benefits of a public policy based on limiting the expenditure of Government funds to contractors who apply fair labor conditions.

P. W. A. Projects in Wisconsin

EXTENSION OF REMARKS
OF
HON. GEORGE J. SCHNEIDER
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 3, 1938

APPROVED APPLICATIONS FOR P. W. A. PROJECTS IN WISCONSIN

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Wisconsin—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		State-wide:					
W1394		Wisconsin Rapids	Power development	$8,388,000	$6,862,000	$15,250,000	$15,250,000
		Ashland County:					
W1467		Ashland	Disposal plant		112,500	112,500	250,000
		Barron County:					
W1361		Turtle Lake	Disposal plant		25,650	25,650	57,000
		Brown County:					
W1109		De Pere	City hall		18,000	18,000	40,000
W1365		Green Bay	Paving	74,000	60,547	134,547	134,547
W1468		Allouez	Sanitary sewer		52,510	52,510	116,688
		Total		74,000	131,057	205,057	291,235
		Buffalo County:					
W1093		Alma	City hall		27,000	27,000	60,000
		Chippewa County:					
W1124		Bloomer	Street improvement		37,613	37,613	83,585
W1125		do	Disposal plant		30,633	30,633	68,073
W1217		Chippewa Falls	Bridge		10,227	10,227	22,727
		Total			78,473	78,473	174,385
		Clark County:					
W1170		Neilsville	Filtration plant		29,835	29,835	66,300
W1340		Abbotsford	School addition		28,008	28,008	62,240
W1437		Colby	High-school addition		17,100	17,100	38,000
		Total			74,943	74,943	166,540
		Columbia County:					
W1140		Portage	School		103,500	103,500	230,000
W1428		Wisconsin Dells	Disposal plant		41,220	41,220	91,600
W1452		Randolph	Community building		16,650	16,650	37,000
		Total			161,370	161,370	358,600
		Dane County:					
W1145		Madison	Office building		723,600	723,600	1,606,000
W1299		do	School addition		20,250	20,250	45,000
W1300		do	do		27,000	27,000	60,000
W1303		do	Nurses' home		90,900	90,900	202,000
W1305		Brooklyn	High-school addition		15,545	15,545	34,545
W1349		Deerfield	Auditorium-gymnasium		8,590	8,590	19,000
W1410		Madison	Water mains		28,800	28,800	64,000
W1461		do	Courthouse addition		247,500	247,500	850,000
		Total			1,162,185	1,162,185	2,582,635

Wisconsin—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Dodge County:					
W1101		Fox Lake	Disposal plant		$33,750	$33,750	$75,000
		Door County:					
W1469		Brussels	School addition		18,000	18,000	40,000
		Eau Claire County:					
W1233		Augusta	Filtration plant		5,246	5,246	11,658
		Fond du Lac County:					
W1144		North Fond du Lac	Auditorium and gymnasium		15,750	15,750	35,000
		Green County:					
W1453		Monroe	High-school addition		124,200	124,200	276,000
		Green Lake County:					
W1449		Green Lake	Office building		24,390	24,390	54,200
		Jefferson County:					
W1287		Watertown	Park improvement		11,295	11,295	25,100
W1424		Palmyra	Auditorium and gymnasium		19,350	19,350	43,000
		Total			30,645	30,645	68,100
		Kewaunee County:					
W1030		Casco	High school		27,000	27,000	60,000
W1416		Kewaunee	Courthouse addition		24,390	24,390	54,200
		Total			51,390	51,390	114,200
		Manitowoc County:					
W1175		Manitowoc	Filtration plant		216,784	216,784	481,742
W1314		....do	Breakwater		81,000	81,000	180,000
W1371		....do	Street improvement		89,293	89,293	198,428
W1372		....do	Municipal improvement		86,850	86,850	193,000
W1422		....do	Bridge		135,000	135,000	300,000
W1450		Two Rivers	Library addition		11,520	11,520	25,600
		Total			620,447	620,447	1,378,770
		Marathon County:					
W1451		Wausau	Disposal plant		603,000	603,000	1,340,000
		Milwaukee County:					
5175		Milwaukee	Municipal improvements		694,636	694,636	1,543,636
W1364		Wauwatosa	School addition		153,000	153,000	340,000
W1399		River Hills	Sanitary sewers		36,000	36,000	80,000
W1405		....do	Municipal building		22,500	22,500	50,000
W1407		West Allis	School addition		123,750	123,750	275,000
W1408		West Milwaukee	Street lights		26,100	26,100	58,000
W1414		Wauwatosa	Storm sewer		40,500	40,500	90,000
W1420		....do	Well pump		36,000	36,000	80,000
W1421		....do	Street lights		61,200	61,200	142,000
W1434		Milwaukee	Underpass		26,100	26,100	62,370
W1435		Greenfield	Water mains		28,800	28,800	64,000
W1445		Wauwatosa	Street improvements		40,500	40,500	90,000
W1472		Milwaukee	Administration building		49,500	49,500	110,000
W1473		....do	Garage		25,200	25,200	56,000
W1474		....do	Library		146,250	146,250	325,000
		Total			1,510,036	1,510,036	3,366,006
		Monroe County:					
W1446		Tomah	High school addition		58,500	58,500	130,000
W1460		Sparta	City hall		31,050	31,050	69,000
		Total			89,550	89,550	199,000
		Oneida County:					
W1475		Rhinelander	School improvement		99,900	99,900	222,000
		Outagamie County:					
W1397		Appleton	Paving		29,250	29,250	65,000
		Ozaukee County:					
W1316		Port Washington	Incinerator		21,960	21,960	48,800
W1402		....do	Waterworks		89,763	89,763	199,475
W1442		Saukville	Waterworks and sewer		44,100	44,100	98,000
W1459		Fredonia	Waterworks improvement		36,000	36,000	80,000
		Total			191,823	191,823	426,275
		Pepin County:					
W1386		Durand	School		28,710	28,710	63,800
		Pierce County:					
W1091		Elmwood	Disposal plant		15,546	15,546	34,546
		Portage County:					
W1116		Almond	Community building		14,850	14,850	33,000
W1458		Stevens Point	Disposal plant		261,900	261,900	582,000
		Total			276,750	276,750	615,000
		Price County:					
W1202		Park Falls	Paving	$102,000	83,455	185,455	185,455
W1203		....do	Sanitary sewers		24,750	24,750	55,000
		Total		102,000	108,205	210,205	240,455
		Racine County:					
W1398		Racine	Bridge		155,895	155,895	346,435
W1429		....do	School addition		96,750	96,750	215,000
W1431		....do	Paving		32,400	32,400	72,000
W1443		Racine County	Warehouse		15,340	15,340	34,088
		Total			300,385	300,385	667,523
		St. Croix County:					
W1186		Hammond	Disposal plant	16,000	14,400	30,400	32,000
W1254		Glenwood	....do	12,000	9,900	21,900	22,000
		Total		28,000	24,300	52,300	54,000

Wisconsin—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Sheboygan County:					
W1046		Oostburg	Sanitary sewer		$23,220	$23,220	$51,600
W1192		Elkhart Lake	Municipal building		9,000	9,000	20,000
W1457		do	School addition		18,360	18,360	40,800
		Total			50,580	50,580	112,400
		Trempealeau County:					
W1190		Arcadia	Water and light		12,600	12,600	28,000
		Walworth County:					
W1415		Whitewater	Disposal plant		36,450	36,450	81,000
		Waukesha County:					
W1123		Oconomowoc	Community building		44,550	44,550	99,000
W1315		Waukesha	Vocational school		15,750	15,750	35,000
W1466		do	Courthouse and jail		157,500	157,500	350,000
		Total			217,800	217,800	484,000
		Winnebago County:					
W1255		Oshkosh	Bridge		146,250	146,250	325,000
		Wood County:					
W1230		Nekoosa	Municipal building		7,560	7,560	16,800
W1423		Wisconsin Rapids	Waterworks		36,675	36,675	81,500
		Total			44,235	44,235	98,300
		Grand total		$8,592,000	13,344,366	21,936,366	29,665,628

Aviation Points the Way Out of Depression

EXTENSION OF REMARKS
OF
HON. JOHN M. HOUSTON
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1938

Mr. HOUSTON. Mr. Speaker, the Committee on Interstate and Foreign Commerce has favorably reported H. R. 9738, providing for the creation of a civil aeronautics authority and air transport regulation, and the support of the measure by all groups interested in aviation, labor, management, State and local officials, and business associations shows the soundness of the bill and the need for its immediate passage.

Col. Edgar S. Gorrell, president of the Air Transport Association of America, during the hearings on the bill, stated legislation of this kind is indispensable if air transport is to survive, if the industry is to avoid bankruptcy.

The United States cannot afford to allow an industry into which $120,000,000 of private capital have been poured within the last few years, and for which we all have entertained such high hopes, to be crippled or paralyzed; nor can the Federal Government afford to continue huge subsidies to air transport.

A law must be enacted during this session of Congress that will bring order out of chaos in this industry so as to restore the confidence of the investing public and invite the flow of private capital into this all but unregulated industry, which has a vital relationship to our national defense. American aviation is ready for a Nation-wide program of expansion and improvement, once it is freed from the needless restraint of existing law, and this air-transport bill will, in this period of business recession, provide the stimulus of new enterprise which is so urgently needed to swing the economic balance toward recovery.

The Air Mail Act of 1934 is woefully inadequate and outmoded, as shown by the committee report in the statement that under existing law there is little economic regulation of air carriers. Routes are awarded not upon the basis of the ability of the particular air carrier to perform the service or the requirements of the public convenience and necessity but upon the letting of air-mail contracts to the lowest responsible bidders. This system has completely broken down in recent months, because the air carriers, in their desire to secure the right to carry the mail over new routes, have made absurdly low bids; indeed, have virtually evinced a willingness to pay for the privilege of carrying the mail over a particular route. A route once secured, however, under the existing system of air-mail contracts does not protect the air carrier operating that route from possible cutthroat competition, for air carriers are not required to secure a certificate or other authorization from the Government before beginning operations, other than one based upon safety requirements. Nor is there any authority in the Federal Government under existing law to prevent competing carriers from engaging in rate wars which would be disastrous to all concerned.

Under existing law three separate agencies of the Government have control over vital phases of civil aeronautics regulation: The Bureau of Air Commerce of the Department of Commerce regulates safety and exercises certain promotional functions in civil aeronautics; the Post Office Department, through the letting of air-mail contracts exerts substantial economic control over the air lines; and the Interstate Commerce Commission, through its authority to fix rates for the carriage of mail and to exercise certain regulatory functions, exerts further economic control over the air lines. The result of this divided jurisdiction over civil aeronautics has been a lack of coordination in the efforts of the Government to regulate, foster, and develop the air-transportation industry and miscellaneous flying. This has proved a burden upon the air carriers and private flyers and has increased the work and detracted from the efficiency of the Government itself in this field.

H. R. 9738 would prohibit any person from operating as a common carrier by aircraft unless such person holds a certificate of convenience and necessity, and provides that the rates, regulations, and practices of such air carriers shall be subject to regulation. Thus if this legislation is enacted, the air carriers will be able to operate on a stable basis, their routes secured by a certificate of convenience and necessity, which may be revoked only for cause, and their rates regulated so as to eliminate cutthroat competition among themselves. Moreover, the existing system of carrying mail under contracts with the Postmaster General would be abolished, and any air carrier holding a certificate authorizing it to carry mail would be permitted to do so. Provision is also made for requiring air carriers to cease and desist from engaging in unfair competition and unfair or deceptive practices.

It would provide for the establishment of a three-member independent agency, to be known as the civil aeronautics authority. The members would be appointed by the President and confirmed by the Senate for 6-year staggered terms

and would be removable only for cause. In this agency would be vested all of the regulatory functions now exercised by the Federal Government over civil aeronautics, and in addition the authority would be vested with the new regulatory power over the economic phases of air transportation. It would have the power to issue certificates of public convenience and necessity, to fix rates for the carriage of passengers, property, and mail, and to regulate interrelationships among air carriers and between air carriers and other branches of the aeronautical industry. The authority would also have power to promulgate all air-traffic rules and to issue aircraft-safety certificates, airman certificates, and air carrier operating certificates. Thus the new agency would regulate safety not only in commercial air transportation but also in miscellaneous flying.

The bill also provides for the establishment of a safety division within the authority, headed by a director, who would be appointed by the President and confirmed by the Senate. The duty of this division would be to investigate accidents in air commerce, to report to the authority concerning such accidents, and to recommend to the authority possible means of eliminating such accidents in the future. The division would exercise its functions independently of the authority, but would, upon the request of the authority, carry on investigations and studies in safety matters.

It would also create within the authority the office of administrator, who would be appointed by the President and confirmed by the Senate. It would be his duty to establish airways and construct, operate, and maintain air-navigation facilities and landing areas on such airways.

The reason for so organizing this new agency, that is, for giving the authority that power to exercise the regulatory functions, the administrator the power to perform the administrative work, and the director of the safety division the power to investigate and report on accidents in air navigation is to permit the new agency to exercise its functions smoothly and efficiently.

This legislation has the approval of the aeronautical industry, the private flyers, and the executive departments which deal with civil aeronautics—the Departments of Commerce, Post Office, State, Navy, War, and Treasury.

Congress has ample factual background for immediate action on this bill; important municipalities whose citizens have spent, in the aggregate, many millions of dollars with the aid of W. P. A. funds to develop their airport facilities are holding the bag while the service which the air lines are eager to give them is banned by the present law. New route extensions will stimulate even greater airport and airways development, will call for the extensive manufacture of new planes, and will give permanent employment to new flying personnel and ground crews. Many industries and many communities will feel the impetus of this healthy expansion once Congress acts to undo its 4-year injustice to aviation. There is urgent need for passage of H. R. 9738 at once.

P. W. A. Projects in Connecticut

EXTENSION OF REMARKS
OF
HON. WILLIAM M. CITRON
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 3, 1938

WHAT THE P. W. A. WOULD MEAN TO CONNECTICUT

Mr. CITRON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Connecticut—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Fairfield County:					
W1003		Newtown	Hospital		$756,000	$756,000	$1,080,000
W1258		Danbury	High school		45,000	45,000	100,000
W1269		Bethel	School addition		85,500	85,500	190,000
W1270		Newtown	do		45,000	45,000	100,000
W1272		Bridgeport	Bridge repair		33,750	33,750	75,000
W1281		do	Bridge		21,645	21,645	48,100
W1302		Ridgefield	School addition		129,150	129,150	287,000
		Total			1,116,045	1,116,045	2,480,100
		Hartford County:					
W1005		Rocky Hill	Veterans' home		1,462,500	1,462,500	3,250,000
W1149		Glastonbury	Streets		83,810	83,810	186,245
W1171		New Britain	Filter plant		269,550	269,550	599,000
W1192		Berlin	Disposal plant		71,730	71,730	159,399
W1275		West Hartford	Sanitary sewers		52,875	52,875	117,500
W1279		do	Heating plant		6,165	6,165	13,700
W1289		Wethersfield	Sanitary sewer		9,000	9,000	20,000
W1292		Hartford	Fire department		36,000	36,000	80,000
W1293		Wethersfield	Sanitary sewer		13,500	13,500	30,000
W1300		do	do		4,230	4,230	9,400
W1303		Farmington	School		112,500	112,500	250,000
		Total			2,121,860	2,121,860	4,715,244
		Middlesex County:					
W1011		Middletown	Hospital		1,033,400	1,033,400	2,296,400
W1015		do	School improvement		187,200	187,200	416,000
W1016		do	High-school addition		13,770	13,770	30,600
W1153		Killingworth	Street		23,015	23,015	51,145
W1290		Middletown	do		36,018	36,018	80,040
W1298		Chester	Highway		32,648	32,648	72,550
		Total			1,326,051	1,326,051	2,946,735
		New Haven County:					
W1004		Southbury	Miscellaneous improvement		2,576,700	2,576,700	5,726,000
W1268		New Haven	Drawbridge		353,250	353,250	785,000
W1295		Waterbury	Street improvement		75,116	75,116	166,924
W1299		New Haven	Disposal plant		587,025	587,025	1,304,500
W1301		Waterbury	Pipe line		135,000	135,000	300,000
		Total			3,727,091	3,727,091	8,282,424

Connecticut—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		New London County:					
W1009		Norwich	Sanitarium		$346,140	$346,140	$769,200
W1012		Mystic	School, deaf		190,125	190,125	422,500
W1014		East Lyme	Poor farm		162,000	162,000	360,000
W1251		North Stonington	Highway		58,287	58,287	129,457
W1297		Groton	Waterworks		73,575	73,575	163,500
		Total			830,127	830,127	1,844,667
		Tolland County:					
W1006		Storrs	University building		630,000	630,000	1,400,000
		Windham County:					
W1213		Sterling	Streets		47,815	47,815	106,255
		Grand total			9,798,989	9,798,989	21,775,425

Wadsworth on Hull Trade Pacts

EXTENSION OF REMARKS
OF
HON. ARTHUR D. HEALEY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 3, 1938

STATEMENT OF ELIOT WADSWORTH, PRESIDENT, BOSTON CHAMBER OF COMMERCE

Mr. HEALEY. Mr. Speaker, under the leave to extend my remarks, I include herein a list of P. W. A. projects which have the Boston Herald containing statement of Eliot Wadsworth, president, Boston Chamber of Commerce:

WADSWORTH LAUDS HULL TRADE PACTS—ANTIDOTE FOR TARIFF BARRIERS, SAYS CHAMBER HEAD

Eliot Wadsworth, president of the Boston Chamber of Commerce, termed the Hull reciprocal-trade pacts as an antidote for the international tariff barriers which have "killed the New England market" at the annual meeting of the Boston City Club last night.

Speaking with a certain amount of pessimism for the recovery of business in the immediate future, he said: "We are locked in a death grapple of divided national opinion between doing business abroad and putting up trade barriers. This country was built up on the basis that we would sell our surplus materials abroad."

As an illustration of what may happen to our remaining export business because of high tariff, he pointed out that where Japan formerly bought 2,500,000 bales of cotton annually from Texas alone, it has purchased only 60,000 bales this year.

He scoffed at the contention that the importation of shoes from Czechoslovakia would seriously impair the American leather market, adding that only 1 percent sold here last year were from that country. "When we say let's put up barriers, that means they're going to shut us out, and we've had a very good taste of that in recent years."

Wadsworth pointed to the lost markets for American goods and products in Brazil, Germany, Italy, Russia, and England, and concluded: "Perhaps the Hull treaty is selling us down the river, but I can't see it."

Gen. Ernald F. Fish, president of the club, presided at the members' dinner which followed the election of eight new members to the club's board of governors. They were: John H. Devine, Boston lawyer; John W. Downs, general counsel for the Insurance Federation of Massachusetts; W. T. A. Fitzgerald, registrar of deeds for Suffolk County; Edwin C. Johnson, president of H. A. Johnson Co.; Joseph L. Levis, general manager of the Freeport Tile & Marble Co.; David E. Moeser, treasurer and general manager of Conrad & Co.; Joseph H. Samuel, Boston lawyer; and Thomas W. Symons, executive vice president of the Suffolk Savings Bank.

P. W. A. Projects in New York

EXTENSION OF REMARKS
OF
HON. ALFRED F. BEITER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 3, 1938

LIST OF P. W. A. PROJECTS FOR NEW YORK STATE

Mr. BEITER. Mr. Speaker, under leave to extend my remarks, I include herein a list of P. W. A. projects which have been approved and recommended for allotments for the State of New York:

New York—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		State-wide:					
W1542		New York City	Bridge		$2,026,350	$2,026,350	$4,503,000
		Allegany County:					
W1546		Wellsville	School	$116,000	94,909	210,909	210,909
W1588		Canaseraga	do		99,000	99,000	220,000
W1620		Alfred	do		96,750	96,750	215,000
		Total		116,000	290,659	406,659	645,909
		Bronx County:					
7415		New York City	College	2,715,500	2,221,772	4,937,272	4,937,272
W1210		do	Clinic		141,300	141,300	314,000
W1450		do	School addition		174,825	174,825	388,500
		Total		2,715,500	2,537,897	5,253,397	5,639,772

New York—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No. Main	Docket No. Sub	Location	Type of project	Loan	Grant	Total	Total estimated project costs
		Broome County:					
W1337		Endicott	Municipal improvement		$49,909	$49,909	$110,909
W1379		Binghamton	Waterworks		422,335	422,335	938,524
W1381		....do	Reservoir		162,900	162,900	362,000
W1488		....do	Hospital addition		382,500	382,500	850,000
		Total			1,017,644	1,017,644	2,261,433
		Cattaraugus County:					
W1413		Olean	Municipal building		89,100	89,100	198,000
W1643		Portville	School		188,100	188,100	418,000
W1652		Cattaraugus	Fire department		36,000	36,000	80,000
		Total			313,200	313,200	696,000
		Cayuga County:					
W1352		Fair Haven	School addition		39,938	39,938	88,751
W1641		Meridian	School		162,000	162,000	360,000
		Total			201,938	201,938	448,751
		Chautauqua County:					
W1607		Lakewood	School addition		78,750	78,750	175,000
W1612		Panama	....do		42,750	42,750	95,000
W1621		Chautauqua	School		96,750	96,750	215,000
W1648		Mayville	Jail		108,000	108,000	240,000
		Total			326,250	326,250	725,000
		Chemung County:					
W1599		Elmira	High school		478,575	478,575	1,063,500
W1619		....do	Stadium		44,100	44,100	98,000
W1651		....do	Sanitary sewer		63,000	63,000	140,000
W1653		....do	Bridge		122,031	122,031	271,180
		Total			707,706	707,706	1,572,680
		Clinton County:					
W1564		West Chazy	School addition		90,900	90,900	202,000
		Cortland County:					
W1521		Cortland	....do		184,500	184,500	410,000
W1522		....do	Combination sewer		141,615	141,615	314,700
		Total			326,115	326,115	724,700
		Delaware County:					
W1517		Hobart	Schools		132,750	132,750	295,000
W1531		Roxbury	School building		133,650	133,650	297,000
W1634		Downsville	School		83,700	83,700	186,000
W1635		Delhi	High school		304,335	304,335	676,300
		Total			654,435	654,435	1,454,300
		Dutchess County:					
W1384		Beacon	Disposal plant		67,909	67,909	150,909
W1486		Poughkeepsie	School addition		258,948	258,948	575,441
W1644		Millerton	....do		43,068	43,068	95,708
		Total			369,925	369,925	822,058
		Erie County:					
W1158		Tonawanda	School		590,445	590,445	1,312,100
W1172		Eden	....do		135,000	135,000	300,000
W1478		Buffalo	Bridge over Buffalo River at Ohio St		315,000	315,000	700,000
W1592		Winchester	School		81,000	81,000	180,000
W1593		Hamburg	Town hall		63,000	63,000	140,000
W1595		Springville	School		86,715	86,715	192,700
W1613		Evans Center	Waterworks		31,365	31,365	69,700
W1636		Derby	School		33,750	33,750	75,000
W1639		Akron	School garage		16,650	16,650	37,000
W1650		Hamburg	School addition		18,810	18,810	41,800
1472		High-level bridge	Erie St. and Furnham Blvd.[1]				
		Total			1,371,735	1,371,735	3,048,300
		Franklin County:					
W1481		Saranac Lake	Electric plant		225,000	225,000	500,000
		Fulton County:					
W1280		Johnstown	Street improvement		39,537	39,537	87,861
W1412		....do	Paving		19,701	19,701	43,782
		Total			59,238	59,238	131,643
		Genesee County:					
W1525		Batavia	Water tanks		64,965	64,965	144,368
		Jefferson County:					
W1008		Watertown	Reservoir		1,706,727	1,706,727	3,792,727
W1557		....do	Comfort station		19,935	19,935	44,300
		Total			1,726,662	1,726,662	3,837,027
		Kings County:					
W1207		New York City	Clinic		181,575	181,575	403,500
W1212		....do	....do		141,300	141,300	314,000
W1214		....do	Underpass		223,650	223,650	497,000
W1307		....do	Museum		662,850	662,850	1,473,000
W1446		....do	School		346,275	346,275	769,500
W1449		....do	School addition		156,825	156,825	348,500
W1459		....do	Library		2,250,000	2,250,000	5,000,000
W1460		....do	Museum		106,875	106,875	237,500
W1462		....do	....do		435,600	435,600	968,000
W1537		....do	Bridge		166,050	166,050	369,000
W1547		....do	Incinerator		900,000	900,000	2,000,000
W1554		Brooklyn	School		395,100	395,100	878,000
W1572		New York City	Bridge improvement		206,100	206,100	458,000
		Total			6,172,200	6,172,200	13,716,000

[1]Withdrawn by George J. Summers, Feb. 11, 1936.

New York—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Livingston County:					
W1604		Nunda	School		$205,200	$205,200	$456,000
W1605		Leicester	Waterworks		31,500	31,500	70,000
		Total			236,700	236,700	526,000
		Monroe County:					
W1059		Spencerport	Town hall		31,500	31,500	70,000
W1114		Rochester	Prison		447,687	447,687	994,860
W1253		Pittsford	School addition		67,090	67,090	149,090
		Total			546,277	546,277	1,213,950
		Montgomery County:					
W1609		Fort Plain	School addition		88,101	88,101	195,780
		Nassau County:					
5715		Hempstead	School	$50,000	40,909	90,909	90,909
W1142		Mineola	Courthouse		1,001,454	1,001,454	2,225,454
W1202		Lynbrook	High school		371,250	371,250	825,000
W1219		Westbury	School addition		90,000	90,000	200,000
W1471		Center Island	Water mains		25,200	25,200	56,000
W1544		Syosset	School addition		87,525	87,525	194,500
W1556		Long Beach	Waterworks improvement		90,000	90,000	200,000
W1583		Hempstead	Disposal plant		115,200	115,200	256,000
W1602		Oceanside	High-school addition		182,250	182,250	405,000
W1622		Williston Park	School		258,300	258,300	574,000
W1623		Hempstead	Waterworks		48,215	48,215	107,145
W1631		Rockville Center	Sanitary sewer		98,100	98,100	218,000
W1632		Valley Stream	High school		385,252	385,252	856,116
		Total		50,000	2,793,655	2,843,655	6,208,124
		New York County:					
9060		New York City	Garage	87,000	71,181	158,181	158,181
9168		....do	Hospital	67,000	54,818	121,818	121,818
9241		....do	Courthouse	10,175,000	8,325,000	18,500,000	18,500,000
W1396		....do	Municipal building		916,650	916,650	2,037,000
W1397		....do	Pier		370,215	370,215	822,700
W1526		....do	Courthouse		442,800	442,800	984,000
W1577		....do	Approach		2,250,000	2,250,000	5,000,000
W1598		....do	Underpass		11,268,529	11,268,529	29,235,000
		Total		10,329,000	23,699,193	34,028,193	56,858,699
		Niagara County:					
W1232		Newfane	School addition		55,074	55,074	122,388
W1501		Middleport	....do		60,610	60,610	134,690
W1552		Barker	School improvement		164,250	164,250	365,000
W1600		Lewiston	Water main		40,419	40,419	89,820
		Total			320,353	320,353	711,898
		Oneida County:					
W1627		Rome	Hospital		236,250	236,250	525,000
		Onondaga County:					
W1580		East Syracuse	School		131,400	131,400	292,000
W1645		Syracuse	School addition		135,000	135,000	300,000
W1646		....do	School		107,100	107,100	238,000
W1647		....do	School addition		126,045	126,045	280,100
		Total			499,545	499,545	1,110,100
		Ontario County:					
W162		Naples	School		148,500	148,500	330,000
		Orange County:					
W1286		Middletown	....do		359,201	359,201	798,225
W1499		Goshen	....do		200,250	200,250	445,000
W1578		Otisville	Laboratory		96,300	96,300	214,000
		Total			655,751	655,751	1,457,225
		Orleans County:					
W1513		Medina	School addition		59,531	59,531	132,110
		Oswego County:					
W1518		Pulaski	High school		301,500	301,500	670,000
		Putnam County:					
W1389		Brewster	School addition		123,750	123,750	275,000
		Queens County:					
9237		New York City	Nurses home	178,500	146,045	324,545	324,545
9249		....do	Municipal building	6,600,000	5,400,000	12,000,000	12,000,000
W1206		....do	Clinic		141,300	141,300	314,000
W1209		....do	....do		181,575	181,575	403,500
W1306		....do	Hospital		1,317,825	1,317,825	2,928,500
W1408		....do	Bridge		925,650	925,650	2,057,000
W1454		....do	School addition		125,100	125,100	278,000
		Total		6,778,500	8,237,495	15,015,995	18,305,545
		Richmond County:					
9248		New York City	Community building	33,000	27,000	60,000	60,000
W1395		....do	Courthouse addition		104,339	104,339	231,863
W1402		....do	Grade crossing		961,200	961,200	2,136,000
W1585		....do	....do		332,550	332,550	739,000
		Total		33,000	1,425,089	1,458,089	3,166,863
		Rockland County:					
W1111		West Haverstraw	Hospital repairs		69,545	69,545	154,545
W1606		Spring Valley	School addition		63,000	63,000	140,000
		Total			132,545	132,545	294,545

New York—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		St. Lawrence County:					
W1006		Potsdam	College	$400,000		$400,000	$500,000
W1508		Massena	Town hall		$63,857	63,857	141,905
		Total		400,000	63,857	463,857	641,905
		Saratoga County:					
W1278		Stillwater	Disposal plant		54,000	54,000	120,000
		Schenectady County:					
W1369		Schenectady	Incinerator		60,277	60,277	133,950
		Schoharie County:					
W1594		Schoharie	Courthouse		29,250	29,250	65,000
		Schuyler County:					
W1503		Odessa	Waterworks		31,500	31,500	70,000
		Steuben County:					
W1603		Steuben County	Bridge		35,469	35,469	78,821
		Suffolk County:					
W1144		Shelter Island	Bridges	880,000	1,637,181	2,517,181	3,638,181
W1372		Smithtown	Library addition	18,000	14,727	32,727	32,727
W1545		East Islip	School		137,250	137,250	305,000
		Total		898,000	1,789,158	2,687,158	3,975,908
		Sullivan County:					
W1625		Roscoe	School		125,100	125,100	278,000
		Tompkins County:					
W1378		Ithaca	Library		80,100	80,100	178,000
W1480		do	Hospital addition		45,900	45,900	102,000
W1494		Newfield	School building		99,000	99,000	220,000
		Total			225,000	225,000	500,000
		Warren County:					
W1341		Glens Falls	Fire department		22,796	22,796	50,658
		Westchester County:					
W1025		Chappaqua	Town hall	30,000	24,545	54,545	54,545
W1035		Mount Vernon	School		166,909	166,909	370,909
W1140		Rye	do		394,363	394,363	876,363
W1418		Peekskill	Reservoir	28,000	22,909	50,909	50,909
W1470		Greenburgh	Schools		236,250	236,250	525,000
W1504		Westchester County	Bridge		62,424	62,424	138,720
W1515		Yonkers	Sanitary sewer		256,977	256,977	571,060
W1565		White Plains	School improvement		315,000	315,000	700,000
W1575		Chappaqua	School addition		157,500	157,500	350,000
W1576		Yonkers	Water tank		48,735	48,735	108,300
W1581		Westchester County	Waterworks		28,800	28,800	64,000
W1584		Buchanan	Street improvement		17,550	17,550	39,000
W1601		Port Chester	Municipal building		58,725	58,725	130,500
W1614		Cortlandt	Watermains		49,950	49,950	111,000
W1615		Ossining	School		278,016	278,016	617,813
W1616		Yonkers	Sanitary sewer		15,300	15,300	34,000
W1618		Westchester County	do		77,220	77,220	171,600
W1628		White Plains	School		270,000	270,000	600,000
				58,000	2,481,173	2,539,173	5,513,719
		New York City:					
W1567		New York City	Bridge improvement		150,300	150,300	334,000
W1568		do	Barges		900,000	900,000	2,000,000
		Total			1,050,300	1,050,300	2,334,000
		Grand total		21,378,000	63,954,934	85,332,934	146,815,741

The Postal Service

EXTENSION OF REMARKS

OF

HON. DONALD L. O'TOOLE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1938

ADDRESS BY HON. JAMES M. MEAD, CHAIRMAN, COMMITTEE ON THE POST OFFICE AND POST ROADS, AT MALONE, N. Y., APRIL 30, 1938

Mr. O'TOOLE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech made by my colleague, Hon. JAMES M. MEAD, of New York, at the Malone, N. Y., joint postal meeting, Saturday, April 30, 1938:

Most of the groups making up the Postal Service are represented here tonight, all gaging past accomplishments and speculating on future realizations.

Before touching upon legislative aims, however, I would like to talk first about the Service itself.

We are accustomed to referring complacently to that Service as "the biggest business in the world." But do we actually realize just how big it is?

POSTAL SAVINGS

This biggest business in the world is a billion-dollar business in some of its single operations alone. Take the Postal Savings, for instance. The Postal Service has the largest banking system in the world. Eight thousand postal-savings depositories, or branch banks, as we might term them; nearly 3,000,000 accounts; deposits of over a billion dollars. All this is but one of the Department's numerous activities.

PARCEL POST

We have the largest merchandise transportation business in the world right here in the Postal Service. The packages weigh all the way up to 70 pounds and contain anything from a lawn mower or a table radio to fragile glassware and china; delicate, frothy ostrich feathers; perishable baby chicks and honey bees, which must be transported quickly and carefully; small turtles, alligators, lizards, harmless reptiles, and other cold-blooded animals.

Two million packages a day move in and out of the post offices under the Parcel Post System.

By the way, this is the twenty-fifth birthday of our parcel post. Inaugurated back in 1913, this year it celebrates its silver jubilee.

REGISTERED MAIL

The Registered Mail Service is undoubtedly the very finest of its kind in the world. Today it is indispensable to the country. It is used by the Government, particularly the Treasury Department, by the Federal Reserve and other banks, and by practically every other financial institution for the safe transmission of currency, coin, costly jewelry, securities—all generally of huge value.

The object of this registry service is, of course, maximum safety. That it has attained its objective is evidenced by the growth of the business.

To refresh your memory, let me recall but two of the outstanding accomplishments of this service of recent date—the distribution of the adjusted-service bonds, and the transportation from San Francisco to Denver and from New York and Philadelphia to the depository at Fort Knox, Ky., of billions of dollars of gold.

INSURED MAIL

Another postal service which operates with unusual efficiency is the insured Parcel Post System. Millions of parcels of merchandise, farm and factory products, and the like, are transported in this manner, and in the event of loss or damage, indemnity is payable.

The cash-on-delivery service is an ideal means of shipment when the shipper does not desire to extend credit or when the customer does not want to pay in advance. Many business concerns now use this feature almost exclusively in marketing their products.

CUSTODIAL SERVICE

The Post Office Department is the world's busiest housekeeper. Its 14,700 custodial employees range from charwomen up to laborers and mechanics of various kinds—enginemen, skilled workmen of all sorts, assistant custodians, all working directly under the postmasters. It supervises the upkeep of 2,500 equipped Federal post-office buildings, the smallest being at Park City, Utah, with but one caretaker; Chicago, Ill., with 811 custodial employees; New York City, the largest, with 1,707. In addition, the Department has 5,600 leased buildings and over a hundred leased garage buildings.

In this country today there are possibly 1,600 cities of considerable size that could meet the requirements for Federal buildings and which have not been provided for, but they will be taken care of gradually.

MAIL TRANSPORTATION

The Post Office Department delivers mail by every known method of transportation—by rail, sea, airplane, streetcar, mule team, dog sled, pneumatic tube, motor truck.

Time and again the mail route has pioneered the way for civilization. The frontiers would surely present a totally different picture today if the lines of communication, the mail service, had failed.

Time and again the mail service has paved the way for the private industries. Commercial aviation would still be but a dream were it not for the air mail having led the way. Years ago it took months of slow, arduous travel to go from New York City to Los Angeles; then it gradually became shortened to weeks, and finally to days. Now, if you travel the air way, it is merely a matter of hours.

Dine in New York and breakfast in Los Angeles the following morning if you like.

What will it be tomorrow? Well, it may be luncheon in New York, breakfast in Europe, then on to the Orient, and when you get ready, hop a plane for home across the Pacific.

Only a dream, do you say? Oh, no! The Pacific is already spanned; air-mail service has been established between the United States and Bermuda, and the regular, scheduled crossing of the Atlantic by air is fast becoming a reality.

We are expanding up in Alaska, too. By star route, steamship, and airplane we are bringing this Territory ever nearer. Faster communication always breaks down the barriers, builds up closer friendships, and more deeply unites us in our common interests.

New Zealand is another port of call on our list. Already we are pioneering in that region.

It used to be said that the sky is the limit. But not for the mail service. We have just put through a bill authorizing the Department to climb up into the stratosphere, high above the clouds, and chart out airways.

ADDITIONAL DUTIES

But, getting down to earth once more, the Post Office Department not only attends to its regular affairs, but it takes on outside jobs as well.

There were the soldiers' bonus, the unemployment census, cooperation with the Social Security Board in putting across its program, the selling of baby bonds for the Treasury Department, hunters' stamps for the Department of Agriculture, internal-revenue stamps, and many others. Yet, with it all, the postal budget is being balanced by our capable Postmaster General, and we can say with pride, "This is indeed the Nation's most successful public enterprise."

LEGISLATION

I have heard it remarked that "business is ofttimes said to be impersonal." That may be true of other industries, but it certainly is not true of the Postal Service. Ours is a most personal business. It reaches out to everyone; it conveys the messages relating to all other businesses; it carries the outpourings of the rich and the poor alike; it shows no favoritism, and it goes everywhere.

I believe the secret back of the great success of the Postal Service is the Golden Rule. It takes both giving and taking to make this a fine service. The employees give the very best that is in them, and it is up to Congress to see that in return they are given proper incentives and benefits.

The 40-hour week is an illustration of the advanced principles employed by Congress in running the Government's own monopoly. If private industry would follow suit, the major ills of our country would be wiped out and the jobless would have jobs again.

Substitutes: We have one peculiar situation within the Department, however, which we are trying to correct, and that is the condition affecting our apprentices, the postal substitutes. There should be a time limit on their apprenticeship; they should be able to look forward with certainty to entering upon regular duties after a certain period; they should be given the 40-hour week; they should be given sick and annual leave with pay; they should be given more pay as they progress in learning the work.

Some day all this will come to pass, but it may be necessary to accomplish it step by step. Just a day or two ago our subcommittee took favorable action on a bill to give substitutes sick and annual leave with pay and to make them postal employees in name as well as in fact. That is the first step; help us get it through and we can then take the second step.

Overtime and night-work differential: We have taken favorable action on another bill which will not only help the regular employees but may help the substitutes, too. It provides for a work-year basis of 254 days, instead of the present 306-day basis, in computing overtime pay and the night-work differential.

Retirement: The Civil Service Committee is busily engaged in holding hearings on retirement. This is a subject in which all the postal employees are vitally interested, and I hope liberalizing amendments may be agreed upon which will be to your entire satisfaction.

Appointment of postmasters: All the postmasters, I know, are very much interested in what is going to happen to the bill to place their positions under civil service. The bill will be worked out soon, I believe, and I have hopes that we are going to see legislation put through which will put those positions squarely under civil service, or at the very least legislation which will pave the way and make such action inevitable in the near future.

The Senate bill provides civil service with an 8-year term; the House bill provides civil service with a life term. A suitable compromise will be approved.

House bills in Senate: As you all know, there are several bills over on the Senate side which were favorably acted upon by our committee and passed by the House. We are anxious to have them approved by the other body and are exerting every effort to bring that about. At its meeting this week the Senate committee approved four of the House measures, and we hope others will come out of committee before adjournment. The four bills referred to affect mailings for the blind, rural letter carriers, village letter carriers, and special-delivery messengers.

RECOGNITION OF POSTAL EMPLOYEES' COOPERATION

As chairman of the House Post Office Committee, I want to say to you that we not only like your work but we like and appreciate the way you cooperate with us in legislative matters, and we hope you will always find us in Congress sympathetic and anxious to do our share in keeping up this great Postal Service.

Thank you.

Hitler Sadism—No Helium to Hitler

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1938

RADIO ADDRESS OF HON. EMANUEL CELLER, OF NEW YORK, APRIL 29, 1938

Mr. CELLER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address which I delivered over the National Broadcasting Co. network last Friday night, April 29, 1938:

In Austria the books are to burn again. So-called German "kultur" again asserts itself—this time by a purging of the Vienna National Library. All non-Aryan books are to be pulled off the shelves and burned to make another Roman holiday for Nazi hoodlums. They will thus ransack one of the finest libraries in the world, housed in the magnificent Hofsburg, once the home of the imperial Hapsburgs. Volumes of Thomas Mann, Albert Einstein, Stefan Zweig, Jacob Wassermann, Vicki Baum, and many other famous authors will be relegated to the flames. Manuscripts of inestimable worth that go back to the sixteenth century, when Maximillian was Emperor, will be destroyed. Many costly oriental, Greek, Slavic, and other non-Aryan autographs and incanabula will be consigned to limbo. The library has one of the richest of musical collections. Inroads will be made into the scores of non-Aryan, particularly the Jewish composers, like Offenbach, Hugo Wolff, and Oscar Strauss.

As these flames spread from the volumes in front of the Hofsburg they will still further illuminate the bestial sadism and barbarism of this Hitler regime.

Daily we are aghast at reading of elderly men and women, citizens of Vienna, forced to dance before crowds of rowdies and to sing, "I am a dirty Jew." Then what of the children who are

made orphans by the enforced suicides! Think of torturing a girl by making her kneel and rise while carrying on her back a placard whereon patronizers are urged not to patronize and to boycott the store where she was previously employed. Jews are still being forced by the elite guards and storm troopers to scrub sidewalks. In innumerable instances these cowards have poured sulphuric acid and other poisons in the water and inflicted upon their poor victims terrifying burns and injuries.

Large Nazi crowds collect to taunt and to insult the victims. Jewish girls have been forced to go to storm-trooper barracks to clean and kiss the floors and to suffer unspeakable indignities. Goering, the modern Torquemada, has now decreed final liquidation by confiscation or boycott of all Jewish property in Germany. This is absolute theft and is in violation of our treaty with Germany, since American citizens of Jewish faith will have their property in Germany taken from them without just compensation and without due process of law.

Don't think for a moment, however, that the tortures are limited to the race of Abraham, Isaac, and Jacob. Catholics likewise are not immune and are treated ruthlessly. Many leading Catholics have been transferred to concentration camps where they endure unspeakable torture. Leading Catholics have been imprisoned. All manner of false charges are filed against them. Catholic priests have been systematically insulted and have been subjected to all manner and kinds of indignities. As a result of intimidation by Nazi Party leaders, thousands and thousands of Catholics have withdrawn from their churches. Catholic schools have been closed and most Catholic children have been deprived of religious training. Cardinal von Faulhaber recently stated that "Every policeman is allowed to decide which matters are purely church affairs and which are 'political catholicism.' Only the Pope and Catholic bishops are denied this right."

National socialism does not use open fighting methods against the church, as was the case in the Soviet Union, Mexico, and Spain. Hitler is too skillful and his Cabinet too clever. Bismarck put bishops in jail. Hitler prefers more subtle and indirect methods. He would not repeat Bismarck's mistakes. He obtains submission by a systematic propaganda of defamation against the church's leaders. He uses the most flagrant events of the church and papal history. The Nazis give the freest rein to their anti-Christian feelings. They disguise their real intention of destroying the church by such generalities as that they are fighting against the political pretensions, the greed for money, and the immorality of the clergy.

The world now knows the grim mockery of the so-called morality trials of the priests. Solitary cases were generalized in order to create the impression that the whole leadership of the church was saturated with immorality.

Hitler, in hypocritical fashion, usually offers his condolences upon the death of any bishop. Most Catholic organizations are excluded from public life. For instance, Catholic youth groups are not allowed to compete in sporting events, to wear insignia, or to possess uniforms. All such organizations are gradually being killed. But they must disappear without publicity. It is the hope of the Nazis that gradually the youth will forget Christian thought and become steeped in a sort of Nazi paganism.

The warfare against the Catholic Church and against the insurgent Protestant fathers rivals the barbaric persecution of the martyrs of medieval days. Hitler would destroy Christianity. All creeds must be abolished. There must be set up new gods of Valhalla; and Hitler is to be worshiped as a modern Siegfried. The swastika shall be substituted for the cross.

The sexual indecencies, the sadism, and the delight the Nazi rowdies take in terrorizing their victims are truly unbelievable.

Ever since the rape of Austria, the Nazis have organized pogroms, torture chambers, and pillories. Tortures are of the first, second, and third degree. Methods of the middle ages have been employed. Their brutalities and perversions are usually carried on in the darkness of the night. Even now, millions of Germans and Austrians are ignorant of them. This secret terror has reigned in Germany since 1933. It has now spread to Austria, where there is "a general settlement of accounts." Whenever there is a slight complaint concerning these tortures, the answer is: "Oh, he was a Communist anyway." He may be a trade-unionist; he may be a worker equivalent to a member of our A. F. of L., or our C. I. O. The Nazis will not tolerate any unionist. They are arrested by the thousands. All are labelled Communists. The Nazi leaders follow the instructions of the French cardinal who told the faithful on the original St. Bartholomew's night: "Kill them all, God will be able to pick out his Christians!"

In the torture chamber there is a regular tariff for beating prisoners. Simple membership in the Social Democratic Party is punished with 30 blows with a rubber truncheon on the naked body. Members in the Communist Party are punished with 40 blows. The penalty is increased when the prisoner has been an official of a political party or trade union. If he is a Catholic or a Jew, more blows are accorded him.

In this connection, permit me to read a letter which I recently sent to Hon. Harold L. Ickes, Secretary of the Interior:

APRIL 22, 1938.

Hon. HAROLD L. ICKES,
Secretary of the Interior, Washington, D. C.

DEAR MR. SECRETARY: I do indeed hope you will not consent to the sale of 10,000,000 cubic feet of helium gas to Germany for use by the German Zeppelin Co. You should be impervious to all the heat and pressure that is placed on you from "certain quarters." This rare gas will not be used for commercial purposes, but very likely to inflate Nazi airships to bomb our cities in the event of war. Such a vast quantity of this rare gas constitutes without doubt a supply of great military importance.

Even if Hitler gives you a guarantee that the gas will not be used as an instrumentality of war, what faith can we place in such a guarantee? What can be expected from such a ruler in the face of the "tragic odyssey" of 51 helpless Jews, uprooted from their village homes as prisoners, and forced by Nazi storm troopers to land on a lonely island in the Danube? They were left on this island without food and without shelter—presumably to starve and to perish. Their sufferings were poignant and unbearable, until they were rescued by a French vessel which gave them temporary shelter. This tragedy is beyond human understanding.

[Small wonder therefore if Secretary Ickes refuses to sell Hitler helium on the score that he cannot accept the word of Hitler that he will not use this gas for military purposes. Any ruler guilty of such unspeakable brutality cannot be trusted.]

A ruler who allows such unspeakable brutality cannot be expected to live up to a contract concerning the mere purchase of helium. Even if he gives you a money bond, resist all efforts. We on the Hill will back you to the limit.

Yours very sincerely,

EMANUEL CELLER.
Representative, Tenth New York District.

What is this helium controvery about? Let me explain briefly: Incidentally, let us first keep in mind the following startling fact, to wit: Hitler has a naval program that far surpasses the proposed huge increase in our own naval power. Confidential reports lodged in the Navy Department will bear me out in this. Hitler has appropiated funds for a total of 51 warships, including 5 superbattleships, 2 aircraft carriers, 3 heavy cruisers, 4 light cruisers, 12 destroyers, and 25 submarines. We contemplate the construction of only 3 battleships, 2 aircraft carriers, 9 light cruisers, 23 destroyers, and 9 submarines.

The studied campaign of Hitler, and that marplot Goebbels to induce the United States to ship helium to Germany is part and parcel of their naval and military program. No doubt helium is of supreme importance in the waging of war. It is the only existing noninflammable, nonexplosive light gas, and is suitable for inflating military balloons and airships. A military dirigible or balloon inflated with helium cannot be brought down by any aircraft fire or incendiary bullets. In the event therefore of any warfare with Germany, our sending helium to Germany might be the sowing of the seeds of our own destruction. Hitler would not hesitate one moment to use that helium to inflate dirigibles that could hover our cities and bomb and slaughter innocent people. And particularly be it remembered that under the circumstances, our Panama Canal would be most vulnerable.

We are spending millions and millions for our military anti-aircraft guns and projectiles to defend our cities from hostile air attacks. Shall we now supply the means by which such defense can be rendered ineffective? Be it remembered that these guns and projectiles cannot bring down the helium-filled dirigible. The projectile might puncture the dirigible, but there would be no fire or explosion. There would be only a small leakage of gas which is more than compensated for as to weight by the burning of fuel and the discharge of bombs.

I have the highest regard for Dr. Hugo Eckener. He showed rare courage in refusing to slavishly serve Hitler for propaganda purposes. Very likely, however, under dire threats of cruel punishment, he is now coming over here to be used as a stalking horse or decoy duck to persuade the President to override the actions of the Honorable Harold L. Ickes, our Secretary of the Interior, in protecting our American interests and in complying with the law passed by Congress, in refusing to consent to the sale of a little less than 20,000,000 cubic feet of helium gas to this fanatical paperhanger whose bestial stink of sadism at present in Vienna befouls the world. It is hoped that the President will not fall for the hypocritical pleas of poor Dr. Eckener. Beyond any peradventure of a doubt, the denial of Dr. Eckener that helium is not wanted for military purposes must fall on deaf ears. For poor and unfortunate Dr. Eckener to say otherwise might mean his death warrant.

Hitler and Goering and Goebbels will do everything in their power to entice us "Verdammte Amerikaner" to part with our helium—even to the extent of having employed in our Departments, stooges and spies. More as to that later.

I, for one, am pledged to wage relentless war against allowing Hitler to have even so much as one-half cubic inch of our helium. Any ruler that permits the blind racial hatred and sadistic brutality now prevailing in Germany cannot be trusted. Any pledges Hitler may give that the helium will not be used for military purposes are not worth the paper on which they are written. I would not trust Hitler as far as I could throw a bull by the tail. I would no more sell helium to the Jew-baiting Hitler than I would sell it to the fanatic Bedouins who literally hate the guts of Christians. Nor would I sell helium to the Roman African desert bandits and Masai warriors, the self-styled true believers who nurse bitter hatred against the Christian infidel. Both Bedouins and Masais are ready to cut the throat of any Christian. Just so Hitler, Goering, Goebbels, instinctively and without provocation, hate the Jew as well as the Catholic, and have as their

maxim, "Hate first, find reasons afterward!" However, in the words of Disraeli:

"The attempt to extirpate the Jews has been made on the largest scale, and the most considerable means that man could command have been applied to this object for the longest period of time. Egyptian pharaohs, Assyrian kings, Roman emperors, Scandinavian crusaders, Gothic princes, Holy inquisitors have alike devoted their energies to the fulfillment of this common purpose. Expatriation, exile, captivity, confiscation, ingenious torture, extensive massacres, a system of degrading customs and debasing laws which would have broken the heart of any other people have been tried in vain." But, as Dean Inge said: "The Jew has stood at the graveside of all his persecutors."

Reclamation in the Far West

EXTENSION OF REMARKS
OF
HON. KNUTE HILL
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 3, 1938

ARTICLE FROM THE CHRISTIAN SCIENCE MONITOR OF APRIL 27, 1938

Mr. HILL. Mr. Speaker, the Christian Science Monitor is known throughout the length and breadth of this country. It is read in every village and hamlet within the United States. It is conservative and accurate in its statements. For this reason the following article on reclamation in the far West, published in its Wednesday, April 27, issue, should be of interest to all who believe that reclamation is not only necessary but inevitable to the full development of the United States. These facts stated briefly and clearly should convince even the most pessimistic opponent of reclamation of the value and saneness of a planned program for western irrigation.

DESERTS BLOOM LIKE THE ROSE

Out where the golden sun sinks over the mountains Uncle Sam's irrigated farming ventures are proving a boon to an ever-increasing proportion of the Nation's agricultural population.

Irrigated lands have been much sought for, particularly since the recent drought years have added to the hazards of dry farming and made the watered lands veritable oases in the midst of vast areas of desolation. Consequently the population of the 48,773 farms and 257 towns located within Federal reclamation projects in 13 States reached a new record in the 1937 fiscal year of the Reclamation Bureau, and there is a large unfilled demand for new farms.

Altogether there are 210,466 people living on these farms and 653,441 more in the towns on the projects, according to the Bureau's annual report. These farm folks are served by 859 schools and 996 churches, and their bank deposits totaled $226,903,747, which is a good index of their prosperity.

It is not surprising, therefore, to find slight tax delinquency in counties in which irrigated farming is prominent. The Bureau points to delinquencies of 95 percent in some counties dependent upon dry farming, as compared with 5 percent or less in many adjacent counties which include irrigation projects. The stabilizing influence of the irrigation farms on local governments is readily apparent.

In view of this record, the Bureau seeks early completion of projects now under construction which will provide water for irrigating new lands. Relatively few new farms have been available to meet the heavy demands from the thousands of farmers dislodged by drought in the Great Plains and other regions. In fact, it is estimated that the number of young men and women who have reached maturity in other irrigated areas of the West and are seeking farm homes of their own is greater than the new offerings of Federal farm units that will become available for several years.

Among the 34 reclamation enterprises sponsored by the Federal Government, the largest farm population is found on the Salt River project in Arizona, 60,000 people; the Rio Grande project in New Mexico and Texas coming second with 26,500 on the farms. More people lived in the towns on the Rio Grande project, however, giving that enterprise the largest total population, 156,500. The Yakima project in Washington supports 17,488 on the farms and 50,252 in the towns. The Boise, Idaho, project has 15,500 farmers and 50,000 town people.

Since 1906, when the first project went into operation, Federal reclamation farmers have produced crops having a grand total value of $2,311,983,242. This is approximately 10 times the cost of the Federal irrigation works serving the lands.

During the calendar year 1936, the latest year covered by the Bureau report, gross crop value was $136,502,480, an increase over the two previous years and exceeded only by 1919, 1928, and 1929. The average of $47.10 produced for each of the 2,901,919 acres for which the Bureau furnished water was the highest since 1929.

"The return obtained by the farmer on Federal reclamation projects for each acre he worked during 1936 was two and one-half times that received by the average farmer the Nation over," the Bureau states. It points out, however, that the total producion represents only 1.1 percent of the value of all crops harvested from farms in the country. Excepting some fruits and vegetables, these crops do not reach eastern markets, and over half the area produces hay and forage consumed on the farm and is an important factor in the support of the livestock industry in the Western States.

In the period covered by the report, the Bureau was at work on projects eventually providing the following additional productive areas:

Gila project, Arizona, 150,000 acres; All-American Canal, California, 525,307 acres; Payette division, Boise project, Idaho, 51,442 acres; Greenfields division, Sun River project, Montana, 20,000 acres; Tule Lake division, Klamath project, Oregon-California, 12,809 acres; Owyhe project, Oregon, 47,800 acres; Roza division, Yakima project, Washington, 72,000 acres; Kendrick project, Wyoming, 39,793 acres; Heart Mountain division, Shoshone project, Washington, 41,000 acres.

Since the origin of the Bureau of Reclamation in 1902, a total of 138 storage and diversion dams and 24 powerhouses have been completed, with reservoir capacity totaling 44,898,910 acre-feet. In the last fiscal year, the power production considerably exceeded 1,000,000,000 kilowatt-hours of energy, a byproduct of the land-reclamation program.

In the 4 years since 1933, when the Nation's economic emergency added a heavy load to the Reclamation Bureau, its construction program was greatly accelerated, a total of $226,786,000 being made available. During 1937, construction was in progress on 35 projects in 13 States.

The Bureau points out that accretions to the reclamation fund are decreasing—from a high point of more than $9,430,000 received in 1908 from the sale of public lands, to an all-time low of $127,176 in the fiscal year 1937. This source of revenue—which has brought in a grand total of $112,493,947—cannot be revived in view of the Nation's new conservation policies and the exhaustion of attractive farm sites on the public domain.

More than 98 percent of the payments due from project water users, for repayment of construction, operation, and maintenance, and water rental charges, have been collected. Oil leases have yielded a grand total of more than $52,000,000, and net revenues from sale of electric energy, exclusive of the new Boulder Dam project, are reported in excess of $8,446,000.

J. R. P.

Wage-Hour Bill

EXTENSION OF REMARKS
OF
HON. ARTHUR D. HEALEY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 3, 1938

TELEGRAM FROM GOVERNOR HURLEY, OF MASSACHUSETTS, AND ANSWER OF HON. ARTHUR D. HEALEY

Mr. HEALEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following telegrams:

BOSTON, MASS., *April 27, 1938.*

ARTHUR DANIEL HEALEY,
House Office Building:

We here in Massachusetts are deeply interested in having the pending wage and hour bill adopted by the Congress during this session. As a Massachusetts Congressman I am sure you realize how important it is for such Federal legislation to be adopted and for Massachusetts to have equal competition with other sections of the country, thus affording labor and industry of Massachusetts some degree of assurance that our present industries will not move out of the State. Will you please use your good offices to have the members of the Committee on Rules vote in favor of reporting the measure so that action may be taken during this session, and may we further have the assurance of your entire support when it is formally considered.

CHARLES F. HURLEY,
Governor.

TELEGRAM TO GOVERNOR HURLEY

Hon. CHARLES F. HURLEY,
State House, Boston, Mass.:

Retel am continuing my efforts for adoption of wage-hour bill at this session. Ruinous competition of low-wage areas over period of more than 20 years with resulting large-scale migration of industry out of Massachusetts has had devastating effect on our State. I have long realized the vital importance of such legislation to the industry and workers of Massachusetts and have been working unremittingly for enactment of this bill. You may be sure of my continued militant support of this vital legislation.

ARTHUR D. HEALEY.

American Czechoslovaks Appreciate Free America

EXTENSION OF REMARKS
OF
HON. KARL STEFAN
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 3, 1938

ADDRESS OF HON. KARL STEFAN, OF NEBRASKA, MAY 3, 1938

Mr. STEFAN. Mr. Speaker, under leave to extend my remarks in the RECORD I submit my address before the United Czechoslovak Societies of Baltimore and the James C. Ludwig Post, No. 139, American Legion, May 2, 1938:

Mr. Chairman, ladies, and gentlemen, I feel it both an honor and a privilege to be invited to address you on this memorable occasion. First, I wish to congratulate the officers of this new legion post and to wish them and their organization a long and honorable and successful existence.

The United Czechoslovak Societies of Baltimore have presented you with the Stars and Stripes, and also your first post flag. You men who have served our Nation so well do not need to be reminded of what our glorious flag stands for. But in receiving it, I hope that every one of you will remember what travail, what suffering humanity has endured in the years gone by that this flag can today wave over this land. Its bars of white signify the purity of our highest national ideals; its bars of red signify the blood that has been shed in defense of those ideals; its field of blue signifies the vault of heaven above a Nation united, studded by the stars of white which signify the guiding stars of American ideals which lead us onward and upward to a better and more enlightened civilization based on good will among men. This flag is the symbol of freedom.

Men and women with heroic courage and nobility of soul have died on the gibbet; they have slaved and starved in the galleys; they have died in dungeons; they have parted with mortal life at the guillotine; they have suffered unspeakable tortures through hundreds of years of serfdom for the blessings of the liberties and enlightenment this flag represents.

So, marking the birth of this new American Legion post and the inauguration of its first officers, we Czechoslovaks who are familiar with the history of our forefathers wish to join with you tonight in pledging anew our allegiance to this great symbol and to our beloved Nation, the United States.

Mr. Chairman, it gives me very great pleasure at this moment to bring the personal greetings from the Honorable William Tyler Page, the author of "The American's Creed," and to hand to Mr. Josef Vonasek, the president of the United Czechoslovak Societies of Baltimore, this creed written in the personal hand of Mr. Page. I also hand to this new commander of this new American Legion post, Mr. Anthony J. Peroutka, a copy of "The American's Creed," personally autographed by the author. I feel this is fitting in view of the fact that the city of Baltimore played such a leading part in the bringing out of this inspiring pledge from the pen of William Tyler Page.

We are all grateful for the liberties which are ours under the folds of this beautiful flag. We are proud of our United States and of our citizenship in this great Nation; but we must remember also that those blessings and those liberties carry with them a duty. There is responsibility that comes with privilege, with liberty, with opportunity. That responsibility is to maintain that never-ceasing vigilance to preserve for ourselves and our children these liberties and these blessings which our forefathers have won for us at the cost of their blood and lives. Liberty is not something that comes to us out of nature. Liberty is something which we win through worthiness and by effort and by constantly guarding against those subversive forces which always are to be found seeking to undermine the pillars of free government. It is an unhappy fact of history that among all free peoples there are to be found those whose pride of place and lust for power would persuade them to barter the liberties of their fellowmen for the sake of their self-gratification. I know it is difficult for you and for me here tonight to realize what manner of man could so love power that he would be willing to enslave his neighbor. But we find that sort of men among us, and it is such men who are the real enemies of this flag, this Republic, this free Government; they would endanger your liberties and my liberties; against their machinations and schemes we must ever be vigilant if we would preserve to ourselves and to our posterity those priceless blessings of liberty won by the blood of our forefathers in the years of the past.

A poet has well said, "We never miss the water 'til the well runs dry." What he was saying really was that we never miss our liberties until they are gone. In foreign lands wars are raging in which innocent people are being slaughtered. We, here in this great constitutional Republic, are a peaceful Nation. We are welded together in spiritual unity, in our common love of liberty and opportunity, and in our prayers and hopes that our own beloved country shall never enter another war. If it should so be that we should have sometime to repel an enemy whose lust for power and whose greed for gain should lead him to attempt to invade us, of course there is not one here tonight, and I trust there is not one of our people in all the broad expanse of this Nation, who would not instantly respond to the call for the defense of America, and if need be shed his last drop of blood in repelling any who would lay the cruel hand of dictatorship upon our fair land. But, my fellow countrymen, there are two kinds of warfare. One is the clash of arms; the marching troops; the blare of bands; the trill of trumpets; the pomp and panoply of martial movement. That sort of warfare calls to the blood of youth. The heart beats higher; the eyes glisten with excitement; patriotism waxes hot in the breasts of men and even the tears and the agony of parting with loved ones is at the moment distracted in some degree by the excitements of the music and the cheers and the flying banners.

There is another kind of warfare, however, my friends, that calls for just as great heroism and more; that calls for just as much patriotism; that demands just as much sacrifice; that entails as much hardship and suffering; and which does not offer the color and excitement of blaring bands and trilling trumpets and flying flags and cheering multitudes and the picturesque, blood-pulsing panoply of martial effort. That is economic war. That is the weary, drab battle unheralded by poets, unsung by the bards. It is not to be found in marching troops led by bebraided and besworded officers. That warfare, my good friends, is fought out in the tenements. It is fought out in the factories. It is fought out on the farms. The tramping feet of legions which we hear is not that of troops moving in the stirring figures of military maneuvers; those tramping feet that we hear are the footfalls of discouraged and ofttimes despairing men and women vainly seeking employment that they may provide bread for themselves and their children. Colorless as is this economic warfare, it nevertheless calls for greater courage, deeper devotion to the cause of justice, and greater determination and more heroism than does the more exciting and spectacular clash of arms.

Your fathers and mine have known both kinds of warfare. They have not been found wanting when they had to respond to the call to arms for their country's sake and for the defense of their own firesides; nor have they been found wanting in faith and courage and perseverance when the more drab, the more soul-trying warfare of economic hardship compelled them to meet the dangers of starvation, of malnutrition, of disease, and finally of dictatorship along the highways of life.

The economic distress in this country today which has come with the depression has resulted in a general call to arms. Not the sword, not the bayonet, but the best thought, the best effort, the most persevering determination of each and every one of us to help surmount the problems which face us, and to deliver this Nation and ourselves out of the economic morass in which we are struggling in order that the Stars and Stripes of this noble symbol of our Nation may again wave in the sunshine of a renewed prosperity, and that its folds may fly at the masts of a nation of contented and peaceful people.

America today needs the best in every one of you to help save this Nation from the crisis which faces it. Our unemployment problem must be solved. The battle against this continued depression must be won. Our financial crisis must be abated. A public debt of $40,000,000,000; an outlay of fifteen billions to solve the unemployment problem and an additional four billions to be now added to that for the same purpose, these give us grave cause for worry. The danger is to be found in the fact that with all this spending, after 5 years of this sort of thing, we still have somewhere between thirteen millions and fifteen millions of our people wandering in despair in the no-man's land of unemployment.

You here tonight and all of our people in beloved America have a special contribution to make to this situation for the good of your country. It is a special contribution of which you are specially capable. People like our Czechoslovaks know what it is to be actually hungry; they are no strangers to hardship and discouragement; but they have the strength of character, the stamina, the faith, and the patience to help overcome this crisis. As I look out upon your faces this night, I find a new hope warming my heart because it will be people like you who will be found in the front-line trenches battling for Americanism and aiding your Government in this grave situation. Because you have the strong hands and the sturdy hearts and the patient soul of your people, to you I issue the challenge to set the example to the rest of America by beginning a campaign for every American man

and woman to pledge himself and herself to support the Government instead of sitting back and expecting the Government to support them. This Government is a Government "of the people, by the people, for the people", the immortal Lincoln said. Therefore, if we would keep it a Government of the people, by the people, for the people, we, the people, must support the Government and we must discourage any rising belief on the part of some of the citizenry that the Government must support them. Relief for the unfortunate there must be, of course. It is unthinkable that in this broad land one man or woman or child should be permitted to suffer the pangs of hunger or of exposure. Where in this wide world would we find any people whose hearts more quickly respond to the call of the unfortunate, to the wail of the hungry child, to the cry of an agonized mother, or to the plea of a despairing father, than do the Czechoslovaks? But there is a difference, my friends, and a vast difference, between intelligent help for those who need help, and the harmful theory of having the Government support those who do not want to help themselves.

The most blessed of all charity known to man is that charity which maintains the self-respect of the unfortunate, not by supporting them in idleness but by helping them to help themselves by their own efforts. The bread of charity is a bitter morsel in the mouth of a self-respecting man or woman. But the touch of a friendly hand to help the unfortunate man or woman to rise again to his stature of an upright citizen depending on his own efforts for his own sustenance is that touch of love which makes the whole world kin. Therefore, I say that upon you today there rests the responsibility of helping to instill into the thinking of this Nation the desire for self-help aided to such extent as is necessary by the Government. I call upon you to go to that battle of maintaining the self-respect of the citizenry of this Nation because you come of forebears who through years and centuries of travail and hardship and sacrifice never lost their confidence in their two good hands and in their own courageous hearts. You have that priceless heritage of courage and patience and determination in the face of adversity which comes to none but those whose fathers and mothers have looked hardship in the face and have not been afraid.

To live as free Americans is privilege enough, God knows. We can add to our principle of supporting the flag a pledge here and now, to ourselves, to do our utmost to support ourselves.

One of the great statesmen of this Nation, a man who spent his life in the service of the common people, Thomas Jefferson, saw this whole question as I would put it to you tonight when he said:

"Were we directed from Washington when to sow and when to reap, we should soon want bread. * * * Dependence begets subservience and venality, suffocates the gem of virtue, and prepares fit tools for the designs of ambition. * * * We must make our election between economy and liberty or profusion and servitude."

How well he knew the dangers of dependence by the people upon Government. How well he know that the stout right arm quickly loses its strength and becomes a supplicating hand, and how quickly the stout heart loses its courage and self-confidence when the individual is persuaded to part with that independence which enables him to meet life fearlessly and to fight his own way through.

I say that we Czechs and Slovaks have a special fitness to help in this economic war. Who of you does not know that it was usually customary in the homeland to refer to the Bohemian farmer as the man who first learned to know something about soil erosion because he was given only the poorest land on the hillside? Who of you does not know that it was the fate of the Slovak to make his bread out of the stones in the mountains?

That, my fellow countrymen, is why the Czech and the Slovak farmers usually knew what to do with the "thin" land and in the time of surplus had the foresight to prepare for the days when there would be no crops. Our people for years, up to 1848, lived in a condition of semiserfdom. You recall they used to have us Bohemians classified. First, we had the "sedlak," or the farmer, who actually owned some land. Then we had the "chalupnik," who probably owned a small cottage and was a laborer. Then we had the "nadenici," or ordinary laborer, who owned nothing and who simply believed there was a God and that there must be a master.

The masters took the best land, and the people were given what was left of the very "thin" soil on the hills. But with their good two hands, their stout hearts, and their unyielding perseverance they developed their wonderful ability to grow crops where many Americans would not dream even of attempting it.

Those who were able came over here to the broad, green, fertile acres of America because they wanted to forge ahead. These opportunities and these rich, lush lands were denied us in the old country—therefore we came here to this land of green hills and lovely valleys and golden opportunities.

You may be surprised to know that we have nearly 2,000,000 Czechoslovaks in America, with the Czechs predominating. One city in the West—Chicago—has more Czechs than most of the Czech cities. It is the third largest city in the world in point of Czech population, with Prague and Vienna first and second, in the order named. Illinois leads the United States in Czech population, with over 110,000. My own State of Nebraska is second, with more than 60,000 Czechs. Maryland has about 25,000, with more than 15,000 of those in Baltimore alone.

Our Slovak brothers are mostly located in the East and in the industrial sections. They are the people who produce most of our steel and iron and coal.

American history is filled with the story of Czech immigration. Although most of them started over here in the historic year of 1848, there were many Czechs in this country long before that—even in the colonial days. We find Augustine Herman to have been an associate of Lord Baltimore. Bedrich Filip was the Bohemian merchant prince of New Amsterdam. Other Czech names loom large in the life of colonial time.

Because of the oppression, the great hardships which our fathers and mothers and their fathers and mothers overcame, we of the younger generation have the advantage of all that great sacrifice and experience. Today you find these Czechs and these Slovaks in all walks of American life. Some are successful, some are not. Today they are like all other citizens here. They came to the great melting pot of America. In the crucible of their past hardships had been brightened the gold of their character. It was that gold they brought to this land. Here in the great melting pot, where all of the traits of the peoples of the world are fused and merged, we have seen rise in this Republic the greatest, the most enlightened, the most resourceful, the ablest people ever known in any Nation on this globe. That is why Thomas Jefferson spoke so truly when he said:

"Our falling into anarchy would decide forever the destinies of mankind and seal the political heresy that man is incapable of self-government. * * * A single good government is a blessing to the whole earth. * * * A just and solid republican government maintained here will be a standing monument and example for the aim and imitation of the people of other countries. * * * The eyes of the virtuous all over the earth are turned with anxiety on us as the * * * depositaries of the sacred fire of liberty."

As I have said, those of the rest of the world who came to America brought to this country their common contribution of character and industry and that love of liberty that moved them to tear up by the roots their associations in their homelands because dearer to them than home was liberty.

We find Czechs among the great in literature, in science, in art, journalism, music, law, the theater. Our people have contributed great chemists, great engineers, great architects, successful bankers, merchants, and farmers.

We can follow the footprints of the Czechoslovakian immigrant all across the golden sands of this enlightened American civilization. We find him in every walk of life. No chapter in American history is complete without some reference to the contribution of valor and patriotism offered upon the altar of liberty under the Stars and Stripes by our appreciative forebears.

As it is in America today, so it is in many other countries of the world. It has been my privilege to travel the world over and to see the footprints of service left behind by my Bohemian countrymen. Their bones have bleached on the sandy wastes of lonely deserts and the rugged windings of tortuous mountain trails. They have been world adventurers. They have wandered the lonely pathways in pursuit of peace and happiness. But always in their wanderings and their adventures the Czechs have left behind them a record of service to all mankind.

This is especially true in the United States. I have followed the career of the early Czech pioneers, and today we find the chapters of our great American history filled with tales of the heroism and the patriotism and the sound citizenship of the Czechs. Of course, you and I are proud of this record. Many of our Czech writers tell the story of the Czech in America—impressive narratives of wonderful citizenship on the part of our Bohemian people in town, in city, in district, and in State.

Throughout all of this service of citizenship, in all of this appreciation of opportunity for service, our people have never forgotten the suffering and the oppression endured by their ancestors. It is because of these lessons of the past that we today have Czechs and Slovaks so numerous among our leading citizens. They are men who would not barter their American citizenship for the throne of any empire in this world. And, as I said a moment ago, as I look out over this sea of faces before me, it warms my heart with a new hope that with a citizenship like this America need never fear evil from within or without.

We Bohemians are glad that we are Americans. It has been my privilege to walk across Bohemia. I saw the house in which I was born in the hills of Bohemia. I visited the room in which I first tasted of life. I walked the paths of the glamorous hills and the beautiful dales of lovely Bohemia. I slept in the beds of my forefathers. And I find it in my heart tonight to hope that we in America will again learn how to walk as our Bohemian relatives walk. We of the automobile age are forgetting that mode of locomotion which took our fathers far. I was struck by the many groups of people who walk in Bohemia. I met many who asked numerous questions about America. Some still think that all of us Americans are rich. They still talk about Zlata Praha (Golden Prague). You know the custom: "Libam vam ruko milost pane" is the greeting. You know what it means—"I kiss your hand, honorable man." My reply was always "Ja nesem milost Pan—Ja sem American." And then what a privilege it was to me as an American to tell the uninformed, the oppressed in Bohemia how we as Americans all walk on the same level and are all equal. How in the land of the Red, White, and Blue there are no masters but there are just the people and their great faith in the Almighty.

The Czechs and Slovaks know the virtue of honest toil.

By the sweat of your brow you will come to learn to love the real life of mankind. That is a lesson which has been handed down to us by the wisdom of the ages. It has been lived out by Bohemians

in the past years; it comes to us from the many lessons of our fathers and mothers who have solved these problems which we today, with all of our education, with all of our machinery, with all of our luxury, have not been able to solve. It comes to us, a simple lesson, every one of you Czechoslovaks remember: "Bes pratce neso kolace" (without work there is no bread).

To forget these lessons we learned at the knees of our Bohemian mothers and to fail to apply them to our daily lives in America would be no less than a betrayal of American principles and of American liberty. I say to forget these lessons would be to betray our Americanism, because in this country we are of all religions, colors, and creeds; we talk about ourselves as "we Americans." Who are we Americans? Whence came we? The English, German, Polish, Russian, Scandinavian, French, Italians, Bohemians. White, black, yellow, brown. The copper-colored Indians were here before us, but to them we came from every corner of the world. And I must here voice a regret that not always has our method of dealing with the red man been that method by which we would have others deal with us. Be that as it may, from every corner of the globe came those to take their place in the great melting pot of America, and out of that great refining crucible of life in this wonderful country we have emerged Americans—and we are proud of it. Now we go to church on Sundays. Some of us are Catholic; some are Protestants. But we all believe in our old saying that "You go to your church and I go to mine, but let us walk along together." That is America.

We are here, peoples from every land, all nationalities, working out together our common destiny of liberty, enlightenment, and progress. One people united, clinging fast to the traditions of our homelands, and yet while cherishing those traditions we are creating the new traditions of this great continent of amity, of unity, of common service in the common good.

We are a people of traditions. We must hold fast to them. What I mean to say—especially to you younger people—is, while, of course, using the language of your adopted land, don't forget your mother's tongue. Never be ashamed to speak it and talk it in memory of mother. Maminko mamo—mother mine. I will tell you why. These older people with years of experience fought successfully the battles of life without the great help we of today are receiving. They won. They won because they knew they would profit by the experiences and the lessons left to them by their forefathers. It was the American way. It was the right way. It is the right way today. You have heard it many times. Perhaps repetition may have made you forget. But there is written, "Honor thy father and thy mother," that you may live long in this land that God, your Father, has given you.

There is no place in our American life for jealousies between races. We are all one people here. We are all Americans and we all live for one great purpose—the perpetuity of free, happy America. That is why we all sing The Star-Spangled Banner.

In all of our thoughts there must be that brotherly love for all mankind which throughout American history presents the story of love of neighbor, love of freedom, love of country, love of liberty. In the hearts of all true Bohemian men and women today there should be no hatreds. So as we separate tonight, let us feel that we as Americans will continue to live peacefully and happily, that we may hand down to those who follow us the great heritage of courage, perseverance, justice, left us by our fathers and mothers who have so loved liberty and peace.

Come out to the prairies of Nebraska where I live and you will have no difficulty in picking out the home or the farm owned by a Bohemian family, because it is always clean and prosperous looking.

I have visited Baltimore frequently. It is a typical American city. We have all kinds of people here—but they are all American. Baltimore can be proud of its Czechoslovakian citizens. I venture to say that perhaps 90 percent of the Bohemians here own their own homes. The Czechoslovaks are a hard-working people. Visitors will notice that the cleanest, whitest steps in front of a Baltimore home are usually in front of a house owned by one of our race. This is not typical alone of Baltimore. It is true all over the world.

We Czechs and Slovaks do appreciate the blessings of liberty we enjoy in America. We are happy that the constitution of our fatherland is very similar to the Constitution of our own Republic; so tonight we may earnestly pray that this Republic of ours will long endure.

Our Nation is in difficulties, it is true. Our people are depressed and millions of them are walking the highways and the byways seeking honest labor by which to sustain themselves. We have pondered long and ruefully over what seemed to be faults or flaws in the operation of our economic system. And yet, my fellow countrymen, as we call back to mind the traditions of our forefathers, as we remember their years-long struggles against oppression, against hunger, their constant battle with "thin" soil and mountain stones for the bread they ate in the sweat of their brows, truly we can say together here tonight, Where in this wide world could we wander to find a country more blessed than this? With whatever faults it may have, this is still the country of the greatest opportunity on this globe. Whatever weaknesses may exist in our economic system or in Government, it is still the greatest free government under God's heaven. Whatever may be the trials and the discouragements in this land of ours tonight, it still offers the greatest amount of personal freedom, the utmost religious and political liberty, the freest speech, and the freest press to be found on this globe as it whirls on its endless journey amid the stars of the universe. And because of the blessings of these liberties and of these opportunities, we must find it in our hearts not only to uphold this Government and to support it, but we must keep alive that eternal vigilance which will crush instantly the aspirations of those who would persuade us to barter our liberties and our opportunities for the false security offered by dictatorship. Such a security is a mess of pottage. It is wholly deceptive. It is treacherous. It is dangerous. And it is fatal to that personal liberty and that equality of opportunity which is our birthright because of the struggles of our fathers and mothers who bore their burdens in uncomplaining patience that they might give to us these new promises of an infinite future. We will not trade that birthright for any mess of pottage cooked up by those who would stupefy us by promises of a new security while they steal from us those liberties so hard won for us by our forbears.

Say what you will, struggle as you may, this broad land of America, under the Stars and Stripes, this land for which some of us donned the uniform of our country and offered to make, if necessary, the supreme sacrifice of life itself, is still the unsurpassed land of liberty.

And so it is that I feel it both an honor and a privilege to be here tonight and to have talked to you and with you on this occasion of organizing your Czechoslovak American Legion Post. And so it is that my heart swells with pride for my own people, and warms with the hope of salvation for this country. I know that you who bade your loved ones adieu in grief that you might go forth at your country's call, will guard well those liberties which are ours, and that you will be vigilant against the encroachments of any persuasive arguments that would lead us to trade our God-given liberties for a dictator-ridden existence.

So then, in closing, let me propose to you that as Americans, above fear, courageous, patient, persevering, industrious, let us each day say in this way:

"Just another day to live, to work, and perhaps to play. And with the night let us recall the day's journey with its toil and care, but above all, let us find no hatred there."

Then truly, truly indeed, my fellow citizens, can we dream the dreams of "Gde Domuv Muj; Hej Slovane!"

The Star-Spangled Banner—long may it wave!

Our Constitution. It Is a Stream Through the Ages. The Declaration of Independence; the First Written Constitution—the Articles of Confederation; the Second Written Constitution, 1787, Philadelphia—and the Bill of Rights, Adopted 4 Years Later by the People

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EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1938

THE CONSTITUTION IS NOT A MERE PIECE OF PAPER

Mr. MAVERICK. Mr. Speaker, I desire to place in the CONGRESSIONAL RECORD a very brief résumé of the constitutional rights of an American. Information on this subject is usually presented at such length and filled with such a rigamarole of mystery that people never find the truth.

Let it be understood, then, that the Constitution is not a mere piece of paper, any more than religion is the leather and paper of a Bible. While we were English colonists, we had the accumulated rights of Anglo-Saxons; briefly, of free parliamentary government, free speech, press, and religion, trial by jury, and others.

These were not written, but they were established constitutional rights just the same, a part of our heritage.

DECLARATION OF INDEPENDENCE ESSENTIALLY PART OF CONSTITUTION

The Declaration of Independence is essentially a part of our true Constitution. It did two things: Announced our political separation, and vested British constitutional rights in the people of the United States of America as a new sovereignty.

IMPORTANT EXCERPT OF DECLARATION

The most important part of the Declaration of Independence, containing only 110 words, is as follows:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain

unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.—That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed.—That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness.

I do not comment on the above excerpt—anyone can understand the words, except to say they are just as important as upon the day they were written.

Some have said that the Declaration is not now in effect. If that is true, we are still a part of England.

ARTICLES OF CONFEDERATION OUR FIRST WRITTEN CONSTITUTION

After the Declaration, in 1777, the Articles of Confederation were adopted by the Continental Congress, and finally approved by all the States in 1781. They comprised our first written constitution. Written constitution then meant simply "government"—or form of government, plan of government.

All constitutional rights of freedom inherited as Englishmen were still in effect irrespective of any writing. This must be borne in mind.

It was found, however, that separate States with separate currencies and customhouses and almost complete economic and political independence, made orderly life and usual business and commerce impossible in the new States. It was decided that there should be a single and perfect union.

So the second written constitution, referred to in the document as "this Constitution," and nowhere as "The Constitution" was adopted. Read the preamble, which contains the gist of the whole document:

PREAMBLE TO CONSTITUTION

UNION—PEACE—COMMON DEFENSE—GENERAL WELFARE—BLESSINGS OF LIBERTY

We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

It will be noted that the word "liberty" is used. But in the original Constitution there was no Bill of Rights, no protection or enumeration of any liberties except it was provided in criminal cases there should be a jury; there would be no religious test; and that the privilege of the writ of habeas corpus should not be suspended except in rebellion or invasion and the public safety required it. Either the framers of the Constitution took it for granted full constitutional rights and liberties were assumed or purposely left them out.

However, the whole philosophy of the Constitution—the idea of liberty, perfect union, common defense, and the general welfare of "We the People," not of the States—is included in the preamble.

To make the right of general welfare in the people of a perfect union well understood, the right to provide for it was specifically granted to the Congress of the United States as follows:

ART. I. SECTION 8. (GENERAL WELFARE CLAUSE)

TAXING POWERS; DEBTS; DEFENSE AND GENERAL WELFARE

Section 8. The Congress shall have Power To lay and collect Taxes, Duties, Imposts, and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; • • •

Then, at the conclusion of the same article and section, and in reference to the foregoing power to legislate for the general welfare, as well as for other powers, appears the following further power of Congress:

To make all Laws which shall be necessary and proper for the carrying into execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

making the right of the people to enjoy a national government for the general welfare, and the duty of Congress to so legislate, unquestioned.

In spite of all this, the right has been consistently whittled down by successive interpretations of the Supreme Court. Yet that right of the people and the duty of Congress nevertheless clearly exists—and all American citizens should know it, and demand a national government for such general welfare.

BILL OF RIGHTS NOT PART OF ORIGINAL CONSTITUTION

The Constitution was signed in 1787, and ratified finally in 1788; becoming effective March 4, 1789, at the meeting of the first Congress. The fact that no Bill of Rights had been included at the signing of the Constitution caused grave and immediate concern everywhere. So when the First Congress met in 1789, it submitted a Bill of Rights for ratification by the States.

It is often said that the Bill of Rights is a part of the original written Constitution adopted by the Delegates in 1787. This is far from the truth, as records show. Indeed, the Bill of Rights was not ratified until 1791, 4 full years after the signing of the (second written) Constitution.

BILL OF RIGHTS FIRST 10 AMENDMENTS TO CONSTITUTION

The Bill of Rights of the American Constitution is very short—it contains the first 10 amendments to the Constitution adopted in Philadelphia, 1787. Some authorities say the Bill of Rights are the first 8 amendments, but the first 10 are usually so designated.

In any event, the Bill of Rights is a statement of human rights inherited through several centuries of developing constitutional government, not only of the Magna Carta, adopted in 1215, but for centuries before, plus all the English petitions, bills, statutes, accepted court decisions, and established customs thereafter, plus the development of American rights in the United States since separation from the mother country in 1776.

THE BILL OF RIGHTS (COMPLETE)

The Bill of Rights is as follows (descriptive subheads mine):

AMENDMENT I

FREEDOM OF SPEECH, PRESS, RELIGION. RIGHT OF ASSEMBLY AND PETITION

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

AMENDMENT II

MILITIA. RIGHT TO BEAR ARMS

A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed.

AMENDMENT III

QUARTERING OF SOLDIERS

No Soldier shall, in time of peace be quartered in any house, without the consent of the Owner, nor in time of war, but in a manner to be prescribed by law.

AMENDMENT IV

RIGHT AGAINST UNREASONABLE SEARCH AND SEIZURE

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

AMENDMENT V

INDICTMENT, JEOPARDY, NO WITNESS AGAINST SELF, DUE PROCESS OF LAW

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

AMENDMENT VI

RIGHT OF TRIAL BY JURY, COUNSEL

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining Witnesses in his favor, and to have the Assistance of Counsel for his defence.

AMENDMENT VII

COMMON LAW; CIVIL JURY

In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise reexamined in any

Court of the United States, than according to the rules of the common law.

AMENDMENT VIII

EXCESSIVE BAIL; UNUSUAL PUNISHMENT

Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

AMENDMENT IX

RIGHTS NOT ENUMERATED RETAINED BY PEOPLE

The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.

AMENDMENT X

POWERS NOT DELEGATED RESERVED TO STATES OR PEOPLE

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

We Americans must hold these rights precious and dear for ourselves individually—and all others. Expression of opinion or practice of religion of every kind must be tolerated, including that which to us seems false, untrue, and wrong in every particular. The wings of liberty cover ignoramuses, over-educated fools, reactionaries, radicals, vain people, half-wits, fanatics—as we term the other fellow, and as the other fellow terms us. It also includes the absolute truth, as told by ourselves, and the false propaganda, as told by our enemies; and sometimes vice versa.

Today, with liberty dead in over half the world, we must fight to retain these rights. Christian life, morality, education, free parliamentary government, progress, prosperity—none of these will be possible, unless we hold unimpaired the constitutional stream and the Bill of Rights. No judges or demigods can do it for us. It must be done by the people.

Wage-Hour Bill

EXTENSION OF REMARKS
OF
HON. WILLIAM P. LAMBERTSON
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, May 2, 1938

STATEMENT BEFORE THE RULES COMMITTEE, APRIL 29, 1938

Mr. LAMBERTSON. Mr. Speaker and Members, under privilege to extend my remarks, I am enclosing a statement I made before the Rules Committee last Friday, opposing again the consideration of the bill:

Mr. Chairman and members, I sincerely trust that the Rules Committee will hold fast and not give a rule for the consideration of this wage and hour bill again at this session. I came to the Labor Committee 9 years ago with my distinguished colleague Mr. RAMSPECK and others. I represent a district with a fair amount of labor and up until this proposal the only time I have been in disagreement on any major proposition with labor leaders was on the Guffey coal bill. I didn't vote for it and I didn't vote for this bill. I didn't vote to report it out in December nor a few weeks ago. My statement will not deal with technicalities in the bill nor with its constitutionality. I will leave both of these arguments to others. My statement will be of a general nature, as things have reacted on me during its consideration in the committee since last summer.

It is the intention under this bill eventually, not only to control purely labor in interstate commerce, but all labor. There are little evidences that have percolated from the intentions of the leaders for this legislation through the last year which have given me many justifications for this reaction. I will not take the time now to detail them, but I reiterate that it is the ultimate purpose of this legislation to comprehend all labor in the United States. I don't like this circumvention of the Constitution. I don't like this centralization of power. The country is too big, it is too varied to be blanketed in this bill with no differentials, and if there were differentials, it would be a madhouse in administration. Either way it will not work. Also, the bill we considered after it was referred back to the committee from the floor of the House was one which had no exemptions as to occupation.

There is no question in my mind but that when it was first proposed it was to be the second N. R. A. It was expected that a slightly revamped Supreme Court and a partly changed bill might be upheld. The Supreme Court's decision on the N. R. A. in particular and on the A. A. A. also are the two kindliest things that have happened to this present national administration. Both of these innovations would have fallen by their own weight in due time, and both were due to fall in a not far distant time when the Supreme Court declared them unconstitutional. The N. R. A. had a 9-to-0 decision, you remember. There was no division on it. No State has passed a bill fixing a minimum wage for men, the thing asked here.

To pass this bill now would disturb the already alarmed business in the country more than anything else we could do. To pass this bill at this time, to send out a thousand snoopers now from the Department of Labor, to pry into the labor conditions of business, big and small, would be the worst thing that could happen.

There is more in this bill than the mere raising of the substandard wage. For instance, what does time and a half for overtime have to do with the substandard wage? Further, when the emphasis is put on the increased purchasing power, how consistent is that with the mere raising of a small fractional part of labor that is subnormal? Labor is supporting this proposition today principally with the feeling that all wages are gradually going to be raised by it and that will increase purchasing power. It doesn't sound reasonable to attack the problem of 13,000,000 unemployed by raising the wages of those who already have jobs. There is a contraction rather than an expansion of employment in this bill. There are a great many struggling units of small business which would be prone to discontinue if they were compelled to raise any wage level at this time. No one is saying that we should increase railroad labor now to meet the railroad crisis. On the contrary, they are advocating seriously the reversal—the normal thing. We can't go on jacking up the weak parts of our economic structure while we neglect the fundamental things which bring confidence. Theodore Roosevelt had the right idea. He was against special privilege, and he directed his sole efforts at that and left the country a little of the rest to work out for themselves.

One of the principal objections to the bill as it was discussed in the House in the fall was the five-man political board. If you pass this bill in the House, it is an amendment to a Senate bill. It will go to the Senate and then to a conference, and how do we know but what the Senate's original bill that was reported will not be the bill adopted by the conference? The Labor Committee voted only 10 to 8 to take up this particular bill over the one that the subcommittee had reported, on which they had worked for weeks. It has already been indicated here that if this bill goes to the floor the members of this committee and the chairwoman herself will offer amendments to this bill. We remember the spectacle in December when the bill was before the House. The members of the committee that had reported it out were pushing each other over for recognition to offer amendments on the floor. They will do the same thing with this bill, because it is not satisfactory to anybody; and I am not sure that any bill will be. If there were a way to get at this substandard wage without taking on and going through all this other stuff I would be for it, but nobody has proposed such a thing. Maximum hours and child-labor amendments could be passed if they were put in a separate bill, and there wouldn't be any intricacies particularly about them, but it is my feeling that this committee would be doing a highly patriotic duty to stand firm and deny a rule for this half-baked proposal of this intangible substance.

Jefferson and Democracy

EXTENSION OF REMARKS
OF
HON. JOHN M. COFFEE
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 14, 1938

ADDRESS OF HON. JOHN M. COFFEE, OF WASHINGTON, AT NEWARK, N. J., APRIL 13, 1938

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein an address delivered by me on Jefferson's birthday, to a group of Democratic clubs in Newark, N. J.:

We are met on the one hundred and ninety-fifth anniversary of the birth of Thomas Jefferson to do honor to him as the greatest protagonist of personal liberty that America ever produced, and likewise to rededicate ourselves to democracy and to Jefferson's brilliant disciple, our President, Franklin D. Roosevelt.

Today, as in Jefferson's time, we are confronted with a national crisis. Now, as then, we have a great leader to rally us forward.

Jefferson was a patron saint of those who think politically in terms of individualism.

JEFFERSON HAD A REMARKABLE CAREER

Born of undistinguished parents, the third child in a family of 10, he entered William and Mary College at 17. He was

trained in law under George Wythe, the best classical and legal scholar in the Colonies. He soon reached the zenith of the legal profession, earning $10,000 a year, which was a colossal sum in those days. He became an accomplished violinist, hunter, horseman, artist, architect, gardener, essayist, as well as foremost expert in the philosophy of government. Jefferson was a poor public speaker, but was a writer of incomparable style and logic. He was the author of that magnificent phrase, "Free men, free speech, and a free church." The third President advocated the eradication of primogeniture, slavery, and religious intolerance.

HE WAS AMAZINGLY VERSATILE

Jefferson possessed the finest assemblage of books in the country—7,000 volumes in his library at Monticello. He was a more voluminous writer than Woodrow Wilson. He was the first advocate of the teaching of the case system in the law schools. He first demanded the establishment of public free libraries. He originated the optional or elective system of studies in American universities. He founded the University of Virginia and designed and supervised the construction of its principal buildings. Jefferson inherited money from his wife. She brought to him a plantation of 4,000 acres and 135 slaves. Money meant nothing to him. His charity to others kept him perennially poor. So far was he removed from the inner circle of the F. F. V.'s that neither his family nor that of Washington or Madison was admitted to the exclusive social set of the Old Dominion until after they had arisen to fame.

AS A POLITICIAN HE WAS UNRIVALED

Jefferson was without peer as a politician. He held public office continuously from 1769 to 1809, an almost unparalleled record. His popularity with the common people was not exceeded by any other prominent figure in American history until the time of Lincoln. Jefferson never lost faith in the inate common sense of the plain people. Though he was a pacifist, as President he maintained a small but efficient navy, one of whose achievements was to end the reign of terror of the Barbary pirates. Jefferson held the high offices of Minister to France, Governor, Secretary of State, Vice President, and President. Jefferson did not ever believe in rigid adherence to literal tenets of the Constitution. He believed it should be molded and bent to conform to the advancing needs and expanding requirements of the people.

Philanthropy was Jefferson's god. Before its altar he would ever do homage. So strong was his espousal of the underprivileged he said these words: "Not a crowned head of Europe is there whose talents merit his election as a vestryman of America."

JEFFERSON WAS A COURAGEOUS LIBERAL

Jefferson was no mere cringing puppet of his party. He was the idol of the people, and if the party advocated something which he believed was inimical to the welfare of the common citizen he frankly opposed it. Thus he lost the support of Congress in his second term on the slavery question and because the President demanded legislation to limit the power of the Supreme Court. Jefferson resented the effort of John Marshall to lead the Court into holding legislation unconstitutional, for Jefferson bitterly opposed judicial assumption of power. Between Marshall and Jefferson there was virulent animosity. The former was a conservative who hated the French Revolution but who, because of biased histories, we have been taught to believe was a giant of legal intellect. The reason Jefferson is so little appreciated as yet in comparison with Lincoln and Washington is that Hamiltonians and conservative Republicans have written most of the American histories and have dominated our school boards.

Jefferson was tall, ungainly, loose jointed, red-headed. Like many of our great liberal leaders of the present day, in his time he was called a demagogue. The word "communist" had not then been invented. Jefferson was shy to the point of not looking into his auditor's eyes in conversation, but he was beloved by his servants. It is of interest that he and John Adams, his Presidential predecessor, both died on the fiftieth anniversary of the Declaration of Independence, July 4, 1826, and that on his deathbed John Adams exultantly spoke these as his last words: "Thomas Jefferson still lives!"

HE WAS A VIRILE CHAMPION OF THE DEMOCRATIC IDEA

Jefferson saw deeper into the principles of the rising democracy and infinitely further into its future working than any other man of his time. Read him and be convinced. Jefferson never read Rousseau (Contrat Social) until long after his own opinions had been formed.

The initiative, referendum, and recall, the direct primary, direct election of Senators, woman suffrage, are alike the sequelae of the principles and the children of the ideas Jefferson expounded in that greatest of all immortal documents, the Declaration of Independence, which he himself wrote. Jefferson lived in the golden age of intellect. In England, of the same mental attitude, were Milton, Locke, Addison, Adam Smith, Bentham, Romilly, and MacKintosh, while Dean Swift, Hume, and the essayist, Samuel Johnson, were cynical conservatives who opposed their program.

JEFFERSON'S SPIRIT INSPIRES US TODAY

Jefferson was the man who led this chosen people into the holy land of liberty. He was the guide needed to steer the newly launched ship of state through the broken waves of the uncharted sea. His being cannot die. He and his small coterie of kindred founders are the invisible dead who breathe this atmosphere today. His work and theirs continues. He stamped his character on the pillars of the modern era. He marches tonight, not pale and prostrate in death, but resplendent in full mental panoply over the field of honor, the fire of liberty in his eye. The hand that traced the American Magna Carta is withered—the eloquent lips of its possessor are still—but the spirit that conceived it cannot expire.

These shall resist the empire of decay.
When time is o'er and worlds have passed away;
Cold in the dust the perished heart may lie,
But that which warmed it once can never die.

By our feeble words and in this humble celebration we pay our homage. The praise of our founder is today sung in myriads of unheard voices of art and nature.

HE WAS GIFTED AS A PHILOSOPHER OF GOVERNMENT

Jefferson was a master at the creation of dramatic, compact utterance. His brief line, "A decent respect for the opinions of mankind," which is in the Declaration of Independence, is unsurpassed in the whole range of literature as a combination of brevity and moral power. Where in all literature is there a more forceful, a more exquisitely phrased pronouncement than "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights: That among these are life, liberty, and the pursuit of happiness"?

Jefferson always insisted that laws be phrased in the simplest language. When one bill to establish public education in Virginia drafted by him was objected to because of simplicity, he wrote a friend: "You, however, can easily correct this bill to the taste of my brother lawyers by making every other word a 'said' or 'aforesaid' and saying everything over two or three times so that nobody but we of the craft can untwist the diction and find out what it means."

Jefferson said: "I have sworn on the altar of God eternal hostility against every form of tyranny over the mind of man." Jefferson demanded the subordination of property rights to human rights. He was the embodiment of that school which advocated the replacement of show by simplicity, the substitution of substance for shadow. With Jefferson, man must be master and money the servant.

HE WAS AN APOSTLE OF SIMPLICITY

We are today trustees under the will of Jefferson to keep the lanes of opportunity open, to preserve something for our posterity. In Jefferson, as in Franklin D. Roosevelt, the man and the occasion met. We have drifted far from the old Jeffersonian doctrines of State rights, but Jefferson himself would be the first to insist upon adaptation and interpretation of ancient documents to a changing world. Certainly nothing is more mutable than government. Jefferson himself violated the Constitution when he advocated the Louisiana Purchase. He had an abiding faith in democratic government. He was the evangel, holding aloft the light. He has tossed the torch to us. He is the lighthouse, sending its gleams amid the encircling gloom. Shall we not, like Tennyson, "follow the gleam"? He was our pathfinder. He has ever been the poor man's guiding star. Like the signboard, he has pointed the way. In a world controlled by wealth and privilege, he denounced nobility, insisted upon complete popular government, proclaimed universal education, demanded separation of church and state, hurled defiance at those who would curtail freedom of speech, promulgated laws creating local self-government. In a world of bellicose statesmen controlled by war-loving soldiery, he was a vigorous pacifist. He asseverated that nations, like individuals, that live by the sword die by the sword. He first warned against the growth of monopolies; he first advocated fair treatment for Indians. He opposed bounties, subsidies, and gratuities. He insisted that amendments to the Constitution should be made more easily possible. He wrote the bill of rights, the first ten amendments to that document. He early insisted that the acts of Congress should be the supreme law; that no power was vested in the Supreme Court to nullify statutes; that Federal judges should be elected by direct vote of the people and their removal be by mere vote of the Congress.

REACTION AGAIN FIGHTS LIBERALISM

Today we are again confronted with the same problem as was Jefferson. Everywhere liberty seems to be in eclipse. Twenty years ago the United States was engaged in a war to make the world safe for democracy. That ringing phrase of Woodrow Wilson seems ironical today when popular government stands with its back at the wall against the onslaughts of fascism. The progress of liberty through the ages has been a stormy, bloody road.

Stray back with me along the shadowy labyrinthine corridors of time. Envision with me the lessons which history teaches us.

We speak of liberty as one thing, and of virtue, wealth, knowledge, invention, national strength, and national independence as other things. But of all these, liberty is the source, the mother, the necessary condition. She is to virtue what light is to color; to wealth what sunshine is to grain; to knowledge what eyes are to sight. She is a genius of invention, the brawn of national strength, the spirit of national independence. Where liberty rises, there virtue grows, wealth increases, knowledge expands, invention multiplies human powers, and in strength and spirit the free nation arises among her neighbors as Saul amid his

brethren—taller and fairer. Where liberty sinks, there virtue fades, wealth diminishes, knowledge is forgotten, invention ceases, and empires once mighty in arms and arts become a helpless prey to barbarians.

Only in broken gleams and partial light has the sun of liberty beamed among men, but all progress has she evoked.

LIBERTY HAS EVER BEEN EMOTIONALLY INSPIRING

Liberty came to a race of slaves crouching under Egyptian whips, and brought them forth from the house of bondage. She calloused them in the desert and metamorphosed them into a race of conquerors. The spirit of the Mosaic law lifted their thinkers up to the sunlit heights where they beheld the unity of God, and inspired their poets with strains that yet phrase the noblest sublimities of thought. Liberty dawned on the Phoenician coast, and ships passed the pillars of Hercules to plow the uncharted sea. After the darkness of slavery the arrival of liberty came like the effusion of Shakespeare: "Night's candles are burned out, and jocund dawn stands tiptoe on the misty mountain tops." Liberty shed a partial light on Greece, and marble grew to shapes of ideal beauty, words became the flaming instruments of subtlest thoughts, and against the scanty soldiery of free cities the innumerable caravan of the great king of Persia broke like surges of ocean breakers against a rock-bound coast. She cast her rays on the small farms of Italian husbandmen, and born of her strength a power came forth that conquered the world. They glinted from shields of German warriors, and Augustus wept for his legions. Out of the night that followed her eclipse, liberty's slanting rays fell again on free cities, and modern civilization began. A new world was unveiled and lost learning found again. Alike as liberty grew so grew wealth, art, knowledge, power, and refinement. The strength borne of the Magna Carta won Crecy and Agincourt. It was the rebirth of freedom from the despotism of the Tudors that glorified the post-Elizabethan age. It was the renaissance of liberty from the tyranny of the Stuarts which brought on the golden era of Victorian culture. It was the spirit that brought a crowned tyrant to the block—Charles the First—that planted here the seed of a mighty tree. Ancient freedom, the moment that its energy had gained unity for its devotees, made Spain the mightiest power of the world, only to fall to the lowest depth of darkness when tyranny succeeded liberty. All French intellectual vigor died under the absolutism of the seventeenth century, only to revive in splendor as liberty awoke in the eighteenth, and on the enfranchisement of the peasantry in the great Revolution, culminating in the power that in our times has defied defeat.

LIBERTY SUMMONS US ANEW

Shall we not trust her? Today, as in times before, creep on the insidious forces that destroy liberty by producing inequality. Liberty calls to us again. Her clarion voice points a warning finger at the horizon where the clouds are beginning to lower. She calls to us again to follow her farther; to trust her fully. We must unstintedly accept her or she will not linger in our midst. It is not enough that man should vote nor that he be theoretically equal with his fellow before the law. Liberty must lead us on to avail ourselves of the opportunities of life. Men must stand on equal terms in relation to the bounty of nature. Otherwise liberty withdraws her light. Either this, or darkness approaches and progress vanishes in the murk of the night. This is the law of the universe. This is the lesson of the centuries. Unless founded upon justice and liberty, the social structure cannot stand.

Today liberty is on trial. Our Republican opponents are dubbing defenders of liberty Communists. Many reactionary orators have been shooting their BB shot against the iron-clad sides of the "brain trust." Sounding brass and tinkling cymbals. So far their ineffectual javelins have made no dent upon the armor plate of the Roosevelt administration. The moment any man attempts to place more power in the hands of the common people he incurs the bitter hostility of the vested interests and their apologists and sycophants. Roosevelt has been the butt of their attacks in 1938 as was Jackson in 1837, Jefferson in 1807, and Lincoln in 1860. With him as our leader America will yet emerge victorious, conquering the forces which seek to destroy her. Let anyone raise his head and fight for a more equitable distribution of wealth, for the destruction of trusts and monopolies, to curb chain stores, for Government ownership of public utilities and of banks; and the concentrated forces of predatory capital and the lawyers and school superintendents they easily hire are arrayed against him.

FRANKLIN D. ROOSEVELT

Of Roosevelt it may truly be said, as Edwin Markham wrote of Lincoln: "A man who matched the mountains and compelled the stars to turn aside to conquer him." I like to think of Franklin D. Roosevelt as the personification of Lincoln's famous saying: "When I die I want it said of me by those who knew me best that I always plucked a thistle and planted a flower where I thought a flower would grow."

Democrats need make no apolgy for the present program. In Roosevelt they have one who believes in commencing at the bottom with aid for the people. Roosevelt believes in doing the greatest good for the greatest number. Thus from the first Democratic President to the last we, as a party, have stayed true to the glorious progressive undertaking upon which this organization was founded.

The Effect of the Trade-Agreements Program Upon New England Industries and New England Labor

EXTENSION OF REMARKS

OF

HON. WILLIAM M. CITRON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1938

ADDRESS OF HON. FRANCIS B. SAYRE, AT HARTFORD, CONN., APRIL 25, 1938

Mr. CITRON. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit an address by the Honorable Francis B. Sayre, Assistant Secretary of State, at a luncheon meeting of the Manufacturers Association of Connecticut, on April 25, 1938, at 12:30 p. m., D. S. T., at the Hartford Club, Hartford, Conn.:

I feel happy that you have given me the chance of coming here to New England to talk with you this afternoon. It is like coming back home for me; for most of my life I have lived in New England. I admire the sterling worth and the splendid integrity of New England people; among them are many of my oldest and warmest friends. I deeply care about New England's welfare and about her future.

I am glad, also, of this chance to discuss the American trade-agreements program with you—a subject which has been debated throughout New England with considerable heat and emotion. Unhappily it has become entangled with political antagonisms. That is particularly unfortunate; for the program was not conceived as a Democratic measure or as a Republican measure. It grew out of a great national need and a world-wide emergency. Our foreign policy, both in its commercial and its political phases, should transcend party politics. The trade-agreements program was formulated solely upon the basis of sound business and economic principles; it has been administered with scrupulous care to serve the welfare of the Nation as a whole, and not to serve the special interest of any particular political party or clique or of any one section of the country or of any single occupational group. It is distinctively an American program for the benefit of the whole American people.

I should like to discuss the program this afternoon, however, particularly from the viewpoint of New England manufacturers and New England workers. No matter how greatly the program may benefit the United States as a whole, how does it concretely affect New England mills and industries?

I want to lay the facts before you with all honesty; and I feel confident that you will be fair enough, and generous enough, to hear me with your minds stripped of political bias and freed from emotional prejudices lately generated during the negotiation of the Czechoslovak agreement. For I well realize the extravagant predictions of business ruin which were circulated throughout New England during the negotiation of that agreement, and the genuine fear which gripped employer and laborer alike as a result of these dire predictions. Shoe workers were told that if the agreement should be signed New England shoe factories would be closed and shoe workers would be stripped of their jobs. All over New England went up a swelling chorus: "This treaty spells ruin;" and thousands there were who believed it.

Well, you know what happened. The agreement has been made, and New England has not been ruined. The tariff on the most highly competitive type of shoes has not been reduced, and New England shoe factories have been guarded against injury with respect to all types of shoes covered in the agreement by a provision which makes possible the prevention of the importation of shoes from all countries beyond 1¼ percent of the average annual American production. In other words, the results of the trade agreement are to give to American producers a virtual assurance of 98¾ percent of the American market as long as the trade agreement remains in force. Do you consider that unfair?

An article in the Annalist of March 25, 1938, on business activity in New England sums up what I believe to be the prevailing sentiment of the country. "Although," states the article, "a number of New England shoe manufacturers have expressed disapproval with the tariff concessions granted by the United States Government (in the Czech agreement), a perusal of the provisions of the treaty will show that their markets have been left practically untouched."

In the words of an editorial published in the Boston Herald on March 9, 1938, 2 days after the signing of the Czech agreement: "We can simply conclude that most of the distressful remarks from Washington and local territory are made for political effect,

without a careful study of the facts, the figures, and the past of shoemaking here and abroad. * * * The hard-headed manufacturers will take a more encouraging view of their own abilities and their industry than most of the politicians seem to have. The manufacturers were afraid that the duty on a certain type of shoes would be lowered. It remains unchanged. They wondered whether the Czechoslovakian shoes would be dumped on us in a huge volume. They will not be. * * * Moreover, there are carefully drawn provisions for preventing any disastrous developments.

"Probably our textile manufacturers, who are concerned now about the pending Anglo-American treaty, will be delighted if their interests are safeguarded as intelligently as those of the shoe manufacturers. * * * If New England fares as well hereafter as it has in this latest pact there should be little complaint."

Today, may I add, there are being industriously circulated again throughout New England the same dire predictions and the same prophecies of disaster and ruin if the British trade agreement is signed. The fears of textile workers are being excited today in precisely the same way as the fears of shoe workers were a few weeks ago. Surely I do not have to plead with you against being misled by such a chorus.

I know you will do all in your power to combat this unjustified sowing of fear. You can do far more to stop this particular evil and thus protect sound business interests from unnecessary injury than any Government official in the trade-agreements organization. Obviously, I cannot tell you, and no one else could tell you, exactly what any trade agreement still in process of negotiation ultimately will contain. No one knows. But I can say this—none of our 17 trade agreements thus far negotiated has caused substantial injury to any well-established, sound American industry. The same will be true of the eighteenth.

Our program is not free trade, but expansion of trade. We do not propose and do not seek the elimination of all tariffs. We seek the reduction of excessive and economically unjustifiable trade barriers on both sides such as are of positive injury to American business and to American industry. Our whole objective is to benefit and not to injure domestic producers.

From the trade agreements already concluded, New England has profited greatly through increased outlets for her products both abroad and at home. Some conception of the dependence of New England upon export markets can be gained from the fact that, according to shippers' declarations, New England products shipped directly to foreign countries were valued in 1929 at $200,000,000. By 1932 their value had dropped to $57,000,000. I need not picture to you what that drop meant to New England. Losses, of course, were not confined to New England producers. New England railroads, banking houses, insurance companies, trucking concerns, warehouses, and the thousands of workers dependent upon them, all suffered. With that disastrous drop in export outlets came extended unemployment, decreasing pay rolls, widespread economic dislocation, and human suffering.

It was to regain lost foreign markets, increase domestic production and purchasing power, and get mill wheels turning again that the trade-agreements program of 1934 was adopted, to bargain away the excessive and heightening trade barriers which were blocking international trade. Concerning benefits and advantages secured for New England, I can find very little in New England newspapers, and I hear less. Yet the list of important concessions of profit to New England is growing with every new trade agreement signed. Let me read, if it will not weary you, a list only of the more important general commodity groups of interest to New England in regard to which concessions have already been secured in one or more trade agreements:

Leather and leather footwear.
Hardware, cutlery, and mechanics' tools.
Cotton (semimanufactures and manufactures).
Mining and quarrying machinery.
Printing machinery.
Rubber footwear and other manufactures of rubber.
Textile machinery.
Foundry and machine-shop products.
Electrical machinery and appliances.
Paper and paper products.
Precision and other tools.
Wool (semimanufactures and manufactures).
Silk and rayon (semimanufactures and manufactures).
Automobile parts and accessories.
Wood products.
Jewelry and plated ware.
Clocks, watches, and clockwork mechanisms and parts.
Marble, granite, and slate.
Furniture of iron and steel.
Guns, rifles, revolvers, ammunition, and powder for hunting.

However, it would not be fair to think of New England's benefits from the trade-agreements program as confined to foreign outlets secured for distinctively New England products. Increased exports from every other section of the country mean increased purchasing power throughout the United States and increased American markets for New England products.

Naturally not every section of the United States profits to the same degree from each separate trade agreement. Some trade agreements are with countries predominantly agricultural. Such countries, in the main, offer large export outlets for our industrial products and seek agricultural concessions from us. Other agreements are with countries predominantly industrial. These generally offer large export outlets for our agricultural products. When we were negotiating with predominantly agricultural countries, such as with Canada, we were accused by many agricultural interests of the West or Midwest of selling them "down the river," and of sacrificing the agricultural West to industrial New England. When we are negotiating with predominantly industrialized countries, such as Czechoslovakia and the United Kingdom, we are told by New England and other industrial sections of the country that we are selling them out to the agricultural interests of the country.

What I want to emphasize and make clear this afternoon is that the trade-agreements program must be viewed as a unified whole. There is not the slightest justification for the charge that farmers are being sacrificed to factory workers or that factory workers are being sacrificed to farmers. Never in the history of our country has the adjustment of tariff rates been carried out with such absolute impartiality, such freedom from sectional bias, such scrupulous concern for the interests and the welfare of the country as a whole.

Surely the day has passed when we can think of New England prosperous if Western farmers are unable to make a living wage. The essential interests and economic life of industrial sections and of agricultural sections of our country are so closely and inextricably interknit today that prosperity or adversity cannot touch one group without sooner or later reaching all. When farm income goes down farmers cannot buy the shoes, clothing, radios, or other industrial goods which they desire and are accustomed to buy. When factory pay rolls fall off, factory workers cannot buy the beef, pork products, or other farm produce which they desire and are accustomed to buy. When the purchasing power of one group falls off, disaster spreads like poison among every other group accustomed to sell to them. The only sound way to build for the enduring benefit of one group is to build for all. When, as a result of the Canadian trade agreement, Canadian duties in nearly 600 nonagricultural tariff descriptions were reduced, our farmers substantially profited through the sale of more meat and farm products to the workers in every American factory whose production increased as a result of increased sales to Canada; and these farmers, with consequently increased purchasing power, in turn bought more goods from New England and other industrial areas.

The road to prosperity, as every manufacturer knows, lies through increased productivity, increased sales, increased pay rolls—in a word, in our present world of seeming overproduction, it lies through finding increased market outlets. How? What is the most practical and hard-headed way to achieve this?

Two alternative methods have been suggested, each inconsistent with the other—the one negative, the other positive; the one illusory, the other realistic. The first is through shutting out all foreign goods from American markets. The second is through developing and building up new and increased home and foreign markets.

The first method, that of shutting out all foreign importations so as to assure a 100-percent monopoly of the American market for each American producer, regardless of the cost to consumers, has the appearance of simplicity and directness. The difficulty is it is too simple and too naive. It is not practical. Our experience under the virtually prohibitive tariff rates of the Hawley-Smoot Act has shown that the embargo method is certainly not the way to prosperity. Imports took a tail spin from $4,399,000,000 in 1929 to but $1,450,000,000 in 1933. This did not spell prosperity for domestic producers even if they did attain close to 100 percent of the home market. Under that embargo tariff the value of manufactures produced in New England fell from $6,400,000,000 in 1929 to $3,100,000,000 in 1933—to less than half. Massachusetts pay rolls in 1932 fell to but 46 percent of what they were in 1929. The unparalleled drop in purchasing power throughout the United States and consequent widespread economic dislocation spread disaster in New England as well as in every other section of the country.

The embargo policy rests upon the false assumption that markets are static and fixed. In fact, we know that precisely the opposite is true. Markets rapidly expand and contract with available purchasing power. The practical way to secure increased markets is not to shut out all imports so as to obtain 100 percent of a shrunken domestic market but to expand vigorously the domestic as well as the foreign market through increased pay rolls and incomes due to stimulated trade.

Cheddar cheese, which has been a spear point of criticism by opponents of trade agreements, furnishes an excellent example. In 1932 American producers enjoyed 99.84 percent of the domestic market. But at that time Cheddar was selling for only 10 cents a pound, and the gross income of the industry was but $37,000,000. In 1936, after the Canadian trade agreement had come into force, some Canadian cheese came across the border, so that the share of the American producers in the American market was reduced to 97.78 percent. But Cheddar consumption rose to an all-time high, and Cheddar prices rose to an average of 15.3 cents. The gross income of the industry in the United States increased to over $75,000,000. In 1937 it was about the same.

If we can sell abroad more bales of cotton and more automobiles, cotton pickers and automobile factory workers in the United States can and will buy more shoes, more taxtiles, more meat, more butter than they otherwise could. Moreover, automobile

factories will be buying raw materials, parts and accessories, from every section of the country; and this in turn will mean increased pay rolls and increased purchasing power in every place from which they buy. Workmen in these places will in turn buy goods coming from still other sections of the country. Each sale of surplus products abroad creates a chain of economic transactions within this country, the total effect of which is to increase purchasing power beyond the volume represented by the original sale; and increased purchasing power is what makes prosperity. Trade increases employment, creates profits, and raises the general level of well-being.

If the domestic consumption of some commodity thus increases by, say, 100,000 units, we can well afford an increased importation of, say, 10,000 units, for our domestic producers will be selling 90,000 more units than before.

In short, if through skillfully formulated trade agreements the flow of trade can be stimulated and increased in both directions, economic activity will increase on both sides of the water in greater volume than that represented by the export-import transactions involved. Domestic producers—those who do not export as well as those who do—will be distinct gainers, not losers. This has been proved again and again by actual experience. Profits and increased markets come through stimulated trade—not through killing all foreign trade by embargoes.

One final question I should like to discuss. How does the trade-agreements program affect New England labor?

I have strong sympathies with the rank and file of workers throughout the Nation. Upon the well-being of our mill workers and our farmers depends the real prosperity of America. I have had a lifelong sympathy with American labor. I prize an honorary membership card given me by the Boston Central Labor Union some years ago before I went to Washington. So that I speak with the true interests of labor very sincerely at heart. What does the trade-agreements program mean to the thousands of workers and employees in New England mills and factories?

The answer follows from what I have already said. It means more jobs; it means increased pay rolls. The current misconception that American labor is best protected by shutting out all foreign goods so as to save the American market for American workers is unsound to the core. It is a misconception which profits certain limited groups at the expense of American labor and of the country as a whole. Some of our best-known labor leaders have told me that they are frequently approached and secretly urged by such groups to array labor against this trade agreement or that one.

The utter falsity of the conception is strikingly proved by cold facts and hard experience. In 1929 imports into this country were valued at approximately four and one-half billion dollars; the index number for production of manufactures (based on 1923–25 as 100) stood at 119; the employment index at 105; the payroll index at 109. The number of unemployed was estimated as between two and two and one-half million. In 1932 this huge value of imports had fallen to one and one-third billion dollars. With this falling off of imports what was happening to American labor? The production index for manufactures fell to 63, employment to 66, pay rolls to 46. At least twelve and one-half millions of workers were unemployed.

Statistics give clear proof not, indeed, that increased imports are necessarily the cause of increased home employment, but that the one ordinarily accompanies the other and certainly is not incompatible with it. According to the Federal Reserve Board indexes for the 18 years these figures have been kept (1919–37), every single year in which imports increased, factory employment as measured by Federal Reserve indexes increased; and every year in which imports decreased, factory employment decreased.

The truth is that mill wheels turn and men find jobs not when foreign goods are excluded from American markets but when American wealth is created by a trade brisk because unhampered by artificial and unreasonable hindrances.

Wages in general are higher in export industries than in protected ones. A recent study of the wages paid in a group of representative export industries having little or no tariff protection and in a similar number of highly protected industries reveals that in 1929 the average annual wage per worker paid in the former group (that is, in the export industries) was $1,603, in the latter group (that is, in the "protected" industries) was $1,025. In 1933, when wages had fallen, the export industries were paying $1,070, and the protected group but $716. In 1935 the average wages of the two groups were $1,364 and $827, respectively.

It is also to be remembered that of the workers gainfully employed in the United States only about one-sixth or one-seventh are engaged in branches of production leaning upon tariff protection. So many workers of the country are engaged in the transportation and merchandising of goods, and thus are directly dependent upon unhindered trade, so many are engaged in activities such as stores, public utilities, hotels, and hospitals whose interests as consumers lie in freer trade, so many are working in industries vitally dependent on export markets, that the genuine interest of American labor in increased foreign trade is very strong.

I know of no more constructive way to help promote the true interests of American labor than by vigorously pushing the American trade-agreements program.

Before I close I want to say one word about a matter of infinite importance to factory workers, to mill owners, to farmers, to every American citizen. If we are to have prosperity we must have peace. And we will never be secure in peace unless and until sound economic foundations are built for it.

If trade barriers grow to impassable heights and ordinary processes of trade break down, how can nations secure the foodstuffs and raw materials necessary for their economic life and for the lives of their people? How can national populations sell their surplus products and thereby gain the wherewithal to live? Men will fight before they starve. Uneconomic trade barriers forge the thunderbolts of war.

The trade-agreements program is important because it means building secure foundations for the prosperity of the factory worker and of the farmer, of the manufacturer and the trader—in short of every group of the population. But it has an even greater and more profound significance. It means building secure foundations for peace.

The Trained Man and Securities Regulation

EXTENSION OF REMARKS
OF
HON. JOHN M. COFFEE
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1938

ADDRESS OF HON. WILLIAM O. DOUGLAS, CHAIRMAN OF SECURITIES AND EXCHANGE COMMISSION, BEFORE YALE CLUB OF WASHINGTON, RALEIGH HOTEL, APRIL 27, 1938

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein a brilliant address of the Honorable William O. Douglas, Chairman of the Securities and Exchange Commission, before the Yale Club of Washington at their annual dinner at the Raleigh Hotel, Wednesday, April 27, 1938.

As I listened to Professor Douglas make this remarkable speech to the very intelligent group of Yale alumni the other night I was filled with pride at the reflection that Professor Douglas was a product of my own State of Washington. He is a graduate of Whitman College, Walla Walla, Wash. For a time he taught in Yakima High School, Yakima, Wash. Professor Douglas is a man of profound simplicity, yet possessed of remarkable talents. He is well grounded in economics, a thorough scholar, a deep thinker. As Chairman of the Securities and Exchange Commission he has enlisted the respect of conservatives and liberals alike. He is a splendid addition to the public life of Washington, D. C. To know Bill Douglas is to like him. Like most men of great ability, he is approachable, modest, unobtrusive.

The address is as follows:

I am glad of this opportunity to pay tribute to the great educational traditions of Yale and its distinguished president, Dr. Seymour. These traditions have been born of a strict insistence both upon scholarship and upon intellectual freedom. They have been marked by a healthy restlessness of spirit and a constructive dissatisfaction with the past for its own sake. These forces in the Yale environment have been productive of new horizons in both science and letters. They have made the Yale climate healthy for both the mind and the spirit.

For these reasons has Yale made such a notable contribution over the years to the public service. Its traditions are strong in public service of the highest order. Education based on such traditions produces men flexible for change, stable for responsibility, sensitive to the pressures of social evolution. These qualities are essential for the increasing responsibilities of modern government.

The growing complexity of State and National Government over the decade is obvious. The social and economic pressures which have created these increases in governmental activity are not fancied but real. Though their particular forms may change, the advent of these new instruments of government promises to be permanent. That in itself is not a political but an educational challenge. Those who man these agencies of government must be skilled not only in the art of government, but also in technical skills which these specialized tasks demand. If we are to receive full service from government, the universities must give us trained men. That means a constant reorientation of university instruction and research not for the mere purpose of increasing technical proficiency, but for the purpose of keeping abreast with social and economic change. Universities attuned to this program of change can and will render government lasting service, for government is no better than its men.

There is thus a real challenge to universities to produce men competent and equipped to do the increasingly important tasks of government. The experience I have had in government has to a constantly increasing degree emphasized the importance of this. We have indeed been fortunate to date. But we must provide for future needs. We must at all times be manned by those who are stimulated by a desire to bring order into the administrative procedure, and above all, to keep government geared to the swift changes of the times.

In my particular bailiwick there has been no place for drifting. The problems of our economic and social life which have been assigned to the S. E. C. are dynamic—constantly changing—constantly calling for supervision over change and the removal of obstacles to natural change. In the past, the sprawling systems of the gigantic public utility holding companies, for example, shifted endlessly and fantastic corporate structures grew with abandon. In the past, these developments were often without direction, without relation to the broader purposes of sound finance. In the future, under our supervision, but still energized by the boundless initiative and ingenuity of the men of industry, they will have direction and they will create form and pattern. Capital structures will assume greater simplicity and conservatism. The red or blue spots of one system which are now scattered amorphously over the Nation's map will tend to draw themselves together into a solid mass—a symbol of economic and geographic integration for the better service of consumers and the greater security of invested capital. Upon the men in the S. E. C. and in the industry rests the responsibility for the final accomplishment of this gigantic financial and engineering task, for they must supervise and assist in every move that is made. This surely is an undertaking that is beyond the realm of bureaucratic humdrum.

Another great arena of action which presents a constant challenge to administration is our financial markets—particularly our stock exchanges. For too long there was no change in this field. Too long did our stock exchanges remain institutions for the easy prerequisites of their members and the precarious satisfaction of a speculative urge. The position of the investor who owned securities which happened to be traded on the stock exchanges was too often a secondary consideration. The exchanges formerly operated as private clubs and as such they regarded themselves as beyond regulation. Much of that has changed in the short space of 4 years, and a great portion of this change has come since last November. In that brief period, the old attitude appears at last to have been dispelled. There is a new and enlightened recognition of the public responsibilities of these institutions. Definitive action toward the objective of the creation of an institution truly sensitive to its public responsibilities lies ahead for the new men who will be at the helm of our greatest exchange. But all this was not done by legal mandate. It was accomplished by administrative direction and by leadership both in the exchange and in government, which gave voice to the long slumbering urge for change both from within and without. Guided by the public interest and reinforced by extensive study, the Commission was prepared to take that leadership. In the encounter with the problems which lie ahead in this field, the Commission is again prepared to lend its support to the efforts of the new leadership which is moving toward our common objective.

Again, in the field of corporate financing we have problems which shift so swiftly that it is virtually necessary for us constantly to anticipate in order to keep abreast. In the preservation of the profits system, there are few matters of greater significance than the smooth functioning of the machinery by which industry obtains its capital from the savings of the public. First, the public must have savings to invest; second, the public must have confidence that its investment will have a reasonable chance of making a fair return and that the opportunities for fraud and deception on the part of promoters, management, and underwriters are reduced to a minimum; and third, industry must be able to get money at the time when it can use it. There has been growing recognition of the fact that small business, due to a myriad of circumstances, has been having an increasingly difficult time in getting money for capital expenditures such as plant, machinery, and the promotion of its products. We realize that this condition seriously jeopardized our national welfare. To be sure, basic economic problems of that kind cannot be solved merely by relaxing regulation. The real problem strikes much deeper. But administrative procedure may help or assist. So when the President of the United States recently asked us if there was anything we could do about this within the framework of our present statute, the Securities Act, we were able forthwith to take several steps to cut down the paper work and the expenses of small business and to give it some further assistance in conforming to our procedure. And we were able to do this without curtailing the basic protection which the statute affords investors. This indicates again that there is room within this soundly constructed statute for administrative elasticity when the occasion demands. Our determination to operate within these bounds is fortified by the following letter I have just received from the President:

"I have examined closely the action of the Securities and Exchange Commission the other day. You and the other Commissioners are to be congratulated for taking these steps in the interests of small established enterprise in need of capital financing.

"You are well acquainted with my pride in the securities legislation as one of the major accomplishments of my administration. Of course, I could never sanction steps which would in any way weaken the protection which these statutes afford to a nation of investors. For that reason I am particularly gratified that you have taken these helpful steps within the framework of the statute."

Flexibility in administrative procedure under these new agencies of government is a basic necessity. Their paramount importance is measurable not only in terms of change in our economic and social order but particularly in terms of the rate of such change. Democratic government to compete successfully with its virulent competitors must be mobile, bold, and intelligent. Its strength lies in its ability to keep pace. Large areas can be served dynamically by administrative government that has power and discretion to deal directly with current problems. For that reason administrative government holds great promise not of being a bureaucratic blight but an energizing and directive influence.

But this calls for trained men. And so it is that we must look to our educational institutions like Yale for our strength. With that strength we can obtain the flexibility necessary to keep pace with our volatile civilization. Flexibility in any institution is difficult to obtain. Special vested interests acquire their strongholds. Habit and the ease of inaction dissipate constructive endeavors. Tradition exacts its toll. All institutions strive against these forces, whether they be universities or government. Progressive administration always in search of new horizons can conquer these influences. Constant readjustment of the educational processes can give us men who will keep the forces of democratic government virile and healthy. That is one reason why educational institutions are the real reservoirs of strength of democratic government under a capitalistic system.

Millions of American Citizens Petition Congress for Enactment of H. R. 4199 During This Session of Congress

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EXTENSION OF REMARKS

OF

HON. JOHN H. TOLAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1938

Mr. TOLAN. Mr. Speaker, millions of our people have petitioned Congress in favor of H. R. 4199 and many Congressmen are strongly for this bill. Yet we cannot obtain a hearing before the Ways and Means Committee so that it can be reported out on the floor of the House of Representatives.

Under the Constitution of the United States our citizens have a right to petition Congress. Millions of citizens have so petitioned for the enactment of H. R. 4199 into law. How can the soundness of this proposed legislation be determined until it is fully presented to the committee?

Thousands of intelligent American citizens in all walks of life and in every State in the Union believe in H. R. 4199. Surely they cannot all be wrong. They have an undeniable right to petition Congress to tax themselves for national recovery and a pension measure.

The fight toward this end has only begun and the Ways and Means Committee should listen to the voice and petitions of the people and grant an immediate hearing on H. R. 4199.

We have now 118 signatures of Congressmen on the petition to discharge the Ways and Means Committee and 151 signatures on the petition to Chairman DOUGHTON, of the Ways and Means Committee, to grant a committee hearing on H. R. 4199.

Many economists and some of our country's brightest minds are in favor of the principles of this proposed legislation, and with millions of our people knocking at the doors of Congress for its enactment, or at least brought on the floor for debate, it seems unanswerable that a hearing must and should be given at once by the Ways and Means Committee, for the forces of public opinion must and will finally prevail.

The May Bill—A Prelude to Dictatorship

EXTENSION OF REMARKS
OF
HON. C. ARTHUR ANDERSON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 3, 1938

AN ADDRESS BY HON. C. ARTHUR ANDERSON OF MISSOURI

Mr. ANDERSON of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address I delivered to the students of Ohio State University on Wednesday last:

My friends of Ohio State University, there is no way in which I can adequately express my pleasure and thanks for the kind reception I have received here, and for the opportunity of addressing you on the subject of peace. There is just one note of disappointment in my being here and that is the illness of my good friend and colleague Congressman PAUL KVALE, who was to be your speaker on this occasion. I am here in his stead, but I cannot take his place.

Peace is a very broad subject upon which volumes have been and are being written. But in spite of the breadth of the subject—peace is something that is uppermost in the minds of all reasonable individuals. It is a subject very near to me because I know, from experience, what war actually is. It is a subject very near to you because you are the ones to fight and pay for the next war should it come, and God forbid that such a calamity befall us. This Nation, by the grace of God, seems to be the last outpost for a free and honest discussion of peace. Other nations may utter repeated and plaintive protestations of their desire for peace, but even as they speak their words are lost amid the rumble of artillery and the clatter of marching armies.

The Orient is torn asunder by a great war. The fertile fields and valleys of ancient China are drenched in the blood of her martyred sons. Innocent women and children are slaughtered by thousands, and the whole world shudders at the sight of this relentless destruction and devastation. But I often wonder—do we stop to think before we condemn? I wonder if we realize that many of the war machines that now lay waste the Orient and tear limb from limb of little children were fashioned by American hands; sold by American merchants, who mindful of the deadly nature of their wares, could not overcome the passion to reap a fortune from the slaughter of their fellow men.

Many thousands of miles from the Orient a great conflict will soon reach its second full year of destruction and ruin. In Spain better than two and a half million of her finest sons have given their lives in battle. The great cathedrals and universities that have so long graced the Spanish Nation and held a significant place in the panorama of world civilization have been tumbled into a heap of smoldering debris. The libraries and manuscripts that were once the haven of students from the whole world have been lost forever amid shell holes and ashes. The vast plains and beautiful cities of the Spanish Nation are now the proving ground for foreign-made aircraft, machine guns, tanks, and other machines of war. It has ceased to be a civil war of the Spanish people, and become the arena of combat for other nations whose destiny, guided by godless minds, leads them inevitably into the fiery crucible of war.

We in America are fortunate beyond immediate comprehension in that we are at peace with everybody. Our Government is dedicated to a policy of peace and good will. Our people stand four-square behind that policy.

It has long been my firm belief that the greatest danger to a nation's tranquillity lies hidden in the very government of the nation itself. If the government of a nation is bent on war, it can, through various channels and by diverse means, influence and change the minds of a people from a desire for peace to the wild rabble for war. I am of the belief that the armies on the battlefield this very day are there because the government, often but one man, and not the people want them there.

You may say that a government cannot do what the people do not want. But, my friends, we all know that many nations today are definitely ruled by very small but powerful minorities.

Lest we in America become entangled in that European fad commonly called government by a dictator, let us take stock of certain legislation now pending before the Congress of United States.

My friends, Mr. KVALE had intended to speak to you concerning the dangers bound up in the May bill, sometimes called the war-profits bill, and I shall do my best to carry out his intention. I am sure you are all conversant with this bill.

Mr. KVALE, Mr. MAVERICK, of Texas, and I have written and submitted to the Congress a report in opposition to this bill, for we feel that it is a prelude to dictatorship and destructive of constitutional government. We all realize that war is a time of great national crisis. It is the supreme test of endurance for men and ideals. It is a time when all men must give their level best. It is a time when no man can be permitted to shirk his duty. It is elementary that the men in the field have the full support of those behind the lines. It is utterly unconscionable that those who remain at home be permitted to reap a harvest of untold millions while their brothers and equals lie dead on the field of combat.

The history of our last war is sufficient to convince anyone of intelligence that we need—that we must have—legislation to take the profit out of war. But let us not attempt to do this by scuttling the ship of state and setting up a dictatorship as complete and as powerful as any now in existence anywhere.

Let us look into this bill. In the minority report we said, "This bill is unnecessary, full of pretense, a draft of human beings, and a serious danger to democracy. It does none of the things it says it does. It takes absolutely no 'profits out of war,' it 'equalizes the burdens of war' in no manner whatsoever, it does not 'promote peace.' Yet in its title it claims to do all these things. The bill is in much worse form and much more dangerous than the Sheppard-Hill bill. An honest title to this bill would be, 'A bill to take the democracy out of America upon the declaration of war.' We have fought one war to make this a land of democracy. We have fought five others. Whatever the purpose of another war, it is evident the framers of this legislation believe the prosecution of it would be impossible except by setting up in advance a dictatorship, unequaled in the history of the world.

"We call attention of the American people to the fact that in all our previous wars, no such dictatorship was set up. Indeed, this is one of the most amazing bills ever conceived in Congress. It is certainly the most dangerous. It is against the interest of business, of labor, and the veterans of all the wars America has fought. There is not a single phase of American life, a single endeavor—a man, woman, or child in this Nation who would not be directly affected immediately upon the operation of this proposed act. This bill might be briefly analyzed as having four principal features:

"(1) Excessive, unlimited arbitrary power vested in the President.

"(2) Draft of all human beings at the will of the dictator-President.

"(3) No guaranty against profiteering.

"(4) And no tax provisions whatever; therefore, no provision that will even remotely take the profits out of war."

Let us review the powers handed to the Chief Executive by Congress. "Setting up of services, prices, rates, commissions, and compensation are given to the President, by proclamation, and the granting or not of licenses. Also the setting up of industrial organizations, and to make any conditions, exemptions, or rules and regulations as he may prescribe and publicly proclaim."

Now take the last sentence of section 7: "During such time of war he is authorized to make such temporary rearrangements and transfers of executive agencies, and bureaus, and divisions thereof, and to transfer temporarily such duties, powers, functions, funds, and personnel as he may deem necessary for the conduct of such war." By this single sentence the President could completely, and at whim, reorganize the Government in any way he saw fit. Funds appropriated under and in accordance with the Constitution could be transferred at will. The Labor Department could be put under the War Department; money from the Department of Agriculture could be used for the Navy. This absolute and unchecked power could be used to entirely change the form—and what is worse, the substance—of our Government, and, although said to be temporary, yet there would be no assurance of a surrender of this despotic power. The possessor of power is reluctant to surrender it. There is an old maxim "that power grows on what it feeds on."

To allay in the minds of the people the fear of the loss of democratic principles and liberties another section was placed in the bill showing that Congress could end the war, and thus at least, impliedly, take the powers it had surrendered back from the President. This is all vanity and pretense. Once surrendered such power might never be regained by the people. The very inclusion of such a provision clearly indicates the surrender by Congress that should never be made.

Two features should especially be thoroughly understood—the licensing and fixing of prices.

The power to grant licenses at will is the power of absolute control of every endeavor, big and little. It is the power of economic life and death.

This bill as it is drawn will in no way guarantee the prevention of profiteering. It authorizes the President to fix certain prices at rates prevailing "on a date or dates to be fixed by the President," and thus authorizes and instructs him to fix a date or dates which will establish the rates. The very idea of seeking to control profits with preference to prices prevailing at a given date or dates is preposterous, for the simple reason that the increased production to meet war demands might, and doubtless will, boost profits sky high at fixed prices. The very language of the bill permits rather than prevents profiteering

In a situation like this, when all restraint is taken off the Executive, and all power, totally unrestrained, is vested there, one can only speculate as to what will occur. Usually, in the creation of boards those in charge of business will be members. On the spur of huge orders for armament and commodities and supplies, these boards, composed of wealthy dollar-a-year men, will naturally make inducements by way of more profits, rather than less. Labor wages will be fixed down.

This bill involves the principles of free government and not personalities. When undemocratic and dictatorial laws are drawn, either upon a supposed or real emergency, or upon the benevolence of a personality, the way is paved for the loss of free government. In the present case, and upon any war, however small, an Executive might choose any method—for instance, the immediate destruction of private capitalism, and every vestige of present economic and business structure. An Executive might, and under this bill can, choose the exact opposite of capitalism. In any event, the people would have nothing to say about anything he did. There would be nothing to stop him, with the power of armed forces backed by the unrestricted right to draft millions in his hands. The mere thought of this thing is too sickening to contemplate. When a nation goes out of its way to gamble with its constitutional rights, to throw away its liberties, it will get what it bargained for, namely, destruction and permanent loss of liberty.

It has been frequently said that the Constitution is the resort of cowards. That is the common way of saying that cowards often resort to the use of constitutional technicalities to evade a fair law. We do not offer a long constitutional argument, much less a technical one. But under the National Defense Act now in effect and pursuant to the Constitution itself, the President can, in time of war, appropriate private property and make just and fair compensation therefor. He can order goods at such prices even though already contracted for by private individuals at higher prices. But the War Department itself shows that fixing of prices arbitrarily is plainly unconstitutional. In the very elaborate "Industrial Mobilization Plan," approved by the Secretary of War and the Secretary of the Navy, it says: "Any scheme of price fixing, without constitutional amendment, must provide an opportunity for court review of the fairness and justice of the price which is fixed." This bill makes no such provision for court review. The joint holding of the Army and Navy Departments further states "Such an act must rest on the axiom that the Federal Constitution is not suspended during time of war." The Army and Navy themselves clearly show that this bill is obviously unconstitutional. Therefore, a price arbitrarily set, and which is not "just" or "reasonable" will not stand the test of the courts. Throughout all law is the idea of what is "reasonable" and what is "unreasonable." In the recent upholding of the minimum-wage cases such wages were not upheld on the arbitrary right of the Government to fix wages, but a wage based on a study, and upon findings that it was reasonable.

Congress has no such arbitrary power either in peace or war. Certainly if Congress has no such constitutional right it cannot confer such a right upon the President. The Supreme Court has held that Congress cannot merely write a blank check of authorities to the President. Certainly Congress cannot delegate a power which it does not itself possess.

As a climax to this monstrous bill, is attached section 11, which merely expresses the idea that there ought to be a tax. No further explanation is necessary, except to say that this section shows plainly that there is no real intention to take the profits out of war. Nowhere are such profits taxed. Nowhere are they taken out or even remotely touched.

In conclusion we feel that technicalities are not important. The dangerous thing is the abandonment of duty by a legislative body—by an elected Congress. No court, Supreme or otherwise, can force Congress to do its duty. It lies, then, in the conscience of Congress to do its duty. It lies also in the conscience of the people to demand such obedience to duty. Nor should Congress be guilty of enacting this tragic betrayal of the veteran, for surely none of his hopes of taking the profits of war are fulfilled.

The appeal against such legislation is not merely to labor—to no special group. True, human lives, and human labor which can be confiscated by the will of a single individual are in much greater danger than property. That is in the nature of things.

But business, property, the economic life of the Nation are also subject to grave dangers; and undoubtedly business and property interests still desire representative government.

From the idealism of American constitutional democracy this bill should receive the fighting opposition of every class in America. In fact, this is one time when every class in America can and will combine to defeat a common menace.

Any person of ordinary intelligence can see the danger in this complete surrender to executive power. It is not fair to the people that elected us to represent them.

To the President is given literally gigantic, imperial, and dictatorial power of the most extreme kind. With such power in the hands of the Chief Executive the election of Representatives would be a farce. Of such stuff are dictators made and the liberties of a free people lost.

As students in this, one of the great universities of the world, as the future Congressmen and Senators of the United States, I feel that you have a great desire to make your contribution to the cause of peace. Your first step is to be ever alert and ready to repel inroads and encroachments upon the fundamentals and constitutional principles of democratic government. I urge you to study war and the causes of war. By this study you will be in a better position to defend and actively work for the ideals and principles of peace.

While on the subject of peace there is just one more thing I want to say to you now. I am of the firm opinion that where an American corporation makes a financial investment for profit in any foreign nation it assumes the full risk attendant upon such investment.

I would rather see the Standard Oil Co., or for that matter, any other corporation, lose its entire $200,000,000 investment in China, or in any country, than see the blood of one single American soldier spilled on any foreign soil.

Thank you.

America's Position Among the Nations of the World

EXTENSION OF REMARKS

OF

HON. BYRON N. SCOTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1938

RADIO SPEECH OF HON. BYRON N. SCOTT, AT NEW YORK CITY, APRIL 28, 1938

Mr. SCOTT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio speech delivered by me over station WEVD at New York City, April 28, 1938:

I want to thank WEVD for making their facilities available to me for this brief discussion of America's position among the nations of the world. We are all interested in that at the same time that we are interested in finding methods that will prevent our being involved in any war of someone else's making. We are interested, too, in the high costs of military and naval preparations for the defense of our national security. We are interested in humanity and we are interested in world peace.

Practically all of the nations—the United States included—have signed the Kellogg-Briand Peace Pact to outlaw war. That pact says that we condemn recourse to war for the solution of international controversies and renounce it as an instrument of national policy in our relations with other nations. By that pact the contracting parties agreed "that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means."

Doesn't that sound good to you? It does to me. If, after signing it, all nations had lived up to it, there would be absolutely no threat to our peace and national security. There would be no need for increasing the size of our Navy by 20 percent and $1,500,000,000. It wouldn't be necessary for us to increase our Army and coast defenses and to pass record-breaking Army and Navy supply bills.

Japan, Germany, and Italy signed that treaty. Now take a look at your newspapers. Mussolini seized Ethiopia by force. Japan took Manchuria; Germany, by a show of force, took Austria. Japan is invading China. Mussolini and Hitler wage war on the side of the tool Franco, against the Loyalist government of Spain. Hitler is preparing to seize Czechoslovakia.

We in America are sickened by the accounts of the bombing of Madrid, Barcelona, Shanghai, and Nanking. It is hard for us to realize the inhumanity and brutality of those who order the wanton destruction of defenseless cities with their populations of unarmed and noncombatant men, women, and children.

I want to quote from a statement of the Joint American Committee for Protection of Minorities, 17 State Street, New York City:

"Is humanity a local feeling? Does sympathy stop at the frontiers? Does the heart shrink and harden as it approaches an imaginary line on the earth's surface? Is moral indignation implemented into action only by deeds perpetrated under one's own eyes? Has duty no peaceful, though effective, work to do beyond one's native land? Does a man cease to be a brother by living in another state? Is liberty nothing to us if cloven down at a distance?"

We in America wonder how safe we are. We read of the propaganda that goes into South America from Germany and Italy—as it went into Austria, Czechoslovakia, and the Free City of Danzig. We read of the cooperation between the German, Italian, and Japanese agents in the Panama Canal Zone, South America, Central America, and Mexico and we see no denial of the existence of these things by any branch of our own Government.

We know of the ambition of Hitler, Mussolini, the Japanese militarists, the Nazis, and the Fascists, and we wonder what part we play in those ambitions.

We in America are interested in the preservation of our peace and our national security. I think that we all would prefer that peace and national security might be insured by world peace

and cooperation than maintained by our Army and Navy at a tremendous cost of money, men, and wealth.

If the world is at peace we are in no danger. As war spreads in the world we are endangered.

Let's revert to the Kellogg Pact. Can't the nations who are living up to the terms of that treaty find some peaceful way, by economic pressure perhaps, to make those who break that treaty refrain from those violations and help to maintain the peace of the world?

I'd ten times rather—yes, I'd a thousand times rather make an attempt to secure the peaceful cooperation of those nations who today are living up to the Kellogg Pact, and fail, than I would to continue in our present cooperation with the three nations who are violating that pact. We are selling to Japan the things that Japan is using in her illegal invasion of China. We are buying from Japan and thereby sending her the money to buy the bombs that drop on Nanking. We refuse to sell to the Loyalist government in Spain the things she needs to defend herself against the German and Italian invasions, but we sell bombs and other munitions of war to both Hitler and Mussolini and who knows whether or not these self-same bombs fell on the unprotected inhabitants of the city of Barcelona. If we won't cooperate with those nations who are living up to the Kellogg Pact, in an attempt to stop this aggression, these unlawful invasions, this wanton destruction of human life, for the sake of humanity and civilization let's quit selling to Japan, Germany, and Italy, the nations who are guilty of it.

I should like to see the United States notify Germany, Italy, and Japan that they are violating the Kellogg Pact and that Japan is violating the Nine Power Treaty guaranteeing the territorial integrity of China (a treaty which, incidentally, Japan signed). I should like to see the people of the United States quit buying things made in Japan, Germany, and Italy until the violations ceased. I should like to see the United States place an embargo on goods to or from them to last as long as the violations last and promise to repeat it in the case of any future violation. Then I should like to see the United States invite Great Britain, France, Russia, and Holland to follow suit. I believe they would do it.

Because I feel this way and because I believe that thousands of our people feel the same way, I introduced a resolution requesting the State Department to advise the House of Representatives what nations, when, and in what manner in the last 10 years had violated treaties to which we and they were signatory. That resolution did not come from any mysterious source, it did not have anybody's blessing. Nobody's approval or disapproval was asked for. The President did not approve it—nor did he disapprove it. It was not thought up at any meeting or at any dinner. I introduced it. It was sent to the Foreign Affairs Committee and they sent it to the State Department for comment. Secretary Hull was on his vacation so the comment of the State Department was signed by Sumner Welles, Acting Secretary of State. The gist of the answer was that Italy had violated the Kellogg Pact by the Ethiopian invasion and that Japan had violated it by the seizure of Manchuria. The Chairman of the Foreign Affairs Committee moved to lay the resolution on the table, without even reading or printing the comment in the RECORD. The House voted to lay the resolution on the table.

I must ask these questions. Doesn't Sumner Welles know what is happening in Spain and China? Doesn't he know what happened to Austria? Does he want to know?

Everybody else knows. Or is Mr. Welles being technical? The Kellogg Pact renounced war. Japan, Germany, and Italy haven't declared war officially. Japan claims that she is acting in self-defense. In Spain it is officially known as a civil war. It probably will be the same thing in Czechoslovakia. In Ethiopia it was the suppression of disorder in self-defense. In Austria it was by a show of force, or a "putsch." We don't know what it will be in South America. That is the technical side. But to me and to many other people, war is war. Warfare is war, and there is warfare in China and in Spain. I don't care about legal terms in this instance.

When we signed the Kellogg Peace Pact we meant that we were outlawing warfare. We don't condone the circumvention of law by device in our country. We shouldn't condone it in the world. I applaud any move that any country makes in an attempt to preserve the peace of the world; it may be necessary to write off some violations of the past, but I will not accept a policy of buying off the aggressors at the expense of independent people just because their territorial boundaries are small, their governments weak, or their preparations for defense are inadequate.

I do not believe that Japan, Germany, and Italy can be appeased and made pacific by concessions. Conversely, I believe that each concession made to them will become the basis for a new demand and that the time will come sometime when further concessions cannot be made. Then what—and what will we have accomplished by our past policy?

What will happen if Czechoslovakia refuses to give in to Henlein and Hitler? Let's try to look ahead a little and then figure out what we had better do about it.

A concrete suggestion that I make is that we lift the embargo on Spain right now.

Here I want to quote from a letter from Maxwell S. Stewart, of the Public Affairs Committee, 8 West Fortieth Street, New York, to Mr. Joseph C. Green, Chief, Office of Arms and Munitions Control, Department of State, Washington, D. C.:

"It cannot very well be denied that the Neutrality Act has aided the Spanish rebellion and encouraged German-Italian intervention, at the expense of the legal Government of Spain. I believe I am correct in saying that international law frowns upon, if it does not explicitly prohibit, furnishing of supplies and ammunitions to a revolutionary group uprising against an established government. This, in effect, has been the result of the American Neutrality Act with regard to Spain. Surely it cannot be argued that the present conflict in Spain 'threatens or endangers the peace of the United States.'

"Removal of the embargo at this time might also have a very salutary effect in informing the world that the United States is no longer throwing its influence on the side of anarchistic forces in international relations. This, quite apart from the effect on Spain, might do more than anything else toward preventing the world war that now seems inevitable."

I believe that that would be a beginning that would end in world economic cooperation to effectuate the Kellogg Pact and outlaw warfare as well as war.

I want to try it before the crisis occurs in Czechoslovakia and the then inevitable world war ensues. I say this because I believe that it is the duty of the present to hand the United States on to the future just as secure in the world as it was when the present received it.

In the meantime let's not buy Japanese-, German-, or Italian-made goods, because they use the money to buy bombs and munitions to drop on Nanking and Barcelona, and may use them some day at our back door in South or Central America.

Aeronautical Training Bill

EXTENSION OF REMARKS
OF
HON. MAURY MAVERICK
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 3, 1938

UNITED STATES AERONAUTICAL ACADEMY BILL TO ESTABLISH AVIATION TRAINING AS AT MILITARY AND NAVAL ACADEMIES—TRAINING ALSO AT LAND-GRANT COLLEGES AND R. O. T. C. UNITS

Mr. MAVERICK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the bill H. R. 10350, providing for aviation training through the establishment of the United States Aeronautical Academy, aviation units at land-grant colleges, and other methods.

The bill is as follows:

[H. R. 10350, 75th Cong., 3d sess.]

A bill to provide aeronautical training at land-grant colleges, high schools, and private institutions, in the same manner as now provided for military education, and to further promote civil and military flying by establishing the United States Aeronautical Academy for the training of cadets and officers in military aeronautics, said academy to be upon a basis of equal dignity, importance, and scientific and tactical standing as the United States Military Academy and the United States Naval Academy

Whereas what is commonly known as military training is offered at land-grant colleges, high schools, and private educational institutions, being fostered by the United States Government, it being now necessary that aviation be fostered and promoted on a scale at least as wide as military training now offered, it being understood that there are now approximately 100,000 Reserve officers of the line, and approximately only 1,600 officers on flying status in the Air Corps Reserve; and

Whereas at least 100,000 pilots, military and civilian, should be trained in this country for the necessities of commerce and national defense, and a beginning should be made in the direct recognition of aviation training upon the full and equal basis of importance and dignity with the Military and Naval Academies; said schools, even if immediately established, being entirely inadequate, but a fair beginning for the recognition of the necessity for aviation training; and

Whereas there exists at the present time the United States Military Academy in Clay County, N. Y., and the United States Naval Academy in Anne Arundel County, Md., both of said institutions being in accordance with the traditions, dignity, and tactical and scientific necessities of the military and naval services and the national defense of the United States; and

Whereas the entire aeronautical training divisions of the United States Air Service of the Army are located in Bexar County, Tex., being Randolph Field, Primary Flying School, and Kelly Field, Advanced Flying School, in which county are also located Duncan Field, mechanical unit, and Brooks Field, tactical unit, all of said fields being a part of the United States Army Air Service and

contributing to the training of cadets and officers for the Air Service of the United States Army; and

Whereas the necessity for knowledge of flying in general and of military flying in particular is of equal if not greater importance in this modern age with activities usually known as military and naval in their general and historic sense, and said flying school or schools having been established in Bexar County, Tex., since the World War, and having already developed the traditions, dignity, and tactical and scientific advance warranting a separate academy devoted to military aeronautics and the training for military flying and for national defense: Now, therefore,

Be it enacted, etc., That it is the declared policy of Congress to foster and promote education from the viewpoint of aeronautical training by establishing the United States Aeronautical Academy, as provided in this act, and also by encouraging aviation training in the land-grant colleges, universities, high schools, and private educational institutions, in the same manner as now provided in the case of military training and Reserve Officers' Training Corps units. Such institutions throughout the United States shall be encouraged to establish "aviation units" in the same manner as they have heretofore established artillery, infantry, cavalry, and other units. The Secretary of War is hereby authorized to detail to said institutions officers of the Air Corps in the same manner as officers are now detailed in other services.

SEC. 2. There shall be established and maintained in Bexar County, Tex., an academy for the instruction of officers and cadets in the science and art of flying in preparation for service as officers in the Air Corps of the United States Army, which shall be under the supervision of the Secretary of War. Such academy shall be known as the United States Aeronautical Academy and shall include the following fields: Randolph, Kelly, Brooks, and Duncan, and in order to provide for the necessary expansion of said academy such other fields as shall be designated by the Secretary of War in other portions of the United States of America.

SEC. 3. There shall be a superintendent of the academy, who shall be the chief executive officer, who shall be appointed by the President, by and with the advice and consent of the Senate. He shall perform with respect to the academy functions similar to those performed by the Superintendent of the United States Military Academy.

SEC. 4. There shall be at the academy such staff of instructors and other personnel, military and civilian, as may be prescribed by the Secretary of War. Such instructors and other necessary personnel shall be appointed by the Secretary. Such staff shall be entitled to pay and allowances, rank, and shall exercise duties and functions as nearly as may be in conformity with the provisions of law relating to the Military Academy.

SEC. 5. Qualifications for admission to the academy shall be prescribed by the Secretary of War; and, in addition to training Army officers and cadets for the Air Corps of the United States Army, he may accept such qualified Navy officers and cadets as shall be detailed to said academy by the Secretary of the Navy; or shall accept such Navy officers and cadets as shall be detailed to said academy by the President of the United States.

SEC. 6. The course of instruction at the academy shall be prescribed by the Secretary of War. It shall be the duty of the Secretary of War to develop such courses of both academic and military instruction as shall be suitable to the development of military aviation, and supplying well-educated and well-trained aviation officers for the Army of the United States. Such courses of instruction shall be supplementary, or similar, or both, to the courses offered at the United States Military Academy. It shall be the duty of the Secretary of War to furnish the President and the Congress, on December 15 and May 15 of each year, with full reports of the progress, financial status, and necessities of the academy as well as of aeronautical education in general.

SEC. 7. There shall be appointed each year a Board of Visitors to the academy, which shall consist of five members from the Committee on Military Affairs of the Senate and five members from the Committee on Military Affairs of the House of Representatives, to be appointed by the respective chairmen of such committees. The Board of Visitors shall exercise the same functions and be entitled to the same expense allowance as is provided in the case of the Board of Visitors to the Military Academy.

The New Pacifism

EXTENSION OF REMARKS

OF

HON. BYRON N. SCOTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1938

ADDRESS OF GEORGE COOPER, OF THE STUDENT BODY OF SWARTHMORE COLLEGE

Mr. SCOTT of California. Mr. Speaker, under leave granted me to extend my remarks, I offer herewith a speech on the New Pacifism delivered at Swarthmore College by George Cooper, a member of the student body, on April 27, 1938:

Mr. Chairman, Congressman SCOTT, fellow students, the announced title of my remarks was the "New Pacifism." I fear that I must have told that to the student board in a fit of absentmindedness, for I have in mind no clearly defined or novel system to propose. I have been impressed, however, and that is what I had in mind, by the great change in the attitude of those interested in securing world peace. Attitudes are constantly changing under the impact of new circumstances, but the changed international attitude of many liberal students during this one college generation has been amazingly impressive. I am glad to have seen, during the 4 years that I have been at Swarthmore, a continual adjustment of students to new problems in international affairs.

I am not going to wax rhetorical over the horrors of war. That appears to have been an integral part of most of the peace speeches that have been heard at peace strikes since the campus first became peace conscious. War is more horrible now than it ever was, but to emphasize that which we all know seems pointless, especially when it can contribute nothing in the way of a positive formula for peace. A recognition of the insanity of war should be, in the beginning, our point of departure. We have gone beyond the point of simply trying to convince people that war is undesirable; the formulas that have been offered for the realization of world peace—be they in the form of neutrality or collective security—recognize that fact as axiomatic.

The great fault with pacifism in the past has been its negative character. Before the present European tension came into existence, before it became plain that the Spanish war was but one manifestation of the Fascist-democratic struggle, negative pacifism was not a dangerous anachronism. But we are in constant danger of applying that admirable pacifist ideal in such a way that it means complete isolation and unwillingness to cooperate at all in the movement toward international morality. In his desire to be consistent the extreme pacifist is apt to preclude the success of any attempts to bolster the existing world mechanism to guarantee world peace.

There has been of late, on the liberal campus, a swift transition from highly negative pacifist ideas to diverse positive formulas for peace. These positive formulas have ranged from neutrality to collective security, but there has been common to all an appreciation of the need for something other than the negative statement "I will not fight." We should not be so naive as to think that those proposing neutrality are leading us into dangerous isolation or that those advocating collective security are throwing us into war. Both systems are marked by an orientation in peace thinking; it is the function of the liberal campus to discuss them and determine how permanent world peace institutions can be achieved without our shirking our national duty and without our fighting another war to gain them.

The pacifist must come forward, then, with a formula positive in nature; one capable of finding expression in an international institution. Instead of advocating withdrawing into our shell, we should work along positive lines to achieve world economic security by the removal of trade barriers, quotas, exchange restrictions, and by agreements that will provide the groundwork for more permanent peace institutions. For the political causes of war are but reflections of these more basic economic tensions. We should continue to urge support of the League, for if the lights are going out all over Europe, as we are frequently told, the League is at least a spark. And it should be the duty of the intelligent student to be continually discussing and adjusting peace proposals to the ever-changing international situation.

If we will grant that it is the aim of the positive pacifist, be he for collective security or neutrality, to secure permanent peace, it is up to us to discuss the relative merits of these proposals and discover which will be more effective and more likely to achieve our desired end. These are alternate proposals for peace; we obscure the issue, as I have intimated, when we see them motivated by cowardly or warlike purposes.

I do not believe that a long-run peace can come about by the application of an embargo upon the Spanish Republic. If pacifists are unable to make a moral judgment in the Spanish war, they should not attempt a moral judgment at any time. I believe that it is eminently clear that the realization of world peace in the long run is incompatible with the victory of fascism in Spain. It should be the duty of the pacifist, therefore, to adjust his thinking to this situation and not persist in the suicidal policy of insuring the ultimate victory of war and reaction by refusing to aid the Loyalist government.

In times of peace we have been overeager to reap the economic benefits of international cooperation; in times of stress we have contributed little of our weight to the synthesizing of peace institutions. The duty of the pacifist is to maintain his antiwar testimony and at the same time put forward positive measures for the realization of a lasting international peace mechanism. An antiwar testimony alone is insufficient, for it carries us farther away from the real issue of how to give pacifism permanence. If our antiwar attitude allows us to condone indirectly Fascist aggression, such as we have in Asia and Europe, it is a short-sighted attitude because it is helping to perpetuate those very conditions which make peace impossible.

The new pacifism, as I see it, should be positive and creative. It should tear itself away from its nineteenth-century background and add its influence to the fight for collective action. It should not give up its attempts at world peace in despair and retire to its cavern to urge peace at any price. The price of such a policy, when fascism triumphs, will only be perpetual war and reaction.

Bill Providing for Government Ownership of the Twelve Federal Reserve Banks

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1938

Mr. PATMAN. Mr. Speaker, the bill H. R. 7230, sponsored by 160 Members of the House, providing for Government ownership of the 12 Federal Reserve banks is now before the Committee on Banking and Currency of the House. Hearings commenced more than 2 months ago and have just been concluded. Many witnesses have testified, and the hearings will soon be printed.

RESERVE REQUIREMENTS OF BANKS

During the hearings the Board of Governors of the Federal Reserve banks was criticized by myself and others for doubling the reserve requirements of banks in 1936. It seems to be the opinion of practically all the witnesses that this was a great mistake and was the greatest contributing factor to the depression. Before the conclusion of the hearings the Board of Governors changed their policy by lowering the reserve requirements 12½ percent.

STERILIZING GOLD

All the witnesses, including myself, expressed disapproval of the Treasury's policy of sterilizing gold, which commenced in 1936 in December, and which has resulted in more than a billion, four hundred million dollars in idle gold being inactive and unused. It was my contention that this gold could be used as a basis for currency, and in answer to the argument that foreign countries would possibly be withdrawing gold in the near future and we would need it, I stated that the stabilization fund of $2,000,000,000 should be sufficient to take care of all withdrawals for the next 2 or 3 years alone. Before the conclusion of the hearings the policy in regard to sterilization of gold had been changed and this gold in the form of Federal Reserve notes will soon enter the channel of trade and commerce and add to our supply of money.

BANKERS OFF OPEN-MARKET COMMITTEE

One of the purposes of our bill is to take the bankers off the open-market committee. As it is now, the Board of Governors, consisting of seven members, has authority over discount rates of Federal Reserve banks, marginal requirements, maximum interest rates on time deposits, and reserve requirments, but cannot engage in open-market operations, which I consider the greatest power over money, without acting through an open-market committee composed of themselves, the seven Board members, and five bankers. This arrangement is not satisfactory, and in answer to one of my questions, Mr. Eccles, Chairman of the Federal Reserve Board, stated:

> As to the position of the bank representatives on the open-market committee, as you know, I am on record as favoring their removal from the committee. However, it would not be fair to the bank representatives, who, of course, are not a majority of the committee in any case, to give the impression that because of a refusal or obstructive attitude they had failed to act or had prevented prompt action at this period.

As a further and better explanation, I insert herewith a question asked by Mr. Williams, of the committee, and Mr. Eccles' reply:

> Mr. WILLIAMS. What effect, if any, on the open-market policy of the open-market committee have these five members representing the banks of the country had?
>
> What has been the effect or the result of their being on the open-market committee, whether they have affected the Board's policy or not?

The answer of Governor Eccles is as follows:

> The Federal Reserve bank representatives on the open-market committee are five individuals, each one of whom has a vote and the right to his own opinions. They bring to the meetings a knowledge of conditions in different parts of the country, and the New York representative in particular is familiar with conditions in the money market. As I have said before, I am in favor of placing the open-market committee's functions with the Board of Governors, which is a public body appointed by the President and confirmed by the Senate, to represent the public interest. I do not wish to imply that the bank representatives are less conscientious than Board members or that they do not act in good faith and with the best of intentions. But since they are presidents of the Reserve banks and are elected by the directors of those banks, two-thirds of whom are in turn elected by the member banks, their viewpoint necessarily is likely to reflect that of member banks. I feel that a committee which is entrusted with monetary policies as important as those given to this committee should consist entirely of persons representing the public interest.
>
> Broadly, it seems to me, there are two important considerations in this connection. One is that the open-market committee should be in a position to act promptly in an emergency, and it is not always possible to assemble a committee from all over the country at a moment's notice. Furthermore, the problems before the committee should be constantly studied and discussed by the body charged with the responsibility of making decisions, and yet this is impossible when the members are scattered.
>
> The second, and perhaps the more important, consideration is that the Board of Governors has full authority over changes in reserve requirements, discount rates, margin requirements, and maximum interest rates on time deposits. To have one of the most important instruments of credit policy in the hands of a different body from the Board, which has authority over the other instruments, could result in a policy adopted by the Board being nullified by the committee. To be sure, the Board has a majority of the committee, but this means that the Board, in order to make its policy prevail against the unanimous opposition of the bank representatives on the open-market committee, must be unanimous itself. The Board might, for example, reduce reserve requirements and thereby increase excess reserves. It might conceivably do so by a vote of 5 to 2. The open-market committee might be opposed to an increase in reserves, and by combining the five votes of the presidents with the two minority votes of the Board, might decide to reduce the open-market portfolio by an amount sufficient to offset the decrease in reserve requirements. Whether this course of events is probable or not, it is certainly possible under the existing law. In my opinion it should not be possible.

It will be noted that Mr. Eccles says that the five private individuals representing the banks, together with two of the Board of Governors, can veto practically everything done by the Board of Governors of the Federal Reserve banks.

ABOLISH FEDERAL ADVISORY COMMITTEE

Another important provision of our bill is abolishing the Federal Advisory Committee to the Board of Governors of the Federal Reserve banks. They are private bankers and should not be a legally constituted committee to advise with a governmental agency. Mr. Eccles is on record in favor of abolishing the Federal Advisory Council.

Another major proposal in our bill is for the Government to acquire the $132,000,000 in stock of the 12 Federal Reserve banks, now held by the 7,000 national and State banks of the country. Mr. Henry Morgenthau, Jr., Secretary of the Treasury, although he did not testify in this hearing, is on record in favor of this proposal. Mr. Eccles testified that it was immaterial who owned the stock, that the control was what counted, and indicated that he was not greatly concerned about this proposal.

The word "inflation" is generally loosely used. I asked Mr. Eccles his definition of the word "inflation." The question and answer are as follows:

> The next question is, I want you to insert in the record a definition of the word "inflationary."

The answer furnished by Mr. Eccles is as follows:

> It is not easy to define "inflationary." Sometimes the word is used to mean anything that results in a rise of activity or an advance in prices; often it is limited only to monetary developments that result in rising prices. I would say that the word "inflationary" describes conditions where a large element of speculation comes into the picture so that activity is motivated in part by the expectation of advancing prices and costs. It is usually characterized by excessive forward buying and inventory accumulation. I would distinguish such conditions sharply from those

where expansion of activity is orderly in character, and production is motivated by and geared in with the current requirements of consumption. The latter set of conditions can be longer sustained and result in a rising standard of living. The former are usually short-lived and invariably have a painful aftermath.

The following question and answer are self-explanatory:

Mr. PATMAN. The first question is that the law prohibits the Federal Reserve System from buying bonds directly from the Treasury. I wonder if you are in favor of changing the law, so that you can buy bonds directly from the Treasury?

(The answer subsequently submitted by Mr. Eccles is as follows:)

The prohibition against direct purchases of securities by the Federal Reserve banks from the Treasury was put in the Banking Act of 1935 not on our recommendation. Apparently those who placed it there believed that it would prevent the Federal Reserve banks from financing Treasury deficits. As a matter of fact, the provision would not prevent this, as the Federal Reserve banks may time their purchases of Treasury securities in the open market with sales by the Treasury. The only effect the provision has in practice in this regard is to make it necessary for the Reserve banks to pay commissions to brokers. It also makes it impossible for the Reserve banks to accept short-term certificates of indebtedness from the Treasury in anticipation of tax receipts during quarterly financing and income tax payment periods. Such advances were previously used to avoid large temporary fluctuations in the volume of bank reserves. In view of these considerations, I would be glad to see the provision taken out of the law.

I favor this change.

The following question and answer are self-explanatory:

Mr. PATMAN. Next, on February 16 of last year, following the increase in reserve requirements, you testified that you did not believe this action would raise long-term interest rates. Within 6 weeks Government bond prices declined about 5 points with an increase in the yield to maturity on those issues of almost one-half of 1 percent. Was this demoralization of the money market due to the fact that the representatives of the Federal Reserve banks on the open-market committee refused to engage in prompt open-market purchases?

(The answer subsequently furnished by Mr. Eccles is as follows:)

When I said that I did not think long-term interest rates would advance, I did not mean that there would not be temporary fluctuations and perhaps some upward adjustment in those rates, which were exceedingly low as compared with all past standards. The average rate of long-term Government bonds had gone down to 2¼ percent and a readjustment in those rates and in rates on high-grade corporate bonds was not surprising. The readjustment that took place last March was not necessitated by the action on reserves. As I have previously explained, the comparatively few banks in New York that did not have enough excess reserves to meet the increase had a very large profit in Government bonds and decided to realize the profit on these bonds, which, of course, had an influence on the long-term rate at that time. Had these banks been concerned merely with meeting the reserve requirements, they could have permitted some of their holdings of short-term paper to run off or they could have reduced their call loans or bankers' acceptances, which would not have had the same effect on long-term rates and at the same time would have provided them with such additional reserves as they might need. The entire estimated shortage of reserves amounted to not more than $100,000,000 for the few New York money-market banks which I have mentioned, and did not exceed $22,000,000 for banks outside of New York, yet, all told, the banks sold approximately $1,000,000,000 of bonds in the first half of 1937. There had already been a fall in bond prices in England, beginning in October of 1936, which exceeded the drop in our market, and, of course, there was no increase in reserve requirements in England. As a matter of fact, the Federal Reserve System acted to temper the decline. During March and April of 1937 the System purchased $202,000,000 of bonds and disposed of $106,000,000 of its short-term holdings. Subsequently prices rose somewhat, and since the end of last year long-term Treasury bond yields have averaged approximately 2½ percent.

BILL TO BE READ UNDER 5-MINUTE RULE

We are expecting to get our bill read under the 5-minute rule in the near future. Such major provisions of the bill as those providing for abolishing the Federal Advisory Council and removing private individuals from the open-market committee seem to meet with favor among the representatives of the administration.

Over the ownership of the stock, there is a divided opinion between Mr. Morgenthau, who says the Government should own it and Mr. Eccles who says it is immaterial as to who owns it.

On the mandate, however, which will require the Board of Governors to adopt a policy that will restore the 1926 price level and give either body of Congress the power to remove any Member of the Board not carrying out that policy, is strenuously objected to by Mr. Eccles, who says it cannot be accomplished. On this question, however, the committee has heretofore expressed itself in favor of such a proposal when it adopted the Goldsborough bill in 1932 and the House of Representatives passed the bill with only 60 dissenting votes on a roll call out of a membership of 435, so the House is on record in favor of such a proposal. Therefore, it seems that our bill should be given favorable consideration by the committee and should be passed by the House of Representatives within a reasonable length of time.

Why It Is Necessary to Make a New Authorization for Roads at This Session of Congress

EXTENSION OF REMARKS

OF

HON. SAM C. MASSINGALE

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1938

RADIO ADDRESS OF HON. WILBURN CARTWRIGHT, OF OKLAHOMA, ON APRIL 29, 1938

Mr. MASSINGALE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a radio address delivered on a national hook-up by my colleague [Mr. CARTWRIGHT], the able chairman of the Committee on Roads, last Friday evening.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Friends of the radio audience, it was very generous of the National Broadcasting Co. to give time for me to talk to you tonight on a very important subject.

As I begin I am reminded of this story: One day last winter away down South in Dixie, a long, lean, lank, grim-visaged, lantern-jawed, cadaverous-looking young fellow, with a trombone neck and a prodigious Adam's apple, drifted into a lifesaving station and applied for a job as a life guard. He was perhaps close on to 7 feet tall, a rather likely looking chap for such a job, so they put him through the usual quiz and finally, just as a matter of form, they asked him if he could swim. "Well, no," the boy confessed, reluctantly, "I can't swim to do no good, but"—and he looked down at those long, gangling legs—"but, I can wade to beat the band!" So if I don't get along swimmingly with my subject as my time is limited I will wade right in.

NEW ROAD AUTHORIZATION NECESSARY NOW

My friends, if the construction and improvement of public highways in the several States is to be continued next year, it is necessary that the Congress pass a new authorization bill at this session. The Cartwright bill, H. R. 10140, has been unanimously reported by the House Committee on Roads, after extensive hearings, with the recommendation that it do pass. It provides for continuing the well-established Federal-aid highway policies through the fiscal years 1940 and 1941.

The imperative need for consideration of the bill now lies in the fact that 44 of the State legislatures will meet in regular session in 1939. Forty of these assemble only biennially. The State highway budgets must be prepared during the fall months prior to the beginning of these sessions early next year. The States should, and must, if they are to act with certainty, have knowledge of definite approval by Congress of this bill in order to make provision for their participation in the continuing highway construction program.

The participation of the Federal Government in planning and financing the development of the Federal-aid highway system is one of its most important and constructive activities. There can be no question as to the desirability of enacting legislation by the Congress so that the orderly processes of both Federal and State Governments shall be permitted to function in the highest advantage. The best results cannot be obtained through measures affecting practically every community in the United States if the actions required are forced into an emergency status and characterized by lack of thoroughness or by inadequate preparation.

APPORTIONMENTS MADE JANUARY 1

The law provides that on or before the 1st day of January of each year the Secretary of Agriculture shall apportion among the various States the amounts authorized for the next fiscal year to aid the States in the construction of roads and highways, and that the State highway departments may then submit proposed projects for approval. This permits highway improvement work to be planned properly and well in advance, and actual construction to get under way each year without long delays due to administrative formalities and preliminaries.

If this Congress does not authorize any funds for the fiscal year 1940, there can be no apportionment to the States on the 1st of next January, and therefore there will be no opportunity for the States to submit projects for the year 1940 immediately following the 1st of January 1939.

BASIS OF APPORTIONMENT

Federal-aid highway funds are apportioned to the several States, not on the basis of political pulling and hauling but according to a mathematical yardstick that has been developed on the basis of population, area, and road mileage. There has never been any serious question about the apportionments being fair and equitable to every State.

For example, my State of Oklahoma would be apportioned for one fiscal year, the sum of $4,623,000 for primary highways, secondary or feeder roads, and railroad grade-closing eliminations, which is a little less than the apportionments to North Carolina or Wisconsin, and a little more than received by Colorado or Arkansas.

NO OPPOSITION AT HEARINGS

During 13 days of hearings before the Roads Committee no opposition whatever was voiced to the proposed authorizations. Because of the importance of adequate highways to practically the entire population and the need not only for extending highway facilities but for modernizing the main routes in the interest of safety and economy, an increase of the Federal funds could be justified and was suggested by some witnesses. The committee deemed it desirable, however, to hold the authorizations to the same amounts heretofore authorized for the fiscal years 1938 and 1939. The amounts for each of the fiscal years 1940 and 1941 total $238,000,000.

One hundred and twenty-five million dollars is to continue the work of improving and modernizing our main-road systems in all the States, to be matched by State funds, and $25,000,000 a year is to continue the beginnings made under the authorizations in the Hayden-Cartwright Act of 1936 in the building of secondary, feeder, and farm-to-market roads by the State highway departments with Federal cooperation. To continue the program of eliminating hazardous railroad grade crossings, which was begun with emergency public-work funds on the special recommendation of President Roosevelt and continued as a regular activity in 1938 and 1939, the sum of $50,000,000 is authorized for each of the years 1940 and 1941. These three items total $200,000,000 for each year, to be expended by the several State highway departments, under the supervision of the Bureau of Public Roads of the Department of Agriculture.

The remaining $38,000,000 is provided for the construction and maintenance of highways, roads, and trails through Government-owned lands, such as the national forests, national parks, and parkways, and Indian reservations. The relatively small item of $4,000,000 a year for Indian roads and trails is important to me because one-third of the Indians in the United States are in my State of Oklahoma, and 25 percent of those are in the congressional district which I have had the honor to represent for the past 11 years.

THE ROAD USER PROVIDES THE FUNDS

During the calendar year 1937 the Federal Government, according to records of the Bureau of Internal Revenue, collected nearly $360,000,000 from manufacturers' excise taxes relating to motor vehicles, most of which were paid by the motor-vehicle owners. Subtract $238,000,000 from $360,000,000 and you get $122,000,000 in favor of the American motorist—that much more that he pays than the Federal Government puts back into roads through its regular road-building activities.

EMPLOYMENT

The industry and business of highway transportation as a whole, in 1936, employed more than 6,000,000 people, or one person out of every seven gainfully employed. In 1929 it was 1 out of every 10 gainfully employed. The State highway departments alone give steady employment to about 36,000 persons.

It is well established that between 80 and 85 percent of the total expenditure in the construction of highways goes to labor. It should also be borne in mind that in handling the Federal funds for roads the State highway departments have, in cooperation with the Bureau of Public Roads, required the contractors to take, whenever possible, the employees for their work from the unemployment rolls. Between 85 and 90 percent of the people hired for these purposes are taken from the rolls of the unemployed.

DIVERSION

In the Hayden-Cartwright Act of 1934 the Congress officially declared that it is "unfair and unjust" to tax motor-vehicle transportation unless proceeds of such taxation are applied to the construction, improvement, and maintenance of highways and roads. The tendency to divert special road users' taxes for other than road purposes is the most alarming one with which we have had to contend so far as the future of a stable and adequate road program is concerned.

An amendment has been provided in the pending road bill to clarify the original statute to penalize diversion by the States, and to increase the penalty in loss of Federal aid for diversion from one-third to two-thirds of a State's apportionment.

GOOD ROADS AS A MEANS OF NATIONAL DEFENSE

I want to call your attention to the President's message recommending the appropriation of many more millions of dollars for further building up the Army and the Navy. He justifies these recommendations on the grounds of national defense. I believe you will agree with me that our highway system is a vital part of our national defense. Without good roads, under conditions of modern warfare, the United States would be seriously crippled in dealing with any enemy attack.

Just the past summer they had some maneuvers down in Texas involving thousands of troops which were moved hundreds of miles. One movement in particular involved 1,600 motortrucks, moving over the regular public-road system.

There is no question that our defense will have to be a mobile defense in the future. Defense, not only by guns on wheels to be placed at strategic points upon brief notice, but manpower on wheels to be transported here and there whenever and wherever needed. It has been rightly said that today a motorized army without highways would be in the same position as a submarine without an ocean.

But first of all, good roads will serve our everyday commercial use, and no army and no navy can move without food and supplies. We must have roads to the farmyard where the food is produced and roads to the factories where the munitions and supplies are made. These, plus rapid means of transportation, will comprise the heart of successful national defense.

PLAN OF FEDERAL-STATE COOPERATION

The present system of Federal-State cooperation in highway building has been developed over a period of 20 years. It represents the survival of the most efficient method of handling Federal aid to the States for highway construction. It recognizes the fact that most of the States have biennial sessions of their legislatures, and it recognizes the fact that highway improvements cannot be undertaken at the drop of a hat. You cannot pass a bill and say to the Governor of a State, "Here is a million dollars for highways. Begin to spend it tomorrow morning." Highway improvement today is not simply the old-fashioned road improvement of 20 or 30 years ago. It is a highly technical engineering proposition that calls for the gathering of information and data and for the making of surveys and all the other activities that go into the planning and building of a complicated engineering enterprise. That takes time, and under our present system we allow the time necessary for the planning ahead of the work by the States, and careful consideration and approval of the plans by the Bureau of Public Roads. By making the authorizations for 2 years we meet the legislative situation, and by making them well before the beginning of the fiscal year in the States we recognize the need for and make possible adequate planning.

I know of no farm or Federal expenditure for public improvements that has been maintained on a higher level for so long a time as the Federal aid extended to highway improvements. These large funds have been administered with rare wisdom and efficiency by the Bureau of Public Roads.

Federal aid for highways is not in fact a current expenditure, but rather an investment in national capital asset. The use of this investment touches and enriches the lives of more American people than any other form of Federal expenditure.

APPEAL FOR SPECIAL RULE

I firmly believe that there is no legislative proposal before this Congress which is more favored by or favorable to the people of the Nation than this bill to continue Federal aid for the orderly development of an adequate system of highways and roads.

There is every reason why this program should be continued and maintained on a stable basis, without interruptions and uncertainties.

I earnestly hope that the House leadership and the Rules Committee will grant the request of the Roads Committee for a special rule for the early consideration of the bill (H. R. 10140) by the House.

My time is up. I have enjoyed talking to you. Then here is to you my friends everywhere, especially out in Oklahoma. Here's to your wealth and your wisdom from one who has neither. Here's to your problems and perplexities from one who has both of them.

When fulfillment has crowned every wish you would wish;
When full to the brim and o'erflowing the dish
Held out for your joys; when your every prayer
Has brought in reply all the kind things that it could to you,
May it then have but barely begun to be good to you!

Good night.

The Reciprocal Trade Agreements Program

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Wednesday, May 4 (legislative day of Wednesday, April 20), 1938

ADDRESS OF GEORGE P. AULD AT WASHINGTON, MAY 3, 1938

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered on yesterday by Mr. George P. Auld, a member of the partnership of Haskins & Sells, New York City, at the Mayflower Hotel, in Washington, Tuesday, May 3, 1938, on the subject The Reciprocal Trade Agreements Program.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The most significant aspect of the American reciprocity program, under which there have been concluded trade agreements with 17 countries, to my mind lies in its relationship to the world-wide struggle now going on between two opposing social-economic philosophies. The American program, in standing for a lowering of trade barriers, has placed our Government unmistakably on the side of a principle which is everywhere hard-pressed by doctrines of restriction, control, and subsidy—a group of ideas and measures which when linked with the fanatical nationalism that accompanies their extreme development goes by the name of totalitarianism.

It is also highly significant that the Government program has received widespread public support in which all classes have joined. Professional economists have accepted it almost unanimously, thus contributing an unbiased endorsement that has substantial importance. More noteworthy from the standpoint of the evolution of opinion is the hearty support accorded to the trade program by an impressive number of leaders of industry, and of even greater interest are the indications, as reported in a recent poll of the Institute of Public Opinion, that reciprocity is supported by a majority of the public at large, irrespective of occupation or political affiliation.

The dominating problem of the times obviously concerns the fate of the capitalistic system. The question is whether that system, organized around individual enterprise, can continue to carry on as a reasonably satisfactory way of life for mankind or whether it will be destroyed by the impact of authoritarian ideologies, bringing into all human affairs completely different concepts of method and purpose. It is in this connection, if one examines the matter, that the importance appears of the efforts of our Government to release our own trade and industry in some degree from excessive restraints and barriers, and beyond that to offer a rallying point for world movements for the liberalization of economic policies and to bring to their support the immense prestige of the American democracy.

It is far from my intention to picture the operations of this practical program, which is being carried on by practical persons in an unsensational way, as having the character of a crusade. Nor need it be featured as having a significance any deeper than a realistic view of the trend of world events would reasonably suggest. On such a view it seems to me unquestionable that the Hull program has a potential importance to the peace and well-being of this country that reaches much beyond the direct effects of its meticulously negotiated adjustments of tariffs and quotas. And it appears that the American people have reached the same conclusion.

The one comprehensive objection made to the reciprocity program is that it will tear down the pillars of our traditional prosperity. It has been widely accepted as an axiom that that prosperity has rested upon the protective system. This was true in the sense that our economy and the movements of international trade over a long period had become adjusted to protection, and consequently any sudden abandonment of it could be expected to produce a crisis of such dimensions as would make the ultimate benefits to the consumer, however substantial, not worth the price to be paid. Such an appraisal of the problem of protection might still have been accepted as sufficient for the times, had it not been for the catastrophes caused by the war and the boom.

When the American boom collapsed, the delusion took hold of our Congress in 1930 that a substantial upward adjustment of tariff barriers would save the Nation; and a similar delusion, though with considerably greater justification, took hold of those foreign governments which suddenly had to find a means of protecting their gold reserves. The calamities that followed were obviously no less destructive than any that might have been anticipated from a sudden abandonment of the protective system. The problem of protection was thus transformed into one of escaping from the disastrous effects of the new trade barriers, which through retaliatory action became progressively higher and more numerous, and of attempting by international action to cancel some of the excesses and thus mitigate their deflationary consequences.

It was therefore largely the excessive protection provided by the increases of the Hawley-Smoot Act and by the new import restrictions raised by European countries for the safeguarding of their currencies that furnished the rational basis of the Trade Agreements Act of 1934. By that act, as renewed in 1937, the President is granted bargaining power for procuring concessions from other countries through the authority to raise or lower custom duties on specific items by not more than 50 percent of existing rates as established by law.

It is apparent that no drastic general revision of the protective tariff can be undertaken under the act and that protests raised against many of the specific downward adjustments of rates, in reality of minor proportions or restricted application, arise from ignorance or disregard of the facts. Informed persons are becoming weary of the hackneyed slogan that a given industry is being "sold down the river" in those numerous cases where the facts plainly fail to support the charge. In a recent case of the kind, the concession granted was limited to imports up to 1¼ percent of our domestic production of the specified article, and the new influx, which it was suggested would destroy the industry, could amount, over and above previous imports only to something less than one-half of 1 percent of our production. Exaggerations or misrepresentations like these are fast alienating fair-minded persons, who sometime ago began to wonder whether some of the opponents of the program really want a fair consideration of its possible benefits to the whole people.

Though the scale of tariff reductions made under the program is in fact relatively small and though in various cases their application is restricted to a limited quota of imports, it may be asked whether the result will not be a displacement, however limited, of domestic production in the protected industries, by imports of competing foreign merchandise. This question not only raises the whole subject of the nature of international trade; it also specifically poses in one of its several forms the general question as to the observed results of the trade-agreements program to date.

To appraise the observed results on a factual basis, supported by adequate statistical detail in which the relations of cause and effect are clearly traceable, is as difficult a task as almost any in the field of economics. Trade is continually expanding and contracting, item by item, from a multiplicity of contributing causes, rendering formulation of general conclusions incredibly difficult. Moreover, as regards the trade agreements, detailed analysis of commodity movements divided as between items on which concessions were granted and those on which concessions were not granted are not yet available. In broad outline, the official figures of the Department of Commerce, as contained in its release of February 12, 1938, show that for the 2 years 1936 and 1937 taken together our exports to the agreement countries increased over the 2 preceding years by 42 percent, while those to the nonagreement countries increased only 26 percent; on the other hand, imports from the agreement countries increased 45 percent, while those from nonagreement countries increased 51 percent. It also appears that the imports of American products into the agreement countries have generally increased more than have imports of the products of other countries, thus registering an improvement of the relative position of the United States in those markets.

Based on these facts and figures, it would obviously be too simple a conclusion that on the export side the case for the trade agreements has been conclusively made; on the other hand, as to imports, if a defender of the program were to argue that its success to date is demonstrated by the smaller increase in imports from agreement countries relatively to those from nonagreement countries, he would be guilty of a double error. Not only would he be ignoring important special reasons for the increases in imports from nonagreement countries during the period (including greatly expanded requirements for rubber, tin, and wool for our industries and for grain, fodder, and oilseeds to fill a shortage), but he would also be betrayed by a fallacy regarding international trade which no modern economist could accept. The old idea that exports mean gain and imports mean loss, which is still perpetuated in the meaningless term "a favorable balance of trade," dates from the out-worn theories of the mercantilists, who wanted only to export goods and to import gold.

It has to be emphasized again and again that trade is an exchange of commodities, that the expansion of its exchanges creates added activity and new income on both sides, that exports are paid for by imports, and that imports provide materials necessary for the operation of industry and the satisfaction of the consumer.

If it were an admissible proposition that the buying power of our domestic markets is a fixed and nonexpansible quantity, it could be argued that a limited tariff concession by us on commodity A in exchange for a limited concession by another country on commodity B would involve a shift of American labor from one industry into the other. It would be arguable in rebuttal, however, that such a transfer of labor might be on the whole a good thing if its result would be to establish the labor in an industry capable of turning out a satisfactory article so economically that it can make its own way on the world market. It is clear that the expansion of efficient industries is broadly an economically healthy process and in particular is a benefit to the consumer through the lower costs resulting from an increased volume of production.

The truth is that a great variety of our industries are so well adapted to American conditions and so well conducted that they are able to compete on a price basis in the world market. This fact negatives the claim so often heard that American industry needs high protection because it pays high wages, the corollary of which is the slogan that the tariff protects the wages of the American laboring man. Efficient management, quantity production, and a larger average output per worker are, of course, among the reasons why, with higher wages than are paid abroad, many of our industries show lower wage costs per unit of output. The sale of our automobiles abroad is resisted in foreign countries on the ground that the producers there cannot compete with the low-cost American product. American industries like these are in the export business because of their efficiency, and available statistics indicate that generally they pay higher wages than are paid in protected industries not substantially engaged in export operations.

The old cry against "Chinese cheap labor" has now become a warning against Japanese cheap labor. Japan is our third largest customer, and we have no trade agreement with her. To the extent that damage to our industries may result from the dumping of Japanese manufactures here at unfair prices, we should take suitable specific action to remedy that specific situation. But to the considerable extent that the advertised dangers from Japanese imports are mere prophecies of what may happen as a result of our granting most-favored-nation treatment to Japan, as we do to all countries except Germany, it should be noted that the facts hardly justify the forebodings.

Under our traditional most-favored-nation policy, any concession made to one country under a trade agreement is automatically extended to all countries that accord fair and equitable treatment to American trade. The sound reasons for this policy are that in its absence we would be practicing discrimination against third-party nations and would be subject to retaliatory action by them. Thus we would promote a chain of deflationary consequences such as have marked the dubious careers of those totalitarian states which have embraced discrimination through exclusive trade arrangements with specific countries as an economic panacea. The scope of the generalizations actually made by the United States, however, has been closely limited by narrowing the definitions of the products covered by the agreement concessions, and an escape clause in the agreements makes those limitations effective. A proof of this lies in the figures of our imports from Japan during the first 9 months of 1937, included in which was an amount of $1,800,000 (or less than 2 percent) that represented items coming in under agreement concessions generalized to Japan.

How can it reasonably be argued, the opponents of the program ask, that the dislocation in protected industries caused by tariff concessions, if they will be in fact only minor, can have major consequences in expanding the activities of American export industries? Or, more briefly, how can major results flow from minor causes? A practical answer is that minor sacrifices by one party confer advantages that are often important to the other party. On theoretical grounds, it may be said that the plausibility of this question rests on the fallacy of the limited market. Those who see tariff bargaining under the present act as beneficial are not prepared to admit that it will produce important dislocations, or that the magnitude of the new export trade created will bear any necessary relation to any such dislocations, even if they occurred. The fallacy of a static economy, with a limited amount of income to go around, is irreconcilable with the processes of organic life and growth that in fact characterize our economic society.

The all-embracing advantage claimed for the program is that new movements of trade outward and inward augment each other. They create, if circumstances are favorable, an upward spiral of reciprocal increases in buying power, just as surely as a cumulative deflationary movement is at other times caused by the raising of tariff barriers and the cancelation of buying orders. When the spiral begins to mount and new buying power is created on both sides, the question of dislocation of protected industries becomes unimportant or nonexistent; if we had back the billions of our foreign trade of the 1920's, with its billions of imports as well as exports, everyone would be the gainer.

At the present time the burden of proof in the discussion of this subject seems unmistakably to rest on the critics of the program, since the trade movements of 1936 and 1937 showed substantial increases; and though no one would suggest that reciprocity was wholly responsible for the improvement, it would be an analyst of unusual attainments who could read into that improvement any substantial damage caused to the Nation by the trade-agreements program.

Important though the direct results of the trade program may prove to be, what it stands for in the realm of ideas may well be its chief claim to the support of Americans. Conflicting ideologies are on the march the world over. Ideas now filter across frontiers more rapidly and effectively than armies, and the illusion of neutrality will not keep them out. The identity of democracy with capitalism is clearly apparent, and it seems that we shall have to take our stand on one side or the other. It has long been said that the American attitude is one of firm belief in an individualistic regime which should operate with a minimum of governmental regulation and without benefit of preferential aid from the pocketbooks of the public. The history of American tariff making, however, shows that our devotion to the ideals of rugged individualism in the past has been far from perfect. This fact may have had until recently only an academic interest. Today it has disquieting implications.

We have lately witnessed, partly as a result of our abnormally high tariff, the loss of a large part of the foreign markets of our farmers; and we are now witnessing the creation of a vast new system of Government control and subsidization of agriculture. In these circumstances the opposition of many of our protected industries to the trade-agreements program seems short-sighted. Concessions to the foreign customers of our farmers might be expected in some measure to restore the foreign markets of our agriculture, and a regained condition of health in agriculture would be reflected in an increased domestic demand for the products of American factories. All these elements, in a normal world, work cooperatively and result in expanded markets for all concerned. If our industries are unprepared to make the concessions that seem to be called for and if that point of view prevails, we may soon be face to face with some form of social economic organization in this country which will express only faintly, if at all, the ideals of individual enterprise upon which the Republic was founded.

Strategic Minerals in the United States

EXTENSION OF REMARKS

OF

HON. H. H. SCHWARTZ

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Wednesday, May 4 (legislative day of Wednesday, April 20), 1938

ADDRESS BY JOHN WELLINGTON FINCH, DIRECTOR, UNITED STATES BUREAU OF MINES, ST. LOUIS, APRIL 25, 1938

Mr. SCHWARTZ. Mr. President, I ask to have printed in the RECORD an address delivered by John Wellington Finch, Director of the United States Bureau of Mines, at the annual convention of the American Zinc Institute, St. Louis, Mo., April 25, 1938, on the subject, "Strategic Minerals in the United States." It is a very interesting subject, and particularly so at this time in view of some of the implications arising from recent debates in the Senate.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The chaotic political and economic conditions existing in the world today with their sinister implication of widespread warfare present an effective setting for serious consideration of our strategic mineral problem. We of the mining industry need not be reminded that mineral raw materials are the foundation of industry and in consequence the very keystone of national defense. We are well aware also that the game of international politics usually is played with deposits of coal, iron, and petroleum as the ultimate prize and that the offensive tactics of certain belligerent nations are motivated in no small degree by their desire to possess more of the earth's mineral wealth. Unfortunately, however, the importance of minerals in our modern industrial civilization is not fully appreciated by the American public, and for this reason and the fact that we are essentially a peace-loving people we now find ourselves facing an uncertain future with much of our strategic mineral problem still unsolved, despite the bitter experiences of two decades ago.

In my remarks this afternoon I shall endeavor to review some of the problems we faced in 1917 and how we met them at that time. I shall also attempt to outline the major developments of the past 20 years and to analyze briefly the situation we find ourselves in today.

We may begin by citing the War Department's list of strategic materials, which are defined as "those materials essential to the national defense for the supply of which in war, dependence must be placed, in whole or in large part, on sources outside the continental limits of the United States, and for which strict conservation and distribution control measures will be necessary."

At the present time 22 commodities are so classified, only 9 of which are minerals. These include aluminum, antimony, chromium, manganese, mica, nickel, mercury, tin, and tungsten. It would appear that the provision of an adequate supply of such a limited number of metals for purposes of national defense should be relatively easy, but the problem is much broader because in time of war the demand for most of these metals is increased to such an extent that the maintenance of a supply assumes strategic importance.

Recognizing this situation, the War Department maintains a second list of commodities, known as critical materials. These are defined as "those for which the procurement problems in war, while difficult, are less serious than those of strategic materials, due to greater resources or to a lesser degree of essentiality, and for which conservation and distribution control measures will probably be necessary."

This list, numbering 52, contains 25 minerals, and includes such abundantly produced commodities as iron and steel, copper, lead, zinc, and petroleum. Thus in order to assure adequate national defense we must not only provide supplies of those minerals which normally are imported but we must also see to it that the industries which now provide self-sufficiency in other important minerals are preserved. In this connection I should like to suggest that a reduction in the present tariff on lead and zinc can hardly be considered in the public interest if viewed from the standpoint of national defense. The fact that these metals are produced in large quantities in neighboring countries is not adequate protection, as we have no assurance that supplies could be obtained from these countries in an emergency except at exorbitant cost or by military effort. It seems to me that the maintenance of the security afforded by our ability to supply our own needs of these important industrial raw materials should receive careful consideration.

During the World War our domestic mining industry rendered an outstanding and patriotic service in responding to the greatly increased demand for raw materials. In just a few years copper production rose from 575,000 short tons to 954,000 tons, lead from 542,000 to 640,000 tons, petroleum from 248,000,000 barrels to 356,000,000, and iron ore from 62,000,000 long tons to 75,000,000. The record of your industry stands out brilliantly. In only 2 years the domestic zinc output increased from 343,000 short tons to 564,000 tons, and, because the European zinc-smelting industry was demoralized by the German invasion of Belgium, shipments of foreign zinc ores to the United States increased tenfold.

Of course, this remarkable performance was accomplished at tremendous cost and the ill effects of greatly expanded production capacity and accumulations of surplus war stocks were felt for a decade after the war. Nevertheless, considering the fact that we entered the war period virtually without a planned program, we may well marvel at the results.

Procurement of supplies of strategic minerals, however, did not progress so smoothly, but by a combination of good fortune, bluff, smuggling, and other extreme measures the industrial machine was kept going. At that time our list of strategic minerals included nitrates, potash, platinum, and others of minor importance, as well as seven of the nine minerals on the present list. Aluminum and mercury were not considered strategic, as our aluminum industry had not yet developed its dependence on South American bauxite, and domestic mercury producers supplied virtually all of the domestic requirements. The method used to solve our nitrate problem illustrates the many narrow escapes encountered and the brilliant work performed by the War Industries Board under the leadership of Bernard M. Baruch. When the United States declared war we were dependent largely on Chilean nitrates. Prices soared and there were virtually no supplies available. On top of this, Congress had failed to provide funds for the purchase of nitrates, which were, of course, the essential ingredient of explosives. All of the Allies, including consumers in the United States, were frantically buying up all available supplies from Chile. Germany, having developed a process for using atmospheric nitrogen, was independent of Chile. With this situation facing it the Board boldly announced that it would not be necessary for American bidders for munitions contracts to attempt to procure nitrates from outside sources, and that they could figure their contracts on the assurance of getting nitrates at 4¼ cents per pound, even though the current price was 7½ cents. At the same time there was much talk concerning a fixation process for atmospheric nitrogen, thus implying that the United States had solved its nitrate problem. Buyer interest in Chilean nitrate weakened immediately and the Board, anxiously awaiting something to aid it in making good its bluff, finally stumbled upon a solution. The Naval Intelligence Office one day picked up a message from the Chilean Government asking the German Government to release the gold reserves the former had in Berlin. The German Government absolutely refused to comply. Quickly the suggestion was made to Chile that the United States would supply the necessary gold if the Chilean Government would confiscate the 235,000 tons of nitrate stocked in the closed German-owned nitrate plants in Chile. Eventually the deal was consummated, domestic consumers obtained their nitrates at 4½ cents per pound, and a serious situation was averted.

On another occasion a stringent shortage of platinum was relieved by receipt of 20,000 ounces from Russia, smuggled out under the auspices of the United States Government. I cite these two interesting incidents only to illustrate the necessity of some advance program regarding strategic minerals so that our fortunes in the next war need not depend on such hazardous undertakings.

As the war continued, it became evident that drastic measures would have to be adopted to assure adequate supplies of deficient minerals. In October 1918 the war minerals stimulation law was approved. A sum of $50,000,000 was placed at the disposal of the President, to be used in stimulating production of minerals of which the war had revealed a shortage or an alarming scarcity. The termination of the war a month later nullified the act, but its passage indicates clearly that the question of strategic mineral supplies had indeed become acute.

Our experience with strategic minerals during the World War may be summarized as follows:

Manganese requirements were obtained by stimulating the domestic industry and by shifting our import supply from Russia and India to Brazil and Cuba. Despite the fact that war prices were five times the pre-war average the domestic industry was able to supply only 35 percent of our requirements of ferro-grade ore. In addition, the ore obtained from domestic deposits, as well as much of that from Brazil and Cuba, was considerably lower in grade than the ore formerly obtained from Russia and India. This necessitated revision in steel specifications to permit the use of lower grade materials, which resulted in considerable confusion and delay.

Chromite production was likewise increased by trebling the price, but only two-thirds of our requirements were realized from domestic sources, nothwithstanding the fact that nonmilitary uses were restricted.

In the case of tungsten, production more than trebled, but approximately half of the domestic consumption was still supplied by imports. Prices were four or five times higher than pre-war averages.

An increase in the price of antimony from 8 to 40 cents per pound was instrumental in bringing out only a small domestic output. Fortunately, sea lanes from Asia were kept open and we were able to obtain adequate supplies from China.

Our ability to maintain communications with Asia was also helpful in securing supplies of tin from Malaya. Nevertheless, rigid control of consumption was required and uses were restricted to those absolutely essential for the prosecution of the war. Shortage of supplies was alleviated in part by the establishment of an uneconomic tin-smelting industry using refractory Bolivian ores. This was possible because of the demoralization of the British tin-smelting industry in the early years of the war, which resulted in a considerable premium in the price of tin for delivery in New York. This American smelting industry passed out of existence shortly after the close of the war.

I have mentioned already the extreme measures adopted to maintain supplies of nitrates and platinum. Potash requirements were met only by rigidly curtailing its use for fertilizers and by developing production from various raw materials such as seaweed, brines from certain saline lakes, and as a byproduct from cement manufacture. Approximately $25,000,000 was invested in potash-producing capacity during the World War, virtually all of which was lost after the armistice was signed.

All told, our war-mineral activity was extremely costly and in most cases domestic deposits were developed only at unusually high prices. Despite this, many operations were unprofitable, and in 1919 Congress passed the War Minerals Relief Act to compensate producers of manganese, chrome, tungsten, and pyrite who had suffered losses. Under this act millions of dollars have been paid out and claims for compensation are still being filed with the Government.

During the 20 years that have elapsed since the close of the war our strategic mineral problem has been improved in some directions and aggravated in others. We no longer are vitally dependent on Chile for nitrates, as a substantial part of our consumption is supplied by synthetic material made from atmospheric nitrogen. The same may be said of potash. At the present time we produce a large part of our requirements and we possess sufficient capacity to supply all our needs if necessary. Molybdenum is now produced in abundant quantities, and reserves of vanadium apparently are adequate to take care of expanding production under favorable prices. During the World War our chemical industry existed to a very large extent on Spanish pyrite, but today domestic pyrite production has been increased substantially, partly as a result of the profitable market for iron sinter. In addition, our domestic sulphur industry has grown to major proportions and maintains stocks sufficient to guarantee 2 years' consumption. We no longer are dependent on Asiatic sources of antimony. The United States now has a smelter at Laredo, Tex., which is equipped to supply substantial tonnages of antimony derived from Mexican ores. In recent months the supply of ore has been threatened seriously. Since this plant represents an important contribution to national defense it is in the nature of a national asset and merits Government support in every possible way. Also, the Bureau of Mines has worked out a process that promises to treat Idaho antimony ores commercially.

All of the foregoing developments have eased our strategic position in some minerals to a considerable extent, but on the other hand rapid increase in the use of alloys has made us more dependent than ever on foreign sources of manganese, chrome, and nickel. The situation in these materials has been further aggravated by the depletion of the very limited high-grade reserves of manganese and chrome ores during the last war, and in the case of nickel, by the transfer of refining operations from the United States to Canada. Since 1918 domestic producers of aluminum have become largely dependent on South American bauxite, and mercury producers are no longer able to supply our domestic needs even at peak wartime prices.

In reviewing the developments of the past two decades I should like to record the contributions made by the Bureau of Mines to the strategic mineral problem. Much of the preliminary work in the establishment of a synthetic nitrate industry was performed by the Bureau. The Bureau likewise was instrumental in developing our domestic reserves of potash, particularly in New Mexico and Texas. With the limited funds at our disposal, we have endeavored to work out some of the metallurgical problems involved in utilizing our low-grade reserves of strategic minerals. Much work has been done toward improving ore-dressing methods applicable to

manganese ores, and a method has been devised for utilizing manganiferous iron ores of the Guyuna Range. The latter is as yet noncommercial under peacetime conditions but may prove to be invaluable in an emergency. The Bureau also has developed an electrolytic process of recovering manganese in the metallic form. This process is still in the laboratory stage but we anticipate its trial on a commercial scale in the near future. The process gives promise of supplying the alloy industry with a new metal, but we do not know as yet whether or not it can be economically adopted as a substitute for ferromanganese in the iron and steel industry. Laboratory tests are being made on a process for producing metallic chromium from domestic chromites, and considerable research has been made on the concentration of low-grade ores. In the near future we hope to begin experiments on the treatment of low-grade chromites in the electric furnace. As stated, progress has been made in working out a method of producing acceptable metallic antimony from refractory ores found in the United States. Other work has been done on the utilization of alunite as a raw material in the manufacture of aluminum, on the recovery of nickel from complex domestic ores, and on the problem of concentrating scheelite for tungsten production. Our colleagues in the Geological Survey likewise have made important contributions through mapping and studying our domestic resources of strategic minerals.

Despite the various advances made since 1918 many aspects of our deficiency mineral problem have not been solved. Last year, for example, all of our virgin tin requirements were imported largely from Malaya and Europe. Domestic mines produced only 41,000 long tons of manganese ore, whereas imports totaled 974,000 tons. Domestic production of chromite amounted to 2,300 tons, whereas imports reached the unprecedented total of 554,000 tons. Two-thirds of our aluminum was produced from South American bauxite in 1937 and over 60 percent of our tungsten consumption was supplied by foreign ores despite the fact that prices reached record peacetime levels. Virtually all of our nickel was imported and mercury production failed to meet domestic needs by 40 percent. Likewise in the case of antimony and mica (sheets and splittings) the domestic output was equivalent to only 10 and 25 percent, respectively, of domestic consumption. This is the record of our strategic mineral performance in a year when prices were in general considerably above predepression averages.

The foregoing recitation of facts reveals major weaknesses in our national defense. Our failure to realize and to adopt effective measures to alleviate this danger has been due in part to the fact that too often in the past the national-defense aspects of the strategic mineral problem have been used as arguments to promote subsidies for domestic industry. You are familiar with the controversy that has existed in the United States since the World War between those who propose the accumulation of stock piles as the most practical way of providing national security in a war emergency and those who would encourage development of our natural resources by tariff protection. Since advocates of the stock-pile method claim that domestic reserves of deficiency minerals are too limited to guarantee self-sufficiency, the argument hinges entirely upon the potentialities of our domestic resources.

The manganese industry has provided the arena in which this controversy has been fought and a brief review of the history of this industry since the World War will aid us in clarifying the real issues of the strategic mineral problem.

Recognizing the seriousness of the manganese situation, the War Department shortly after the World War requested a joint committee of the American Institute of Mining and Metallurgical Engineers and the Mining and Metallurgical Society of America to study the manganese problem and to submit recommendations for Government action. After an exhaustive study of domestic resources, the committee submitted a report in January 1924, the essential recommendations of which were:

1. The immediate purchase of 600,000 tons of manganese ore of ferro-metallurgical grade to be held as a reserve against a war emergency.

2. The discouragement of artificial stimuli, such as tariffs, in times of peace, which, if effective, will simply tend to deplete an already extremely limited reserve of ferro-grade ore.

Meanwhile, the domestic manganese producers asked Congress for a protective tariff on the grounds that the manganese problem could be solved most effectively by the development of a domestic industry. Opponents of the tariff claimed that domestic reserves were inadequate to support a substantial industry and that the best solution was the purchase of a stock pile. Congress decided in favor of the tariff and in 1922 imposed an import duty of 1 cent per pound on manganese contained in ore. This duty was maintained until January 1, 1936, when it was cut to one-half cent per pound by the Brazilian trade agreement.

During the 14 years that the 1-cent tariff was in effect, the protection afforded the domestic producer ranged from 50 to 100 percent ad valorem. Domestic production of ore containing 35 percent or more manganese (exclusive of fluxing ore) rose from 13,400 long tons in 1922 to a peak of 98,300 tons in 1925, but subsequently declined to 26,400 tons in 1935. The total output for the period was 581,000 tons, which was equivalent to less than 10 percent of the 6,071,000 tons of foreign ore imported. Not all of the domestic production was suitable for the manufacture of ferromanganese. As a matter of fact, only 281,000 tons were so used during the 14-year period, whereas 5,597,000 tons of foreign ore were consumed for this purpose. Domestic producers thus supplied only 5 percent of our requirements of metallurgical grade ore.

The foregoing experience has established beyond question that a relatively high protective tariff has been unsuccessful in establishing a domestic industry capable of supplying our manganese requirements, and that the domestic reserves of high-grade ores comparable in grade and size with deposits mined in other parts of the world are relatively insignificant. The question now arises as to the outlook for the future. If we are to become self-sufficient in manganese it will have to be accomplished by developing our reserves of low-grade ores, which by comparison with foreign deposits would be costly to operate. To beneficiate low-grade ores into a commercial product acceptable to the steel industry requires complex chemical and metallurgical treatment. Under 14 years of protection only one plant was developed along these lines which achieved any substantial production, and that apparently has not been a profitable operation. It is thus evident that if progress is to be made in this direction it can only result in still higher costs to the consumers of manganese ore.

In 1932, at the request of the War Department, the manganese subcommittee of the American Institute of Mining and Metallurgical Engineers reconsidered the manganese problem from the viewpoint of national defense and concluded as follows:

1. The prospects of a domestic industry under tariff protection was still insufficient to guarantee national defense and the creation of a stock pile for emergency use was again recommended.

2. Stock-pile requirements might be modified by developing processes for treating low-grade ores, which though noncommercial in normal times, might be technically sound and therefore applicable in times of stress. Concrete research along this line by the proper Government agencies accordingly was recommended.

At the present time the position in manganese may be described as stalemate. Relatively little has been accomplished toward developing a commercial domestic industry, consumers have been forced to pay millions of dollars in import duties on their purchases of foreign ores, domestic producers in the aggregate have probably lost money, our dependence on foreign sources has become progressively more acute, and the problem of national defense has not been solved. What has just been said of manganese can be applied to some extent at least to the other strategic minerals.

It seems to me that the time has come to face this problem with candor. In my opinion the American public at present is reluctant to extend further the principle of subsidy to industries through increased tariff protection, but would probably support overwhelmingly a program for the purchase of stock piles of strategic minerals for purposes of national defense. This is substantiated by the numerous bills on this subject now pending before Congress and by the fact that last year Congress for the first time accepted the principle of stock piles by providing the Navy Department with funds to purchase supplies of strategic materials. Under this bill the Navy has been acquiring supplies of tin, chromite, and manganese, and purchase of tungsten is contemplated in the near future. While the quantities are extremely small in terms of national requirements, the fact that this method of meeting the deficiency mineral problem finally has been recognized officially is indeed encouraging. Under the "Buy American" policy of the administration a bonus of 25 percent can be paid for domestic products.

At a time like this the problem of national defense cannot be stressed too vigorously. For this reason the domestic mining industry should wholeheartedly support a program for easing our deficiency mineral problem by the acquisition of stock piles. It should see to it that the stock pile is made of the best material money can buy for in a war the best is none too good. We should no more expect our industrial machine to function with off-grade raw materials than we would expect the Army and Navy to fight with defective food and equipment. Ample supplies of strategic minerals of acceptable grade would cushion the inevitable readjustments that result from being thrown into a state of war. They would prevent the confusion and inefficiency that resulted from the enforced use of off-grade materials and substitutes during the last war, and millions of dollars would be saved. More manpower would be available for other activities and the strain on shipping facilities would be eased. The fleet would be relieved to some extent from protecting sea lanes, a fact of considerable significance when you consider that the estimated total cost of all of the proposed stock piles would not greatly exceed the cost of a modern battleship. But above all, adequate supplies of strategic minerals available for immediate use would guarantee the successful inauguration of our carefully prepared plans for industrial mobilization in time of war

Having thus provided for national defense we should then proceed immediately with orderly consideration of the problem of developing our domestic resources. I have already suggested that success in this direction hinges on the extent of these resources. This is a problem that is susceptible to scientific study and engineering evaluation. However, in the opinion of many students of strategic minerals the problems involved in exploiting present known deposits are so difficult that proper consideration by prudent private enterprise is precluded by the relatively forlorn hope of profitable investment of capital under present conditions. It has, therefore, been suggested that the whole situation should be studied exhaustively by appropriate Government agencies with

public funds adequate to support a comprehensive program of exploration, research, and development.

We may not all agree to the premises upon which the foregoing suggestion has been predicated, but in view of the national-defense aspects of strategic minerals surely all can agree that Government has a legitimate interest in the problem. Moreover, the experience of the past 20 years clearly indicates the necessity of supplementing the activities of private enterprise by some Government action. It is not contemplated that Government shall engage in the production of minerals in competition with private business and the present activities of domestic producers need not be disturbed in any way. To the contrary such a program would inevitably result in great benefit to our mining industry by supplying reliable information as to reserves of different grades of ore, degrees of self-sufficiency attainable with the various minerals, and probable costs of production. These data would provide a sound basis upon which industry could appeal to Congress for such tariff protection as was needed to guarantee successful development of domestic resources. At the same time methods would be developed by which noncommercial deposits could if necessary be used effectively in a war emergency. It is estimated that the annual cost of this program would be less than interest charges on a single modern warship.

For these reasons I am convinced that the proposal is sound and should receive the support of the mining industry and the public at large. The Bureau of Mines in cooperation with the Geological Survey is prepared to undertake such an investigation, and I can state with assurance that if given the opportunity the Bureau of Mines will approach the problem with enthusiasm, because one of the fundamental reasons for the Bureau's existence is to render service to the United States mining industry.

In the foregoing remarks I have endeavored to outline a sound method of attacking our deficiency-mineral problem. The method involves two steps.

1. The immediate purchase of adequate stock piles of strategic minerals of standard quality as the most effective means of meeting the pressing problems of national defense.

2. The annual appropriation by the Government of $500,000 to be used by the Bureau of Mines and the Geological Survey for the purpose of a comprehensive study of ways and means of adapting our domestic reserves of strategic minerals to a permanent solution of our deficiency-mineral problem.

I submit this proposal for the consideration of the American Zinc Institute and other organizations of the mining industry.

Life-Insurance Facts

EXTENSION OF REMARKS
OF
HON. AUGUSTINE LONERGAN
OF CONNECTICUT
IN THE SENATE OF THE UNITED STATES

Wednesday, May 4 (legislative day of Wednesday, April 20), 1938

FACTS 100,000,000 PEOPLE ARE ENTITLED TO KNOW

Mr. LONERGAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement entitled "Facts 100,000,000 People Are Entitled to Know," issued by the National Committee for Life Insurance Education.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

At least 100,000,000 readers have a vital interest in knowing the facts disclosed below. For these are facts about life insurance—an institution directly affecting the lives of more than 64,000,000 policyholders and their dependents.

How much life insurance is now in force in the United States?

More than $110,000,000,000 worth—an amount greater than at any previous time in the history of life insurance.

What proportion of the world's life insurance is owned by Americans?

The people of the United States comprise about 7 percent of the world's population, yet they own more than 70 percent of the world's life insurance. And they are buying more every year. In 1900, for example, only one American in eight owned life insurance. Today every other person in the country owns a life-insurance policy.

Has America been "oversold" on life insurance?

The average "coverage" per person, with 133,000,000 policies now in force, is about $1,700. This figure speaks for itself.

Is it true that you have to die to win with life insurance?

Certainly not. In 1937, for example, about 60 percent of the money paid out by the life-insurance companies of the country—$1,450,000,000—went to living policyholders.

What happens to the money entrusted to the life-insurance companies by their 64,000,000 policyholders?

These dollars have always been put to work in sound conservative investments. At the present time, for instance, five billions of this money have been invested in real-estate mortgages; three billions in railroad securities; two and one-half billions in public-utility bonds; four billions in United States Government bonds; and one and one-half billions in State, county, and municipal bonds; dollars busily at work making America a better place in which to live and building up future security for its citizens.

How has recent social and economic legislation affected the sale of life insurance?

It has done much to stimulate the average man's interest in achieving still further security for himself and his family. In 1937, about $15,000,000,000 of new life insurance was written.

How much money was paid out by life-insurance companies in 1937?

A total of $2,400,000,000; over a quarter of a million dollars every 60 minutes every day throughout the entire year.

Are life-insurance companies in a sound condition today?

Yes. Since the beginning of 1930—and this period includes the depression years—the life-insurance companies have paid out nearly $21,000,000,000. Yet, in spite of this vast outpouring of billions of dollars, the institution of life insurance is more secure today than ever before. After paying all expenses of management, the companies hold cash reserves that are more than ample to meet every contingency.

Scarcity of Money in Circulation Cause of Unemployment

EXTENSION OF REMARKS
OF
HON. CHARLES G. BINDERUP
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1938

Mr. BINDERUP. Mr. Speaker, it is indeed of extreme importance to note that economic research has definitely established the fact that there never has been a period of unemployment that was not immediately preceded by the scarcity of money in circulation, and that there never has been a period of scarcity of money in circulation that was not immediately followed by unemployment. History records no other cause for unemployment.

In considering this definitely established fact it is alarming to note that our Government has not even a shadow or a skeleton of a workable plan for the cure of the present or prevention of future depressions and periods of unemployment, such as our people are suffering under now for the twenty-seventh time in 150 years, the entire life of our Nation.

FEDERAL RESERVE SYSTEM ADMIT THEY HAVE NO PLAN FOR MONETARY CONTROL

The Federal Reserve Board and the Federal Reserve banks, these instrumentalities on which we once builded our hopes, now frankly and publicly admit before the finance committees of Congress that they have no plan, and the history of these institutions, in the hands of money monopoly for 25 years, or since the inception of the System, definitely proves the correctness of their statement.

Of the eleven plans originally suggested to the Federal Reserve System for monetary control, seven of these plans have long since been discarded. Only four remain, and these four are as hopeless and impossible as were the others, for the reason the entire philosophy of the Federal Reserve System pertaining to monetary control is entirely wrong, providing as it does a plan whereby to control money from the top by operating through our enemies, the international bankers (money monopoly) that own the larger part of our Government bonds, and whose interests are so positively opposite and contrary to those of the people.

BUYING BONDS TO EXPAND MONEY SUPPLY IN CIRCULATION HAS OPPOSITE EFFECT

Principle No. 1: Buying bonds to expand our money supply, to create and stimulate business, and prevent unemployment: This, the first of the remaining four principles has now also been abandoned, since we soon discovered this process merely switched our monetary authority to Wall Street, and left our Federal Reserve Board as mere dummies holding in their hands a canceled check, Government bonds marked paid, and in the hands of Wall Street we left our money, completely surrendering the balance of this plan to our enemies, money monopoly; putting in the driver's seat the recognized enemies of our plan for monetary control, illogically expecting them to complete our program by putting this money into circulation throughout the veins and arteries of trade and commerce; expecting Wall Street—the symbol of money monopoly—to cooperate—in destroying their own monopoly; expecting them to cooperate in giving back to the people their constitutional right to coin (print) and regulate our money supply, thereby to establish a dollar of uniform purchasing and debt-paying power; asking them to destroy the very principles that had made them economic dictators of the Nation; expecting this power which profits by a dollar with varying purchasing and debt-paying power, their dollar that creates booms and depressions, to destroy this, their own precious instrumentality, which makes possible the special privilege they have enjoyed for years.

And so this principle has been discarded, thrown into the scrap heap with the seven others. But the remaining three are just as impossible and impractical as were the discarded eight.

SELLING BONDS TO CONTRACT MONEY SUPPLY NOW USED FOR OPPOSITE PURPOSE BUT FAILS OF ACCOMPLISHMENT

Principle No. 2: Selling Government bonds to take money out of circulation, thereby to avoid inflation, and storing this money received from selling of bonds until again needed.

But we have traded overcoats in the darkness and turmoil and confusion of monetary experimentation. We are now trying desperately to use the instrumentality intended for contraction to create expansion, exactly opposite from its intended use, with this little deviation only, that in place of storing the money received from selling of bonds, as the plan contemplated, we are using this money or bank credit in an effort to expand our money supply.

While the House of Morgan, buying these bonds for figures on the books, is now reselling these same bonds at a profit to the 15,000 small commercial banks in the rural districts of our Nation, where the people are starving to death for the want of money or a circulating medium to make possible the exchange of their goods and services, and every dollar we are putting into circulation through all the governmental agencies such as the P. W. A., W. P. A., C. C. C., F. H. A., and so forth, the big banks are taking out of circulation by selling the same bonds in the rural districts, concentrating all the money in the large banks in a few large cities until today when the total amount of money in existence is $24,000,000,000, fifteen billion is hoarded largely in these large banks.

According to statistics 2 percent of the people hold two-thirds of all our money, and 98 percent of our people hold only one-third, when through our process of selling bonds with the best intention of expanding money and credit we are actually contracting our money supply and centralizing it in Wall Street.

A strange dilemma, with a monetary system upside down and wrongside out, suffering in poverty and, afraid of prosperity. Today, when we are suffering from a depression, the Federal Reserve Board is scared to death for fear of inflation; and well they may be, as we are completely destitute of a plan for monetary control; and the billions of dollars in dormant bank deposits and the billions of dollars in excess bank reserves may break loose on us at any time, combined with billions of dollars of bonds sold at a low rate of interest, that will immediately be offered on the market as soon as prosperity returns, with higher prices in the regular private channels of trade, and flood the market as they did in the first part of April 1937, when the United States Treasury had to rush desperately in on the market and support Wall Street and buy hundreds of millions of dollars of our own bonds to keep the market up on Government bonds and in order to save the big banks who held these bonds and to whom a reduction of 10 points would have meant bankruptcy.

And no F. D. I. C. could have held out against another 1933 debacle, so the Federal Reserve Board started a wave of contraction while at the same time the great masses of the American people were suffering from a depression, with 10,000,000 families receiving an income of over $1,000 a year and less than $2,000; 6,000,000 families with an income over $600 and less than $1,000; with 5,000,000 families with an income of less than $600 a year; and with 3,339,000 individuals absolutely destitute, without any income whatsoever, 85 percent of our people living below the American standard of living. This at the very time when the Federal Reserve bank started a deflation, destroying the people who again became the victims of the banks. The history of the panic of 1937, when the truth shall be known, will go down as only another crime against the American people.

Why are the people thus compelled to suffer? There is only one answer: It is the penalty we pay for violating the Constitution of the United States that provides for monetary control. Congress has failed to comply with this mandatory provision, and thereby we have created an empty seat on the throne of government, and a money monopoly was thus born. It took the seat and filled the vacancy on the throne and became a power greater than government itself.

The monetary control bill for 1938, H. R. 9800, provides for expansion of our money supply from the bottom in exactly the same proportion and in the same degree as population and industry increase, governed by a price level based on some 784 prime commodities as determined by the Bureau of Labor Statistics, thus eliminating Wall Street and the international bankers from control by expanding through the lower-income groups and the small commercial banks. This bill also provides the mechanics, through the Government ownership of the 12 Federal Reserve banks, for the gradual absorption of outstanding Government bonds, without allowing any depreciation of the bonds, without loss to anyone, and without any cost to the people in the form of taxation—this by simply giving the banks who turn in these bonds credit on the books of our Federal Reserve banks in like manner as the banks gave the Government credit on their books when they purchased the bonds.

Attacks on Immigration Laws

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, May 4 (legislative day of Wednesday, April 20), 1938

EDITORIAL IN THE NEW YORK JOURNAL AND AMERICAN, MAY 2, 1938

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD an editorial entitled "Insidious Attack Planned on the Immigration Laws," which was published in the New York Journal and American under date of Monday, May 2, 1938. I

make this request in connection with House bill 6391, now on the calendar, a bill to authorize the prompt deportation of criminal and certain other aliens.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INSIDIOUS ATTACK PLANNED ON THE IMMIGRATION LAWS

WASHINGTON, May 2.—Already passed by the House of Representatives almost without notice, now pending in the Senate with a favorable committee report, and likely to be called up this week for final action, is the latest version of the administration's long-sought immigration bill, which since 1934 Congress has repeatedly refused to pass.

In its pending form the bill is known as the Dies bill, H. R. 6391.

It is the culmination of 4 years of incessant effort by the Department of Labor, backed by left-wing and other radical, Communist, and criminal organizations which want the quota barriers against unlimited immigration broken down and the deportation laws abrogated.

According to its opponents, the bill would give the Secretary of Labor dictatorial powers to suspend or nullify existing mandatory deportation laws affecting undesirable and deportable aliens, and would result immediately in qualifying for American citizenship thousands of alien criminals.

Congress has four times in the past refused to grant such power to Secretary of Labor Perkins.

However, it is said, Secretary Perkins is now illegally exercising that very "authority" with respect to some 3,000 aliens who have been ordered deported and who are being arbitrarily allowed to remain in this country as so-called hardship cases by virtue of a mere resolution of the lower House of Congress.

Among the organizations endeavoring to prevent the enactment of the evil Dies bill is the American Coalition of Patriotic Societies, which has had much to do with the defeat of similar proposed bills in the past.

In a close analysis of the bill John B. Trevor, president of the American Coalition, says:

"Heretofore Congress has always refused to grant dictatorial powers to the executive branch of the Government to determine who shall be admitted into or deported from the United States.

"The grounds for such refusal have been that it would inevitably promote the activities of shyster lawyers, corrupt lobbyists, and sentimental internationalists who put the welfare of the alien criminal or undesirable above the interest of the Nation, but aside from these cogent reasons, the present Congress should certainly view with grave suspicion this additional evidence of a desire on the part of the present administration to aggrandize its powers.

"One of the most vicious features of this bill is the fact that it paves the way to citizenship for aliens who have been guilty of heinous offenses, such as perjury, forgery, and bribery of public officials.

"All Americans should know that a citizen who is convicted of one of these offenses is automatically deprived of his right to vote.

"This bill, therefore, puts aliens in a favored category.

"It is class legislation with a vengeance, and class legislation for the most undesirable element to be found in any community in the United States.

"It must also be said that aside from an objectionable aggrandizement of executive power, the outstanding vice of this bill is the inclusion of time limitations which preclude the possibility of deporting hordes of alien criminals who infest our great congested centers of population.

"In the light of these facts it is inconceivable that a Congress elected to govern the United States in the interest of the American people should pass a bill solely for the benefit of the criminal and undesirable aliens now resident in the United States."

Government Reorganization Bill—A Plain Statement of What It Proposed To Do To Promote Efficiency and Economy

EXTENSION OF REMARKS

OF

HON. WILLIAM R. THOM

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1938

Mr. THOM. Mr. Speaker, constituents have been asking me for a simple and clear statement of the purposes of the reorganization bill recently debated in the House of Representatives, and under leave of the House of Representatives to extend my remarks in the RECORD, I am inserting this prepared statement.

This has been an old and much discussed subject in Congress, so old in fact is the theme of Government reorganization that the veteran Members of the House of Representatives, as well as the newspapermen in the press gallery, were amazed and dumfounded at the amount of fury and passion that was whipped up in the country incidental to its recent consideration. From personal study I found there was not, save for one or two exceptions, a single new idea in the House bill, and most of its suggestions had the outright endorsement of former Presidents and of party platforms.

Let us look at the background of this question for a moment and see how the need of governmental reorganization arose.

During the World War there sprang up overnight many individual agencies and commissions that, while definitely doing executive work, were not immediately connected with any one of the 10 Cabinet Departments. The same thing occurred after 1933 to meet the emergencies of that period. It was soon discovered that there was overlapping of functions, unnecessary extensions of power, and a tremendous need of winding up the jobs of those bureaus intended originally as only temporary. When these bodies counted up to 100, unattached to any Cabinet Departments, the President in his individual capacity, whoever he might be, could not supervise such a collection of bodies and know in any detail what any one was doing or was not doing. Hence came the well-founded demand for consolidation of agencies, elimination of overlapping functions, and outright abolition of other agencies whose days ought to be at an end—all to increase the efficiency of governmental management and to promote economy in the annual Budget. Experts also saw that there were other needs of a modern government that ought to be met.

President Roosevelt resolved to approach this whole problem by inviting three distinguished persons from the outside to look into the operations of the machinery of our Government. As the head of this commission he selected Mr. Louis Brownlow, who for a time was a working newspaper correspondent in Washington, D. C., later served as Commissioner of the District of Columbia, Chairman of the Public Utilities Commission of the District of Columbia, city manager of Knoxville, Tenn., and as a member of the staff of the United States Daily. He was honored by being made president of the National City Managers' Association. He is a Democrat in politics.

As his colleagues there were chosen two men of outstanding ability—both of them Republicans but men who, despite their political attachment, could be classed as neutral in their approach to the problems of Government reorganization. The first of these was Mr. Luther H. Gulick, director of the New York Bureau of Municipal Research, whose name is familiar to those who have been cognizant of the work of members of his family who have served with distinction in the missionary field. The third member was Prof. Charles E. Merriam, of the University of Chicago, an outstanding political scientist of mature years, who knows about the practical side of politics by past service as an alderman of the city of Chicago, as chairman of the Commission of City Expenditures of the city of Chicago, and as a member of the Hoover Commission named to study "Recent Social Trends." No fair man can find in these men any desire to remodel the governmental structure so as to introduce dictatorship, bolshevism, nazi-ism, or fascism. Outstanding Americans that they are, they are all attached to the American idea of government.

These men set to work with a corps of experts, some of whom were authors of standard works on government accounting, civil-service administration, and so forth. Their conclusions are embodied in a set of possibly a half dozen books, well written and closely reasoned. These reports constituted the material which was placed for study before the members of the Select Committee on Government Reorganization of the House of Representatives, and out of them emanated the bills of the House of Representatives calling

for consolidation of governmental agencies, reorganization of the Civil Service Commission, rearrangement and strengthening of the accounting and auditing practices of the Government, and establishment of a Cabinet department known as the Department of Welfare. Curiously enough, most of the salient recommendations of this commission were not new in their nature but had been previously offered by former Presidents of the United States and by other public men as an appropriate means of improving Government service.

I shall now discuss what was proposed under each important provision of the House reorganization bill.

The heart of the bill, of course, had to do with the problem of grouping bureaus under control of Cabinet Departments, elimination of overlapping and duplication of effort, consolidating agencies, and abolishing such functions as no longer were necessary for the efficient conduct of the Government. The President was given authority for a period of 2 years to effect this reorganization, and the Executive orders accomplishing it were made subject to disapproval by Congress by a majority vote. His powers, however, did not run to such major bodies as the Interstate Commerce Commission, the Federal Trade Commission, the Veterans' Administration, and some 10 other bodies that were excluded from the reorganization plan. Neither was he given power to abolish Cabinet Departments. Herein lay no dictatorship and no powers that could not be negatived wherever a major mistake might be made.

In 1932 similar powers were given to President Hoover by a Democratic Congress, and on December 9, 1932, he sent a message to the House of Representatives grouping or consolidating 58 executive agencies, one effect of which was to reduce by about 15 the number of independent agencies and commissions. The Democrats, just having been victorious in the Presidential election, promptly prepared to scuttle the recommendations with the excuse that the whole subject should go over to the new administration. To forestall such action, President Hoover, at a press conference, used the strong language that follows:

> The proposals of Democratic leaders in Congress to stop the reorganization of Government functions which I have made is a backward step. The same opposition has now arisen which has defeated every effort at reorganization for 25 years.
>
> Five years ago I said:
>
> "Practically every single item in such a program has invariably met with opposition of some vested official, or it has disturbed some vested habit and offended some organized minority. It has aroused the paid propagandist. All these vested officials, vested habits, organized propaganda groups are in favor of every item of reorganization except that which affects the bureau or the activity in which they are specially interested.
>
> "No proposed change is so unimportant that it is not bitterly opposed by some one. In the aggregate these directors of vested habits surround Congress with a confusing fog of opposition. Meantime, the inchoate voice of the public gets nowhere but to swear at bureaucracy."
>
> It is only by consolidation that duplication and waste of a multitude of offices and officials can be eliminated. It is the only way the public can know what is going on in this branch of Government. They can only be brought under the limelight if they are concentrated in one place. It is the only way to reduce further logrolling and personal politics in these appropriations.
>
> Either Congress must keep its hands off now, or they must give to my successor much larger powers of independent action than given to any President if there is ever to be reorganization; and that authority, to be effective, should be free of the limitations in the law passed last year which gives Congress the veto power, prevents the abolition of functions, and prevents the rearrangement of major Departments. Otherwise it will, as is now being demonstrated in the present law, again be merely make-believe.

Notwithstanding President Hoover's sincere efforts, the House of Representatives tossed all his recommendations out of the window.

But this did not end reorganization efforts under his administration. In February 1933 Senator BYRNES, of South Carolina, attached to the Treasury and Post Office appropriation bill an amendment giving similar powers for reorganization of Government functions, and the Senate adopted it without a roll-call vote. President Hoover, manifesting his unflagging interest in governmental reorganization, signed this appropriation bill and handed over to his successor, President Roosevelt, the authority to do the same thing that he had been balked in doing. Evidently, President Hoover saw in these powers no deep plot of dictatorship. Under this authority President Roosevelt established the Farm Credit Administration and issued about 10 other orders merging bureaus, promoting efficiency and economy, but larger problems of the depression kept him from fully exercising his authority. Thus the job was left half finished.

Now the question is frequently asked as to why Congress upon its own initiative does not tackle this particular task without aid of the President. The answer is contained in the following excerpt of a speech by Senator BYRNES, of South Carolina, in the Senate on February 7, 1933, when he presented his reorganization amendment:

> I think, judging from the discussion which has taken place in this body within the last few days, that the Senate is of the opinion that there can be no real merger and consolidation of bureaus if we must wait for the Congress to act. I think, as I have said before, that the nearest earthly approach to immortality is a bureau of the Federal Government. We can never abolish a bureau of the Federal Government by an act of Congress. Whenever it is attempted, all the pressure is brought to bear by those interested in the continuation of the particular bureau.
>
> I came to the House of Representatives in 1911. I remember then, learning of the efforts that had been made to reorganize the Customs Service; and though the Congress wanted to abolish customs districts and the position of collector of the port at many places where men were drawing large salaries—the salaries being four or five times as great as the receipts of the office—Congress never would accomplish the reduction in the expenditures of Government. Finally the Congress authorized the President to reorganize the Customs Service. The President brought about that reorganization, and it has functioned with greater efficiency since that date.

This attitude is so well known that the Republican platform of 1932 declared:

> Efficiency and economy demand reorganization of Government bureaus. The problem is nonpartisan and must be so treated if it is to be solved. As a result of years of study and personal contact with conflicting activities and wasteful duplication of effort, the President is particularly fitted to direct measures to correct the situation. We favor legislation by Congress which will give him the required authority.

Next let us see what was to be done about the Civil Service Commission. It is now a purely administrative body, consisting of three persons appointed by the President and removable by him. The House bill proposed a single administrator appointed for 15 years, so as to be free from political influence, and who was to be selected—

> Without regard to any political qualifications and shall be a person specially qualified for the office of administrator by reason of his executive and administrative qualifications with particular reference to his knowledge of accepted practices in respect to the functions vested in and imposed upon that office by law.

It was contended that there was no more reason for a commission to head up this activity than there was for a commission of three to head the Treasury, the War Department, or the Navy Department. President Hoover in 1932 recommended the—

> Adoption of the general principle that executive and administrative functions should have single-headed responsibility.

It was claimed that from an administrative standpoint a commission was a debating society and not a vehicle of effective administration. Over the whole activity there was to be set up a citizens' body of seven members, each with a term of 7 years, to act as a watchdog of the merit system. This whole scheme had the endorsement of the National Civil Service Reform League; Mr. Henry J. Reining, chairman of the national committee on public personnel standards of the United States Junior Chamber of Commerce; the Federation of Architects, Engineers, Chemists, and Technicians; and the National Federation of Federal Employees. Its whole purpose was to bring into the Government service a

higher type of public servant so much needed in the days of broadening Government activities.

In the reorganization of the General Accounting Office, the House bill retained the Comptroller General on a 15-year-term basis, as now provided by law, and established in the same office a new functionary known as the Auditor General, with a 15-year term, removable by Congress only. The change was justified on the ground that the control of finances as to their availability, the custom of preaudit and settlement of disputed accounts should be vested in one officer, to wit, the Comptroller General, and the audits should be in the hands of an independent official accountable to Congress. Under this plan it was urged the Executive, in his spending capacity, would be held strictly accountable to Congress, which holds the purse strings. It is the accepted way of fiscal policy in leading nations of the world. At the present time the General Accounting Office, for instance, both settles and audits payments on disputed accounts, and its audits are so long delayed as to be about worthless. If this bill had been made a law, we should have had the auditing work proceed in a decentralized manner independent of, but practically simultaneous with, disbursement of moneys. President Hoover, in 1932, favored separation of control and audit of finances, and his idea was to turn over duties of settlement of claims, preaudit, and so forth, to the Bureau of the Budget, and confine the Comptroller General solely to the primary function of auditing the Government accounts. This involved the application of the same principles as followed in the House reorganization bill.

The proposed creation of the Department of Welfare was for the purpose of bringing under the wing of a new Cabinet officer various activities, such as the Bureau of Health, the Social Security Board, and originally the Bureau of Education, without in any sense giving additional powers to these units. Its chief purpose was to secure over-all supervision of these related activities. Since Congress appropriates the money for these activities, it has a tight rein on all these bureaus as to any extension of powers. In 1932 President Hoover recommended not a Secretary of Welfare—because at that time activities under this head were not as far-flung as now—but a Division of Education, Health, and Recreation in the Department of the Interior, so that he was thinking along similar lines. As far back as 1923 President Harding recommended the creation of a Welfare Department.

Fears that the new department would encroach upon the jurisdiction of private schools were denied after investigation by Cardinal Mundelein, of Chicago, in a message sent to the President reading as follows:

> As a result of my own investigation gathered from reliable and informed sources, I cannot find that the welfare or freedom of the Catholic Church is in any way menaced by the pending reorganization bill. My sole purpose in stating this to you is because we have been drawn into the discussion and my personal knowledge of your fairness to us would render any such action quite impossible on your part.

Now you have the gist of the bill which brought upon the Capitol a great avalanche of protesting letters and telegrams. I have no quarrel with but welcome the expression of informed public sentiment on legislative matters. I read every such expression communicated to me and many are helpful in my thinking. But I throw up my hands when I receive a letter as I did the other day from the officer of a concern in my district urgently recommending that I work for the abolition of useless offices, while on my desk at the same time was a telegram from this man's company telling me to vote against the reorganization bill. That just does not make sense. Other responsible men thought the bill had to do with the reorganization of private business establishments. This summary is therefore intended to clear the atmosphere of the misrepresentation and misstatement that were evoked by this attempt, unsuccessful as it was, to eliminate waste and inefficiency in ordinary Government administration.

America's Greatest Problem, Unemployment, Can Be Solved by the Enactment of the General Welfare Act (H. R. 4199)

EXTENSION OF REMARKS

OF

HON. MICHAEL J. KIRWAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1938

Mr. KIRWAN. Mr. Speaker, in these days of vast unemployment, distress, and unrest, we wonder and ask the question many times, "When are conditions going to improve to such an extent that our unemployment situation will be solved—when and how will idle men and women be put to work?"

We are all looking forward most hopefully to the time when the wheels of industry will begin to turn steadily and permanently—when our people will again be happy in the thought and security of resuming their work on a permanent basis, and each morning will find them happily on their way to their respective jobs in the steel mills, potteries, department stores, factories, and offices.

However, let us pause for just a moment to consider the man who, having reached the age of 45, applies for a job. Will he be accepted at the employment offices of the various industries? Will he be fortunate enough to be included among those who will go happily on their way to work each day? In practically every field of industry the man of 45 and over finds himself excluded. I have particularly noticed that on most every civil-service examination that is posted the words appear, "Persons 45 years of age and over not accepted for examination."

Are we to assume that the time has come when many millions of good American citizens who have devoted their entire lives and all of their efforts toward building this beloved country of ours would be deprived of finding employment and the means of making a livelihood for themselves and their families simply because they have reached a certain age?

We are a nation made up of all classes and represent all phases of industry. There are those who control the wealth of our Nation which has been invested in agriculture, manufacturing, and retailing business, and so forth, and there are others eager to serve the American public, who are trained and qualified, willing and anxious for an opportunity, asking in return but a fair and just compensation for their services and efforts.

We all know that the manufacturing of products employs the bulk of American labor, and that the manufacturers cannot employ labor unless there is a demand for their products—and that demand cannot be had unless the people spend money. We have found that the direct cause of our financial crises, therefore, is wholly because of the fact that when people stop spending their money depressions immediately develop.

President Roosevelt, promptly upon taking office, recognized that money must be spent by the people if recovery was to be assured, and to do this various Government bureaus were created and plans outlined for an immediate recovery program. Large sums of money have been appropriated from the Federal Treasury with which great numbers of unemployed have been hired. A precedent never before established by our Government was created—that of hiring groups of men and women in time of depression; giving them work for the sole purpose of forcing cash money into circulation in an effort to end the depression and reduce unemployment, suffering, and want.

This Government recovery program has helped somewhat, at least toward supplying our people with the bare necessities

of life and to keep them from hunger. However, some permanent recovery plan must be devised that will tend to take care of the people who have reached the age where private industry cannot utilize their services—and one that will prevent our people from becoming a charge to either immediate family relations or to the county and State in which they reside. This is our obligation, which we must assume—and for which we must find a remedy now.

The huge business enterprises of this Nation cannot much longer carry on and depend on their future support and maintenance entirely by the voluntary spending by the people of their own hard-earned money, in sufficient quantities to keep business and industry running normally.

The General Welfare Act of 1937, H. R. 4199, is now before the Ways and Means Committee. It contains three major factors which, in my opinion, makes it the most valuable recovery and reemployment plan so far devised.

First. The amount of annuity received by each person must all be spent in buying and spending, through which enough new business will be created to employ additional people to serve them.

Second. The forced spending feature of this plan guarantees that ample new business will be created. Therefore, the new jobs will be positively assured and unemployment ceases to be a major factor in our economic system.

Third. The forced retirement of older persons from industry, with sufficient means to continue and in many cases increase their spending power, guarantees creating employment for as many younger people as there would be jobs vacated, which alone would absorb practically the entire army of unemployed. This would tend to take care of our youths who are graduating from high schools and colleges, ready to start the task of seeking employment to earn their livelihood.

Many of us will remember back to the year 1921, when hearings were being held in the House and Senate, in accordance with President Harding's request for a "prompt and thorough revision of the internal-revenue laws." At that time we were likewise in the midst of a severe depression and the country's greatest tax experts were being called upon to devise ways and means of a recovery program.

At that time the most popular tax proposed was a turnover tax ranging from 1 percent up. Surely whatever thought and study these experts gave toward working out a solution to our grave economic problem in 1921 would certainly be just as effective in working out a means of providing an annuity for our people who have reached the age of 60 or over. The General Welfare Act asks for only the proceeds of a 2-percent tax.

I am not one who believes that a national debt is a national blessing; but I am one who believes a national poverty is a national penance, inflicted upon us because after we came out of the depression of 1921 the Government did not immediately take the necessary precautions and strides to prevent future depressions.

In all of this vast economic and industrial structure of America there is not one emergency provision made to automatically step into the breach when financial troubles arise and furnish the financial spending power that should be provided and held in reserve, ready for that purpose whenever required to keep the wheels of industry and business turning with normal speed.

The only reorganization industry has had in recent years took place immediately following the 1921 depression. At that time big steel put all of their men on an 8-hour basis, and in a short period of time others followed suit. We had the greatest prosperity from 1922 to 1929 that this country has ever known. There were not sufficient men to supply the need that was created, and therefore signs were posted throughout the factories and shops to the effect that the company would pay any man a sum of from $50 to $500 who could devise ways and means of inventing machinery that would enable them to keep up with production, due to the scarcity of labor. Naturally everyone became interested in becoming an inventor to such an extent that today we are paying the penalty by having invented machinery which has replaced labor.

I heartily favor the General Welfare Act (H. R. 4199), because I believe that through it the welfare of our aged will be assured. This plan, known to many as the Townsend plan, has a Nation-wide following among the people of the country and I am glad to note a growing support among my colleagues. I am happy to say that my own State of Ohio—made famous by the number of Presidents it has produced—leads all others in organization and membership, and the people are actively proving to their representatives in Congress that they desire this proposed legislation enacted into law.

Many might have the opinion that the General Welfare Act in its original form may have a few rough edges, but they are insignificant enough and of such unimportance that they can be amended without any difficulty once the bill is brought to the floor and debated.

It is my firm opinion and belief that if the General Welfare Act were enacted into law it would permit our merchants and industries to carry on without the interruption of these periodic depressions and recessions and would solve America's greatest problem—unemployment.

The Bonneville Project

EXTENSION OF REMARKS

OF

HON. WALTER M. PIERCE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1938

STATEMENT OF J. D. ROSS, BONNEVILLE PROJECT ADMINISTRATOR

Mr. PIERCE. Mr. Speaker, on May 1, I asked permission to insert in the RECORD a statement prepared by Mr. J. D. Ross, Bonneville project administrator, explaining the kilowatt-year. Inadvertently, I added to my remarks a bulletin which was interesting and of value to every person studying public power, but it was not the explanation of the kilowatt-year which I desired to make available to my colleagues. I therefore include the following brief statement on this new concept of the privileges of power users:

What is a kilowatt-year?

In the last few weeks many persons have asked me that question. In Boise, in Pendleton, in Spokane—in fact, in all of the eight cities where we held Bonneville rate hearings—I have been asked to explain the significance of this electrical term.

For years folks have believed there is something mysterious and complicated about light bills, and they have been more or less right. Power companies have made their schedules so technical that it takes a college professor with a slide rule hours on end to figure them out. Not one person in a thousand can compute his bill from a meter reading.

I have promised that Bonneville rates will be low. We have also promised that they will be simple. No Philadelphia lawyer will be needed to figure them out. Perhaps that is something new to most people. But we are not afraid to try out new methods. That is why we placed the question of Bonneville rates before all the people. Our rate hearings in Oregon, Washington, and Idaho were the first of their kind. Never before did the people have a chance to say what price they thought they should pay for electricity.

Now, as to the kilowatt-year. Few persons know what a kilowatt is, but they are familiar with a horsepower. A number of years ago a fellow over in France tried out various horses to see what weights they could lift. Using a block and tackle, he found that the average horse could raise a thousand-pound weight 33 feet in a minute. So he called that a horsepower.

A kilowatt is roughly a horsepower and a third. To be exact, 1 horsepower is equal to 0.746 of a kilowatt. And a kilowatt, as its name implies, is a thousand watts. Kilo means thousand. And watt is the unit of power named after the famous inventor, James Watt.

Everyone is familiar with the ordinary 1,000-watt lamp. Well, when that lamp burns 1 hour, we have a kilowatt-hour. If the 1,000-watt lamp burned continuously—day and night—throughout the year, it would consume a kilowatt-year of electricity. So a kilowatt-year is merely a thousand watts taken steadily for 365 days.

In a year there are 8,760 hours; so in a kilowatt-year there are 8,760 kilowatt-hours. If we sell you a kilowatt-year of electricity for a given price, you can use that kilowatt each hour for the 8,760. That would be 100 percent utilization, and your cost per kilowatt-hour would be low. If you used the kilowatt of power only from noon to midnight of each day, you would use 4,380 kilowatt-hours of electricity. Each kilowatt-hour would then cost you twice as much. You would be buying 8,760 kilowatt-hours, but using only half of them.

At Bonneville Dam the Columbia River flows steadily westward to the sea. Day and night it produces electricity as the water passes through the penstocks. We must use that power as it is produced or it is lost forever. So I have suggested selling electricity to cities on the basis of the kilowatt-year. Pay so much per kilowatt-year. Take all or any of the 8,760 kilowatt-hours during the 12-month period. The price will be the same.

Such basis of selling electricity would lead districts and cities to encourage all-day use of power. Instead of just having a few lights burning in the evening, it would be economical to use the power all through the day; for irrigation, for refrigeration, for cooking, for water heating, and for other appliances. Families would buy more electrical equipment, irrigation would be encouraged, and everyone would benefit to the fullest from the great hydroelectric heritage of the Columbia River and its tributaries.

Here in the greatest power watershed of the Nation we should not operate our projects from the old scarcity standpoint. Our aim is not to get as much money as we can out of the people but, rather, to give them as much as we can for their money. One of the purposes of the Bonneville project is to establish the fair cost of electricity to end the practice of charging all the market will bear.

The kilowatt-year sales unit is based directly on the cost of producing power. No higher mathematics or juggled schedules enter into the determination of costs. The small consumer does not subsidize the large industrialist. We simply say, "A kilowatt-year costs us so much. Pay us our cost and use that kilowatt continuously, day and night, throughout the year. Let us use our electricity instead of wasting it by imposing prohibitive charges."

That is our idea of giving every housewife, every farmer, and every merchant the most for his money—the power he now pays for whether he uses it or not. There is no reason why the American family should use only half as much electricity as his neighbor in Canada. Certainly there is no reason for it here in the Pacific Northwest—the citadel of hydroelectric power.

Perhaps this is a new concept to American power users. Probably they never realized they were paying for electricity they never received. Millions of kilowatt-hours of hydroelectric power are wasted annually because people will not pay exorbitantly high rates. So the water goes over the dam. Wasted power and wasted human resources. For every kilowatt of that power could be used to relieve overtaxed muscles of men and women, to bring increased leisure and higher incomes to our farmers and housewives and merchants.

If the great Federal project on the Columbia River can introduce this concept into America's use of power, it will render high service to the men and women of our Nation. It will be conservation in the best and fullest sense—conservation of natural resources and conservation of human values.

Un-Americanism

EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1938

Mr. DICKSTEIN. Mr. Speaker, one of the many communications I received this morning regarding Nazi activities in this country is very much to the point, and I want to quote first the letter:

Mr. DICKSTEIN: Is this Germany or the United States? No; I am not Jewish but Scotch-Irish. Is there any red-blooded American guts in Congress besides you?

And then the editorial enclosed therein, which editorial I believe to be from the New York Post:

TRENCH KNIVES AND DEMOCRATIC PROCESSES

A question by a Legionnaire at a Nazi meeting in Yorkville Wednesday night led to an attack on him by storm troopers, the attack by storm troopers to a free-for-all.

The fact that one of the Legionnaires is near death with a fractured skull and concussion of the brain makes an investigation by police mandatory.

By what authority do Nazis carry blackjacks and trench knives as part of their uniforms? Have they a right to attack hecklers at their meetings? Who gave them the power of police?

These are some of the questions raised by the Yorkville Casino affair, and these are some of the questions a police investigation should answer.

At most meetings a heckler is a challenge to the cleverness of the chairman, not an invitation to violence. At most meetings police are expected to enforce order; the participants do not take the law into their own hands.

But these principles have no place in the handbooks of fascism. There the object is to instill terror; attacks on hecklers are regarded as useful training; disorder is sought or provoked to accustom the membership to violence and illegality. The Yorkville Casino affair was only a miniature of scenes that have marked the rise of Fascist movements in Europe. Some of our readers may recall, for example, the Albert Hall riot in London several years ago.

Readers may also recall that the Mosley Blackshirts who ganged up on anti-Fascists at Albert Hall in scenes of disgraceful brutality have dwindled in importance in recent years, as has the Fascist Croix de Feu in France. Laws forbidding political parties to wear military uniforms played a part in the decline of both organizations.

Nazis have the same right as anyone else to freedom of speech, press, or assembly. But freedom of assembly does not include the right to attack opponents or to take over the duties of police.

Nor is the wearing of political uniforms a necessary part of democratic liberty. One of the Nazis arrested at Yorkville Casino testified that his 5½-inch trench knife was part of his uniform. What do uniforms and trench knives have to do with democratic processes? We can see their usefulness in terrorizing opponents and attempting to seize power.

Isn't it significant that none of the democratic parties ever had uniforms? Doesn't the uniform set the whole tone of a movement toward seizure of power by force?

We don't think the broken English and imported goose-step of the bund more than a mosquito-bite menace to American democracy. But it might be well to consider the advisability of banning uniforms to political parties as England and France have done.

Mr. Speaker, I am in full accord with the above-quoted editorial and I am also in full accord with the innumerable demands made throughout the country that Congress take definite action against groups that are responsible for such undemocratic behavior as described in the editorial above.

A Real American Speaks

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1938

LETTER RECEIVED FROM MRS. ELLEN FAULKNER KOPF

Mr. HOFFMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert herein a letter received from Mrs. Ellen Faulkner Kopf, of Middleville, Mich., which is in my district:

MIDDLEVILLE, MICH., *April 21, 1938.*

The Honorable CLARE HOFFMAN,
Allegan, Mich.

DEAR SIR: It is a little late in the day for this message, but it is no less sincere because of that. Will you please convey the heartfelt gratitude of a plain and busy country woman to those Democratic Representatives, particularly those who so stanchly opposed the President's reorganizing program, proved themselves to be true patriots? It warms one's heart to know that there are men still who love and appreciate their country enough, and are wise enough as well, to guard it from the attacks of all enemies.

This administration has been an insidious foe. Mr. Roosevelt may claim, and may mean possibly, that he does not want to become dictator. But if that is so (which I much doubt), then he is either the "stool pigeon" of someone else who does not share his scruples, or he is a trifle (?) "daft" as the Scotchman says. For if each step in his program hasn't been planned and executed (mostly)

with just such an aim in view, then I do not know peas from pumpkins.

I would like to be able to trust the President—I think everyone feels the same—but I absolutely cannot. Anyone who takes the sacred oath Mr. Roosevelt has taken to support the Constitution and then deliberately tries, as he has tried, to discredit it and to circumvent it in every way possible, cannot be trusted. Neither is he my idea of a truly democratic American citizen nor a fit leader for this great country.

From my point of view, he has tried consistently to break down the backbone of this Nation. I mean, as you all know, "the great middle class." He has consistently harassed business, and now flays and goads it because it is either unable to arise or fearful of trying to do so, expecting still worse. He has consistently loaded the country with debt from top to bottom. I firmly believe that these Federal loans—loans to farmers, loans to home owners, and now loans to business—is but another means of giving the New Deal a stranglehold upon everything we possess or hold dear. And what then? Only those with imagination know the answer.

Another thing, in spite of all the sarcasm in regard to Mr. Roosevelt's statement, "We planned it that way," I think that he really did plan this recession, and with the expectation of the very results we see all about us. It makes more opportunity for each harassed soul to "sell his democracy (vote) for enough to eat," to quote the President himself. How else, either, could Mr. Roosevelt play the "Great White Father" and distribute largess to the natives (those whom he expects to influence at election time)? How easy with fine words, a few beads, and much firewater to make these innocents trade away their most priceless possessions.

I could write volumes upon this subject but you would not have time to read even if I had time to write all that could be said. I want to leave one more thought with you, however. Mr. Roosevelt is a very determined man. Election is coming soon and it will take "oodles" of money to unseat every man who opposes his will. Therefore you must be sure to vote "oodles" of relief money for him to use in the next campaign.

God bless and keep all of you who serve this Nation wholeheartedly, who have not a price upon your patriotism, and return you to office in the next election.

Most earnestly,

ELLEN FAULKNER KOPF.

P. S.—My husband joins me in asking you to oppose with all your might this new pump-priming program of Mr. Roosevelt's. Thank you.

Inapplicability of State Unemployment Compensation Laws to Railroad Employment After June 30, 1939, Under Proposed Federal Railroad Unemployment Insurance Act

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1938

Mr. MEAD. Mr. Speaker, in most of the States the possibility of the enactment of Federal laws upon the subject of unemployment compensation has been anticipated and express provisions have been made to avoid duplication. Forty-two of the 51 jurisdictions having unemployment compensation laws have included in such laws the so-called automatic exclusion provision. These provisions are derived in substance from the model bill prepared by the Social Security Board in January 1937. That provision is contained in the enumeration of services which shall not constitute "employment" within the meaning of the act, and is as follows:

> Service with respect to which unemployment compensation is payable under an unemployment-compensation system established by an act of Congress.

Accordingly, as soon as unemployment compensation becomes payable under the proposed Railroad Unemployment Act, that is, July 1, 1939, the provisions of the unemployment compensation law in each of these 42 jurisdictions will operate to exclude railroad employment from the operation of the State laws; also in Alabama carriers in interstate commerce have not been included in the State act. Again, the proposed Railroad Unemployment Compensation Act contains a provision specifically amending the District of Columbia Unemployment Compensation Act so as to exclude railroad employment—proposed bill, section 14. Thus, in 44 jurisdictions an adjustment to the coverage of the Railroad Unemployment Compensation Act will occur by the terms of the local laws themselves, and in the case of Hawaii there can be no possible question of the supremacy of the Federal power and the automatic operation of the proposed Railroad Unemployment Compensation Act to remove such employment from the jurisdiction of the local act.

However, reliance upon the operation of the local acts is not necessary. In enacting the Railroad Unemployment Compensation Act Congress is dealing with the most vital instrumentality of interstate commerce, and it has long been recognized that in this field the congressional power is supreme—*Gibbons* v. *Ogden* (9 Wheat. 1). The doctrine of the supremacy of the Federal commerce power does not merely operate to give preference to congressional legislation in the event of absolute conflict. Particularly with reference to the railroads, entire fields of legislative action have been taken over by Congress to the exclusion of State regulation.

In his dissenting opinion in the first railroad retirement case, Chief Justice Hughes mentioned various fields covered by Congress in the exercise of this power as follows:

> An absolute duty to furnish safety appliances has been imposed, restrictions of hours of continuous service have been prescribed, standards of a day's work have been established for work and wages, the liability of carriers for injuries to employees has been regulated by the abrogation of the fellow-servant rule and the limitation of defenses as to contributory negligence and assumption of risk, and provisions have been enacted to facilitate the amicable settlement of disputes and to protect employees in their freedom to organize for the purpose of safeguarding their interests. (*St. Louis, I. M. & S. R. Co.* v. *Taylor*, 210 U. S. 281, 52 L. Ed. 1061, 28 S. Ct. 616; *Baltimore & O. R. Co.* v. *Interstate Commerce Commission*, 221 U. S. 612, 55 L. Ed. 878, 31 S. Ct. 621; *Wilson* v. *New*, 243 U. S. 332, 61 L. Ed. 755, 37 S. Ct. 298, L. R. A. 1917E, 938, Ann. Cas. 1918A, 1024; *Texas & N. O. R. Co.* v. *Brotherhood of R. & S. S. Clerks*, 281 U. S. 548, 74 L. Ed. 1034, 50 S. Ct. 427.)

It will doubtless occur that this law is closely akin in principle to the Retirement Act. With that we agree. We submit that no lawyer now has any notion but that the dissenting opinion in the first railroad retirement case would now be the majority opinion of the Supreme Court. We think that we can safely proceed upon that conclusion.

The enactment of this measure, setting up a system of unemployment compensation applicable to the railroad industry making it clear in the measure that it is the purpose of the Congress to take over the whole field of unemployment compensation so far as the railroad industry is concerned, would take over the whole field and render any State unemployment compensation laws invalid with respect to persons covered by the act of Congress (*M. K. & T. R. Co.* v. *Harris*, 234 U. S. 412, 58 L. Ed. 1377; *Northern Pac. R. Co.* v. *Washington*, 222 U. S. 370, 56 L. Ed. 237; *Southern R. R. Co.* v. *Reid*, 222 U. S. 424, 56 L. Ed. 257).

The general rule supported by all the authorities is quoted in *M., M. & T. R. Co.* v. *Harris* (58 L. Ed. 1381), as follows:

> It is, of course, settled that when Congress has exerted its paramount legislative authority over a particular subject of interstate commerce, State laws upon that same subject are superseded.

Probably the decision most squarely in point upon the present question is *New York Central* v. *Winfield* (244 U. S. 147). In that case it is to be noted that the New York Court of Appeals had construed the New York statute on workmen's compensation to apply to nonnegligent injuries occuring while the employee was engaged in interstate commerce. This decision by the New York court was the final authority upon the meaning of the State statute and, as is pointed out by Mr. Justice Brandeis in his dissenting opinion, such a construction involved no definite conflict with the Employers' Liability Act. Nevertheless, the majority of the Court held that Congress had taken over the entire field and had thus caused State acts to become inoperative so far as injuries occurring in interstate commerce were concerned.

It is to be noted, further, that industrial accident compensation, no less than unemployment compensation, was primarily a matter of State concern and in the absence of congressional legislation could be validly applied to injuries to employees engaged in interstate commerce (*Missouri Pacific Ry.* v. *Castle* (224 U. S. 541). Nevertheless, upon the enactment of Federal legislation State legislation became inoperative as applied to injuries occurring in interstate commerce. It should also be especially observed in this connection that the dissenting opinion of Mr. Justice Brandeis was predicated upon a disagreement as to the intention of Congress to take over the entire field; he did not question the principle that upon a demonstration of such a congressional intention the State legislation would become inoperative automatically.

Congress, in the evident belief that it had the power to take over the field of unemployment compensation as applied to the railroad industry—or, to state the other side of the proposition, in the evident belief that the States would not have power to cover interstate carriers in their unemployment-compensation systems without the consent of Congress—enacted section 906 of the Social Security Act expressly extending the taxing provisions to such persons.

Justice Stone, in commenting on the probable reason for the exclusion of persons engaged in interstate commerce from the unemployment compensation law of Alabama, said:

> Fear of constitutional restrictions would explain the exemption of interstate carriers (*Carmichael* v. *So. Coal & Coke Co.*, 81 L. Ed. 1245, 1c. 1255).

Wisconsin, which enacted the first such law, made the inclusion of interstate carriers depend upon the election of such carriers. The other States included interstate carriers, but 42 of them have provisions manifestly written in contemplation of the enactment by Congress of a separate measure covering interstate carriers alone.

It is thus not at all clear that the States could validly have included interstate carriers in their unemployment-compensation systems without the consent of Congress expressed in section 906 of the Social Security Act, and the conclusion would follow a fortiori from the Winfield case that Congress has power to remove this field from the jurisdiction of State legislation.

Furthermore, the proposed Unemployment Compensation Act would remove the doubt upon which Mr. Justice Brandeis' dissent was predicated in the Winfield case by amending section 906 of the Social Security Act so as to withdraw the congressional consent to the inclusion of interstate carriers in State acts, and by declaring expressly in section 13 (b) that Congress makes exclusive provision for the payment of unemployment benefits for unemployment after June 30, 1939, based upon employment as defined in the act, and Congress expressly finds and declares that by virtue of the enactment of this act the application of State unemployment-compensation laws after June 30, 1939, to such employment would constitute an undue burden upon and an undue interference with the effective regulations of interstate commerce.

The act in this respect thus draws support not merely from the numerous decisions which have been referred to in part above with respect to the power of Congress to take fields of legislation under its exclusive jurisdiction, but also from recent pronouncements from the Supreme Court, to the effect that the determination of what constitutes an unreasonable burden on interstate commerce is a legislative function to be exercised by Congress. See, for example, statement of Mr. Justice Stone in *South Carolina State Highway Department* v. *Barnwell Brothers, Inc., et al.* (58 Sup. Ct. Rept., 510–516):

> [8, 9] Congress, in the exercise of its plenary power to regulate interstate commerce, may determine whether the burdens imposed on it by State regulation, otherwise permissible, are too great, and may, by legislation designed to secure uniformity or in other respects to protect the national interest in the commerce, curtail to some extent the State's regulatory power. But that is a legislative, not a judicial, function, to be performed in the light of the congressional judgment of what is appropriate regulation of interstate commerce, and the extent to which, in that field, State power and local interests should be required to yield to the national authority and interest.

It is believed that the materials above discussed demonstrate, beyond question, the effectiveness of the provision in section 13 (b) of the proposed bill to make ineffective any attempted action on the part of States to impose the burdens of their unemployment compensation system upon interstate carriers after June 30, 1939. There are, however, several additional aspects which may add to those materials. The proposed act includes nicely coordinated devices for transferring this field to the exclusive Federal jurisdiction. It protects the States with respect to previously accrued liabilities and it protects the employees in their accrued benefit rights and against any gap in their coverage, and it protects the Federal Government by providing for the transfer to the Federal Government of those reserve funds properly attributable to the risk being assumed by the Federal Government. The protection of employers against duplicate coverage is an integral part of this coordinated scheme and the provision of a definite cut-off date is essential to the effectuation of the congressional purpose. The provision in section 13 (b) therefore has the added support of the numerous cases which have held that the supreme Federal interstate commerce power extends to matters which are not a part of interstate-commerce regulations, if such extension is necessary to effectuate the legitimate congressional purpose. See, for example, *Colorado* v. *United States* (271 U. S. 153); *Alabama and V. Railway* v. *Jackson & E. Railway* (271 U. S. 244.)

In this same connection one cannot ignore the leading position which Congress has assumed in the whole field of social-security legislation. Although social-security legislation has been predicated upon the taxing and spending power, and it has frequently been said that the taxing powers of the Federal and State Governments are not mutually exclusive, nevertheless it has been universally recognized since the decision in *McCulloch* v. *Maryland* (4 Wheat. 316) that State taxation interfering with the legitimate activities of the Federal Government cannot be sustained. And in *Charles C. Steward Machine Co.* v. *Davis* (301 U. S. 548), Mr. Justice Cardozo dwelt at length upon the legitimacy of the Federal Government's interest in the promotion of unemployment compensation legislation and reached the conclusion that, in the light of history, such an interest was closely related to the Federal Government's protection of its own fiscal policies. While it may be too early to say, with assurance, that there will be recognized in this field a new area of paramount Federal control comparable to the paramount power in the bankruptcy and interstate commerce fields, it certainly cannot be denied that the Supreme Court is definitely aware of the leadership which Congress has assumed in this field. Consequently, even if any possible technical legal relevance of that circumstance is disregarded, it is inevitable that that circumstance would constitute a very persuasive factor in inducing the courts to effectuate a definite and unambiguous declaration of congressional policy, even though the legal bases for its effectuation had to be derived exclusively from the commerce power.

Again account should be taken of the type of tax through which unemployment compensation systems are universally financed, that is, pay-roll taxes. Both Mr. Justice Stone, in the Carmichael case, and Mr. Justice Cardozo, in the Steward case, hold it to be an excise tax in the nature of a privilege tax. It is imposed with respect to the relation of employment (*Carmichael* v. *Southern Coal & Coke Co.*, 301 U. S. 495; *Steward Machine Co.* v. *Davis*, supra). It is thus a tax which is imposed directly upon the relationship through which interstate transportation is carried on, and hence a congressional declaration with respect to its effect upon interstate commerce must be given controlling effect.

With respect to State powers of taxation in this field see Gavit, The Commerce Clause of the Constitution, p. 345; *Cooney* v. *Mt. State Tel. & Tel. Co.* (79 L. Ed. 935).

Resolution

EXTENSION OF REMARKS
OF
HON. J. PARNELL THOMAS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 4, 1938

RESOLUTION OF THE WOMEN'S STATE REPUBLICAN CLUB OF NEW JERSEY

Mr. THOMAS of New Jersey. Mr. Speaker, under permission to extend my remarks I include the following resolution passed at the annual meeting of the Women's State Republican Club of New Jersey on Saturday, April 30, 1938:

Whereas it is the fundamental right of the American people to communicate their opinions to their elected Representatives in Congress, one of whose duties it is to keep in touch with the sentiment of their constituents; and

Whereas the President has made derogatory comments upon this proper and constitutional procedure and is attempting to intimidate the Members of Congress by threat of reprisal in the coming primary elections and their constituents by superfluous investigation of their income-tax returns: Be it

Resolved, That we protest this dictatorial interference with a legitimate process of popular government, and that we request one of our New Jersey Representatives to present this resolution to the Congress in order that it may be spread upon the pages of the CONGRESSIONAL RECORD.

Put America Back to Work!

EXTENSION OF REMARKS
OF
HON. JOHN T. BERNARD
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 4, 1938

RADIO SPEECH OF HON. JOHN T. BERNARD, OF MINNESOTA, MAY 2, 1938

Mr. BERNARD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio speech made by me over the Blue Network of National Broadcasting Co., Monday, May 2, 1938:

Friends, America is young and strong, pulsing with vigor and ambition. The people who conquered a continent and built a nation are not yet ready to fold their hands and die. Their ingenuity devised thousands of machines to do the work of men. Their labor amassed the wealth of the richest nation on earth. Today men and machines and wealth are at our command, ready to fulfill the national ambition, capable of new and greater achievements. New conquests of nature, new inventions, new discoveries of science, new uses for the labor of men and machines—all these challenge the skill and vitality of our great country. America is read to go—looking for work. Work is our tradition and our destiny.

JOBLESS FOR 9 YEARS

For 9 years men and machines and wealth have been idle. And even before that our full capacity to produce was never even tapped. For much longer than 9 years we have had a "surplus" of human minds and human bodies for which no work could be found. We have had idle machines rusting in fields and factories, idle dollars lying sterile in our banks.

In 1933, 1934, 1935, 1936, and 1937 we made a start at putting men and machines and dollars back to work. In the summer of 1937, at the very height of the boom of hope for business, farmers, and workers, the disease of idleness broke out again. Idle men, idle machines, idle wealth. America had learned what long periods of idleness mean; the waste and want, the misery and despair they bring. And America had learned that this creeping paralysis of idleness can be fought—and conquered. Once more, in the summer of 1937, the cry went over the land, "Give us jobs. Use our brains and our brawn. Put America back to work."

PRIVATE INDUSTRY DOESN'T WANT YOU

Private industry heard that call in 1929, in 1930, in 1931, and 1932—and it had no answer except more lay-offs, more closed factories, more bank failures, and farm foreclosures. In 1937 private industry asked for another chance to respond to the challenge of America demanding work and opportunity. And the Roosevelt administration, yielding to the pressure of industry, waited—waited through the summer and fall of 1937, through the cold winter months while the jobless shivered, waited till the spring of 1938—till now. All America waited while hunger spread and hope dwindled; waited while once more men and machines grew weak and rusty in idleness. But the people had lost the habit of waiting in patience. Workers and farmers and jobless were organized, as they had not been organized in 1929. They had a new strength—the strength of their unity. They had a firmer will—a will steeled by the memory of all they had suffered, waiting through the Hoover years for a prosperity that never turned the corner. While big business counselled patience, the American people demanded action. "Put America back to work" grew from a whisper to a mighty roar.

PRESIDENT ROOSEVELT ANSWERS THE PEOPLE

In his recent message to Congress and the fireside chat that followed, President Roosevelt answered America with a program of work and recovery. Private industry had had its chance, and once more it had failed. Failed because its greed kept the fruits of their labor from the pockets of laborers, failed because prices outstripped wages, and purchasing power could not keep pace with the production of goods; failed because it did not want to succeed, seeing in economic failure the opportunity for political defeat of the New Deal.

IF BUSINESS WON'T, GOVERNMENT WILL

If private industry cannot put America back to work, said President Roosevelt, then Government will. There is work that needs to be done; roads to be built, rivers to span with bridges, floods to control, the land to be saved, schools and hospitals are needed. Men and women are clamoring for work. There is money for materials and wages. There is money for credit to farmers and loans to business. Let us put America back to work. Let the Federal Government start the wheels of industry turning again. Bring the idle dollars out of the banks and the Government strong boxes. Put them into the pockets of workers and farmers. Send the customers into the shops, with money to spend for the things workers and farmers produce.

That is the President's program. That is his answer to the people who want jobs, who want to work that they and the Nation may prosper.

LABOR UNITES TO SUPPORT ROOSEVELT

The people greeted the President's program with enthusiasm. The labor movement is united in its acclaim of this restatement of a traditional American doctrine. In a letter to James Madison, Sr., Thomas Jefferson wrote of the "fundamental right to labor the earth." President Roosevelt has reaffirmed that fundamental right for the America of today. All those who labor are ready to exercise their right to labor. Both the American Federation of Labor and the C. I. O. have officially endorsed the President's program. Labor's Nonpartisan League has endorsed it. The Workers' Alliance, speaking for the jobless 14,000,000, has taken its stand with all organized labor, employed or unemployed. The National Farmers' Union has spoken for millions of farmers, organized and unorganized, who want jobs for workers that they may find customers for their crop. Thousands of small-business men endorse the recovery program; they have already rushed to apply for R. F. C. loans to salvage their businesses, until reemployment can restore their customers and their profits.

BOONDOGGLERS OF HIGH FINANCE

The America which wants work is solidly behind the new recovery program. But there is a small, a very small, part of America which does not want work, which wants only to be let alone, let alone to sit on its money bags, let alone to live off the labor of others. This small but rich and powerful part of America screams its slogans of waste and fear and bankruptcy. The wasters of America's heritage, the wasters of land and forest and natural resources and manpower decry the "waste" of $3,000,000,000 to put America back to work. Those who put the fear of starvation and insecurity in the heart of America, those who feed fear with lay-offs and wage cuts—the peddlers of fear now tell America to fear a President who preaches the doctrine of security through work. And those who have bankrupted workers and farmers, who have grown great on the bankruptcies of corner grocers and small storekeepers, the monopolies, now warn the Nation of bankruptcy that threatens if our great and rich country invests $3,000,000,000 in building its future.

Shall we listen to the wastrels when they preach thrift? Shall we listen to the fear mongers who pretend to share our fears of starvation when we know that they are afraid only for their own millions? Shall we listen to those who have proved themselves

bankrupt of a program for putting America to work when they whimper of bankruptcy?

The wastrels, the fear mongers, the bankrupts, are dinning their opposition to the President's recovery program in the ears of the Nation. Senator VANDENBERG and Republican Chairman John Hamilton shouted for them over the radio. The press which vainly thundered against President Roosevelt in 1932 and in 1936 thunders against him today. The mail of Congressmen and Senators weighs in heavier every day with the letters from Wall Street and the chambers of commerce, the engraved letterheads of substantial citizens who want to waste the Nation's substance that their own may wax fatter.

THE STRATEGY OF WALL STREET

In Congress few who must face the people at the polls in November dare to say openly that they oppose the people's will for jobs or relief. But while business makes an open and frontal attack on the recovery program the stooges of monopoly capital plan defeat by trickery and flank attack. Every attempt will be made to delay a vote on the appropriations for relief and public works. The red herring of "dictatorship" will be drawn across the path to recovery by Congressmen and Senators who will try to dictate how and when and where the money is to be spent. We shall meet with all kinds of amendments designed to keep the program from fulfilling its purpose of putting men to work. "Perfecting" amendments will whittle away at farm security, direct relief, and the public-works program. There will be a call for defeating the whole program on the ground that it falls short of perfection. And once again we shall hear from the stanch defenders of States' rights, who will continue to assert the right of the States to let their citizens starve rather than accept Federal aid.

PROGRESSIVES UNITE

It will take all the strength that all progressive America can muster to defeat those who want to thwart America's will to work. The idlers who have chained American energies before, fettering to their greed for profit productive America, will use their tremendous power to hold America back once more. The boondoggiers of high finance will be lavish with their money in the effort to deny Americans the "fundamental right to labor the earth." For if they succeed in prolonging and deepening the present recession, they hope to succeed also in breaking the back of the trade-union movement and the political power of Franklin D. Roosevelt.

The President's recovery program is far from adequate. Alone the three rounds of ammunition the President has asked for will not assure victory over hard times, nor keep them from getting harder. We need also in our arsenal a wage and hour bill, and adequate tax laws genuinely based on the principle of ability to pay. A satisfactory wage and hour bill will swell the "trickle" of prosperity flowing from the top down to a more equitable stream, thus increasing purchasing power. A better tax system will skim off the top of the industrial bottle some of the cream the monopolies now hoard there.

Enemies of the President's recovery program know this. They defeated progressive tax legislation in this session of Congress and assured for themselves a higher concentration of cream on top. By holding the wage and hour bill again in the iron grip of the House Rules Committee, in spite of united A. F. of L. and C. I. O. support for this measure, they think to make sure that the trickle thins or dries up. These victories have whetted their appetite for more and encouraged them to believe that they can give both the trade unions and the New Deal a coup de grace by killing or emasculating the recovery program.

The fight has already begun, and for America this battle may have decisive consequences. Are you going to do your part to assure a victory for progress?

WHAT DO YOU WANT?

What do you want? Do you want a job, security in that job? Do you want food for your family, clothing and shelter for yourself and your children? Do you want to use your skill and your strength for building a better America, and a share in the enjoyment of what you build? Do you want to be free of your fears? You do not fear lest your millions dwindle by one hundred thousand or two. You fear starvation, eviction, the loss of your farm, the loss of the opportunity to work. Do you fear that America will bankrupt itself by working and producing more wealth? No; you fear only the bankruptcy of hope, the bankruptcy of a Nation whose people can find no way of renewing the Nation's strength by the expenditure of their own.

SPEAK WITH ONE VOICE

Do you want the President's recovery program to pass? Do you want America to go to work? Then you must speak with one voice, drown out the doomsayers who call for defeat. Progressives in Congress will unite in support of the recovery plan. Those who unite against it, though they call themselves Republican, Democrat, Progressive, or Farmer-Laborite, will be revealed in their true colors—the colors of reaction. You must speak, through your organizations, and individually through letters and penny post cards. You must speak for progress, for the President's recovery program. You must demand with all the strength of your growing unity: Put America back to work!

Wage and Hour Bill

EXTENSION OF REMARKS
OF
HON. ROBERT G. ALLEN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1938

RADIO ADDRESS OF HON. ARTHUR D. HEALEY, OF MASSACHUSETTS, MAY 3, 1938

Mr. ALLEN of Pennsylvania. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address made by my colleague, Hon. ARTHUR D. HEALEY, of Massachusetts, over the Columbia Broadcasting System, Tuesday, May 3, 1938:

Ladies and gentlemen of the radio audience, on Friday last, by a vote of 8 to 6, the Rules Committee again obstructed the orderly process of the Democratic parliamentary system by refusing to report a rule for consideration of the wage and hour bill by the House. It is again necessary to resort to the petition method of obtaining action on this badly needed legislation. This will require the signatures of a majority of the Members of the House of Representatives. However, despite the tremendous difficulties presented by the necessity of obtaining 218 signatures within the limited time available under the rules of the House, I know that the friends of this legislation will exert every effort to accomplish that task so that the bill may be acted upon before adjournment of this Congress.

The bill reported by the Labor Committee this session does not differ in its philosophy from the bill defeated by a narrow margin last session but only in the mechanics by which the objective is to be approached. Both bills have as their eventual objectives the establishment of a minimum wage of 40 cents an hour and a maximum workweek of 40 hours. The present bill sets a beginning minimum wage of 25 cents an hour to be automatically increased each year by 5 cents until a limit of 40 cents is reached. The maximum workweek is to begin at 44 hours and be reduced each year by 2 hours until 40 hours is reached. A longer workweek may be permitted if time and a half is paid and employment of children under 16 and, in hazardous occupations under 18, is eliminated.

I believe the 25-cent minimum is pitifully low and inadequate, although it will be increased to 40 cents in a period of 3 years. But this would at least be a beginning. It would establish once and for all the principle that subsistence wages should be paid even to those lowly workers unable to protect themselves by collective bargaining. It would be a step toward ending the starvation wages which impair the health and well-being of millions of workers and cause depletion of mass purchasing power, serious dislocations in established industrial centers, and disruption of the whole economic pattern of the Nation. And bear in mind that even the starting minimum rate of $11 fixed by this bill is considerably higher than many factory workers are now receiving. Recent reports from the Department of Labor indicate that in shirt and garment factories in many sections, employees have been working for wages of $6 and $7 and even less.

This legislation is desperately needed. The greatest evil of our economic order is lack of purchasing power in the hands of the masses. This has been caused largely by the displacement of men by high-speed machines and low sweatshop wages. It is claimed by competent authority that a worker can produce 75 percent more today than in 1921. This means that machines have pushed workers right out of their jobs, and nothing has been done to compensate for the lost jobs and buying power. Sweatshops and low-wage areas have grown like mushrooms in all sections of the country, imposing upon workers miserable wages and peonage conditions. They have cut down buying power, undermined decent industry by ruinous competition, snatched away markets, lured factories out of high-standard areas, and flourished on the devastation caused to established industrial centers. This alarming growth of low-wage areas threatens to engulf all industry and impose a low standard on the whole Nation. We cannot afford to let that happen.

During the last session of Congress those of us who pleaded for this legislation called attention to this sabotage of American industry. We showed that widespread unemployment would persist and the standard of the wage earner sink unless we spread out work opportunities by putting a ceiling on hours and increased purchasing power by putting a floor under wages. We stated that Government spending could not be ended until we put people back to work in private industry. We pleaded that decent industry was fighting with its back to the wall against the ruinous competition of the sweatshop. And this is evidenced by a typical letter I received from Mr. Palmer, president of Cluett, Peabody & Co., in

which he states: "In many sections of the country wages were so low and hours were so long that it made it impossible, or most difficult, to obtain business by companies that were paying good wages and working reasonable hours. * * * We had hopes that there would be a new bill controlling this situation within reasonable limits."

I believe the failure of Congress, by the slight majority of 18 votes, to enact a wage-hour bill during the last session served to continue and intensify the recession. Immediately after the wage-hour bill was recommitted employers began to cut wages to meet the competition of areas where sweatshop conditions had been established. The growing epidemic of wage slashing today is evidenced by newspaper stories of the past week announcing a general 12½ percent reduction of wages in New England woolen mills that may affect as many as 25,000 operatives. And other branches of the textile industry are following suit. It was estimated that by week's end, in the State of Rhode Island alone, 20,000 workers will receive pay cuts. And the single reason given for the cutting is the ruinous competition of low-wage areas. Only passage of this legislation can stop this widespread wave of wage cutting.

A striking illustration of the devastation of high-standard areas by sweatshop competition is presented by my own State of Massachusetts, whose high-labor standards are now menaced with wholesale wage cuts unless this bill is passed. Massachusetts, long preeminent in the manufacture of shoes and textiles, has seen its commanding position swept away by the corrosive competition of sweated industries. Between 1923 and 1933, the New England textile industry lost nearly 120,000 jobs, mostly from Massachusetts. One hundred and twenty thousand jobs were taken out of that industrial region principally because of low wages elsewhere, leaving thousands of families to their own resources or the resources of overburdened local public-welfare agencies. During the same 10-year period following 1923, Massachusetts saw its annual pay roll in manufacturing dwindle from $799,000,000 to about $354,000,000. In other words, according to Census Bureau figures, $445,000,000 in annual wages—more than half the total—was lost during that period by Massachusetts wage earners. During the same 10-year period, Massachusetts lost about 269,000 jobs in industry. Almost one out of every two jobs had vanished from that State. And the same thing has been going on wherever industry has tried to maintian decent and reasonable labor standards.

These runaway industries have brought no benefit to the communities in which they have located. They have only imposed upon them the poverty and wretched standard of living which are the usual incidents of substandard wages and sweatshop conditions. And let us consider the loss to the Nation as a whole. If 50,000 jobs in the northern textile industry are transferred to the South—and many more have—with a differential of $4 a week for each person—and except during the brief interlude of N. R. A. the differential has averaged more—the result is a decrease in wages paid of $200,000 a week or $10,000,000 a year. Ten million dollars of precious purchasing power has vanished—disappeared. It will no longer find its way into the hands of the farmer and industrial worker, nor will it longer serve to spin the wheels of industry to provide jobs for those who have lost their employment and the young people coming out of schools who have never had a chance to obtain jobs.

My friends, the most constructive solution to our economic ills yet advanced has been wage-hour legislation. It is the only logical approach to the problem of providing jobs in private industry for the unemployed and increasing the mass purchasing power of industrial workers. We know that this legislation rises out of the necessities of our economic order. It is also demanded by the moral law of nature and of reason—as is shown by the teachings of the encyclicals of Pope Pius XI. I quote short excerpts therefrom: "The wage paid to the workingman must be sufficient for the support of himself and his family." "The state must take every measure necessary to supply employment, particularly for the heads of families and for the young."

In rendering the majority decision of the Supreme Court on the Washington Minimum Wage Act, the Parrish case, Chief Justice Hughes states: "The exploitation of a class of workers is not only detrimental to their health and well-being but casts a direct burden for their support upon the community. What these workers lose in wages the taxpayers are called upon to pay. The bare cost of living must be met. The community is not bound to provide what is in effect a subsidy for unconscionable employers."

This legislation does not seek to regulate all industry. It merely proposes to clear the channels of interstate commerce of the antisocial employer who refuses to pay subsistence wages and maintains oppressive and unnecessary long hours. We now have a golden opportunity to eliminate these practices which are drying up the wells of interstate commerce.

The underlying principles of this legislation will not die. It is my belief that an overwhelming majority of the American people favor this bill and desire its immediate passage. However beset with obstacles the path to its enactment, those of us in the Congress who are its friends will continue to wage an unremitting fight for its passage before this session of Congress passes into history.

National Defense

EXTENSION OF REMARKS
OF
HON. HENRY C. LUCKEY
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1938

CONSOLIDATING MILITARY, NAVAL, AND AIR SERVICES URGED FOR SAFETY

Mr. LUCKEY of Nebraska. Mr. Speaker, under permission granted me to revise and extend my remarks, I wish to insert the accompanying letter written by Maj. Gen. William C. Rivers, United States Army, retired, on April 21, 1938, in which General Rivers comprehensively discusses the need for a department of national defense such as is provided in my bill, H. R. 5785. I call the attention of my colleagues in the House of Representatives to this letter, written by an outstanding expert, as follows:

"Defend us! Defend us from our enemies—our neighbors!" That cry goes around the globe. All nations resound with it. All countries are spending their available moneys and pledging their financial futures to make war implements and to improve their government organizations for fighting.

We shall certainly have war machines enough—on land and sea and in the air—when the requests now under consideration by Congress have been made into laws. I recently sat for several days in a room where a large committee of the gentlemen in Congress have been working with thoroughness and assiduity for many weeks on one of the numerous proposals for making war machines to defend us, they say.

But I heard of no proposals to improve our Government organization for fighting so that we may, if necessary, make war in a more efficient and economical manner. I desire, therefore, to submit a recommendation for a better organization of our fighting forces after having been a practitioner of war in three continents, at times in close joint operations of our Navy and Army.

There is acute need for a single department of defense consisting of three coequal, separate armed services—the Army, Navy, and the Air Corps. We should have a Cabinet officer of defense. There should be a civilian at the head of each of the three armed branches. We should have a small college of national defense. Nineteen of the principal nations, all except the United States, have such an organization for defense. We now have a Secretary of War and a Secretary of the Navy. Our air service is in two parts—one a part of the Navy and one a part of the Army.

It is generally admitted that in war all the defense operations will have to be coordinated by an official who devotes his whole time to this task. The Cabinet secretary of defense will thus be able to make inspections and keep informed concerning the progress and work of each of the armed services in order to render his supervision prompt and effective. It is also generally admitted that the President cannot have the time to coordinate the operations during a modern war. However, there is some opinion in Congress and elsewhere that the President will coordinate our defense operations under his war powers; that we should await the arrival of a major emergency before disturbing our present organization; that so important a matter should be left for attention during the turmoil and the confusion of the first stages of a war.

At present the lack of any effective coordination is evident at the very start. A committee of the Congress on naval matters examines no Army men as to the fortifications of the harbors, so essential to the Navy. A committee on Army subjects sticks to Army matters closely. There is never a joint meeting of such bodies in the efforts for coordination. Six committees in the two Houses of Congress pass upon national defense; they are constructed, or for lack of time have to so work, on what the Navy calls watertight compartment plans. There is acute need for having but two committees—one in each House—for the study of national-defense subjects.

The Chief of Operations of the Navy and the Chief of the Army Air Corps have recently made statements which may indirectly throw light on the subject of the best organization for defense services. The senior admiral gave his judgment concerning and his replies to questions about many naval matters to the House Naval Committee over a number of days. Asked for his opinion on the state of the harbor defense on our west coast and in Hawaii, I understood the admiral to say, "That is an Army matter." It is really a matter of national defense, not a matter of the

Army or the Navy. If the chief witnesses at these hearings were the secretary of national defense and officers from his staff, there would be great gain for the committee and much improvement in clarity and coordination. These twilight zones would not then exist.

The Chief of the Army Air Corps recently underwent similar examination. One of the inquiries was about the missions of the two air services of the Army and the Navy. These questions referred to duplications of functions and as to one service trespassing upon the prerogatives of the other air branch. The Army Air Service is supposed to perform all air operations from the land bases. Navy aviation performs air operations connected with the fleet. Yet the Navy requires shore aviation stations for air operations connected with the work of the fleet. Then there is the air protection—and the artillery protection—of the large naval ports or bases.

The late Secretary of War John W. Weeks found during his work in charge of the War Department administrative overlapping and administrative conflict, as well as waste, brought about as a result of the lack of coordination of the two services. He was much in favor of having a single secretary of defense. Of course, there is naturally much duplication in airfields, in hospitals, and supply storage, and in purchase and procurement.

The general policy as fixed by Congress assigns the Army about 60 percent of our airplanes, the Navy about 40 percent. In a recent address the head of the Army Air Corps said by next June he would have about 1,900 planes and by 1940 the authorized 2,320 planes. The Navy has about 2,000 planes, and under the bill now being considered will have a minimum of 3,000 planes. It has been several years since the Baker board fixed the number of planes for the Army at 2,320.

If it requires years to get the 2,320 planes, why not try the new method—the plans adopted for a single department of defense by all other countries? The able report of the Federal Aviation Commission in 1935 gives much valuable information which will aid greatly in a study of this subject. That is the only board on aviation ever authorized by Congress. All the members were civilians and with ample funds appropriated for the work of the board.

The Chief of the Army Air Corps said in an address recently that air power has become almost another branch, almost another armed service. That is the reason for the difficulty in making its place in an organization for national defense. It is an undoubted disadvantage that the powerful air arm is divided into two parts and that the heads of the air contingents do not have the right of direct access to Congress. As matters now stand the heads of the Navy and of the Army have, in the last analysis, the decision as to the amounts to be allowed the air forces. An admiral in charge of aviation, or a commander with much experience with lighter-than-air craft, might tell a committee that they recommended such airships. Yet under the present system the senior admiral or the Army Chief of Staff gives the committee the final and doubtless the deciding suggestion about all such matters.

Congress should provide for the creation of a powerful, homogeneous air force; it should have its own laws for promotion, pay, and retirement. It should form one of the three coequal armed branches in the department of national defense. The part of the air force which is to go to war under Navy command would, of course, train in peace under Navy command. The contingent of the Air Corps which is to go to war under Army command would train under Army command in peace. The Chief of the Air Corps would direct the preliminary training at the several land aviation schools and depots and also direct research, procurement, and the necessary supply services. He would also control a reserve of the air force, subject to the orders of the secretary of national defense.

WILLIAM C. RIVERS,
Major General, United States Army (retired).

NEW YORK, *April 18, 1938.*

The Recovery Program

EXTENSION OF REMARKS
OF
HON. PATRICK J. BOLAND
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 4, 1938

ADDRESS BY HON. SAM RAYBURN, OF TEXAS, APRIL 30, 1938

Mr. BOLAND of Pennsylvania. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Hon. SAM RAYBURN, of Texas, Saturday, April 30, 1938, over radio station WOL:

A great hub-bub is being raised just now against Government spending. Citizens are being incited to lift up their voices and take their pens in hand to protest against efforts of the administration to get the faltering business machine going again, to keep people from losing their jobs, and to provide jobs for those who have none. "The country is being driven into bankruptcy," is the refrain of this shrill song.

Whence comes this loud chorus? What is its source? Who is the conductor wielding the baton marking time for the singers, most of whom are joining in without having the slightest idea of the words of the song or meaning of the staged performance?

Is it a spontaneous expression of the feelings of the millions of men and women who have been given work on Government projects in order that they might eat and have shelter? Are the million heads of families whose small homes were saved from foreclosure by Government loans suddenly rising up in anger at the Federal Government because their property was not sold out under the mortgages? Have the hundreds of thousands of young men and women who were enabled to continue their education become resentful? Are the millions of farmers whose produce could not be sold for enough to pay them to take it to market, now disgusted with the Government which extended them aid and looking gratefully to the friendly packers and grain exchanges as their saviors? Do the aged and unemployed who have been given a measure of security blame the administration for having robbed them of their individual initiative and demand that the props be pulled out from under them?

No. You will find that the complaint against Government spending has not been raised by any of these or other millions of people who have been saved from hardship or misery by the considered policy of this administration that the troubles of the individual citizens of this country are not just their private misfortune but are something of which the right kind of democratic government should and must take cognizance.

This declared policy, of course, has met with opposition in some quarters, which is natural. Fear has been spread with reference to Government spending. Allow me to say that nobody in a position of responsibility in Washington wants to spend one unnecessary penny. Our sole and only purpose is, by spending the minimum amount of money, to bring about employment, and therefore give a great sector of our people a buying power, which should interest and benefit everybody who has anything to sell. It is regrettable that from some quarters still come people who seem to be willing to spread fear among the people. There is no greater disservice that an individual American could do to his country and the citizens thereof than to be everlastingly saying that we have already or will spend the country into bankruptcy.

I can remember that less than 4 years ago some of the greatest leaders in business in the country were asserting that a country as great and as rich as this could safely owe $60,000,000,000. That is a staggering sum, and it is such a sum that we hope this country will under no circumstances ever owe. What we are trying to do here by what some people call the "spending" program, but which we prefer to call the "recovery" program, is to bring about a degree of prosperity among all of our people that Government spending will be unnecessary and such a degree of prosperity will come to our people—big or little, financially—that we can begin to pay off our national debt at as early a date as possible and as rapidly as possible. Some people fear to spend this money. Others, looking conditions fairly in the face, fear not to do something. If you will look up statistics, you will find that the fiscal year beginning July 1, 1936, and ending July 1, 1937, was all in all one of the best years we have known in many. With as few banks failing in that time as probably any year in the history of the country for a half century, and people with confidence in them to the extent that the deposits in the banks reached an unexpected sum, and with the thirty-odd millions of people living on the farm selling the products of their labor at a price that gave them a reasonable buying power, many people—myself among them—cannot quite understand why the so-called recession began to gather in the fall of 1937.

Our country is still great in natural resources, great in development, great in wealth. There is no reason why a pull together by all of us should not make us again the most prosperous Nation upon the face of the earth. Let's dispel fear instead of adding to it by being Thomases who doubt.

Intelligent and disinterested people will not be fooled by this cry of alarm. When the wolf begins to show great concern for the safety of the sheep, and the weasel appoints himself protector of the chicken roost, it is well for the sheep and chickens to be wary and skeptical.

Despite all the splendid results of previous spending by the Government, the administration is not embarking on another program of that kind just because it loves to spend the people's money. The program is proposed and will be undertaken solely because it has been made necessary by the failure of some businesses to adjust themselves to changed conditions, to recognize that many of the old methods are obsolete, and to display the intelligence and vision to devise better, juster methods in their place.

The situation was well stated by President Roosevelt in his recent fireside talk. "Five years ago," he said, "we faced a very serious problem of social and economic recovery. For four and a half years that recovery proceeded apace. It is only in the last 7 months that it has received a set-back. And it is only within the past 2 months, as we have waited patiently to see whether the forces of business itself would counteract it, that it has become apparent that government itself can no longer safely fail to take aggressive government steps to meet it.

And why should the Government take these aggressive steps that the President speaks of? The Government under Harding and Coolidge and Hoover never took any such steps. Why not let things alone? Why not let natural forces work freely and solve all our difficulties? This is why: Because the attitude of the National Government toward the people has been changed under

the New Deal. No longer are the unemployed and the homeless told to repair to soup kitchens and flophouses. As President Roosevelt said further in his fireside talk, "I conceive the first duty of government is to protect the economic welfare of all the people, in all sections and in all groups. * * * I know that many of you have lost your jobs, or have seen your friends or members of your families lose their jobs, and I do not propose that the Government shall pretend not to see these things."

There you have the reason for a new program of governmental expenditure. It is necessary because business itself, after being put on the road to recovery, either could not or would not live up to its opportunity, because in that case the Government could not allow the victims to suffer. And if you believe in putting human values above material values and comfort for the many above luxury for the few, it is a good and sufficient reason.

But human values, primary as they are and essential as they are to a healthy society, are not the only values preserved and produced by a wise Government spending program. The money is not wasted; it has not "gone with the wind," as some assert. The Government expenditures of the past 5 years have immensely increased the material wealth of the country. In addition to providing work and giving a stimulus to business, the works programs have created assets of permanent value in projects, some of which even time will never destroy. These are to be found in every State of the Union and almost in every county. There is hardly a town or hamlet in the whole country which has not been touched in some way and benefited in some degree by these Government expenditures.

These results are evidenced by thousands of miles of good roads, thousands of fine public buildings, thousands of bridges, thousands of miles of sewers and watermains, great dams for power and for flood control, docks, powerhouses, airports, and parks. Millions of trees have been set out to replace destroyed forests or to prevent erosion. The number of truly important results of Government spending of this character is too great even to attempt to name them.

So it is simply not true that the money has been dissipated in useless ways and wasted. Great sums of money have been spent, but the people, the whole people, have something to show for it. Counting both human and material values, they have received as much for their money as anyone ever obtained in a fair private transaction.

This is good to remember when the same people who are so alarmed about the credit of the National Government point with admiration to the activities of the British Government and the "recovery" it has brought about. Let us examine that so-called recovery program and see if you prefer the British way. The national debt of Great Britain, with 40,000,000 population, is already approximately $4,000,000,000 larger than that of the United States with over three times that population. The British Government is committed to spend seven and a half billion dollars on armament. One and a quarter billion dollars of that is in the pending tax bill, and half a billion dollars more is to be raised by a loan. This will bring the total tax of the British people up to $27.50 out of every hundred dollars of their income, or, in other words, a tax of 27½ percent. Seven and a half billion dollars spent for wholly unproductive purposes, to be destroyed or shot into the air.

Which way do you prefer to see your money go? Put into something which will be burned up in the fires of war or consumed by rust, or into something that you can see and use and get pleasure and benefit from for years to come?

I think I know what your answer will be. And don't forget that the people who admire the British method and hold it up as an example to this country are the selfsame crowd who are so wildly excited by the proposed spending program and so deeply worried over the Government's credit.

What we want is permanent recovery and prosperity. We are fighting for these very things. What we want is to give the average man a fairer chance in a juster world.

Commencement at Catholic University

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Thursday, May 5 (legislative day of Wednesday, April 20), 1938

ADDRESS OF HON. AUGUSTINE LONERGAN OF CONNECTICUT, AT CATHOLIC UNIVERSITY, JUNE 1936

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the distinguished Senator from Connecticut [Mr. LONERGAN] at the commencement exercises of the Catholic University in this city in June 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

An invitation to participate in events at Catholic University has always been received by me with gratitude and appreciation. I am thankful for the honor that is mine today.

Those of us here are but a small part of this great institution, which, since its inception on March 7, 1889, has grown from academic studies in the School of Sacred Sciences to an expansive university embodying schools of science and of the professions, with affiliations reaching throughout the country. We are proud of its high position in the work of educating American youth.

I understand there are over 500 graduates here today, including priests, religious, sisters, laymen, and laywomen. All of you are to be congratulated on your work here. You have an opportunity to serve mankind by the proper use of the knowledge you have gained, but you must keep in mind that the university, with all its advanced training, only prepares one to pursue further knowledge. You will realize that to appreciate the full value of your work you must remain students during your lifetime. Moreover, you will realize that aside from the technical and scientific knowledge you may have gained here, the greatest objective is to reach manhood and womanhood. They are the highest aims of education. We know that character, industry, aptitude, and ability to get along with others, are essential to success.

A genius is a rarity. Most of us who are older have found, as you will also find, that hard work throughout the years is the certain way to succeed. Labor with a directness of purpose and sureness of plan. Do not be elated by victory or saddened by defeat. Defeat in itself should serve to strengthen your determination to succeed the next time, or correct your course.

Upon departing from the university the graduating classes should not be unmindful of the sacrifices their parents and loved ones have made for them so that they could reach this goal. Too often, I am afraid, the glory of receiving a diploma dims the eyes of young men and women to realities behind their achievements. The courage and sacrifice of mothers and fathers are demonstrated as much here this morning as are the qualities which have earned for you your diplomas. I am sure you are grateful to them and also to your instructors. College graduates, with their broad training, often have a more complete conception of fundamentals of successful effort than persons of more mature years having less education. But there is one thing in particular that those of us of mature years can emphasize to graduates of today, and that is the fact that you are not entering a normal world of activities. Seven years ago graduates of the university entered into a world which might be described as of normal balance. The opportunities for employment, for proper adjustment, and for success were good. But in the last several years remarkable changes have taken place, as you all know, in our economic and social life, and graduates are being turned annually into this maelstrom of confused ideas. Economic maladjustments have produced unemployment, unheard-of financial losses, and great unrest. It is not easy for men to be normal under such conditions, and we have seen groups of agitators take advantage of this opportunity to trap the unwary, and enlist them in class hatreds. Depressions breed agitators, reformers and demagogues. They work not only in a national way, but internationally, creating distrust that leads to war.

Graduates of today must be prepared first to recognize that this abnormal situation exists. They must then prepare to meet it, by assuming some responsibility to provide them with a firm anchor. A drifting, doubting attitude must be avoided by all means. Load yourselves with some responsibility, however small it may be. Hold fast to the teachings of your religion. These two will keep your feet on the ground. When thus firmly anchored you will have a base of operations, and will not be so easily misled by false doctrines. You will develop confidence, without which stability of yourself and your Nation can never be expected. Do not forsake the fundamental principles of your Government.

You may ask: "How can I attach myself to some responsibility when it is difficult to find employment of any kind?"

I believe that finding the answer to that question is one of the greatest problems of modern times. The increasing thousands of college graduates who cannot find employment weighs heavily upon those of us in public service. Solutions are being sought, but you graduates should keep in mind that actual solution of this problem is more likely to come from your own ranks than from the outside. You possess the youth and energy necessary to meet such problems. You have the most advanced knowledge to assist you, and if you will intelligently apply that knowledge to modern problems you will find a solution.

I think it is obvious to all of you that one of the greatest responsibilities you could assume is that of public service. Seldom in our country's history have we had so much need for devotion to public service. In these trying times it calls for physical and often for financial sacrifice. We have seen some of our leaders fall by the wayside in death, and others are daily sacrificing their strength under the weight of tremendous public pressure.

If you cannot enter officially upon some public duty, join organizations or movements honestly interested in public benefactions, but be careful again that you do not accept bids from Communists or demagogues who do not progress logically from fundamentals and who, more than likely, would urge you to advocate a change in our form of government overnight.

I like to think of our university graduates becoming group conscious of our problems of government so they will discuss them freely among themselves. It is said that in Great Britain, the stevedores at the dock can quickly discuss the affairs of Parliament. In the United States that consciousness has not been so fully developed, partly because we have not had to concentrate so much on government as has England with her vast territory, but more because of an indifference arising from devotion to individual endeavors. Not until we faced difficulties in abnormal periods, which drove us from individual enterprise, did we develop a greater interest in our Government and begin concentrating upon the public service.

Public service requires, of course, that one must labor for others as well as himself, and not strive so much for individual material gain, which, in reality, is only for the few to obtain. By such service to the people of the United States you will also perform an important service to the world. The United States is in an outstanding position to influence economic adjustment throughout the world, and particularly to stimulate world peace. By adequate defense on land and sea we have helped maintain peace at home and in many countries abroad. And if we maintain a defense equally as strong for our fundamental concepts of government, education, and religion, we can be equally as influential in stimulating world recovery in an economic and social way.

The need of the world in these abnormal times more than ever before is religion. The church offers the best means of adjusting our outstanding problems. Through the centuries it has anchored us in confidence and belief and inspiration.

Today's graduates should entertain no fear for the fate of our country. A century ago this Nation was our fathers' small estate. Today it is our noble heritage. Fidelity to the spirit and principles of our fathers will enable you to deliver it enlarged, beautified, ennobled, to our children of the new century. Unwavering faith in the absolute supremacy of the moral law, the clear perception that well-considered, thoroughly proved, and jealously guarded institutions are the chief security of liberty, and the unswerving loyalty to ideals, made the men of our early national life and gave us our independence. The same faith and the same loyalty will preserve that independence and secure progressive liberty forever.

Out of the clouds of unrest that now envelop the world our country will emerge stronger than ever. All civilization looks to us for guidance, and they will not look in vain. From generation to generation people in other lands have been indoctrinated with the principles of the American family, and the wonder and beauty of it all has been that the infection has been so easy.

Every individual graduate here, as well as every nation, wishes to realize the best that is to be conceived with the materials available. In seeking remedies for our present abnormal situation we must not destroy the initiative and the incentive which drive men and nations alike toward a higher level.

In the United States merit is the measure of the man. Upon this fundamental concept we must carry on. The conscience of the individual in his love for freedom and self-improvement has inherently become the spirit of the American people, and that spirit has, in turn, become the measure of progressive civilization throughout the world. The lamp of individual hope and aspiration in America has never flickered, and we must keep it burning brightly.

The thing that counts most in our lives is the thing that endures. Beneath every rise and fall of this Nation there is a divine law which is supreme. We occasionally permit it to disappear from view in our excitement to reach, like the infant child, for something that glitters. The crushing of crowns and the fall of wealth which we have witnessed—our temporary disregard for human and spiritual values, and our apparent satisfaction to accept for many years a fictitious and superficial happiness—are but examples of what happens when we fail as individuals and as a Nation to follow that law as our fundamental purpose of life.

As graduates I hope you will pursue the enduring values of life. Stand for law and order and respect for constituted authority. In that way you will avoid disappointment and decay, and your regard will be happiness and progress.

Pressure for Spending Program

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, May 5 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS OF HON. RUSH D. HOLT, OF WEST VIRGINIA, MAY 4, 1938

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by me last evening with reference to the spending program of the administration.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADMINISTRATION PRESSURE

The most effective lobby in this session of Congress will be the administration pressure to pass the spending program. The public treasury is the largest lobby fund that this country has ever seen.

There is now pending in a House committee a piece of legislation to provide for a huge spending program. It has been called a "pump primer." This bill will be discussed by the House of Representatives next week. Something is wrong with the economic pump of this country. A year ago, this pump was in much better condition than now. Let us look at the change. There were produced 550,000 less automobiles and each of these automobiles meant labor and the use of many other products such as steel, rubber, iron, and glass. Fifty million tons less coal mined; two and a quarter million less railroad cars loaded and shipped; twenty-five million less pairs of boots and shoes manufactured; ten million tons less steel produced; five million less automobile casings made; less bales of cotton consumed in the mills; factory pay rolls reduced 25 percent; farm income off 15 percent; all meaning millions and millions of unemployed.

It is a serious condition. Something must be done. The bill now before Congress says: "Prime the pump by spending." Before we commit ourselves to this policy of spending billions, let us look at the situation again. Should we not first see if the pump needs repairing rather than priming? Should we not first see if the ones who were priming the pump in the past used our supply in the priming process? Should we not first see if there could be any leaks?

We were told in 1936 that "we planned it that way." We were told that the country was on the way back and not to let anybody tell us differently. Everything was aglow as the music of Happy Days Are Here Again was heard throughout the land. Something happened to the pump in the last year. Some call it a recession. Others call it a depression. No matter what it is called, it has the same effect on the millions of idle men and women of this country. Those hungry are not going to argue over the title. They are interested in paying their rent. They are interested in clothing their families. They are interested in feeding their wives and children.

The principle of this bill is to spend, spend, and then spend some more. I do not question the fact that there is need for some spending. However, I do feel that before the spending is started, we should try to see that the most possible good comes from its usage. I feel that we should see that the spending is for priming the pump rather than for the restoration of political prosperity to those whose political fortunes have declined with the earning power of their constituents. Let us see if the fluid that was to be used for priming ever got to the pump. If not, isn't it advisable to be a little more certain that it will arrive at its destination?

Furthermore, isn't it advisable to have somebody watching to see that the same men who broke the pump are not going to break it again?

I realize this is an election year. Every Member of the House of Representatives will be up for election. Slightly more than one-third of the Senate will go back to their people for approval or disapproval. States will ballot on their local officers. A spending program is always popular under such conditions. The officeholder will like to point to this project and that project which he will get for you if you will elect him again. The officeholder will point with pride to the amount of money spent in his district. The officeholder will like to have those who receive and are to receive this money realize that he was responsible for their check, even though he wasn't. They never like to discuss who pays the bill in the long run. They never like to discuss that the taxes which paid the cost had helped to contribute to the loss of the jobs of many of those who were employed in private industry.

However, it is with encouragement that I find a growing sentiment, indeed a large sentiment, that this money not be appropriated in one blank check. This sentiment is not against feeding the hungry or clothing the needy, but it is to control that spending so that more will go to the clothing, feeding, and housing of the unfortunate families of America and less go to the political workers. In 1936, when I called for this correction, it was a lonely fight. Now, recruits are coming every day. As America awakens to the conditions, more will be in favor of protecting the relief fund for those on relief and driving off the Government rolls those who do not need it.

The purpose of providing for those in need is excellent. The hungry must be fed. The naked must be clothed. The homeless must be sheltered. Because the spending program is not doing those things, I protest. I protest vigorously when money appropriated to feed, clothe, and shelter the needy is being used to reward and assist a group of cheap politicians.

Year after year, we are confronted with the same problem. When we try to regulate the spending so that less waste, extravagance and politics enter the process, we are told this is not the proper time. We can do that next year. Next year comes and we are told that the following year is better. If we are to have a permanent relief problem in this country, let us prepare a system which will give to the relief worker, to the country, and to

the Government the best solution of a serious problem. If we do not have a permanent relief problem, and I certainly hope we do not, but if we do, this preparation cannot do harm. I recall during the discussion of the last regular relief appropriation we were told to wait because by next year the Federal Government would not have to spend for relief purposes. For 5 years we have taken the excuse of an emergency. It is time we are doing something. Hiding behind the word "emergency" is the slipshod but well-planned political move of those interested in their own jobs, whether in Congress or in the administrative activities. Isn't it time we should have an accurate continuing unemployment census and provide that the money appropriated be used in relation to facts of unemployment rather than allowing one man, the Administrator of the W. P. A., to say that one person who needs relief cannot get it, while another man in the same position gets his allotment? To say that we cannot scientifically solve this relief problem is an insult to the intelligence of America. It can be done if we want to do it. It won't be done if some can prevent it.

Why do they want this emergency excuse to continue? Just that long will the Members of Congress have a political grab-bag. Just that long will there be the request for a blank check to spend as one administrator deems advisable. Just that long will there not be a check on the waste and extravagance. Just that long will there not be civil service in its administration.

The sooner this is cleaned up, the sooner the relief worker will get a fair break. I want to make that clear. The relief worker will get a fair break and the politicians' pets will find the going somewhat rough. To those on relief who may be listening to me tonight, let me plead with you to help us drive out the political boss who is taking the money that belongs to you. Don't let some ward heeler sell you. Part of his duty is to control you. He devotes much of his time to advising you about friends and enemies. Your friend to him is the man who gives him his job, not at the low salary you get, but at the high salary he gets. He advises that your enemy is the man who wants to clean up the whole affair. Many times, he says, "Senator A is against relief," when he knows that the Senator to whom he refers is only against this ward heeler getting relief when he doesn't need it. From States in the East, West, North, and South, I get letters and data showing the requirement of political endorsements to get jobs.

May I appeal to you who know of such incidents to write me at Washington about them. Your communication will be kept confidential but it will be very helpful in the work.

This money was appropriated for the needy. It was not appropriated to feed only the needy of one political party, nor to feed only the needy of one faction of one political party.

The relief workers know there is politics in relief. The people know it. Everybody knows it except Harry Hopkins. For some unknown reason, there hasn't been any enlightenment there. He says he can't control the local politicians. Have any of the ward heelers of the Pennsylvania political machine ever been released? Has any ward heeler been fired anywhere if he is supporting a Senator or Congressman who is supporting the administration? The only time the W. P. A. finds political activity on the part of an employee is when that employee is not taking part in the right kind of political activity and that kind is opposing those who rubber stamp. Of course, he can't control politics if he agrees with the Senator and Congressman that they will appoint the organization that administers it. They can appoint the officials if the Senator and Congressman votes for the appropriations desired and supports the legislation on the "must" list. Of course, he can't control politics if he gives projects to those who follow and deprive projects to the States of those who are independent. Shall the Public Treasury be used to elect those who follow, and defeat those who disagree?

Harry Hopkins and his publicity staff talk about the need to protect the morale of the relief worker. What happens to the morale of the W. P. A. worker in Pennsylvania who is deprived of his right to feed his family because he votes wrong? What happens to the morale of the W. P. A. employee who loses his job because he politically "bucks" the State boss? What happens to the morale of the worker who sees himself punished by being laid off while the brass hats in the office are retained because of their political pull? What happens to the morale of the worker who is punished for trying to get a job in a private industry and then loses that job to find that he is deprived of further relief grants because they say he doesn't need them?

The relief system rewards those who stay on relief and punishes those who go out to find jobs in private industry. We all know of such cases in our own communities. Workers say they cannot afford to take the chance of quitting relief for a private job because if the private job folds up, they cannot get back on relief.

I regret to say that certain political workers on the W. P. A. are interested in seeing the relief rolls kept at a high figure because it insures them of their jobs. As long as the number getting relief is kept high, just that long will there be more need for administrative employees. When I say that, I do not condemn those who actually administer relief in an honest, conscientious manner. It is a pity that we do not have more like them. It is a shame they who actually want to render a real service, are dismissed to make room for the political favorites.

Day after day we see in the newspapers suggestions that the people in the different communities find some new projects to spend money. It is not that the project is needed but that it is a good way to spend. Who will pay for this expenditure? It isn't given to you. You are going to pay and pay and pay for the amount they spend and spend and spend. The purpose now of the drive to get projects ready is to work up local sentiment behind the spending drive. They want every community to feel that it will get some of the money. This is a planned publicity move of the W. P. A. to get the support for passage of the bill. If we were to require local sponsors to put up a higher proportion of the expenditures, we would see a much more useful project. We would see more local interest in the correct handling of the job. More money spent by the local groups would make the community realize that the money misspent was a cost against them. Some do not realize that the Federal Government gets its money from the same source as the local government—that is, the people. I am of the opinion that more local contribution would mean less needless spending and more helpful spending.

Now, let us look at another angle of this pump priming. President Roosevelt himself made the statement that "Revenues must cover expenditures by one means or another. Any government, like any family, can, for a year, spend a little more than it earns, but you and I know that a continuation of that habit means the poorhouse." He was absolutely right then. We must meet this problem of expenditure in one way or another. If we want to be honest, we must either reduce the cost of government or we must increase the taxes so as to cover the expenditures. I believe that we can and should reduce the cost not at the expense of the people who need relief but at the expense of the politician who gets it. This Government cannot borrow itself into prosperity. The national debt is a debt against you. Whenever we appropriate money and do not provide the means to pay for it, we are loading, not upon ourselves, but upon the children of tomorrow, a debt that we contracted and a debt that is our obligation to pay. When the relief program was discussed by the President in 1933, he said:

"In carrying out this program, it is imperative that the credit of the United States be protected and preserved. This means that at the same time we are making these vast emergency expenditures, there must be provided such revenue to pay interest and amortization on the cost and that the revenue so provided must be adequate and certain rather than inadequate and speculative."

The President was right then. It should be put into effect, now.

Instead of the planning to spend money, if those who direct the policies of the administration would spend a little time on cooperation with business, this country would be helped. Spend time on getting business going again so that these men can get work in private employment, not on relief. Spend time on repairing the pump.

World Peace Through World Trade

EXTENSION OF REMARKS

OF

HON. JAMES P. POPE

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Thursday, May 5 (legislative day of Wednesday, April 20), 1938

ADDRESS BY THOMAS J. WATSON, WASHINGTON, D. C., MAY 2, 1938

Mr. POPE. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address delivered by Mr. Thomas J. Watson, president of the International Chamber of Commerce, and also president of the International Business Machines Corporation, at the American Section Banquet at the Mayflower Hotel, Washington, D. C., on Monday, May 2. The title of his address is "World Peace Through World Trade."

Mr. Watson is a businessman of exceptional ability. His address is so fair, temperate, and well balanced, and in such fine spirit that I think it deserves a place in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We have every reason to feel some degree of optimism at this annual gathering of the International Chamber of Commerce. During the past few weeks we have observed a trend toward a spirit of accord and compromise in international relationships and in the domestic affairs of various countries, including the United States. Business, labor, and government, as well as country dealing with country, are assuming more reasonable attitudes.

The spirit of conciliation and the desire to understand national and international problems is the essence of civilization. It is

the basis on which rests the philosophy and accomplishment of the International Chamber of Commerce.

Today the International Chamber has representatives in 51 countries throughout the world. At our last biennial congress in Berlin in June 1937 more than a thousand business, financial, and educational leaders unanimously agreed upon a constructive program for strengthening the economic foundations of peace. This program emphasizes the need of a freer flow of raw materials and goods and services among nations in order to raise living standards and promote the welfare and security of people everywhere. When we have a freer flow of goods both ways across borders, we will have no need for soldiers marching across those borders.

Two years ago a joint committee was organized by the International Chamber of Commerce and the Carnegie Endowment for International Peace, the purpose of which was to make a survey of the world economic situation. This committee has recommended a program which has five objectives: 1. Stabilization of currencies; 2, readjustment of trade barriers; 3, settlement of international debts; 4, limitation of armaments; 5, the proper distribution of raw materials, food, and clothing throughout the world.

The report of this committee, published in two volumes, contains a great deal of valuable information. It is available to anyone interested in it.

Our slogan is "world peace through world trade." We are interested in helping to promote better economic stability in the world and I believe we are making headway in our efforts to bring about the fulfillment of this program.

In my opinion, the nations of the world are really desirous of cooperating with one another. We were encouraged when Italy and England came together a few days ago to form a pact in the interest of peace. At the present time France and Italy are trying to find a basis for entering negotiations with the same object in mind.

In carrying out our plans in connection with developing better relations among nations, education is important—teaching the people of all countries that if we try to live independently of each other, we cannot improve or even maintain our present standards of living.

The Chamber of Commerce of the United States maintains in every local chamber a national councilor. I should like to see an international councilor named in every member chamber of commerce throughout the world, who, aided and guided by the International Chamber of Commerce, would present the international aspect of important problems.

Secretary of State Hull, with the endorsement of President Roosevelt, has made great strides in his effort to develop international trade. He has negotiated reciprocal-trade agreements with 17 countries, and negotiations are under way between the United States and several other nations. Our Secretary of State is proceeding on the principle that a liberal flow of goods from one country to another is the only means by which nations can prosper and peace be maintained in the world.

Because of the rapid strides that are being made in communication and transportation, the peoples of the earth are being brought closer and closer together in time and distance.

The so-called outlying districts within nations and among nations are gradually being brought in. Demands for the better things of life are on the increase and, in the interest of sound international economics, we must do everything within our power to make it possible for the peoples of the world to satisfy those demands.

Our scientific education has gone far beyond our political, industrial, financial, social, cultural, and spiritual education. We have not learned to use properly the things science has given us.

We must give more thought to means of getting the greatest benefit from the results of our scientific development, as well as from our natural resources. We have the natural and scientific resources to give everybody in the United States more comforts, conveniences, and luxuries, if we will learn how to use them.

I have spoken about trade barriers which affect commerce between nations. I would like to call attention to a few of the trade barriers within our own country which have a serious effect upon our economic life.

Excessive corporate taxes constitute a trade barrier which does injury to both employees and the general public.

Class feeling is another of these trade barriers.

Political strife is a trade barrier. Lack of full and earnest cooperation between government and business is affecting every individual in our country.

Unjust criticism of business is a trade barrier. Unjust criticism of government is another trade barrier.

I am optimistic in regard to the future of our country. I am basing this optimism upon the belief that the thinking people in business and government will adjust, in some cases, and eliminate, in others, all of these trade barriers.

Reciprocal-trade treaties between our Nation and other nations are bringing about understanding and cooperation which are beneficial to both sides. Let us negotiate reciprocal trade and political treaties within the borders of our own country that will be fair to both sides and bring to us a return of prosperity.

If I were asked to place the blame for the existence of these trade barriers, I would divide it evenly among our Government, business, financial, and labor groups. There is enough intelligence in our business, financial, labor, and political world to enable us to get together and solve our problems.

As a businessman, I am willing to admit that we have our faults, but I am not willing to admit that all businessmen are wrong. As proof that businessmen, as employers of labor, have for a long time been giving thought and attention to their employees, we find that following the Civil War the industrial wage averaged $288 a year and working hours ran as high as 12 to 14 hours a day. As time has gone on, we have stepped up wages and reduced working hours until today we are down to a 40-hour week, with an average wage of more than $1,300 a year. In some industries, it is as high as $1,800 a year.

I think this record is evidence that a great deal of thought, attention, and help has been put into that particular subject, and most businessmen—I regret to say there are exceptions—are putting forth their best efforts in the interests of their employees.

I believe that our public officials as a whole are putting forth their sincere efforts to assist us in solving our problems. I am confident that, with cooperation between Government officials, tax experts, business and financial groups, social and labor bodies, we can take all the good things that have been developed since the beginning of our country, and everything that is sound in connection with the so-called New Deal, and mold them into policies that can be agreed upon by Government, business, finance, and labor, as being in the best interests of all the people of our country.

We should all join in making a careful, unbiased study of these domestic trade barriers so that we may correct them, and in the process gain a better understanding of the adjustments which must be made to bring about prosperity and contentment throughout our country.

In this process we will bring into play the powerful forces of all of the many interests which make up our national life. Good will, mutual helpfulness, standards of living, education, cultural and spiritual ideals, all these are recognized by American business and finance as necessary considerations which hold out rich opportunities to serve our people.

Gilbertsville Dam

EXTENSION OF REMARKS

OF

HON. JOSEPH J. MANSFIELD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1938

Mr. MANSFIELD. Mr. Speaker, the Congress recently authorized an appropriation for the commencement of work upon the Gilbertsville Dam in the Tennessee River. This dam is a part of the program of the T. V. A. for power, navigation, and flood control. I have heretofore given full support to the T. V. A. proposals, but did not favor the Gilbertsville Dam. The more thought I give to the matter, the more I become confirmed in my belief that such a dam near the mouth of the river should not be constructed.

In my brief speech in opposition to this dam on March 25, I referred to the navigation features only. I called attention to the fact that the lake to be formed by this dam would be 184 miles long, 7 miles wide at the widest place, and deep enough to accommodate the largest ocean ship. I took the view that such a large lake would be too hazardous in rough weather for the safe operation of the low, flat, steel barges now in use on the Ohio and Mississippi, which are only a few feet above the water line when loaded. My thought was, that this dam would break the chain of continuous navigation between the Tennessee and the Ohio-Mississippi system, and require a different type of boat, and necessitate the transfer of cargoes. Some have expressed the view that I was mistaken.

In this connection, I call attention to Lake Pepin on the upper Mississippi, where disasters have occurred resulting in the loss of both life and property. On pages 1 and 2 of Document 151, Seventy-second Congress, Lake Pepin is described by General Brown, then Chief of Engineers, as follows:

> Lake Pepin is an enlargement of the Mississippi River, 23 miles in length and from 1 to 2½ miles in width. The depths in the lake range from 25 to 35 feet.

From this description it will be seen that Lake Pepin is quite small as compared with the Gilbertsville lake, as pro-

posed by the T. V. A. Yet, Congress has found it necessary to construct as many as three harbors of refuge on this lake for the protection of traffic.

These harbors of refuge were constructed before the adoption of the 9-foot project on the upper Mississippi, and they are now being reconstructed at considerable cost, to meet the new water level conditions, as well as to be better adjusted to the type of barge now in operation.

I will give a few brief extracts from Document 151, with reference to conditions on Lake Pepin. On page 2, General Brown, Chief of Engineers, said:

Suitable harbors on the lake in which tows may take refuge in storm are essential.

On pages 3 and 4, General Deakyne said:

When storm occur or threaten, during periods of high water, vessels are obliged to stand by either at the head or foot of Lake Pepin due to the lack of a safe harbor.

Further, on page 4, General Deakyne said:

It appears that a harbor of refuge at Lake City is of material advantage to through traffic.

On page 5, Colonel Willing, the district engineer, in reference to Lake Pepin, said:

A report on the preliminary examination of this locality was submitted November 9, 1927, and included a geographical and physical description, reference to previous reports and the river conditions which make it desirable that a safe harbor of refuge be provided.

On pages 5 and 6, Colonel Willing further said:

One of the most serious results to through navigation at present is the lack of a safe harbor during high-water periods. It is a contributing factor in causing vessels to stand by at either the head or foot of Lake Pepin during and when storms are developing.

On page 8, Colonel Spalding, the division engineer, said:

The United States has constructed three harbors of refuge in Lake Pepin, one at Lake City, Minn.; one at Stockholm, Wis.; and one at Pepin, Wis. The two latter harbors are located across the lake from Lake City, 1 mile above and 6 miles below, respectively.

On pages 8 and 9, Colonel Spalding made further references to the unsafe conditions for navigation on Lake Pepin. These conditions, so hazardous to modern barge traffic, are in no sense of the word to be considered as limited to that type of navigation facilities. The waves in rough weather were a source of danger to the comparatively high-decked packet vessels of the "steamboat days." Even in 1882 Congress authorized a harbor of refuge there, to be formed by the construction of a pier 871 feet long. In 1890 one of the greatest river disasters in our history occurred on Lake Pepin when the ocean like waves overwhelmed the decks of the steamboat *Sea Wing*, resulting in the destruction of the vessel and the loss of nearly 100 human lives.

Sometime after the first vote was taken in the House on the Gilbertsville Dam, the T. V. A. sent a brief here setting forth the arguments in favor of it, and answering some of the arguments urged against it. I am indebted to the able and courteous gentleman from Alabama [Mr. SPARKMAN] for a copy of this brief. I have read it with care and fully agree with much of it.

The brief deals principally with the recent litigation before the three-judge court sitting in Chattanooga, quoting extensively from the findings of the court and the testimony of engineers and other experts.

These proceedings, it appears, are not yet printed, consequently we do not have access to them, but I assume that the attorney who prepared the brief was fair and impartial, and that his quotations were correctly made.

The expert testimony referred to was almost entirely of a hypothetical nature, dealing with navigation by high and low dams, respectively. Gilbertsville was not mentioned, but the attorney who prepared the brief stated that the testimony applied to conditions comparable to Gilbertsville. In this he was certainly in error, as no other dam, constructed or proposed for the Tennessee, is at all comparable to Gilbertsville. Reference was made in several instances to the lake formed by the Wilson Dam. Note the comparison of the Wilson Lake with the Gilbertsville Lake.

The Wilson Dam Lake is 15½ miles long over the Muscle Shoals region. It covers 16,200 acres, which would give it an average width of approximately 1½ miles.

The Gilbertsville Lake will be 184 miles long and cover 160,000 acres of land, according to the article of Engineer Bock, in the April number of the Engineering News-Record.

Other lakes on the main stem of the Tennessee are much larger than the Wilson Dam Lake, but the largest of them, Wheeler and Guntersville, are only about 40 percent the area of the proposed Gilbertsville Lake. Barge-fleet navigation has never had a try-out on any of these lakes, though they have been used to some extent, principally in construction operations. It will be a good many years before we can have an actual test of their suitability for barge-fleet navigation, such as we have on the Ohio. Lake Pepin has furnished us a laboratory test. Such a test, as all engineers will agree, has greater weight than the opinion of an expert upon an hypothesis.

The T. V. A. brief gives extracts from the testimony of General Pillsbury and Colonel Watkins, showing the points of vantage of high-dam navigation over low-dam navigation. I take no issue with that testimony. It is true that there are many points in favor of high dams and large lakes. You have fewer stops for locking, you have a less number of locks to operate and maintain, you can to a certain extent, avoid meanders in the natural course of the streams.

From these points of view, without taking other matters into consideration, then the larger the lake the better the navigation. From that viewpoint a lake as large as the Gulf of Mexico would afford an almost perfect example. Yet no sane person would attempt to cross such a lake with a six- or eight-barge fleet of coal, such as is in operation on the Ohio.

The T. V. A. brief praises Colonel Watkins, who was a witness at the Chattanooga hearing. It says he is more familiar than is any other person with the Tennessee, and denominates his report as embraced in Document 328, Seventy-first Congress, as the bible of the T. V. A. Yet, in all the years Colonel Watkins was engaged in his work upon the Tennessee, he failed to discover Gilbertsville, or to recommend any dam there, of any type, high or low. His recommendation on pages 100 and 101 of Document 328, after thorough consideration of every phase of the case, is as follows:

It is recommended that a project for the progressive improvement of the Tennessee River from its mouth to Knoxville, by a system of movable or low-fixed dams and by locks of Ohio River standards be adopted to be completed within a period of 10 years at an estimated cost of $75,000,000 at the rate of $3,000,000 for the first year and $8,000,000 for each year thereafter until completion, with $40,000 for annual operation, care, and maintenance for each dam and pool; with the proviso that under the provision of the Federal Water Power Act there may be substituted for any two or more of the low dams herein provided for, a high dam if the resulting cost to the Federal Government will be less than by the estimate herein for the low dams thus rendered unnecessary, and provided further that the capacity of the waterway for the economical movement of modern barge traffic will not be in any way lessened.

It will be seen that Colonel Watkins recommended the low dams for the Tennessee, with the proviso that a high dam might be substituted for any two or more of the low dams, but on condition that the cost to the Federal Government would be less than by the low dams, and with the further significant proviso:

That the capacity of the waterway for the economic movement of modern barge traffic will not be in any way lessened.

It is very evident that Colonel Watkins anticipated that private interests might want to construct high dams for power purposes, and he wanted to safeguard the public interest. Under his recommendation, which was also the recommendation of the Board, and of the Chief of Engineers, no locks or dams would be permitted, if they were of such character as to interfere with or menace navigation.

The Gilbertsville dam will provide a navigation channel to Pickwick Landing, a distance of 184 miles. The cost is estimated at $112,000,000. The plan of the Army engineers provided four low dams on this section, estimated to cost $10,865,000. The low dams would provide a safe 9-foot channel 12 months in the year. Gilbertsville Dam might provide a safe channel during fair weather and cost $100,000,000 more. From the standpoint of navigation alone, Gilbertsville Dam cannot be defended.

Great claims have been made for the flood-protection features of the Gilbertsville Dam. The watershed of the Tennessee below Pickwick Landing Dam is quite small. On the west side, the drainage is nearly all in the direction of the Mississippi, only a few miles away. On the east side, it is hedged in by the Cumberland. If the dams above Gilbertsville are sufficient for the storage of the flood waters of that section, then Gilbertsville need never be used for flood protection, as the water from its own drainage basin would not affect a Mississippi River flood to the extent of the tenth part of an inch.

When the Tennessee was under consideration by Colonel Watkins, Gen. T. H. Jackson, president of the Mississippi River Commission, wrote, favoring the low dams, recommended in Document 328. He considered that any works on the Tennessee would have but little effect on the Mississippi floods. He said:

> No reduction in the cost of flood control or navigation of the Mississippi would result from the works proposed, except possibly some reduction in the cost of dredging and channel maintenance. Benefits to the lower Mississippi may be considered as practically immaterial. The estimated damage from floods in the Tennessee Basin is comparatively small (Doc. 238, p. 101–2).

When Dr. A. E. Morgan was before the Committee on Rivers and Harbors on the planning bill, he stated that the Gilbertsville Dam would have great capacity for the storage of floodwaters. On the question of navigation, he expressed no opinion. In reply to questions, he said that very few dams were practical for multiple uses, and said that the Norris Dam was one of that type. He mentioned no other dam in that connection.

The Tennessee River should be improved for all practical purposes. That was the object in view when the original survey was authorized in 1922. I was one of the conferees on that bill. Navigation should be provided on the main stem of the river. Power and flood-control dams on the tributaries, and in the upper regions, can be erected for approximately one-fourth the cost of the Gilbertsville Dam. The water released from those dams in the production of power will aid navigation on the main stem and add enormously to the primary power at Muscle Shoals.

The Norris and Hiwassee Dams are fair illustrations of what can be accomplished. Their cost each is considerably less than one-third the cost of the Gilbertsville Dam. Additional to their power and navigation possibilities it will be seen from the report of Engineer Bock, presented by Mr. Lilienthal to the Senate committee last spring, that the Norris Dam accomplished great results in aid of flood control at Cairo.

Under the plan of the Army engineers, dam No. 52, on the Ohio below the mouth of the Tennessee, with a slight increase in height would provide the 9-foot depth to Aurora, some twenty-odd miles above Gilbertsville. The cost would be quite small, as under the present height of dam No. 51, its backwater now extends 37 miles above Gilbertsville, with a 6-foot depth at Aurora.

In 1935 the T. V. A. launched a program to extend its authority to the Ohio and Cumberland Rivers. Airplane and other surveys were made, including test borings and foundation investigations for a high-power dam in the Ohio River somewhere in the vicinity of the mouth of the Tennessee. They reached the conclusion that if a high dam were established below the mouth of the Tennessee, it would back the water up far beyond Gilbertsville, and thus defeat the purpose of a dam at that place. They finally decided to construct two high dams in that vicinity, one at Gilbertsville in the Tennessee, the other in the Ohio near Dog Island. The Ohio Dam would be just below the mouth of the Cumberland, and 14 miles above the mouth of the Tennessee.

All this is shown by the article of Assistant Engineer Bock in the April number of the Engineering News-Record. On page 497 he refers to several proposed dam sites on the lower Tennessee, including both Gilbertsville and Aurora, with others. He says:

> All of the sites investigated present difficulties of design and construction. Conditions at Gilbertsville proved to be somewhat more favorable than those encountered at the other sites. Further, the location of the Gilbertsville site with respect to the Ohio and Cumberland Rivers and possible future projects that may be developed on those rivers has been the largest single factor in the location of the dam.

Here Mr. Bock admits that the extension of their authority to the Ohio and Cumberland Rivers was the "largest single factor in the location of the dam" (Gilbertsville Dam). Yet, the friends of Gilbertsville, in another breath, are endeavoring to make the country believe that the primary purpose is for navigation and flood control on the Tennessee, as well as affecting the floods on the Mississippi.

Mr. Bock, on the same page, in the same magazine refers to an article by Dr. A. E. Morgan, in the issue of August 12, 1937. He says of the article that it—

> Described the necessity for considering the location of the Gilbertsville Dam with relation to a possible dam on the Ohio River near Paducah. If the best location for such an Ohio River dam were below the mouth of the Tennessee River, the Gilbertsville Dam would not be necessary, since the Ohio River Dam would back water up the Tennessee and create the required navigation pool. But investigation indicated that the most feasible over-all project would include two dams, one across the Tennessee at Gilbertsville and another across the Ohio at the Dog Island site, above the mouth of the Tennessee but below the mouth of the Cumberland.

These statements by Chairman Morgan and Engineer Bock show conclusively that the location of the dam at Gilbertsville was not determined by the needs of navigation or flood control of the Tennessee, but upon the theory that the dam located at Gilbertsville would best fit in with a comprehensive plan to include the Tennessee, the Ohio, and Cumberland in a common project. Whether their decision in that respect was based upon sound judgment must be determined from all the facts involved.

They admit that a high dam in the Ohio located below the mouth of the Tennessee would render the Gilbertsville Dam unnecessary for the reason that in that location:

> The Ohio River Dam would back water up the Tennessee and create the required navigation pool.

They also admit that their decision to construct the Gilbertsville and Dog Island Dams, was not reached until after making investigation. Their language in this respect is as follows:

> But investigation indicated that the most feasible over-all project would include two dams, one across the Tennessee at Gilbertsville and another across the Ohio at the Dog Island site, above the mouth of the Tennessee but below the mouth of the Cumberland.

Now the question arises, What does this decision involve? The mere expenditure of the $112,000,000 on the Gilbertsville Dam is hardly the starting point. Congress, in due time, will be called upon to make the appropriation, not only to complete the Gilbertsville, but to commence the work upon the Dog Island Dam. And, the contention will be made, of course, and with a degree of reason, that Congress is committed to it, because it is a part and necessary part of the common project embracing the Gilbertsville Dam.

Knowing that the War Department, as well as the T. V. A., had made thorough studies of the proposed dam at Dog Island, as well as at other points on the Ohio, I applied for information. I was advised that the project provides for a high dam across the Ohio and Cumberland Rivers at Dog Island near Smithland, Ky., with an auxiliary dam across the

Cache River divide near New Columbia, Ill. The estimated cost was as follows:

Construction of dam and locks	$82,000,000
Power plant (300,000 kilowatt installation)	25,000,000
Flowage	285,000,000
Total estimated cost	392,000,000

The result of the surveys shows that at normal pool level (elevation 358) the reservoir would overflow about 468,000 acres of land; and at maximum pool level (elevation 375) a total of about 921,000 acres, situated in Illinois, Indiana, Kentucky, and Tennessee. About 650,000 acres of this land is in cultivation, and quite valuable. The cost of the farm lands is estimated at $115,600,000.

Sixty-four towns would be affected, 33 of which, with total population of 27,000 would be abandoned, or relocated. Thirteen additional towns would be partially submerged, and 18 others would require protective measures and sewer adjustments. The total population of the area to be submerged is about 200,000. The cost of urban property affected is estimated at $24,700,000.

The proposition involves the abandonment of 275 miles of State and Federal highways; relocation of 159 miles of other roads; and the raising and protection of 27 additional miles of highway. It also involves the abandonment of 194 miles of railroad, relocation of 81 miles, and the raising of 49 additional miles. The cost of highway and railway abandonments, including bridges, is estimated at $14,482,000 and $22,085,000, respectively.

Natural resources affected would include numerous coal mines in the Harrisburg, Ill., and Tradewater, Ky., fields, estimated at 4,800,000,000 tons. Fluorspar deposits totaled about 12,000,000 tons.

A map showing the over-all proposal is in the Engineering News-Record in connection with Mr. Bock's article. It shows the location of the Gilbertsville Dam, together with the Dog Island Dam extending across from the north side of the Ohio River to Dog Island, then angling down across the south channel, and continuing across the Cumberland. A canal is shown, connecting the Cumberland with the Tennessee above Gilbertsville. This will place the Tennessee, the Cumberland, and the Ohio, with their tributaries, in one continuous lake extending into four States.

The effect upon navigation on the Ohio and Cumberland is stated on page 77, of the record data, as follows:

> The navigation benefits accruing to the Ohio River would consist mainly in the elimination of the present cost of operating and maintaining locks and dams Nos. 46 to 51, inclusive. (These navigation works are serving present commerce in a satisfactory manner.) Navigation benefits on the Cumberland River could better be achieved, considering the present type of river craft, by modernizing existing navigation facilities.

On page 78 is the further statement:

> The wide expanse of the reservoir would require extensive changes in the present transportation system of the area.

After the Gilbertsville appropriation was rejected by the House the Senate refused to recede. When it came back to the House it was submitted without argument and agreed to by a majority of seven. Many of my most intimate friends felt deeply interested in having the dam constructed. I deeply regretted my inability to go with them.

So far as navigation on the Ohio is concerned, I will say it is now functioning in a manner that is nearly ideal. If any changes or improvements should become necessary, the Army engineers can propose them to Congress for its attention. It would certainly be a misfortune to have a divided authority, placing different types of structures in the river, especially types that will not be consistent with each other. The Dog Island Dam would certainly be antagonistic to safe navigation.

P. W. A. Projects in State of Washington

EXTENSION OF REMARKS
OF
HON. JOHN M. COFFEE
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1938

PENDING P. W. A. NON-FEDERAL APPLICATIONS WITHIN THE STATE OF WASHINGTON FOR WHICH NO ALLOTMENTS HAVE BEEN MADE, AS OF APRIL 12, 1938

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein a statement of the pending non-Federal applications within the State of Washington for which no allotments have been made, as of April 12, 1938. These projects have all been examined and recommended by the Examining Division on a 45 percent grant basis.

I am inserting this list as a vivid demonstration of the scope and potentiality of the P. W. A. program. No more beneficial or sounder technique for working toward permanent improvements and contemporaneous contributions to restoration of prosperity has been developed in the United States. The Honorable Harold Ickes, Secretary of the Interior, a brilliant and courageous liberal, and his capable staff of P. W. A. advisors, deserve the sincere thanks of all patriotic citizens for their handling of this great enterprise.

The list is as follows:

Washington—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		State-wide:					
W1521		State of Washington	State buildings		$46,080	$46,080	$102,400
W1522		do	State building		122,318	122,318	271,818
		Total			168,398	168,398	374,218
		Clark County:					
W1068		Clark County	Highway		20,300	20,300	45,111
W1070		do	do		15,000	15,000	33,556
W1504		Washougal	School addition		5,727	5,727	12,727
		Total			42,027	42,027	93,394
		Cowlitz County:					
W1494		Kelso	Courthouse addition		102,681	102,681	228,181
		Ferry County:					
W1443		Republic	Jail		4,635	4,635	10,300
		Grant County:					
W1415		Grant County	Grading		232,650	232,650	517,000

Washington—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		King County:					
W1030		King County	Highway		$11,700	$11,700	$25,000
W1180		Seattle	Bridge		1,552,500	1,552,500	3,450,000
W1217		King County	Grading		13,700	13,700	30,444
W1271		Seattle	Street improvement		103,500	103,500	230,000
W1273		do	do		107,438	107,438	238,750
W1296		do	Hangar		50,400	50,400	112,000
W1297		King County	Highway		12,100	12,100	26,889
W1298		do	Grading		11,250	11,250	25,000
W1299		do	do		12,330	12,330	27,400
W1300		do	do		11,340	11,340	25,200
W1301		do	Paving		33,687	33,687	74,860
W1302		do	Highway improvement		11,826	11,826	26,280
W1304		West Valley Rd	Paving		23,175	23,175	51,500
W1305		King County	Surfacing		13,050	13,050	29,000
W1430		do	Paving		45,367	45,367	100,815
W1431		do	Street improvement		52,816	52,816	117,368
W1436		do	Highway		13,050	13,050	29,000
W1444		Seattle	Pier sheds		274,500	274,500	610,000
W1470		Lake Burien	School		9,000	9,000	20,000
W1473		Sunnydale	do		28,350	28,350	63,000
W1477		Highline	High-school addition		77,400	77,400	172,000
W1509		Lake City	School addition		15,146	15,146	34,658
		Total			2,483,625	2,483,625	5,519,164
		Kitsap County:					
W1365		Bremerton	Garage		13,950	13,950	31,000
W1416		do	Fire department		12,150	12,150	27,000
W1428		Bainbridge	High-school addition		29,475	29,475	65,500
		Total			55,575	55,575	123,500
		Kittitas County:					
W1442		Cle Elum	City hall		5,400	5,400	12,000
		Klickitat County:					
W1463		Klickitat County	Highway improvement		14,850	14,850	33,000
W1517		White Salmon	High-school addition		31,500	31,500	70,000
		Total			46,350	46,350	103,000
		Lewis County:					
W1377		Centralia	Waterworks		63,900	63,900	142,000
		Lincoln County:					
W1269		Lincoln County	Highway		87,533	87,533	194,517
W1512		Edwall	Auditorium		16,965	16,965	37,700
		Total			104,498	104,498	232,217
		Okanogan County:					
W1321		Oroville	School addition		26,795	26,795	59,545
W1376		Winthrop	School		22,500	22,500	50,000
W1382		Methow Valley	Surfacing		109,080	109,080	242,400
		Total			158,375	158,375	351,945
		Pacific County:					
W1435		South Bend	School		8,505	8,505	18,900
W1449		Ilwaco	Hospital		7,650	7,650	17,000
		Total			16,155	16,155	35,900
		Pierce County:					
1870		Tacoma	Toll bridge		2,123,181	2,123,181	4,718,181
W1186		do	Paving		24,620	24,620	54,710
W1342		Pierce County	do		25,053	25,053	55,673
W1373		Tacoma	Sanitary sewer		283,909	283,909	630,909
W1456		do	Waterworks		704,700	704,700	1,566,000
W1459		Parkland	School		13,245	13,245	29,435
W1489		Tacoma	Armory replacement		45,000	45,000	100,000
		Total			3,219,708	3,219,708	7,154,908
		Skagit County:					
W1341		Skagit County	Highway improvement		149,400	149,400	332,000
W1518		Rockfort	School		8,181	8,181	18,181
		Total			157,581	157,581	350,181
		Skamania County:					
W1262		Skamania County	Courthouse		36,450	36,450	81,000
		Snohomish County:					
W1196		Everett	Paving		34,425	34,425	76,500
W1334		Mukilteo	Yacht harbor	$97,000	79,363	176,363	176,363
W1405		Everett	School addition		175,500	175,500	390,000
W1407		Sultan	do		29,250	29,250	65,000
W1455		Monroe	High school		56,250	56,250	125,000
W1499		East Stanwood	School addition		27,000	27,000	60,000
		Total		97,000	401,788	498,788	892,863
		Stevens County:					
W1427		Colville	Shop building		9,450	9,450	21,000
W1452		do	Courthouse addition		34,020	34,020	75,600
		Total			43,470	43,470	96,600

Washington—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Thurston County:					
W1500		Olympia	Office building		$487,227	$487,227	$1,082,727
W1501		do	Armory		67,500	67,500	150,000
W1520		do	State building		90,000	90,000	200,000
		Total			644,727	644,727	1,432,727
		Wahkiakum County:					
W1396		Wahkiakum County	Highway bridge		87,434	87,434	194,297
		Walla Walla County:					
2092		Walla Walla	Waterworks		2,104	2,104	4,675
W1279		Waitsburg	Library		2,545	2,545	5,650
		Total			4,649	4,649	10,325
		Whatcom County:					
W1129		Bellingham	Paving		12,600	12,600	28,000
		Whitman County:					
W1399		Whitman County	Highway improvements		95,850	95,850	213,596
W1514		Albion	Waterworks		6,525	6,525	14,500
		Total			102,375	102,375	228,096
		Yakima County:					
W1294		Yakima County	Highway		18,945	18,945	42,100
W1295		do	do		17,820	17,820	39,600
W1474		do	Irrigation		49,500	49,500	110,000
W1478		do	Bridge		70,920	70,920	157,600
W1479		do	Paving		29,700	29,700	66,000
W1506		Yakima	do		31,950	31,950	71,000
		Total			218,835	218,835	486,300
		Grand total		$97,000	8,413,886	8,510,886	18,698,116

Extending Slum Clearance Laws to Puerto Rico

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1938

Mr. IGLESIAS. Mr. Speaker, under leave to extend my remarks in the RECORD, relative to the urgent necessity for enactment of legislation at this session of Congress to extend slum clearance projects to Puerto Rico, I desire to call particularly to the attention of the members of the House Committee on Insular Affairs a bill (H. R. 10050), introduced by me for such purpose, and I sincerely hope each Member will find the opportunity to acquaint himself with the reasons and purposes for this proposed housing legislation.

Under the United States Housing Act, it is evident that a widespread public program of slum clearance and housing for persons of low income will be undertaken in this country. In order that Puerto Rico may take part in the program of housing with Federal aid, it is necessary: (1) That local public bodies exist with necessary powers relating to financing, construction, and operation of housing projects, and (2) that Puerto Rico, its municipalities, and other political subdivisions of Puerto Rico be authorized to aid in cooperation in the undertaking of such projects.

The proposed housing legislation would accomplish these purposes and make it possible for Puerto Rico to share in the program authorized by the United States Housing Act of 1937.

Studies made during the last few years indicate that there is an appalling shortage of decent housing for our low-income families, showing how slums and bad housing conditions are a grave menace to health, safety, morals, and the welfare of society.

The above-mentioned bill provides for the creation of a public housing authority for Puerto Rico and of public housing authorities in municipalities of Puerto Rico which authorities are corporate entities, separate and distinct from the government of Puerto Rico itself and from the municipalities and other public bodies of Puerto Rico. The housing authorities would have power to undertake projects for the clearance of slums and the construction of dwelling accommodations for persons of low income, but would have no taxing power and would depend for their revenues on the income-producing capacity of their projects. Such authorities would have the necessary statutory power to participate in a housing program in cooperation with the United States Housing Authority created by the United States Housing Act of 1937.

Under the bill dwelling accommodations would be provided only for persons who lack the amount of income necessary to enable them to live in decent, safe, and sanitary privately owned dwellings without overcrowding. These provisions regarding rentals and tenant selection are patterned after the provision of the United States Housing Act.

It has been demonstrated that private enterprise cannot construct safe and sanitary housing at a low enough cost to enable it to rent or sell such housing to persons in the lowest income brackets at a profit. The bill contains proper safeguards to protect private enterprise, and would not hamper legitimate business initiative. Private investment interests would be permitted to serve as broad a field as possible, leaving to public enterprise only those housing projects designed for persons in the low-income groups, from which a profit cannot be expected, and which must be subsidized if such persons are to be provided with decent housing. It is therefore clear that the type of housing project authorized by the bill is not competitive with the type of housing which private enterprise can and does undertake. Bills similar to the housing authorities bill have been enacted in 32 States.

In order to assure the validity of the housing authorities and housing corporation laws, it is necessary that an act be passed by Congress empowering the Legislature of Puerto Rico to enact housing legislation of this character. The bill is similar in many respects to the act passed by Congress authorizing the Legislature of Hawaii to enact housing legislation. It would remove restrictions and limitations which might prevent officers of the government of Puerto Rico and local bodies from aiding housing projects

of Puerto Rico and political subdivisions to enable them to cooperate with housing authorities in the construction and operation of such projects.

In short, the bill provides for the creation of a public housing authority for Puerto Rico and of public housing authorities in municipalities of Puerto Rico which authorities are corporate entities, separate and distinct from the government of Puerto Rico and other public bodies of Puerto Rico. The housing authorities would have power to undertake projects for the clearance of slums and the construction of dwelling accommodations for persons of low income. Such authorities would have the necessary statutory power to participate in a housing program in cooperation with the United States Housing Authority.

Naturally, it is to Puerto Rico's advantage, anxious to participate in the obligations and in the benefits of the United States Housing Act, to qualify itself as quickly and effectively as possible.

As part of my remarks, I include the bill (H. R. 10050) already referred to, with a short explanation of each of its provisions:

A bill to authorize the Legislature of Puerto Rico to create public corporate authorities to undertake slum clearance and projects to provide dwelling accommodations for families of low income and to issue bonds therefor, to authorize said legislature to provide for financial assistance to such authorities by the government of Puerto Rico and its municipalities, and for other purposes.

Be it enacted, etc., That the Legislature of Puerto Rico may create public corporate authorities to undertake slum clearance and projects to provide dwelling accommodations for families of low income.(1) The Legislature of Puerto Rico may provide for the appointment and terms of the commissioners of such authorities, and for the powers of such authorities, except that such authorities shall be given no power of taxation, and may authorize the commissioners of such authorities to fix the salaries of employees.(2) The legislature may appropriate funds for and may make and authorize any municipality of Puerto Rico to make loans, donations, and conveyances of money or property to such authorities, may make and authorize any municipality of Puerto Rico to make available its facilities and services to such authorities and take other action in aid of slum clearance or low-rent housing, and may, without regard to any Federal acts restricting the disposition of public property or lands in Puerto Rico, provide for the use by or disposal to such authorities of any public lands or other property held or controlled by the people of Puerto Rico, its municipalities or other subdivisions.(3) The legislature may authorize such authorities to issue bonds or other obligations with such security as the legislature may provide, and may provide for the disposition of the proceeds of such bonds and all receipts and revenues of such authorities.(4) Such bonds shall not be a debt of Puerto Rico or any municipality, and shall not constitute a public indebtedness within the meaning of section 3 of the act of Congress approved March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes," as amended.(5) All legislation heretofore enacted by the Legislature of Puerto Rico dealing with the subject matter of this act and not inconsistent herewith is hereby ratified and confirmed.(6)

PURPOSE OF CERTAIN AFORESAID PROVISIONS

(1) Section 37 of the Organic Act authorizes the legislature to create municipalities, raising the question as to whether this designation of a particular type of public body precludes the legislature from creating other types.

Section 37 also provides that no executive department of Puerto Rico, not provided for in the Organic Act, shall be created by the legislature. The authority should not be considered an executive department. However, a question might be raised as to whether the creation of the Puerto Rico Housing Authority by the legislature would be valid under this provision.

(2) While officers and employees of the authority should not be considered officers and employees of Puerto Rico, this provision is also thought advisable in order to avoid any question which might otherwise be raised by section 13 of the Organic Act fixing the appointment and terms of persons in executive departments of the government of Puerto Rico, and the provisions of section 50 that the salaries of officials of Puerto Rico shall be such and be so paid out of the revenues of Puerto Rico as shall be determined by the legislature and approved by the Governor.

(3) Sections 7 and 8 of the Organic Act provide that certain public property shall be placed under the control of the government of Puerto Rico. Although the provisions of those sections appear extensive, this provision would remove any doubt as to the power of the legislature to provide for the use or disposal of such property for the benefit of a housing authority.

(4) Section 6 of the organic act provides that the salaries of officials of the government of Puerto Rico and all expenses for the internal improvement or development of the island of Puerto Rico, with certain exceptions, shall be paid by the treasurer of Puerto Rico out of the revenue in his custody. The question therefore exists, as in the case of footnotes 3 and 4, as to whether the payment of salaries of the commissioners of the Puerto Rico housing authority and the expenses of all housing projects would have to be paid by the treasurer of Puerto Rico.

(5) Section 3 of the organic act places a debt limitation upon Puerto Rico and its municipalities and other subdivisions. This provision might be held to apply to a housing authority. It is essential that the bonds of a housing authority shall not come within any debt limitation or restriction. The reasons for the debt limitation provisions do not apply to a housing authority, because the bonds of the housing authority can in no manner be a burden upon the taxpayer under the housing authorities law of Puerto Rico. The bonds are payable solely from the funds or revenues of a housing authority, and are expressly declared in the housing authorities law not to constitute debts of the Government of Puerto Rico or any municipality.

(6) It is possible that housing legislation entitled "Housing Authorities Law" and "Housing Cooperation Law" that is now pending in the Legislature of Puerto Rico may be enacted prior to this bill.

Oklahoma's Administration of Old-Age Assistance Law

EXTENSION OF REMARKS

OF

HON. ELMER THOMAS

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Thursday, May 5 (legislative day of Wednesday, April 20), 1938

STATEMENT BY HON. ELMER THOMAS BEFORE THE SOCIAL SECURITY BOARD, FEBRUARY 23–24, 1938, IN WASHINGTON, D. C.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD two very brief extracts taken from the official hearings on file in the office of the Social Security Board. The particular record relates to the recent hearing in which the State of Oklahoma was involved.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Mr. Chairman and members of the board, before you start your hearing, may I make a statement?

I hope this hearing will not, in any sense, develop into any sort of a political contest. I knew nothing of the hearing being ordered. I knew nothing of any complaint being made.

A charge has just been made in the State that I am responsible for this trouble. Now, if there are any facts to that effect, I want such facts brought out.

My flat statement is, that under no conditions and in no way, here or other places, have I done or said anything that could be construed other than of being helpful, and I am hoping that this hearing will develop the facts in such a way that nothing bad can be found in the administration of the law in Oklahoma.

Our State is not in good shape. We have had several years of bad drought and depression, and many of our people, of course, are in bad condition; hence, you would expect the aged people to be in the worst condition.

I know that many of our people are in distress, and they are accepting any sort of relief they can get to tide them through, so I do not blame the aged people who are hungry, cold, and homeless for trying to get some assistance.

I am hopeful that whatever may be developed here will be construed only in the light of people seeking for help.

I hope that the acts of the Oklahoma board may be construed as a sympathetic attitude toward the old folks in giving them support.

I hope that when the hearing is over the Federal Board will point out the error or errors, if any, and so adjust the matters by conciliation and agreement that we may go ahead and see to it that those who are eligible for this assistance may have it, and if there should be any person or persons on the rolls, placed there because of their distressed conditions, but who should not be there, I hope they may be removed without disturbing those legally on the rolls.

I sincerely hope this will be the outcome of this hearing.

RESPONSE BY CHAIRMAN ALTMEYER

May I say for the record that neither Senator THOMAS nor any other representative of the State, either in the Senate or in

the House, has at any time made any statement to the Board or any suggestion to the Board, regarding this matter.

The delegation from Oklahoma is to be commended for its nonpartisan and nonpolitical point of view.

[Statements from official record on file in office of Social Security Board.]

Curb the National Guard—Give It Back to the People of the Country as an Instrument for the Preservation of Law

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1938

Mr. COFFEE of Washington. Mr. Speaker, I have today introduced two measures, in the form of amendments to the National Defense Act of June 3, 1916.

The first of these deals with, and is intended to put restrictions upon, the use of the National Guard in labor disputes. The second aims to put a stop to the common practice of obligating the National Guard establishments of the several States to corporations or individuals.

THE NATIONAL GUARD SHOULD NOT BE USED TO INTIMIDATE LABOR

Both these measures represent much needed reforms, to protect the people of the country from arbitrary use of the guard as a strike-bearing instrument. Under the present law the Federal Government is powerless to take any action whatsoever when the National Guard is called out to defeat the purposes of Federal law. The rights of labor to self-organization, to strike, to picket, to free speech and assemblage have in the past been frequently abrogated by use of the National Guard using Federal equipment, trained under Federal supervision, and largely supported by Federal grants. It is a very sorry sight indeed to see an arm of the Federal Government, though under State control, used to defeat Federal constitutional guaranties, and the policies of the United States as expressed in the Federal statutes. The use of the National Guard to break strikes, constantly becoming more common, is in modern times a Fascist perversion of an institution created by our revolutionary forefathers for the preservation to the people of the rights and liberties guaranteed them by the Constitution.

THE NATIONAL GUARD SHOULD BE LIMITED TO ITS ORIGINAL FUNCTIONS

There are wild-eyed men today, who like the tories of colonial times, call for the shedding of the people's blood whenever the big industrialists find themselves faced with strong demands for decent living wages and conditions from their employers. Yells have gone forth even in the Halls of Congress for bloody repression of labor when its organized strength strains the resistance of the corporate oppressors. They want the National Guard called to put down every strike. They have denounced Governors of States who resisted pressure put upon them to call out the guard to break a strike at bayonet's point. These are men who have no place in a proper economy, being unable, without the use of force and violence, to conduct their business properly, or unwilling to give up a cent of profit that those who produce it for them may also share in the good things of life.

They are the same men who build up private arsenals and private armies to war upon the labor movement peacefully exercising its constitutional rights. From these men must be taken the power to obtain the use of the National Guard for their own ends, the power to corrupt the National Guard establishments with gifts and subsidies. The National Guard is a people's army. It should be uniformly returned to the people from the private ownership that, in many States, is exercised over it.

YEAR 1937 WAS A TRAGIC ONE OF NATIONAL GUARD ANTILABOR ACTIVITIES

Here is a partial list of the instances in 1937 when the National Guard, armed with modern war equipment, from tanks to airplanes, marched against organized labor to defeat the public policy as expressed in the laws of the land, to defeat the aspirations of the people for life, liberty, and the pursuit of happiness, to defeat the New Deal. For the gathering of this data, the most impressive argument in favor of the amendments to the statutes governing Federal assistance to the National Guard, I am indebted to the International Labor Defense, of which Vito Marcantonio, formerly a Member of this House, and whom I hope we shall see here again, is president.

IN 9 STATES 1937 WITNESSED 12 TRAGEDIES

In 1937 Governors of 9 States called the National Guard for use in labor disputes 12 times. During the year about 10,000 National Guard men were in service, with about 6,000 more mobilized. They occupied at least 20 cities in the 9 States.

Flint, Mich., January 12, 1937: Sit-down strikers held the Fisher plant during the General Motors automobile strike. Two thousand National Guard men arrived equipped with machine guns. This number was increased until there was a total of 4,000 troops, the entire organized force of Michigan. They remained until February 16, 1937.

Anderson, Ind., February 13, 1937: Strikers of the Guide Lamp and Delco-Remy Cos. found that Governor Townsend ordered 1,000 National Guard men into the city, declared martial law and established a military blockade at the county lines. Union meetings were prohibited and not more than four men were permitted to enter the headquarters of the United Automobile Workers of America, which was conducting the strike. Although the strikers returned to the plants under a settlement agreement with General Motors the guardsmen continued their military occupation, patrolling day and night, even invoking military rule against the union attorney when he sought to visit the arrested strikers. Troops were demobilized on February 23, 1937.

Cairo, Ill., April 10, 1937: 100 Negro members of the Workers Alliance held a sit-down demonstration at the county relief building in protest against forced labor without pay during the February floods. Governor Horner called one company of National Guard men who evicted them. One Negro was shot and wounded.

Lewiston, Maine, April 21, 1937: During the great shoe strike at Lewiston-Auburn, more than 500 National Guard men were called out by Governor Barrows. They remained until May 18, 1937.

Monroe, Mich., June 13, 1937: During a strike at the Newtown Steel Co. (a Republic subsidiary) the union announced a huge mass meeting. Governor Murphy ordered out 350 National Guard men.

Johnstown, Pa., June 19, 1937: The attitude of Governor Earle toward the use of the State military during the steel-strike period is a refreshing contrast with that of other State executives. Governor Earle declared modified martial law and ordered 500 State policemen in charge of National Guard officers to close the plants of the Bethlehem Co., after the president of the company refused to cease operations pending Federal mediation. Military restrictions were lifted on June 25, 1937.

Youngstown area, Ohio, June 22, 1937: 5,000 National Guard men were called into the steel strike by Governor Davey to close the plants which the steel operators threatened to reopen. This action diverted thousands of sympathetic workers from adjoining States. After 3 days, however, the guardsmen were used to reopen the plants and act as escorts for strikebreakers. Emergency zones were established, and meetings and gatherings prohibited within these lines and picketing limited. In the presence of and occasionally with the assistance of National Guard men, homes were raided and workers beaten.

Additional troops were sent to Warren, Canton, Cleveland, Niles, and Massillon.

At Massillon, after an attack on strikers in which two workers were killed by police and deputies, the National Guard assisted the police in a raid on C. I. O. headquarters.

East Chicago, Ind., June 30, 1937: After the declaration of truce in the Inland steel strike at East Chicago, Governor Townsend ordered 4,000 National Guard men mobilized in their armories.

Akron, Ohio, July 6, 1937: 500 National Guard men were ordered into the strike area after the Goodrich Rubber Co. had asked authorities for "protection of its employees." Sheriff protested use of troops stating, "It may start trouble in a peaceful community."

Alcoa, Tenn., July 8, 1937: 300 guardsmen ordered into active service. Remained until July 13, at which time the strike was settled with the Aluminum Workers of America, who led the strike against the Aluminum Co. of America.

Ardmore, Okla., October 20, 1937: 80 National Guard men called by Governor Marland during a strike of the oil-field workers.

Akron, Ohio, November 19, 1937: Governor Davey ordered 2,000 National Guard men to "stand by" during a sit-down strike of rubber workers at the Goodyear Tire & Rubber Co. plant.

Sugar Fields, La., November 24, 1937: 5,000 W. P. A. Negro workers were rounded up and forced by 2,000 National Guard men to work in the sugarcane fields to save the crop for the growers.

The amendments I offer are simple and clear. Their purpose is self-explanatory from the text. I am convinced no reasonable person, who loves democracy and is attached to the Constitution, could do otherwise than press for their passage.

The bills introduced by me today to which I have referred are appended hereto as follows:

H. R. 10543

A bill to amend the National Defense Act of June 3, 1916, by prohibiting private gifts and donations to National Guard organizations, and for other purposes

Be it enacted, etc., That no National Guard organization of any State, Territory, or of the District of Columbia, or any officer, official, enlisted member, or agent thereof shall perform, directly or indirectly, any official services or official duties for any person, association, or corporation, or receive, directly or indirectly, any compensation, gift, donations, or gratuities from any person, association, or corporation.

Any and all expenditures of the National Guard organization of any State, Territory, or of the District of Columbia, and any and all compensation payable to any officer, official, or enlisted member thereof, for official services or duties, shall be payable only out of the public funds appropriated for that purpose, to the amount and in the manner prescribed by law.

Gifts, donations, and gratuities of any nature whatsoever, made by any person, association, or corporation to any such National Guard organization or to any officer, official, enlisted member, or agent thereof, shall not constitute public funds within the meaning of this section.

No National Guard organization of any State, Territory, or of the District of Columbia, or officer, official, enlisted member, or agent thereof, shall accept as a gratuity, donation, or gift any arms, ammunition, uniforms, clothing, equipment, stores, material, military supplies or equipment, or supplies or articles of a similar character, or any other property, whether real or personal, from, nor shall any such gratuity, donation, or gift be made by, any person, association, or corporation.

SEC. 2. Any and all contracts and agreements, whether written or oral, express or implied, heretofore or hereafter made and entered into between any National Guard organization of any State, Territory, or of the District of Columbia, or officer, official, enlisted member, or agent thereof, and any person, association, or corporation in violation of this section are hereby declared to be contrary to public policy and void and no such contract or agreement shall afford any basis for the granting of legal or equitable relief by any court.

SEC. 3. Any person may apply to the Federal court in the proper judicial district for an order restraining, enjoining, and prohibiting any National Guard organization of any State, Territory, or of the District of Columbia, or any officer, official, enlisted member, or agent thereof, or any person, association, or corporation from violating any of the provisions of this section.

SEC. 4. No National Guard organization of any State, Territory, or of the District of Columbia, which violates any of the provisions of this section shall receive from the United States any arms, clothing, equipment, equipage, stores, or materials, nor shall such National Guard organization receive from the United States any pecuniary, or other aid, benefit, or privilege authorized or provided by this title.

SEC. 5. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

SEC. 6. All acts and parts of acts inconsistent herewith are hereby repealed.

SEC. 7. This act shall take effect upon enactment.

H. R. 10544

A bill to provide for forfeiture by States of right to appropriation and equipment for National Guard organizations where ordered in active service in connection with labor disputes except under certain conditions, and for other purposes

Be it enacted, etc., That section 116 of the National Defense Act of June 3, 1916, as amended, be, and the same is hereby, amended by inserting the following paragraph after the first paragraph thereof:

"No arms, clothing, equipment, equipage, stores, or material heretofore or hereafter supplied by the United States to the National Guard, or heretofore or hereafter purchased for the use of the National Guard out of any funds appropriated at any time by the United States, shall be used by any unit of the National Guard of any State, Territory, or the District of Columbia, while on duty for any purpose in connection with any labor dispute, strike, or lock-out, nor shall the National Guard of such State receive from the United States any pecuniary, or other aid, benefit, or privilege authorized or provided by this title or any other law unless the National Guard is ordered in active service in connection with any such labor dispute, strike, or lock-out under the following conditions:

"(a) The municipal or county executive of the area affected shall file a request therefor in writing with the Governor, together with an affidavit setting forth that a stated number of National Guard men will be required for a stated period for the purpose of protecting and safeguarding life and property within his respective city or county; that an emergency exists and the facts constituting the emergency; that unlawful acts have been committed and the facts relating to such acts; that the public officers charged with the duty of protecting and safeguarding life and property are unwilling or unable to cope with such emergency; that substantial and irreparable injury to life and property will follow unless the National Guard is ordered to the area affected.

"(b) The Governor shall thereupon hold a public hearing, upon notice of not less than 24 hours to the labor organizations, employees, and employers and to all known persons involved in the labor dispute, strike, or lock-out, and to the chief or the public officials of the said city or county, to determine whether he shall order the National Guard into the area of such labor dispute, strike, or lock-out.

"(c) Such hearings shall be open and public; any person shall have the right to be heard in his own behalf or in behalf of any other person, firm, corporation, organization, or association.

"(d) Upon a finding that the statements contained in the affidavit of said municipal or county executive are true and that it is in the public interest to grant such request, the Governor shall issue a public proclamation setting forth his decision and findings and may order a stated number of National Guard men to the municipality or county in aid of the civil authorities for a stated period: *Provided, however*, That the National Guard shall be subordinate to and shall not supersede the civil authority; no court martial or military tribunal shall have jurisdiction over civilians; in the area so serviced by the National Guard, all deputies, special deputies, guards, vigilantes, private detectives, and peace officers appointed or employed for or during the existence of the labor dispute, strike, or lock-out shall be disbanded, disarmed, and dispersed and deprived of any and all authority; the right to strike, picket, peaceably meet, and assemble shall not, nor shall the freedom of the press, be limited, suspended, or prohibited by the National Guard."

Shall We Have a Naval Boundary?

EXTENSION OF REMARKS

OF

HON. ROBERT CROSSER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1938

Mr. CROSSER. Mr. Speaker, the extent to which the spirit of democracy is expressed is the measure of civilization itself. The extent to which the people of any country are conscious of truth and justice determines the degree of civilization in that country. Any form of government which is not in harmony with the general concept of a

people, as to what is right and just, is not a true measure of that country's civilization, regardless of its alleged efficiency. The recognition of the principle of democracy is, therefore, absolutely necessary to the development of civilization.

Under a truly democratic government it is the right and duty of every individual to think, speak, and act according to his highest intuitions. Each individual must, however, recognize the same right in all others, and hence must refrain from interfering with anyone.

Democracy is the antithesis, the very contrary, of egoism, and autocracy is egoism seemingly vested with momentary power. Egoism is the darkest, the most abysmal of all ignorance. It is the belief, the hypnotic state which gives a human being the notion that he is a creator, a cause, instead of being the creature, the effect. Democracy recognizes the existence of one cause, infinite intelligence and power, called principle, and expects the individual not to fix the laws of life and justice, but instead to bring himself into harmony with the law of action of infinite cause, intelligence, and power.

Democracy intends men to think and work in accordance with principle and not to glorify personality.

Shakespeare recognized the allness of principle and the relative unimportance of persons when he said:

> * * * man, proud man,
> Drest in a little brief authority,
> Most ignorant of what he's most assured,
> His glassy essence, like an angry ape,
> Plays such fantastic tricks before high heaven
> As make the angels weep.

Jefferson sensed the broad principle to which I refer when he said that he believed in a government of law and not of persons.

As I have said, men should not only be allowed but should be encouraged to think and speak freely, for thus they bring to the world ideas of immeasurable value. Every individual, in the true sense, is a channel through which infinite mind constantly expresses itself. We must then not only permit the channels to be open but must help in every way possible to keep them open, for then is democracy in action.

Now, what is true of individuals is true also of governments.

Just as the freedom of the individual is the very essence of a truly democratic government, so governments, which are merely aggregations of individuals, must recognize in other governments the right of freedom of judgment and action as to what is for their greatest good. We cannot justly try to force other governments to accept our ideas of good. According to the principles of democracy the real desire of the people of one nation for the systems and advantages of the people of another nation is due to the recognition of the evident value of such systems and advantages, and is never due to force used to compel their acceptance.

Upon the establishment of the United States Government, the people of the world noted its advantages and began to insist upon the adoption of the principle of democracy as the basis of their governments, and popular government was, therefore, established in many countries. We are now told, however, that the other peoples of the world no longer enthuse about the American Government and consequently have rejected the principle of democracy. My friends, if we have ceased to inspire others with the desire for democracy, it is because we have not established a truly democratic mechanism of government and have not adopted fundamental principles of economic justice.

Well was it said by De Tocqueville that the cure for the ills of democracy is more democracy. Do not denounce as a failure what we have never really established and have not practiced.

The principle of democracy to which we have referred is of great importance in connection with the consideration and disposition of the naval authorization bill now before the Senate.

This Nation is an individual nation among other nations. It has the right to develop according to its chosen standards. That means that other nations must not molest us and if they do so, America will certainly give its effective answer. America, likewise, must not interfere with others. It is one thing to justify true defense; we cannot justify offense or aggression.

Argument might go on indefinitely as to whether or not the increase in naval power proposed in the bill now before the Senate is too great or too small, and I would not dispute the sincerity of any person discussing the subject. Those, however, who believe in the principle of democracy should have no doubt as to our duty to refrain from aggression or attack.

Almost everyone agrees that only defensive warfare is justifiable, but as to what is meant by defense there are almost as many opinions as there are people. I believe, however, that the overwhelming majority of the American people understand defense to mean defense of the country—of the land in which our people live. Believing that to be the right principle, I think that we should say by law exactly what we mean by the term "defense."

The American people will not complain about the size of the Navy if they are assured that our naval forces will be used only in defense of a properly described naval frontier. They are not greatly distressed about the money to be expended for military preparation, but they are much alarmed at the possible slaughter of the youth of our land.

We should establish a naval frontier far enough from our coasts to give our Navy ample space in which to operate when repelling an invader.

The amendment proposed to the bill when it was before the House describes what outstanding military men regard as a naval frontier sufficiently removed from our coasts to enable the naval forces of the United States to be used to the greatest possible advantage in defending our country.

The following is the language of the amendment:

> The naval frontier of the United States is hereby defined as extending from Bering Strait to the western end of the Aleutian Islands, to the Hawaiian Islands, to American Samoa, to Panama, to the Virgin Islands, and to the eastern extremity of the State of Maine.

The amendment also contains the following language:

> The naval forces of the United States shall be employed to maintain said frontier inviolate against any foreign foe, but in their operations shall not go beyond the limits of that part of the Western Hemisphere which lies east of the meridian running through the twentieth degree of west longitude, reckoning from Greenwich as the zero point, except when on friendly visits, except in the event of military attack upon the United States or any of its possessions, and except in case of the violation of the historic policy of the United States as expressed in the Monroe Doctrine.

According to the philosophy of democracy, we have no moral right to force our ideas of government on any other country. Even if we should try to do so, however, leading military authorities say that we could not defeat a first-class naval power in the waters of either Europe or Asia any more than could a European or Asiatic nation successfully attack us in our own waters.

Both reason and justice, therefore, clearly require the establishment of a naval frontier as described in the proposed amendment just read.

To those who tell us that such a course would be shirking our part in the establishment of justice in other parts of the world, the answer, in the clarion tones of democracy, is that the example of our own conduct and actions would speak louder for the cause of right than do mere words which belie our conduct. If we will give full expression to the principles of democracy in our country, and demonstrate its advantage to humanity, the peoples in other parts of the world will insist upon following our example. When speaking of tyrants we should remember that no tyrant can long continue to rule when the people whom he oppresses see clearly that another kind of government would be better for them.

When we shall have made the amendment which I have read the law of the land, we shall not again send our boys off to foreign wars.

The young men of this country will then not be sent like sheep to slaughter on foreign battlefields. Not again will the bodies of American boys lie prostrate on the fields of other lands. Moreover, the good people of other nations, in their anguish and suffering from war, will look through their tears toward this land of ours and see that our youths are free from the threat of death on the fields of other countries, because we war only for the homeland and go not on journeys of conquest while we still talk about fighting only in defense. They will see that our boys are safe because our country practices what it preaches.

Then will the people of those nations rise in their wrath and demand that their governments also clearly announce to the world that they will not cross their national borders to attack another nation. They will point their so-called rulers to the shining example of the American people whose policy of defense only shall have saved their sons from slaughter. The people of those nations will also refuse to suffer longer as a result of permitting their governments to engage in wars beyond their borders. A sure way to avoid strife and to have the good will of others is by avoiding whatever appears like a threat of attack upon others. Intentions are shown by men's actions and people suspect the genuineness of statements which express the contrary of such actions. People naturally distrust those who talk much about their peaceful intentions, while at the same time they toy with weapons.

The adoption of the amendment which we have discussed will be a recognition of the truth and the wisdom of the saying, "By their works ye shall know them."

Let us, then, give positive and sincere assurance to the world that we shall take no warlike step except in the defense of this land.

When we shall have adopted the policy just explained we shall no longer war with others. Other nations will then hasten to adopt a like policy and so will come the end of all war.

We have talked much in the past about the Monroe Doctrine, a doctrine which gave world-wide fame to the man who announced it, but when the pending amendment becomes the law of our country, it will transcend in importance and public benefit the Monroe Doctrine, and will also far surpass in value any policy heretofore adopted in connection with the conduct of our international affairs. When the proposed amendment shall have become the law of our country, then throughout all this land, with my mind's eye, I can see a thankful people joyously acclaiming those who shall have thus laid a solid foundation for the temple of peace, and generations yet unborn will in their day, rise in the spirit of gladness to sing the praise of those who shall have thus striven to banish, forever, the monster, war.

Do We Ever Fully Recover From a Depression?

EXTENSION OF REMARKS

OF

HON. CHARLES G. BINDERUP

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1938

Mr. BINDERUP. Mr. Speaker, some time ago I prepared a chart which I was pleased to term Uncle Sam's hospital chart. This chart was based on historical facts and was the result of a great deal of statistical research and study, and was an analysis of some 27 depressions and economic collapses that our Nation has experienced in her short life of about 150 years, or on an average one about every 6 years.

One of the charts was sent to every Member of Congress with the folder containing information on the monetary question together with a copy of a bill which, we believe, will solve the problem of booms and depressions and of our very pressing problem of unemployment.

A study of this chart will reveal that unemployment is always preceded by a program of money scarcity and that a program of money scarcity is always followed by a condition of serious unemployment, deprivation, suffering, financial and industrial failures, loss of farm and urban homes, and human fatalities.

Do we ever get over a depression?

Uncle Sam's hospital chart proves that we never get over a depression. No; my friends, we just forget, that is all. On the ashes of the past, the ashes of a glorious but brief prosperity that was once but is no more, we build again. On the tears of the widows and the orphans, starvation and deprivation, misery and want, bread lines and soup kitchens, sorrows and suffering, we build again—only 7 years between our Uncle Sam's collapses and paralytic strokes. I say again Uncle Sam never gets over a depression. He never comes out as strong as he was before.

We cover the black mantle of remorseless time over the thousands of little lonesome graves out in the Nation's cemeteries, victims of Uncle Sam's depressions. And under this mantle of time we hide also our memories. Here we choke and smother the murmurings of suffering humanity, and forget. Covering the dust of time over the ashes of the past, and on this foundation we build once more another short prosperity, as the hospital chart will show. Just 7 years average between depressions; that is all.

I have oftentimes thought that over each of these little lonesome graves our Nation should erect a little white cross with the inscription, "Lest we forget. Here lies just another victim of one of Uncle Sam's depressions. Died of sorrow and suffering, not through any fault of his or her own, but because their Congress fumbled. Because their Nation forgot. Forgot their Constitution that provides that Congress shall coin and control their money that measures the sweat of the brow of man. Because their Congress forgot that human rights are more to be considered than property rights. Forgot the only principal that gave birth to government, 'The protection of the worthy weak against the greedy strong.'"

Banker Versus Editor

EXTENSION OF REMARKS

OF

HON. EDWARD W. CURLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1938

EDITORIAL IN THE NEW YORK POST, OF NEW YORK CITY, MAY 4, 1938

Mr. CURLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following editorial which was published in the New York Post, in New York City, N. Y., May 4, 1938:

YOU MADE ME WHAT I AM TODAY

Could this recession be melodramatized in terms of the "Old Homestead," that's precisely what the New Deal heroine would be telling the villain of the piece, Mr. Winthrop W. Aldrich, president of the Chase National Bank.

Thanks to Aldrich's stupid counsel, that heroine lies gagged and choking—and he has the gall to stand by and pontificate:

"She needs a breathing spell."

Let's look at the record.

Two factors stand out in the history of the last 5 years:

(1) That all those years Aldrich has been peddling the same economic quackery he handed the International Chamber of Commerce Monday when he attacked President Roosevelt's spending program and demanded his "breathing spell."

(2) That the New Deal was doing nicely—until it began taking Aldrich's advice.

Don't take our word for it. Let's look at that record.

Back in 1933 Mr. Aldrich made his first major prophecy as head of the Chase bank. He prophesied that the deposit-insurance law would drive many banks out of the Federal Reserve System.

What American, including Mr. Aldrich, would be without that deposit insurance now?

Go on to 1934. That year he said:

"If the Budget is not balanced, we will be faced with a situation the seriousness of which cannot be exaggerated."

Now 1935:

"Existing excesses invite a far wilder speculative abuse of credit than that which culminated in 1929."

Now 1936—still the prophet of doom by inflation:

"The potentialities of excessive bank credits are ominous."

Again, in 1937:

"Unless adequate monetary controls—a balanced Budget and increased reserve requirements—are invoked in time, our recovery can all too easily degenerate into a dangerous boom culminating in disaster."

And on Monday:

"We appear to be throwing away all safeguards, removing all brakes, and heading for disaster."

Year after year. Disaster after disaster. Not a note of cheer, even when business was brisk. Always the Nation has been headed for the rocks, in the opinion of this Jeremiah—

If Roosevelt would not follow his advice——!

President Roosevelt, unfortunately, did let his lieutenants follow Aldrich's advice.

On December 9, 1936, Aldrich declared:

"I trust that the Federal Reserve authorities in the near future will raise the reserve requirements to the full limit and then leave them unchanged."

Curiously, right about that time Aldrich was appointed a member of the Federal Reserve Advisory Council, a group supposed to advise the Federal Reserve Board. Even more curiously, the Federal Reserve Board promptly did just what Aldrich had demanded:

It boosted reserve requirements to the limit.

The Post warned at the time that this move would engender a new deflation. But we were a lone voice in the wilderness—then.

Aldrich also was behind the policy of sterilizing gold. On June 9, 1937, he actually praised the Roosevelt administration (yes; we have it in black and white). He said:

"President Roosevelt knows more about the gold situation than anyone else, and what he says about it is 100-percent correct."

Mr. Aldrich was happy. The Government was following his advice.

But the bond market was toppling—and the stock market was shaking like a big apple.

And when business went into a tailspin, too, was Aldrich convinced that his monetary policies were phony? Far from it. In January, before the President had repudiated those policies, he actually had the gall to declare that "the rapidity of the decline is in itself a hopeful sign."

* * * * * * *

So was the Nation thrown into a new depression—largely by the deflationary counsel of this No. 1 money changer of America.

Now, because the President has dared to return to the New Deal spending policies which had the merit of working and creating business and jobs—

Because the President has refused longer to follow the advice of this discredited economic fortuneteller—

Aldrich has the supreme crust to denounce the President and to demand a "2- or 3-year breathing spell"—a breathing spell for a patient whose respiratory system already is clogged up from swallowing Aldrich's own medicine.

* * * * * * *

We hope Aldrich will continue to be the spearhead of the Tory drive against Mr. Roosevelt's recovery program.

He is the best possible advertisement of the bankruptcy of economic thinking which motivates that drive. His every snipe may well bring this answer from 4,000,000 newly jobless Americans:

"You made me what I am today."

Railroad Workers

EXTENSION OF REMARKS

OF

HON. ALFRED F. BEITER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1938

Mr. BEITER. Mr. Speaker, the recent announcement of the Association of American Railroads concerning wage reductions for all railroad workers to take effect July 1 is disheartening just when Congress is considering the matter of setting up fair labor standards for all workers.

Despite rail assertions that a wage cut is necessary it seems to me that maintenance of the present wage schedules would do more to keep up the morale of the workers than anything else at this time. News emanating from railroad circles during the past few months has been anything but optimistic. This could not help but have its effect on the many thousands of railroad workers throughout the country. The railroad problem, in short, is something that should be settled before we leave here—whether it be in the form of temporary aid or remedial legislation of a permanent nature.

Recent press reports refer to a plan being considered whereby Federal funds would be used to provide wages for some 150,000 out-of-work railroad men for maintenance work. I do not know enough about this proposal to have any idea whether it would work but certainly Congress should take action of some kind to relieve this situation. It would seem to me that if a program of maintenance is undertaken, together with a Federal loan for equipment plan, that it would not be necessary for the roads to carry out their proposed wage reductions.

We are all too familiar with the plight of the railroad workers who have been furloughed during these bad times. These men are not able to get other jobs—most of them have had 10 to 20 years of service on the rails and have reached the age of 40 years or more when industry rejects them. I tell you, gentlemen, the problem facing these furloughed workers is a serious one. I have many letters from them in my files—just what are they to do?

The problem of finding a job at 40 is not an easy one. At 45 and 50 it is even more difficult. This group needs our help. There are already men in the ranks of the unemployed who have been laid off from private industry because of age who were previously employed in the factories of our Nation. We do not want to aggravate this situation by adding to their ranks the furloughed railroad workers. We cannot legislate to get them jobs but we can do something about the railroad problem which will enable them to go back to work. Reemployment of the furloughed maintenance-of-way men would help this situation materially.

American railroad workers have long constituted a self-respecting and hard-working group outstanding in the history of the progress of our country. But from economic and financial calamities they suddenly find themselves facing disaster—in some cases faced with actual want. It seems to me that any efforts of the Government to bring them relief would be commendable.

The lack of confidence felt by the railroad workers because of the economic situation that confronts them will disappear if the Government pledges its assistance to them. Let us consider now the Nation's transportation problems and find some way of immediate relief for the many workers who comprise this vast industry. If we can take action which will obviate the necessity of the scheduled wage reductions let us by all means get busy.

Eliminating Dangers to Life at Railroad Grade Crossings

EXTENSION OF REMARKS

OF

HON. ALFRED F. BEITER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1938

Mr. BEITER. Mr. Speaker, a short poem on the hazards of motoring, written many years ago when the automobile was still an infant, had as its last line "but you can't be struck by a railroad train so long as it stays on the track." A great many people still believe that statement is true and that only the most reckless or incompetent drivers are in danger of being killed by a train. Unfortunately, the falseness of this belief is being proved every year. More than a

thousand names are added annually to the list of fatalities at railroad-grade crossings.

Deaths resulting from such accidents in 1937 were greater than in any year since 1930. One thousand eight hundred and seventy-five motorists and pedestrians were killed by trains last year. Persons injured in these accidents during 1937 totaled 5,136, as compared with 4,930 in 1936. This increase in the number of grade-crossing accidents and the resulting casualties has taken place in spite of the efforts of safety organizations to impress upon the public the need for exercising greater precaution when approaching and passing over such crossings.

It is not enough to emphasize the importance of careful driving. Any one of us, no matter how careful we think we are, may become distracted or drowsy for a minute or two when out driving. If that minute should happen to coincide with the time that our car and a train are both attempting to cross the same railroad track, the result will probably be our death and the death or serious injury of the people riding with us. The only sure way to make accidents of this kind impossible for even the most careless drivers is to eliminate dangerous grade crossings and protect those that cannot at the present time be eliminated.

We cannot expect the States to do this work unaided. Until recent years the State governments had to assume the entire financial burden of eliminating and protecting highway-railroad grade crossings. As a result, little progress was made, and the creation of new grade crossings was more rapid than the elimination of old ones. The highway system of a State is no longer the property of that State alone. It is built with the aid of Federal funds and is often used more by tourists and commercial vehicles engaged in interstate commerce than by the citizens of that State. The elimination and protection of grade crossings will, therefore, be of benefit to the country as a whole, and it is the duty of the National Government to assume at least a part of the expense involved in this work.

The Cartwright bill sets aside $50,000,000 to be spent during 1940 and another $50,000,000 for expenditure in 1941—

For the elimination of hazards to life at railroad grade crossings on the Federal-aid highway system and elsewhere, including the separation or protection of grades at crossings, the reconstruction of existing railroad grade-crossing structures, and the relocation of highways to eliminate grade crossings.

If any progress is to be made in reducing the number of deaths and injuries which are daily taking place at these grade crossings, it is imperative that this bill be passed.

Keep America Out of War

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1938

SPEECH OF HON. HAMILTON FISH AT THE HARVARD PEACE CONFERENCE, WEDNESDAY, APRIL 27, 1938

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following speech I made at the Harvard Peace Conference on April 27, 1938:

The American people have abiding faith in our traditional policy of neutrality and nonintervention in foreign disputes and conflicts, and oppose any departure from it without their approval. However, the national policy of the United States must be determined by the people in any crisis, in such a manner as their honor, interests, and sentiments may at any time dictate. Our Nation is dedicated to a policy of international peace, through arbitration, mediation, and conciliation, and it has no imperialistic or warlike motives, and seeks no additional territory anywhere in the world. We are not isolationists from peace or from peace conferences and conferences to limit or reduce armaments, but we are isolationists as far as it is humanly possible from war and particularly other people's wars.

The United States will continue to support its treaty obligations with all nations and use its moral influence to promote peaceful relations throughout the world, but it is not ready or willing to fight to preserve peace in foreign lands or to end other people's wars, and it is only fair that we should stop deluding the other nations with false hopes. With the world aflame with war and rumors of war, it is not time to pussyfoot or mince words. You can almost hear the beating of the wings of the Angel of Death as she hovers over Spain, China, Germany, Italy, Japan, and Soviet Russia. The American policy should be that if these old nations of the world, living under ruthless dictators, arm to the teeth and go to war, it is their war and not ours. I believe the American people, regardless of party affiliations, want our Government to keep out of foreign entanglements and wars and to mind our own business and try to solve some of our problems back home, for the best interests of our own people. The American people realize that modern war is mass suicide and that we have nothing to gain and much to lose by fighting Japan or any other nation. It is my conviction that we have far more to fear from our enemies from within than from our enemies from without. I believe that we have actually more to fear from alarming propaganda emanating from Moscow and London, and from Communists and internationalists at home, creating suspicion and hatred of Japan than from the armed forces of any foreign nation.

The $1,100,000,000 additional naval-expansion program is unnecessary for defense and inconsistent with our foreign policies of keeping out of foreign controversies and blood feuds and conflicts. I am unalterably opposed to sending our ships and soldiers to fight other people's battles all over the world. If this be treason, let the internationalists and those who advocate concerted action, economic sanctions, blockades, and the use of force or coercion to police and quarantine the world, make the most of it. As for me, I shall use every influence at my command to isolate the American people from the wars of Europe and Asia.

I urge that a limitation of naval armaments conference be called immediately to limit naval armaments, which creates suspicion and hatred and eventuates in war. Where is the leadership and statesmanship in America? Are we going to drift into war and ruin because of fear of sitting around a table in order to reach an agreement to reduce naval armaments? I have introduced and urge the support of all elements of the American people on behalf of a constitutional amendment giving the people the sole right to draft citizens and noncitizens for service in the armed forces of the United States outside of the Western Hemisphere and our territorial possessions. This means that no President could of his own right to draft our citizens to fight in foreign lands, except with the approval of the American people. Not only is it the fundamental right of our citizens to decide this for themselves, but I believe it would be a powerful deterrent and limitation upon the internationalists in this country, who want us to police and quarantine the world and send our soldiers to fight and die in foreign lands over boundary disputes and blood feuds with which our people have little or no interest.

In order to get action on the resolution which I recently introduced it will be necessary to write to the Members of Congress to sign the petition now on the Clerk's desk for the discharge of the proposed constitutional resolution, and I urge the support of the American people to this end.

Mother's Day

EXTENSION OF REMARKS

OF

HON. MICHAEL J. STACK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1938

A POEM BY CHARLES A. McMAHON COMMEMORATIVE OF MOTHER'S DAY

Mr. STACK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following poem commemorative of Mother's Day. This poem, written especially for the Mother's Day program of the Catholic Hour, sponsored by the National Council of Catholic Men, was read on Sunday evening, May 11, 1930, by Mr. Hugh O'Connell, vice

president of the Catholic Actors Guild, and broadcast over the red network of the National Broadcasting Co.:

MY ROSE IS WHITE

One year ago,
Upon this day that honors those
The poet truly calls
The holiest of living things,
I wore a rose—
A fragrant bloom of brilliant hue—
To manifest before the world
My debt of love to you.
Though far away, you seemed as near
As in those treasured yesterdays
Of youth, and twice as dear.
It seemed this wondrous memory flower,
Like you, must bloom for aye
And waft its sweetness, hour on hour,
And never die.

Alas! its petals fell away.
I might have sensed some dire portent;
But I had you that "Mother's Day,"
And was content.
And then came June—
That teeming time of thriving things,
When flower and field and tree and sky,
In rare attune
Sang forth their song of life and joy
To stir within the souls of men
The heartening hope that Nature brings
With summer nigh.

That June we kept the rendezvous
We long had planned,
And journeyed to our dear old home—
As truly blessed
As any in the land—
Where you and your devoted mate
Were happy with the fledgling brood
That filled the nest
Until they flew away and you
Two were alone.

Then came the time, but you were left
To guard the gate;
And, grieved to see you thus bereft,
We made you come away
To be with us—and wait.
But never once did you forget
That cherished place
Or let a single one of us,
No matter what our lack of grace,
Escape your constant thought and prayers.

And so that June we lived anew
The memory of each bygone day:
You told the joy and oft the pain
That was your share
Along the way;
And I thanked God He'd left me you
And let me be
Your boy again.

I humbly tried as best I might
To pay back something on account
For all your care;
To keep you always in my sight—
For yours was dim;
To help your faltering feet to mount
The old familiar stair;
To kiss your wrinkled cheek "good night";
To tuck you in; then, lingering near,
To hear you say:
"God bless you, dear."

The days passed by,
Each with some little task to do:
Some friend to see,
Some old familiar scene to view.
And how we laughed and thought it fun
The day I washed your snow white hair
And dried it in the noonday sun.
A relic of that ministry—
The silken strands I garnered there
Are keepsakes dear to me.

We sought the church and then, nearby,
The hallowed ground that shelters in
Its friendly soil
Your spouse through fifty golden years
And others of our kith and kin.
We oft recalled their hardy toil
And praised their many, kindly doles,
The while we shed our frequent tears
And begged God's mercy
On their souls.

In such a place you knelt once more,
Upon a hillside plot,
To speak again your mother's name
The while you scattered garlands fair
And sorrowed at the fleeting fame
Of many sleeping there,
Now long forgot.

Our tryst was o'er:
The end of lovely June was nigh.
The month I felt some weeks before
Would never die.
With falling tears and lingering look
We said "adieu."
You knew you'd never come again, while I,
Forgetful of the faded rose,
Thought our good-bye
Was only for a year; its close
Would bring me back with you
And things would be the same.

Somehow a mother always knows:
For you had watched the dying rose.

Came autumn time,
When gold replaced the once green sod
That June had made;
And then despite all love's restraint,
Serene and unafraid,
You offered up your soul to God
And heaven hailed
Another saint.

And so this year
My rose is white.
It breathes of you and says: "Be kind;
To God and your best self be true"—
The words you spoke to me that night
The while we waited for the end—
Your thoughts with God;
My prayer to Him
For you.

My rose is white.
"Love's blossoms never die," it says,
And to us all it speaks
Of fadeless Junes to be our share
In pastures green,
Do we but care
To seek God's ways.

My rose is white.
It says my mother waits for me
In mansions fair;
And adds: "But live and die as she,
A friend of God,
And peace throughout eternity
Will be your share."

My rose is white,
And in God's love will I abide,
His goodness praise.
I know my mother's pleading eyes
Will seek His face,
And through His mother, at His side,
Obtain for me my meed of grace
To win an endless paradise
Of Mothers' Days.

A Farmer Asks Some Pertinent Questions

EXTENSION OF REMARKS
OF
HON. CHARLES G. BINDERUP
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Friday, May 6, 1938

LETTER FROM A NEBRASKA FARMER TO HIS CONGRESSMAN

Mr. BINDERUP. Mr. Speaker, under leave to extend my remarks, I include the following letter from one of my constituents, a farmer living near Crete, Nebr., in which, among other things, he asks some very important questions, the right answers to which, if they were made a part of our program, would, it seems to me, go far toward solving our difficulties. This farmer recognizes, as our Nation must, that if agriculture is to purchase the products of industry, then the farmer

must receive a parity price for his products; in like manner, this farmer also recognizes that if agriculture is to find a market for its products, then labor must receive its just portion of the income of industry.

I think many of us wonder with this farmer why it is if large financial and industrial organizations and shipping concerns can borrow money or credit at from one-half to 1½ percent that our farmers cannot borrow at like low interest rates money and credit with which to finance their homes and farms when they offer the best security in the world—the land.

CRETE, NEBR., *April 26, 1938.*

Hon. CHARLES G. BINDERUP,
Washington, D. C.

DEAR SIR: I have been intending to write to you for sometime and thank you for the copy of Uncle Sam's Hospital Chart. It is information for us who do not have close contact with the money problem. I sincerely hope that you accomplish the results that you desire by means of it.

There are a number of us Democrats living out in this part of your district that would like to ask you, and, through you, the President, some questions, if such a thing is permissible. We probably lack the proper information to get the viewpoint of Washington. We desire this information, and we know of no better way to get it than to write direct and to a reliable source.

We are unable to understand why the President and Congress are unwilling to give the farmer parity price. We feel that in failing to give the producer parity price Congress and the President are imposing a special tax—class tax—the equivalent of which is the difference between what the farmer receives and parity price. It makes an unbearable tax, almost confiscatory, upon the producer for the benefit of the rest of the people.

Allow me to explain by way of an example. Most farmers in this section of this State farm about 160 acres of land. They divide the farm in about 70 acres of wheat, 40 of corn, and the balance in feeds. The yields for this county are placed at wheat, 20 bushels per acre, and corn, 30 bushels per acre. Now, 70 acres of wheat, at 20 bushels per acre, amount to 1,400 bushels of wheat. This 1,400 bushels, at 75 cents per bushel, the present price, amounts to $1,050. Now, if parity were given on wheat—1,400 bushels at $1.20 per bushel would be $1,680. In the case of corn, 40 acres at 30 bushels per acre would amount to 1,200 bushels. Twelve hundred bushels, at 45 cents, the present price, amounts to $540. Now, if parity were given on corn, 1,200 bushels, at 90 cents per bushel, would be $1,080.

The difference between the present price and what this farmer would get if he received parity would be $1,170. This we feel is a special tax imposed on the wheat and corn farmer for the benefit of the rest of the people. A rather large tax, don't you think, when you add to it his real, personal, and indirect Federal and State taxes?

We just ask why the farmer is not given in justice this fair share? The public utilities get theirs in rates through commerce commissions, the manufacturers through tariffs, the bankers through the Federal Reserve System, and labor through relief, $5,000,000,000 of it now. But the bowels of the earth rumble when the A. A. A. is given one-half billion dollars.

According to statistics, about one-third of the population of the United States are farmers. Add to this people who have their money invested in and those who draw their living directly from the farm, and it will make close to 40 percent. If 40 percent of the population do not get their just share of the Nation's income, it stops their buying power and causes a depression. And if these people would get their just and honest share it would end a depression in one crop season. Do you realize the number of men that would go back to work on factory pay if the producer just received his honest share and could buy the things he needs? Paints, building materials, machinery, household equipment, etc. The producer fundamentally makes the money. Why should it be taken away from him by an unjust economic system?

We can neither understand nor can we see any justice in the special favors given Wall Street, the Wall Street gambler, the big manufacturer, etc., in loaning them money at from one-half to 1½ percent interest, and the man who wishes a loan on real estate or a farm mortgage must pay from 3½ to 5 percent. Farm-mortgage interest as well as city property should be very, very low. Land is the basic value on which governments are built. If you don't believe it, explain the actions of Italy, Germany, and Japan in the last year or so.

There is no justice in the Government's issuing money at 3c cents per $1,000 to a privileged class and they in turn reloaning it at 4 to 8 percent.

Congress should dictate the issuance and call of money, and not a few bankers in the Federal Reserve System, who are operating for their own private gain. The basic idea of money is that it is a medium of exchange and should be issued in such quantities to not hamper business. It should be the servant of man, not his dictator.

We see no reason for a large and increasing agricultural importation. Especially when we have a surplus here at home and are reducing crop acres. The farmer should not be made to suffer importations to benefit the manufacturer's exportations. Remember agriculture is the basic industry of any country. If you ruin it, sooner or later the whole structure will fall with it.

We are asking these questions not in a critical way. We would just like to know the reason why. They appear to us to be unjust. Perhaps we are wrong. We just want to know the truth. We would like to have your explanation of the why of these things. We would like to have you learn from the President the reason why he opposes so many of these things. We feel that you are making a good record in Congress. We like your stand and attitude on questions. This is the reason we write you.

Very sincerely,

C. W. KNOLL.

P. S.—I am a farmer, and so are my neighbors, who join in this letter. If Congress allows wheat to drop 60 cents per bushel on this new crop, they will "bust" one-third of the wheat farmers.

P. W. A. Projects in California

EXTENSION OF REMARKS
OF
HON. ED. V. IZAC
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, May 6, 1938

PENDING P. W. A. APPLICATIONS FOR PROJECTS APPROVED FOR CALIFORNIA

Mr. IZAC. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following list of the public-works projects pending in the Public Works Administration for the State of California. These projects have all been recommended and approved on the 45-percent-grant basis, but no money allotments have yet been made. I am sure the people of California view with distinct favor the recommendation of the President of the United States in his message to Congress of April 14 for the appropriation of a billion dollars to carry on the program of public works. Most of these projects were undertaken as a result of the request of the Federal Government to the local communities to speed such work as would give employment and at the same time serve a public need. It is too bad this policy was not followed consistently during the past 2 years. However, the projects listed here are those which the local communities deemed desirable and for which they were willing to bear their share of the cost, provided the Federal Government carried out its part of the contract and provided funds for 45 percent of the total cost. I am heartily supporting the President's proposal because I feel it will now be possible to continue this program and bring to completion hundreds of needed public buildings such as schools and hospitals and likewise give employment at a time when it is so badly needed.

California—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		State-wide:					
W1547	.....	State of California	Canal improvement	.....	$120,150	$120,150	$267,000
W1612	.....	....do	Pipe line	.....	117,000	117,000	343,472
		Total		.....	237,150	237,150	610,472

California—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Alameda County:					
W1027		Alameda	Subway		$1,125,000	$1,125,000	$2,500,000
W1128		Oakland	Bridge		329,400	329,400	732,000
W1249		Berkeley	Fire department		12,479	12,479	27,731
W1345		Oakland	Schools		79,740	79,740	177,200
W1546		....do	....do		277,380	277,380	616,400
W1577		....do	Sanitary sewer		27,225	27,225	60,500
W1588		Irvington	School		34,364	34,364	76,364
W1692		Albany	High school		28,350	28,350	63,000
W1702		Oakland	Sanitary sewer		141,931	141,931	315,402
		Total			2,055,869	2,055,869	4,568,597
		Butte County:					
W1693		Durham	High school		9,900	9,900	22,000
		Calaveras County:					
7796		....do	Waterworks		77,850	77,850	173,000
		Contra Costa County:					
W1242		Mount Diablo	Fire department		11,454	11,454	25,454
W1611		Contra Costa County	Country club		8,332	8,332	18,517
W1697		Walnut Creek	School addition		6,300	6,300	14,000
		Total			26,086	26,086	57,971
		Fresno County:					
W1467		Fresno	Fire department		31,500	31,500	70,000
W1626		Caruthers	School		5,850	5,850	13,000
		Total			37,350	37,350	83,000
		Humboldt County:					
W1474		Eureka	Detention home		18,000	18,000	40,000
		Imperial County:					
W1562		El Centro	School		3,082	3,082	6,850
W1620		Calexico	Gymnasium		20,475	20,475	45,500
W1684		Brawley	Waterworks		10,997	10,997	24,497
		Total			34,554	34,554	76,847
		Kern County:					
W1480		Bakersfield	Swimming pools		47,085	47,085	104,635
W1558		Kernville	School		13,500	13,500	30,000
W1571		McFarland	School addition		10,530	10,530	23,400
W1617		East Bakersfield	Schools		164,250	164,250	365,000
W1669		Delano	Auditorium		23,040	23,040	51,200
W1675		....do	Schools		80,263	80,263	178,362
		Total			338,668	338,668	752,597
		Kings County:					
W1371		Hanford	Fire department		12,690	12,690	28,200
		Lake County:					
W1679		Clear Lake	Auditorium and gymnasium		7,200	7,200	16,000
W1701		Upper Lake	School addition		7,223	7,223	16,051
		Total			14,423	14,423	32,051
		Los Angeles County:					
W1211		Long Beach	High-school addition		74,369	74,369	165,265
W1295		Redondo Beach	Breakwater		515,454	515,454	1,145,454
W1475		Venice	Pier		32,175	32,175	71,500
W1485		South Pasadena	Street improvement		13,950	13,950	31,000
W1488		Los Angeles	Underpass		211,250	211,250	469,444
W1523		....do	Sanitary sewer		43,285	43,285	96,189
W1524		....do	....do		45,788	45,788	101,752
W1541		South Whittier	School improvement		15,930	15,930	35,400
W1542		South Pasadena	Waterworks		33,537	33,537	74,527
W1550		Pomona	School improvement		33,075	33,075	73,500
W1551		Glendale	School repairs		31,500	31,500	70,000
W1569		Long Beach	Municipal building		63,000	63,000	140,000
W1580		Alhambra	Waterworks		11,520	11,520	25,600
W1582		Long Beach	Street		37,953	37,953	84,340
W1599		Puente	School		20,250	20,250	45,000
W1605		Long Beach	Library		7,272	7,272	16,160
W1625		Los Angeles	Pumping station		17,072	17,072	37,930
W1630		....do	Fire department		899,550	899,550	1,999,006
W1631		....do	Shop building		434,700	434,700	966,000
W1632		....do	Storm sewer		106,246	106,246	236,102
W1633		....do	....do		46,695	46,695	103,700
W1636		Beverly Hills	School improvement		33,750	33,750	75,000
W1640		Long Beach	....do		31,590	31,590	70,200
W1643		San Pedro	Municipal improvement		14,670	14,670	32,600
W1644		Los Angeles	Street improvement		2,215,350	2,215,350	4,923,000
W1646		....do	Drainage		13,590	13,590	30,200
W1651		Santa Monica	City hall		158,787	158,787	352,860
W1656		Lancaster	Town hall		24,075	24,075	53,500
W1659		Los Angeles	Library		147,258	147,258	327,240
W1666		Pasadena	Streets, waterworks		40,680	40,680	90,400
W1667		....do	School addition		203,400	203,400	452,000
W1678		Norwalk	School improvement		11,250	11,250	25,000
W1680		Los Angeles	Dock improvement		31,500	31,500	70,000
W1683		Puente	School improvement		31,336	31,336	69,637
W1686		Glendale	High-school improvement		36,646	36,646	81,435
W1689		Long Beach	Grade crossing		90,212	90,212	200,471
W1699	1	Los Angeles	Schools		2,045,455	2,045,455	4,545,455
W1699	2	....do	....do		1,497,314	1,497,314	3,327,364
W1699	3	....do	University buildings		409,090	409,090	909,090
		Total			9,730,494	9,730,494	21,623,321
		Marin County:					
W1482		Mill Valley	School improvement		18,000	18,000	40,000
		Merced County:					
W1592		Merced	School addition		14,400	14,400	32,000

California—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Monterey County:					
W1903		Soledad	School addition		$9,360	$9,360	$20,800
W1634		Pajaro	School improvement		4,500	4,500	10,000
		Total			13,860	13,860	30,800
		Napa County:					
W1506		St. Helena	Dam		13,500	13,500	30,000
		Orange County:					
W1609		Placentia	Schools		45,407	45,407	100,904
W1627		Orange County	Storm sewer		41,421	41,421	92,048
W1638		Richfield	do		22,343	22,343	49,651
W1648		Atwood	do		164,700	164,700	366,000
W1674		Buena Park	School addition		11,250	11,250	25,000
W1687		Anaheim	Gymnasium		27,000	27,000	60,000
		Total			312,121	312,121	693,603
		Placer County:					
W1685		Roseville	School addition		17,091	17,091	37,980
		Riverside County:					
W1258		Beaumont	City hall	$86,000	65,454	145,454	145,454
W1602		Coachella	Disposal plant	28,000	22,909	50,909	50,909
		Total		108,000	88,363	196,363	196,363
		Sacramento County:					
W1606		Sacramento	Courthouse addition		68,697	68,697	152,660
W1660		Elk Grove	Gymnasium		23,175	23,175	51,500
		Total			91,872	91,872	204,160
		San Bernardino County:					
W1583		Crestline	School		8,325	8,325	18,500
W1597		Upland	City hall		33,439	33,439	74,308
W1698		do	School		78,750	78,750	175,000
		Total			120,514	120,514	267,808
		San Diego County:					
W1291		San Diego	Disposal plant	1,100,000	900,000	2,000,000	2,000,000
W1514		do	Reservoir		45,000	45,000	100,000
W1526		do	Pipe line		10,237	10,237	22,750
W1536		Escondido	School		15,120	15,120	33,600
W1538		Encinitas	Reservoir		5,709	5,709	12,688
W1539		Oceanside	School		28,636	28,636	63,636
W1561		San Diego	Schools		121,964	121,964	271,033
W1566		Ramona	School addition		4,275	4,275	9,500
W1575		Alpine	Hospital		32,727	32,727	72,727
W1596		San Diego	City hall and jail		150,750	150,750	335,000
W1639		San Diego County	Pipe line		5,220	5,220	11,600
W1658		San Diego	School		34,587	34,587	76,860
W1690		La Mesa	School addition		29,430	29,430	65,400
W1695		San Diego	Harbor improvements		58,500	58,500	130,000
		Total		1,100,000	1,442,155	2,542,155	3,204,794
		San Francisco County:					
W1400		San Francisco	Courthouse		1,493,132	1,493,132	3,318,070
W1455		do	Rapid transit		6,775,200	6,775,200	15,056,000
W1458		do	Electricity distribution		12,542,310	12,542,310	53,127,690
W1578		do	Schools		522,450	522,450	1,161,000
		Total			21,333,092	21,333,092	72,662,760
		San Joaquin County:					
W1443		Stockton	Wharves	124,000	101,455	225,455	225,455
W1559		Lodi	School		22,500	22,500	50,000
W1600		Stockton	Warehouse	42,000	34,364	76,364	76,364
		Total		166,000	158,319	324,319	351,819
		San Mateo County:					
W1555		Burlingame	Police station		9,207	9,207	20,460
W1567		San Mateo County	Bridge		19,485	19,485	43,300
W1570		San Mateo	Fire department		12,420	12,420	27,600
W1573		do	School		12,015	12,015	26,700
W1613		Bayshore City	Auditorium		8,163	8,163	18,140
W1628		Redwood City	Office building		81,818	81,818	181,818
		Total			143,108	143,108	318,018
		Santa Barbara County:					
W1557		Santa Maria	Fire department		8,775	8,775	19,500
W1607		Carpinteria	School		49,050	49,050	109,000
W1614		Santa Ynez	Gymnasium		7,200	7,200	16,000
W1703		Santa Barbara	Field house		26,730	26,730	59,400
		Total			91,755	91,755	203,900
		Santa Clara County:					
W1004		San Jose	Harbor improvement		810,000	810,000	2,100,000
W1058		Santa Clara	Hospital addition		135,000	135,000	300,000
W1107		San Jose	High school		523,170	523,170	1,162,600
W1418		Palo Alto	Municipal building		28,165	28,165	65,200
		Total			1,496,335	1,496,335	3,627,800
		Siskiyou County:					
W1608		Yreka	Sanitarium		11,250	11,250	25,000

California—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Sonoma County:					
W1479		Cloverdale	School		$15,750	$15,750	$35,000
W1654		Petaluma	do		12,825	12,825	28,500
W1709		Healdsburg	Storm sewer		8,700	8,700	19,350
		Total			37,275	37,275	82,850
		Stanislaus County:					
W1139		Modesto	Record building		61,300	61,300	176,300
W1192		do	Hospital		39,273	39,273	87,273
W1527		Stanislaus County	Pipe lines		171,000	171,000	380,000
W1548		Modesto	Canal improvement		24,093	24,093	53,540
		Total			295,666	295,666	657,113
		Sutter County:					
W1554		East Nicolaus	Gymnasium		12,307	12,307	27,350
		Tuolumne County:					
W1540		Sonora	School addition		53,100	53,100	118,000
		Ventura County:					
W1057		Ventura	Waterworks improvement		379,636	379,636	843,636
W1284		Oxnard	School improvement	$69,000	56,454	125,454	125,454
W1327		Ventura County	Wharves	165,000	135,000	300,000	300,000
W1336		Hueneme	Harbor improvement		783,000	783,000	1,740,000
W1347		Oxnard	Drains	175,000	143,181	318,181	318,181
W1463		Moorpark	Schools		31,758	31,758	70,575
W1681		do	School improvement		30,273	30,273	67,273
		Total		409,000	1,559,302	1,968,302	3,465,119
		Grand total		1,783,000	39,916,419	41,699,419	114,345,293

The Wage and Hour Bill

EXTENSION OF REMARKS
OF
HON. MICHAEL J. BRADLEY
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, May 6, 1938

LETTER FROM THE PHILADELPHIA BOARD OF TRADE, AND REPLY

Mr. BRADLEY. Mr. Speaker, under the unanimous consent which I have received, I am extending my remarks and including therein a letter which I have received from the Philadelphia Board of Trade regarding the wage and hour bill, and my reply thereto:

PHILADELPHIA BOARD OF TRADE,
Philadelphia, May 4, 1938.

Hon. MICHAEL J. BRADLEY,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: Please oppose any advancement in consideration of the wage-hour bill now in the Rules Committee. Our sincere conviction is that this will afford no permanent advantage to labor, either in the Philadelphia section of the country or elsewhere.

The measure inspires bureaucratic control which will prove economically unwise as it affects manufacturing and distribution of merchandise, as well as employment of labor.

You will act for the ultimate advantage of your constituents by declining to sign the petition and in exerting every effort to prevent a rule which will bring the bill out on the floor of the House.

Very truly yours,

PHILADELPHIA BOARD OF TRADE,
H. W. WILLS, *Secretary.*

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., May 5, 1938.

PHILADELPHIA BOARD OF TRADE,
Bourse Building, Philadelphia, Pa.
(Attention Mr. Henry W. Wills, secretary.)

GENTLEMEN: I wish to acknowledge and to reply to your letter of May 4, in which you urge me to oppose the wage and hour bill and to withhold my signature from the petition to discharge the Rules Committee from consideration of the bill in order that it might be brought upon the floor of the House for a vote.

As I have received similar communications from several of your members, which, due to the volume of correspondence in my office, I have been unable to immediately answer, I felt that perhaps it would be well if I would reply at once to your letter, and, as a matter of record, to place your communication and my answer thereto in the CONGRESSIONAL RECORD for the reason that this petition will be presented to the House tomorrow.

Frankly, inasmuch as I understand that the purpose of your organization is to promote the best interests of Philadelphia and to encourage industrial development which would provide employment and thus insure a prosperous community in our city, I cannot understand your opposition either to the petition to discharge the Rules Committee or to the passage of the bill.

As a Philadelphia organization, you must be aware of the havoc caused in Philadelphia by the migration of our industries, particularly those in the textile field, to other parts of the country in order to take advantage of the opportunity for exploitation of labor through low wages and long hours. I cannot think that you are unaware of the many empty mills in Kensington and elsewhere in the city of Philadelphia, with the consequent increase in unemployment and with many trained craftsmen with no outlook before them except a place on the relief rolls. You must also be aware of the damage that has been done to the local merchant and the small-business man through the loss of purchasing power because of these empty factories.

The wage and hour bill voted upon at the last session of Congress provided for a minimum wage of $16 a week for a 40-hour week. To me this was little enough for the bill to provide as a minimum wage, as I think the American workingman is entitled to a great deal more than this in order to be able to provide the ordinary comforts of life for his family. The present bill sets a minimum even below this level, and it is hard for me to understand how anyone can defend existing wages in certain sections of the country as a standard for the American workingman.

This bill is specifically intended to help communities like Philadelphia retain their industries and to provide a deterrent for further migration of industry from our city. It seems to me that if you would dispassionately analyze present conditions in our city, you would be forced to the realization that Philadelphia will benefit from the provisions of this bill perhaps more than any other city in the United States, and for that reason you should, as an organization whose purpose is to promote trade and commerce within the city of Philadelphia, be one of its foremost advocates, rather than to be taking a position of opposition to the legislation. There are always those who can advance academic arguments against any progressive and humane measure, but in the last analysis, I think the question is simply whether or not you favor continuation of conditions which have caused the migration of industry and impoverished thousands of our citizens in Philadelphia, or whether you deem it advisable to protect the people of Philadelphia.

I wish the wage and hour bill would go a great deal further than it does, but it is at least a step in the right direction, and I intend not only to sign the petition, but in my capacity as a member of the unofficial steering committee working for the bill, I intend to exert all of my efforts for its passage, and I must frankly say that I cannot understand how any organization in Philadelphia can justify its position as an opponent of this legislation.

During the recent hearing before the Rivers and Harbors Committee for the 40-foot channel in the Delaware River, and also the

hearing before the Interstate Commerce Committee on the proposal to erect a bridge across the Delaware, your organization sent representatives to Washington to present testimony in the interest of Philadelphia. I and my colleagues were more than happy at that time to cooperate with you, because we realized that you were acting for the best interests of Philadelphia, and we were glad to be able to secure passage of legislation authorizing the 40-foot channel in Philadelphia, and to take the necessary steps to oppose the construction of the bridge across the river. I feel that you were doing a constructive work at that time and I would be very happy in connection with this legislation, which is of paramount importance to Philadelphia, if the Congressmen from Philadelphia had the cooperation rather than the opposition of groups which are organized to advance the commercial interests of Philadelphia.

Very truly yours,

MICHAEL J. BRADLEY.

Minimum Pay Bill for Brazil

EXTENSION OF REMARKS

OF

HON. ARTHUR D. HEALEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1938

EXCERPT FROM THE CHRISTIAN SCIENCE MONITOR

Mr. HEALEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following short excerpt from the Christian Science Monitor, of Boston, on the minimum pay bill for Brazil:

RIO DE JANEIRO, May 2.—President Vargas marked International Labor Day yesterday by signing a decree creating regional commissions charged with establishing minimum wages for all workers.

There will be a commission in each of Brazil's 20 states, the far-west Territory of Acre, and the Federal District of Rio de Janeiro.

The decree, signed in a ceremony at Gunabara Palace, defined a minimum wage as the remuneration for an adult worker of either sex for a normal day's service, which would permit at a given time in a given region "the satisfaction of normal needs."

The commissions will be made of not less than 5 nor more than 11 members. Chairmen will be chosen by President Vargas, while labor and employers each will choose half of the body of each commission.

The decree is effective immediately, but it was expected it would be some time before each commission could reach conclusions on the cost of living in its region, something that must be done before wages may be fixed.

Letters to Secretary of War and Secretary of Navy Concerning Helium

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1938

LETTERS TO THE SECRETARIES OF WAR AND NAVY

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letters which I have forwarded to the Secretary of War and to the Secretary of the Navy, voicing strong opposition to the proposed sale of helium to the German Nazi Government.

MAY 6, 1938.

Hon. HARRY H. WOODRING,

Secretary of War, Washington, D. C.

MY DEAR MR. SECRETARY: You are a member of the Munitions Control Board, and if correctly reported, you gave your consent to and advocated the sale and export of approximately 18,000,000 cubic feet of helium gas to the Third Reich through its agent, the Deutsche Zeppelin Rhederei.

The law that we passed precludes, under penalty, the sale and export of this rare gas in quantities of military importance, and further prohibits the accumulation of such quantities abroad.

May I respectfully ask whether or not there is any military expert in your Department, who is an officer or American citizen, who may have advised you that 17,900,000 cubic feet is not of military importance? It seems anomalous that the Secretary of the Interior, who is not charged with the defense of the land, is, as far as I can discover from the public press at least, the only member of the President's Cabinet who believes that such a huge volume of gas would be inimical to our best interests if sold to the German Reich.

In this connection it must be remembered that the German Reich has also requested leave to purchase an additional 40,000,000 cubic feet for next year and 40,000,000 cubic feet the succeeding year. This would make a total purchase within 2 years of 97,900,000 cubic feet. It is true that there is tentative approval but for 17,900,000 cubic feet. Nevertheless, this purchase would be deemed an isolated transaction. Apparently it must be correlated with the general scheme of the Third Reich to pile up important stores of military matériel against a possible naval blockade.

Furthermore, you have asked us to appropriate, in addition to funds already allotted, $44,000,000 for antiaircraft guns and seacoast defense for our eastern cities. The contemplated export of this vast quantity of helium might well render a nullity such seacoast defense, because helium-filled dirigibles would be impervious to all antiaircraft attack, particularly because of the noninflammable and nonexplosive qualities of helium.

In conclusion, is it not far more important to consider American rather than any foreign interests in this matter?

I anxiously await your reply.

Yours very truly,

EMANUEL CELLER.

MAY 6, 1938.

Hon. CLAUDE A. SWANSON,

Secretary of the Navy, Washington, D. C.

MY DEAR MR. SECRETARY: You are one of the Inter-Cabinet Committee that was asked to recommend a policy concerning the sale and export of helium. I am informed that you were one of the members of that committee that consented to the sale and export of 17,900,000 cubic feet of this rare helium gas.

A statute which we passed some time ago prohibits, under dire penalty, the sale of such gas in quantities of military importance, and, furthermore, precludes its accumulation abroad in military quantities.

Be it remembered, that the Third Reich, through its agent, the Deutsche Zeppelin Rhederei, has not only applied for an immediate purchase of 17,900,000 cubic feet but has also asked for 80,000,000 additional cubic feet over a period of 2 years. It is difficult to understand how your Department concludes that the purchase of 97,900,000 cubic feet of this gas could not be deemed an accumulation of military importance. While it is true the present contemplated sale is but for 17,900,000 cubic feet, such sale cannot be considered separate and distinct from the request of purchase of 80,000,000 cubic feet more.

I am anxious to know whether or not any official in your Department, who is an American citizen and officer, reported to you the desirability of your consenting to this sale, and whether such officer put himself on record before you that such quantity was not of military importance.

There is a great deal of propaganda, evidently Nazi inspired, against Secretary of Interior Ickes because of his persistent refusal to consent to the sale of this gas and his sincere attempt to abide by the law that we passed to conserve this vastly important military asset of the United States. We spent vast sums of money for the purchase, production, and conservation of this gas. We set up a monopoly because it was a military asset, and for no other reason.

I noticed a statement in the press recently chiding Secretary Ickes for not acting according to the Golden Rule with the German Government, in which the assertion was made that the writer had been introduced to Dr. Eckener in the Navy Department by Mr. F. Willy von Meister, his representative. I would like to know if this Mr. Von Meister is a commissioned officer or a civilian employee of the Navy Department. If not, is he by any chance the Mr. F. W. von Meister referred to in an article in the Nation of June 5, 1937, entitled "What Are the American Nazis Doing?" and in which the following statement appeared:

"* * * The center for German technical intelligence has been reorganized. The old Technischer Verein is the formal screen. The leader of the New York Gestapo (German Secret State Police), Ernst Krause Wichmann, replaced Rudolph Wildermann, who was considered inefficient, with the Nazi-trained Diplom Ingenieur Rudolph Pickenbrock. Mr. Pickenbrock is responsible for conveying technical information to Dr. Matschoss of the German Engineers Club in Berlin. F. Willy von Meister of the New York office of the Deutsche Zeppelin Rhederei is still in charge of all technical intelligence and was recently reconfirmed in the office. Besides, he is official liaison man for the Nazi Party with the most important American industrial and commercial institutions.—Caveant Consules."

And is he the same Mr. F. W. von Meister, who, I am informed, makes the affidavit in support of the application of the German

Government for the export of this quantity of helium, and whose unsupported statement, that it is not of military importance, was the sole evidence before the Munitions Control Board at the time the allotment was approved?

If this is the gentleman, it would be interesting to know of the "entry and connections" he has in the Navy Department.

In view of the great importance of our naval defenses and the connection of helium therewith, I deem this communication worthy of your earnest and personal attention. I await with interest your reply.

Yours very truly,

EMANUEL CELLER.

Why the Farmers Are Insolvent

EXTENSION OF REMARKS

OF

HON. HENRY G. TEIGAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1938

Mr. TEIGAN. Mr. Speaker, I am not a farmer. I am a city man. I have, however, spent much of my life on the farm and am reasonably familiar with the problems and conditions that the farmer has to contend with. I have, moreover, a firm belief that the people of the cities cannot prosper and that labor cannot find ready employment at decent wages unless the farmers of this Nation receive an adequate return for the products of their toil, and have greater buying power with which to purchase goods made by the workers in industry.

It has long been a tradition of the Farmer-Labor Party, to which I have the honor to belong, to denounce the practice of gambling in the necessities of life. The Farmer-Labor Party of my State, at its last convention, held in Duluth, Minn., in March 1938, declared in its platform for—

> A program fixing a fair minimum price, based on cost of production, on major agricultural commodities needed for the home market, and at a fair exchange value with such protective devices as may be necessary to give the American market to the American farmers.

FAVOR LEGISLATION FOR ALL WEALTH PRODUCERS

I do not claim to be an expert on farm legislation. It is probable that I know more about the labor problem than I do about the farm problem. But I have had a sincere desire to learn as much as possible about the problems of the farmers in the hope that, as a Member of the Congress, I may vote understandingly in the interest of all of the producers of all of the wealth of this Nation.

I voted for the farm bill enacted in the early part of this present session. I thought it was better than no farm bill at all. I noticed that many of my colleagues seemed to vote for that bill with much reluctance. Even Chairman JONES, of the House Committee on Agriculture, seemed to have his own misgivings about the matter. In closing the debate, just before the vote was taken on the bill, he seemed to be coming around to the Farmer-Labor point of view. He said:

> If this measure does not work out, I feel that the next step as to cotton and possibly as to other farm commodities will be to establish a price for that portion of the production which is used in this country, and through a penalty provision as a regulation of interstate commerce require that such portion be purchased at not less than the established price.

Mr. Speaker, knowing as I do that prices are made in the market place, not on the farm, I have often wondered why, in drafting legislation to increase the income of the farmers, we should explore the possibilities in every direction except at the central point—the market place.

GRAIN GAMBLERS DEPRESS FARMER'S MARKET

I have for many years heard my brethren of the Farmer-Labor Party denounce the grain gamblers and the futures market and its injurious effect on agricultural prices. I have been curious enough on several occasions to visit the "pits" at the Chicago Board of Trade.

I well remember one of my first trips to the visitors' gallery. I noticed before me, in the wheat pit, a large number of excited men, wildly shouting and gesticulating with hands and fingers. Over at the other side of the room I noticed a few men calmly handling what appeared to be different kinds and grades of wheat. I turned to the guard, who stood beside me, and asked, "What are those men doing down there in the pit?" He said, "They are buying and selling wheat-futures contracts." I then asked him where it was that real wheat was on sale, and he pointed to the sample tables at the other end of the room.

"PIT" RESERVED FOR SPECULATORS

I had always supposed that wheat was bought in the wheat pit, but I later learned that wheat, as merchandise, is bought and sold at the sample tables, and that the "pit" is reserved for the use of speculators, who bet, by means of the purchase and sale of futures contracts, on fluctuations of market prices. I had supposed that the Chicago Board of Trade was a great grain market, but I later learned that it is a great grain-futures contract market, doing 88 percent of all of the grain-futures contract business that is done in the United States, and that in its cash market it does a very small amount of business involving the buying and selling of actual grain.

I had supposed that, in any event, these futures contracts were contracts for the future delivery of grain. I later learned that future deliveries of grain are made in the cash market, not in the futures market. They are called "to arrive" deliveries, where actual grain is ordered for actual delivery in the future. I learned that the noun "futures" has an entirely different meaning than the adjective "future," as these terms are used in the grain trade. The remote possibility of any grain ever being delivered at all under a futures contract is indicated by Dr. J. W. T. Duvel, Chief of the Commodity Exchange Administration, in his 1937 report to the Secretary of Agriculture. At page 12 he says:

> In the first place, cash contracts are used in the marketing of the actual physical commodity, while futures contracts are used as a means of speculation and hedging. Persons entering the futures market ordinarily do not want to take or make delivery. It is easier and more economical to close out the transaction by making another offsetting one. Moreover, as futures contracts provide for the delivery of one of several grades of a commodity * * * at the seller's option, the purchaser cannot be certain he will receive the grade of the commodity which he could utilize.

At first I was very much mystified by these things. My lawyer friends had told me that these "pit" transactions were gambling transactions, and that on that account the courts have held that futures brokers cannot recover from their customers when they sue them for futures commissions. But I still did not see what effect, if any, this futures market had on prices paid to farmers for actual commodities in the cash or merchandise market.

FUTURES QUOTATIONS SET PACE FOR CASH PRICES

I then learned that in some mysterious, psychological way "futures quotations set the pace for cash prices." I then wondered what it was that set the pace for futures quotations. I noticed that the ticker tape recorded futures quotations rather than cash prices, and I was curious to know who ran the ticker tape. I had never seen anything of that sort in connection with the sale of industrial goods.

I soon discovered that the ticker tape was run by those in the "pit" betting about how prices would go, up or down, in the world market. I noticed, though, that Chicago futures quotations were usually much lower than Liverpool quotations.

It then began to dawn upon me that if our farmers are bound to buy manufactured goods at American prices and to sell their farm products, both at home and abroad, at world prices or less, they must of necessity operate their farms at a loss. I began to see the reason why in 1932, with a tariff of 42 cents a bushel on wheat, farmers had to sell wheat in this country for 30 cents. I began to understand that the ticker tape, that sets the pace for cash prices, takes no notice of tariffs or of domestic crop control or of anything else except world prices or guesses concerning world prices.

COST OF PRODUCTION PROPER BASE FOR PRICES

I saw then the wisdom of the Farmer-Labor Party's demand for "a program fixing a fair minimum price, based on

cost of production, on major agricultural commodities needed for the home market." It now looks to me as though, if we are to give the farmer a square deal, we shall have to take the ticker tape away from the farmers' market or, if not, we shall have to put futures ticker tape into the manufacturers' market so that the farmer can buy, as well as sell, on the basis of world prices. Of one thing I am quite sure: If we really wish our farmers to be solvent and to have needed purchasing power we shall be obliged to face the facts as to the market place where agricultural prices are made.

I have of course often heard it said that the futures market is necessary in order to provide a place where millers may hedge. I suspect, though, that the risks against which millers hedge are the risks created by the futures market itself. I have an idea, too, that if agricultural prices were stabilized, as the Farmer-Labor Party platform demands, the millers could do very well without a futures market in which to hedge. In fact a futures market could not exist in the presence of stabilized prices. A futures market both feeds upon and produces a condition of instability.

DR. BEAN PREDICTS LOWER PRICES

After the vote on the farm bill had been taken in the House, and just before the vote was taken in the Senate, Dr. Louis H. Bean, economic adviser to Secretary Wallace, gave an interview to the press. He said:

Judging from the history of farm prices and some of the major supply-and-demand factors, including this new farm legislation, it would appear that the purchasing power of farm prices, and therefore of farmers, is likely to be lower over the next few years than it was in 1935–37.

That is not a very promising prospect for us to offer to our farmers after our long labors to produce a new farm bill. I feel very much, as Chairman Jones has indicated, we shall be forced to come to the point of enacting a cost-of-production program, as advocated in the platform of the Farmer-Labor Party.

If anyone benefits from the futures market it certainly is not the farmer. I suspect the benefits go to the futures brokers and to the bankers who want their loans to farmers to be secured by low-priced crops.

P. W. A. Projects, Fifth Congressional District of New Jersey

EXTENSION OF REMARKS
OF
HON. CHARLES A. EATON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Friday, May 6, 1938

APPROVED APPLICATIONS PENDING FOR P. W. A. PROJECTS IN FIFTH CONGRESSIONAL DISTRICT OF NEW JERSEY

Mr. EATON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following list of P. W. A. projects in my congressional district:

Fifth Congressional District of New Jersey—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Middlesex County:					
W1097		Woodbridge	Grade crossing		$450,000	$450,000	$1,000,000
W1113		Piscataway	Town hall		16,363	16,363	36,363
W1294		Woodbridge	Vocational school		120,330	120,330	267,400
		Morris County:					
6583		Lincoln Park	Waterworks		85,498	85,498	189,995
W1143		Morris Plains	School addition		19,636	19,636	43,636
W1279		Greystone Park	Hospital improvements		380,250	380,250	845,000
W1290		Stirling	Disposal plant		47,700	47,700	100,000
W1314		Budd Lake	Municipal building		31,117	31,117	69,150
		Somerset County:					
W1114		Manville	School	$88,000	72,000	160,000	160,000
W1193		Basking Ridge	do		76,909	76,909	170,909

Privilege, Poverty, and Liberalism

EXTENSION OF REMARKS
OF
HON. CHARLES R. ECKERT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 5, 1938

Mr. ECKERT. Mr. Speaker, the New Deal epitomizes the liberal movement in America. The groundwork was prepared by thousands of earnest and sincere friends of the cause of social justice throughout the years. Until 1933 it was without form, but under the dynamic leadership of President Roosevelt the movement began to take definite form. It was then that privilege and its emissaries began to appreciate for the first time the formidable aspects of the movement.

The immediate task of the New Deal was to arrest the ravages of the most disturbing, devastating, and pernicious depression in the Nation's history. All was well while this phase of the New Deal was being developed. The brilliant leadership of the President caught the imagination of the country and the stimulating influences that followed in the wake of the march of the New Deal was acclaimed with shouts of approval by friends and foes alike. If finis could have been written to the end of this chapter, the glory of the New Deal would have gone down in history undimmed and with flying colors. And a less courageous leader than President Roosevelt might have considered the thought and let the world go hang.

But not so with the President. There was a great task ahead. To stop the ravages of the depression was only a part of the job. The social structure needs to be reformed in order that economic liberty and permanent prosperity may be established. Besides, this was the promise of the Democratic Party in 1932, at whose hands Franklin D. Roosevelt received the nomination for the Presidency. The Democratic Party solemnly declared that the best efforts of the party and the nominees would be put forth to reform the economic system in the spirit of the doctrine "Equal rights to all, special privileges to none," for the purpose of establishing economic liberty.

Encouraged by the enthusiastic reception the work of the extraordinary session of the Seventy-third Congress received by the Nation, President Roosevelt proceeded undaunted and unabashed toward the development of the New Deal, with an eye single to permanent recovery. This, in the nature of things, brought the President and his party into head-on collision with the powerful and mighty in monopolized business and finance, and henceforth the war was on. At the beginning, resentment was only smoldering, but as

the New Deal marched on to new attacks against the evils and iniquities of privilege, the more ferocious and fiery became the emissaries of privilege, so that now the war is raging fast and furious all along the battle front.

Liberalism dare not blink this fact. Liberalism is approaching not only the bitterest struggle but the most vital in its history, and therefore it behooves the liberals to take stock, commune together, examine the New Deal, locate its weaknesses, remove what is unsound and reinforce with what is sound.

First of all, the fact must be recognized that liberalism is not a fixed and definite quantity. The structure of liberalism is in the making. It is a never-ending process and its steady growth and strength depend upon the accuracy with which the underlying principles of true democracy and free society will be respected in its development. If false and spurious creeds and faiths creep into the philosophy of liberalism, its vitality will be weakened and in due course bring disaster to the cause. A New Deal half false and half true cannot stand. It must be made true—true in the sense that the natural laws governing human society must be religiously obeyed.

Albert J. Nock, in a recent issue of the Atlantic Monthly, calls attention to the great truth that natural law operates in the realm of economics as inexorably as in the realm of physics. This fact as yet is not accepted wholly by the liberal forces, but the time has come when it must be accepted if the Nation is to escape the pitfalls that befell the nations of antiquity because of their obstinacy and stupidity. The New Deal will be able to withstand the attacks of its foes only if the liberal forces will place themselves on sure and solid ground.

Much that has been done in the name of the New Deal is fine. Its program of relief has much to recommend it. Its reforms in behalf of human welfare, as embodied in the social-security program with its old-age benefits, unemployment insurance, mothers' aid, youth assistance, and so forth, is not only of inestimable value but adds that spirit of humanity that is so essential in the struggle for human rights and economic justice. Of course the relief program must, as time goes on and as rapidly as conditions permit, be reformed and improved so that the benefits of old-age pensions and the rest will be shared and enjoyed by all the people in such degree and in such fashion as will give a full measure of comfort and satisfaction.

But the true strength of the New Deal lies in its moral and economic soundness, therefore every measure incorporated and made a part of the New Deal must withstand the acid test of good morals and sound economics. The forces of liberalism will do well to accept the counsel of Woodrow Wilson, to make sure of their ground, and besides making sure of their ground, it is also important that liberals exercise a high degree of patience. The liberal movement, as stated before, is not a static thing, but a faith, a belief, a religion as it were, that is as endless as time itself. Therefore the end sought is not the vital thing, but the sure knowledge and faith that the liberal movement is on the right road and going in the right direction. To this purpose, liberals are enjoined to consider with prayerful meditation Henry George's observation as to the source and growth of true social reforms. He said:

> Social reforms are not secured by noise and shouting, by complaints and denunciations, by the formation of parties, or the making of revolutions, but by the awakening of thought, by the progress of ideas. Until there is correct thinking there cannot be right action, and when there is correct thought right action will follow.

Under leave to extend my remarks there is included the following letter addressed to the Honorable Harold L. Ickes, Secretary of the Interior.

APRIL 27, 1938.

Hon. HAROLD L. ICKES,
Department of the Interior, Washington, D. C.

MY DEAR MR. ICKES: I was very much interested in your free and frank discussion of the trend of politics Tuesday evening, April 19, before a group of House Members. I share your deep concern over the fate of the liberal movement in America. Is it to be eclipsed by the forces of reaction? Wise action and intelligent leadership are needed in the immediate future. Woodrow Wilson is authority for the statement that—

"All that America needs is a new and sincere thought in politics, distinctly, coherently, and boldly uttered, by men who are sure of their ground."

This is a bit of counsel that the liberal forces of America might contemplate with profit. They must make sure and certain of their ground. The great danger to the liberal movement lies in the lack of understanding. It is not enough that liberals shout liberalism, for liberalism is a many-sided thing. There are liberals and liberals, but the liberals that fit into the American scheme of things must chart a course and propose a program that will conform to the fundamental principles of true democracy and free society.

Quoting Woodrow Wilson again, as to the reason why America was set up, he said:

"The reason that America was set up was that she might be different from all the nations of the world in this: That the strong could not put the weak to the wall; that the strong could not prevent the weak from entering the race. America stands for opportunity. America stands for a free field and no favors."

And the Democratic Party, in its declaration of principles in 1932, declared:

"In conclusion, to accomplish these purposes and to recover economic liberty, we pledge the nominees of this convention the best efforts of a great party whose founder announced the doctrine which guides us now in the hour of our country's need. 'Equal rights to all, special privileges to none.'"

Here, in concise and popular phrase, is set forth the reason for America's birth and the foundation upon which her institutions rest. The genesis of America and the reason of her being are guideposts by which the course of the liberal movement must be charted. Liberals cannot afford to be swayed or diverted from the path outlined by the fundamental principles of true democracy.

After the adjournment of the extraordinary session of the Seventy-third Congress, I addressed a letter to President Roosevelt, felicitating him on his superb leadership, and incidentally commented as follows:

"Much of the legislation enacted by the Seventy-third Congress does not square with the democratic philosophy of government. Some of the most important and far-reaching legislation enacted is in direct conflict with the fundamental principles of true democracy. But this, we have a right to believe, was done because of the present condition of the body politic. The body politic is sick, desperately sick, and as with the human body, when strength is impaired by reason of illness, the freedom of the patient is restricted for a time so as to allow Nature to work a recovery.

"It is in this sense that the restrictions imposed on the social and industrial order are justified. The task before the administration when it entered upon its duties March 4, 1933, was to avoid utter and complete disaster, and therefore every known means to avoid the impending cataclysm had to be employed. To meet the emergency, Congress and the administration can justify their course, and Democrats can consistently give it wholehearted approval and support.

"But merely to avoid disaster is not enough. We must build for permanent recovery. This is a big task and will require vision, courage, faith, and intelligence of a high order. It will lead over paths as yet untrod. But they must be traversed. To halt and hesitate and doubt spells ruin. Neither the Democratic Party nor the administration can afford to fail. The consequence would be too frightful to contemplate."

On July 2, 1935, in my remarks in the House, I said:

"The New Deal, in its deeper meaning, is a long-range program. It is designed to serve a dual purpose: First, temporary recovery; and second, permanent social justice. Much has been done in the name of the New Deal for temporary recovery. Some steps have been taken looking toward permanent recovery and others are in contemplation. That every measure proposed either for temporary relief or permanent recovery is sound is not to be expected. No one pretends that the New Deal is perfect. Attempts will be made to achieve its purpose that will seem awkward, futile, and illogical. It no doubt contains features that are undemocratic. These, by trial and error, can be discovered and eliminated, and only those in harmony with sound economics and genuine democracy retained. This is the task ahead for the New Deal."

In the letter to President Roosevelt I further said:

"In your speech, The Philosophy of Government, delivered before the Commonwealth Club, San Francisco, September 23, 1932, you stated 'Government includes the art of formulating a policy and using the political technique to attain so much of that policy as will receive general support; persuading, leading, sacrificing, teaching always, because the greatest duty of a statesman is to educate.'

"But in teaching, persuading, leading, we must be sure of our ground. There is in social affairs a natural order, and it is the duty of the statesman to discover and follow it. Not to discern clearly and distinctly the natural order is fraught with danger, for as has been truly said, 'If the blind lead the blind, both will fall into the ditch.' When the natural order is clearly perceived,

the task of steering the ship of state is as sure and certain and definite as the control of an ocean greyhound under the guiding hand of a skilled and trained navigator.

"The program set up by the administration in the present crisis may be likened to the work of a certain railroad company that recently erected a bridge across the Ohio River at Steubenville, Ohio. The new bridge was built on the foundations of the old, and during the entire period of the construction of the new bridge not a single train was delayed, nor traffic interrupted in any way. The old bridge and the new in the course of construction were so flanked with temporary trestles that both the old and the new structures lost their semblance as bridges. But after the temporary trestles and the old bridge were removed, the structure was there in all its beauty, grandeur, and strength.

"And so let us hope that the work of the administration thus far is but a temporary device set up for use while the permanent structure of social justice is being fashioned and molded and constructed in harmony with the great order of things.

" 'There is in human affairs one order which is the best. That order is not always the order which exists, but it is the order which should exist for the greatest good of humanity. God knows it and wills it. Man's duty is to discover and establish it.'

"The New Deal, in its deeper aspect, is designed to end the exploitation of the many by the few; to permanently weed out and eliminate the parasites and overprivileged; to forever silence the threnody of unrequited toil; to bring equal opportunity and economic freedom to all; and to make America in fact what it is in name, a land of 'equal rights to all, special privileges to none.' "

If the liberal movement is to fulfill its mission and bring to pass that measure of freedom, opportunity, and prosperity to the people of America that is due them, the New Deal in its deeper aspect must be amplified, developed, and perfected. It is not enough to provide relief to the unemployed and ease the pain and anguish of the victims of a disordered economic system. The system must be reformed and readjusted to fit present economic conditions and assure to the people the rights and opportunities for which America was set up.

The life of the liberal movement in America depends upon how well this task will be performed, and to this end a necessary first step is the recognition of the eternal principles underlying social justice and free society. Just as the New Deal, in its unfoldment, keeps step with these principles, to that extent and to that degree will it be successful. To the extent that it fails, there will be failure.

The liberal forces of America may well heed the doctrine announced by the founder of a great political party, "Equal rights to all, special privileges to none."

Privilege, the mother of monopoly, is the major evil in our economic system, and, therefore, the liberal forces must make sure that none enjoy favors, for so long as privileges or favors are enjoyed by some there cannot be social justice or permanent prosperity. It is privilege that enables the few to ride on the backs of the many. Thomas Jefferson said:

"The mass of mankind has not been born with saddles on its backs, nor a favored few booted and spurred to ride them by the grace of God."

There are those, however, who, by legal legerdemain, are booted and spurred, that are riding the mass of mankind. But in every instance the boots and spurs are rooted in privilege. Destroy privilege and the riders will automatically be unhorsed. The problem confronting the liberal movement therefore is, How can the booted and spurred, those who enjoy special privileges, be unhorsed? They will not volunteer to dismount, for it still remains true, as Tolstoy said:

"The privileged are willing to do everything for the masses excepting the one thing needful; and that is, to get off their backs."

The magnitude of the evil and injustice that privilege exerts in human society may be appreciated, 'n part at least, when it is remembered that privilege exacts from labor and capital upward of one-third of their entire production; that is to say, if the national income is sixty billions annually, upward of twenty billions are appropriated by privilege. But this is not all. Labor and capital are also called upon to contribute, out of the remaining forty billions, or less, approximately fifteen billions annually in the form of taxes for the support of local, State, and Federal Governments. Between the exactions of privilege, on the one hand, as tribute, and the exactions of Government, on the other, as taxes, labor and capital are ground, as it were, between the upper and the nether millstone of a maladjusted economic system, grinding labor into poverty and driving capital into despair.

In the face of such a condition, why should there be so much confusion and ignorance as to the major cause of poverty and unemployment?

The problem resolves itself into a matter of simple arithmetic. The whole is no larger than the sum of its parts, and the portion of the national income taken by privilege as tribute and by Government as taxes leaves less than one-half of the entire product to be divided between the workers and those who furnish the tools. Under such a scheme of things, how, may we ask, can there be prosperity? He who runs ought to be able to see why labor is illy paid and capital fearful to venture out of its hiding places.

Let it be stated over and over again, that privilege is the trouble-maker—the root cause of our economic woes. Privilege neither toils nor spins, yet its beneficiaries fare sumptuously. Legal privilege may be defined as "an immunity or an exemption conferred by special grant in derogation of common right," or, in Blackstone's phrase, "A branch of the king's prerogative subsisting in the hands of the subject."

There are many types of legal privileges. The major ones, however, may be designated as follows:

The privileges enjoyed by public-utility corporations.

The privileges enjoyed by the banking fraternity.

The privileges enjoyed by the owners of the natural resources and valuable land sites.

The privileges enjoyed by the beneficiaries of the tariff and other taxing privileges.

The privileges enjoyed by the holders of patent rights.

The abolition of privilege in private hands is a major task confronting the liberal movement in America. How? What steps can be taken to achieve this end? Here is the crux of the problem. While the task may seem difficult and puzzling, yet it is not unsolvable. First of all, there must be an intelligent analysis of the various types of privilege, to the end that the source from which privilege draws its strength may be ascertained. Let us, for example, consider the public-utility problem.

A great cry is heard these days about a feud between public utilities and the Federal Government. Criticisms emanate from many sources to the effect that the Federal Government's attitude toward public utilities is an unwarranted interference with private business and a threat against private property. These criticisms are due to the fact that great confusion exists in the public mind as to the exact status of a public utility.

A public utility is a public enterprise. It is engaged in rendering public services, whether in the field of transportation, communication, or elsewhere, and performing a governmental function. The public character of a public utility is due to the fact that any agency engaged in public service is clothed with sovereignty—the power of the whole people functioning as a unit. Here is the source of the power that privilege exerts in the exploitation of the masses. The fact that those engaged in any public-utility service are enjoying the power of sovereignty must be kept clearly in mind, for it is this feature of the utility business that differentiates public utilities from private business.

The Government may very properly grant to natural or artificial persons the right to engage in the public-utility business. This has been done time and time again in the development of the various public utilities. But in all such cases, as has been well said by Jeremiah Black, eminent jurist and statesman:

"The proprietary right remains in the Government and held in trust for use of all the people."

This does not imply that there must be Government ownership or that the capital invested in public utilities may be confiscated. On the contrary, legitimate investments in public utilities and public-utility corporations are entitled to the same protection and security as investments in private enterprise. There is no room for debate on this point. The investments, however, must be legitimate and limited to the actual value of the property used in the conduct of the business.

President Roosevelt, in his book Looking Forward, points out clearly the privileged character of public utilities and the legal principle applicable to their control and regulation by Government. President Roosevelt says:

"Let us go back to the beginning of the subject. What is a public utility? Let me take you back 300 years to King James of England. * * * It was in the days when the English were settling Jamestown that a public outcry arose in England by travelers who sought to cross the deeper streams by means of ferry-boats. Obviously these ferries, which are needed to connect the highway on one side with the highway on the other, were limited to specific points. They were, therefore, monopolistic in their nature.

"These ferryboat operators, because of their privileged position, had the chance to charge whatever the traffic would bear, and bad service and high rates had the effect of forcing much trade and travel into long detours or to the danger of attempting to ford the streams. The greed and avarice of some of these ferryboat owners remained a public issue for many years until in the days of Lord Hale a statement of public policy was set forth by the great chief justice.

"The law lord said that the ferrymen's business was quite different from other businesses, that the ferry business was, in fact, vested with a public character, that to charge excessive rates was to set up obstacles to public use, and that the rendering of good service was a necessary and public responsibility.

" 'Each ferry,' said Lord Hale, 'ought to be under a public regulation, to wit, that it give attendance at due time, a boat in due order, and take but reasonable toll.'

"In those simple words Lord Hale laid down a standard which, in theory at least, has been the definition of common law with respect to the authority of government over public utilities from that day to this.

"With the advance of civilization, many other necessities of a monopolistic character have been added to the list of public utilities—such necessities as railroads, street railways, pipe lines, and the distribution of gas and electricity. This principle was accepted, firmly established, and became a basic part of our theory of government."

In this statement of President Roosevelt there is set forth the guidepost by which the liberal forces may chart their course with reference to the public-utility problem. If the policy outlined therein will be strictly observed by the liberal forces in the treatment of the public-utility problem, they will be on solid and impregnable ground.

Inasmuch as the privileged character of a public utility is well established in principle, it ought to be a simple matter to draw a line of demarcation between public business and private business, and this likewise is a task for the liberal forces, as it is vital to the success of the liberal movement that the activity of government be confined and limited to its legitimate function.

Let the fact be boldly and distinctly uttered that if private enterprise enters the public-utility field, it is engaging in a public business and performing a government function, and, because of this fact, government not only has the right but it is in duty bound to regulate and control private utilities operated by natural or artificial persons and, if necessary, assume its normal and natural function by rendering utility services to the people directly. This becomes necessary for the reason that in those fields of endeavor where competition is impossible the people as a unit, through their government, must assume control of operation. Louis F. Post, in his Ethics of Democracy, truly says:

"Where monopoly is inevitable, the service which is subject to it must be assumed by the public to the end that in other vocations competition may be freed. Private monopoly in anything tends to destroy competition in all things."

Therefore it is the duty of the liberal forces to declare boldly and distinctly that government will not invade business that is competitive in character, for such business is not clothed with the power of sovereignty and therefore private business. All competitive enterprises may well be left to the natural law of competition for control and regulation. Much of the discord and misunderstanding between government and business today is due to the fact that public business and private business are subjects of control and regulation indiscriminately on the part of government without regard to their public or private character.

Failure to fix a line of demarcation between private business and public business has resulted in such confusion in the business world and brought upon private business such a multitude of regulations, restriction, and taxes that it is extremely difficult for private business to function and survive.

One of the greatest services that the liberal movement could render to the people of America would be to set itself resolutely to the task of unshackling private business and removing the excessive tax load under which it is now staggering. In the effort to free private business from its present shackles and tax burdens, it is necessary that the liberal movement consider with intelligence and understanding the land question and the part that it plays in our national economy. Philip Snowden, former British Chancelor of the Exchequer, said:

"There is no economic or social question that is not at bottom a land question. It is from the land that all human needs are supplied. The root cause of the world's economic distress is surely obvious to every man who has eyes to see and a brain to understand. So long as land is a monopoly and men are denied equal access to it to apply their labor to its uses, poverty and unemployment will exist."

Dr. John Dewey, in discussing our economic problem, said:

"One of our great national weaknesses is speculation. Only a few realize the extent to which speculation in land is the source of many troubles of the farmer, the part it has played in loading banks and insurance companies with frozen assets and compelling the closing of thousands of banks; nor how high rents, the unpayable mortgages, and the slums of the cities are connected with speculation in land values. All authorities on public works hold that the most fruitful field for them is slum clearance and better housing. Yet only a few seem to realize that with our present situation this improvement will put a bonus in the pockets of landlords, and the land speculator will be the one to profit financially—for, after all, buildings are built on land."

In order that the evils of land monopoly as pointed out by Philip Snowden and Dr. Dewey may be abolished and private business unshackled and its tax burdens removed, it is important that the Government's fiscal policy be in accord with sound canons of taxation. Dr. Dewey, in reference to this phase of our economic problem, said:

"So with taxation. There are all sorts of tinkerings going on, but the tinkerers and patchers shut their eyes to the fact that the socially produced annual value of land—not of improvements, but of ground-rent value—is many billion dollars, and that its appropriation by those who create it, the community, would at once relieve the tax burden and ultimately would solve the tax problem."

A sane and rational system of taxation would not only solve the tax problem but would open the way for the equitable distribution of the national income and eliminate the major portion of our economic ills.

It is obvious to those who have given the problem of unemployment and poverty serious thought that the products of industry are divided unjustly, resulting in an unbalanced economy, with little or no purchasing power in the hands of the masses. And so long as privilege, through its power of monopoly, exacts billions from the workers and those who furnish the tools (labor and capital), on the one hand, and government collects billions in the form of taxes on the other, there can be no solution of the problem of poverty and unemployment.

In order that the liberal forces of America may retain the ground gained and move on to greater and more substantial achievements they must attack courageously and unflinchingly, yet with intelligence and understanding, the problem of the equitable distribution of wealth, and the first and major task in the consideration of this problem is the abolition of privilege in private hands.

One might continue to discuss further the problem of privilege and monopoly, but enough has been said to show not only the magnitude of the task but the course that must be pursued if the future of America shall be directed by the liberal forces.

Appreciating keenly the high character of your public service, and with kindest personal regards, I remain,

Yours very sincerely,

CHARLES R. ECKERT.

P. W. A. Projects in the State of Idaho

EXTENSION OF REMARKS
OF
HON. COMPTON I. WHITE
OF IDAHO
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1938

PENDING P. W. A. NON-FEDERAL APPLICATIONS WITHIN THE STATE OF IDAHO FOR WHICH NO ALLOTMENTS HAVE BEEN MADE, AS OF APRIL 12, 1938

Mr. WHITE of Idaho. Mr. Speaker, under leave to extend my remarks, I include herein a statement of the pending non-Federal applications within the State of Idaho for which no allotments have been made as of April 12, 1938. These projects have been examined and recommended on a 45-percent-grant basis:

Idaho—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis

[NOTE.—"W" preceding docket number designates application received after Apr. 8, 1935]

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
		Ada County:					
W1123		Boise	Disposal plant		$122,727	$122,727	$227,727
W1125		....do	Municipal improvements		102,272	102,272	227,272
		Total			224,999	224,999	454,999
		Bannock County:					
W1009		Pocatello	College		112,909	112,909	250,909
W1143		....do	Courthouse addition		33,545	33,545	74,545
W1149		....do	City hall		24,955	24,955	55,455
W1152		Bancroft	School addition		26,182	26,182	58,182
W1154		Pocatello	Arts building		130,909	130,909	290,909
		Total			328,500	328,500	730,000

Idaho—List (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938, all examined and recommended by examining divisions on 45-percent-grant basis—Continued

Docket No.		Location	Type of project	Loan	Grant	Total	Total estimated project costs
Main	Sub.						
W1089		Bingham County: Emmett	Courthouse	$25,000	$20,455	$45,455	$45,455
W1101		Canyon County: Caldwell	Irrigation	72,000	58,909	130,909	130,909
W1051		Cassia County: Burley	Courthouse		35,182	35,182	78,182
W1110		Elmore County: Mountain Home	Street improvement	17,000	13,909	30,909	30,909
W1120		Franklin County: Clifton	Auditorium	6,000	4,909	10,909	10,909
W1079		Jerome County: Jerome	Courthouse		22,909	22,909	50,909
W1047		Kootenai County: Coeur d'Alene	Hospital		54,000	54,000	120,000
W1153		Latah County: Moscow	University building		130,909	130,909	290,909
W1155		Madison County: Sugar City	School improvements		9,000	9,000	20,000
W1097		Nez Perce County: Lewiston	Irrigation	88,000	72,000	160,000	160,000
W1117		Shoshone County: Wallace	Street lights	15,000	12,062	27,062	27,062
W1138		Twin Falls County: Twin Falls	Reservoir		72,000	72,000	160,000
W1088		Valley County: Roseberry	Dam canal	13,000	10,636	23,636	23,636
W1109		Washington County: Weiser	Courthouse		34,364	34,364	76,364
		Grand total		236,000	1,104,743	1,340,743	2,410,243

Urging Representation for Negroes in New York State Senate and in Congress

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1938

SPEECH OF HON. HAMILTON FISH AT A MASS MEETING HELD IN HARLEM, NEW YORK, N. Y., ON SUNDAY, MAY 1, 1938

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following speech delivered by me at a mass meeting of Negroes of Harlem held on Sunday afternoon, May 1, 1938, at the St. Mark's Methodist Episcopal Church, Edgecombe Avenue and West One Hundred and Thirty-Seventh Street, New York, N. Y.:

I am glad to come to Harlem and speak at this large mass meeting of Negroes who are united and determined to have proper and adequate representation in both the State and Nation.

The time has come for the colored people in the United States to insist on their political rights as American citizens regardless of their party affiliations.

It is now almost 70 years since my grandfather, as Secretary of State in Grant's administration, proclaimed the fifteenth amendment, giving the colored people the right to vote. It is a travesty and a mockery, under our representative system of government, that today there is only one colored Member of Congress to represent 14,000,000 Negroes, which is more than one-tenth of our population.

As a member of the Reapportionment Committee at the State constitutional convention, I propose to insist on redistricting the Senate and congressional districts so as to provide for the election of at least one Negro State senator and one Negro Congressman from Harlem. This is not a matter of favoritism but of simple justice within our laws and the constitution of our State. Justice and fair dealing require that the colored people in this country be given proper political representation, and until they are they will not receive the recognition they are entitled to from the State or Federal Government. I would be derelict to the memory of those colored soldiers in the old Fifteenth Colored Infantry from Harlem who were killed on the battlefield of France, fighting to make the world safe for democracy, if I did not do everything in my power to see that their race obtained economic and politcal justice from our Government.

I have recently introduced in Congress three bills providing for more equitable representation of Negroes in the Regular Army of the United States and believe they will be passed in the next Congress, provided the colored people in the North, in such States as New York, New Jersey, Pennsylvania, Illinois, Indiana, and Ohio, make their wishes known. The truth is that the colored vote in those States and several others control the balance of political power, and it should be exercised to safeguard their political and economic rights, and for a square deal under our American system and free institutions. Briefly the bills I introduced provide for the creation of a full Negro division, the opening up of all branches of the service to Negroes, and the appointment by the President of two Negroes each year to West Point. These bills are based on justice and national defense and the fight has just begun to enact them into law and will not stop until the objectives have been accomplished.

On this May day, let me warn the American Negroes not to compromise with communism, fascism, or nazi-ism. There is no room in free America for any of these foreign forms of dictatorships or autocracies. If these alien Fascists, Nazis, or Communists do not like our country, its laws, or its flag all they have to do is to go back to their native lands and give their jobs to loyal American citizens now walking the streets looking for employment.

The Constitution of the United States is the civil bible of America, and protects the rights and liberties of the minorities, racial and religious. The colored people have more at stake than any other group in upholding and defending the Constitution from the attacks of those foreign termites who would undermine and destroy the Constitution in order to set up a dictatorial form of government and leave the colored citizens, like the Jews in Germany, to the mercy of some unfriendly dictator.

In conclusion, if European nations must arm to the teeth under ruthless dictators and go to war, it is their war and not ours. We are ready to spend millions for defense but not one dollar to send American soldiers to foreign lands to fight other people's battles. It would be the height of folly for the United States to lend any more money to defaulting European nations or to continue to be the Santa Claus of the world. The colored soldiers of America do not intend to fight any more wars in Europe or elsewhere to make the world safe for democracy until democracy has been made safe in America for them.

King Cotton and His Carnival

EXTENSION OF REMARKS

OF

HON. WALTER CHANDLER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1938

RADIO ADDRESS OF HON. WALTER CHANDLER, MAY 5, 1938

Mr. CHANDLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein a radio address delivered by me during the national farm and home hour on

the blue network of the National Broadcasting Co. on May 5, 1938:

It is a privilege to take part in this famous farm and home hour, and I appreciate the honor.

Although the United States of America is a new country, it is the most interesting Nation in all the world, especially to a native-born American. This land of ours is fascinating for many reasons, not the least of which is that there is something of general attraction to us all going on somewhere the year round. Any person, for example, who may be looking for a pleasant trip or a useful vacation can turn the pages of a travelog or a railroad or bus schedule and find something of keen interest in progress wherever his wanderlust or his "hot foot" or his "trailer trend" may incline him.

At this time of the year, the South is especially alluring to the traveler. There, planting is in process on the farms, spring flowers are in bloom in the cities, and in Memphis, which is in the heart of the Midsouth, the people are attiring and decorating the city for the great annual cotton carnival and textile show which are in keeping with the spirit of a progressive metropolis. Only recently, by the way, Memphis was awarded the grand prize by the National Safety Council for its outstanding record for safety during 1937, and, on last Monday, Memphis received the highest award at the opening session in Washington of the United States Chamber of Commerce for the city's notable accomplishment in fire prevention last year.

As an event, this celebrated carnival, lasting for 5 days, May 10, 11, 12, 13, and 14, is unexcelled as a pageant. It has been called "The South's Greatest Party" because the entire city, with a population of over 280,000, turns out as host in the dispensing of a fine brand of southern hospitality. People gather there from all parts of the United States to participate in the carnival, and to see the magnificent parades, and the astonishingly attractive exhibits and shows.

King Cotton and his queen enter the city on a massive barge flanked by river craft with flags flying. The thrones are at the top of a pyramid of cotton bales, and their arrival, followed by a great parade, is truly a dazzling extravaganza. On the following days, there are several parades of especial note, the grand carnival parade, the children's parade, the floral parade, and the mummers' parade, all beautiful and entertaining beyond words. King Cotton has a great court, with a guard of honor, and all the pomp and pageantry of an eastern potentate. Well, it simply is not possible for me to describe in a few minutes this unique and fascinating event, designed primarily and fundamentally to challenge the attention of the American people to the importance of cotton in American life.

Pleasant recollections are always easiest to recall, and the Memphis cotton carnival is certain to bring to your minds, whenever the time comes, the fact that much of the prosperity, the comfort, and the welfare of the American people depends on cotton and its products. When we realize that cotton is America's largest cash crop, and that cottonseed is the South's second largest cash crop, we see readily that cotton plays an essential part in the life of every person in our country.

The South has a very serious cotton problem, it is true, but that is equally the concern of the agricultural North and West and the industrial East. When cotton loses its markets at home and abroad, our citizens are unable to buy the produce of other sections, and southern acres are available for other crops which will tend still further to dislocate our national agricultural economy.

The people of Memphis know that, because Memphis is the largest inland spot cotton market in the world. Located on the Mississippi River, Memphis is in the center of the agricultural South, and all of the problems of southern agriculture are the problems of Memphis. Memphis distributes cotton to domestic spinners throughout the United States and in considerable volume to foreign trade. And in keeping with her supreme position as a cotton market, Memphis is also the largest cottonseed manufacturing center in the United States. Cottonseed products valued at many millions of dollars per annum are crushed, refined, and processed in Memphis. To illustrate the strategic position of Memphis in southern agriculture, the city is the South's largest producer of mixed or manufactured feeds for lower animals and fowls, with a total annual production in excess of $12,000,000, and many of the ingredients of mixed feeds come from the farms of the North and the West.

Of course, you recognize at once that one of the objectives of the Memphis Cotton Carnival is to increase the consumption of cotton and its byproducts. In connection with the carnival there is a cotton-textile show with hundreds of exhibits showing the uses of cotton and cottonseed and the research which is being made constantly to find greater outlets for the South's fleecy staple and all its parts. Public-spirited citizens of Memphis and the Midsouth have organized the Cotton Research Foundation, a nonprofit corporation, for the purpose of creating, through chemical research, additional uses to which cotton, the fiber, the seed, and the plant itself, may be put in the commercial world. Indeed, Memphis is ideally situated for the location of one of the regional research laboratories which the Department of Agriculture is directed to establish under the 1938 Farm Act.

Too much emphasis cannot be placed on the present plight of cotton, because it is one of the most significant factors in the present national business decline. As has been stated by the Cotton Research Foundation:

"According to the census of 1930 cotton represents normally one-ninth of the total acreage devoted to all agricultural crops in the United States. Nearly one-third of all the farms in this Nation grow cotton. It is the principal income crop on one-fourth of all farms in this country. When cotton income fails a decline in industrial production and consumption automatically follows. As an example, note the returns on one large southern plantation: In 1936 this farm paid out to its tenants, after deducting for all advances and living expenses for the whole crop year, $257,000 in cash. These tenants bought over 250 automobiles, old and new, and spent over $60,000 with mail-order houses, besides making other expenditures for goods and services. This was on 12-cents-per-pound cotton and $40-per-ton cottonseed; this year, 1937, with an even larger production but with cotton averaging 8 cents per pound and seed about $20 per ton, this same group of tenants received only about $39,000 in cash over and above their year's advances for living expenses. What was the result? Not one automobile was purchased and expenditures were confined to the barest necessities of living. Multiply this by the whole cotton-growing population, and it is easily and dramatically demonstrated why industry is in a decline and unemployment consequently on the increase. Therefore, the whole Nation has a very tangible and selfish interest in the plight of the cotton farmer.

"The primary significance of this situation lies in the fact that cotton may not be suffering merely from a temporary market dislocation. The participation of American cotton in foreign consumption has dropped from 60 to 30 percent. If the foreign market for normal American cotton exports is permanently affected, it is obvious that our internal economy cannot function with any degree of normalcy unless something is done to increase the domestic use of cotton. Research is one available and unexplored avenue. It is a hope which may be translated into a reality.

"Agriculture nationally should awaken to the implications arising from the predicament of the cotton grower. Cotton farms can produce many crops that are produced elsewhere in this country, but other sections cannot grow cotton. The market for food crops is not capable of much expansion at profitable prices. It is bound by human and animal limitations. The market for goods is highly elastic. It is limited only by the purchasing power of the public. Other sections cannot afford the devastating competition if this large cotton acreage should find itself permanently faced with the necessity of growing crops now produced quantitatively elsewhere, or abandoning its land and forcing its people into cities already unable to supply work for their present population."

* * * * * * *

"Foreign growths of cotton are produced under lower cost conditions. Our tariff-protected market causes higher costs to the American farmers. Tariffs, quotas, and gold embargoes have played their parts in blocking the exchange of goods and in driving each country toward self-sufficiency.

"Annual domestic consumption declined from a per capita use of 24½ pounds in the period of 1909–10 to 1913–14 to 20 pounds per capita in 1935. Even in the five seasons—1933–34 to 1937–38—which included the record consumption season of 1936–37, the consumption amounted to only 23 pounds per capita. Since industrial uses of cotton increased tremendously in this period, the reduced per capita consumption indicates a still larger loss of cotton usage in the home and on the person.

"Cotton faces increased substitution from rayon, wool, silk, jute, linen, paper, and other products. The competition from rayon and paper has increased greatly in recent years. The world consumption of rayon, 'the college-trained competitor of cotton,' rose from almost nothing in 1910 to over 1,000,000,000 pounds in 1935 and to one and three-quarter billion pounds in 1937. It is safe to estimate that this record use of rayon (in terms of cotton, the equivalent of 3,600,000 bales) displaced at least 2,500,000 bales of cotton. The greatest increase in the use of rayon has developed in Japan, which in the past has been the American cotton farmers' biggest customer. The largest single industrial consumer of American cotton, the automobile-tire industry, is already using some rayon to replace cotton because research in rayon has demonstrated certain qualities of merit over cotton. Due to the absence of research in cotton, nothing has been done to maintain the use of this primary fiber.

"Before the creation of the Cotton Research Foundation there was no organized activity dealing with a continuous and coordinated study of cotton—the fiber, the seed, and the plant itself.

"The American cotton farmer has stood by complacently while his markets have been taken away without being able, through lack of organization, to do much about it.

"Since development of foreign demand for American cotton is coupled with Government policies toward international trade and finance, little may be done by interested commercial groups to regain these outside markets quickly. Therefore, any analysis of the cotton problem points toward the need of and the possibilities in enlarging the domestic use of the staple as well as the other products of the cotton plant.

"Two fields of major activities are apparent; (1) merchandising, making the American public cotton-conscious and thereby increasing the existing uses of cotton and its products; (2) research—discovering and inventing new uses for cotton and the products of the cotton plant.

"Research will find ways to utilize cotton more advantageously than substitutes for industrial and trade requirements and will aid in removing objections to cotton which arise as industry becomes more responsive to the demands of a more particular public.

"In the research field the Cotton Research Foundation can perform an outstanding service to the national welfare. No previous concerted attempt ever has been made to tear the cotton plant apart in order to find out of what it consists and how its physical and chemical elements may be more effectively utilized.

"Giant industries have been built on research—new products owing their existence entirely to research have altered our mode of living. It is not too extravagant, therefore, to imagine developing a broader field for the use of cotton through the same kind of progressive approach. It is the hope of the Cotton Research Foundation to aid in solving the dilemma of cotton through chemical and technical examination and study of the cotton plant."

So the cotton-textile show alone will be worth a trip to Memphis from any part of the United States, and I guarantee to you that May is the ideal time to visit the South. Cotton carnival time is the focal point of the year in Memphis, and if you will go there next week you will find romantic Dixie at her best. A warm welcome awaits you, the latchstring is on the outside, and I venture that you will not be able to recall any pleasure, or combination business and pleasure, trip that you will have ever taken that will be more interesting, happier, and more profitable than the 5 days spent in Memphis beginning Tuesday, May 10, as a spectator of and a participant in the South's greatest festival. Memphis invites the Nation to come to her cotton party.

Plan for Panama Liners

EXTENSION OF REMARKS

OF

HON. RICHARD J. WELCH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1938

ARTICLE FROM THE NEW YORK HERALD TRIBUNE, MAY 5, 1938

Mr. WELCH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by Admiral Henry B. Wilson, retired, published in the New York Herald Tribune on May 5, 1938, in reference to the withdrawal by the Panama-Pacific service from intercoastal trade of the steamships *California, Pennsylvania,* and *Virginia:*

ADMIRAL WILSON OPPOSES PLAN FOR PANAMA LINERS

Admiral Henry B. Wilson, United States Navy (retired), former commander of the Atlantic Fleet, returning yesterday from the Argentine, expressed disapproval of the plan being considered by the United States Maritime Commission to substitute the three turbo-electric Panama-Pacific liners for the Munson Steamship liners in the New York-South American service. Admiral Wilson, who returned on the Munson liner *Southern Cross,* said the Munson ships "are excellent for the service in which they are employed."

"I think the Munson ships are about the largest that can be docked at Buenos Aires," he said. "They can go into the docks comfortably and leave on time, whereas larger ships would have lengthy delays frequently for tide." Besides being too large for the South American service, the Panama-Pacific liners were too costly, he said.

Admiral Wilson was accompanied by Mrs. Wilson. They visited their son, Henry W. Wilson, Jr., an oil executive in Argentina. The admiral revealed that since retiring in 1925 he had sold all household furniture and that he and Mrs. Wilson "have no home now, except the ships we travel on. We are always ready to sail on less than 1 hour's notice. So we're getting a great kick out of life. Funny thing is I had thought that I'd never enjoy being retired."

What's Ahead in Legislation

EXTENSION OF REMARKS

OF

HON. FRANK J. G. DORSEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1938

ADDRESS OF HON. FRANK J. G. DORSEY, ATLANTIC CITY CONVENTION OF THE GRAPHIC ARTS INDUSTRY, SATURDAY, APRIL 30, 1938

Mr. DORSEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein an address delivered by me to the Graphic Arts Industry at their annual convention in Atlantic City, N. J., April 30, 1938:

Mr. Chairman and delegates, you have given me a large order in asking me to talk on the subject What's Ahead in Legislation. After you have listened to the speeches delivered during the past few days, I am sure that you can draw your own conclusions on the question that is the subject of my talk. For that which is ahead in legislation depends to a great extent on what is ahead in labor relations, selling, and management, since labor, business, and economic conditions in general undoubtedly affect legislation.

It is always a pleasure to chat with fellow businessmen, for we understand a common language. It is fitting that your discussions are devoted to looking forward. For you are engaged in printing and publicity pursuits that focus attention on tomorrow. You are the advance agents of business and other worth-while activities. When optimism prevails, you translate it into brochures, pamphlets, catalogs, and inserts.

There should be no greater advocates of democracy than you. For you lay your printed messages at the doors of the humble cottage and the mansion. Like the man who represents a district in Congress, you must be constantly alert to determine what people are thinking in an ever-changing world. Nobody in business knows better than you that production and sales are dependent upon a widely diffused buying power. So we begin our chat on common meeting ground, and I hope we will stay together all the way. For while we may differ on details, we are all Americans, and our main objectives are the same.

Before we speculate about the future, we can well look into the past. For we are partly yesterday's children. But in an era of cataclysmic changes, we are also today's and tomorrow's. Fate has compelled us to adapt ourselves to a world not quite the same as the one we were born in, nor yet like the one we spent our youth and young manhood in. If this is so, you may ask why I am taking you back to 1776 before we look forward to the 1940 decade. It is because principles do not change, but policy ofttimes does. The apple that Sir Isaac Newton observed falling from the tree is not important in itself. But the law of gravitation is. Principles are not fugitive, fleeting things like policy. We have a definite set of principles in America as set down in the Declaration of Independence. In the light of them, let us consider where we, as a nation, have been, where we are now, and whither we are going.

The Declaration of Independence was much more than a mere bill of divorcement from the mother country. In announcing separation the hearty men who made up the Continental Congress spoke out in forthright manner about government. They told much more of what was in their minds and hearts with the Declaration than they did with the Constitution. For to insure its adoption, compromises were written into our fundamental law, whereas there was no ground given in 1776.

Let us read a portion of the Declaration to refresh our minds:

"We hold these truths to be self-evident: That all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness—that to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed; that whenever any form of government becomes destructive of these ends it is the right of the people to alter or abolish it, and to institute a new government, laying its foundation on such principles, and organizing its powers in such form as to them shall seem most likely to effect their safety and happiness."

I take you back to 1776 instead of to 1787 because here monarchy and special privilege were challenged in terms that no one can misunderstand. As Lincoln remarked, "That is what they said and that is what they meant." Seventeen hundred and seventy-six was talking much more for the ages than was 1787. For the framers of the Constitution had to temporize with the order they were tearing away from. There was a transition taking place, then as now. And there is something in human nature that hates to part with the past. These founding fathers had to yield ground to the expediency of the hour just as do the statesmen of today. They were a combination of idealist and realist which all men must be who would successfully deal with the destinies of peoples. Through the decades that followed we have been trying to give fuller meaning to the real expression of their ideals—the Declaration.

When we say that in 1787 they had to compromise with the ideal of 1776, let us compare the American creed they set forth in the Declaration with American conditions immediately following the adoption of the Constitution. We still had debtors' prisons, and they do not square with the idea that the Creator endowed us "with certain inalienable rights" for they acted as a powerful club of the big fellow over the little fellow. We still had suffrage limited to property owners and that certainly flaunted the American creed as outlined in the Declaration. With only the chosen few voting, how could it be said that we were operating under the principle that "governments are instituted among men, deriving their just powers from the consent of the governed"?

Now, these and many more of the early inequalities have been corrected, and we only mention them to drive home the idea that we have a creed and that from the very outset we did not live up to it 100 percent, but that we have been eternally trying to. The process has been, is, and will be a continuing one. There is no Q. E. D. in democracy. Every generation must bring us closer to the ideal. And we can expect every progressive step to be fought by reactionary forces, thinking in terms of yesterday instead of

tomorrow. We had them in 1787, and I think you will agree that we have them today. They are frequently well-meaning people who, in an age of concrete roads, still have a sentimental feeling for the cowpaths. Their counterparts, some well-meaning, others selfish, have fought every step in Government that attempted to make the American creed something more than a mere declaration. Not only did they oppose abolition of the debtor's prisons and universal suffrage but they likewise fought public education, the abolition of human slavery, the income tax, control of women's and children's working hours, insured bank deposits, social security, Securities and Exchange Commission, the Federal Reserve, and woman's suffrage. Some of them will stoop to deceits that would excite the envy of the propagandists who now dominate a few of the European countries. The same element, this time more wary, depicted Government reorganization as a step leading to dictatorship. While I voted for reorganization, I have no complaint when the majority speaks. Since the legislation was defeated, even such unbiased magazines as Time and Life have stated that there was no incipient dictatorship lurking in the bill; that it was just designed to eliminate duplicating agencies and thereby make for efficiency. I have an interesting observation to relate in this connection.

In early January the seven Congressmen from Philadelphia were invited to listen to a large group of Philadelphia businessmen, many of them heads of big and important corporations. We enjoyed the rare treat of being only expected to use our ears and not our tonsils. They told us what they hoped we would do in the forthcoming session. Many of the remarks were reasonable and accurate, but some were of the other variety. I challenged these when they asked me to speak for the entire congressional attendance, and I mentioned the fact that it was desirable to reduce bureaucracy by eliminating duplicating agencies. That was the only remark of mine that was applauded. So they approved it heartily in January. But in April they were sending me telegrams to vote against reorganization.

Any businessman would have reorganized our Government long ago if given a free hand. The principal foes were the very same kind of people as the friends I talked to last January, who cry out against taxation, Government expenditures, and overlapping agencies. Demagoguery attained an all-time high in the House during the debate on reorganization. What if 300,000 wires and telegrams did reach the desks of Congressmen? That is less than one-half of 1 percent of the American electorate. What if this is an election year? Must we become afflicted with jitters just because the Western Union and Postal are worked overtime by the professional "stirrer uppers"? Be it said to the everlasting credit of such anti-administration writers as Walter Lippmann and Mark Sullivan that they would not join in the purposeful misrepresentation that this measure meant dictatorship. Lippmann, certainly no New Deal apostle, even went so far as to point out where Dorothy Thompson was misstating the case about civil service. As a matter of fact, nobody who debated against the bill antagonized it per se. The whole scheme was a smoke screen that reached the depths of dragging in the religious issue, something we thought had passed when the Ku Klux Klan died. Responsible Catholics, from Cardinal Mundelein down, went on record that the parochial schools were in no way threatened by passage of the measure. But spellbinders took the air and inspired the mountain of telegrams. A minority was made to appear at quick glance like a majority to some gentlemen looking more to next November than toward the decades that are to come. And so we heard that the people triumphed. But did they?

How long would you businessmen tolerate within your organization overlapping departments and functions, increasing expense and causing inefficiency? It is being tolerated in government today. What is the picture? We have built over a great number of years a bureaucracy which, if continued, will fall by its own weight. Seven agencies of the Government are now handling housing in various forms, 12 agencies education, numerous agencies issuing moving pictures, 26 handling relief in various forms, 7 dealing with transportation, ad infinitum, so that even the bears in Yellowstone are being coddled by three agencies. What is ahead in legislation? Well, just as sure as I am standing here, Government reorganization is ahead, because it will be forced by public demand in which you will undoubtedly join.

The antireorganization vote of the House in itself is not important. But the way in which it was achieved is very, very vital. Cast your eyes overseas and dig down in your memories for a march of some blackshirts from Milan to Rome; or to a certain well-remembered beer-hall putsch in Munich. Can you recall how minorities, through skillful use of propaganda, got sufficient toehold that they were able later to dig in by use of force and ride into ruthless power? Are you beginning to see what propaganda, directed at the right spot at the right time, can do in the hands of a relatively small band? Just get your powerful newspapers and columnists and the rabble-rousing radio declaimers on the job and put them to work simultaneously. We are the same kind of human beings as Italians, Russians, and Germans and we react much the same way emotionally. We can no more be smug than they when hunger threatens and unemployment is prevalent. We have their example and we have a distinct warning in the way the simple reorganization bill was defeated. It is as a warning that we can look upon its defeat as valuable to all of us. Men and women took pen in hand—or phoned Western Union—who had not the slightest notion of what the reorganization measure was all about. Practically every one of them accepted some person's say-so that Roosevelt was trying to establish himself in the dictator role. Compare the face of our President with those of Stalin, Hitler, and Mussolini and you have a pretty good answer to that foolish charge. Or talk to him, as I have done, and you have a still better answer.

There is a proper place for effective and sincere use of the written and spoken word. But like all great forces they can be used to good or evil purposes. Now, as never since 1861, is the time to use them with a thought of getting back to those first principles of 1776; let us put them to work with the same idealism that inspired Tom Paine, publicity man extraordinary for our Revolution.

When the faithful stray too far from the precepts of a Christian church, they are brought back to the old-time religion. Protestants hold revivals and Catholics conduct missions. When a football team gets down in its play in midseason, the coach returns its practice to the fundamentals. When a government strays into perilous ways, it, too, must return to fundamentals. And that is why we reread a portion of the Declaration of Independence. Lincoln had to return the Nation's thought to the Declaration in 1861. Franklin D. Roosevelt has done and is doing it. It is being accomplished in the American way and according to the blueprint dated July 4, 1776. As one writer put it—and I quote:

"It will be easy to see how deep-rooted was Roosevelt philosophy and how familiar the Roosevelt methods. It was an attempt to catch up with the political lag of well-nigh 20 years and articulate Government to economy. In one form or another it was inevitable. It was directed toward preserving capitalistic economy, rather than substituting another system, and the methods employed were in the American tradition."

Designed to catch up with the lag of 20 years—directed toward preserving the capitalistic system—American—and inevitable. That is a pretty good summation. Let us see what was happening to produce the lag which found Government behind our national economy.

There was a time when rugged individualism and States' rights had a much more valid case than they have today. When we first arrived at nationhood, ours was largely an agricultural country and the farm was not only a producer of food but the farmhouse was in effect a manufacturing plant. It made the clothing and other articles for home use. From the raw product to the finished article, the colonial farmhouse never relinquished possession of the thing it was making. America started to import industries from Europe in the late eighteenth century and factories were established along water-power sites. Here we begin to see people in industry working for wages. The product they fashioned was no longer theirs. With wages for their labor, they now had to buy food, clothing, and shelter, once they forsook the farm.

Transportation developed, first by canal, then by rail. Towns could now exist elsewhere than on the seacoast or tidewater rivers. This broadened markets, and small manufacturers became larger manufacturers. The banker took on a more important role with this development of transportation and industry. There were miserable working conditions for wage earners in the early days. Women and children were sweated from sunup to sundown, and children workers could be beaten without fear of reprisals by law. Debtors' prisons acted as a deterrent to strikes and limited suffrage kept the workers from effecting any improvement through legislation. We had deposed a king and his aristocracy only to tolerate a different kind of tyranny of our own making. The so-called common man began to come more nearly into his own with extension of the right to vote and perhaps that is why the White House was overrun and almost wrecked when Andrew Jackson was inaugurated. To the common man of that day it was the dawning of a new era of freedom.

As you know, the first Continental Congress met at Philadelphia in Carpenters' Hall. It still stands as a national shrine, but it is more—it is a monument to the old craft unions that existed in colonial America. They governed the terms of apprenticeship and qualified the journeymen and masters. There was democracy of a sort within these early craft associations, for the lowliest of apprentices could aspire to and often obtain a mastership. He had a much better opportunity of reaching the top than a young man on the production line today. And his representation with the employer was by word of mouth and immediate, much the same as it has been in the development of your business. So it is easy to see why members of these early unions cared not one whit about labor conditions in general. They did not have to. Life and the national economy were simple in those days that were built to order for "rugged individualism." The heyday of States' rights fits into that period, too. The theory suffered its first major blow with the Civil War, and with our problems taking national aspects more and more it can do nothing but lose ground in the days to come. Markets in early America were largely intrastate, relatively neighborhood affairs. The Louisiana Purchase and other acquisitions of land expanded our square mileage to the Pacific; the iron horse made interstate commerce take on a new and undreamed-of meaning. Economic detachment could be tolerated in the first days of the Constitution but our national economy is completely intertwined today. When labor is sweated in a southern State it acts as an actual and terrible menace to every manufacturer and wage earner where decent labor conditions prevail. When certain Congressmen prate about States' rights in connection with wage and hour regulations now they are just not facing facts. Goods pass over

State boundaries as freely as a Japanese beetle and the conditions under which they were made affect every American engaged in manufacturing similar merchandise. We live in an age and in a country that is exceedingly sensitive. The national economy is affected when some disaster, be it flood, dust storm, or drought, affects any considerable area, because the economic distress it occasions in that region visits its devastation to some degree on the Nation's business, and we all suffer. We traveled a long way from the time when each home was self-sufficient, and when trade guilds handled the problems of their particular craft without thought of the general economy.

We say that it takes mighty little to upset our national economy. Let us look at some of the things that have happened and are happening. Many of them are not of our making, but we have to face them just the same, for they affect us. During the period when we were nurturing infant industries America became a traditional high tariff country. But conditions surrounding that have changed. We were a debtor nation and our railroads and many of our industries were financed by European investors. Because we owed money it was an easy matter for us to make the pay-off in goods. Other nations could use large portions of our agricultural and mineral resources. But the World War kicked us upstairs into the position of a creditor nation. Meanwhile nearly all of the nations owed us money, but most of them lacked that great international medium, gold. They could only pay us in goods and to have accepted these would have disrupted our internal economy. Meantime other nations were learning our high tariff game and inventing new devices to penalize our foreign trade. When the Smoot-Hawley tariff was passed in the Hoover administration, just about every civilized nation on the globe filed protest. Canada, our best customer, elected a premier on the slogan, "Create higher tariffs than the Yankees." Followed a world-wide wave of retaliatory tariffs, quota restrictions, and depreciated currencies, all well calculated to shut out our goods.

Now, you may have heard someone, referring to an individual industry, quote the figures that only 10 percent of our total business is exports, and hence that is the highest amount we can lose in foreign trade. But that 10 percent does not give us an accurate picture. In normal years we have exported approximately half our production of cotton, tobacco, and naval stores. If every foreign port were closed to our shipments the income of our populous Southern States would fall like a plummet and spending by millions of their people would cease or be greatly curtailed. Every State in the Union would feel the pinch as a result. So it is not straight thinking to consider our exports only in the light of 10 percent.

We have had to build our foreign trade with a different set of tools than we used in the gay nineties, because most of the conditions are not the same. Even international exchange and foreign currencies are not what they were. The World War did that, too. It is a question if these nations will ever go back to gold, but some sort of stabilization is highly desirable for all concerned. Since the other fellow has learned from us how to adroitly use high tariffs, that's out as far as we are concerned. His quota device is particularly pernicious because it does not readily permit increases, in the light of new conditions. The depreciation of currencies is the most difficult of all barriers to pierce. Our reciprocal-tariff treaties, employing the most-favored-nation provision are the best possible solution until we arrive at the day when other nations drop their mad armament race and think in terms of stability of world trade. There can be no successful general conference while many of them are threatened both from within and without. A spirited international trade is itself the best guaranty against war. We hear it said that the "have not" nations will demand colonies from the "have" nations; that they need the raw products of colonial possessions; that they have a possible use in time of war. Remove trade restrictions and these "have not" nations will have both sources of raw materials at prevailing prices and markets too. And of what possible use can far-flung colonies be if the "have not" nation cannot control the seas? Germany answered that in 1914 when she could not protect or hold her remote possessions. Perhaps that is why she has abandoned talk of colonies, except for bargaining purposes, and is concentrating in central Europe. Free markets are the solution for the "have nots."

In the 17 trade agreements Secretary Hull has negotiated he has acted on the unconditional, most-favored-nation basis. With the historical exception of Cuba, each agreement provides for the reciprocal grant of nondiscriminatory treatment. Reductions in tariff are established only after careful study. You have heard it said by some critics that this principle will act to the detriment of our own industries. This contention is strikingly refuted by the outcome of trade in 1937 when our imports increased over 1936 by some $60,000,000, while our exports increased over 1936 by $690,000,000. So we increased our participation as a world trader—both as importer and exporter.

Foreign exchange, foreign trade, international monetary stabilization, and even the tariffs, seem like vague things, but we cannot ignore their significance. There is another national economic problem that is far from vague to any citizen. And that is the matter of labor relations. Let us begin discussion of them by parking our prejudices and our hatreds outside, and with the frank acknowledgment that exploiters of the working men now exist in the ranks of both the employers and the unions; that monopoly and social unresponsibility are in the minds of some industrialists, and some union leaders; that violence in strikes has been initiated by both camps in the past. That is why we had to formulate rules and appoint referees. Let us stop thinking in terms of "angels and demons" and act like the civilized people we claim to be. Legislation was enacted because our national well-being depends upon peaceful and effective prevention or settlement of labor disputes.

There is a school of thought that views business as a war, and it rationalizes any ruthless practices with that explanation. I have been identified with a concern, the largest in its line, that does not take that outlook. I am also director of a successful bank which has always felt that it was first of all a servant. So my background does not lie with the boys who pump water into securities or sell blue sky. Nor does it belong in the camp who cut juicy stock-melons, and then speed up the production line past human endurance to meet the increased dividend requirements. Perhaps I have seen the happier side of industrial relations, because this company has passed down through the family whose members always hope to relinquish it to their sons in as good a condition as they found it—and that includes its labor relations. So they gave much thought to employee good-will, and many of their workers, like myself, are the sons of employees.

When I was identified with this company my job had to do largely with personnel, and I learned both from our workers and from remarks at business luncheons that there was another kind of employer. Since then I have read every word of the testimony, given under oath before the Senate subcommittee investigating violations of free speech and the rights of labor. These hearings will tell you much about the gentry who view business as warfare.

We are moving into collective bargaining by law, the civilized way of conducting labor relations. Considering the background of strife and suspicion, who is such an optimist as to expect everything to function perfectly at the outset? We must beat down the idea, held among factions of both sides, that business is war. The transition is not an easy one. Both sides must come to the full realization that they are first of all public servants. Wages are no longer a private matter, but the concern of all. Because they affect purchasing power, they touch upon your welfare and mine. Distribution of wealth should be a matter of first concern to all, particularly men engaged in the graphic arts. We do not want it, nor can we have it all in one place. As Harry Lauder said, "A sailor has a sweetheart in every port, and that's a lot better than having all jammed up in the same port."

All big-business men are not villains, and all workmen are not sweet williams. You will find some pretty mean hombres in the working class, and also behind the desks of management. They are greatly in the minority in both places, but we have learned the nuisance value of some minorities elsewhere. If we follow the public prints solely we are apt to view only a harvest of ill will among union men and learn nothing of the seed of suspician and ill will that was sown. We are evolving into collective bargaining, and the attendant strife will one day be looked upon as just a milestone toward the more civilized order of industrial living. The sooner both sides will adapt themselves to new and improved methods the quicker and happier will be the transition.

Let us face that fact that this is an age of big business growing bigger; that the worker on the production line of a large corporation is as far removed from the desk of management as if he were in Tahiti or Siam. This implies the need for an accredited representation that is not make believe, but the real thing. In both these groups, management and labor, we have the elements of monopoly, and monopolistic practices do not operate with the public welfare uppermost in mind and intention. The interest of the public is very important in any negotiations that are undertaken, because even at peak employment not more than 40 percent of our population is gainfully employed. Every man, woman, and child in America is a consumer, but less than half are working in industry.

The crux of increased buying power is to keep wages as high and prices as low as possible. It is the span between income and fixed expense in a family which determines if it shall have something you men have created a new demand for. If monopoly will pass on most of the advantages of new processes in the form of reduced prices, it will have justified its existence and benefited the general economy as no group of small operators could. I am an ardent advocate of national wage and hour legislation, because the question is undoubtedly one that must be regulated along the national rather than State fronts. But there is no merit in reducing the workweek to an absurdly low number of hours. That merely amounts to a workman sharing his job with the unemployed, and fails to recognize that we are attempting to gear our ability to consume with our ability to produce. We produce national wealth by working, not by loafing. We produce business by widely distributed purchasing power. Wage and hour legislation is required to place a ceiling on hours and a floor on wages in the interest of public health, and to stop sweating of labor along with unfair competition. It establishes the minimum and maximum beyond which no employer may descend. That not only serves as a brake on the chiseler, it helps to improve the American standard of living. And this must happen if more people are to act on the alluring pamphlets you men prepare to create new demands. It will give you fresh fields to work upon instead of the same static group in the higher income brackets.

The people want the goods, but we must consider that 21.5 percent of our families received less than $1,000, even in 1929, and that eight-tenths of 1 percent of our families received over 20 percent of the total national income. So, when certain Congressmen vote for every piece of constructive labor legislation they are trying to do something about the distribution of our wealth.

Now there can be monopoly in labor as well as in business, and we want it in neither place. If business is to be viewed as warfare, we want the industrialist, labor, and public fighting in the same army and not firing at each other. When a nation operates under the profit system it means that its businessmen must have every reasonable opportunity of making profits; that high wages and low costs operate to the general good. Collective bargaining by law is new to America, which means that it is suffering from infant ailments and that it will go through a period of growing pains. Organized labor is experiencing in this country much the same kind of stormy ordeals that marked its early development in England. It must learn to discipline its members and to adhere strictly to the agreements its leaders sign. It will! It must learn to purge its ranks of those of its officials who, for personal gain, prey more upon the workmen than the hardest-boiled employer. It will! It must learn that the public interest transcends any other considerations at the council table. It will! It must think in terms of America the Nation. It will! By the same token, some of our industrialists must cease their view that American workmen are "tools with life in them." They will! Not that I believe that Utopia is at hand, but the Nation's most devastating depression has set the whole Nation to thinking of cause and effect in the economic scheme. It has furnished an ideal opportunity to put the national house in order for the era of prosperity that is bound to come.

Regulations have visited business because our machine has become too complex to run of itself. When new rules are formulated it is only because something has got seriously out of whack and there is a public clamor to curtail a bad practice. It is the sheerest nonsense to say that American business can regulate itself in every particular. We all wish it could. But that would be to presume that human nature has reached that state of universal perfection where all men are honest, generous, fair, and patriotic. But the milennium, alas, is not yet here. It is only fair to say of your Congress that it has not anticipated abuses in the business system but rather has met them after they occurred. Many times they were found in unexpected places. Insull was a notable patron of the opera, and Richard Whitney rode to hounds. At least we were gyped by the "best" people. But who will say that the Securities and Exchange Commission was conceived by lawmakers bent upon foisting just one more regulation upon business?

Government imposes rules only when the game is getting out of hand and makes only such changes as are necessary to the public welfare or the conduct of business for the profit of all who are engaged in it. We who long for a business unfettered with "thou shalt nots" know full well how a small minority can compel regulations for all.

Looking forward in legislation rightfully begins with looking backward and scrutinizing the present very closely. We have only the broadest of plans for the future for specific legislation is usually written by you and people like you. Congressmen return to their districts and learn what their constituents are exercised about. These expressions find form in bills, some of which reach the floors of the House and Senate and are enacted into law. I believe we are facing a period where we will consolidate the gains so that we can face the future activities with confidence in our banking structure, the machinery to iron out employment difficulties, and an insurance plan which will lay up reserves for our workers against unemployment and old age. To refine the devices we have set up will be our principal concern.

We have first-class machinery to produce. We must stimulate our ability to consume. Brookings Institution has shown that even in the peak year of 1929 the total outpour of America's farms, mines, factories, and service industries was only about 80 percent as large as it might have been had all our physical and human capacities been utilized. In individual industries the amount of idle plant varied from 15 to 30 percent, with 20 percent a very conservative estimate for our economic machine as a whole. An examination of our abilities to produce and consume can lead us to but one conclusion—that we must speed up consumption. And that can only be done by widely diffused buying power. We do not make new customers when we double wages and double the cost of necessities. That span between prices and wages that we spoke of is our solution.

What we have attempted to make clear in this matter of looking forward in legislation is that ours has become a very complex situation, with factors like interstate commerce, foreign trade, monetary considerations, national and international, investments, labor, production, and consumption to consider. We are no longer the simple community of States whose commerce is confined to coastal and tidewater towns. Our national economy is now extremely sensitive to a host of happenings any one of which can cause serious dislocations. Consider this when you listen to some radio orator with a pet nostrum, such as silver or the Federal Reserve.

Putting our Nation back in shape is like trying out a new-model automobile. It left the planning room all right, but it is requiring a lot of attention on the testing block. We liked it on the drawing board, and we still felt well about it when it left the shop. On the block we have to do a lot of tinkering here and there before it hums just the way we want it to. Maybe we'll enlarge the radiation if it is heating up; perhaps increase the size of the carburetor or reshape the intake manifold if it is "starved" for gas; revise the ignition system a bit or do something about the compression. That is not done with one simple turn of a setscrew. The engineers wish it could be, but they have too much sense and experience to expect that. They are satisfied with the way it looked on the drawing board, and their business is to make the adjustments here and there that will produce most efficiently the horsepower they set out to get.

Our immediate future in legislation is much like that—one of adjusting ourselves to the blueprint that left the drawing board in 1933. And the 1933 print was patterned in keeping with the master tracing of all that was a product of Thomas Jefferson's pen in 1776. So, looking forward with you, I am for doing a good job on the testing block and tinkering just enough to get the most horsepower and efficiency out of the motor.

Pet nostrums concerning money, the control of credit, distribution of wealth, old-age security, and ad infinitum, advertised by quack doctors and "medicine men" to drug the people, and at the same time, to bring the shekels to themselves, are apt to win mass support with millions unemployed. The great numbers of unemployed are looking for security, and like a drowning person will grasp at any straw to help them in their desperate plight. Unless this unemployment condition is remedied there is grave danger that the trend of legislation will be toward that which is based on theory and supposition rather than on basic and tested fundamentals.

In that job, laid down on a blueprint of American design, you, as citizens have a vital place. A democracy is not a lazy man's kind of country. Government is your second business. You pay for it, and you direct it. That implies that you follow its course. In the final analysis you will write the details of the future legislative program. We Members of the House come before you every 2 years so that unpopular or outmoded ideas cannot long prevail. The bills that find their way to the floor began as a thought germ in some constituent's mind. They grew out of a national need and because they made sense to a majority of your chosen Representatives. So you will write America's future through elected representation of you. You can have as poor a Government as you will stand for, and as good a Government as you will work for.

I thank you.

Annual Meeting of the Rhode Island Society of Washington

EXTENSION OF REMARKS

OF

HON. JOHN M. O'CONNELL

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1938

ARTICLE FROM THE PROVIDENCE (R. I.) JOURNAL

Mr. O'CONNELL of Rhode Island. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article from the Providence Journal about the one hundred and sixty-second birthday of Rhode Island:

RHODE ISLANDERS MEET IN CAPITAL—JOSEPH KEENAN, ASSISTANT UNITED STATES ATTORNEY GENERAL, IS GUEST SPEAKER AT BANQUET—LAUDS DEMOCRATIC IDEA—STATE'S SETTLERS PRAISED FOR PART IN FOUNDING NATION ON LIBERAL PRINCIPLES

WASHINGTON, May 3.—Principles which led Rhode Islanders to declare their independence of Great Britain 162 years ago today must be followed now "if democratic principles of government are to be preserved," Joseph B. Keenan, Assistant Attorney General of the United States, told members of the Rhode Island Society of Washington at their annual dinner in the Hotel Shoreham here tonight.

Although originally scheduled as a speaker, Keenan's speech was a surprise, because he had been ill and was not expected until this evening, when he arrived from West Virginia and attended the dinner before going to his Washington home.

"Rhode Islanders always have been champions of democracy in government," Keenan said, "and with today's problems in the world we must look carefully to our laurels and realize that as Rhode Islanders we can be proud of the fact that ours is one of the two or three nations maintaining a democratic form of government and the profit system.

SYSTEM MUST BE GUARDED

"It now seems to be taken for granted that democratic government and the profit system can continue to exist like Tennyson's brook or the ocean or the winds, without anyone attending to the business of it. It cannot continue to exist without all of those partaking of its benefits making it their duty to guard it."

Quoting Lincoln's definition of a government "of, by, and for the people," Keenan said "by the people" was the most important and that democratic government cannot be preserved unless these essentials are preserved.

"It cannot continue," he said, "if complex problems receive no adequate attention and snarls develop in dealing with them. That is the way democracy has been lost in foreign nations, for the world is full of practical people. There was no laissez faire in the colonial days, and today we have to get our muskets and build stockades to defend our principles from enemies—and by this I mean no individuals, but broad forces."

Keenan suggested that all, Republicans and Democrats alike, should be alive to the dangers to the democratic system.

William J. Crane, president of the society, acted as toastmaster, after Mrs. John M. O'Connell, wife of the westerly Congressman, as chairman of the arrangements committee, opened the dinner meeting, attended by nearly 200 Rhode Islanders.

CONGRESSMEN ALSO SPEAK

Speakers were Representatives O'CONNELL and AIME J. FORAND, and Senator THEODORE FRANCIS GREEN, who announced that tomorrow he will introduce a bill to rename M Street in Washington Rhode Island Avenue.

The present Rhode Island Avenue in Washington, one of the arterial highways from the north, runs from the District line and ends downtown at Connecticut Avenue, where it joins M Street. Renaming M Street would continue the thoroughfare to the southern boundary of the District of Columbia at the Potomac River.

Flanking the speakers' table were the national emblem and a new Rhode Island State flag, the gift of Gov. Robert E. Quinn. Regrets were sent by Senator PETER G. GERRY; former Gov. Norman S. Case, a member of the Communications Commission; and James V. Bennett, Director of the Federal Bureau of Prisons.

Senator GREEN declared no State has "so much to offer in every way" as has Rhode Island.

"For good or evil," he remarked, "Rhode Island seems to make the front page of the metropolitan dailies more than any other State except New York. Our State is unique for its tolerance in religious and political matters, and I think all of us here tonight, of whatever political faith, can join in doing honor to our State."

Federal Aid for Road Building in the West

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1938

Mr. MURDOCK of Arizona. Mr. Speaker, my objection to the amendment offered by the gentleman from Iowa [Mr. BIERMANN] as a substitute to the amendment by the gentleman from Pennsylvania [Mr. EBERHARTER] was based on the interpretation that his proposal would require the States to bear half or more of the cost of road construction within those States. I do not believe that a State like Arizona should be required to match Federal funds "dollar for dollar" in the construction of roads to meet Government specifications. A lot of new road construction is needed in Arizona and in many cases I think the Federal Government should bear the whole cost of construction.

We have some of the largest Indian reservations in America, such as the Navajo Reservation in the northeastern corner and the Papago Reservation in the southwestern corner of the State, and numerous others. We have in the State of Arizona nine big national forests, and besides all of this, millions of acres of public domain. With nearly three-fourths of the surface of Arizona owned and controlled by the United States Government, and that not in contiguous areas, but in a sort of checkerboard pattern, it is clearly seen that a road across the State in any given direction must cross Government land. Local taxpayers cannot pay for such roads, and it is impossible to have a complete and coordinated highway system without Uncle Sam's aid in building the same.

Arizona has more natural features and scenic marvels than any equal area on earth. Some of these spots are now national parks or monuments. Many of them are remote and somewhat inaccessible. Roads should be built to them. Arizona is fast becoming the Nation's playground. Travel into this marvelous region should be encouraged and facilitated, not only for recreation, but for the scientific study by scholars, and for the cultural developments of all our citizens. It is an act of statesmanship on the part of a wise government to conserve such natural beauty and make available the resources of glorious nature for the delight and inspiration of our people.

Wage-Hour Bill

EXTENSION OF REMARKS

OF

HON. CHARLES A. BUCKLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1938

Mr. BUCKLEY of New York. Mr. Speaker, I wish to take this opportunity of submitting my expression in connection with the wage-hour bill. I had high hopes that the Rules Committee would allow it to come to the floor, and confident that it would receive immediate passage at this session of Congress.

The issue is vital. It concerns millions of men and women who toil for a living, as it also concerns employers who pay decent wages, as well as all business, because the bill would eliminate unfair trade practices, raise labor standards, living and business conditions.

It would mean an increased purchasing market for the product of manufactured goods. There was evidently some need of this kind of legislation in the United States, as was recognized by Congress in 1933, and resulted in the passage of the National Industrial Recovery Act, under which codes containing wages, hours, and child-labor provisions were adopted for nearly every industry. Adverse decisions by the Supreme Court stopped for awhile efforts for new legislation along these lines. However, the way has been opened for accomplishing these objectives, and Congress has the power to legislate in this field. The power confided in Congress, which this bill proposes to exercise and, in exercising, to recognize the fundamental interests of free labor, is the expressly given power to regulate commerce among the several States.

We, who know the industrial life of this country, know the evils of child labor, sweatshop, and low wages. In our own city of New York, where I have lived all my life, I have seen these sweatshops with their attendant life of despair for the workers, the hovels called homes, and the large percentage of illness, lifted away, through unionization, and a fair concept of justice for the employee by the employer; not that these deplorable conditions have been entirely eliminated in some industries right in our own city and vicinity.

Only by the general adoption of fair labor standards by law can we hope to eradicate these unfair practices throughout the country. Despite all criticism of N. R. A., no one can deny that it did more to abolish child labor in the short period of its existence than 50 years of agitation for such needy reform. One of the objects of this bill is to make certain that competition will work in favor of efficient management and high standards of productive quality. The overwhelming majority of the American businessmen will gain a new sense of security if the law provides that basic labor standards be stabilized and hence removed from the arena of unfair competition. It will also have a great influence in avoiding unnecessary, and unnecessarily bitter, labor disputes. With the removal of oppressive wages and long hours of employment, the likelihood of strikes, which are long continued, should diminish.

The increase in labor-displacing devices in recent years makes it a necessity to shorten hours of labor to absorb unemployment. This bill, fixing minimum standards of 25 cents an hour and 44 hours a week, and in 3 years bringing them up to 40 cents an hour and 40 hours a week, certainly cannot be thought to be unfair or inequitable. It is the lowest possible standard that could be fixed. This bill would require payment of only $525 the first year and $832 the third year; by the furthest stretch of the imagination, one cannot even argue that this is a living wage. Surveys have shown that average families require more money for subsistence. Economic slavery is as despicable as slavery because of color or creed. Although this bill is not perfect it at least is an effort in the right direction.

I am glad to see that labor is united in behalf of this bill. In New York and other industrial cities where decent labor standards in certain industries prevail we have seen thousands of these factories and shops move to other vicinities where workmen could be hired for less money, thereby causing unemployment of hundreds of thousands of people in our own city of New York, as well as in other cities, with business necessarily affected in those areas. An affected area of the body will necessarily affect the whole, and by the same token, no country can be prosperous where those who produce are not in turn given the purchasing power to buy back the goods manufactured.

Surely 25 cents an hour is not unreasonable for a worker, and yet there are shops and mills and factories paying far less than this rate. A 44-hour week is not such a short one, and yet shops, factories, and mills in this country are working their labor many more hours than this. We have millions of unemployed men and women who are willing to work; they do not want relief, but it is the only alternative. Millions of these people could be removed from the relief rolls if we enact this bill, causing a reduction in unemployment, increasing the wage income and purchasing power, extending markets and production, thus creating new employment. It will also insure a greater degree of security for industrial peace.

This bill is not dead. The bill will be brought to the floor by petition. The administration, labor, and the great majority of American people will demand that it pass. I have always supported this bill; I will continue to support it. The administration favors it; many employers favor it; all labor certainly favors it. The majority of the American people want this legislation. We will not fail them. We cannot let them down. We will go forward.

A Real Recovery Program

EXTENSION OF REMARKS

OF

HON. ANTHONY A. FLEGER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1938

Mr. FLEGER. Mr. Speaker, the time is drawing near when the Seventy-fifth Congress will come to an adjournment. When we return to our respective congressional districts, many of our constituents will request that we give them an account of our activities during the Seventy-fifth Congress. One of the questions which will confront many of us is the part we played in promoting the type of legislation which will help to eliminate depressions and guarantee economic security to all of the people in the United States.

I fully realize the difficulty of considering all the bills which are introduced during the sessions of Congress. When, however, a bill is introduced which has the support of thousands of civic-minded citizens it becomes the duty of the Members of Congress as the representatives of the people to give such a measure their consideration.

There are a number of important bills now pending in both Houses which deserve the consideration of the Members of Congress. At this time I would like to refer to one of these bills which has the active support of over 140 Members of the House of Representatives, who have signified their interest by requesting the Ways and Means Committee for a fair and impartial hearing. In my address to the Members of the House on February 16, 1938, I referred to this bill, which is H. R. 4199, otherwise known as the General Welfare Act of 1937.

Some time ago, at a meeting held by the Ways and Means Committee which consisted of only a part of the full committee, the question of granting a hearing on this important measure was turned down by those members of the committee who were present at the time. Whatever happened at that time is still a mystery to me, and I have not as yet been able to determine why the hearings were rejected after a poll of the members of this committee had indicated that it would receive favorable support.

It seems to me that whenever a bill has as much support as H. R. 4199 the members of the committee in charge of the bill ought to at least give the matter a proper hearing in order to intelligently study the question involved, and then after that has been done they can act accordingly. In the present case there seems to be an arbitrary feeling on the part of some of the members of the committee to refuse a hearing because of personal reasons and not because of the merits of the bill. I often wonder whether the members who have refused to grant such a hearing have ever given careful study to the present Social Security Act and the various pension acts now in effect in the States. In my previous address I outlined a comparison between the Social Security Act and the proposed General Welfare Act of 1937. I will, therefore, not repeat what has been previously said, except to point out that most of the States today are experiencing a great deal of difficulty in raising sufficient funds with which to meet their old-age pension requirements.

In the State of Ohio these pensions are paid from a liquor-sales tax, while in other States other forms of special taxation have been adopted to raise the necessary revenue. We are all familiar with the increase in the number of persons who will be eligible for pensions from year to year which means that the States will be required to find new sources of revenue to take care of the increase in the number of pension applications. The State of Ohio has endeavored to do its part and has been successful in increasing the average pension payment from $14 to $24 per month. In spite of this, we find that the amount allotted is way under what the requirements are to keep these people at the American standard of living.

Many of those who are opposed to H. R. 4199, and who are trying to find a way out from supporting this measure, use the argument that the social-security law should be broadened and given an opportunity for further trial before changing our present system of pensions. If the question of a pension were the sole reason for the introduction of H. R. 4199, there would be no further quarrel and those of us who are interested in this measure would have consented to an amendment of the Social Security Act in order to increase the amount of pensions.

There seems to be much confusion in the minds of the Members of Congress about the purpose of H. R. 4199. Some of the Members seem to have the impression that its sole purpose is to provide a national old-age pension system, and therefore refer to it as an old-age pension bill. This confusion undoubtedly arises because under the provisions of the bill the aged people of the country would be the beneficiaries and the agency through which the funds would be spent. I would like to point out to the Members of the House that the pension feature is merely incidental and the real

purpose behind the bill is a recovery program. Under this plan the machinery would be set up to provide a workable system of spending which will revolutionize our economic system by creating a new form of purchasing power, and thereby bring about a more even flow of currency.

We seldom pick up a newspaper these days in which we cannot find a statement about economic conditions in which reference is made to the need for a greater flow of money before we can bring back prosperity. I need only to refer to the recent address given by President Roosevelt at Gainesville, Ga., in which he stated that the trouble in the South is a shortage of purchasing power. He further stated that if the southerners can acquire buying power they can build up new industries and have all the good things that go with them.

I concur in everything said by President Roosevelt, but know of no better plan to raise the purchasing power of the Nation except by the adoption of H. R. 4199. The passage of this act would relieve the Federal Government of the burden it has had in supplying Federal funds to take care of our unemployed. Most of us admit that we must find ways to encourage production and find new uses for our raw materials and byproducts. If this is sound reasoning, then why not adopt H. R. 4199 and give it an opportunity to function? We have tried many new ideas during the past few years, none of which has had for its purpose a method which would assure an increase in purchasing power.

I have heard a great deal said about the method of taxation provided for in this bill by some of its opponents, who claim that a transaction tax will skyrocket commodity prices to such an extent that the poor, who are intended to be helped by this, will bear the brunt of the tax. At this point I would like to state that it is not so important by what method we raise the necessary revenue under this act as it is to adopt this idea of forced spending through a revolving fund which would be spent every 30 days. A 2-percent transaction tax is nothing new and was considered by the Senate as far back as 1921, when it was favorably looked upon during the course of hearings held before the Banking and Currency Committee of the Senate, which had under consideration a revision of all tax laws. If we are to have a recovery program which embodies a national old-age pension, the revenue derived from such law should be obtained from all persons who benefit from it. To levy a tax on a particular group such as we find in the case of nuisance taxes places a hardship on that particular group and is not only unsound economically but discriminatory as well. Because of our keen competitive methods in effect in the United States, a 2-percent transaction tax would in most cases be absorbed willingly by the seller who will profit by increased sales. From experience in the State of Ohio, with a sales tax, we have learned that in spite of the law prohibiting the merchant from absorbing the tax under penalty of a fine, competition has brought about a situation where in most instances the merchant absorbs the tax.

The time has arrived in this country when, because of our high-speed production methods, we have created a situation that forces into retirement thousands of our American citizens yearly, because industry requires youth to operate its high-speed machinery. If the Members of Congress take their duties seriously, they will reach the conclusion that this is one method whereby we can solve many of our economic problems.

All tangible wealth is the product of human labor and energy.

What could be more humane than to give to our aged people in their declining years an opportunity to enjoy some of the luxuries which they have made possible, and for which they had contributed during their younger years?

In conclusion, may I pay tribute to Dr. Francis E. Townsend, to whom credit is due for the principles embodied in this plan, and for his untiring efforts in behalf of the aged people of America and those countless millions of our American youth and unemployed who are patiently waiting for this Congress to give them constructive legislation. I also wish to pay tribute to Mr. Otis J. Bouma for the good work which he has done as the representative of a movement which has been responsible for making our American citizens pension-minded. And also to the thousands of public-spirited and civic-minded citizens who have worked unfalteringly for the betterment of mankind and who have so wholeheartedly proved by their loyalty and cooperation with their representatives in Congress that they will leave no stone unturned until this plan is finally enacted into law.

Income Tax Compared

EXTENSION OF REMARKS
OF
HON. JAMES A. SHANLEY
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 4, 1938

THE BRITISH AND UNITED STATES INCOME TAX COMPARED

Mr. SHANLEY. Mr. Speaker, to those who are constantly resorting to the comparison of English taxes it may be of interest to point out that the present English budget makes that nation the most superlatively taxed nation in the world. In order that a graphic demonstration of this might be available, I have obtained from our unusually efficient Joint Committee on Internal Revenue Taxation a comparison of our income taxes with a printed table of the British income tax and surtax. The British parallel was obtained from a special cable to the New York Times with a London date line of April 26.

It is estimated that total local and national taxes will consume between 20 and 25 percent of the national income. In addition, there are aspects of the British system that are not present in ours. Primarily their system is predicated upon a 3-to-1 ratio of national to local expenditures. Then, too, their system is not as closely "cabin'd, cribb'd, and confin'd" as is our method here in America. They have a much better control over local expenses, partly because they have not so many indiscriminate taxing units as we and partly because they have no constitutional provisions which say, "Thus far and no further."

BRITISH INCOME TAX

LONDON, April 26.—The subjoined table shows the amount of income tax and surtax, if any, payable on earned incomes under the new schedule announced today. In each case the applicable personal and marriage allowances and the allowances for children and earned income have been deducted. The figures, in dollars, are calculated at $5 to £1. The table:

Total income	Single persons	Childless married couples	Married couples with 1 child	Married couples with 2 children
$1,500	$63.12	$25.00	None	None
$1,750	118.12	41.56	$16.56	None
$2,000	173.12	63.12	33.37	$8.37
$2,500	283.12	173.12	90.62	41.67
$3,000	393.12	283.12	200.62	118.12
$3,500	503.12	393.12	310.62	228.12
$4,000	613.12	503.12	420.62	338.12
$4,500	723.12	613.12	530.62	448.12
$5,000	833.12	723.12	640.62	558.12
$6,250	1,108.12	998.12	915.62	833.12
$7,500	1,383.12	1,273.12	1,190.62	1,108.12
$10,000	2,070.62	1,960.62	1,878.12	1,795.62
$25,000	7,880.00	7,770.00	7,687.50	7,605.00
$50,000	20,667.50	20,557.50	20,475.00	20,392.50
$75,000	35,105.00	34,995.00	34,912.50	34,830.00
$100,000	50,230.00	50,120.00	50,037.50	49,955.00

The income-tax payer who is a householder also must pay a land tax and local taxes. It is officially computed that taxes collected by local authorities apart from the Government's collection last year amounted to £196,518,000. The Government's land tax on an ordinary four-bedroom house with a garage, which is paid in addition to local taxes, amounts to £17 to £20 annually.

UNITED STATES INCOME TAX, INDIVIDUAL

Net income	Single	Married	Married, 1 child	Married, 2 children
$1,500	$14	0	0	0
$1,750	23	0	0	0
$2,000	32	0	0	0
$2,500	50	0	0	0
$3,000	68	$8	0	0
$3,500	86	26	$10	0
$4,000	104	44	28	$12
$4,500	122	62	46	30
$5,000	140	80	64	48
$6,250	235	125	109	93
$7,500	335	210	178	146
$10,000	560	415	379	343
$25,000	2,804	2,489	2,405	2,327
$50,000	9,334	8,869	8,745	8,621
$75,000	19,484	18,779	18,591	18,403
$100,000	33,354	32,469	32,233	31,997

Idaho Editor Comments on Reorganization Benefits

EXTENSION OF REMARKS
OF
HON. COMPTON I. WHITE
OF IDAHO
IN THE HOUSE OF REPRESENTATIVES
Monday, April 25, 1938

EDITORIAL FROM THE LEWISTON (IDAHO) MORNING TRIBUNE

Mr. WHITE of Idaho. Mr. Speaker, under privilege to extend my remarks, it is refreshing to find that the editor of one of the leading newspapers of Idaho has a clear understanding and keen grasp of the issues involved by the reorganization bill recently in Congress. In the maze of propaganda and misleading statements that have surrounded the issue raised by the legislation to authorize the President to reorganize the Federal departments to increase efficiency and effect economy in handling the Government business, the following editorial from the Lewiston Morning Tribune, Lewiston, Idaho, is the epitome of a sensible and salutary analysis of the situation:

THE FOLLIES OF 1938

It was a reflection upon the prestige of President Roosevelt's leadership in Congress when the House of Representatives, by a margin of eight votes, scuttled the reorganization bill Friday night. But it was more of a reflection upon the capacity of the American people for intelligent self-government. Fortunately for them, the defeat of the bill will no more destroy the Nation than its passage would have abolished our traditional liberties and entrenched an evil "Der Fuehrer" in the White House.

The taunts of the European dictators at the incapacities of democracies strike home when an observer considers this fiasco. Here was a simple, practicable, and desirable measure intended to permit a more efficient and economical conduct of the public business through reorganizing the executive structure of the Government at Washington, granting the Executive, who is responsible for the success or failure of the Government, authority to consolidate or eliminate various administrative offices, subject to ratification or rejection by the Congress. The bill was designed to bring some semblance of order and efficiency out of the sprawling assortment of boards and bureaus, filled with duplicated and overlapping functions, which, like Topsy, have "just growed" in Washington. All that it would have done would be to permit the President to rearrange, in the interest of greater efficiency and economy, the powers already conferred upon the executive branch of the Government. Such reorganization had been sought by Herbert Hoover and half a dozen other Presidents before him. It was one of the pledges of the platform on which Franklin D. Roosevelt was given an overwhelming endorsement for reelection in the fall of 1936.

But the professional tom-tom beaters of the opposition went to work—and they did a neat job of it. Soon they made it appear that this was not a mere bill to reorganize the executive structure of the Government but a fearsome "dictator bill," and they conjured up frightening hobgoblins as to how it would destroy the liberties of the people and the very pillar stones of democracy. So effective was their campaign of misrepresentation that something approaching mass hysteria has gripped Congress in the last few weeks during what should have been rational consideration of a very practical and most undramatic item of legislation. Many people who knew nothing of this bill and cared less were frightened into an honest belief that it was essentially wicked and destructive.

Thus the reorganization bill of the Roosevelt administration has gone down to the same fate which overtook similar bills proposed during the administrations of Presidents Taft, Wilson, Harding, Coolidge, and Hoover. The negative votes of eight Congressmen did it. Some of those negative votes represented the sincere convictions of the Representatives that the bill was undesirable; some of them reflected a belief that it might be politically profitable to oppose the administration on this issue. Only time can tell if the latter group were correct in their judgment of the vagrant political breezes. Those Members of Congress who seek reelection on the basis of their opposition to the administration on this and other key measures—particularly those who rode into office in 1936 on the President's coattails—may find their platform has been built upon a precarious foundation.

In his message to Congress last January, President Roosevelt concluded with the significant statement that he did not propose to let the people down and that he did not believe that Congress would let the people down. The people still hold the final decision in this Republic.

The Wage and Hour Bill

EXTENSION OF REMARKS
OF
HON. BERTRAND H. SNELL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Saturday, May 7, 1938

LETTER FROM THE NATIONAL GRANGE, AND A CIRCULAR ISSUED BY THE COMMUNIST PARTY

Mr. SNELL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following communication sent to Members of the House from the National Grange, and also a circular issued by the New York State Committee of the Communist Party:

[The National Grange. The National Cooperative Council. The National Cooperative Milk Producers' Federation]

MAY 5, 1938.

To Members of the House of Representatives:

If the enactment of the new wage and hour bill could reasonably be expected to do the country any good, we would be in favor of it. Since we harbor the conviction that the net results of the passage of this proposed legislation would be harmful and demoralizing, we are against it. Among the numerous objections which may legitimately be made against this measure, we list the following:

1. It would increase the price of commodities that farmers must buy and would decrease the farmers' net return from commodities they sell.

2. It contains no provision for placing farm commodities on the same price level with wages, thereby destroying any possibility of achieving price parity as between agriculture and industry.

3. Notwithstanding the exemption of farm labor, enactment of the bill would create conditions that would make it virtually impossible for the farmer to secure hired help at wages within his reach.

4. It would encourage employers to install more labor-saving machinery in their efforts to keep down cost of production, thereby throwing more people out of employment.

5. It would manifestly be useless to fix a minimum wage of 40 cents an hour with a maximum of 40 hours a week, which is the goal envisioned by this bill after the lapse of 3 years while permitting imports from countries with a going wage which in some cases is as low as from 3 to 5 cents an hour.

6. Those who would be thrown out of employment when any particular industry could not meet the requirements imposed by the bill would become a burden upon the public-relief rolls.

7. The bill contains no provision for differentials in wages and hours as between urban and rural communities, but imposes an ironclad uniformity that would prove utterly unworkable in practice.

8. It contains no exemption for those engaged in the processing of seasonal or perishable agricultural commodities.

9. It would vest autocratic powers in the Secretary of Labor, powers that Congress should never delegate to the executive branch of the Government.

10. It would create just one more meddling and oppressive bureaucracy and would greatly increase the cost of Government.

Congress should not lose sight of the fact that the small and marginal industries of the country would be the first to experience the evil effects of this proposed legislation, as was the case under the workings of the N. R. A. codes. It is safe to predict

that the passage and enforcement of this bill would result in the bankruptcy of thousands of these small marginal industries.

In one important respect the present bill is even more vicious than that which was referred back to the committee in December. Under the former bill, an effort was made to protect American workers and producers of agricultural commodities against the importation of foreign goods made by cheap labor. The present bill contains no such provision nor does it contain any provision calculated to enable the United States to compete successfully with other countries in the markets of the world.

It has well been said that the chief function of the legislator is not to make laws but to discover them. There is a higher law than the law that is passed by Congress, or than the ruling that may be made by some governmental bureau, and that is the economic law. When the economic law is violated, the penalty is swift and sure.

These are truths that Congress should ponder in passing upon this ill-conceived legislation. Actuated solely by a desire to promote the interests of the people as a whole, we sincerely trust that this bill may not be enacted.

ROBIN HOOD,
Secretary-Treasurer, the National Cooperative Council.
FRED BRENCKMAN,
Washington Representative, the National Grange.
CHAS. W. HOLMAN,
Secretary, the National Cooperative Milk Producers' Federation.

AMERICA DEMANDS JOBS—NOW!

President Roosevelt's $3,012,000,000 job program means that the W. P. A. worker remains on the job—

W. P. A. WORKERS, FIGHT FOR YOUR JOBS!

Unemployed and part-time workers, the President's proposal means the prospect of regular jobs instead of starvation on home relief.

FIGHT NOW FOR A REGULAR JOB!

The C. I. O. and the A. F. of L. should act jointly on this program—regardless of whatever other differences they may have. They must pool their strength on this issue in the same way that they get together in the congressional elections.

Small-business men, are you losing the battle to keep your head above water? Have the banks refused you small loans—that mean life and death to your business? Support the President's proposal—it means loans and purchasing power; it means more customers and more business.

Write the President, telling him you are behind him in this fight. Write your Congressmen and Senators.

Your union and your organization should discuss the recovery program at once and send its opinion to the White House and to Congress—now.

Issued by New York State Committee, Communist Party, 35 East Twelfth Street, New York City.

Read the Daily Worker. Join the Communist Party.

Business Cycles

EXTENSION OF REMARKS
OF
HON. JAMES E. MURRAY
OF MONTANA
IN THE SENATE OF THE UNITED STATES
Monday, May 9 (legislative day of Wednesday, April 20), 1938

ADDRESS BY PROF. FRANK O'HARA, OF CATHOLIC UNIVERSITY OF AMERICA

Mr. MURRAY. Mr. President, I ask to have printed in the RECORD a very able address by Dr. Frank O'Hara, professor of economics, Catholic University of America, delivered before the National Catholic Social Action Conference at Milwaukee, Wis., May 2, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

As we look back over the past century of the history of the changing industrial organization under which we live we note as an outstanding achievement of that development the fact that wages have risen and that, with the higher-money wages, wage earners have been able to improve greatly their standard of living. But we note also that at all times there are large numbers of workers seeking employment and unable to find it. And we observe especially the unusually large number of persons who are thrown out of work by the irregularly recurring depressions which interfere with any normal working of the industrial machine. I wish to discuss tonight those particular alternating contractions and expansions of industry which are known as business cycles and which are contributing so much to the insecurity of both employers and employees.

You are all familiar with those charts with the wave-like lines showing the ups and downs of industrial production and of employment over the years. A business cycle is a period of contraction of production and employment followed by a period of expansion; that is, it is the period from the crest of one of those waves on the chart to the crest of the next. Or, if we choose, we may consider it a period of expansion followed by a period of contraction. In that case, instead of counting from one crest to the next, we count from the trough of one wave to the trough of the next. The students of business cycles usually, but not always, divide the period of expansion into two phases, which they call recovery and prosperity, and the period of contraction into recession and depression. Thus, we have in regular order recovery, prosperity, recession, and depression, followed by the recovery of the next cycle.

Just to get an idea of some of the things that happen in the course of a business cycle, and without any thought of making an exhaustive description of the economic causes that are at work, let us start a journey around the cycle beginning at the upturn which follows a depression and ushers in a recovery. We shall follow a typical or average cycle through the 40 months of its existence. Many business cycles depart widely from the average in various respects.

When recovery starts the number of the unemployed is large, wages are low, interest rates are low, a large volume of savings and bank credit is seeking employment, prices are usually low, stocks of consumers' goods in the hands of merchants are low, raw materials are cheap, and industrial plants are being operated at only a small part of their capacity.

Whatever the cause of the upturn may have been, a few or many businessmen begin to increase their output. Their unit costs of production fall because their overhead does not increase while their total production increases. For example, if a factory increases its production of shoes from 1,000 pairs to 2,000 pairs per day without increasing its mechanical equipment or its superintendence, it will, other things being equal, lower the cost of producing a single pair of shoes.

These businessmen now employ more workers and so increase their pay rolls, thus increasing the amount of money which the workers can spend on consumers' goods. Merchants, sensing an increased demand for goods, not only buy new goods to replace those they are selling, but they also increase their stocks on hand. Those who produce consumers' goods now feel the increased demand and employ more workers to produce consumers' goods. As more workers are employed there is again a further increase in the sales of consumers' goods. At first the existing plant equipment was sufficient to turn out the increased quantities of the goods demanded. But soon additional machinery and other capital equipment must be provided. And, all along, there has been an increasing demand for raw materials of various kinds.

At first wages do not rise because there is a surplus of all classes of labor seeking employment. Interest rates do not rise because there is a surplus of capital seeking investment. After a while prices begin to rise because of the increasing demand for consumers' goods which are still scarce. And profits rise, encouraging businessmen to prepare for the better times ahead. The increasing demand for more consumers' goods and the gradual reduction of unused plant capacity enormously increase the demand for plant equipment thus greatly stimulating the capital-goods industries which produce machinery and other plant equipment as well as those capital-goods industries which supply the raw and partly finished materials of industry. Again the total earnings of the workers are increased as well as other shares in industry; and the demand for consumers' goods is increased faster than they can be turned out. And so their prices rise further.

Gradually the skilled workers are all employed and the more capable of the unskilled workers. Employers can now obtain the more capable workers only by hiring them away from other employers at higher wages. As wages rise and more of the less capable workers are employed there is again an increased demand for consumers' goods and then again for capital goods at higher prices. The increased demand for borrowed capital raises the rate of interest, although its supply is still being increased by savings and by the expansion of bank credit. Raw materials can now be obtained only at increased costs. In a word all of the costs of production are rising. Profits can continue to increase or at least to remain at a high level as long as the demand for the products of the various industries continues at prices which increase as rapidly as costs of production. This is the situation when the peak of prosperity has been reached.

Why production and employment do not continue to be maintained at this high level is the central question and the most highly debated question connected with business cycles.

But whatever the cause of the downturn may be, there is always a downturn. Production and employment and wages and interest rates and profits fall off, deflation sets in, and the recession phase of the cycle is under way. The influences which formerly turned recovery into prosperity are now reversed and in the course of time recession becomes depression, and we are back in the trough of the cycle, trying to convert depression into recovery.

If you drop a stone into a quiet pond, you will observe a wavelike motion resembling, in a way, the wavy lines on a business-cycles chart. The motion is set up at the point where the stone strikes

the water and extends out in all directions. Gradually the waves will die down and disappear, as a result of the friction of the water.

A reasonable question to ask is why the waves of the economic cycle as a result of economic friction do not die down and disappear as the waves in the pond of water die down and disappear. The best answer to this question is that there are at all times innumerable impulses striking the economic pond from the outside. Some of these impulses neutralize one another. Others occur at such times and are of such an outstanding nature as to promote industrial expansion. Still others occurring in the expansion period act as a drag on prosperity, although they are unable to stop it, but if they occur during the contraction period, they hasten the downward motion toward the depths of depression. Just to mention a few of these impulses from outside the economic pond which may help or hurt the economic process, there are good crops and crop failures, disastrous fires, and earthquakes, and wars, and the victory at the polls of the political party to which you adhere and which you think makes for progress, or of that other political party which you distrust.

But in spite of the widespread acceptance of the view by the students of business cycles that impulses from outside the economic machine have an originating influence on those cycles, there is a disposition to believe that the characteristic behavior of the cycles is due to the nature of the economic machine itself, and that when a cure is found for the cycles it will be found within the economic machine rather than among the outside originating impulses. An additional reason for looking within the economic machine for the cause and cure of the cycles is that the outside influences, such as wars and the weather, are pretty much beyond human control. There is nothing that we can do about them. On the other hand, we do hope to control the operation of the economic machine as soon as we find out just what the matter is.

This language suggests that the cause and cure of business cycles have not yet been definitely established. This seems to be the truth of the matter. Numerous different explanations of the causes of the cycles have been advanced and various more or less plausible cures have been proposed. And there is a consensus of opinion that something should be done to smooth down the vibrations of the business cycle, even though we do not know with certainty what that something is.

At this point you may feel like asking why any action at all should be taken in regard to business cycles before we are certain that the treatment which is prescribed will prove effective. The answer is that if we wait until we know for certain what causes business cycles and what will certainly cure them we may have to wait a long while, perhaps 10 or 25 years or longer. But if we wait so long before attempting a remedy, persons who are impatient of the evils resulting from depressions may decide to take over the economic machine and transform it into an entirely different kind of machine, possibly patterned on the Russian model. In that case our carefully studied out remedy for business cycles may be useless. For the economic machine of the newer model may not suffer from business cycles but may have some other weakness which the remedy that we shall have discovered with such painstaking effort is inadequate to cure. By all means we must go on searching for sure remedies for business cycles, but in the meantime we must apply such rule-of-thumb methods as seem to give promise of an alleviation of the distress.

Booms and depressions have a long history behind them, but they have taken on a new significance in the last hundred years or so. Business cycles, as we know them today, could only occur in a credit and a machine economy. And so the most widely accepted explanations of modern business cycles run in terms of machines and credit.

In the beginning of the recovery phase of the cycle, just after the upturn from the depression, consumers' goods are being turned out with the existing supply of machinery and little new machinery is called for. But as expansion proceeds and the demand for consumers' goods rises at a rapidly increasing rate, the demand for consumers' goods creates a demand for capital goods, i. e., for plant and plant equipment. Now, it is an observed fact that when the business expansion gets well under way the demand for capital goods increases faster than the demand for consumers' goods. And as more capital goods are produced the result is more wages and profits and interest payments which further increase the demand for consumers' goods and in turn increase the demand for capital goods. This tendency for the production of capital goods to increase more rapidly than that of consumers' goods on the upswing of the cycle has a technical name which we may take or let alone. It is called the principle of the acceleration of derived demand.

As soon as the demand for consumers' goods ceases to increase at an increasing rate the demand for capital goods falls off. And as soon as people quit building more capital equipment unemployment results and pay rolls fall off with the result that the demand for consumers' goods falls off. The downturn has been passed and we are now in the recession phase of the cycle. From this point downward as the production of consumers' goods decreases the production of capital goods decreases much more rapidly. The principle of the acceleration of derived demand is working the other way around.

Suppose now that a few social-minded, farseeing employers should decide that they would not expand their production in the period of expansion of the cycle, since such action would not be in the social interest, and that they would not contract production in the contraction period since that would be unsocial, what would be the result for them? The result for these social-minded employers would be that while other employers would be making large profits on the upswing they would be making only the ordinary profits that are usual in the earlier part of the recovery; and when the depression came along in due course they, continuing to produce more than could be sold, would go into bankruptcy. In other words, although it would be in the interest of all employers to take such action as would eliminate booms and depressions, it is in the interest of an individual employer or a small group of employers to follow the crowd.

The next question is, What can be done to prevent this principle of the acceleration of derived demand from working so hard on the upswing and causing such a steep and prolonged depression on the downswing? Several things can be done. But they cannot be done easily, and the early attempts to do them are bound to be clumsy and to appear unsatisfactory to those who are impatient for quick and perfect results.

For one thing, the too rapid increase in the production of capital goods on the upswing of the cycle can be checked or prevented through the control of the expansion of bank credit. In the past bank credit has expanded too easily in the earlier stages of prosperity and it has been shut off too rapidly at the top of the boom. This permitted the production of capital goods to expand too rapidly and later checked that expansion too suddenly, thus bringing the forces of deflation into operation. The Board of Governors of the Federal Reserve System have indeed made some efforts to apply the remedy of credit control, but without any noteworthy success. Their lack of success does not indicate that the principle is wrong, but only that the operation is a delicate one and that more skill will have to be acquired in its application before it can be depended upon to give results.

Another possible control measure which would have some effect in mitigating the severity of depressions has to do with the relation of wages to profits. At the bottom of the cycle profits are small or nonexistent. But as expansion continues, profits increase rapidly, while wages increase more slowly. Because of the rapid rise of profits, the production of capital goods expands too rapidly, thus paving the way for the later contraction. As we have already seen, the too easy expansion of bank credit encourages this too rapid expansion of the production of capital goods. But the too rapid increase of profits on the upswing of the cycle has the same tendency. If wages were adjusted on a sliding scale, increasing as living costs and profits increase and decreasing as living costs and profits fall, one result would be that employers would not be tempted to increase their capital equipment so rapidly on the upswing, and on the downswing they would not be driven to dismiss their employees so readily. The influence of such a plan would be a stabilizing one during the period of expansion, and during the period of contraction there would be less unemployment.

Still a third plan for controlling the rapid expansion in the production of capital goods and the later rapid decline in their production might be inaugurated if each group of producers would take counsel together and set up standards regulating the rate at which new capital equipment should be introduced in their industry.

Remember that the trouble comes not from the employment of too much capital equipment but from the lock-step system in which all employers are racing at the same time to increase their output and their profits during the expansion phases of the cycle. They expect, of course, to decrease their output during the succeeding contraction period. If the production of capital equipment could be staggered so that as soon as some firms and some industries were fully supplied with capital equipment other firms and other industries would take their place in demanding capital equipment, there would not be any need of a downturn from the peak of production.

As has already been remarked, if a few social-minded employers should decide to take action in the interest of the common good and neither to expand their businesses on the upswing nor to contract them on the downswing they would be likely to find themselves bankrupt in the end. But if all employers would take this action in unison they would find that their long-time individual interests coincide wtih the social interest, including the interest of employees.

Up to this point I have made two suggestions for checking the worst of the excesses of the business cycles but I have not professed to know any simple and sovereign remedy which will work as a sure cure for them. But there is a remedy if only we have the courage, and perseverance and goodness of heart to apply it. It is to be found in the proposal of Pope Pius XI in the encyclical on the reconstruction of the social order. If employers and employees, recognizing that their interests are in the main concurrent rather than antagonistic, will organize themselves in the democratic occupational groups called for in the encyclical, they can, without restricting production in good times, set quotas for the demand for capital equipment at all times. Thus the back of the principle of the acceleration of derived demand would be broken. And if after that point had been reached enough goodness of heart remained over so that employers would readily share their profits with their employees when times were good and employees would readily accept a lower wage as soon as profits disappear there would be no more large-scale unemployment. The abolition of unemployment, it must be remembered, is the most important step that can be taken in the direction of securing a

decent living wage for the workers. If the wage earners of the United States in 1932 had received the whole of the national income, leaving nothing to capital and management, their income would have been smaller than it actually was in 1929. Wage earners and especially the lowest-paid wage earners are within their rights in striving for a greater share of the national income. But their greatest reward will come to them when the cooperation of employers and employees brings about stabilized employment and increased production.

Representative Government

EXTENSION OF REMARKS

OF

HON. HERBERT E. HITCHCOCK

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Monday, May 9 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS BY HON. LEWIS B. SCHWELLENBACH, OF WASHINGTON, MAY 8, 1938

Mr. HITCHCOCK. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting radio address delivered by the Senator from Washington [Mr. SCHWELLENBACH] on May 8, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

That I should be invited to speak on this program with Mr. Macfadden, I consider an honor. Through the long years he has faithfully preached the doctrine of personal health to the American people. As much as I may differ with Mr. Macfadden on political questions, I appreciate this chance to pay tribute to his efforts in the field in which he has specialized.

In this week's edition of his magazine, Liberty, Mr. Macfadden poses the question, Is the American system out of date? I ask, What is the American system? I don't suppose any two of us could reach complete agreement as to all the details of the American system. I am sure, however, that every patriotic American will agree about the most important part of it. That is our democratically chosen system of representative government. Let me ask you this question: Why do you so much cherish your right to vote? Surely it is not a mere pride in the act of voting itself.

Many find the act of voting is really an inconvenience. Yet each one of us holds the right to vote as our most treasured right of citizenship. Why? Because we believe that through it we may secure from our Government those policies which we think are for the best interest of ourselves and the American people. No one of us would be satisfied if we thought that the influence of our vote ended when we left the ballot box. Yet that is precisely the doctrine that has been taught for the last 5 years in America. The press, the magazines, the radio commentators, the propaganda organizations like the Liberty League and the Committee to Uphold Constitutional Government, all have preached it.

Repeatedly the American people have spoken. The last time was in Florida—on Tuesday. In no uncertain terms they have told what they wanted. They have repeated their demands every time the opportunity has presented itself. They want and they demand a New Deal. That we in Congress should follow the wishes of the people is the very essence of democracy. Yet Mr. Macfadden's publications and practically every other magazine and newspaper and propaganda manufacturer are urging us to do otherwise. Whenever any proposal is made that might fit in with the expressed hope of the American people, you are swamped with appeals to tell us that you did not mean what you expressed at the ballot box. You are being told that American democracy is in danger. I don't believe it. But if it is in danger, the danger comes from those who want the Government to ignore the people who have a right to control it.

The issue before the Congress at the moment is the President's relief and recovery program. Whether it should be adopted is the subject of debate tonight. We are in the midst of another business depression. We Democrats don't like to admit it. It will do no one any good to deny it. It did not help President Hoover to attempt to try to explain away his depression by saying that prosperity was just around the corner. I am glad that President Roosevelt did not follow suit by trying to dodge or duck this one. He met it head on. He asked the Congress to join him in stopping it by a program of spending and lending.

What are the arguments against the President's program? The chief one is that it is just another "pump priming" operation, which failed once and therefore should not be tried again. Did it fail? From the time it was started until it was too abruptly curtailed last summer business conditions in America improved. Ten million people were put to work. National income increased from thirty-eight billion to sixty-eight billion a year. Profits of business, large and small, increased to a point equal to that of 1929. No honest person can deny that we were truly prosperous during the first 9 months of 1937.

Then what happened? Why the decline since? Those responsible must accept responsibility for the part played by each of them. I think the responsibility rests on three groups—government, labor, and industry.

Government was responsible because it gave too much attention to the counsel and advice of those who demanded a decrease in expenditures. Magazines and newspaper editors, financiers and manufacturers, and all the group which now opposes this program urged, argued, and even threatened that the time to stop Government spending had come. We were told that private industry could take up the slack. The promise of a balanced Budget was all it needed. That advice was accepted in July 1937. P. W. A. was abandoned, R. F. C. nearly abandoned, W. P. A. was cut in two. Appropriations for all emergency efforts were slashed. The balancing of the Budget during this year was assured. The job was turned over to private industry. Just 3 months later the turn came and we headed into another depression.

What part did labor troubles play in this situation? No frank person can deny that the tying up of industry by quarrels between rival labor groups has contributed its share to the recession in business activity. I have long been a believer in and supporter of the right of labor to free organization and collective bargaining. Only through such organization can those who work obtain wages, hours, and working conditions to which they are entitled. I also recognize the right of labor unions to argue about whether there should be industrial or craft unions. But I don't believe the leaders of organized labor do their causes any good by trying to settle that argument at the expense of the general public and of their own members. It is always a good idea to argue your family quarrels within the four walls of your own home. I know that the rank and file in the labor movement don't like it. They want to work. They want jobs. A labor union assumes toward its members the responsibility to attempt to secure better wages, shorter hours, and better working conditions. It also has the responsibility to attempt to secure continuity of employment. It certainly cannot evade that responsibility over some jurisdictional dispute with a rival union. I hope this fact will soon be accepted by those who lead the American labor movement.

Industry's part in this business decline is largely psychological. So many businessmen say they are afraid. Of what are they afraid? Why are they afraid? Why should they have been afraid last year after a 4-year steady upturn in business? The answer is simple if you will stop to study it for a moment. For the last 5 years the American people have had poured into them a steady stream of preaching that they should be afraid. The magazines, the newspapers, the radio, and the mail have been filled with it. Money up to millions has been spent in an educational campaign to try to teach the American people to hate and fear their President. I have on my desk detailed records showing expenditures in 18 months by 14 organizations of $1,084,602 for that purpose alone. That is but a small part of the total. Democratic government depends for its success upon cooperation. Tolerance is its essential factor. I don't mean by that that a defeated opposition should sit back supinely and do nothing or say nothing. It is the presence of intelligent opposition which gives us the American system. But that opposition must also have some regard for the principles of good sportsmanship. It can't say that just because it does not at the moment happen to be carrying the ball it has a right to break up the game. We have had altogether too much of that sort of an attitude here in this last few years. Last Monday Mr. Winthrop W. Aldrich, of New York's Chase National Bank, spoke before the United States Chamber of Commerce here in Washington. His cure for our problems was "a prolonged period of quiet; not a 3 or 6 months' breathing spell, but a 2 or 3 years' breathing spell." That might be all right for Mr. Aldrich and his friends. They could live on their bond coupons. They could live quietly and easily. But what is the small-business man going to live on during this long, quiet spell? What is the average worker going to live on during Mr. Aldrich's siesta?

Mr. Macfadden and Mr. Aldrich can have their rest. But the Government responsible for the welfare of 130,000,000 people cannot rest. It cannot indulge in a prolonged period of quiet while workers starve and business languishes.

What is the President's program to which Mr. Macfadden so vehemently objects? Will it bankrupt us? It involves seven points:

1. Make appropriations so that W. P. A., Farm Security, Civilian Conservation Corps may be maintained at their present level.

2. Make available three-quarters of a billion dollars for private credit by reducing required bank reserves.

3. Make available through P. W. A. $1,000,000,000 for loans to States, counties, and cities for needed public works. On this point it is pertinent to note that in its 5 years' loaning operations P. W. A. has made a profit of $12,000,000. There will be no bankruptcy in that item.

4. To abandon the proposal he made last winter for a $100,000,000 reduction in Federal-aid highway appropriations. On this point I am sure Mr. Macfadden will be interested to learn that this economy proposal by the President last January met with the opposition of every chamber of commerce in the United States.

5. To increase flood control and reclamation appropriations by $37,000,000.

6. To spend $25,000,000 for needed public buildings.

7. To permit the R. F. C. to loan $1,000,000,000 to worthy private business. Anyone who knows Jesse Jones knows there won't be any money lost on his operations.

While, as the President said in his fireside chat, it is a big program, it is not one that will endager the national credit. It has been too carefully worked out for that. It gives the maximum stimulus to business at the places where business needs the stimulus. It does that with the minimum drain upon the Treasury.

It pulls the trigger that should set off business activity. What the businessman wants is business. He wants orders. He will not produce goods unless he expects to sell them. Business confidence alone cannot produce orders and customers. Orders and customers can produce confidence.

What the worker wants is a job. He wants that job so as to get paid. When he gets paid he becomes a customer. He buys the goods which the businessman produces. Seeing the possibility of getting orders for his products the businessman hires more workers to produce them. It is to start that operation in motion that the President makes his proposal. It worked once and it will work again.

But let us not enter into this program with a half-hearted, defeatist attitude. There is one kind of a breathing spell which I heartily favor. That is on name calling. I would like to have it apply to both sides. Let us have a breathing spell on bogeymen. There is no sense in them. There is no sense in a long depression in America. We have everything with which to be prosperous. The American people are entitled to be prosperous. That our people should not starve is the responsibility of all of us.

My plea is that those of us in government, those in labor, and those in industry recognize that responsibility and do the job. It can be done if we join together in willing it.

Suggested Breathing Spell for Business

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Monday, May 9 (legislative day of Wednesday, April 20), 1938

EDITORIAL FROM WASHINGTON TIMES

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the RECORD a recent editorial from the Washington Times.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Times]

Winthrop W. Aldrich succeeded Albert H. Wiggin as head of the Chase National Bank of New York in January 1933. For several years before that he had been president of the bank and Wiggin's first assistant. If he knew what Wiggin was doing, he condoned it; if he didn't know, he was dumb. Mr. Wiggin's conduct in the job, as most of us remember, was found by Ferdinand Pecora to have been more putrid from any point of view than the conduct for which Richard Whitney was sent up the river.

Mr. Aldrich now appears to feel that public confidence in his bank, and in bankers in general, has been restored. He also appears to feel that the President of the United States is a Gargantua the Great, a gorilla, pulling switches at savage random in the national powerhouse.

That is the impression we get from Mr. Aldrich's keynote speech delivered Monday evening at the United States Chamber of Commerce annual meeting. The speech was a plea for a breathing spell of 2 or 3 years; a halt in Government spending and Government attempts to improve our economic system, with bankers and big business given a free hand to take us back to the kind of government we used to have. By that time Gargantua's term would be over; the gorilla would have been placated, until the keepers were able to get him out of the powerhouse.

Mr. Aldrich strikes us as smug, damned smug. What about the 12,000,000 or so unemployed and their 30,000,000 or so dependents? What are they going to eat during this breathing spell—air?

That is the question the Aldriches always ignore. Roosevelt is spending, not out of malice or insanity but because those people have to eat, and private industry cannot hire them so that they can make the money to enable them to eat. The alternative is a bloody revolution.

Further to smear Mr. Roosevelt, Mr. Aldrich drags Karl Marx into his speech, by saying Marx invented the theory that mass buying power must be kept up if overproduction is to be prevented; by calling this a fallacy; and by delicately insinuating that Roosevelt is a benighted devotee of Marx.

IF MARX SAID IT, MARX WAS RIGHT

We never heard that Marx held this theory; but if he did, he was right, in our opinion. We don't know any more economics than the bankers do—and they proved to the Nation's satisfaction that they didn't know much when banker-guided government led us into the 1929 smashup. But it seems to us that a person who never heard of economics could grasp the idea that mass-production goods cannot be sold to masses who have no money to buy them. In a profit system, that is.

The constant and consistent aim of Franklin D. Roosevelt whom old dealers are forever asking to be consistent, has been to shore up mass buying power, that our democratic profit system may live. He tried it with N. R. A. and A. A. A. He has encouraged labor unions, our strongest long-time agency for pushing up mass buying power. He has taxed the rich to care for the very poor whom unions haven't been able to organize and help. (P. W. A., W. P. A., C. C. C., etc.)

IF MASSES CAN'T BUY, BUSINESS CAN'T SELL

In the last week the President has (1) urged Congress once more to pass the wage-hour bill, and (2) asked the Social Security Board to draw up bills for broadening the old-age pension provisions of the Social Security Act. Both of these moves are consistent with the Roosevelt philosophy that if the masses can't buy, business can't sell. Southern business leaders, saying they fear to "spoil the niggers" by paying them more, but actually hoping to keep all Southern wages low as a bait to Northern capital, are against the wage-hour bill. Plenty of business leaders, we surmise, will be against any broadening of the old-age pension system, though such a change would mean that many more mass dollars for them to go after.

One last suggestion for Mr. Aldrich. He complains that businessmen nowadays spend as much time with their lawyers as with their engineers. That is because so many businessmen are trying to dodge and nullify the laws of the land. Perhaps if they had made up their minds in the beginning to give the New Deal measures a fair chance, they and the rest of us would be better off today.

Administration of W. P. A.

EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Monday, May 9 (legislative day of Wednesday, April 20), 1938

ARTICLE BY RAYMOND CLAPPER IN WASHINGTON DAILY NEWS, MAY 9, 1938

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Raymond Clapper, published in today's Washington Daily News under the heading "Hopkins Fights Politics."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News, May 9, 1938]

HOPKINS FIGHTS POLITICS

Harry Hopkins is asking public support in his effort to keep politicians from muscling in on W. P. A. relief activities in their search for votes. As most of the abuse comes from local politicians, one of the most effective remedies is local publicity.

Hopkins can and does crack down whenever politicians actually get into his territory, but the most insidious attempts to gain political advantage out of W. P. A. are beyond his reach, and can be broken up most effectively by local exposure.

Local politicians use a variety of methods. Often they will plant their heelers at the curb just off a W. P. A. project and catch the workers as they leave the jobs, or at lunch time. Sometimes they will hand them cards to fill out which are to be turned in by personal call at the ward or precinct committee headquarters. Naturally the W. P. A. worker fears that if he does not fill out this card—usually requiring him to state his political affiliations—he will be thrown off W. P. A. Sometimes he is practically told that by political workers. Hopkins has sent to all W. P. A. workers a form letter telling them that they will be protected from such pressure and asking them that they advise him of attempts to coerce them.

Much of the trouble comes from the political interference with local relief organizations. W. P. A. takes only applicants who are certified by local relief authorities. It is felt that local authorities are in better position to say who is most in need of W. P. A. work. Local politicians get their hooks on these local relief offices and often pick the recommended applicants on political grounds.

In one State the Democratic Governor was caught rigging the selection of applicants in order to build up his machine, and W. P. A. refused to accept certifications, setting up its own force to investigate and approve applications for work relief. The same practice was discovered in a Republican community in up-State New York, but in that case W. P. A. went to the Republican boss and told him what was going on and he ordered his subordinates to stop the practice. Their operations were so raw that ill-will toward the Republican organization was being created in the neighborhood and the local boss saw that instead of being an advantage, the interference of his men in the relief set-up was working the other way. It wasn't a smart operation from his point of view and he stopped it.

Hopkins has not always been successful in the selection of State W. P. A. administrators because they have to be confirmed by the Senate and he must therefore take a man who is O. K.'d by the Democratic Senators from the State concerned. Occasionally he has short-circuited the Senate by appointing an administrator at a salary slightly under $5,000, making Senate confirmation unnecessary. If the pay is $5,000 or over, the appointee must clear through the Senate.

Curiously, Hopkins finds that one of his best State administrators is Matt Murray of Missouri, a Pendergast henchman. As far as W. P. A. officials here are able to determine, Murray has conducted his operation efficiently and they have seen no evidence of manipulation inside W. P. A. there. While he appears to be doing a first-class job of administering W. P. A. nobody doubts that the word circulates among W. P. A. workers to vote with Pendergast, who probably gets 100 percent of the W. P. A. vote, if not more, since people are going to jail in Missouri for stuffing ballot boxes.

Incidentally W. P. A. takes the spotlight in charges of political manipulation while C. C. C. escapes without a scratch although persons who ought to know say that Congressmen have made the appointment of C. C. C. supervisors their special patronage. Few get those jobs without a Congressman's O. K.

It all looks pretty cheap when you realize that members of the British House of Commons serve for years without even being approached by a constituent for a job.

Wage and Hour Bill

EXTENSION OF REMARKS
OF
HON. JAMES M. MEAD
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, May 9, 1938

RADIO ADDRESS OF HON. JAMES M. MEAD, OF NEW YORK, AT NEW YORK CITY, MAY 7, 1938

Mr. MEAD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech which I recently delivered over the radio:

The workers of the United States see in the wage and hour bill the adoption of a principle which points to a permanent solution to their individual security. Fair-minded industry that seeks its profit through the system of competitive enterprise and not through the exploitation of its workers, favors the proposal as a means to stem unemployment, increase purchasing power, and adjust our national economy.

During the special session of Congress early last winter the House of Representatives recommitted an hour and wage bill. Since that time the measure has been again studied and refined, and today it is once more the paramount issue before the House and throughout the industrial United States.

On April 29 the House Rules Committee, by a vote of 8 to 6, for the second time, refused to report a rule on the wage and hour bill, thus preventing its prompt consideration by the House. This action is analogous to the action taken in the special session and left but one course for proponents to follow—that of forcing consideration of the bill by a petition bearing the signatures of the majority of the House of Representatives.

The petition requiring 218 names was completed 2½ hours after it was filed in the House by Chairman NORTON, of the Labor Committee, an unprecedented parliamentary accomplishment.

The objectives sought by the present bill are substantially similar to those sought by the previous recommitted proposal. Its mechanics, however, have been carefully culled over and improved. While liberals in Congress could write a stronger bill, there is general satisfaction over the present effort. It will take us a long way in the right direction.

This bill proposes the eventual establishment of a minimum wage of 40 cents an hour and a maximum workweek of 40 hours. As a beginning, we now strive for a minimum wage of 25 cents an hour, to be automatically increased each year by 5 cents until a limit of 40 cents is reached. The maximum workweek is to begin at 44 hours and be reduced each year by 2 hours until 40 hours is reached. A longer workweek may be permitted if time and a half is paid. Employment of children under 16 must be eliminated, and those under 18 must not be permitted to work at hazardous occupations.

Everyone will agree that the 25-cent minimum is absurdly low and grossly inadequate, but under the provisions of this measure it is but a beginning, and the eventual objective is greatly desirable. "It is better to make haste slowly," said a famed savant; and in that philosophy we find consolation.

There should be no place in this country for starvation wages, but there is ample evidence that such wages are being paid in some areas. The least our lawmakers can do, it seems to me, is to establish the principle that subsistence wages must be paid. The health, the initiative, the spirit of the worker cannot survive on a pittance that prohibits the very essentials of a decent living. While this bill begins at the shamely minimum rate of $11 a week, let us not forget that even this sum exceeds that being paid in many factories in this country. According to statistics of the Department of Labor, employees in many garment factories in the United States today receive wages as low as $6 and $7. And I have seen some instances where even lower wages were paid.

The profit motive of industry; the exploitation of labor through company unions, child labor, unfair contracts; the operation of sweatshops; the speed-up and stretch-out policy; the displacement of men by the machine—these are the factors that have contributed to unemployment, demoralization of the industrial worker, and widespread economic maladjustment. These are the circumstances under which virtual serfdom has been permitted to develop and to persist. Low-wage areas have attracted industries, ruined markets, undermined decent competition, bogged down buying power, and created widespread unemployment.

Can we afford to close our eyes to the pitiful plight of millions unemployed and underpaid? Can we permit low-wage areas to flourish temporarily and to engulf a great and rich nation in a permanent circumstance of poverty and near poverty? Can we tell our unemployed that there is no hope for them? Can we tell the sweatshop worker—the dollar-a-day factory worker—that in our democracy his doom is sealed.

The President of the United States, with his keen grasp of economic changes, has repeatedly pointed out that our problem is chiefly due to a lack of balance between production and consumption; that the solution to unemployment and the ills of industry lies in an increased purchasing power on the part of the mass of our people. He has pointed out that the operations of decent private enterprise have been thwarted and stalemated by the increase of sweatshops, low wage scales, and ruinous cutthroat competition. This has been substantiated by industries throughout the country who feel that this wage and hour bill will be their protection against the unfair labor and competitive practices of the ruthless in industry.

The defeat of the wage and hour bill in the last session has served to intensify the recession because it announced to the offenders in industry that this Government condoned their practices. Wage reductions became almost an epidemic. Newspapers and civic organizations in low-wage areas vigorously renewed their campaign of luring industry from the high-wage sections. Devastating competition is upon us once more, and we are face to face with all of its evils. Labor is directly paying the toll, but it is all of the American people that are suffering the doldrums. It is a vicious rut, and we cannot blind ourselves to its ultimate consequences.

Widespread wage reductions at this time will destroy the effectiveness of the President's recovery program. Our march upward to better times will be stopped in its tracks. To favor this measure is an act of justice; to oppose the principle is to deny a right inherent in our citizenship.

It cannot properly be said that the wage and hour bill will be a "cure-all" for our economic troubles. But it is true that it will act as a definite deterrent to the exploiters of labor who are deserting higher-wage sections to establish and extend their unconscionable practices in other sections of our country. The great bulk of industry will be unaffected, for their wage scales are already vastly above the poor minimum fixed by this bill. From whence, then, do the objections come? They come from those who would object to any remedial measure which would more equitably distribute the profits of their enterprise and which would in any way improve the status of their employees.

In keeping with the Constitution, this bill affects only industries operating in interstate or foreign commerce. Its chief effect will be to eliminate once and for all the payment of less than a subsistence wage. It is a modest proposal, and it commands the support of the rank and file of the American people.

Until the passage of a bill such as this is an accomplished fact—until the workers of this country are freed from the strangulation of impoverishing wages; until the ruinous competition waged by the unscrupulous of industry is throttled; until we have democracy in industry as well as in government—the fate of a nation lies in the balance. Under such circumstances we cannot afford to lose. Greed must give way to patriotism. Democracy the world over must and will survive.

Government Spending

EXTENSION OF REMARKS
OF
HON. BERTRAND H. SNELL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, May 9, 1938

LETTER TO HON. BERTRAND H. SNELL FROM A CONSTITUENT

Mr. SNELL. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following letter received by me from one of my constituents:

WOMEN OF AMERICA, WAKE UP!

Stop new "pump priming" before your country is bankrupt!

What has "pump priming" of $18,000,000,000 during the last 5 years done for you?

Has your husband a steady job? How long will it last?

How about your home? Do you own it or is your home one of the 70 percent of Government mortgaged homes behind in payments, or is it already in the possession of the Government?

Are you one of the 14,000,000 on relief or one of the 12,000,000 still unemployed? Spending has brought the Nation close to the peak of unemployment; why spend more?

The Government gives with one hand but takes with the other, for the only money our Government has comes only from the people.

One dollar out of every five paid a wage earner goes for taxes. That much less for shoes and meat.

Congress has just appropriated $800,000,000 to pay farmers not to raise food. This means higher prices in the grocery stores. You also pay the taxes to pay the farmers.

The Federal Government has spent $49,000,000,000 in the last 5 years. If this policy is good for the country why are conditions worse than they were in 1933?

Depressions and inflations hit women hardest as conservers of the home. You know what a depression is; do you know what inflation is? In Germany it meant starving children, worthless life insurance, savings that could buy nothing. If more billions are spent we will have inflation.

This handbill is put out by housewives as a protest against the way politicians are running the country, whether they call themselves Republicans or Democrats. This is not political—it is patriotic. We demand that our Senators and Representatives reduce Government expenses, oppose further "pump priming," keep our children's future unmortgaged, and give us all a chance to save ourselves.

We implore all women who agree with this to sign their names on this handbill and send it to their Senators and Representatives in Washington.

Women! save this country for your children!

WOMEN'S REBELLION,
SARAH OLIVER HULSWIT,
Chairman,
MARY R. PRESCOTT,
Vice Chairman,
Saranac Lake, N. Y.

Start a "rebellion" in your community.

(Signed) HILDA FLETCHER,
168 Park Avenue, Saranac Lake, N. Y.

I beg of you to act favorably on our demands. We are serious, earnest, and sincere, and determined that Government expenses shall be reduced and not increased.

Reciprocal-Trade Agreement With the Netherlands

EXTENSION OF REMARKS
OF
HON. J. BURRWOOD DALY
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 9, 1938

Mr. DALY. Mr. Speaker, as an evidence of the beneficial effects upon the business interests of the country brought about by the reciprocal-trade agreements between the United States and foreign countries, entered into by the Honorable Cordell Hull, Secretary of State, might I briefly refer to the agreement with the Netherlands.

Netherlands imports from the United States, valued at $75,000,000 in 1937, the first full calendar year under the reciprocal-trade agreement, were greater by $31,000,000, or 72 percent, than in 1935, the calendar year immediately preceding the agreement. (Because of transshipments and other technical difficulties, Netherlands import data provide a better measurement of American shipments to that country than United States export data.) Netherlands' imports from all countries increased in the same period by only 35 percent, indicating a definite gain in the United States' position as a supplier of that market. In 1936, during all but the first month of which the agreement was in effect, Netherlands' imports from the United States were valued at $46,000,000, representing a moderate increase over 1935, during a year when the Netherlands' economy was subject to the strain, first, of continued deflation and then of the devaluation of the currency.

In 1937 United States' imports for consumption from the Netherlands totaled $53,000,000, representing an increase of $14,000,000, or 35 percent, over 1935 and of $3,000,000, or 5 percent, over 1936. United States' imports from all countries in 1937 increased by 48 percent over 1935 and by 24 percent over 1936. The fact that imports from other countries as a group increased more than imports from the Netherlands was due to expansion of American demand for many raw materials and crude foodstuffs, such as rubber, wool, and corn, and especially to marked advances in prices of these commodities.

In the agreement between the United States and the Netherlands, which entered into effect February 1, 1936, the Netherlands reduced various monopoly import fees and crisis taxes which had been particularly effective in restricting imports. The Netherlands also set aside for importation from the United States quotas for certain products and agreed that existing quotas allotted to the United States on other products would not be reduced. In addition, the existing tariff treatment of certain commodities was bound against any unfavorable change which, in some instances, meant continued free entry for important products, such as raw cotton, copper, lubricating oil, and rosin. Of particular importance was the commitment given in the agreement by the Netherlands Government to purchase through its central control system, assuming price and quality to be comparable, American wheat or wheat flour equivalent to not less than 5 percent of the total Netherlands domestic consumption.

Imports from the United States of many of the individual products receiving benefits have increased. Furthermore, imports of most of these products from the United States increased relatively more than imports from all other countries.

Imports of wheat and wheat flour from the United States during 1936 and 1937 (mainly in 1937) were nearly three times greater in quantity (an average annual increase of 81,000 metric tons) and four times greater in value (an average annual increase of $4,800,000) than during 1934 and 1935. The proportion of the total value of Netherlands imports of wheat and wheat flour supplied by the United States increased from 10 percent in 1934–35 to 25 percent in 1936–37.

Total imports from the United States of the products on which the Netherlands monopoly fees were reduced under the agreement increased by almost 5 percent during the 2 years following the agreement, compared with a 12-percent decline in imports into the Netherlands of these same products from other foreign sources. Leading products in this group are apples, raisins, and apricot kernels.

Imports of American products assured of a minimum quota increased by 26 percent during the 2 years 1936–37 over 1934–35, while imports of such products into the Netherlands from other countries declined by over 14 percent. Some of the products in this group are soybean cake; men's and women's clothing; underclothing; printing, writing, and other paper; cardboard; ribbons and tapes; shirts; wire nails; and upper, lining, and chamois leather.

Among the products bound on the Netherlands free list, imports of which from the United States increased in value during the 2 post-agreement years are: Raw cotton, which was larger by 23 percent; copper, by 108 percent; borax, by 63 percent; fir and pine squared lumber, by 36 percent; and rosin, by 44 percent. The existing relatively low duties were also bound on certain items such as tractors, refrigerators, and bookkeeping machinery, the imports of which from the United States increased in value by 5, 9, and 50 percent, respectively.

Various products, in respect of which no specific benefits were provided by the trade agreement, also showed substantial gains in imports from the United States, the leading items in this category were linseed cake and meal, corn, barley, gasoline, gas and fuel oil, automobile parts, tin plate, nickel, and galvanized iron and steel sheets. These nonagreement products, as well as all American products imported into the Netherlands, benefited from the general provisions of the agreement assuring nondiscrimination and greater stability of the market. Increased purchasing power for American goods in the Netherlands resulting in part from the ability of the Netherlands to sell a larger volume of its products in the United States also stimulated that country's takings of all United States goods.

Imports into the United States of a number of the leading export products of the Netherlands have also increased since the conclusion of the trade agreement. Imports from the Netherlands of unstemmed cigar-wrapper tobacco, on which the United States duty was reduced, increased from $3,762,000 in 1935 to $5,987,000

in 1936 but declined to $2,680,000 in 1937. This tobacco, predominantly of the Sumatra type, is grown in the Netherlands Indies. Imports of bulbs, roots, and corms increased from $1,992,000 in 1935 to $2,325,000 in 1936, and to about $2,500,000 in 1937. Reductions in duty were granted on the principal classes of bulbs, roots, and corms imported from the Netherlands.

Imports of cut, but unset, diamonds increased steadily from $4,320,000 in 1935 to $7,071,000 in 1937, probably as a result of increased purchasing power in the United States; the 10-percent duty on these was bound by the agreement. Potash fertilizers and tin bars, blocks, and pigs (both on the United States free list), also increased in 1936 over 1935; fertilizers by over $200,000; and tin by $2,700,000. Imports from the Netherlands of each of these two items, however, declined in 1937 as compared with 1936.

A table showing the total dollar value[1] of Netherlands imports from the United States and United States imports from the Netherlands for 1934 through 1937, follows:

Year	Netherlands imports for consumption from the United States	United States imports for consumption from Netherlands
1934	$46,543,000	$27,979,000
1935	43,779,030	39,325,000
1936	46,048,000	50,364,000
1937	75,102,000	53,071,000

The general provisions of the agreement also apply to Netherland Indies, Curacao, and Surinam. In addition, Netherland Indies bound the existing tariff duties on various important American products and give assurances of equitable treatment under the Netherland Indies system of quantitative import restrictions. There have been substantial increases both ways in the trade of the United States with these markets.

The agreement with the Netherlands, the beneficial effects of which are cited above, is still another indication of the efficient work that is being and has been done by the Secretary of State. Secretary Hull has been eminently successful in his efforts not only to increase our trade with foreign countries, thus benefiting the economic conditions of the United States, but also to establish friendly relations that will go far toward the establishment of a permanent peace with the nations of the world.

Reciprocal-Trade Agreement With Great Britain

EXTENSION OF REMARKS
OF
HON. ALLEN T. TREADWAY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Saturday, May 7, 1938

CORRESPONDENCE RELATIVE TO THE BRITISH-AMERICAN TRADE AGREEMENT AND ITS EFFECT ON AMERICAN INDUSTRY

Mr. TREADWAY. Mr. Speaker, under leave to extend my remarks I append hereto circular letter which I have received under date of May 3 from the National Association of Wool Manufacturers in reference to the proposed trade agreement with the United Kingdom; also, copy of my letter transmitting the same to the Secretary of State:

MAY 7, 1938.

HON. CORDELL HULL,
Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: I am in receipt of the enclosed circular letter from the National Association of Wool Manufacturers concerning the proposed trade agreement with the United Kingdom. May I submit for your consideration the arguments contained therein and ask for a reply to the inquiries, particularly with respect to the time when industry may expect to be informed of the outcome of the hearings and negotiations which representatives of the State Department have been conducting for some months past? Permit me particularly to invite your attention to the feeling of uncertainty in business, which is undoubtedly contributing to the present depression by what appears to be an unnecessary delay in giving industry information upon this subject. I also beg to call attention to the study this association is conducting into the possibility of a constitutional test of trade treaties which, up to the present time, has not been brought up. An early response to this communication will be appreciated.

Sincerely yours,

ALLEN T. TREADWAY.

NATIONAL ASSOCIATION OF WOOL MANUFACTURERS,
New York City, May 3, 1938.

Subject: Present status of negotiations.

To Members of the Association and Others Interested in the Proposed Reciprocal Trade Agreement With the United Kingdom:

No announcements of any nature in connection with the progress of the reciprocal-trade agreement with the United Kingdom have been made by the State Department or the Committee for Reciprocity Information since the close of the formal hearings.

Meanwhile, the uncertainty continues to have a depressing effect on the wool textile industry in this country. Many units in the industry are shut down completely. Recently the industry has been operating at about 20 percent of single-shift theoretical capacity or 10 percent of double-shift capacity. Due in considerable part to the uncertainty of future prices, retailers and garment manufacturers have deferred their buying to a point where the market has been utterly demoralized. In desperation wages have been cut, but notwithstanding this there has as yet been little evidence that retailers were prepared to place orders of any size.

The impression seems to prevail that negotiations with the United Kingdom are considerably behind schedule, and although a few weeks ago it was predicted that the treaty might be concluded by the 1st of June, we now hear guesses placing the time as late as August 1. This continuing uncertainty cannot help but hamper the placing of forward commitments for wool products.

Unfortunately also it is now apparent that the State Department was either unwilling or unable to advance negotiations with Australia so as to consider the duty on raw wool at the same time as they gave consideration to the duty on products made from wool. It would now appear that several months must elapse before negotiations with Australia can be instigated so that the wool-textile industry is to be faced with continued uncertainty as to whether or not any cut is contemplated in the tariff on its basic raw material.

We are not privileged to know what difficulties may be delaying the agreement with the United Kingdom, although with such a multitude of items under discussion it is not surprising that there have been unforeseen delays. We learn from English sources that the British, being somewhat more realistic about foreign trade than some of those who support Mr. Hull's program in this country, discount the supposed economic advantages of such a trade agreement and desire a treaty largely because of its political effect. They believe a treaty with this country strengthens their hand in the confused international situation in Europe; they do not appear to set much store by the advantages which might accrue to the business structure of the Empire. Under such conditions they are not over-eager to make reductions in their import duties in favor of this country although they want the treaty badly enough to be willing to make certain concessions. Our own State Department, however, feels that they must obtain concessions which are relatively more substantial than those which we obtained from Czechoslovakia in exchange for the reductions in rates which we made to secure the assent of that country to a reciprocal-trade treaty. There is evidence that there is a bit of sensitiveness in some quarters over the suggestion that Uncle Sam is not proving himself as clever a trader as he has been pictured.

Two other aspects appear to have given pause to the State Department. The first is that it has been only too obvious that the opposition to these treaties in New England has been based on a really genuine fear of what would be the result on New England industry. There has been nothing artificial or trumped up about the New England attitude. It is safe to say that any cuts in the tariff on manufactured articles which are important to New England will have political consequences of importance and will alienate former supporters of the administration in Massachusetts, Rhode Island, and Connecticut. The State Department must endeavor to satisfy importers with cuts so minor as to be of no practical moment or run this risk of antagonizing those whose support the administration wishes to maintain.

The second angle is the question of the constitutionality of the Trade Agreements Act. There has been some talk concerning the constitutionality of the act, and there seems no doubt that the State Department has been careful not to encourage any court test of its status. So far, however, no group has challenged the act in the courts. Being unable to obtain adequate assurance that the State Department was sufficiently familiar with or sympathetic with the problems of our industry, it has seemed appropriate for us to have a study made of this particular phase of the matter. Such a study of the constitutionality of the act has been made by counsel for the association and special counsel retained for this particular purpose. It is not proper to elaborate on the results of this study at the present time, except to say that it has been extensive and has resulted in bringing to light many interesting angles and possibilities. It is our hope that there will be no cuts in the rates on manufactures of wool, but if we are disappointed in such hope this study may provide a basis for effective legal action.

NATIONAL ASSOCIATION OF WOOL MANUFACTURERS.

[1] Florin values of Netherlands imports from the United States converted into dollar values at the average rate of exchange.

Wage and Hour Bill

EXTENSION OF REMARKS
OF
HON. JAMES M. MEAD
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, May 9, 1938

TELEGRAM FROM HON. GEORGE B. KELLY, OF NEW YORK

Mr. MEAD. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following telegram from my colleague from New York, Hon. GEORGE B. KELLY.

My colleague discussed this matter with me before he left for Rochester and agreed to return by plane or otherwise if his presence was required. He was deeply interested in the petition and assisted in every way:

ROCHESTER, N. Y., *May 6, 1938.*

Hon. JAMES MEAD:

Engagements here with Central Trades and Labor Council prevent my being Washington today. Please inform the friends of wage and hour bill that I would be happy to be among the first signers of the petition and will sign on my return to Washington.

GEORGE B. KELLY, M. C.

Danger to Endowments of Colleges and Universities

EXTENSION OF REMARKS
OF
HON. DANIEL A. REED
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Saturday, May 7, 1938

RESOLUTIONS OF FOURTH ANNUAL CONFERENCE OF TRUSTEES OF COLLEGES AND UNIVERSITIES

Mr. REED of New York. Mr. Speaker, I have repeatedly taken the floor to warn the country of the danger that now threatens many of our finest educational institutions. The situation with reference to many of the colleges and universities, caused by the spending program of this administration, and the unsound system of taxation, is placing them in a desperate plight.

The endowments of our educational institutions are being depleted with great rapidity, as I have so frequently pointed out on the floor of the House. The debt of the Nation has become so great and the burden of taxation so unjust that the sources of revenue upon which educational institutions must depend are being dried up and destroyed.

I am placing in the RECORD at this point a communication which fully verifies the statements which I have heretofore made on this subject:

FOURTH ANNUAL CONFERENCE OF TRUSTEES OF COLLEGES AND UNIVERSITIES.

The Honorable DANIEL A. REED,
Washington, D. C.

DEAR SIR: At a meeting attended by members of the boards of trustees of the colleges and universities listed below, held at Lafayette College, Easton, Pa., April 21, 1938, it was unanimously resolved that grave apprehension be expressed to each Member of the Congress concerning the security and value of endowment funds; that for the preservation of these financial foundations of institutions of learning, it was imperative that—

(1) The integrity of the railroad corporations be preserved.

(2) Government withdraw from competition with private business.

(3) Values of securities be restored through elimination of tax on undistributed profits.

(4) Tax on capital gains be modified so as to eliminate taxation as a consideration in the sale and purchase of securities.

(5) Congress perform all of its duties and delegate none of its powers to the executive branch of the Government.

Respectfully submitted.

CARROLL P. BASSETT, *Chairman.*

Allegheny College, Brown University, Bryn Mawr College, Bucknell University, Cedar Crest College, Colgate University, Columbia University, Dickinson College, Drew University, Drexel Institute of Technology, Franklin and Marshall College, Gettysburg College, Haverford College, Hobart College, College of Idaho, Juaniata College, Keuka College, Lafayette College, Lebanon Valley College, Lehigh University, Massachusetts Institute of Technology, Middlebury College, Moravian College, Mount Holyoke College, Muhlenberg College, New York University, Ohio Wesleyan University, University of Pennsylvania, Philadelphia College of Pharmacy, University of Pittsburgh, Princeton University, Rollins College, Rutgers University, St. Lawrence University, Smith College, Swarthmore College, Sweet Briar College, Syracuse University, Temple University, Trinity College, Union College, Ursinus College, Vassar College, Wellesley College, Wesleyan University, Wilson College, College of Wooster.

Government Reorganization

EXTENSION OF REMARKS
OF
HON. ABE MURDOCK
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Monday, May 9, 1938

Mr. MURDOCK of Utah. Mr. Speaker, for the purpose of clearing the air, it may be advisable to briefly review the series of events which culminated in the vote of a majority of the Members of the House of Representatives to recommit the bill to reorganize the executive departments of the Federal Government.

The whole Nation knows that the operations of the executive agencies are hampered and paralyzed by needless red tape, overlapping of functions, duplication of work, waste, and extravagance. Even professional politicians, who would be the last to recognize the evil results of their own acts, have publicly admitted the need for thoroughgoing reorganization ever since the turn of the century. Every national campaign since that of McKinley has focused attention upon the cancerous growth of bureaus in Washington, and beginning in 1904, every subsequent platform of the major parties has emphasized the necessity of reorganizing the executive branch of the Government in the public interest. Such reorganization is not a partisan issue, but has been vigorously and consistently urged by Republicans and Democrats alike, as witness the following excerpts from the national platforms:

REORGANIZATION IN NATIONAL PLATFORMS

From the Democratic platform of 1904:

Large reductions can easily be made in the annual expenditures of the Government without impairing the efficiency of any branch of the public service, and we shall insist upon the strictest economy and frugality compatible with vigorous and efficient civil, military, and naval administration as a right of the people too clear to be denied or withheld.

From the Democratic platform of 1908:

Coincident with the enormous increase in expenditures is a like addition to the number of officeholders. During the past year 23,784 were added, costing $16,156,000, and in the past 6 years of Republican administration the total number of new offices created, aside from many commissions, has been 99,319, entailing an additional expenditure of nearly $70,000,000, as against only 10,279 new offices created under the Cleveland and McKinley administrations, which involved an expenditure of only $6,000,000. We denounce this great and growing increase in the number of officeholders as not only unnecessary and wasteful, but also as clearly indicating a deliberate purpose on the part of the administration to keep the Republican Party in power at public expense by thus increasing the number of its retainers and dependents. Such procedure we declare to be no less dangerous and corrupt than the open purchase of votes at the polls.

From the Democratic platform of 1912:

We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and

reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

From the Republican platform of 1920:

The annual expenses of the Federal Government can be reduced hundreds of millions of dollars without impairing the efficiency of the public service. We pledge ourselves to a carefully planned readjustment to a peacetime basis and to a policy of rigid economy, to the better coordination of departmental activities, to the elimination of unnecessary officials and employees, and to the raising of the standard of individual efficiency.

From the Republican platform of 1924:

We favor a comprehensive reorganization of the executive departments and bureaus along the lines of the plan recently submitted by a joint committee of the Congress which has the unqualified support of President Coolidge.

From the Democratic platform of 1928:

The Democratic Party stands for efficiency and economy in the administration of public affairs, and we pledge:

(a) Businesslike reorganization of all the departments of the Government.

(b) Elimination of duplication, waste, and overlapping.

(c) Substitution of modern businesslike methods for existing obsolete and antiquated conditions.

No economy resulted from the Republican Party rule.

From the Democratic platform of 1932:

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

From the Republican platform of 1932:

Efficiency and economy demand reorganization of Government bureaus. The problem is nonpartisan and must be so treated if it is to be solved. As a result of years of study and personal contact with conflicting activities and wasteful duplication of effort, the President (Hoover) is particularly fitted to direct measures to correct the situation. We favor legislation by Congress which will give him the required authority.

Civic leaders, efficiency experts, students of public administration, Congressmen, Senators, and Presidents, for more than a third of a century, have been unanimous in recommending reorganization of the administrative agencies. In May 1932 the late James M. Beck, then Republican Congressman from Pennsylvania, one-time Solicitor General of the United States, published a volume entitled, "Our Wonderland of Bureaucracy," in which he compared the executive agencies with the fantasies viewed by Alice in Wonderland, and declared that the Constitution and our democratic form of government were imperiled by the endless growth of bureaus.

PRESIDENT TAFT

In 1915 William Howard Taft published a book based upon his own experiences as President, entitled "Our Chief Magistrate and His Powers," from which the following is quoted:

I was much interested during my term of office in devising a system for the permanent promotion of efficiency and economy in the Government service. I induced Congress to give me $100,000 a year for 2 years, to pay the expenses of an expert commission, to examine the governmental business and make reports upon the changes needed by the introduction of modern business methods and economy, to enable the people to get more for their money. The reports that they made, by which they pointed out needed changes in our present system, including the Budget, which I described in my first chapter, were not popular with Congress, especially not with the last Congress of my term. The necessary appropriation was withdrawn. The Commission, however, did a great deal of most useful work, and while the dust is accumulating on their reports at present, their investigations and conclusions were of permanent value, and some day they will be made the basis for further investigations and for definite measures of reform.

PRESIDENT HARDING

During the first year of President Harding's administration, Congress created the Joint Committee on Reorganization and entrusted to it the task of devising a plan to achieve the necessary reform of the executive branch of the Government. On April 18, 1921, Senator Reed Smoot introduced a resolution authorizing the President to appoint a spokesman to serve on that committee. President Harding approved the resolution and the work of the committee in the following letter, which appears on page 396, volume 61, part 1, of the CONGRESSIONAL RECORD (April 18, 1921):

THE WHITE HOUSE,
Washington, D. C., April 16, 1921.

Hon. REED SMOOT,
United States Senate, Washington, D. C.

MY DEAR SENATOR SMOOT: I have noted the contents of the copy of the joint resolution which you sent to me with your letter of April 15. I am very glad to give expression of my approval.

I think the Congress will readily agree that the work in reorganization of the administrative branch of the Government by joint legislative committee will be very much facilitated by having the cooperation of a direct representative of the Executive. We are all interested in working out an effective program, and I feel I shall be able to bring into cooperation with the committee a representative who can be effectively helpful in expressing the viewpoint of the administration in speeding this much desired accomplishment.

Very sincerely yours,

WARREN G. HARDING.

PRESIDENT COOLIDGE

The attitude of President Coolidge toward reorganization is emphatically expressed in the following quotations from his official papers.

From his annual message of December 6, 1923:

A special joint committee has been appointed to work out a plan for a reorganization of the different departments and bureaus of the Government more scientific and economical than the present system. With the exception of the consolidation of the War and Navy Departments and some minor details, the plan has the general sanction of the President and the Cabinet. It is important that reorganization be enacted into law at the present session. (CONGRESSIONAL RECORD, vol. 65, pt. 1, p. 100.)

From his annual message of December 3, 1924:

DEPARTMENTAL REORGANIZATION.—One way to save public money would be to pass the pending bill for the reorganization of the various departments. This project has been pending for some time, and has had the most careful consideration of experts and the thorough study of a special congressional committee. This legislation is vital as a companion piece to the Budget law. Legal authority for a thorough reorganization of the Federal structure with some latitude of action to the Executive in the rearrangement of secondary functions would make for continuing economy in the shift of Governmnt activities which must follow every change in a developing country. Beyond this many of the independent agencies of the Government must be placed under responsible Cabinet officials, if we are to have safeguards of efficiency, economy, and probity. (CONGRESSIONAL RECORD, vol. 66, pt. 1, p. 55.)

From his annual message of December 8, 1925:

REORGANIZATION.—No final action has yet been taken on the measure providing for the reorganization of the various departments. I therefore suggest that this measure, which will be of great benefit to the efficient and economical administration of the business of the Government be brought forward and passed. (CONGRESSIONAL RECORD, vol. 67, pt. 1, p. 464.)

PRESIDENT HOOVER

There has never been a more outspoken champion of reorganization than Herbert Hoover. Perhaps the most concise expression of the need therefor was that embodied in his first annual message to Congress, December 3, 1929, from which the following paragraphs are quoted:

Departmental reorganization: This subject has been under consideration for over 20 years. It was promised by both political parties in the recent campaign. It has been repeatedly examined by committees and commissions—congressional, executive, and voluntary. The conclusions of these investigations have been unanimous that reorganization is a necessity of sound administration, of economy, of more effective governmental policies, and of relief to the citizen from unnecessary harassment in his relations with a multitude of scattered governmental agencies. But the presentation of any specific plan at once enlivens opposition from every official whose authority may be curtailed or who fears his position is imperiled by such a result; of bureaus and departments which wish to maintain their authority and activities; of citizens and their organizations who are selfishly interested or who are inspired by fear that their favorite bureau may in a new setting be less subject to their influence or more subject to some other influence.

It seems to me that the essential principles of reorganization are two in number: First, all administrative activities of the same major purpose should be placed in groups under single-headed responsibility; second, all executive and administrative functions should be separated from boards and commissions and placed under individual responsibility, while quasi-legislative and quasi-judicial and broadly advisory functions should be removed from

individual authority and assigned to boards and commissions. Indeed, these are the fundamental principles upon which our Government was founded, and they are the principles which have been adhered to in the whole development of our business structure, and they are the distillation of the common sense of generations.

For instance, the conservation of national resources is spread among eight agencies in five departments. They suffer from conflict and overlap. There is no proper development and adherence to broad national policies and no central point where the searchlight of public opinion may concentrate itself. These functions should be grouped under the direction of some such official as an assistant secretary of conservation. The particular department or Cabinet officer under which such a group should be placed is of secondary importance to the need of concentration. The same may be said of educational services, of merchant marine aids, of public works, of public health, of veterans' services, and many others, the component parts of which are widely scattered in the various departments and independent agencies. It is desirable that we first have experience with these different groups in action before we create new departments. These may be necessary later on.

With this background of all previous experience I can see no hope for the development of a sound reorganization of the Government unless Congress be willing to delegate its authority over the problem (subject to defined principles) to the Executive, who should act upon approval of a joint committee of Congress or with the reservation of power of revision by Congress within some limited period adequate for its consideration. (CONGRESSIONAL RECORD, vol. 72, pt. 1, p. 27.)

Again, in his annual message of December 8, 1931, President Hoover said:

Reorganization of Federal departments: I have referred in previous messages to the profound need of further reorganization and consolidation of Federal administrative functions to eliminate overlap and waste and to enable coordination and definition of Government policies now wholly impossible in scattered and conflicting agencies which deal with parts of the same major function. I shall lay before the Congress further recommendations upon this subject, particularly in relation to the Department of the Interior. There are two directions of such reorganization, however, which have an important bearing upon the emergency problems with which we are confronted. (He then recommended reorganization of the Shipping Board and consolidation of public-works agencies.) (CONGRESSIONAL RECORD, vol. 75, pt. 1, p. 26.)

Not only did President Hoover express the need for reorganization but he succeeded in persuading Congress to pass a law delegating much broader powers to reorganize than those which would have been granted to President Roosevelt under the terms of the bill recently recommitted. At this point, and as a sad commentary on the judgment of legislators, it may be well to recall that Herbert Hoover was the President who for 4 years could find no better task upon which to exercise the vast powers vested in the Presidency than staggering blindly to and away from a nonexistent corner, around which he thought lurked what he mistakenly believed was prosperity. However, a Democratic Congress saw fit to delegate to a Republican President unlimited power to reorganize the executive agencies. Quoted below is a part of the act of June 30, 1932, chapter 314, section 403, 47 Stat. 413:

HOOVER HAD THE POWER

SEC. 403. For the purpose of carrying out the policy of Congress as declared in section 401 of this title, the President is authorized by Executive order—

(1) To transfer the whole or any part of any independent executive agency, and/or the functions thereof, to the jurisdiction and control of an executive department or another independent executive agency;

(2) To transfer the whole or any part of any executive agency, and/or the functions thereof, from the jurisdiction and control of one executive department to the jurisdiction and control of another executive department; or

(3) To consolidate or redistribute the functions vested in any executive department or in the executive agencies included in any executive department; and

(4) To designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head."

The only jurisdiction over reorganization reserved to Congress in this act was contained in section 407, quoted in full below:

SEC. 407. Whenever the President makes an Executive order under the provisions of this title, such Executive order shall be transmitted to the Congress while in session and shall not become effective until after the expiration of 60 calendar days after such transmission, unless Congress shall sooner approve of such Executive order or orders by concurrent resolution, in which case said order or orders shall become effective as of the date of the adoption of the resolution: *Provided*, That if Congress shall adjourn before the expiration of 60 calendar days from the date of such transmission, such Executive order shall not become effective until after the expiration of 60 calendar days from the opening day of the next succeeding regular or special session: *Provided further*, That if either branch of Congress within such 60 calendar days shall pass a resolution disapproving of such Executive order, or any part thereof, such Executive order shall become null and void to the extent of such disapproval: *Provided further*, That in order to expedite the merging of certain activities, the President is authorized and requested to proceed, without the application of this section, with setting up consolidations of the following governmental activities: Public Health (except that the provisions hereof shall not apply to hospitals now under the jurisdiction of the Veterans' Administration), Personnel Administration, Education (except the Board of Vocational Education shall not be abolished), and Mexican Water and Boundary Commission, and to merge such activities, except those of a purely military nature, of the War and Navy Departments as, in his judgment, may be common to both and where the consolidation thereof in either one of the Departments will effect economies in Federal expenditures, except that this section shall not apply to the United States Employees' Compensation Commission.

In the bill recently buried under an avalanche of Liberty League telegrams the delegation of power to the President was limited in section 1, which reads as follows:

Whenever the President makes an Executive order under the provisions of this title, such Executive order shall be submitted to the Congress while in session and shall become effective upon the expiration of 60 calendar days after the date of such transmission unless the Congress shall by law provide for an earlier effective date: *Provided*, That if the Congress shall adjourn prior to the expiration of 60 calendar days after the date of such transmission such Executive order shall not become effective until the expiration of 60 calendar days from the opening day of the next succeeding regular or special session: *Provided further*, That if the Congress prior to the expiration of such 60-day period shall, by concurrent resolution, find that such Executive order or any part thereof is not in the public interest, such Executive order shall, to the extent of such finding, not become effective.

HOOVER EXERCISED THE POWER

In spite of the powers inherent in his office, and the sweeping powers delegated to him by a Democratic Congress—in which John Nance Garner was Speaker of the House—President Hoover was unable to find prosperity. He did, however, exercise his powers to reorganize the executive agencies. He issued a sheaf of Executive orders, regrouping and consolidating a total of 58 agencies, and reducing by about 15 the number of independent agencies and commissions. His achievements along this line, unfortunately, as along every other line, proved to be abortive.

Among other things, he endeavored to transfer the Bureau of Public Roads from the Department of Agriculture to the Department of the Interior. To the latter Department he also endeavored to transfer the nonmilitary activities of the Chief of Engineers of the United States Army and the administrative duties, powers, and functions of the General Supply Committee of the Treasury Department, the Public Health Service, and numerous other agencies scattered throughout the wonderland of bureaucracy. He also endeavored to transfer the General Land Office to the Department of Agriculture. He also endeavored to abolish the independent Employees' Compensation Commission and transfer part of its powers and duties to the Department of Labor, and part to the Civil Service Commission. And now, on a subject which has probably produced the greatest amount of hysteria among the saviors of the Constitution who have never taken the trouble to study that venerable document, I quote President Hoover's own words:

I have transferred and consolidated the following activities in the Bureau of the Budget:

1. The powers and duties now exercised by the General Accounting Office which relate to the designing, prescribing, and installation of accounting forms, systems, and procedure in the several executive departments and independent establishments, except that the Comptroller General shall retain the power and duty to prescribe the form and manner in which accounts shall be submitted to his office for audit.

2. The powers and duties now exercised by the General Accounting Office which relate to the administrative examination of fiscal officers' accounts and claims against the United States, and the adequacy and effectiveness of the administrative examination of

accounts and claims in the respective departments and establishments and the adequacy and effectiveness of departmental inspection of the officers and accounts of fiscal officers.

3. The powers and duties of the Bureau of Efficiency. (H. Doc. 493, 72d Cong., 2d sess.)

It will thus be seen that President Hoover did not hesitate to lay dictatorial hands on the General Accounting Office, that sanctum sanctorum of undiluted reaction.

A close examination of President Hoover's annual message of December 6, 1932, which appears at pages 52 and 53 of volume 76, part 1, of the CONGRESSIONAL RECORD, indicates that he should have been a prophet. Several paragraphs from the message are quoted below, and the prophetical parts have been italicized:

At the last session the Congress responded to my request for authority to reorganize the Government departments. The act provides for the grouping and consolidation of executive and administrative agencies according to major purpose, and thereby reducing the number and overlap and duplication of effort. Executive orders issued for these purposes are required to be transmitted to the Congress while in session and do not become effective until after the expiration of 60 calendar days after such transmission, unless the Congress shall sooner approve.

I shall issue such Executive orders within a few days grouping or consolidating over 50 executive and administrative agencies, including a large number of commissions and "independent" agencies.

The second step, of course, remains that after these various bureaus and agencies are placed cheek by jowl into such groups, the administrative officers in charge of the groups shall eliminate their overlap and still further consolidate these activities. Therein lie large economies.

The Congress must be warned that a host of interested persons inside and outside the Government whose vision is concentrated on some particular function will at once protest against these proposals. These same sorts of activities have prevented reorganization of the Government for over a quarter of a century. They must be disregarded if the task is to be accomplished.

ROOSEVELT HAD THE POWER

That Congress did not repent of its delegation of power is demonstrated in the fact that on March 3, 1933, the last day of the Hoover administration, an act was passed which extended and increased the power of the President in the matter of reorganization. The pertinent part of the act of March 3, 1933, c. 212, title II, section 16, 47 Statutes 1517, reads as follows:

SEC. 403. Power of President: Whenever the President, after investigation, shall find and declare that any regrouping, consolidation, transfer, or abolition of any executive agency or agencies and/or the functions thereof is necessary to accomplish any of the purposes set forth in section 401 of this title, he may by Executive order—

(a) Transfer the whole or any part of any executive agency and/or the functions thereof to the jurisdiction and control of any other executive agency;

(b) Consolidate the functions vested in any executive agency; or

(c) Abolish the whole or any part of any executive agency and/or the functions thereof; and

(d) Designate and fix the name and functions of any consolidated activity or executive agency and the title, powers, and duties of its executive head; except that the President shall not have authority under this title to abolish or transfer an executive department and/or all the functions thereof. (The Code of Laws of the United States, 1934 ed., title 5, sec. 126.)

The only limitation under this act was embodied in section 407, which reads as follows:

SEC. 407. Whenever the President makes an Executive order under the provisions of this title, such Executive order shall be submitted to the Congress while in session and shall not become effective until after the expiration of 60 calendar days after such transmission, unless Congress shall by law provide for an earlier effective date of such Executive order or orders: *Provided*, That if Congress shall adjourn before the expiration of 60 calendar days from the date of such transmission such Executive order shall not become effective until after the expiration of 60 calendar days from the opening day of the next succeeding regular or special session. (The Code of the Laws of the United States, 1934 edition, title 5, sec. 130.)

For the benefit of those whose study of public issues consists of reading Mr. Hearst's headlines, it is to be observed that the power thus delegated to the Executive vested in President Franklin D. Roosevelt, and that he had this practically unrestrained power to reorganize the administrative agencies until 1935. The aftermath of the Hoover panic kept him occupied, however, so that he was unable to exercise this power before the expiration of the act.

DISHONEST PROPAGANDA

There is neither a single word of truth nor an indication of intelligence in the bales of propaganda proclaiming the reorganization bill as a step in the direction of dictatorship. This talk of dictatorship is simply the delirium produced by that fatal disease—Gannettitis—which has for so long ravaged relentlessly the once lusty body of the Republican Party and is now making attacks upon democracy. Since the adoption of our Constitution the President has always had, and still has, the power to demand and receive the resignation of any member of the Cabinet or any bureau chief (*Myers* v. *United States*, 272 U. S. 52). This power has frequently been exercised. A notable example of it occurred during the Jackson administration, when the Secretary of the Treasury refused to obey the President's order to withdraw Federal funds from the Bank of the United States.

Jackson demanded and received his resignation, replacing him by Roger B. Taney, who promptly withdrew the funds. The power to demand and receive the resignations of executive officers gives, and was intended to give, the President unlimited powers over the policies of the executive agencies. Under our Constitution the function of the President is to execute the laws. To enable him to do that the executive departments were created. If he did not have the power to fix the policies of the executive departments he would lack the power to enforce the laws. To withhold such power from him would be tantamount to commissioning a general to win a war and denying him the power to discipline his subordinates.

Those who voted against the reorganization bill voted against efficiency and economy in government. They succeeded temporarily in halting the progress of democracy. But the vote to recommit, which was one of the most costly blunders in the history of obstructionism, solves no problems. The reorganization bill must eventually be passed. It will become law either under Roosevelt or under one of his successors. It is to be expected that the political "quick-change" artists will soon be playing—as they have played before—the role of champions of reorganization. It is to be hoped that soon the Members of the greatest deliberative body in the world may be induced to refresh themselves with what Hoover called the "distillation of the common sense of generations," and resolve henceforth to abstain from that more intoxicating and more dangerous draft compounded of dishonest propaganda and demagogism.

From the Experience of the Past We Should Build for the Future

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EXTENSION OF REMARKS

OF

HON. CHARLES G. BINDERUP

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Saturday, May 7, 1938

Mr. BINDERUP. Mr. Speaker, recognizing it is the past that is prologue to the future, that it is from the past we must find the criterion, that like a mighty searchlight shall cast its rays into the dark future and light our pathway that we may move ever onward and upward, I wish to reiterate with emphasis at this time, when our Nation is suffering from delay and neglect, that we have failed to heed the voice from the past and some of our greatest statesmen and authorities. This at a time when our Congress seems to stand still, not knowing which way to turn for relief for our 13,000,000 unemployed and our people in distress, and when even the people and nations of the world stand aghast waiting and wondering, "Shall democracy live?"

And so, Mr. Speaker, how comforting that some of our great statesmen of the past and some of our outstanding authorities of the present have united in advising us in this most important matter. And how clearly they have pointed out the way.

I, therefore, with this most ardent wish paramount in my mind, desiring that the people and the Congress shall know the truth and the truth shall make us free, quote the following outstanding authorities:

Ralph M. Hawtrey, Assistant Secretary of the British Treasury:

Banks lend by creating credit. They create the means of payment out of nothing.

Maj. L. L. B. Angas, "Slump Ahead in Bonds":

The modern banking system manufactures money out of nothing. The process is perhaps the most astounding piece of sleight of hand that was ever invented. Banks in fact are able to create and cancel modern deposit money. They can in fact inflate, mint and unmint, the modern ledger-entry currency.

Robert H. Hemphill, former credit manager of the Federal Reserve Bank, of Atlanta, says in the foreword of Irving Fisher's book "100% Money":

If all bank loans were paid, no one would have a bank deposit, and there would not be a dollar of currency or coin in circulation. This is a staggering thought. We are completely dependent on the commercial banks. Someone has to borrow every dollar we have in circulation, cash or credit. If the banks create ample synthetic money, we are prosperous; if not, we starve! We are absolutely without a permanent monetary system. When one gets a complete grasp upon the picture, the tragic absurdity of our hopeless position is almost incredible—but there it is. It (the banking problem) is the most important subject intelligent persons can investigate and reflect upon. It is so important that our present civilization may collapse unless it is widely understood and the defects remedied very soon.

Mr. Eccles, head of the Federal Reserve Board, is quoted in Collier's June 8, 1935:

The banks can create and destroy money. Bank credit is money. It is the money we do most of our business with, not with that currency which we usually think of as money.

Irving Fisher, professor emeritus of economics at Yale, says:

When a bank lends or invests, it extends credit, i. e., creates checkbook money. When it gets loans paid or sells investments, it contracts credit, i. e., destroys checkbook money. In normal times such creation and destruction of money roughly balance. But when they do not balance the Nation's money is inflated or deflated and causes a boom or a depression.

Lewis W. Douglas, former Director of United States Budget, wrote in the Atlantic Monthly, in the fall of 1935:

The Nation's banks today hold approximately 53 percent of the entire Federal debt. Banks, when they buy Government bonds, rarely pay for them with cash that someone has deposited in the bank. Instead, they create a bookkeeping credit against which the Government is entitled to draw. * * * In a country in which more than 90 percent of all business is done by the use of checks, there is no essential difference between the creation of bank deposits by fiat and the creation of printing-press money. Bank deposits—not currency—constitute our chief circulating medium.

Sumner H. Slichter, professor of business economics at Harvard says in his Modern Economic Society:

When banks grant credit by creating or adding to deposits subject to check * * * new dollars are created. It is true that the new dollars are not stamped out of gold. They are credit dollars and they are created by the stroke of the pen rather than by dies and the stamping machines, but their purchasing power is not less than that of the dollars coined at the Government mint. In other words, the principal way in which dollars are created in modern economic society is by borrowing. This means that the number of dollars in existence in any particular time depends upon the willingness and ability of banks to lend. The volume of purchasing power fluctuates with men's state of mind; the growth of pessimism may suddenly throw millions of men out of work, or the growth of confidence may create thousands of jobs overnight.

Thomas Edison said:

The only dynamite that works in this country is the dynamite of a sound idea. I think we are getting a sound idea on the money question. The people have an instinct which tells them that something is wrong and that the wrong somehow centers in money.

Don't allow them to confuse you with the cry of "paper money." The danger of paper money is precisely the danger of gold—if you get too much it is no good. There is just one rule for money and that is to have enough to carry all the legitimate trade that is waiting to move. Too little and too much are both bad. But enough to move trade, enough to prevent stagnation on the one hand and not enough to permit speculation on the other hand, is the proper ratio.

If our Nation can issue a dollar bond it can issue a dollar bill. The element that makes the bond good makes the bill good also. The difference between the bond and the bill is that the bond lets money brokers collect twice the amount of the bond and an additional 20 percent, whereas the currency pays nobody but those who contribute directly in some useful way.

It is absurd to say that our country can issue $30,000,000 in bonds and not $30,000,000 in currency. Both are promises to pay: but one promise fattens the usurer and the other helps the people.

It is the people who constitute the basis of government credit. Why then cannot the people have the benefit of their own gilt-edge credit by receiving non-interest-bearing currency—instead of bankers receiving the benefit of the people's credit in interest-bearing bonds? If the United States Government will adopt this policy of increasing its national wealth without contributing to the interest collector—for the whole national debt is made up of interest charges—then you will see an era of progress and prosperity in this country such as could never have come otherwise.

Andrew Jackson said:

If Congress has the right under the Constitution to issue paper money, it was given them to be used by themselves, not to be delegated to individuals or to corporations.

Henry Ford has also observed:

The function of money is not to make money but to move goods. Money is only one part of our transportation system. It moves goods from man to man. A dollar bill is like a postage stamp; it is no good unless it will move commodities between persons. If a postage stamp will not carry a letter, or money will not move goods, it is just the same as an engine that will not run. Someone will have to get out and fix it.

David Cushman Coyle:

The crossroads of history will be the place where the United States does or does not develop means for keeping money out of Wall Street and making it travel up and down Main Street. (From Brass Tacks.)

James A. Garfield stated:

Whoever controls the volume of money in any country is absolute master of all industry and commerce.

Louis D. Brandeis, from his book Other People's Money:

We must break the Money Trust or the Money Trust will break us.

The Honorable John G. Carlisle, in the House of Representatives, on March 1, 1881, told of this very power of bankers in these very words:

The banks have it in their power to contract the currency and produce financial distress, involving every interest in the country and embarrassing the operation of the Government itself, whenever they may think it will promote their special interest to do so.

The late Honorable Charles A. Lindbergh, Sr., of Minnesota, in his book The Economic Pinch, writing of the panic of 1920, says:

Under the Federal Reserve Act panics are scientifically created; the present panic is the first scientifically created one, worked out as we figure a mathematical problem.

Here is what Salmon P. Chase, Secretary of the Treasury under Abraham Lincoln, said:

My agency in procuring the passage of the National Bank Act was the greatest financial mistake of my life. It has built up a monopoly that affects every interest in this country. * * * It should be repealed. But before this can be accomplished the people will be arrayed on one side, and the banks on the other, in a contest such as we have never seen before in this country.

Abraham Lincoln feared the bankers' powers, as shown in what is commonly known as the Lincoln Prophecy, which reads:

I see in the near future a crisis arising that unnerves me and causes me to tremble for the safety of my country. As a result of the war, corporations have been enthroned, and an era of corruption in high places will follow until all of liberty shall be lost and the Republic destroyed. God grant that my fears may prove groundless.

Proposed Amendment to the Bill Creating a Civil Aeronautic Authority

EXTENSION OF REMARKS
OF
HON. JOHN R. MURDOCK
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 9, 1938

Mr. MURDOCK of Arizona. Mr. Speaker, on examining pages 130 and 131 of H. R. 9738, to create a civil aeronautics authority, I find that applications for the carrying of air mail, received and acted upon after April 15, 1938, are, by the terms of this measure, to be rendered null and void. On talking this over with some of my colleagues, it is planned to offer an amendment on page 131 with intent to modify this provision. While there may be some need to limit the time for the granting of air-mail contracts, the present language of this bill unmodified would work a great injury on several communities within my State and adjoining States.

Unless our proposed amendment is adopted some very meritorious new contracts for ail-mail service, entered into within the last 3 weeks, will be knocked out by this measure. Now, I assume that these late contracts were entered into in a regular, lawful manner. Take the one pertaining to Arizona as an illustration—a new service between Phoenix, Ariz., and Las Vegas, Nev., by way of Prescott and Kingman, Ariz., has been agreed upon since April 15, 1938. Why should that be nullified?

For years the central and northern part of Arizona has looked forward to receiving air-mail service on a north-south line. Miss Grace Sparkes, of the Yavapai County Chamber of Commerce, Prescott, Ariz., has written me a dozen or a score of letters, pointing out the need and calling on us for such a service. Other communities have been likewise interested. Nearly a year ago I took the matter up with the Second Assistant Postmaster General, Harllee Branch, even before any additional money had been appropriated for extra air-mail mileage, and urged him to consider a joining link, north and south across Arizona by way of Prescott, connecting the two transcontinental air lines over the State. Several of us made statements before a board in a hearing at the Post Office Department to the same effect. While it is true this contract has been let since April 15, 1938, the additional mileage has been contemplated for several months.

I know not the reason for this provision at the top of page 131, but I do know that a great injustice will be done the northern half of my State if the language of this bill remains unmodified. Therefore I trust that the language may be changed on page 131 to permit these more recent applicants to transport air mail on routes or extension of routes authorized by contract with the Postmaster General.

Ye Editor in Jail

EXTENSION OF REMARKS
OF
HON. NOAH M. MASON
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, May 9, 1938

EDITORIAL FROM THE DALLAS JOURNAL

Mr. MASON. Mr. Speaker, since when has it become a crime to express criticism of the policies, programs, or objectives of the New Deal? Since when has it become the chief duty of a committee of either House of the Congress to browbeat, insult, and intimidate witnesses that have been summoned to Washington to testify before such committee? When and how was the American right of free speech and a free press abolished? These are questions that are everywhere prevalent today in the minds of all Americans regardless of party affiliations. The following editorial from a leading Democratic paper in the South, the Dallas Journal, expresses quite well what our people are thinking today:

If Senator MINTON has his way, editorial copy for these columns may presently be coming from behind the bars of some Federal prison. That is to say, the copy will be forthcoming provided the prison censor decides to let it pass. The Senator wants a law which will jail and fine an editor who prints an untruth. Naturally, that raises the question of what kind of untruth Senator MINTON means. For example, suppose an editor were to say that Senator MINTON is a lightweight politically and not such a mighty much otherwise? It is believed that MINTON, J., would officially hold for the Senator in such a case and against the editor, fining the latter $10,000 and putting him in jail for 2 years.

That such would be his interpretation of the word "untruth" is the more indicated from the fact that Senator MINTON'S proposed law was born of his wrath over the statement by newspaper people that the radio is now being used too much to spill political propaganda and official buncombe. You have a radio. Do you think that is so or not so? Mr. MINTON finds it to be not so and wants a law to stop newspapers from saying that it is so.

Ah, well, perhaps the editor in jail ought not to complain. This country has endorsed—but not yet obtained—social security. We have voted it and we pay our money and the New Deal blows our money in for battleships and congressional mileage and mosquito control up Gostleg Creek. But the editor in jail should be a happy man. He would not be ill-housed, for he would be Federally housed. He would not be ill-fed, for he would be Federally fed. He would not be ill-clothed, for he wouldn't be going anywhere, anyhow, so it would make no difference what he wore. Unemployment would be no problem to him, and by extending his sentence to life it would be possible to relieve him of all uncertainty about his old age. Why, man, he'd have social security plumb up to the eyebrows. He would be a living, breathing, 100-percent triumph for liberalism and the New Deal.

The marshal will now take charge of the prisoner.

Sons of Norway

EXTENSION OF REMARKS
OF
HON. MARTIN F. SMITH
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, May 9, 1938

ADDRESS OF HON. MARTIN F. SMITH, OF WASHINGTON, DELIVERED AT BANQUET OF TWENTY-FIFTH BIENNIAL INTERSTATE CONVENTION, SONS OF NORWAY, WINFIELD SCOTT HOTEL, ELIZABETH, N. J., SATURDAY, MAY 7, 1938

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the address delivered by me at the banquet of the Twenty-fifth Biennial Interstate Convention, Sons of Norway, held at the Winfield Scott Hotel, Elizabeth, N. J., Saturday, May 7, 1938.

The address is as follows:

Mr. Toastmaster, distinguished guests, and my friends of the Sons of Norway, I am very happy to have this honor and privilege of addressing you this evening. It is a pleasure to meet so many of you from the States of New Jersey, New York, Connecticut, Pennsylvania, Rhode Island, and Maryland, from whom I shall extend fraternal greetings to the members of the Sons of Norway out in the State of Washington. I agree with every word of praise which has been spoken in regard to the Sons of Norway, but I also want to pay tribute to the Daughters of Norway, who are the source of inspiration for the Sons of Norway, and, in my opinion, mainly responsible for their success.

WAGE AND HOUR BILL

My friends, I have just come from our National Capital, Washington, D. C., and one of the last duties I performed before leaving was to sign the discharge petition in favor of the wage and hour bill to insure higher wages, shorter hours, and better working conditions for the laboring men of America. All this applause

indicates that my action meets with your approval. I feel certain that our action in Congress also meets with the approval of the great majority of the American people. I believe this legislation will be passed by both branches of Congress in this session, receive the signature of President Roosevelt, and become a law. You who are citizens in the State of New Jersey have reason to be very proud of our leader in the House in this battle for human rights; Representative MARY NORTON, chairman of the House Committee on Labor, and the other Members of your delegation in Congress from New Jersey who are supporting this legislation.

THE NORSEMEN

I am proud of my own Scandinavian ancestry and am, of course, quite familiar with the important role which has been played by the Norwegian people in the development and history of this country.

The discovery of America by Leif Ericsson, the intrepid Viking explorer, in the autumn of the year 1000, is an established historical fact. He was the first white man to set foot on American soil. Snorre Karlsevene was the first white native-born American, being born about 1020 in Wineland, off the coast of Labrador. He was the son of Torfin Karlsevene, who led the attempt at colonization with 160 people and 3 boats, following the discovery by Leif Ericsson.

The second invasion by the Norsemen began in 1825 when a little 40-ton sloop, *Restaurationen*, sailed out of Stavanger for New York with 52 pioneers on board. They settled on the shores of Lake Ontario but soon moved farther west, led by Cleng Peerson, the Leif Ericsson of the forties.

Peerson thought nothing of trudging by foot from the New York State colony to Illinois, up the shore of Lake Michigan to the trading station which became Milwaukee, then southwestward into La Salle County, prospecting for good farm land. He returned to the Lake Ontario colony after a summer's hike of 2,000 miles and reported having found a "promised land" in the West. Land in Illinois at that time was only $1.25 per acre. This started the great tide of Norwegian settlements, first to Illinois, then Wisconsin, then Iowa. Letters and occasional returned adventurers spread the "America fever" in Norway. Ship after ship followed in the wake of the *Restaurationen*.

Cleng Peerson did not rest. He pushed southward into Missouri and started a colony near Shelbyville, though it proved a failure. Later he turned up in northeastern Texas, where some of his countrymen had settled.

A romantic spirit of adventure was strong in these nineteenth century Vikings. The California gold-rush excitement echoed across the Atlantic. "America fever" became "California fever." Shiploads of Norwegian forty-niners sailed direct from Oslo to San Francisco. Norwegians of the Middle West caught the fever also. An enterprising settler from Wisconsin drove a herd of cows all the way to the coast and made a fortune selling milk in San Francisco.

Other parts of the country attracted smaller groups. Norwegian sailors manned the boats on the Great Lakes; the Hudson Bay Co. attracted many. Mormon missionaries recruited converts in Norway for their Utah colony. Norsemen are expert woodsmen and pioneered in logging and sawmill operations in Wisconsin, Minnesota, and Michigan, and later moved westward to Washington, Oregon, and California. Today Norwegian folk songs and legends, Norwegian books and newspapers, Norwegian schools and churches are woven firmly into the fabric of American civilization.

We have recently unearthed startling evidence in the far West, in my own State of Washington, almost within the city limits of Spokane, Wash., which establishes that some of the Vikings who discovered America in the year 1000 trekked their way across the continent to what is now the Evergreen State.

Runic inscriptions, translated by Prof. Oluf Opsjon as telling of a terrific battle between a band of Norsemen and Indians in the year A. D. 1010, have been found almost within the city limits of Spokane.

In announcing the discovery, Professor Opsjon said a great lava rock, which bears the inscriptions, marks the burial mound of 12 Norsemen who were killed in the battle.

Professor Opsjon, who is widely known as a translator of Runic characters appearing in several parts of North America, declared the discovery is the greatest Norse record ever found in the United States. Located beneath high cliffs and beside a cold-water spring, the indelible painting, as interpreted by Mr. Opsjon, describes a great conflict fought more than 400 years before Columbus discovered America.

A band of Norse Vikings, consisting of 24 men and 7 women, were following an old trail while traveling from east to west in 1010, Mr. Opsjon explained.

"Exhausted and thirsty, they came to the spring beside the trail and camped," he said. "The spring was not a large one and the water was drained from it. A party of Indians came along and found the spring empty. They immediately attacked the Norse party in an effort to drive it away.

"The record left tells that the men of the party put the seven women and the baby on top of the boulder, where they could not be reached by the Indians, and the men stood about the base, fighting the Indians. Twelve of the Norsemen were killed and the others escaped after the women had been captured. Six of the women were taken prisoners while the woman with the baby in her arms was thrown from the top of the boulder and killed.

"Later six of the survivors returned to the spring and the scene of the battle. There they dug a grave near the rock and buried their dead, who had been stripped of everything they possessed. As to the burial mound, it is plainly visible."

The paintings on the rock were called to the attention of Professor Opsjon by Mrs. Margaret Amundsen Reynolds, Spokane, who for years has been interested in Runic writings. The inscriptions had been considered the marking of Indians, but Mrs. Reynolds found in them the characters typical of Runics as used by the early Norse.

Two years ago Mr. Opsjon announced that he had traced the journeys of Norse bands across the North American Continent through discoveries made by himself and others. He cites the new discovery as further proof of the exploration of North America by white men before the time of Columbus.

Mr. Opsjon was a university professor in Norway for several years and the author of numerous articles on early Norse history. He came to America several years ago to search for Norse records and for the last 2 years has been hunting for traces of Norse expeditions in the Pacific Northwest.

HELL IN NORWAY

My friends, we all know how heavenly it is in Norway but very few of us probably know that it has the only county in the world which has Hell within its borders. I learned recently of the visit to the United States of Lorentz Stenvig, mayor of Hell, a real community in Norway, paved not with good intentions but with fine gravel roads. It happened that the day his honor arrived in New York, about 3 weeks ago, it was extremely warm, 81 degrees above, he remarked that it was "hotter than Hell," where the summers are quite cool. Mayor Stenvig states that there are only 1,465 people in Hell, not overcrowded at all. There are no criminals in Hell—isn't that surprising—and no jail. They haven't even a fire department in Hell. "If a house catches fire and the people cannot put it out, we let it burn down and build a better one," said the mayor. Hell freezes over and a snowball does stand a chance there, because the temperature goes down to 25 degrees below zero in winter. His honor claims that there are no liars in Hell, no divorces, and no runaway marriages. Of course, Hell is not the heaven Mayor Stenvig proudly tried to make it appear—there are traffic cops there, he admitted. The mayor was described by newspapermen who interviewed him, as a jovial, blue-eyed, 55-year-old dairy farmer and ex-lieutenant of the Norwegian Army. His home town, located not many miles south of the Arctic Circle, is a farming community and its name "Hell," as we know in Norwegian, really means "slope." Hell is actually a peaceful place of green fields, dairy farms, and a lot of rain. Through an interpreter the mayor explained that he gets a great kick out of the name of his town. Each year, he stated, about 1,000 or more American tourists stop off in Hell and gleefully send postcards stamped "Hell" to friends back home.

CONTRIBUTION TO THE NORWEGIAN PEOPLE

My friends, down through the centuries the Norwegian people have made rich and outstanding contributions to the cause of civilization and progress. Many names of Norsemen sparkle on the diadem of time, but we can only mention a few: Nansen, Amundsen, and Stefansson, the great Norwegian Arctic explorers; Greig, the Norwegian composer; Ole Bull, the violinist; Ellen Key, the authoress; Ibsen and Bjornson, two of the greatest dramatists and novelists of all time; and Sonja Henie, one of the greatest movie stars of the present day.

In the United States many leading public officials of city, State, and Nation, businessmen, industrialists, bankers, merchants, photographers, building contractors, physicians, lawyers, and other professional men are of Norwegian birth or ancestry. The Norwegian people generally are noted for their industry, thrift, and integrity, and are a credit to the communities in which they live in all sections of the country.

Norway, as well as Sweden, Denmark, and Finland, is today setting an example for the rest of the world. These Scandinavian nations are meeting successfully the problems of the depression, unemployment, and business stagnation, and are making excellent headway with their producers and consumers cooperatives. Public ownership of public utilities, natural resources, and natural monopolies have made great strides. Public education is universal, and there is no illiteracy in Norway and the other Scandinavian countries; every man and woman is able to read and write. There are no extremes of wealth and poverty but an abundance of food, clothing, and shelter for all citizens. They are also pursuing policies designed to maintain peace and amity with other powers.

My friends, Anglo-Saxon civilization has attached its summit of achievement in the lands of our forebears in northern Europe. May we, their descendants in America, continue to prove ourselves to be worthy sons and daughters of our noble Nordic sires and ancestors and tread courageously forward upon the shining pathway of industry, of thrift, of honor, and of love of justice and right, which they have blazed before us.

THE RED, WHITE, AND BLUE

We are thrilled as we behold the beautiful Stars and Stripes displayed alongside of the Norwegian flag of the same colors but of different design. The American flag has been red, white, and blue for 150 years. It is going to remain red, white, and blue. Neither the black flag of fascism nor the red flag of communism is ever going to be unfurled over the United States of America.

Government Regulation

EXTENSION OF REMARKS
OF
HON. SAMUEL B. PETTENGILL
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 9, 1938

ADDRESS BEFORE THE CHAMBER OF COMMERCE OF THE UNITED STATES, MAY 4, 1938

Mr. PETTENGILL. Mr. Speaker, under leave to extend, I include an address delivered by me at the Twenty-sixth Annual Meeting of the Chamber of Commerce of the United States at Washington, D. C., May 4, 1938, on the subject "Government Regulation," as follows:

The President has just recommended that we pay a tuition fee of half a million dollars to complete our course on monopoly. That is probably a good measure of our present ignorance on the subject. In time we hope to get our degree of M. D.—doctor of monopoly—but as sophomores, no one who does not confuse himself with God can expect to turn in a perfect paper.

All we can hope to do now is to plan the method and spirit of our inquiry. We should by all means avoid dogmatism. We should know by this time that life can be lived successfully only by the greatly tolerant. If we approach this vital problem with sincerity, sanity, tolerance, and truth, we may go far toward building for our children a better civilization than we now see around us. If, however, it becomes nothing but a parade of politics, an appeal to prejudice, a burning of witches, a mangling of the corpse of dead devils, then, as we conclude our course, we may see around us the widening chasm of class hatred, a deepening depression, and a dying democracy.

If ever we needed the spirit described by Woodrow Wilson, we need it now—the spirit of the surgeon who, with infinite patience, cuts out the last bit of malignant flesh, but leaves unharmed the tissues of life and growth. How can we hope to attain liberal ends by illiberal means? How can we hope to strengthen the foundations of democracy by dictatorial methods? The method and the means will corrode the result. Democracy is discussion. Parliamentary government is government by talk. How else can you achieve a government based on the "consent of the governed" if the governed are not free, wholly free, to express their consent or dissent? We desperately need today magnanimity in public affairs and a large tolerance in the business world.

Government is here not without fault. Only recently aspersions have been cast on the sacred right of the citizen to petition his own Representative in his own Congress for the redress of grievances; only recently serious questions have been raised as to the ancient right of assembly to organize effective protest; only recently doubts have been cast as to the entire freedom of the radio and the silver screen as instruments for the formation of public opinion; only recently the press has been held up to obloquy, and a bill introduced to place impossible limitation on the dissemination of news and editorial discussion; only recently an attempt has been made to make our highest judges the Charley McCarthys of changing majorities, "speaking the ventriloquisms of the White House."

In our discussions of monopoly let government avoid even the appearance of the monopoly of truth. I do not worry about the survival of the democratic result if we preserve the democratic method. On a democratic road we may safely walk even through the dark toward democracy's journey's end—whatever that may be.

I believe, for example, that the American people are willing to grant the Central Government at Washington whatever powers are reasonably necessary to deal with problems, which, in good faith, are national in their scope, and which are beyond the effective solution of the governments of the States, but only on one great condition. That condition is that the people's Congress shall remain free as the great policy-determining agency of 130,000,000 people, to pass on public questions on their merits, and that the people themselves remain free to cast an independent and unpurchased and unpurchasable ballot on election day.

If, however, Congress is no longer a free agent, its freedom impaired or destroyed by the implied threat to grant or withhold a sewer system or a highway in the Congressman's home district, and if the people, for similar reasons, are no longer free to vote for free representatives, because the power over the purse has passed from their own hands, then democracy here in America has entered the twilight. If democracy goes by the board in our own dear land, as it has in blood-stained lands beyond the seas, the monument to that great lost cause will be erected on Capitol Hill.

As long as Congress is free, and the people are free, they can cure their own mistakes in free elections every 2 or 4 years. No mistake then becomes final. No evil then is without remedy. No deviation from democracy then becomes destiny.

You managers of American enterprise are greatly concerned today with problems pressing importunately upon your attention in your own company's affairs. But as you grapple with your immediate adversary do not overlook the larger battlefield where constitutional democracy and the free competitive enterprise system is fighting for its life. To lose liberty, only in a gallant struggle, overborne by the fate of circumstance or the weight of numbers would be recorded by the historian with sorrow and regret, but the saddest monument ever erected over a vanished liberty would be that it was lost by men who had the chance and the strength to save it, but would not. How can you save it? One way is to vote only for candidates, regardless of party tags, who are pledged to risk their political lives for the Constitution and free enterprise and preferably those who have already demonstrated under fire that they will do so.

If the men of America get the spirit of the women of America, I shall not fear what the Muse of History will write. The women think in terms of their children coming home from school. They want the lanes of opportunity kept open for their boys and girls, they want great evils cured, but they want democracy saved. They know and know well, that democracy and free enterprise have done more for their sex than it has done even for men. They do not want to be pushed centuries back to be nothing again but housewives in a home without dignity and equality and respect. They want to be what democracy and the Aladdin's lamp of free enterprise has made them—human beings—and not mere drudges of the field and kitchen—mere breeders of the pawns of power.

In President Roosevelt's recent message urging a study of the problems of monopoly I was glad indeed to hear this note of tolerance of which I have spoken. He said:

"It is not intended as the beginning of any ill-considered 'trust-busting' activity which lacks proper consideration for economic results. It is a program to preserve private enterprise for profit by keeping it free enough to be able to utilize all our resources of capital and labor at a profit."

Surely in these generous words no man of good faith need find fault. Except for the single fact that business has had to deal with one legislative uncertainty after another now going on 6 years, the proposed study should be welcomed by those who profess allegiance to the competitive system. But despite the new and added uncertainty the study should still be welcomed provided it is carried on by tolerant methods and the scientific approach to economic truth. In that spirit, despite temporary inconvenience and confusion, the result may chart a course for the next decade or two which will prove of enormous value to the public generally and to business particularly.

It may demonstrate that government itself in recent years has adopted policies from which it should retreat, such as a monopoly of production to effect an economy of scarcity. It may demonstrate that business in recent years has adopted policies from which it should retreat. If so, let the chips fall where they will. It seems that here the United States Chamber of Commerce has its challenge and opportunity. I understand that you already have a special committee on regulation of competition. It seems to an outsider like myself that this committee should be continued as one of the most important activities of your body during the coming months.

Two thousand years have passed and Pilate's question, "What is truth?" remains unanswered. So it will be with respect to this large problem of Government regulation. We are dealing with the living organism of our civilization, whose unchanging characteristic is change itself. What is the true boundary between business and government, the States and the Nation, individual responsibility and public control, the line "which shall combine that degree of liberty, without which law is tyranny, with that degree of law without which liberty becomes license?" There is no such boundary, no such line of demarcation. All we can hope for is an approximation—a working hypothesis.

Yes; a working hypothesis, one that works for the greatest good of the greatest number. Again let us avoid dogmatism, rigid formulas, brittle doctrines. We are dealing with the web on the loom. As Justice Oliver Wendell Holmes once said, "We should allow for some play in the joints of the machine."

When, for example, does bigness become badness? Surely we have passed the time when we will say all bigness is bad. It seems to me we should examine this question of bigness, combination or consolidation from its functional side, rather than from some arbitrary political preconception of size itself. God Almighty made the rose bush small, the oak tree large. We should try to determine if in this business and that business there is some natural—not artificial—law of growth.

In one business bigness permits the minute subdivision of overhead, the economies of mass buying and mass production, the ability to maintain costly but necessary departments of research and experiment, the long purse of reserves that carry it over the valleys of depression. If in such business all these advantages of bigness over smallness are constantly passed on in a better product at a lower price, by a management that feels its responsibility of trusteeship for owner, worker, and consumer, then it would seem to be entitled to a favorable verdict in the court of public opinion.

Paying full tribute, as we must, to the initiative, energy, and courage of the "little man," his final fate will probably be determined by the realities of economics rather than by theories of law. Can he "deliver the goods" cheaper and better than the larger aggregate of capital? Does he have efficiencies and economies of his own to overbalance the efficiencies and economies of his greater rival? Where does the large concern run into the law of diminishing economic returns? At what point does its size begin to be a

handicap rather than a help? We know of the disease described by medical men as elephantiasis—beef and fat in place of brain and thought. Is there such a thing as economic elephantiasis, when the giant is outrun by the pygmy?

The answer, in the long run, will decide the fate of both giant and pygmy as they compete for the consumer's dollar by offering most and best for least. In automobile manufacture the giant has won. No mechanic, however smart, could hope to produce in his tiny shop a car as cheaply or as good as Ford, General Motors, or Chrysler. Nash, or that excellent car made in my home city of South Bend. The consumer, and especially the politician, may both shed tears for the passing of the "little man," but they both buy the goods of the one who gives most for least, whoever he may be, whether the humble pants presser or an industrial giant, whether the corner grocery or the chain store.

When bigness, even though wrapped in the flag, and anointed with large and laudable words, has, however, no justification to worker, consumer, and investor through its mechanics, but acquires size only to dominate the market, to freeze out its competitors, to issue securities against write-ups, to permit huge underwriting and legal fees, to feed the vanity of promoters, to deprive investors of a real and effective control, to allow huge salaries and bonuses to insiders, to become, in fact, a "milking machine," it has no justification, and in the interest of all business and the survival of democracy itself it should be ruled off the field of our enterprise.

Even though some economies in finance, and the cost of capital through the diversity of risk and the greater supposed security of far-flung business units may flow from bigness, yet, if it depends only on alleged or real economies, in the field of finance rather than in the mechanics of operation, I doubt if such bigness can or should be tolerated. The cost of public ill will and social unrest recurring through these financial empires must in the long or short run overweigh any alleged advantages. With respect to this kind of business I believe President Roosevelt is unquestionably correct, and he and Congress should be supported by business leaders as we all set our hands to deal with this problem.

In this connection I can do no more than give my humble endorsement to the editorial, Unmerging for Profit, in the March number of Fortune Magazine. This article was not written by reds, pinks, or business haters. It was written by candid friends of private enterprise. From it I quote these words: "Thus collectivism in industry begets collectivism in government." Faithful are the wounds of a friend.

This necessity to differentiate as to the functions and purpose of bigness leads me to doubt if a rigid definition of inclusion and exclusion, applicable to all cases, can be written into law. Rather, it seems to me, we will still need the old "rule of reason" applied, or preapplied to the particular case in the light of the public interest by a disinterested administrative agency, reviewable by the courts.

The man in the crow's-nest and the man in the boiler room each see things that the other does not see. And each should realize that fact. Public men in the crow's-nest should come down to the boiler room and see what the businessman is up against, and once in a while the businessman should climb into the crow's-nest and scan the whole horizon of his ship's action. Then he would better understand what Presidents and Congressmen and Governors and township trustees are up against.

It is, in fact, in this great field of public relations that American enterprise is weakest. No one, of course, deserves moral condemnation as a Neanderthaler or reactionary because he has been so immersed in the boiler room of business that he sees only boiler-room problems. Someone must watch boiler-room problems. And the man in the boiler room is no doubt as anxious to get to harbor as the man in the crow's nest and probably works harder at it. So let us omit cuss words and cooperate.

But, in all kindness, it seems to me that businessmen have themselves helped to produce conditions which they themselves condemn.

If we are to save free enterprise, I am convinced that it will be done chiefly by industrial self-discipline placing limits on greed, recognizing the trusteeship of management—not for stockholders only, but for labor and the consumer—thus eradicating the evils of capitalism by self-surgery and making it function in the interest of the masses without whose support it cannot function at all.

In a notable paper 4 years ago Gustave Cassel of Sweden pointed out that the pressure of business interests upon government for special privileges for themselves or legislative handcuffs for their competitors leads inevitably to "planned economy" and, hence, to dictatorship.

Because government grants favors to capitalists, it is appealed to to grant equalizing favors to workers.

Because it creates agencies to benefit producers, it perforce must create other agencies to protect consumers—the consumers' bureau and the producers' bureau, each begging Congress for more money to checkmate the other.

And so government goes about grasping for more and more power to cope with the abuse of the privileges it has itself created.

Meantime, the invisible government is constantly at work behind the scenes to hog the cake and distribute the crusts of governmental favor. And all of this, let me repeat, is initiated not alone by pink young professors, but by business interests seeking statutory refuges from the competitive struggle they praise so highly—on paper.

Meantime, members of legislative bodies are overworked with problems beyond their time, strength, and experience, and outside their proper jurisdiction. The inevitable tendency is to delegate their powers to a vast bureaucracy. What they themselves do is done poorly, and the resulting loss of confidence in the ability as well as the disinterestedness of parliamentary government calls for louder cries for stronger men, and hence for the strong man himself who in turn makes his mistakes—of which Napoleon and the Kaiser are only two of many that sent whole nations to disaster.

Out of this tanglefoot that is throttling and discrediting free enterprise, there is an opportunity for an economic Abraham Lincoln who will free businessmen from the shackles wrought in large part by themselves.

Whatever may be said in justification of any one of these governmental favors to a particular group, considered by itself, yet in their total aspect it is almost certain that the pocket of some American is impoverished by the exact amount by which another pocket is legislatively enriched; that the total wealth and purchasing power of the Nation as a whole is not increased a nickel. On the contrary, it is almost equally certain that our people have been denied the almost limitless potentialities of our science and technology by these policies which hold the umbrella of paternalism over inefficiency and senility. In proof of this, is it not true that the enterprises which led the van of recent recovery—notably automobiles and petroleum—are those which are the farthest from bureaucratic control, the freest of the favors and subsidies and protection of government, and the most subject to the competitive stresses of free enterprise?

I would listen long and attentively to an argument that the future of free enterprise requires the abandonment, step by step, of all these immunities and privileges and the gradual restoration of competition in all things save theft, fraud, and the exploitation of human beings.

It cannot be denied that the same government that fixes prices for commodities, rents, and interest, can with equal logic fix wages, either up or down, and shorten or lengthen hours of work. It all depends on who controls the government. In Germany and other countries today industrial workers are reported to be required to carry a work card, which easily becomes the European equivalent of the hated blacklist. Take it or leave it. Is this to be the reward of the American workman for rushing to Washington for the solution of his troubles? If so, "planned economy" will have a sour taste for his children.

American industry has been built on the struggle for the consumer's dollar by offering most and best for least. That is competitive capitalism at its best. It becomes destructive when it is a competition of who will pay the least wages. The responsibility of industrial management to build a floor below which wages are not to go is tremendous. American industries must cooperate with each other, and with Government, to find ways and means by which the masses who wish to work may live in decent comfort and security. The choice, as I see it, is between wages and taxes; between free government based on the consent of the governed and ancient tyrannies under modern masks.

Although I cannot demonstrate it on a blackboard, I have a feeling—as compelling as a religious conviction—that if industry will constantly pass on to the worker and the customer the savings of labor-saving machinery and invention, rather than siphon them off into the pools of watered securities, and unearned bonuses, it will by that process keep distribution and production in balance, and go as far toward Utopia as our poor human natures will go or be driven.

Constitutional democracy and competitive enterprise are two sides of the same shield. When either goes the other goes. When both go, civil rights go—liberty of thought, of the press, of religion. When government assumes or is forced to assume the responsibility for the economic security of all its citizens, it will not tolerate an effective opposition to the methods chosen by government. Economic compulsion means political compulsion.

This is demonstrated by all history, ancient, medieval, and modern. We cannot have centralization in industry and decentralization in government. When we abandon the competition of the open market we return to the very system of court favorites and sycophants and graft and corruption which our fathers once crossed the stormy North Atlantic to escape. Then business exists only by paying political tribute. Then the little man and the new idea are frozen out. Then volume falls and prices rise. Then decadence begins. Then the competition of excellence ends. Then the standard of living falls for everyone, the poor most of all.

You businessmen are the inescapable partners of progress. The laboratories have done more for mankind than the legislatures. The chemist has done more than the Congressman, the physicist more than the politician.

Government cannot save democracy. But business and government can save democracy. And what a precious legacy it is to hand down to our children. Do the modern Caesars offer us anything better? No. Free enterprise and free government are the best fruits of all the ages.

And so, in closing, let me voice what I believe is in your own hearts.

In this world-wide insanity of personal government, in this mad-house filled with dictators sending millions to their doom, let us cling to the Constitution of the United States as to a mighty rock in a weary land. God grant that when the fever of these troubled times shall pass constitutional government and competitive enterprise will have saved our own dear land from the fate of millions abroad who thought there was something better than liberty under law.

William P. Connery, Jr.

MEMORIAL ADDRESS
OF
HON. JAMES A. SHANLEY
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 20, 1938

On the life, character, and public service of Hon. WILLIAM P. CONNERY, Jr., late a Representative from the State of Massachusetts

Mr. SHANLEY. Mr. Speaker and my colleagues, Matthew Arnold, with that characteristic delicacy of thought and feeling which dominate his poetry, once said of another great, strong moral character, words that might well apply to our beloved New England colleague.

Oh strong soul, by what shore
Tarriest thou now? For that force
Surely has not been left vain.
Somewhere surely afar
In the sounding labor house vast
Of being is practiced that strength
Zealous, beneficent, firm!
Still like a trumpet dost rouse
Those who with half-open eyes
Tread the borderland dim
Twixt vice and virtue: Revivest,
This way thy work.
This was thy life upon earth.

Those of us who had the privilege of enjoying the lovable personality of BILLY CONNERY will read the profoundest of eulogies in that poem—for that was Billy. Still with us is the unforgettable picture of his appearance in the center aisle of the House of Representatives where he has rushed to seek recognition of the Chairman, his right hand aloft as he addresses the Chair, the whole House welcomes his entry and in eager expectancy awaits his words. Even partisan political foes recognized in him the fairest of colleagues and the best of friends.

He was a living example of the grand old name of gentleman. William Butler Yeats, the Irish delineator of Celtic character, said:

For the good are always the merry
Save by an evil chance * * *.

And Billy was always merry and always good, and those were the qualities that made him so keen in all he did—keen in effort, in study, in song, and in sparkling conversation, and in devotion to his work and friends.

William P. Connery, Jr.

MEMORIAL ADDRESS
OF
HON. EUGENE B. CROWE
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 20, 1938

On the life, character, and public service of Hon. WILLIAM P. CONNERY, Jr., late a Representative from the State of Massachusetts

Mr. CROWE. Mr. Speaker, the death of our colleague and my good friend, WILLIAM P. CONNERY, Jr., was a distinct loss to the House as well as a distinct loss to labor and to the common, plain people of the Nation. He was the friend of the rank and file of the people; in fact, he appeared to be the friend of all people. There is little one can say to add anything of merit to the life of so splendid a fellow as WILLIAM P. CONNERY, and all one can do is to add his small bit in showing his respect and the very high esteem and regard in which BILL CONNERY, as he was affectionately known, was held.

BILLY CONNERY was a plain man, a good man, a loyal friend, enthusiastically and sincerely devoted to his life's work, the upbuilding of the noble cause of labor.

Law in the Making

EXTENSION OF REMARKS
OF
HON. HENRY F. ASHURST
OF ARIZONA
IN THE SENATE OF THE UNITED STATES
Tuesday, May 10 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. PAT MCCARRAN, OF NEVADA, AT RENO, MARCH 25, 1938

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the junior Senator from Nevada [Mr. MCCARRAN] before the State Bar Association of Nevada at its annual convention held at Reno on March 25, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the State bar of Nevada, I am deeply conscious of the honor and responsibility of addressing this distinguished association in my home State. I hope that in attempting to develop a theme which I believe to be of interest to the bar of America today I shall not find myself in the category of the attorney in the story. It is related that a long-winded counselor was arguing a technical case before one of the judges of the superior court. He had drifted along in such a desultory way that it was hard to keep track of what he was trying to present. The judge had just vented a very suggestive yawn. "I sincerely trust that I am not unduly trespassing on the time of this court," said the lawyer with a suspicion of sarcasm in his voice. "There is some difference," the judge quietly observed, "between trespassing on time and encroaching on eternity."

That I am dealing with some phases of a subject that is everlastingly transitory may be illustrated by the story of the applicant who was taking an examination before the court for admission to the bar. During the course of the examination the court rather pummeled the applicant with questions from Blackstone and Kent and other legal lights of antiquity. "I didn't study anything about those fellows," complained the applicant. "What did you study?" asked one of the judges. "I studied the statutes of the State," he replied. "I studied them hard. Ask me a question about them and I will show you. That is where I got my legal knowledge." "My young friend," said the austere judge, "you had better be careful, for some day the legislature might meet and repeal everything you know!"

It is in the bar of any locality that the local concept of law originates and grows, and from the bar people in the everyday walks of life within the community take their ideas as to what the law is in reality. If your concept is wrong, then society, too, may form an erroneous conclusion. So the bar is entrusted with a twofold duty, to mold and to make the common understanding of the law.

The real origin of the law is simple, yet divine. Its sweep is universal, its authority is eternal. It touches our existence before we really exist. It is yet reaching after us when we are humanly gone. The beautiful precepts of the Decalog are universal among all people. The three distinct features of the moral law are conspicuous in the story of Eden: The command to dress the garden is the mandate; the interdiction to partake of a certain fruit is the prohibition; the privilege to eat certain other fruit is the permissive element.

Empires have risen and fallen, and we even witness their current rise and fall, but through it all the simple expression of the Ten Commandments are the compendium of our moral philosophy and emphasize the truth that the more homely and concise the expression of the law the more lasting is its duration and the more loved is its existence.

In reality there is one and only one keystone in the arch of the rules of human conduct, and it is the all-supporting element of equity. This priceless thing is chiseled from the quarry of equality, fabricated in the structure of our common nature. It was Philo who called it "the mother of justice." To insure this everlasting element to the people of a new government, in a new world, we framed, molded, and adopted the Constitution of the United States. This was a great experimental framework, wrought from a historic forge livid with human adversities and tortuous experience, where martyrs had hung in the cause of freedom and armies had marched in opposition to oppressive rule. This

was a compromise into which were molded the daring and gambles of some, the traditions and tortures of others, the hopes and fears of yet others, but through all there prevailed the one dominating thought, that no one element or segment of those who were to abide within and under this Government, should ever subjugate or hold dominance over all, without the will of the majority.

To accomplish their paramount object, a representative democracy was set up with checks and balances flowing from three distinct, coexistent, independent, and yet inseparable sources: The makers of the law for the sovereign—the people; the executor of the law for the sovereign—the people; the judicial declarators of the law for the sovereign—the people.

The organic law carefully retained the rights of the sovereign in the people and jealously limited those that would be relinquished. The founders of the Constitution were not codifying old customs or policies that had been molded into habits by long use, as did Coke and Blackstone. The founders knew they were the representatives of the people who were valiantly emerging from the force and effect of the old customs and conditions. The founders were facing a new emergency in a new land, where not homogeneous people but heterogeneous groups would come from afar to populate and progress in new surroundings. So the authority for the law in the making was provided, the limitations specified, and above all, the thing paramount and most worshiped through all the recorded ages—individual human liberty—was most carefully guarded.

Woodrow Wilson defined our democracy as "one whose powers have been adapted to the interests of the people and to the maintenance of individual liberty." I would not attempt to expand this thought at length. Suffice it to say that it is a fountain of informative thought flowing from the eternal springs of human nature, and the closer we keep the contact between the people and the governing power, the more the governing power will hold the respect and love of the people, without which such governing power cannot long endure. As evidence of this, far-flung dynasties have faltered in their stride, some to adjust themselves before too late and extend more and more autonomy and home rule to their territories remote; others completely to change their form of government because of the evidence of disintegration.

No statesman of old, however visionary and farsighted, could have anticipated the conditions attendant upon our era. A letter by the post was a luxury in the day of Franklin. Last night I talked in conversational tones with a friend in Paris, France. William Henry Harrison rode his horse up Capitol Hill to take the oath of office as President; Franklin Roosevelt traveled by air from Albany to Chicago to accept the nomination of his party. In the day of Jenny Lind people of means paid a great price to hear the human songbird. Today, a prospector on yonder hillside may turn a button and hear Kirsten Flagstad or the Philharmonic orchestra. In the days of Hamilton a shoemaker would do well to produce a pair of shoes in a week. Today a thousand pairs of shoes comes from one factory in a single day. It took 7 years to weave the cables for the Brooklyn Bridge. San Francisco Bay was spanned by a bridge three times the dimension of that over the East River in less than 3 years. There are some $40,000,000 invested today in airplanes in America alone—some 20,000 persons engaged in the industry of air commerce and travel. One hundred and twenty-nine millions of souls in this country, each with his conception of individual liberty live under the law and look to the law to work out their destinies, socially and economically.

Complex and novel may seem the law when it attempts to meet the needs and tendencies of this age in this land of ours, and unless you, as members of the profession, keep the basic fundamentals in constant view and mind, a nation may have soon lost its recognition of the things essential for which the organic law was founded.

Decade after decade brings demand for the law in new form, but however well we may fulfill this demand, the old principles remain the same. We may reset the gems of equity and justice, we may even obscure them in the luster of jewels less rare. They, however, are the demanded things and their absence is soon detected. Changing society clamors for new rights, new limitations, new liberties. Emergencies come and go, giving rise to fragmentary laws to cope with the passing hour. New mechanism is demanded to give old law a different effect. New doctrines are forthcoming with their tenets as to the functions of government, as to the real office of society and its effect in the affairs of men.

Criticism of our Constitution is on the tongue of some who may not have drunk deep from the spring of governmental lore, and whose lips have only touched the cup of knowledge. New rights and new liberties are in greater demand as economic stress presents itself. A shift of power or apparent control from one group to another may give rise to new demands for new rights and new liberties, or may give rise to new curtailments of the liberty enjoyed by the people. These changes sometimes constitute the underlying force for drastic legislative action. Sometimes they are the impetus for new expressions coming from judicial authority and resulting in judicial lawmaking.

It has been frequently charged that our old legal system has retarded the speed of social advance. I maintain that it has merely stood as a check not against quick action but against unduly hasty action—against faulty planning and loosely drafted legislation, which are bound to result from an eagerness to go forward and from the general confusion of these troubled times.

Obviously, when Congress is called upon to ignore questions of constitutionality as in the first Guffey Coal Act, it is the duty of the courts to rule adversely. When an administrative agency fails to follow its law, as did the Coal Commission under the second Guffey Act, in neglecting to hold the hearings which were specified, again the courts are duty-bound to prevent the usurping of rights of citizens without due process of law. In cases such as these a strong, independent, nonpolitical court is required. The courts must condemn a faulty law or a governmental action just as a building inspector must condemn a building which does not follow the construction code. In framing the first Frazier-Lemke Act, for example, Congress was careless, and the Supreme Court unanimously disapproved. The second act, which was properly drawn, was unanimously upheld.

When delegations of power follow an orderly course, they do not take from the liberties of the people but, on the contrary, are a route toward new freedom protected by the strong arm of the Government which reaches out to lend assistance or to correct abuses where the old unregulated economy has failed. I would be the last to deny the necessity for reasonable delegations of regulatory power. My pending bill to create an aviation authority follows the tested principle that the safety, the rates, the fair trade practices, and the planned development of a public system of transportation needs to be backed by the firm but kindly control of an impartial public body.

Such regulation inevitably requires a granting of power by Congress to meet the specialized problems which are too many and too complicated for a prompt or well-considered decision on the already overcrowded calendars of the Senate and House. As long as Congress retains and jealously guards its constitutional right to modify or withdraw such grants of authority; as long as it shapes its new laws to prevent an unlimited and uncontrollable assumption of power by the enforcement agencies; and as long as the courts stand supreme in ruling whether or not the new authority goes beyond that which the people granted to the Central Government, all is well.

But it is evident that in some ways the Government has moved far and beyond this reasonable and protected limit of authority. Thus far the reservations which the Congress has written into the new laws, together with the decisions of our courts, have made this new power a tenuous one. Much of the emergency authority which has been given to the Executive is derived from temporary acts, renewed last year but to expire again in another year or two unless Congress sees fit once more to extend them. Such broad discretion as the alteration of the gold content of the dollar, the Neutrality Act, the lending power of the Reconstruction Finance Corporation, and the continuance of an emergency program of public works are bound up in these temporary measures.

Up to this point, therefore, the law in its making or its remaking, has not placed the Government irrevocably beyond the system of checks and balances designed for the protection of a free people.

But there is a boundary beyond which the diffusion of authority relinquished to the Executive, the quasi-judicial and quasi-legislative agencies, becomes a power not only to carry out the duties assigned by the peoples' Congress; but, in effect, to issue new edicts and orders which have the effect of law. Thus, as I have indicated, not only are new laws being made but the very process of lawmaking is being carried toward a basic change—toward a shift in control from the hands of the people to the arbitrary command of bureaucracies and branch bureaucracies multiplying in Washington and reaching out to the remotest corners of the country. Unless the people soon realize the full import of this change Congress will have delegated much of its power so that the people will be governed by rules and regulations rather than by legislative acts.

In all these transitions caused by new common conditions and emergencies the law must come from the constituted representatives of the sovereign people. Whatever may be the impetus for the new rule of human conduct, when it issues from the authority set up for the purpose, then the law in the making is orderly under our form of government, and the law and its result can be viewed and changed by the sovereign, the people. The surging evolution through which we are passing, while it makes its demands for more and more new forms of rights and liberties, must needs enlist our attention to the end that we cope with the need but at the same time conserve the source of all law under our system of government. The history of American law is replete with the creation of new rights running abreast of new conditions in our social and economic changes.

Our Government, if it was created for any one great thing more than for another, was created to listen to the heartbeats of humanity in most lowly surroundings. We have met this objective progressively. We have been in the vanguard of the world's army of uplift. The toiler has been advanced and many of his rights crystallized into the statutes. The relationship of employee and employer have been clarified and the right of the toiler to quit work in mass and to enforce improved conditions and to insure proper compensation has been recognized, and likewise the right for collective bargaining. In agriculture, in commerce, and in industry calls for new rights to meet new and changed

conditions have been met. In the field of mining producers have clamored against the wasteful use of limited national resources, and their call has found reply.

New methods to make old rights more secure come out of the inability to mold the old law to fit the new condition. New methods and ways of court procedure are necessary because the old ones are too dilatory or too costly, or because of our inability to apply accepted principles to new situations. This all gives rise to the administrative process which in the last 10 years has found its greatest place in a new way for the formation of law. Gradually there is today creeping into the law an entirely new lexicon whereby the functions of the legislative body composed of constituted representatives of the sovereign are transferred to appointed individuals and to groups known by different names. These groups, commissions, authorities, or whatever they may be styled, are clothed with powers which touch the people by way of rules and regulations. Here again we are confronted with a new concept of law in the making. Here is a new field and a new source of law, a source entirely foreign if not revolutionary to our representative democratic form of government. Here's the rub, for what rules may they not make, after they have shuffled off this legal coil!

Today our people and our peoples' Congress are midway in a surging evolution, as issue after issue arises and drives unpent toward a new ordering of our social and economic life. Most clearly is this process to be seen in our national laws, which under our system are the sole means whereby this pressure toward change can be met and directed along an orderly course, under the control of the people and of their established institutions.

Upon our American system of government by laws which has served us for the past 16 decades and has weathered past crises in our history the effect is twofold. First, the scope and the purview of our Federal laws have been vastly extended. New problems have been met by new kinds of laws which Congress has enacted under our constitutional methods and which Congress still has the power to repeal. This change may be studied and analyzed by any citizen. It is written in our statutes, which have gone far to extend the boundaries of our progress as a nation.

Far less clear and understandable is the second change in national legislation, a change not merely in the kind of laws but in the lawmaking process itself. Concurrently with the extension of our statutes into new areas of our national economy, this rapid movement has pushed toward short cuts, bypassing our old procedures, and constantly giving rise to the apprehension that we may become a government of men rather than a government of laws. The divestiture of power from the Congress and the States and centralization of authority in departments of the Federal Government has brought upon us a welter of administrators, boards, and commissions, which are becoming our lawmakers, since their rulings have the effect of law.

I want to draw a sharp distinction between these two changes—first in the kind of laws, and second in the basic process of national legislation. The fast pace of new lawmaking is not in itself any great cause for apprehension. It has carried us far in the public interest in keeping with the spirit of the public-welfare clause of the Constitution. Such essential reforms as social security, regulation of stock exchanges, Federal responsibility for relief problems which are beyond the capacity of the States, control of interstate matters which are outside the reach of State and local governments, and all the plans to raise the purchasing power of the farmer are in response to urgent national needs.

At the outset I emphasized the necessity for keeping the sources of law close to the people. This idea has been lost sight of in the modern statutes creating an authorized body and investing that body with power to promulgate laws under the caption of "Rules and regulations." But the promulgation of rules and regulations is not all the function of this new source of law in the making. It invades not only the field of legislative activity but likewise that of the judicial as well. This is not surprising, because powers, if once delegated or relinquished by their proper author, may assume many forms before the people or their Congress find it out, or, worse yet, find it out too late to check or repeal. The rights formerly within the exclusive province of the courts now affect their existence largely through what we may term "administrative tribunals." Some of the greater activities of our economic life are today the concern of commissions exerting legislative, executive, and judicial power, taking such powers even where Congress has, with preconception, circumscribed them. Here, indeed, is a fruitful source of the law in the making. Witness the relationship of the individual with the common carriers. Witness the position of the public utilities in their dealings with the people, and the farmers with the Department of Agriculture through the new farm legislation.

For many years Congress moved slowly in the matter of creating these commissions and extending rights to make rules and regulations equivalent to law, but the last decade has broken all records and exceeded all anticipation in this respect. The promulgation of this system confines itself to no one party or group. Today not only has this form of lawmaking taken hold of our industries, such as insurance, stockyards, banking, commodity and security exchange, but it has moved over to other phases of national life; it has touched the toiler in every field. Witness the Federal Labor Relations Board, the National Bituminous Coal Commission, and the recently enacted farm legislation. Every one of these contemplate an authority with powers to make rules and regulations not reviewable by Congress.

The scope covered by these sources of law in the making might better be visualized when we learn that between 1862 and 1900 there were only 120 Executive orders issued. Between 1900 and 1929 there were issued about 5,000 Executive orders. It is impossible to obtain accurate information as to the number of Executive orders issued by officials to whom the President has delegated authority. We may get some conception of it when we note that the National Recovery Administration during the first year of its existence issued approximately 3,000 administrative orders touching every human activity from bootblacks to bankers.

A special committee of the American Bar Association reported that in addition to 3,000 administrative orders issued during the year numerous regulations were to be found among 6,000 press releases. The American Bar Association committee estimates that the National Recovery Administration alone produced more than 10,000 pages of administrative law in a single year, and it was but one of many rule-making agencies.

The old commentator who said "ignorance of the law excuseth no man" would have to revise his famous line were he living.

Our Government has grown to be a maze of diversified activities, of interlocking directorates, of chain control through the equivalent of a series of holding companies, and of hide-and-seek bookkeeping with its grants, recessions, and interagency transfers of funds. Complexity and confusion arise, first of all, in the great number of agencies created to administer the new functions of government, and then in the countless orders and decisions which they are rendering.

More than 100 agencies have been established in the Capital of the Nation during the past 10 years. While a majority of these were expressly authorized by Congress, some of the most important offices were set up under the broad terms of one or another of the emergency acts, which gave blanket permission for such creation. So far beyond the control of Congress had the creation of agencies gone that in 1933 certain Federal corporations were chartered in Delaware to have perpetual existence and to do almost anything. Their existence was scarcely known. The papers of incorporation were marked "do not publish."

Many have chosen to call these new agencies "bureaus," and hence we have the coined word "bureauracy." Bureauracy grows with rapidity when given a free hand. We see hosts of new agencies, officers, and functions today where there were none yesterday. Tomorrow, others arise. In addition to the many offices centralized in Washington, at least a dozen of the new agencies have opened for business in every State. Some indeed have their officials and agents in every county and township.

The old-line agencies of the Government were largely service units and in the main the public could take that service or leave it without being bound within its jurisdiction. Many of the new agencies, however, affect the daily life of the people more and more. There is increasing dependency upon the Federal Government in matters formerly in the hands of State and local authorities. Thus the orders of such agencies as the Agricultural Adjustment Administration, the Securities Exchange Commission, the Social Security Board, the Federal Housing Administration, the Farm Credit Administration, the Commodity Credit Corporation, the Works Progress Administration, and many others, place the affairs of millions of citizens within the control of the so-called bureau.

To the legal fraternity the multiplicity of orders emanating from these authorities is most confusing. Many of the administrative rules having the broad effect of law, are not even published. The oil code of the National Recovery Administration, for example, was enforced on the basis of provisions which were only presumed to be written into the text. Only after the legal test had gone through the lower courts and to the Supreme Court was it discovered that an important paragraph upon which the enforcement was based, had been omitted from the official draft.

At present the executive and administrative orders are published in the Federal Register but are not codified, as are our national laws. Here in our own State some of our most important industries upon which the livelihood of our citizens depend, are deeply involved in these Executive orders, rules, and regulations. Grazing on the open public range, for example, is subject to detailed regulations drawn up in Washington, and the interpretations of Federal agents within the State become the final word to many of our Nevada stockmen. I say "final word" because while powerful corporations or organizations might be financially able to appeal to the courts for review, thus testing the powers of any new rule-creating agency, the average individual finds this process too slow, too costly, and beyond his understanding—more frequently beyond his purse. Thus he must conform to the rules made by appointed individuals as well as the law which was drafted by the people's representatives in Congress.

It is not that I would be so critical of the method, but rather would I offer a word of warning lest perchance those on whom this power is conferred lean with heavy hand upon the person of the individual. A word of warning lest these promulgated rules and regulations too far curtail individual human rights. Yea, more, a word of warning lest in these promulgated rules and regulations, equity, the "mother of justice," be omitted.

As lawyers we ask ourselves: Is this new form of lawmaking creative of a living law, as it were? Do these agencies fill the necessity of bringing the lawmaking power close to the people whose liberties are involved? Have we jeopardized our fundamental government by this method? To these inquiries I venture to answer thus: All is well so long as we maintain everlastingly in-

dependent and nonpolitical that branch of our Government into whose hands the founders placed the last say as to human rights under the Constitution. All is well so long as the avenue for redress of wrongs and assurance of rights may be within the duly constituted but independent judicial branch of the Government. The danger flowing from new devices creating rules and regulations will become not only apparent but real when, if at all, some powerful will can warp the framework of our national existence by depriving the individual of his day before a nonpolitical court. May the fear of such a condition vanish, thus to insure a feeling of security in a tolerant citizenry.

We have paid for an opportunity to earn by trial and error. Without criticizing what has gone before, I make the point that we should profit by these experiences. There is reason now to conclude that when Congress does not know what is to be done with a delegated authority, Congress fails in its constitutional duty to apply the whip on the one hand or the checkrein on the other.

The day of the lawyer has broadened. He must study the law of today in the light of the new social concept—a new economy—one that would dispose of controversy by direct action rather than through the labyrinth of technicalities, yet must he ever hold sacred the fundamental institutions of our Government.

"Change," as someone has said, "is a calamity we should run to meet." As much as some of us may deplore the need for change, we must recognize its necessity and must prepare to adjust to it. But, in fulfilling its part in this process of readjustment, the legal profession owes the people the full benefit of accumulated legal experience in helping to shape our new legal system constructively and progressively, but with due regard for the preservation of our fundamental structure and safeguards to human liberty. Such protection may not seem necessary at this moment, but in view of future uncertainties we must be wary in granting broad power which may prove dangerous in the hands of future administrators. Bureaucracy tends to intrench itself, to take permanent root, and to expand with ever-broadening power unless it is held firmly within our system of checks and balances.

The new sources of the law to which I have referred must soon find their places in the law school and at the bar, and thus be understood, thus to be curtailed, thus to be curbed within constitutional lines if we are to retain a constitutional form of government.

I would speak thus frankly to you and through you to the bar of America, that we may awaken and be alert. I say awaken and be alert because this particular thing of which I speak—this practice of administrative law, so styled, might be a fertile field of unchecked furrow for the sower of seeds of governmental theories and experiment—might well be a hotbed for the foul weed of subversive isms and doctrines. The right to make rules and regulations remote from the view of Congress is a permission easily transgressed or exceeded; the individual or group whose rights may be invaded may easily be flayed or coerced into submission.

Democracy is going through the fire of an unbalanced world. The American democracy is the envy of those who have renounced God and would regiment man. Having gained power through a play on the miseries of mankind, they would reduce popular government to the shambles. Nothing gives more hope to their ambition than loose laws impinging on the liberty of the individual at a time when depression and discord bring bewilderment.

Who will look to the leniency of the law, who to the liberties of the people, if that obligation is not met and fulfilled by those who, having had the vocation of the law, love it for itself and its righteousness?

American institutions are in the balance. Were they worth while to produce this national temple? Are they worth while to keep it standing when all about is crumbling? Shall law be only a substructure upon which human rights shall rest while from this substructure emanate the really impinging law in the form of rule and regulation, touching with force never intended by the sovereign? Shall the real rule of human conduct be termed only a sporadic characteristic of law? I would deplore the trend that would give substance to such a disproportionate thought.

This new source of law in the making calls for independent study, not only of its make-up but of the processes, persons, and philosophies that bring it into being. The source of the law today is a challenge to the traditions of the bar. Let us meet that challenge by study and by fearless pronouncement, not necessarily to do away with this new trend so long as it respects human rights under the American form of government, but rather to guide its course and mold it within the scope of the sacred provisions of American institutions.

As lawyers we see the remolding, as it were, of the law; we see the influences that have to do with this remolding. As citizens we watch the onrush of social changes demanding new laws and insisting that old precepts be swept aside.

My fellows at the bar, this Government, guiding the destinies of 129,000,000 souls, seems to have been entrusted by Fate to take on the responsibility for the civilization of the centuries to come. Great sources of law in foreign lands have fallen by the wayside, as it were. Where ardent chivalry showed the way to happiness and contentment in centuries past, where a great romantic race gave its best to the world, today guns are tearing down the monuments of the ages in Madrid and Barcelona. Italy—the land of the Caesars—the home of art and culture, refinement and religion, where in centuries past laws were codified and the Roman Senate was the source of the finest rules of human conduct—Italy does not know what form of government will be hers half a decade hence. Germany, like one drunk with power, if ready to subjugate all who would claim a semblance of independence. Russia announces a new purge each sunrise and another dozen or more of the patriots of the past fall before a firing squad. The Orient is on fire. Britain is so shaping her course as to follow the lines of least resistance for the time being, while every day the administration is challenged by the mob. In all of these lands and in all of these governments the eyes of thinking people are turned toward the Western Hemisphere, where a constitutional democracy sustains us while other forms of government fall.

America, likewise, is not free from the perils to which human rights are sometimes heir. Millions of unemployed look to their Government for sustenance. Other millions engaged in industry of various kinds pray for encouragement—for freedom of action. In each instance we find present the patience and the fortitude that belong to the American people. Tolerance and forbearance is ever present, so that the hungry look with love and the harassed look with patience and affection, holding the ever-present belief that under American institutions, founded in the glorious past, where individual human liberty and everlasting justice were the loadstones of our creation, this ship of state will keep its steady helm, that it may pass through these lashed and torn waters and lead civilization into a tranquil sea when sanity has again returned to the throne of world existence.

We, who belong to the bar, must be the guardians to see to it that the real object of all law is forever protected, that the lowly and the humble are not shorn of their rights, and that equity, the aim and purpose of all law, is retained in its proper place in our national development. In our living hands we of America today hold the torch by the light of which the governments of the world of tomorrow will find their way, and finding it, will thank a living God for our national courage in maintaining the institutions set up by free men for free men.

The Works Program

EXTENSION OF REMARKS

OF

HON. WILLIAM GIBBS McADOO

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Tuesday, May 10 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS BY HARRY L. HOPKINS, ADMINISTRATOR OF WORKS PROGRESS ADMINISTRATION, MAY 8, 1938

Mr. McADOO. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by Hon. Harry L. Hopkins, Administrator of the Works Progress Administration, on Sunday, May 8, 1938.

There being no objection, the address was ordered to be printed in the RECORD as follows:

THE WORKS PROGRAM

For the sake of some unnamed critic who at this very moment may be planning to attack the W. P. A. for spending relief funds on radio time, I want to say at the outset that I am "not speaking at Government expense." This time is being contributed through the courtesy of the Columbia Broadcasting System.

The radio chains and radio stations of this country have made available to the W. P. A., without cost, every minute of radio time we ever have used. I want to thank them publicly for their generosity.

On March 13, 1936, when the W. P. A. was only a few months old, I issued a notice to all W. P. A. workers which included the following sentences:

"No employee of the Works Progress Administration is required to make any contribution to any political party. No person shall be employed or discharged by the Works Progress Administration on the ground of his support or nonsupport of any candidate of any political organization."

That statement was issued because 1936 was an election year, and partisan voices were being raised in a thunder of charges that the holders of W. P. A. jobs were being coerced to vote in favor of the administration which had created the W. P. A.

Now we are in another election year and again the charge is being made.

It isn't being made in as many places as it was 2 years ago and the opposition is being much nicer to me personally. They usually say, "Hopkins means all right, but he doesn't know what the local ward heelers are doing out in the precincts."

I don't want anybody to think I regard these charges lightly or feel they are not important. This is a serious matter. I know full well that the American people are very jealous about the way relief funds are administered, and deeply resent the idea of any political tampering with them. Surely I don't need to say at this late date how heartily I agree with this point of view.

The W. P. A.'s job is to direct the spending of Federal money for work-relief projects in such a way that both the workers and the communities get the most for the money. Beyond that the program is localized. Local officials pick out the improvements they want and draw the plans. Local welfare officials certify to us the people who are eligible for W. P. A. jobs, and we put as many of them to work as we can with the money Congress appropriates.

I don't want everything centralized and regimented any more than you do. We have to watch over this Federal money and see that this program is sound and honest. Beyond that, it's up to each community, and the kind of local government you have is up to you.

I have sent a letter to every worker in this country who is participating in the program which I administer. It says in part:

"I want to repeat once more our rules about elections so that there can be absolutely no misunderstanding. Every person who works for the Works Progress Administration, whatever his job, has the right to vote in any election for any candidate he chooses. Moreover, no W. P. A. worker is required to contribute to any political party or any campaign fund in order to hold his job. No supervisor may attempt to influence the vote of any worker or solicit contributions to campaign funds from the people who work under him. Anyone who uses his position with the W. P. A. in any way to influence the votes of others by threat or intimidation will be dismissed.

"No one will lose his W. P. A. job because of his vote in any election or his failure to contribute to any campaign fund. This always has been an absolute rule of the W. P. A., and it is my responsibility and yours to see that there are no exceptions. What's more, I want you to let me know if anybody tries to tell you anything different. Your personal opinions and your politics are nobody's business but your own."

This letter will be placed in the hands of 3,500,000 workers. I now want to invite anybody who finds any evidence that this policy is not carried out to give me that evidence.

My subject tonight is Politics and the W. P. A., and the question of whether W. P. A. workers will be permitted to vote as they please is just one part of it.

There are a number of other ways in which politics can be played with the question of unemployment relief. One of the most cowardly ways is to attack millions of unfortunate people whose only offense is that they can't find private jobs.

For years the few people who don't like Federal work relief have been saying that W. P. A. workers are a bunch of loafers who don't want to work and who won't take private jobs when they're offered.

Now that the W. P. A. has been operating nearly 3 years, we have full documentary answers to those charges. The new charge this year is that W. P. A. workers are working too much—that they are getting out and finding extra work on the side. These stories grew out of a limited survey of several thousand skilled workers in five cities, where about 60 percent of this small group were found to be getting a day or two of extra work each month. I don't think this is important, in spite of the play it got in the papers; and I do think it is the perfectly natural thing for a good American workman to try to do.

Suppose you were a skilled worker with a family under similar circumstances. Would you, or would you not, hunt odd jobs in your spare time?

I am willing to grant that a great many W. P. A. workers probably are trying to get odd jobs on the side, even though only a few of the ablest and best trained are succeeding in even a small degree.

But where does that put the political critics who still are saying that the unemployed don't want private jobs so long as they can take it easy on the W. P. A.? I have contended from the beginning that it is ridiculous even to entertain the thought that any important number of American workmen with families are going to cling to a W. P. A. job if there's a chance of something better.

W. P. A. workers are not refusing decent private jobs. I can say that with complete confidence, because for more than a year we have investigated every charge of this sort we could find. And out of the thousands of workers involved in such charges the number who actually refused to take decent jobs under decent conditions is so small as to be insignificant.

We visited 29 canneries because a produce company listed them and said they needed workers, and we found that only one of them needed a few women to clean strawberries. Over half of them weren't even operating. A contractors' association demanded that we stop W. P. A. construction in a certain State because it needed electricians. We immediately submitted the names of over 300 unemployed electricians in that State. It apologized to us, but it didn't hire any electricians. The demand was printed prominently in the papers, but not the apology.

There are hundreds of other stories like these in our files. We'll send summaries of them to anybody with an interest in them. I don't cite any of them in a spirit of intolerance, but only in fairness to the unemployed and to the W. P. A. Our workers want private jobs, and we want to help them get private jobs.

I want to make this appeal to all fair-minded Americans. Don't mistake political fiction for fact. Sensational charges too often are regarded as big news, no matter how flimsy the evidence on which they are based. When an investigation proves they were in no sense true, it's old stuff and a line or two is printed about it back among the want ads.

It is often said or implied nowadays that a lot of Federal money has been wasted, particularly by the W. P. A. This, too, is politics—the political propaganda of people who are still unwilling to accept the idea that every citizen has a right to a certain minimum of security. They resent the beginnings that have been made in this direction because the Federal Government has made them, and Federal taxes are based upon ability to pay. Surely you can remember, all through 1930 and 1931 and 1932, how carefully and completely the Federal administration dodged every responsibility for relief. This same crowd has fought the W. P. A. every inch of the way, and is still fighting it. It wants to return relief to the States. That not only will put the cost of it on real estate and sales taxes and take it off the income tax, but it also will lower relief standards generally.

These fellows are having a hard time with the W. P. A. First they said the workers wouldn't work, and now they say they work too much. First they said W. P. A. work was all boondoggling and leaf raking, and now they say we're building too many fine big public improvements, and there ought to be a law not to let us build anything that costs more than $25,000.

I say to you once more that, in spite of overwhelming public sentiment, this crowd still wants a dole for the unemployed instead of work, because in immediate dollar outlay a dole looks cheaper.

I am always glad to argue with them that a dole is not cheaper, to anybody who can see beyond his own nose. It is my conviction, and one of the strongest convictions I hold, that the Federal Government should never return to a direct-relief program. It is degrading to the individual; it destroys morale and self-respect; it results in no increase in the wealth of the community; it tends to destroy the ability of the individual to perform useful work in the future, and it tends to establish a permanent body of dependents. We should do away with direct relief for the unemployed in the United States. We should reach a concept where the able-bodied unemployed are entitled to a job as a matter of right.

The giving of useful public work to the able-bodied unemployed appears, at first glance, to cost more. But what do you get for the outlay?

I would like to take only the W. P. A., which is alleged to be one of the most wasteful of the emergency agencies, and do a little auditing of it for you. In its first 2 years of operation, well over a million of its workers went back to private jobs. It is difficult to appraise the value of a thing like the human spirit, but I am convinced that those people kept fit and kept their heads up because of their W. P. A. work.

But we might deal only with tangible assets. The W. P. A. recently took a complete inventory of all the work that had been completed on its 158,000 projects. It has completed 43,000 miles of new roads and improved 116,000 miles. It has built 19,000 new bridges, 185,000 culverts, 105 new airports, 12,000 new schools and other public buildings, 8,000 parks and playgrounds, 15,000 small dams, 10,000 miles of water and sewer lines. W. P. A. workers have planted 10,000,000 trees and improved millions of acres of land in manifold ways.

Those are just a few of the accomplishments in the field of construction. Four-fifths of the program is construction work, because that is the kind of work which four-fifths of the needy unemployed can do best. The other one-fifth of the W. P. A. program consists of projects for what is generally known as "white collar" workers—unemployed men and women trained as clerks and doctors and salespeople and architects and nurses and artists and teachers and many other professional or technical pursuits. Some of the women have been trained only as housewives and yet are the economic heads of families.

Jobless W. P. A. teachers have taught more than a million American adults to read and write English, reducing illiteracy in this country almost one-fourth. Would you call that a tangible asset?

Women on the W. P. A. have produced 85,000,000 garments for men, women, and children who hadn't enough clothing. They have served 128,000,000 hot school lunches to hungry children, and renovated 30,000,000 library and schoolbooks. Would you question the value of such services?

These are only a few of the things the Nation got because it had the courage to give public works to its able-bodied unemployed. These things constitute national wealth and national assets. Any private business which builds improvements to its physical plant counts those improvements as assets and considers itself richer because it has them. Government alone counts the cost of such improvements on the red side of the ledger without setting up the assets they represent on the black side. I am not particularly concerned about the bookkeeping, so long as the American people know their money is not being wasted, but is being used carefully and constructively to make democracy work.

Up to this point I have told you only what the W. P. A. says it has done. All the bookkeeping thus far has been our own, even though it has been honest bookkeeping. We are extremely fortunate, however, in being able to inject here the results of an independent Nation-wide study of the program which has just been completed.

Ten national organizations agreed with us near the close of last year that an impartial survey of the merits and demerits of

the Federal works program would serve the public interest, and agreed to cooperate in such an undertaking. The organizations which cooperated are the American Engineering Council, the American Institute of Architects, the American Municipal Association, the American Public Welfare Association, the American Society of Planning Officials, the National Aeronautic Association, the National Education Association, the National Recreation Association, the United States Bureau of Public Roads, and the United States Conference of Mayors. So much for the prestige of the survey, which was called the United States Community Improvement Appraisal.

The appraisal was carried out in 42 States. About 9,000 local reports were submitted by the various community officials. These local reports were studied, judged, and evaluated in each State by a committee of civic leaders selected by the State sponsoring organization. These State appraisal committees included engineers, architects, labor leaders, farm leaders, heads of women's organizations, college presidents, social welfare experts, bankers, ministers, editors and publishers, and many others.

I can give here only a few brief excerpts from the findings of these committees. But I hope they will convey to you, as they do to me, that the Federal works program is a far different thing in the eyes of those who really know it than its political opponents would have you believe.

Out on the coast we'll take northern California. I quote: "The most obvious characteristic of the community reports is their virtually unanimous endorsement, regardless of political differences, of the work-relief program. The public facilities constructed are permanent and much needed. The workmanship is found to compare favorably with private industry."

Here's the State of Washington: "Improvement projects have maintained a high technical standard, have been well planned, and in many cases have stimulated community planning. They could not have been undertaken without Federal aid. Work pay rolls have meant increased purchasing power."

In the Middle West, here is Minnesota: "The projects are not only useful but permanent, the quality of workmanship satisfactory."

Now Indiana: "Public-works improvement in Indiana is 10 years in advance of what it would have been without the various Federal programs. It is the opinion of the governmental officials of this State that the quality of workmanship is, on the whole, as good as that on private construction."

Here's northeast Texas: "The projects have created in the workers a sense of real public service. The committee finds a wide variety of permanently useful projects carried on in a manner which commends public respect and approval."

Now let's move over into the deep South, to Georgia: "The workmanship on construction projects compares favorably to that found on privately constructed jobs. The committee emphatically calls attention to the fact that there has been no suggestion of misuse of money."

Now let's take two reports from New England, where unusually close scrutiny might be expected. Maine: "Many improvements of a highly desirable and permanent nature have resulted. The advantages of work relief over direct relief have been conclusively demonstrated."

Massachusetts: "Through the Federal works program, tax rates have been favorably affected and improvements of permanent value have been secured. The relative worthwhileness of the program to the needy unemployed is not debatable."

That's only eight State reports, but there are 34 others like them. I have not quoted them on the question of work versus the dole, because they all favor a work program for employable people. I hope a great many of you will look up the appraisal in your own State, see who made it, and read it.

Evidence of this sort is why I have no hesitancy in speaking of the careful and constructive use of Federal money. I am proud to have been associated with the millions of hard-pressed men and women who stepped from the relief rolls and wrought such a record of achievenment—such a triumph of democracy—across the face of this country.

I notice that the only living ex-President of the United States says we are headed straight for fascism. He wants us to return to the policies he pursued in 1930, 1931, and 1932. He wants, in some occult way, to go in for production and work and yet to stop spending. He is still talking about waste in the W. P. A., and still wanting to return relief to the States. He proposes to take one-third of the present relief away from the unemployed.

Mr. Hoover has just come back from visits to several of the Fascist nations, and he ought to know certain things which seem to have escaped him completely.

What he seems to have missed entirely is the basic fact that fascism came to those countries because the masses were not getting their fair share of things, and were willing to submit to anything in the way of a change.

I am entirely willing to lay down the record of this administration alongside that of Mr. Hoover for the purpose of judging whose policies make toward dictatorship. I wonder if his stubborn refusel to recognize realities, when the house was crumbling about his head, strengthened the people's faith in democracy. I wonder if the pious phrases he gave to millions of desperate people, while denying any Federal responsibility for relief, strengthened the popular faith in this form of government. I wonder if the tear gas with which he greeted the bonus army was his idea of the full flower of democracy. I say it is policies like these which strike at the existence of our form of government.

Is it dictatorship to try to operate a government for all the people and not just a few? Is it dictatorship to guarantee the accounts of small bank depositors, and keep phony stocks and bonds off the market? Is it dictatorship to save millions of homes from foreclosure and make possible the financing of new ones? Is it dictatorship to give the farmer the same break as the manufacturer, and protect the rights of labor to bargain collectively? Is it dictatorship to give a measure of protection to millions who are economically insecure, and jobs to other millions who can't find work? Is it dictatorship to try to put a floor under wages and a ceiling over working hours?

I have confidence in this Nation's ability to solve its problems by democratic means. I think the American people are determined we shall go ahead instead of back—determined that the whole economic curve move uphill.

Conditions are serious today, but people are not frightened, as they were a few years ago. The measures I have just cited are the reason they are not frightened.

This administration met the depression by fortifying the purchasing power of its people. It understood the effect on business activity of putting money in the pockets of workers and of putting workers on pay rolls. The measures put through by Congress set the wheels turning and raised the national income from $40,000,000,000 in 1932 to $68,000,000,000 in 1937.

What caused the present decline in business? I have my own opinions and I am quite sure that anybody who fixes on some one single cause of the decline is pretty sure to be wrong. It is very apparent that consumer incomes did not increase fast enough to take goods off the market, but to assign this as a cause of the decline is to duck behind words which do not explain. I believe that the major contributing factors were: (1) Purchasing power in the hands of consumers failed to keep pace with production, (2) tremendous increase in inventories, (3) the failure of the promising building revival because of rising costs, and (4) unwarranted increases in prices.

Our problem is how to get the national income up—how to so treat destitution and low incomes and unemployment that the underprivileged one-third of the American people can become consumers, and thus participate in our economy.

The passing of the frontier left a gap which we have not filled. As long as we had a frontier, aggressive and resourceful individuals could repair the ravages to their families caused by the ups and downs of the business cycle. The new frontier is idle men, money, and machines, and all the resourcefulness, ingenuity, and courage that resides in twelve or thirteen million unemployed is helpless to take up this new frontier without tremendous organization of productive forces, such as only government can supply when business is in the doldrums.

Our failure to conquer this new frontier of idle overhead has cost us at least $200,000,000,000 in lost income we might have produced and didn't since 1929. That $200,000,000,000 is about equal to the 1932 value of the entire wealth of this Nation. We have been losing nearly every year since 1929 almost two-thirds as much as the entire national debt.

But raising the national income to full employment levels is not enough. To attain more than a fleeting prosperity, income must be distributed among the mass of people so that consumption can parallel output.

No one in his right mind is suggesting that we divide up the present national income. It has to go up. And certainly I do not believe that Government spending can do the whole job. Without the traditional investment of private money in a rising economy there can be no permanent recovery.

But a subsidy of purchasing power started the ball rolling 5 years ago, and it can start it again. This is not a new thing. Ever since the early days of the Nation the Government has been, in effect, subsidizing purchasing power. It gave the railroad systems vast grants of land and it gave the manufacturers protective tariffs. Why should anybody question further subsidies of purchasing power just because they are given to many individuals instead of a few?

The problem is not simple. There are no ready panaceas for unemployment. Sincere men and women will differ as to its cause and cure. Its solution can only be achieved by the fullest cooperation between government, labor, agriculture, and business. It can only be solved if they all work for the same end, avoiding wage reductions, keeping prices in line, and reducing them as soon as unit costs justify it. It can only be solved if profits to business under genuine competition are encouraged, if labor is paid a fair wage, if the farmers attain a proper share in the national income, and if the great masses of people who for any reason cannot obtain a minimum share in the national income are protected by an all-inclusive program of social security.

On this basis I believe that not only can we get a rising national income but we will be able to maintain it; for it will be based upon a balanced distribution of purchasing power and well-being among all the American people. That is the way to fulfill the destiny of a democracy, to provide economic security without regimentation, and, above all, to maintain the personal as well as economic freedom of every individual in the United States.

The Farmer's Plight

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 10, 1938

EDITORIAL IN THE RURAL NEW-YORKER, MAY 7, 1938

Mr. REED of New York. Mr. Speaker, we have heard much about a more abundant life for the farmer. President Roosevelt has been urging the necessity of spending billions of dollars to attain this goal. The billions have been spent, but instead of better conditions for the farmers, their plight is infinitely worse. The chief hope of the farmer, which is his domestic market, has been bartered away. Imports of competitive farm products are pouring into the United States in ever-increasing volume to the detriment and to the ultimate disaster of our agricultural interests. To camouflage the adverse effect of imports, the New Deal is purchasing the farmers' surplus crops with the taxpayers' money. One example will suffice to show the folly and stupidity of this program. From July 1, 1937, to February 11, 1938, the Federal Surplus Commodities Corporation purchased 50,000 cases or 1,425,000 pounds of canned tomatoes to keep the domestic price up. But during the same period there was imported into the United States to drive the price down a total of 34,239,959 pounds of canned tomatoes.

Mr. Speaker, for the benefit of the blind followers of the President perhaps I ought to give another illustration from that section of the country where foreign cotton is now displacing the domestic product. I notice from official reports that from July 1, 1937, to February 11, 1938, the Federal Surplus Commodities Corporation, in an effort to keep up the domestic price of cottonseed oil, purchased 8,704,200 pounds. Then from the same official source I find that during the same period we imported 37,163,314 pounds of cottonseed oil. Why go further? The whole farm program of scarcity, regimentation, planned economy, pump priming, and trade agreements is an insult to the intelligent farmers of the Nation. The editorial appearing in the Rural New Yorker May 7, 1938, fairly expresses the views of the farmers of New York State.

[From the Rural New-Yorker, May 7, 1938]

SAILING A LA ROOSEVELT

Mr. Roosevelt is adept at word pictures. He likes them and uses them to good advantage. In his latest fireside chat, we, the Nation, are a boat which must sail, not drift.

In a recently published book, five convicts are pictured setting out in a small sailboat from the island of Trinidad. Their port is due north. They have no compass and realize that they are going to be subject to bad trade winds and vicious cross currents. The one spot to be avoided is the north coast of South America. They travel under full sail for 8 days, never drifting for a moment, and believe they are going in a northerly direction. When they finally beach their boat, they discover that they have landed on the South American coast and are clapped into prison. One escapes but the other four are doomed.

To complete the President's word picture, in our system of government Congress is the sail, the moving force; the President is the tiller, the pilot; and the Supreme Court is the keel that keeps the boat on an even balance. Mr. Roosevelt has insisted upon trying his hand at being the sail and taking over the functions of Congress. But in so doing, he could not handle the tiller as well and has left it swinging aimlessly back and forth.

Last year's defeat of the President's attempt to chip off the Supreme Court keel and the more recent loss of his reorganization bill indicate a possible early return to the original form of our ship of state. But there is still too much shilly-shallying and back-tracking by Mr. Roosevelt and his coterie which is continuing to cause disturbance and uncertainty. The Nation finds itself flooded with pleasant assurances and nicely turned phrases. A definite and positive policy is lacking.

Now, according to the President's recent broadcast, we are going in for a little more pump priming to the tune of $5,000,000,000. In the past 5 years we have pump primed for $16,000,000,000 and at present are reported to be well into another depression. We are pretty much back where we started from and "the more abundant life" is still a mirage. Yet the President has decided to spend five billion more without even offering an excuse for the failure of the first sixteen billion to do the trick. It were better that some other plan be attempted that might have a surer chance of success than the one that has already proven useless and dangerous.

(1) The utility companies have been on the verge of a nervous breakdown ever since 1935, when the so-called death-sentence law was enacted. The utilities are not viewed with favor by the general public. Their stocks are regarded as heavily watered, their officers as bloated magnates, and their business methods a ruthless monopoly. Many of these charges could probably be substantiated and proved. But why not do it? Why, if the administration is so suspicious of these companies, isn't quick action taken against them instead of letting them live for the sole purpose of taking potshots at them for the delight of the populace? Why continue to frighten them all with the T. V. A. specter? Better to kill the bad and let the good live and prosper. Now the administration proposes to help finance the utilities with R. F. C. money; that is, taxpayers' money. The logic of this move is puzzling. The utilities don't need money. They need peace. It has never been considered wise to offer a straw to a drowning man.

(2) On the labor question, Washington has bitten off more than it could possibly chew. In the 1936 elections, the support of labor was necessary and labor leaders delivered the votes. The Wagner Act was then passed and the Labor Board set up to decide disputes between employer and employee. What has happened? Racketeering unions have mushroomed and workers forced into joining, pickets have crowded every town and city street, sit-down strikes have wrecked factories and some blood has been spilt. The workingman is no better off and the employer is much worse off. The President's answer is a smile and a quotation from Shakespeare. A firm and fair hand, judiciously applied by the Federal Government in labor disputes to protect the rights both of employer and employee, is needed. There is as yet no sign of its emergence.

(3) The greatest disturbance is raised about taxation. Business has been fighting against punitive taxes. The undistributed profits tax was passed to force companies to pay out their profits in the form of dividends and thus increase tax receipts from individual taxpayers. The plan failed. Less taxes were collected. The Senate has recommended the repeal of the law; the House insists on its continuance. The compromise, a mere face-saving device, is to let the law run for 2 more years and then die. If the tax is sound it should be retained; if bad, repealed at once.

(4) For the past 4 years Government threats against monopolies have been ringing throughout the country. Conferences are held, committees are appointed, and investigations conducted. The net result to date is one lawsuit. What about the analysis of the Federal Trade Commission on the milk and meat monopoly entitled "Agricultural Income Inquiry"? Here is a document that was completed over a year ago and for which a $15,000 printing appropriation cannot be obtained. The report is that it contains a scathing indictment of the milk and meat barons. Surely in this age of easy spending, $15,000 is a small sum to spend to acquaint the country with the evils and rackets in food distribution. Yet, the survey is pigeonholed. This one instance would indicate that the administration's policy on monopoly comes wholly from the lips and not from the heart.

(5) Last and most important, we have a ruinous farm program. On the one hand a dictator sits in an easy chair telling farmers what to plant, when to plant it, how to sell it, and to whom to feed it. The reward is a few dollars at the 59-cent rate plus servitude. Conservation programs are good. Protection against soil erosion is sound but the majority of our farmers have been following these practices for years. Why must they now be bribed to do it? If the idea is to get votes and purge our farmers of their traditional, individual initiative and independence, there is reason enough. The evil lies in the subtle disguise of the plan as one to save agriculture. At the same time, farmers are faced with a breakdown of tariff walls. Dairy cattle and dairy products from foreign countries are now flooding the American market. Exports of corn, wheat, and cotton are now replaced by huge imports. It is discouraging to witness this purposeless attempt to destroy American markets for American farm products.

In a word, the policy of the administration is vague and in its vagueness, destructive. No boat will get very far in the right direction without a hand on the tiller. The sail can fill out well under a good wind and the boat will travel quite as fast, whether or not there is a steersman. In such a case, however, no one can guarantee its port of call. It may, by sheer accident, reach its destination, but the chances are much greater that it will eventually crack up on rocks or become stranded upon shoals.

Everyone is anxious to sail in a straight course to the right port. No one wants to drift aimlessly, but who wants to sail around in circles?

Secretary Hull's Reciprocal-Trade Agreement With Switzerland

EXTENSION OF REMARKS
OF
HON. J. BURRWOOD DALY
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 10, 1938

Mr. DALY. Mr. Speaker, the reciprocal-trade agreement entered into between the United States and Switzerland less than 2 years ago has been of such great benefit to so many lines of industry in this country that I am of the opinion that it should be called to not only the attention of the Congress but to the entire Nation.

Since March 4, 1933, when the Honorable Cordell Hull assumed the duties of the office of Secretary of State, more than twoscore of similar agreements have been made with foreign nations and each one has been of signal benefit to the United States. Nations that imported none of our crops, manufactured goods, petroleum products, and so forth, are now buying large quantities of American goods and many other nations are purchasing much larger quantities of American products. The good-neighbor relations have been established with most of the countries of the world and amicable relations have been entered into that will go far toward the maintenance of peace.

Permit me to refer to the agreement with Switzerland.

SECRETARY HULL'S STATEMENT

During 1937, the first full calendar year under the reciprocal-trade agreement with Switzerland, the United States advanced from fifth to third place as supplier of the Swiss market. Swiss imports from the United States in 1937 were valued at $29,000,000, an increase of 28 percent over 1935, the calendar year prior to the agreement. (Because of transshipments and other technical difficulties, Swiss import data provide a better measurement of American shipments to Switzerland than United States export data.) Swiss imports from countries other than the United States in 1937 showed a loss of about 1 percent in dollar value compared with 1935. In 1936, with Switzerland experiencing continued deflation and depressed business activity until the latter part of the year, Swiss imports as a whole were less than in 1935. However, the decline of $2,000,000, or 8 percent, in imports from the United States was relatively less than the decline in total Swiss imports.

United States imports from Switzerland of $26,000,000 in 1937 were 24 percent greater than in 1936 and 62 percent greater than in 1935. Total United States imports in 1937 were 24 percent greater than in 1936 and 48 percent larger than in 1935.

The agreement between the United States and Switzerland went into effect on February 15, 1936. Switzerland granted definite or liberalized quotas on 19 typical American products, reduced its duties on 10 products, and bound its duties against increase on 19 products. These undertakings, including the bindings of duties and quotas, affect between 60 and 70 percent of all Swiss imports from the United States. Among the commodities benefiting are wheat, lard, fresh and dried fruits, rice, lumber, wall board of vegetable fiber, petroleum products, preserved fruits, canned asparagus, and canned fish, sausage casings, artificial abrasives, coal-tar derivatives, and office machines.

During the 2-year period, 1936–37, Swiss imports of American commodities upon which Switzerland granted duty reductions and increased quotas showed an increase in value of 4.1 percent over the 2-year period, 1934–35. Imports from all other countries of these same products declined in value by 11.5 percent during the same period. Imports from the United States of products on which Switzerland bound the existing tariff or quota treatment were 7.1 percent higher in value during these 2 years as compared with a 9.6-percent increase in imports of these products from all other countries. Imports from the United States of products on which no specific concessions were obtained in the agreement increased by 6.5 percent during 1936–37 over 1934–35, while imports of these products from all other countries declined 11.3 percent.

Swiss imports of $1,400,000 worth of wheat from the United States, which were entered during the last 5 months of 1937, provide an example of the importance of the increased quotas granted for certain American commodities. In 1934 and 1935, when relatively large supplies of wheat were available from other countries, Switzerland imported practically no wheat from the United States, diverting such purchases in part to countries with which clearing agreements had been concluded. Because of drought the United States had practically no wheat for export in 1936. In 1937, however, a large wheat crop was harvested in the United States, and in the latter part of the year Swiss importers began to buy American wheat under the quota allotted to the United States in the agreement.

Increased quotas were obtained for various petroleum products, among which were fuel oil, gasoline, kerosene, and lubricating oils, while the existing Swiss duty was bound on lubricating greases. Imports of American fuel oil increased from $35,000 in 1935 to $148,000 in 1936 and $1,420,000 in 1937, while imports of American gasoline increased from $1,039,000 in 1935 to $1,510,000 in 1936 and $2,533,000 in 1937. Although imports from the United States of kerosene were smaller in 1936 than in 1935, they totaled $170,000 in 1937 compared with $124,000 in 1935. Imports of both lubricating oils and lubricating greases were each lower in 1936 and 1937 than in 1935. Swiss imports of all of these petroleum products from all other countries were less in both 1936 and 1937 than in 1935.

Swiss imports of American typewriters and parts upon which the duties were reduced were valued at $360,000 in 1937. These imports showed an increase of 21 percent in quantity and of 18 percent in value over those for 1935, while imports from all other countries increased only 9 percent in quantity and declined 23 percent in value during the same period. In 1936 typewriter imports from the United States were smaller in value by 6 percent than in 1935, but imports from all other countries declined 18 percent.

Imports into Switzerland of American automobiles and parts, after declining in 1936, increased in 1937, the quantity of imports last year being 10 percent greater and 6 percent less in value than in 1935. Since both the quantity and value of Swiss automotive imports from all other countries declined steadily from 1935 through 1937, the United States supplied a larger share of the Swiss automobile and parts market in 1937 than in 1935. In the agreement Switzerland bound the existing rates of duty and granted increased quotas for American automobiles and parts.

Imports of American dried fruits (excepting prunes and raisins) upon which Switzerland granted an increased quota were 40 percent greater in value and 61 percent greater in quantity in 1937 than in 1935. Imports of raisins from the United States upon which the existing duty was bound were 51 percent greater in value and 45 percent greater in quantity. Prune imports from the United States were slightly less in 1937 than in 1935.

American preserved fruits of all kinds benefiting by duty reductions showed a large increase in quantity and a slight increase in value in 1937 over 1935.

Imports of American raw cotton, bound on the Swiss free list by the agreement, were valued at $2,748,000 in 1937, an increase of nearly 7 percent over 1935. Imports of cotton from the United States in 1936 were smaller than in 1935. Among the other items on which the existing Swiss tariff treatment was bound against unfavorable change were American milled rice, coal-tar derivatives, and fresh apples, pears, and peaches. Swiss imports from the United States of milled rice and fresh apples, pears, and peaches increased steadily from 1935 through 1937. Imports of American milled rice reached a value of $211,000 in 1937, and imports of fresh apples, pears, and peaches a value of $427,000, as contrasted to $90,000 and $146,000, respectively, in 1935. The increases in imports of American rice and fresh apples, pears, and peaches compare with declines in Swiss imports of these items from all other countries. Imports of coal-tar derivatives from the United States, after declining from $320,000 in 1935 to $293,000 in 1936, advanced in 1937 to $448,000.

Among the leading individual commodities on which no specific concessions were obtained in the agreement, Swiss imports of copper bars from the United States increased in 1936 and 1937, reaching in 1937 a figure 135 percent greater in value and 45 percent greater in quantity than in 1935. Swiss imports of copper bars from all other countries increased 120 percent in value and 28 percent in quantity in 1937 over 1935. Imports of American machine tools declined in 1936 but recovered in 1937 to more than double their value in 1935. The decline in Swiss takings of United States leaf tobacco from $2,027,000 in 1935 to $1,519,000 in 1936 and to $1,469,000 in 1937 was about the same as the decline in Swiss imports of leaf tobacco from all other countries during the same period.

These nonagreement products, as well as all American products imported into Switzerland, benefited from the general provisions of the agreement with Switzerland, assuring nondiscrimination and greater stability of the market. Increased purchasing power for American goods in Switzerland resulting in part from the ability of Switzerland to sell a larger volume of its products in the United States also stimulated Swiss takings of all United States goods.

The United States granted carefully considered concessions in the trade agreement on a number of Swiss specialties, including Swiss cheese, watches and watch parts, and coal tar colors, dyes, stains, etc.

United States imports from Switzerland of Swiss cheese increased from $1,376,000 in 1935 to $1,455,000 in 1936 and to $1,542,000 in 1937. Imports of coal tar colors, dyes and stains

from Switzerland, on the other hand, declined steadily from $2,927,000 in 1935 to $2,463,000 in 1937.

Imports of Swiss watches and watch movements were valued at $8,153,000 in 1937 as compared with $5,854,000 in 1936 and $3,650,000 in 1935. This increase of imports reflects in part the reduction in watch smuggling which the cooperation between the Swiss and American authorities, pursuant to the trade agreement, has made possible. That the increase in legitimate watch imports has not adversely affected the watch industry in the United States is indicated by the fact that during 1936 and most of 1937 the industry was working practically at full capacity.

A table showing the total dollar value (franc values of Swiss imports from the United States converted into dollar values at the average annual rates of exchange) of Swiss imports from the United States and of United States imports from Switzerland, for 1934 through 1937, follows:

	Swiss imports for consumption from the United States	United States imports for consumption from Switzerland
1934	$24,567,000	$15,205,000
1935	22,595,000	16,096,000
1936	20,898,000	20,942,000
1937	28,962,000	26,060,000

Reclassification of W. P. A. Workers

EXTENSION OF REMARKS
OF
HON. WILLIAM I. SIROVICH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 10, 1938

CORRESPONDENCE WITH THE PRESIDENT

Mr. SIROVICH. Mr. Speaker, on April 22, 1938, I wrote the following letter to the President of the United States:

APRIL 22, 1938.

Hon. FRANKLIN D. ROOSEVELT,
The President of the United States, Washington, D. C.

MY DEAR MR. PRESIDENT: Because of my great love and affection for you, and as one of your stanchest supporters on the floor of the House, I have determined to write to you regarding certain conditions in the W. P. A. which will create tremendous havoc, chaos, and disintegration in the fine work the W. P. A. has done in the past.

Without warning, orders have reached sponsors that 24 W. P. A. projects in New York City will be discontinued and the workers reclassified. This move is based upon the new ceiling that man plus material cost per individual shall not exceed $1,000 per year, instead of $1,240 which they have received in the past, cutting the purchasing and consuming power of all these workers. This order will be completed April 30, 1938.

Sponsors, high-grade heads of city, State, and Federal agencies, have planned, laid out, and overseen work that now will fall by the wayside because of this order.

This unjust move will disintegrate the organization of the W. P. A. Skilled workers will no longer have the possibility of maintaining their skill. They will be reclassified. This unjust move destroys their hope of advancement. It has shattered the morale and esprit de corps of the organization. It has made rebels of those who have dedicated the best that is in them for the cause.

Many of my colleagues in Congress have spoken to me and stated they will refuse to support the W. P. A. unless these obnoxious and offensive features that discriminate against the hard-working intellectual, cultured, and unfortunate men and women who happen to be the victims of our economic depression are removed.

In behalf of many of my colleagues in Congress I appeal to you as President of the United States, one of the greatest humanitarians, and the best friend of the unemployed in this Nation, to rescind this action of the W. P. A. Administrator.

The elimination of this unjust plan will restore faith to the public and help to promote their earning and purchasing power which is the greatest contributory factor in this present recession. It will right a wrong and give an evidence to the people of our Republic of the love and affection that you have for the underprivileged and inarticulate who have no one to appeal to but their great President.

With every good and kind wish to you and trusting that I may receive a reply to this important matter shortly, I beg to remain,

Very sincerely yours,

WILLIAM I. SIROVICH.

On May 9 I received the following reply, which speaks for itself:

THE WHITE HOUSE,
Washington, May 9, 1938.

The Honorable WILLIAM I. SIROVICH,
House of Representatives.

MY DEAR CONGRESSMAN SIROVICH: I have received your letter of April 22, 1938, concerning certain Works Progress Administration projects in New York City.

In order to provide work relief for the increased numbers in need thereof, the Works Progress Administration is making certain necessary adjustments to more equitably distribute the funds available. The question of eliminating projects with a high per man-year cost has been under consideration for many months. From time to time the Works Progress Administration has requested and received permission to continue the operation of certain projects which have not fully met the requirements of the works program.

Where possible the sponsor has been requested to contribute a sufficient amount to make the project suitable for continued operation under that program. In some cases it has been found that a correct classification of the personnel will be sufficient to permit the continued operation of projects. In some cases a combination of the two are necessary. It is possible that a very few projects will be discontinued.

However, as the sponsors of all projects prosecuted with funds provided by the Emergency Relief Appropriation Act of 1937 have signed agreements to finance such part of the entire cost of projects as is not to be supplied from Federal funds, there should be no question that any work will fall by the wayside as a result of the action taken by the Works Progress Administration.

Furthermore, where it is found necessary to discontinue the prosecution of projects with Federal funds, workers in need of relief, not required by the sponsor for the completion of such projects, are being given employment on other projects with as little delay as possible.

Sincerely yours,

M. H. MCINTYRE,
Secretary to the President.

Radio—Mass Communication

EXTENSION OF REMARKS
OF
HON. ARTHUR CAPPER
OF KANSAS
IN THE SENATE OF THE UNITED STATES
Tuesday, May 10 (legislative day of Wednesday, April 20), 1938

ADDRESS BY FRANK R. MCNINCH BEFORE NATIONAL ASSOCIATION OF BROADCASTERS, FEBRUARY 15, 1938

Mr. CAPPER. Mr. President, I present an address delivered by Hon. Frank R. McNinch, Chairman of the Federal Communications Commission, to the National Association of Broadcasters at their sixteenth annual convention in Washington, D. C., on February 15, 1938, and ask unanimous consent to have it printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

When I took office as chairman of the F. C. C., I had but little understanding of the wide scope of the duties and responsibilities of the Commission in the licensing and regulation of the radio. Each week has brought to me an increasing realization of the importance of the Commission's work to the public as well as to the industry. So intriguing and fascinating has the Commission's field of opportunity for public service become, that while, as it was expressed in the press, I was loaned from the Power Commission to the Communications Commission for a period of a few months, I am now planning, gentleman, to continue in this work until I may have had a part in at least charting a course of constructive regulation and the formulation of policies for the guidance of the industry and the solution of some of the more important problems inherent in radio and facing your industry.

In a remarkably short time radio has taken first rank as a means of mass communication. The very fact that radio has this power to carry its message direct and daily to so many of our citizenship, stamps it as a unique public utility which is affected with a peculiar and distinct public interest and one whose basic problems are social rather than economic. This challenging social significance lifts radio to a new and a different and a higher level of responsibility than any other means of communication. It stamps it, in my judgment, with an imperative dedication to the public service. You cannot escape that. You dare not seek to avoid the fullest discharge of the public trust and the trusteeship that is yours incident to the license you hold. For while we no

longer speak technically of the ether, the radio frequencies are a part of the public domain.

You enjoy a special privilege to use one of the most valuable resources known to man which has been harnessed by the genius of man and made the servant of all of us. The importance of radio and its intimate nature cautions all who deal with it that in a democracy radio must be kept a democratic institution, that radio should and must respond to and reflect our true national ideals.

I have said that radio is essentially a social force. True, it has its economic aspects and there is, gentlemen, a perfectly proper place under our system for the profit motive. But herein lies one of the gravest dangers to the future of the radio industry. For if you unwisely, as I would deem it, yield to the temptation to exalt profits to the impairment of the public service, you may be sure that the public will in the course of time demand a reckoning.

Of all industries it seems to me that radio, because it is so essentially social in its implications and effects, clearly calls for a leadership that has social vision and a mature wisdom which understands and mistakes not that in such a public utility as that with which you deal, that is—there can be—but one safe and sure way to win and hold the public favor. That, gentlemen, is through the enlightened, genuine, and unselfish purpose to serve the best interests of the public. Beware of reliance upon propaganda and political pull and influence. If you may forget everything else I say, I think it may be worth while for you to remember that. These are but broken reeds upon which you dare not lean in this industry of all industries. And, familiar as I am sure you are with the history of other industries, I remind you of how some of them relied in the past upon false and misleading propaganda to advance their interests, of how some of them relied upon political influence for the accomplishment of their purposes, rather than upon the sheer merit of their service and the genuine devotion to the public interest. A conscience quickened and sensitive to the interests of the public is a never-failing monitor.

The leaders of this industry must be able to take the long view, and not look too closely and immediately at profit. A just public is always willing to pay a fair return for a valuable service rendered, but that same just public is also quick to recognize the devices and the vices of those who would profiteer upon the public resources. This resource is merely loaned to you, not for your primary benefit but for the largest good of the largest number of our people, the public being willing at the same time that you shall have a fair return upon your investment and for your energies and your ability.

I believe (because I am somewhat of an idealist, though I hope I am also practical), that in all business, but peculiarly in your business, there are larger dividends to be had in decency than in anything that stops short of it, that there is more profit to be had in a genuine high-purpose service to the public than in any process which includes the cutting of corners or the taking of a short route to the glittering gold that may appear to lie so readily at hand.

We are all familiar with the fable of killing the goose that laid the golden egg, and we are so familiar with it that we pass over many of its implications. But, many have been so unwise as to do this very thing, time and time again in America, in dealing with public utilities. They were unduly urged by that greed and selfishness that resides in all of us, and which, if we are to hold it in check, requires on our part a clear realization that if we pursue this course our greed may return to plague us tomorrow in ways that we may not think of when we gather the immediate and easy gold. You are in a high sense and a real sense—and we are not merely dealing with phrases and words—trustees of a public resource.

You have no property interest in it. You can acquire no right to it. It belongs to the people. It is their property. They want it used and they want you to use it, but they do not want, nor are they willing for it to be abused. And a trustee with anything like an adequate comprehension of his trust will be too wise to permit himself to abuse that which is entrusted to him for the public good.

It would be, though I do not want to intimate that I think any such day is even approaching, an ill day for the broadcasting industry of America if that facility should be permitted to become a whirligig of adventurers or the plaything of fortune hunters. For the people had no such thought in their minds when through the act of Congress they made these frequencies available for the use and benefit of the public.

If the N. A. B. is earnestly interested in maintaining the present license system, as I am sure you are, then I summon all of you to a public-spirited cooperation among yourselves and with the Federal Communications Commission and with the Congress to the end that radio may become an increasingly constructive, enlightened, entertaining, and helpful servant of all the people.

And when I say cooperation, I mean cooperation, and not mere lip service to the principle. I mean cooperation when in your judgment it will cost you something to cooperate. I mean cooperation when the course directed runs counter to your judgment but represents the mature judgment of the Congress or of the Commission, the immediate representatives of the people, the owners of these frequencies.

In years gone by I have often been assured of cooperation, and then when we came to deal with matters across the table, I was disappointed to learn that cooperation to some meant cooperation through acceptance of their views rather than any honest or serious effort on their part to meet the view of the regulatory agency, under oath of office to discharge its duty.

I invite your real cooperation. You shall have my sympathetic and, I hope, understanding, fair, and just cooperation to the end that such problems as confront us may be solved in a constructive manner so as to best serve the public, your boss and my boss.

If you want to keep radio democratic—and I do not doubt that you do—you must be on your guard against the growth and development of any autocratic power within the industry. Yours is a very young industry, and it need not, except through folly, fall into the grievous errors that other industries have fallen into in the past. Certain utilities in the past permitted a concentration of control that grew to such vast proportions as to become a veritable Frankenstein that ultimately turned upon and destroyed its very creators and destroyed the confidence of the public in the utilities as well.

Why follow the tragic path that others have trod to their downfall and ruin when all we need to do is lock about and read the handwriting on the wall, which is that America is monopoly conscious, that America hates autocratic power, that America will not tolerate the dominance of greed over public utilities that touch either the economic necessities or the social requirements of its people.

You know the familiar history of the railroad industry and of the power industry and of some other industries that paid the terrific price of a hot condemnation by the public because of the very thing I am talking to you about. And I warn you in the friendliest possible fashion and with the profoundest and most genuine and sincere interest in you and in your industry that you need not tread the path to this Gethsemane if you will but stand firm and be true to the highest interests of your industry and, therefore, the highest interests of the public.

Do not deceive yourselves, gentlemen, as others in days gone by may have deceived themselves about other industries, that your industry is different from others and that this thing cannot happen to radio. Face the stark reality that it has happened to other industries, that it happened so silently, so gradually, so unobtrusively, that no one could put his finger upon the particular time and place when unwieldy concentration of control had spread its influence like a blight upon the industry concerned.

A member of your own industry said to me not long ago, "Radio cannot survive an Insull." Indeed, it could not, as the people are even more interested in and have a more definite sense of proprietorship over radio than, perhaps, over any other public agency. The American public tumbled the pyramids of Insull and devastated the financial empire he built, and you may be sure that it will not tolerate an Insull in this industry, which touches so intimately the homes and our social life at so many angles.

The people have a keen consciousness that radio belongs to them. They are watching with an intelligent yet sympathetic interest how you administer that which is loaned to you. They have high expectations, as they have a right to have, as to the kind and quality of service they are to receive. While the public is fair and patient, it will ever hold to strict accountability its trustees to whom are entrusted any public resource for their use.

I had the pleasure with you of hearing Senator WHEELER's great speech to you yesterday, and I found myself in agreement with many of the things he had to say. He discussed many subjects of obvious importance and interest to you and to the Nation. Among them he discussed the subjects of monopoly, of chain broadcasting, of concentrated control, and of preserving to the local communities their pride and social and economic interest in their local broadcasting stations. He spoke with such consummate skill and comprehensiveness that it would be unpardonable for me to take your time in a further general discussion of those subjects. Instead I shall, in keeping with the office I hold and with the responsibility that is mine, undertake to make concrete applications of principles, including some of those enunciated by Senator WHEELER.

I conceive it to be my duty—indeed, it is a pleasure when I may—to cooperate with the industry with which I have to deal officially in seeking constructive solutions of its problems. This, to me, is much the preferred course, and I should like to feel, as I hope I may have reason to feel, that your industry will be found to be so progressive, so public-spirited, so genuinely cooperative that you may run somewhat ahead of the edicts and mandates of regulation and make the Commission's task the easier and your position the stronger.

But while I believe in cooperation and invite and shall welcome it and shall meet you as nearly halfway as the law will permit me, I cannot forget that the Commission is under the mandate of the law to regulate this industry. I shall not seek to escape that duty. I hope I may find the courage never to flinch from what may be my duty in the exercise of the functions that are entrusted to me.

I am not one of those who believe that an industry requiring regulation may safely be trusted with the job of regulating itself. I doubt if any of us really want to be regulated, however slightly the regulations may affect us; and yet I am sure that all of us believe that there are many industries, including yours, that must be regulated for their own good as well as for the public good, and hence I believe in firm, courageous, yet fair, judicial, considerate regulation directed toward the advancement of the industry insofar as that is compatible with the law.

Senator WHEELER discussed the danger to the industry if a monopoly were permitted to develop or exist. My word to you on

this subject is that it is the duty of the Communications Commission to prevent the development of a monopoly or to set about to destroy it if one exists. I have no less determination than that I shall contribute all that I can toward these ends, and in so doing I shall be convinced that I am serving the best interests of the industry as well as of the public.

I am not particularly interested in whether there may be a technical or legal monopoly. My concern runs ahead of that consideration to discover whether there is a concentration of control amounting to a practical monopoly. If there is a monopoly, it exists in direct violation of the law and it should be suppressed. If there is no monopoly, may I suggest that you reexamine the extent to which there may be developing a centralization of control. Ask yourselves the question, Whither is it tending?

I could think of many things more pleasant to say than some of the things I am saying, but I have never conceived it to be a wise or manly course for an administrator to merely indulge in flattery and compliment thus to avoid hurting anyone's feelings. I speak to you under a sense of obligation of office which I hope I do not unduly exaggerate. But I am perfectly certain that I have an imperative and an inescapable duty in this premise. The discharge of it in the direction I am indicating to you is absolutely the best thing that could happen for your industry to the end that there may be no monopoly, that there may come about no centralization of control, that you may have preserved to you and your stations that degree of autonomy and of self-control for the protection of your own economic interests and of the service of your own local communities that I believe is ultimately to the best interest of all concerned in the industry.

I have in mind suggesting to the Commission that it proceed soon to investigate whether a monopoly exists, whether there is any undue or antisocial centralization of power and control. I do not say there is, for I have not sufficient information to justify such a statement. This should include an investigation of the chain broadcasting systems and of the chain contracts with affiliates, of the management contracts and of the actual practices of the chains in dealing with affiliated stations.

So much has been said in Congress, by the press, and by the people about monopoly and the control of the industry that the time is here when we must deal with these problems by fully exploring the matter so we may have exact information rather than hearsay upon which to predicate judgments and wise policies.

If I have spoken earnestly upon this subject it is because I feel earnest about it, but you should not read into anything I have said, anything I have not said or not intended to convey. If there is nothing unwholesome or antisocial in the industry, then the white light of an investigation will not only do no harm but will clarify the atmosphere and do all concerned a real service. We have the highest authority for believing that we should know the truth and that the truth shall make us free.

The Communications Act vests the Commission with power and authority to regulate chain broadcasting and I believe it ought to do this promptly if it has the necessary information upon which to base regulations. If not, this information should be obtained as soon as possible so that within a few months the chains, the affiliates and the public may know the standards, requirements, and policies prescribed in the regulation of the chain systems.

As a necessary means to the proper regulation of the industry, I hope the Commission will soon adopt a uniform system of accounting. Only through such a system can the Commission or the industry or the public have any dependable and comparable financial data. The Commission will not, of course, adopt such a system without first giving you opportunity to consider the proposed system and inviting your suggestions and criticisms. The system ultimately adopted must be thorough and comprehensive—comparable to the uniform systems of accounting adopted for the regulation of other industries.

My comments on the necessity for regulating the chain systems were made in the light of the fact—and it is a fact—that I have a genuine appreciation of the contributions made to our programs by the chains. I commend them and I do it with the utmost of sincerity. I congratulate them upon giving the American people program material that is not equalled in any other country so far as I know.

Indeed, I am disposed to doubt whether under our present system, there could be supplied programs of the kind and quality we now have except through a chain system or something akin to it. And hence, what I have said about the chain system is directed only to its possible abuse and not to its proper use.

While the broadcasting industry is to be highly commended for the quality of most of its program service, I would be less than candid if I did not say that in my opinion some of the program features fall below the standard which I believe the public expects and has a right to expect.

This comment and such further comments as I may make on programs is made in a friendly, cooperative, and purely advisory spirit. It is not intended to carry the least threat. I want to help you if I can, for that is my job. I hope I may be able to look at these things from the standpoint of the average citizen. Maybe you are not quite so well placed to do that, for sometimes we are so close as not to be able to see the woods for the trees. All that I say is intended to be helpful to you rather than hurtful.

I am neither a purist nor a prude, though I have had questions asked me indicating that I was both—and then some.

Not at all. I think I am just an average American citizen. If I have ideals and fairly high conceptions of public interest, public taste, and public desire, I do not believe I overrate the concepts of the average American citizen. I do not think I have any higher conception of the home than you have, and I am not willing to grant that any other has a more exalted opinion of the home than I have. I have a family, a wife and five children, and I can get a fair impression similar to that made upon the average American home by program material that is broadcast.

As I sit in our family circle listening to the radio, we are, I believe, a typical American family. Some programs are not welcomed. They subtly and sometimes boldly suggest to young people things that I wonder if any of you think it proper to suggest to young minds in their plastic and formative stage when impressions are quickly and indelibly made, often to last through life. Beware of the danger to the ideals, the morals, the thought habits of our youths and children. I wonder if here there is not the highest possible degree of responsibility that is carried by any public agency because you do come into our homes, whisper your message or your song, whether for good or ill to those assembled.

I do not believe in, I do not want, I shall not exercise consciously any power of censorship. The supervision of your programs rests squarely upon your shoulders, but it is definitely there and it goes with and is incident to your license. You cannot escape that responsibility.

I have heard that some have the jitters about what the Commission may do about censorship. I do not know what I may say about it that would not be misleading, but I shall try to say a helpful word. Why have the jitters about censorship? The Commission has done nothing that I know to justify your sitting on edge lest you be hailed into court upon some frivolous accusation as to a broadcast over your station.

If you sat at my desk you would read many, many complaints against the stations, about which you do not hear because they do not appear to warrant active consideration.

I send other complaints to you from time to time without any expression of opinion but for your information. I think I owe that to you. You would not like, would you, that the Commission should continue to receive complaints against your station without your knowledge? When the complaints are received from the Commission without comment, I would like you to be sure that the Commission has formed no opinion whatever touching the matter complained of.

Of course all complaints received against a station will be considered in connection with its application for a renewal of its license. You know as well as the members of the Commission what is fair, what is vulgar, what is decent, what is profane, what will probably give offense. It is your duty in the first instance to guard against these.

It is the Commission's duty in the last instance to determine fairly and equitably and reasonably whether you have lived up to the high duty that is yours. The maximum tenure of your license is so long as you exercise it in the public interest, convenience, and necessity.

The key to that statutory phrase, in my judgment, is public. "Public" must be paramount. If something has been broadcast that is contrary to the public interest, is vulgar, indecent, profane, violative of any rules of fair play ordinarily recognized, or that might be reasonably anticipated to give offense, I conceive it to be the duty of the Commission to do something about it.

But does that carry any threat that should cause you concern? You do not intend, do you, that material of this sort should go over the air? It is your purpose, I am sure, to safeguard the public interest to the fullest measure you can in the exercise of the facilities at your control.

May I suggest for your own good that you scrutinize more carefully the sponsored advertising script and ask yourself, in each case, not how profitable will this be, not will the public tolerate this, not can we get by with this, but—will this be in the public interest?

You won't have much trouble if you will apply that acid test to every script as it lies upon your desk. It will take courage, but you must have the courage to resolve your doubts, if you have any doubts, in favor of the listening public and against your immediate financial gain.

May I inquire whether you think it is in the public interest that medical remedies and certain other products be advertised in phrases that are extravagant, obviously exaggerated, deceptive, misleading, or even false?

If you do not think it is in the public interest, take your courage in your hand and say that it can't go out over your station.

Keep in mind, while making your determination on a particular script, that it is to be heard in the home. Put yourself in the other person's place. They don't get any money out of it. They are not concerned with the financial aspect of it. They think radio belongs to them. It does. They believe you are licensees of radio, that it is loaned to you, that you are using what belongs to them, that you are authorizing someone to visit the home and speak to them. Before you introduce the salesman to the family circle apply the yardstick, "Is it really, honestly in the public interest?"

I think you have a responsibility not only as to the language in which the sales talk is made but equally as to the kind of products that you advertise. There are many products that it is perfectly lawful and legitimate to sell, but some of them may not be of such character that the average American home will welcome them.

And now I am going to be bold. I am going to suggest that you consider the wisdom of adopting a policy that would deny your facilities to those who seek to cultivate the consumption of intoxi-

cating liquors. There is comparatively little advertising of intoxicating beverages over the radio, and you are to be congratulated on so largely eliminating this sort of sales appeal. But I believe you would do well if the American public understood you were not willing to lend your facilities for sales talks intended to increase the consumption of intoxicating beverages, especially when you remember that that appeal is to be made in the home to children of all ages and both sexes.

The majority of our citizens have registered their will that it should be lawful to sell such beverages, but the minority has, I believe, a right to have its homes protected against that which is offensive.

I commend the industry upon the service it has rendered without compensation to many fine social, religious, civic, and educational causes. Your contribution has been noteworthy. There are, however, yet wider fields of usefulness for the radio. I believe you will win and deserve an even larger measure of public favor than you now enjoy if you can find it practicable to make your facilities available for even greater measures of public service.

As you know, the Commission has recently made allocation of some 25 channels in the high-frequency band between 41,000 and 42,000 kilocycles to recognized nonprofit educational agencies for the advancement of educational work in local communities. You have a great opportunity to supplement this local educational work by close and active cooperation with organizations devoted to educational broadcasting, including the Federal Radio Education Committee which was appointed by the Commission in December 1935. This committee has already accomplished a great deal in the field of educational broadcasting and it now has a program of projects which, if the means are available to continue its work, would prove of great value in advancing the cause of educational broadcasting.

And now I touch a sensitive spot. This committee's budget calls for $250,000 to carry forward 10 projects for from 2 to 4 years. Of this amount, $167,000 was allotted to foundations and has been subscribed, so I am advised. The sum of $84,000 was allotted to broadcasters, and I understand that only a relatively small part of this amount has been forthcoming. I respectfully commend the work of this committee for your favorable consideration.

I have read with satisfaction the code of ethics adopted at your 1935 convention and every licensee who lives up to this code strictly will show his sincere desire to use the license privilege to serve the interests of the public. I am especially concerned with those code declarations intended to protect and benefit the listeners and I note with gratification this declaration in your code: "Recognizing the radio audience includes persons of all ages and all types of political, social, and religious belief, every member station will endeavor to prevent the broadcasting of any matter which would commonly be regarded as offensive."

This is a sound declaration for the protection of the rights of minorities, which has always been one of the proudest boasts of our American traditions. To attempt to justify a broadcast of something offensive to racial, religious, social, or other groups on the ground that the majority will not be offended by such a broadcast is, in my opinion, to overlook that which I believe to be a fact, that the majority is fairminded and will itself resent an abuse of or an injustice to the minority.

May I informally express the hope that I may come to know many of you personally. I shall be delighted to have you come to see me. If you have problems now or later I would like for you to come in and talk them over, for in such conferences minds may often meet and meet constructively.

I could have but one purpose, it seems to me, in desiring to stay with this work for a while longer and that is because I would like to serve the public in this wide field of opportunity. If I may somehow find the wit and wisdom, and if I may summon the courage to do it, I'd like to help the industry and I'd like to advance the interests of the listening public.

This may not always or best be done by pursuing the course of least resistance. Often that may be the very course that leads us to hurt and to harm. If you may have the notion that I intend to regulate the industry strictly, may I ask you to look at the record in another industry which was regulated strictly insofar as we were capable of doing it. The sum total, I believe, is rather generally agreed to have been constructive and helpful and redounded to the good of the industry.

If I may not always be able to accept your views, I hope at least you will believe me to be sincere and fair and earnestly desirous of helping you solve problems so that the industry may be lifted up and exalted in the public favor. If anyone may be asking the question as to whether there may be any future change in the licensing system we may now have, you hold the answer. By your fruits the public will know you and judge you.

I want your good will. You have mine. I want your help. You shall have mine. I want your candid judgment and frank expression of opinion when you come to see me about anything. I don't want you to say the thing that you think I may want you to say. I shall not do that with you. I shall say that to you which I honestly believe may be best for you, and I shall appreciate your doing that to me.

And I wonder if you would be surprised, because of some of the things you may have heard about me, if you learn, after all, that I am a very tolerant man. I think I know how to engage in discussion and controversy without rancor, without feeling, and without the dethronement of reason. If I may have your confidence I may be able to help your industry. In helping you I shall be helping the public for which you work—the public which is my boss and whose word is the last word on any and everything touching public affairs.

Finally, may I share the high hope expressed by the President in his letter to you that your industry will prove itself to be worthy of the great public trust reposed in it.

Federal Aid to Education

EXTENSION OF REMARKS

OF

HON. PAT HARRISON

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Tuesday, May 10 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS BY A. F. WHITNEY, MAY 7, 1938

Mr. HARRISON. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by A. F. Whitney, president, Brotherhood of Railroad Trainmen, on May 7, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Brother Chairman and friends, organized labor is united behind the program of the National Conference on Federal Aid to Education. We support the program unsolicited, for we are in the habit of being in the vanguard in the educational movement.

We unionists are proud of the fact that America's first labor movement was the outstanding champion of the public-school system. We are proud of the fact that labor sponsored the land-grant colleges after the Civil War; proud that labor supported laws compelling school attendance; proud that labor led the move for free textbooks; that labor stimulated the program for vocational education; that labor contributed to the adult education movement; that labor is now cooperating in the extension of workers' education; and, finally, that labor has brought into the fold of the organized progressive movement of America many of our teachers and professors, who, because of their status as union members, have more security and better tenure of employment.

Why, you may ask—why are workers devoted to the cause of extending educational opportunities to all sections of the population? The answer was given 100 years ago by the workers of Pennsylvania, who asserted:

"All history corroborates the melancholy fact, that in proportion as the mass of the people become ignorant, misrule and anarchy ensue—their liberties are subverted, and tryrannic ambition has never failed to take advantage of their helpless condition. * * * Let the productive classes, then, unite for the preservation of their free institutions, and by procuring for all the children in the Commonwealth republican education, preserve our liberties from the dangers of foreign invasion or domestic infringement. * * * Our Government is republican, our education should be equally so."

It is not without significance that where freedom no longer rings, there trade unions are abolished and education relegated to the dark ages. In Hitlerland the aggressive labor leaders were killed outright or tortured in concentration camps; the best of German literature was burned or segregated from the "Aryan" stuff. A "German" physics was substituted for a "Jewish" science. A minor official in a slaughterhouse became rector of the University of Berlin. And with what result?

William E. Dodd, Jr., who made a first-hand study of the conditions in Nazi universities, gives us these findings:

"In 1924 the total spring registration in the universities was 69,300. By 1931 it had grown to 131,000. In 1933 when the Nazis seized power, it was 130,000. But by the winter of 1935 it fell to 77,000, and 76,800 in the spring of 1936. Thus fascism drives German education back to pre-war standards."

A more striking example of the deathblows struck at education by fascism, as contrasted with the encouragement given by democracy, is to be found in war-torn Spain today. According to a recent press release issued by the American League for Peace and Democracy, one of the organizations sponsoring the National Conference on Federal Aid to Education:

"In rebel territory, beginning October 1, and during the whole part of the next academic term, 7 national institutes of learning will be closed, together with the scholastic institutions of Málaga and Seville and 40 other institutes of lower rating. On the other hand, the republican government, in the midst of war, has decreed a credit of 40,000,000 pesetas for the construction of new schools, 70,000,000 pesetas for improvements in old schools, including canteens, swimming pools, and educational materials,

and 42,000,000 pesetas to cover a 25-percent increase in teachers' salaries. While Franco orders the teachers and professors to the front and shuts the schools, the Peoples' Front Government has opened 7,578 new schools and plans 10,000 more."

We can apply the lesson learned from these happenings overseas to America today. The call for increased Federal grants to the various school systems must be answered. The Harrison-Thomas-Fletcher bill, otherwise known as the Federal Aid to Education Act of 1938, is "must" legislation. Government spending in this direction is right in line with the President's recovery program.

Let no one be startled by any manifestation of vigorous opposition on the part of the Liberty Leaguers and their reactionary cohorts, out to cancel the people's mandate of 1936. We expect fascist-minded individuals to oppose much-needed improvements in our educational system. But this time no filibuster can thwart us. For organized labor is united 8,000,000 strong on this program.

Domestic Peace

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Tuesday, May 10 (legislative day of Wednesday, April 20), 1938

ADDRESS BY A. F. WHITNEY, MINNEAPOLIS, MINN., APRIL 30, 1938

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered by Mr. A. F. Whitney, president of the Brotherhood of Railroad Trainmen, on April 30, in Minneapolis, Minn., before the national convention of the Women's International League for Peace and Freedom. The speech is entitled "Domestic Peace."

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

Madame Chairman, ladies, and gentlemen, I am very happy to speak tonight in the State of my good friend, Gov. Elmer Benson. His record of progressivism has placed the State of Minnesota in the vanguard of other States in the Union, particularly as regards protecting the interests of the workingman. For all devoted to the cause of labor, his Farmer-Labor Party has provided the means to cooperate toward common ends. I think it very appropriate, therefore, to address my remarks on the subject of Domestic Peace here in the city of Minneapolis.

The Women's International League for Peace and Freedom has been in the forefront of the struggle for world peace. Now it wisely elects to consider ways and means of bringing about "domestic peace," or unity in the ranks of labor. This move is evidence of a broad understanding of the relation of trade-union unity to the problem of war and peace. You are to be commended for your wisdom. It strengthens my conviction that we can really achieve domestic and world peace, if we who are bent upon the same objectives join our forces and unite our efforts.

We see a spectacle today which should surely enrage us beyond mere talk to the field of action. A bloodthirsty housepainter applies a blow-torch to Spain and threatens to light up all Europe. A "man on horseback" takes to the sky to rain death upon Ethiopians for the sake of bringing "civilization" to the heathen; and gives the men, women, and children of Spain a blood bath day and night for a year and a half. A greedy "Son of Heaven" brings an "oriental calm" upon the vast stretches of Chinese earth by wiping out wave on wave of resisting mortals.

This insane banditry is euphoniously termed the "Rome-Tokyo-Berlin axis." But to the victims of Fascist aggression it might better be known as the bloody "Rome-Tokyo-Berlin ax."

Today, as never before, the three mad dogs must be answered by the democracies of the world with the cry "No Pasaran!" "They shall not pass!" Ninety percent of the people who inhabit this earth want peace, and they will not tolerate longer the Mussolini-Mikado-Hitler sword of Damocles.

Our attention today is very correctly centered on England, the country heralded far and wide as democracy incarnate, but the country which has tolerated every Hitler putsch. There we must demand an end to the criminal rule of the "Cliveden clique." It is no secret that the foreign policy of the British Empire is determined by a small group of pro-Nazi big wigs rather than by a democratically inspired Parliament. This is the so-called policy of nonintervention. It is criminal, because it is calculated to support Fascist victories in Spain and in central Europe, thereby further increasing the danger of world-wide conflagration.

No better proof of the link which binds London to Rome and Berlin was afforded recently than the conclusion of the British-Italian pact, whereby the rape of Ethiopia, among other crimes, becomes mere assault and battery, with sentence suspended and the criminal honored.

But the future of Great Britain ultimately rests with the British people. Therein is the straw of hope. The British Institute of Public Opinion informs us that more than half of the people strongly oppose the Chamberlain antidemocratic war policy. Several weeks ago, at a byelection held in the West Fulham District of London, a Laborite was elected to Parliament on a "Down with Chamberlain" platform, turning a previous 3,000 conservative majority into a 1,000 labor majority. And this was in a district where there are very few members of the working class. But it is well for us to note especially that the British labor movement, from the first resisting the policy of capitulating to the swastika, is now united in a fight to overthrow the Chamberlain government.

America, too, has voiced her protest to the merciless slaughter of people in Ethiopia, Spain, and China. In his memorable Chicago address last October 5, President Roosevelt suggested the need of placing a quarantine on the aggressors. He said:

"The peace-loving nations must make a concerted effort in opposition to those violations of treaties and those ignorings of humane instincts which today are creating a state of international anarchy and instability from which there is no escape through mere isolation or neutrality."

It is high time, however, that we reinforced these remarks with a realistic foreign policy. It is high time that we made known to the President and to Congress that the American people want an effective peace policy, that the American people want to see an end to Fascist and Nazi dictatorships, that the American people will fight for the protection of their democratic liberties at home, that they will stamp out all signs of fascism and nazi-ism on this soil.

Against this matrix of war in Europe and in Asia, and the threat of war for us in America, we are confronted by a dangerous division in the ranks of labor. At a time when not only the possibility of war but the appearance of another economic crisis—as manifested by increased millions of unemployed, the threats to decrease the wages of those now employed, the destruction of jobs through the rationalization of industry—in this very hour of sharp and bitter struggle between the forces of progress on the one hand and the forces of reaction on the other, the unity of the labor movement must be forged.

Domestic peace is the condition for world peace. Domestic peace means a united people, with organized labor in the forefront, participating in a well-grounded program of economic well-being. It is marked by an ever-increasing standard of living for the entire population. Its absence in Fascist countries leads the dictators to engage in wars which divert the attention of the people from their inadequacies. That is why Mussolini had to take Ethiopia by storm rather than as a gft of the League of Nations.

But before the king's peace can be enforced in America organized labor must cease its internecine warfare; it must unite its efforts to extend the democratic process and to consolidate the peace forces. Today, when we speak of organized American labor, we speak no longer of the 4,000,000 trade unionists of the days of 1929; we speak of 8,000,000 dues-paying union members. We refer not to the politically backward "pure and simple" trade unionists of the late twenties but to the politically conscious and, in many instances, highly educated rank and filers of today, who produce their own leaders, who participate actively in the organized American peace movement. In the last depression, when wages were cut and mass lay-offs were ordered, labor broke ranks and took flight; but now labor organizes counterattacks and beats back wage cuts and dismissals. Note that, even though divided, labor today puts up a strong defensive. If this awakened Gulliver would but coordinate his movements, he could take the offensive and emerge as the protagonist for the highest type of democracy this country has ever known.

The current American labor scene, however, finds two stock companies making a "play" for the same crowd and cutting in on each other's "gate." We are all familiar with the prolog to this drama, so I need not recount the story of the birth of the C. I. O., the breach in the A. F. of L., the split, and the early efforts to reunite the two. Suffice it to say that there exists today an American Federation of Labor and a Committee for Industrial Organization, each devoted to the task of organizing the unorganized workers, each led by distinguished gentlemen in whose integrity of purpose I have the utmost faith and confidence.

Like all men who have made their mark, William Green and John L. Lewis have their enemies and their friends. The "kept" American press has pictured them sniping at each other, Kentucky feud style. This is for the benefit of the Girdlers and the Fords and the Liberty Leaguers, who smile with deep satisfaction whenever they see the house of labor divided against itself. But they know, and we know, that the great mass of workers within the A. F. of L. and the C. I. O. want unity at all costs, and there is every reason to believe they will achieve unity before they are confronted with fascism as an accomplished fact in America.

The industrialists who would strike at our democratic right to build strong unions have done everything possible to widen the rift. Among other things, they issued and distributed a scurrilous pamphlet entitled, "Join the C. I. O. and Help Build a Soviet America." They would give the impression that John Lewis is a Communist. By circulating that lie they hoped to spike the organ-

ization drive of the C. I. O. amongst the unorganized workers and thus retard the growth of the American labor movement. But anyone with plain, ordinary horse sense smelled the red herring.

I might add, in passing, that I heard John Lewis say in the presence of several statesmen that the percentage of Communists in the C. I. O. is negligible. Furthermore, we don't jail people for being Communists in this country. Our citizens have just as much right to be Communists as they have to be Republicans or Democrats. We don't have to agree with the Communists, but their opinions have the same protection under the Constitution as do ours. No labor union exists that doesn't have a few Communist members. For unions must admit to their memberships all employees in the plant, regardless of political or religious affiliations. This freedom is of the essence of the democracy which we want to protect from the onslaught of the Fascists. The preservation of this freedom depends upon reuniting the American labor movement.

As the representative of a great transportation brotherhood, not affiliated either to the A. F. of L. or to the C. I. O., I consider it my duty to do everything in my power to help the Green and Lewis forces bridge their differences. Like our outspoken ex-Ambassador to Germany, Prof. William E. Dodd, who sees the handwriting on the wall and hastens to arouse the American people to take the appropriate steps to defend our democracy, I think it equally important—and for the same reason—that we effect a reconciliation between the two great labor organizations.

I know that it is desirable that we attain trade-union unity. I know that it is possible to attain trade-union unity. If it was done in France between the C. G. T. and C. G. T. U. in the face of the cagoulards, it can be done in America. If it was done in Spain between the U. G. T. and the C. N. T. in the face of Fascist and Nazi bullets, it can certainly be done here. And if it was achieved in Mexico, to the consternation of foreign imperialists and native Gold Shirts, then why not in the United States?

Both Mr. Green and Mr. Lewis say they want peace. In a statement to the Washington Daily News on March 9, the president of the American Federation of Labor said:

"No one who listened to the cheers of the delegates at the last A. F. of L. convention when it was announced that a peace conference was being arranged could doubt that the members of the American Federation of Labor want peace."

Similarly, the leader of the C. I. O., in a letter of greeting to the miners and industrial workers of France, dated January 13, 1938, wrote:

"As French labor succeeded in uniting the C. G. T. and the C. G. T. U., in the face of the common enemy of liberty, we also wish to accomplish unity of all labor in the United States."

Now, unlike the Fascists in this country, who have a "blueprint for fascism" in the notorious industrial-mobilization plan, we liberty-loving people have no cut and dried scheme to bring about unity in the trade-union movement. But we do subscribe to certain general principles on which domestic peace must be achieved.

First, in an economy organized on both industrial and craft lines, there is room for both industrial and craft unions. The exigencies of the particular industry will determine which of the two types ought to prevail. We know from experience that the machinists and the boilermakers in many industries have been successfully organized under the craft plan. At the same time, rubber workers, auto workers, and steel workers—for example—might be handicapped under such a plan, as it would require them to be organized into innumerable and necessarily overlapping and conflicting unions. For these industries, it would seem that effective collective bargaining must be carried on with the unions organized on an industrial basis.

Second, any reuniting of the forces of labor must not result in an abandonment of those workers recently brought into the fold of organized labor. It would not be in the interests of labor to disrupt established union organizations merely to appease the anger of disgruntled business agents. To put it bluntly, the return of the Committee for Industrial Organization to the American Federation of Labor means the entry of the entire membership of the Committee for Industrial Organization into the federation, and this will be in the interests of a united labor movement.

The matter of overlapping jurisdictional claims can be settled over a period of time by the individuals involved voting in a democratic manner and for the union of their majority choice. The American Federation of Labor has, from time to time, settled jurisdictional disputes arising from the claims of unions to members in new crafts and new industries; therefore, let the experience of the American Federation of Labor be considered in settling the claims of American Federation of Labor and Committee for Industrial Organization unions. In the meantime, I propose that we declare a moratorium on these disputes, similar to the King's peace which protected travelers in England during the War of the Roses. During the period of the moratorium, pressure of the rank-and-file unionists for harmony will lead to cooperation on a local and national scale between American Federation of Labor and Committee for Industrial Organization unions, and, in the very act of cooperating, trade-union unity will emerge.

I am optimistic about the success of this procedure for I see it functioning even now in various parts of the country. Kenosha, Wis., is a strong union city. There the Trades and Labor Council, an A. F. of L. affiliate, has entered into an agreement with the United Automobile Workers' Council (C. I. O.) to work in harmony and peace for the betterment of the laboring man and the community. Out on the west coast the C. I. O. lumber and sawmill workers in the redwoods area are establishing unity with A. F. of L. rank and file workers. They participate in a joint council of the C. I. O. International Woodworkers Union and the A. F. of L. Lumber and Sawmill Workers of Northern California. And on a national scale both the A. F. of L. and the C. I. O. are uniting their efforts to secure the passage of a wage and hour bill.

These instances of cooperation are being duplicated all over the country, and I think it would be safe to say that there are actually more cases of A. F. of L.-C. I. O. cooperation than rivalry. And this is as it should be, for labor has already acquired the habit of uniting on legislation and political candidates favorable to labor. This habit is one not easily lost.

Some people, it is true, are skeptical of the possibilities of A. F. of L.-C. I. O. harmony. Well, sociologists describe the marital relationship as one of antagonistic cooperation. By that they mean that the husband and the wife each perform different, but complementary, functions in marriage. It seems to me that the Committee for Industrial Organization can be wedded to the American Federation of Labor on the same basis and with good prospects for an enduring union. Now is the time for courtship, for, "In the spring a young man's fancy lightly turns to thoughts of love."

The author of that truism, Alfred Lord Tennyson, was possessed with remarkable insight when he wrote:

"For I dipt into the future, far as human eye could see,
Saw the vision of the world, and all the wonder that would be;
Saw the heavens fill with commerce, argosies of magic sails,
Pilots of the purple twilight, dropping down with costly bales;
Heard the heavens fill with shouting, and there rained a ghastly dew
From the nations' airy navies grappling in the central blue;
Far along the world-wide whisper of the south wind rushing warm,
With the standards of the peoples plunging through the thunderstorm;
There the war drum throbbed no longer, and the battle flags were furled
In the parliament of man, the federation of the world."

That is "a consummation devoutly to be wish'd." Our prophecy for democratic America is that the future will bring a Federation of American Labor, an organized labor movement of more than 8,000,000 strong. All unionists marching under one banner.

Such unity will be a challenge to every open-shopper, every conniving and lawbreaking industrialist who schemes to break down the National Labor Relations Act and the N. L. R. B.; such unity will be a challenge to every selfish individual beating his breast and lamenting a child-labor law; such unity will challenge every enemy of society who uses his money and his influence to sabotage wage and hour legislation, thereby cutting the earth from under the feet of those honestly trying to make the country a better place in which to live; it will challenge the menace of American fascism; it will bring about an extension of the democratic process.

For in unity there is strength. In strength there is victory. In victory there is peace. And in peace there is security.

Democracy in a Changing World

EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 10, 1938

RADIO ADDRESS BY HON. WILLIAM B. BANKHEAD, SPEAKER, HOUSE OF REPRESENTATIVES, MAY 9, 1938

Mr. BLOOM. Mr. Speaker, it is my very great pleasure and privilege, under permission granted me, to incorporate in the RECORD one of the ablest and finest speeches to which I have ever listened, the speech of our beloved and respected Speaker, the Honorable WILLIAM B. BANKHEAD, delivered last night over a Nation-wide radio network on the occasion of the triennial convention of the B'nai B'rith.

I first wish to pay my sincere respects to the gentleman who has presented me tonight, the Honorable Alfred M. Cohen, and say to him that in the strength of the many years of service he has given this world-wide organization as its president, his devotion to this great army of peace of almost 100,000 souls is in itself a contribution to American democracy.

I am pleased to appear before this national convocation of B'nai B'rith, an organization which has ennobled itself through almost a century of humanitarian and educational endeavor. I have chosen as the theme of my observations tonight the subject of Democracy in a Changing World. For the democratic ideal is not only pervasive of our American civilization, but is basic as a powerful impulse in the history of the Jewish people. No people has more richly endowed the democratic heritage which is ours; no people has found greater satisfaction and sanctuary in its blessings. Thus I welcome this opportunity of considering with you democracy in a changing world.

It is a changing world—changing so rapidly that we dare not conjecture what momentous event tomorrow will bring; changing in no orderly processes, but in bewildering derangement of familiar situations; changing progressively in man's ability to understand the elements and forces of Nature; changing regressively in man's ability to understand his fellowman. This is a world, in part at least, of lawlessness and broken promises; of revolutions, civil wars, and conquests by force of arms; of women and children among other noncombatants slaughtered behind the lines of battle in carnage of unparalleled savagery; of widespread political and economic upheaval and of ruthless deprivation of elementary human rights. We are witnessing today a recrudescence of hatred and brutality of man to man; millions of people uprooted from the lands of their ancestors and forced to flee—they know not where; the intellectuals and geniuses of nations driven to flight or self-destruction and the persecutors enthroned in their high places, and confiscating without any moral justification their well-earned substance.

But what of democracy amid all this chaos and turmoil? From what was hitherto extreme confidence in the indestructibility of democratic government, we have seen a sudden swing to extreme alarm at the recent downfall of certain democratic states. Large numbers of our people, who do not view the present crisis in historical perspective, are ready to proclaim an impending disintegration of all democracies. Admittedly, much of what was accomplished in the democratization of the world as a result of the World War has been vitiated by recent events. Germany, for a few short years a quasi-republic, has reverted to a one-man absolutism almost without parallel in all the tide of time. The throne of the Caesars in Italy is now held, not in name but in fact, by a dictator answerable only to his own passionate and imperial will. Spain is in the throes of a devastating internecine struggle between democracy and dictatorship. Austria, for some years a free republic, has recently been absorbed by the imperial power of Adolf Hitler, and peaceful and harmless China put to the sword. It must also be conceded that the remaining democratic states are seriously menaced and will not save themselves through smug indifference to the peril of the dictatorships. But it does not follow that democracy is permanently in retreat or that it must yield on any front to the authoritarian system. My opinion is that it will not.

We shall not go back, but rather go forward in the march of civilization. In spite of the tremendous social crises of our times, the area of the dictatorships is still confined to portions of the world traditionally inured to the iron sway of personal government. In none of the totalitarian states of today did constitutional freedom ever really take root; they have merely turned from one form of dictatorship to another.

I will go further and assert the conviction that the dictatorships are in far greater danger of perishing than are the democracies. How do these governments maintain their power? By striking fear into the hearts of men; by the processes of iron regimentation of the daily lives of their people, enforced at the hazard of concentration camps or the firing squad. Let the dictators take counsel of their resources; no people has ever remained in permanent subjection to despotism. No power on earth can forever destroy the innate passion of a people for personal liberty. History reveals that fear has more than once been conquered by man's fierce demand to be free.

The duping of peoples by deceptive propaganda brings to my mind the interesting experiment of Ivan Pavlov, the Russian physiologist. Pavlov fed his dog successive portions of meat, ringing a bell with the serving of each portion. After a period of time he no longer brought the food but rang the bell only. The dog's mouth watered as much as ever.

Somewhat of the same experiment is now being conducted by dictatorial governments. Men are made to believe that the totalitarian state represents "the highest and most perfect type of democracy"; that there is no coercion; that the existing regime is the result of the free and voluntary expression of the will of the people. And mock plebiscites are held to lend color to the pretense of democracy. As a major part of this deception, the masses are overwhelmed by a thorough and vociferous propaganda that promises bread and security. The dictators are ringing the bells, the mouths of peoples are watering, but there is no food, certainly no food for the soul and spirit. How long can such prodigious shams remain unchallenged by those whose lives are so vitally affected?

While the position of the dictatorships may become increasingly precarious, the traditionally democratic nations will weather the storm. In spite of the present crises, there has been no surrender of constitutional government where it has existed for as much as four generations. The peoples of the free nations, with their deeply settled convictions of personal liberty, will not readily succumb to any form of tyranny.

In my opinion, the framers of our Federal Constitution have set for all time as a torch of democratic inspiration the formula that will not ever eventually succumb. The first 10 amendments to that Constitution, in my opinion, represent the essence and sacrament of the entire document. With reference to the innate rights of citizens anywhere to order, at least in measure, their own lives and to have freedom of thought, action, and conscience, the first amendment to our Constitution provides this eternal challenge to all legislative dictatorships. "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances." And so, under the benign protection of that enduring limitation in this typical democracy of ours, every man, even the humblest and most obscure, has the right to think as he pleases, to worship whatever God he chooses, to express his honest opinions or to print the same without the power being lodged anywhere to challenge those inalienable rights.

Moreover, another basic principle of our democracy here, as well as that of the other great democracies of the world, rests very largely upon the right of the majority of its people under orderly processes to control and regulate every detail, both of domestic and foreign concern; and under our judicial system such principle of government is given adequate security and protection against any temporary clamor or protest. I think that we may be fortunate in contemplating tonight that not only the United States of America but all of the democracies in the Western Hemisphere, keeping company with the democratic institutions of Great Britain and her commonwealth of nations beyond the seas, and those of Ireland, France, the Scandinavian countries, Denmark, Switzerland, Czechoslovakia, and others, constitute a body of public opinion invulnerable in their might against the assaults of any or all totalitarian states. I do not utter this suggestion in the sense of a threat or challenge, but as a token of great comfort and security, that democratic institutions will not perish from the face of the earth.

As for the Jewish people, let me state that your problem is inextricably bound up with that of freedom-loving peoples everywhere. Wherever democracy yields to dictatorship, the Jew is the first to feel the mailed fist of arbitrary power. He is the first to be profaned, prosecuted, and disinherited. Wherever democracy reigns supreme, the Jew is accorded equal treatment under the law in common with other citizenry in the land. Were we to sanction in America any of the monstrous acts now being perpetrated on helpless Jewish people in other lands, it would constitute an assault upon the very foundations of our Government. It, therefore, behooves my fellow citizens of the Jewish faith to be, as you have always been, in the vanguard of those who battle to uphold the democratic principle.

To me it has always been a source of deep regret that the part played by your Jewish forbears in the founding of our democracy has not been more generally known. The American colonists, who in their struggle for independence were dominated by a deep religious fervor, drew some of their inspiration from the Jewish Bible. There they found substance for the injunction which they inscribed on the Liberty Bell in Philadelphia: "Proclaim Liberty Throughout All the Land, Unto All the Inhabitants Thereof." There they found the flaming words: "Rebellion to Tyrants Is Obedience to God." In the pulpit and in the press, the War for Independence was likened to the ancient struggle of the Israelites against their Egyptian overlords.

Although there were only about 3,000 Jewish people in this country at the time of the Revolution, they made a most notable contribution to that cause. Their genius for trade and commerce helped to cement the spirit of disunity that at times prevailed among the Colonies. Their money and provisions aided in the movement of the Continental Army and kept alive the horses whose bellies, as someone recorded, "were full of liberty, but utterly devoid of oats and hay." Not only in more peaceful pursuits, but on the field of battle, Jews distinguished themselves with great bravery. In Charleston, S. C., by way of example, a corps of Volunteer infantry under Captain Lushington was composed largely of Jews, so that it came to be known as "the Jewish Company." Charleston boasted that of her 600 Jews not one was a Tory.

Perhaps the most illustrious of the Jewish patriots was Haym Salomon, of Philadelphia, who was known as the financial genius of the Revolution. When Benjamin Franklin arrived at the court of Louis XVI to seek financial aid for the American Colonies, the king wished to know who would secure the loan. Franklin submitted the name of Haym Salomon and the King responded, "It is enough." Before the last of his deeds was performed Salomon was twice imprisoned by the British for his activities against the Crown, but, escaping before a scheduled hanging, he returned to Philadelphia to continue his sacrifice in behalf of the patriotic cause. He helped Robert Morris dispose of the doubtful securities of the Continental Congress, pledged his personal fortune behind the Government bills of exchange, paid the salaries of James Madison, Edmund Randolph, and other impoverished Members of the Congress, financed Lafayette, Von Steuben, and other key figures in the Revolution; and then this great patriot, whose financial interests had extended throughout the States and across the seas, died a bankrupt at the age of 45, leaving his family destitute. He had served his country, and that was all that mattered to him.

I regret that the limitation of time precludes mention of other heroic deeds of our Jewish citizens in peace and in war from the period of the inception of our democracy to the present day. This account would be very much incomplete, however, if I did not call attention to some of the sacrifices made by your people in the defense of democracy during the dark days of 1917 and 1918. More than 150,000 Jewish soldiers and sailors served under the American flag in the Great War, 40,000 having volunteered. A total of 600 citations for gallantry and heroism in action was received by Jewish members of the service. Though Jews numbered only 3 percent of our population, they represented 5 percent of those who never came back.

The children of Israel, who since the dawn of history have been sleepless sentinels on the frontiers of freedom, will not now be forsaken by those who share their spiritual heritage. America proclaims anew for Jew and non-Jew alike the mighty challenge that once stirred hope and courage in the hearts of all mankind: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed."

Speaking in this presence, and to the representatives of the sons and daughters of Israel, allow me to make this final observation: Until the one-man nations of the world can produce greater military leaders and strategists than Joshua; until they can point within the circle of their own to men who have stood closer to God than Moses; until some Aryan is wiser than Solomon or a sweeter singer of lyrics than David; until they can produce a greater moral philosopher than Jesus of Nazareth—let them beware of asserting that no good can come out of Palestine, that there is no heroism or genius among the fellow citizens of Isaiah, no heritage of character left to the descendants of the Maccabees.

Financial Status of the Railroads

EXTENSION OF REMARKS
OF
HON. IRA WALTON DREW
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 10, 1938

Mr. DREW of Pennsylvania. Mr. Speaker, 96 railroads were in the hands of receivers or trustees on February 1, 1938. These roads represent 77,153 miles, or 30.51 percent of the total mileage of the United States.

Of the total number, 37 were class I railroads, representing a total of 74,825 miles, or 31.9 percent of the total mileage of class I railroads. A class I railroad is one having revenues of $1,000,000 or more per year.

A list of all roads in the hands of receivers and trustees is as follows:

Road and miles of road operated Jan. 1, 1937

Class I railways in receivership:	
Ann Arbor	294
Central of Georgia	1,927
Florida East Coast	685
Georgia & Florida	409
Minneapolis & St. Louis	1,531
Mobile & Ohio	1,202
Norfolk Southern	835
Pittsburgh, Shawmut & Northern	191
Seaboard Air Line	4,308
Wabash	2,446
Total 10 roads	13,828
Class I railways in trusteeship:	
Akron, Canton & Youngstown	171
Chicago & Eastern Illinois	931
Chicago & North Western	8,440
Chicago Great Western	1,505
Chicago, Indianapolis & Louisville	575
Chicago, Milwaukee, St. Paul & Pacific	11,115
Chicago, Rock Island & Gulf	627
Chicago, Rock Island & Pacific	7,532
Denver & Rio Grande Western	2,621
Duluth, South Shore & Atlantic	549
Erie	2,035
Gulf Coast Lines:	
Beaumont, Sour Lake & Western	146
New Orleans, Texas & Mexico	191
San Antonio, Uvalde & Gulf	317
St. Louis, Brownsville & Mexico	598

Road and miles of road operated Jan. 1, 1937—Continued

Class I railways in trusteeship—Continued.	
International-Great Northern	1,155
Minneapolis, St. Paul & Sault Ste. Marie	4,301
Missouri-Illinois	205
Missouri Pacific	7,171
New York, New Haven & Hartford	2,033
New York, Ontario & Western	577
New York, Susquehanna & Western	153
St. Louis-San Francisco	4,927
St. Louis Southwestern	1,054
St. Louis Southwestern of Texas	696
Spokane International	164
Western Pacific	1,208
Total 27 roads	60,997
Class II roads in receivership, total 12 roads	1,161
Class II roads in trusteeship, total 9 roads	825
Class III roads in receivership, total 8 roads	176
Lessor roads, total 24 roads	
Circular and unofficial roads, total 6 roads	166
Grand total, 96 roads	77,153

NOTE.—Does not include the Peoria Terminal Co., a switching and terminal company operating 15 miles of main track in trusteeship.

The present difficulties of the railroads result from two causes. First, lack of traffic, and, second, failure to receive adequate compensation for their service commensurate with the cost of producing it. Not only is this true of the railroads but it is also true as to trucks, busses, and water carriers. For that reason the present financial plight of the railroads is more than a railroad problem. Instead, it is a transportation problem.

The railroads of today are furnishing the public with the best transportation service, and at the lowest cost, to be found in the world. At the same time railway employees of the United States receive the highest wages of any similar class of employees in any country.

Since 1921 there has been an almost constant reduction in the average revenues received by the railroads for carrying a ton of freight 1 mile. In 1937 this average was approximately ninety-four one-hundredths of a cent. Even with the recent increase allowed by the Interstate Commerce Commission, the average today is estimated at not more than 1 cent per ton-mile. That average is a decrease of 20.8 percent compared with that in 1921.

The average revenue for carrying a passenger 1 mile today is less than it has ever been in the history of American railroads, being only 1.79 cents in 1937, or a decrease of 41.9 percent compared with 1921, when it was 3.086 cents.

While this decrease in average revenues has taken place, there has been at the same time an increase in the cost of performing this service, due to rising costs of materials and supplies, taxes, and wages. Although at the present time there is a slight tendency downward in the cost of materials and supplies, the change has not been enough so far to affect the railroads materially. The other factors—wages and taxes—however, have not shown any recent change.

Freight traffic measured in loading of revenue freight was less in the first 14 weeks of 1938 than in any corresponding period since records first became available in 1918, with the exception of the same period in 1933, when the bank holiday resulted in a temporary cessation of business activity. Loading of revenue freight in the first 14 weeks of 1938 totaled 7,680,205 cars, a decrease of 22.4 percent compared with the same period in 1937 and a decrease of 9.8 percent compared with 1936. It also was a decrease of 2.6 percent compared with the same period in 1932.

Early in 1937 there was a stimulation in business activity which brought about an upward trend in car loadings. Beginning in July 1937, however, a reversal in the trend set in, which gained momentum as the months passed, and has continued up to the present time. The effect of this decline in traffic has been reflected in railroad earnings.

In the first 6 months of 1937, class I railroads had a net railway operating income of $297,341,777, which was at the annual rate of return of 2.76 percent. For the same period in 1936, their net railway operating income was $238,016,427, which was at the annual rate of return of 2.22 percent. With

the downward trend in freight traffic which set in in July 1937, railway net earnings immediately showed a drop, those in July 1937 being 1.9 percent below the same month in 1936. In August there was a decrease of 22.2 percent; September, 15.4 percent; October, 32.4 percent; November, 55.2 percent; and December, 63.2 percent. As a result, the railroads, instead of showing a financial improvement over 1936, had a decrease in earnings. For the calendar year 1937, their net railway operating income amounted to $590,180,565, or a return of 2.27 percent on their property investment. In 1936 their net railway operating income was $667,174,165, or 2.58 percent.

In January, this year, the net railway operating income of the class I railroads amounted to $6,919,879, compared with $38,866,838 in January, last year, or a decrease of 82.2 percent. In February the class I railroads for the country as a whole had the first operating deficit they have experienced since 1921, the deficit amounting to $2,122,095, compared with a net railway operating income of $38,783,618 in February 1937.

Complete reports for March are so far not available, but preliminary reports from 89 class I railroads, representing 82.8 percent of the total operating revenues, show that the operating revenues of those roads in that month were 25.8 percent below those for March 1937. Freight revenues of those roads were 28.7 percent below March, last year, while passenger revenues showed a decrease of 10.7 percent.

The critical financial condition has had a serious effect on railway employment. Preliminary reports for March indicate that the railroads, at the middle of the month, had only 927,308 employees, a decrease of approximately 247,000 compared with July 1937, and a decrease of 32,000 compared with January 1938.

No industry in this country has a greater effect on industrial activity than the railroads because of the large purchases which they make. For that reason there is no better way of stimulating industrial activity than by seeing that the railroads are restored to a sound financial condition. In 1937 the class I railroads expended $1,133,000,000 for fuel, materials and supplies, and new equipment. These purchases were made in every State of the Union and in 2,637 counties out of a total of 3,072 counties.

The railroads in 1937 spent more money in the State of Pennsylvania than in any other State. Their purchases in that State of fuel, material and supplies, and new equipment amounted to $210,377,043. In the State of Pennsylvania the railroads purchased materials and supplies in 1,074 cities and towns, distributed throughout every one of the 67 counties in that State. The class I railroads, too, have more employees in Pennsylvania than in any other State, the number in July 1937 having been 131,653, and the total amount of wages paid by the railroads in Pennsylvania last year totaled $220,686,852.

What the railroads need today is increased traffic, and also money in their cash drawers. An increase in traffic, however, must depend on a stimulation in industrial activity.

Before the emergency charges on freight traffic expired in December 1936, the railroads sought to make permanent the emergency charges then in effect. These emergency charges yielded about $120,000,000 annually. This application was denied by the Interstate Commerce Commission. A petition was then filed by the railroads asking for an increase in the rates on certain commodities which were expected to yield about $85,000,000. The interstate Commerce Commission granted increases amounting to about $70,000,000, of which $2,500,000 were effective in the spring of 1937, $47,500,000 on November 15, 1937, and $20,000,000 on December 20, 1937. The railroads then filed a petition in which they asked for a 15-percent increase in freight rates except for certain commodities, the effect of which, if granted, along with the exceptions asked by the railroads, would have been an increase of approximately 12.9 percent in the freight-rate level. At the same time eastern railroads asked for an increase in the basic coach rate in eastern territory from 2 cents per mile, the present rate, to 2.5 cents. The Interstate Commerce Commission declined to make this increase, but allowed the railroads an increase amounting to $175,000,000, or 5.3 percent, based on 1936 traffic volume. At present traffic levels the increased rates will yield considerably below that figure.

In regard to assertions that have been made to the effect that the granting of higher rates to the railroads would drive traffic to competing agencies of transportation it should be pointed out that those agencies are in as much need of financial relief today as the railroads. In fact, the trucks took the position that if the railroads were granted a 15-percent increase in rates they, too, desired to place in effect a similar increase. Waterway operators also took the same position. In fact, as soon as the railroads were granted an increase of 5.3 percent in their freight rates in Ex parte, 123, the trucks at once obtained permission to make a similar increase, as did the water carriers.

The Senate Interstate Commerce Committee, in connection with the investigation of railroad financing, has criticized the financial management of certain railroads. It should be pointed out, however, that the present railroad crisis affects not only those roads which have been criticized, but also the other railroads which could very well be used as a model from the standpoint of financial set-up and management. Reduction of railroad capitalization would not present a remedy for the present situation. The Interstate Commerce Commission has recently made public figures to show that the valuation of the railroads of the United States today is approximately $21,060,000,000. At the same time, outstanding railroad securities in the hands of the public amount to approximately $19,000,000,000. In other words, the value of the railroads of this country is $2,000,000,000 greater than their outstanding securities. To force the railroads to go through general bankruptcy or, as some have put it, "go through the wringer," would not solve the present predicament of the rail lines, for such a move would not only be disastrous to the railroads but would also further impair the credit and business structure of the Nation. When you consider that the railroads today are moving a ton of freight 1 mile for about a penny or less it is difficult to see how the placing of all the railroads into the hands of the courts could bring about a further reduction in charges for railroad service.

Naturally an increase in traffic would, in turn, bring about an increase in railroad revenues, but until there is a public recognition of the fact that transportation agencies—railroads, trucks, and waterways—are entitled to adequate remuneration for the service they perform in order to enable them to maintain their credit, the same transportation problem will continue to develop every time there is a business depression in this country.

There are things, however, which Congress can do, and they are (1) avoid increasing railroad costs by the enactment of unneeded legislation, (2) lay down a policy which will insure all competing forms of transportation to be treated alike, (3) end the granting of public subsidy to competing forms of transportation, and (4) place all forms of transportation under the regulation of the Interstate Commerce Commission. In addition, Congress could repeal the law under which land-grant railroads are required to carry Government supplies and troops at less than the regular rate. Under this law the Government realizes a saving of about $7,000,000 a year. This has been going on ever since the land grants were originally started, and the result has been that the railroads have more than paid for the land which was originally granted to them by the Government in order to encourage the building of new lines and the development of the country. This recommendation as to land grants was specifically made to President Roosevelt by the Splawn committee.

Federal Aid to Education and Rural Libraries

EXTENSION OF REMARKS

OF

HON. PAT HARRISON

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Tuesday, May 10 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESSES OF DR. GEORGE F. ZOOK AND CARL H. MILAM

Mr. HARRISON. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Dr. George F. Zook, president of the American Council on Education, vice chairman of the Advisory Committee on Education appointed by President Franklin D. Roosevelt, and formerly United States Commissioner of Education, and also an address delivered by Carl H. Milam, secretary of the American Library Association, on April 20, 1938.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ADDRESS OF DR. GEORGE F. ZOOK

On February 18 the Advisory Committee on Education appointed by President Roosevelt in 1937 to consider the relations of the Federal Government to education submitted a report in which it recommended Federal aid, beginning with $40,000,000 and increasing to $140,000,000 6 years later, for the support of elementary and secondary schools. It is on the basis of this report that I understand the present bill in Congress to be based.

The reasons for financial assistance by the Federal Government to the schools were overwhelming and compelling to the Advisory Committee, as I believe they will be to any group of citizens who will take time to consider them. In the first place there is at the present time a very disturbing inequality of educational opportunity among children living in the several States. In a number of States the most able local units possess wealth sufficient to provide $100 or more per child for every $1 provided by the least able units. Hence children living in the poorer districts within States can have suitable educational opportunities only if a large share of school support comes from outside the present boundaries of those districts.

The same type of differences as to educational opportunity that exist within States also exist among States * * *. In three States the amount expended per pupil in average daily attendance was less than $30; in three others at the opposite extreme expenditures were above $115, or nearly four times as large. It is distressing indeed to realize that some children, especially those living in the rural areas, have such an unequal opportunity through short school terms, poor school facilities, and untrained teachers to obtain the advantages of a good common-school education as compared to others who are fortunate enough to be born in more wealthy communities or States.

Secondly, as the Advisory Committee soon learned, the great disparities among the States in the support of education are not due to any lack of interest or of effort on the part of the States that provide the least financial assistance. Indeed a careful study of the situation reveals the striking fact that the States with the smallest amount of wealth and income are in general making far more effort to support schools than the wealthier States. They tax themselves more heavily and they devote a larger percentage of their income to the support of schools than the average State, but notwithstanding every effort they put forth it is quite impossible for them to support schools of anything like equal quality with those enjoyed by the wealthier States with far less financial effort.

In the third place inequality of wealth and income is not the only inequality back of school children in the several States. The number of school children in proportion to adult workers varies greatly from State to State. For example, in nine States, most of which are in the southeastern part of the United States, there were at the last census more than 6 children for every 10 adults, whereas in six other States there were fewer than 4 children for every 10 adults. In other words, the burden of school support for each adult in the nine States was 50 percent greater than it was in the six States. The rural farm population, with nearly twice the number of children in proportion to adults that is found in the large cities, also carries an exceptionally heavy burden.

We can draw only one conclusion from this brief recital of facts. There is great inequality among the States in their ability to support schools, both as to their financial ability and the number of adult workers back of the schools. Furthermore, the inequality cannot be overcome by the poorer States no matter how hard they may try. The children are the innocent victims of our lethargy in correcting this situation.

One could understand our long indifference to this unfairness to many of the Nation's children if the population of each State lived to itself. But, as everyone knows, people migrate freely from one State to another. Of the children between 10 and 20 years of age living on farms in 1920, approximately 40 percent were living in towns and cities in 1930. In fact, the adult population of the wealthier States, and especially of our cities, is largely made up of people who have come from rural areas and villages. "It is a fact of no slight importance," declared the advisory committee in its report, "that the large numbers of youth who will constitute much of the future population are being reared in communities and States that are now able to provide only the most restricted educational opportunities. States and regions favored by fortune cannot therefore afford to be indifferent to the educational opportunities provided for youth in the States and regions from which they will draw many of their future citizens."

Such considerations make us realize that no matter in what part of the country we may dwell we are, after all, one Nation and one people with a single ideal, namely, to give every boy and girl, no matter where they may live, an equal opportunity to improve themselves through the schools. We can, therefore, very well dedicate a small part of the material resources of the Nation, which all of us have had a hand in creating, to the education of our children. The members of the advisory committee concluded: "We believe that the facts set forth in the committee's report will convince you that the Federal support of the schools is not only a deep obligation and necessity but our best guaranty of national welfare and prosperity." I trust, therefore, that you of the radio audience may see fit to join the advisory committee in urging Congress to enact at this session the bill which will make Federal funds available for the support of elementary and secondary schools.

ADDRESS OF CARL H. MILAM

I think I can hear some of you saying, "It is just another raid on the National Treasury; everybody has been dipping his hand in and now the schools are going after their share." I want to say two things about that:

First. When these proposals are enacted into law, your share of the cost will not greatly deplete your pocketbook. Benefits will be large, but you will not have to change your manner of living to pay the bill. Six years from now, when the largest proposed appropriations for all purposes will be in effect, the average cost per family—not person, but family—will be about 2 cents a day.

In the second place, this is not a hurriedly prepared device for spending money. The distinguished educators, students of government, economists, businessmen, agriculturists, and labor representatives who constituted the Committee received the advice of hundreds of persons, in all the States, and took a year and a half to reach their conclusions.

The Reeves' report is notable for its breadth and balance. It does not stop with proposals for the equalization of educational opportunities in elementary schools and high schools.

The committee recognizes that good schools are made largely by good teachers, and proposes special grants to States for the improved preparation of teachers and other educational personnel, including school librarians.

It deplores the waste of money and human effort in the maintenance of 127,000 separate school districts in the United States and proposes special grants for the erection of school buildings when such grants will help a State to bring about desirable reorganization and consolidation.

The administration of these Federal funds will fall on the State departments of education. The committee has, therefore, proposed small special grants to supplement State appropriations. You'll be interested to know that these funds are to be available only if employees (aside from members of boards, elected officials, and chief State school officers) are selected because of merit and efficiency and without regard to political considerations.

Two other features of this report—unusual in reports of this kind—are of great importance. I refer to the sections on adult education and on rural libraries. The money for adult education will be available not only for teaching illiterates and vocational training, but also for giving all adults, you and me included, opportunities to acquire some of the knowledge we now need for meeting problems which have arisen since we were in school. It may be used not only by public schools, but by the extension services of colleges and numerous other nonprofit educational agencies.

In the eyes of the committee the library is an educational agency. It not only provides books for school classes and study groups; to many individual adults it is the school, the college, the university.

In the case of the school the problem is one of equalization. Every community has a school of some kind. Federal aid should help to make the poor ones good.

But with the library the problem is even more basic. Here a major task is to provide something for the 40,000,000 people who now have nothing.

Briefly, the library facts about the United States are:

One-third of the people have good libraries. For the most part they live in large cities or in a few cases in large wealthy counties.

Another one-third have libraries but they are largely inadequate because of limited resources. They are in the smaller cities and large towns.

The final third have no local public libraries, good or bad. Most of these people live in the rural areas and small towns.

The committee strikes at the heart of this problem—the weakest spot in library development—by proposing annual grants primarily for rural library service. Allocations to States would be in proportion to rural population, through the State library administrative agency, for the equalization of library service throughout the State.

Finally, the committee has demonstrated its good common sense by proposing annual appropriations to the United States Commissioner of Education, to begin 1 year ahead of the grants to the States, to be used for planning, experimentation, and study—to the end that all the money may be wisely and economically used.

The report is worth reading. Get a copy at your public library or ask your Senator or Representative to send you one.

And don't forget the cost. For all of these services it will be about 2 cents per day, per average family, at the highest figures proposed 6 years from now.

The Education of Dr. Frank

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Tuesday, May 10 (legislative day of Wednesday, April 20), 1938

EDITORIAL FROM ST. LOUIS STAR-TIMES, MAY 7, 1938

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "The Education of Dr. Frank," published in the St. Louis Star-Times of May 7, 1938:

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From St. Louis Star-Times, May 7, 1938]

As chairman of the national Republican policy-making committee, Dr. Glenn Frank is expected to tell the country how to achieve prosperity, end pump priming, and arrive at sound public financing. As editor of Rural Progress, anti-New Deal farm magazine, Dr. Frank has been in a splendid position to gather material for his party platform.

Publisher Maurice V. Reynolds told the Senate Lobby Committee that Rural Progress has lost $961,000 since it was founded in 1934. That ought to teach Dr. Frank about deficits. Part of the money was borrowed, which should make him realize the evils of debt. Much of it was furnished by men of wealth who seemingly were engaged in private pump priming. Dr. Frank is paid $25,000 a year to edit a magazine in this financial condition. If he can tell other Americans how to do as well by themselves, prosperity will come around that corner in a limousine.

Because it is distributed free, Rural Progress is called a give-away magazine. It certainly seems to have given Dr. Frank away.

Reduction of Pay-Roll Taxes Under Social Security Act

EXTENSION OF REMARKS

OF

HON. PAT HARRISON

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Tuesday, May 10 (legislative day of Wednesday, April 20), 1938

CORRESPONDENCE AND STATEMENT OF THE SOCIAL SECURITY BOARD AND ADVISORY COUNCIL

Mr. HARRISON. Mr. President, under date of April 25, 1938, the Senator from Michigan [Mr. VANDENBERG] addressed a letter to the Chairman of the Social Security Board, Mr. A. J. Altmeyer, concerning a reduction in the pay-roll taxes under the Social Security Act. I ask unanimous consent that a letter addressed to the Senator from Michigan by the Chairman of the Social Security Board, replying to his communication of April 25, be placed in the RECORD. I ask unanimous consent also to have placed in the RECORD a statement unanimously adopted by the advisory council on social security, concerning the question of pay-roll tax reduction and the matter of the old-age insurance funds under the Social Security Act. I ask unanimous consent also to have placed in the RECORD the communication addressed to Chairman Altmeyer by the Senator from Michigan, referred to previously.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

MAY 4, 1938.

Hon. A. H. VANDENBERG,
United States Senate, Washington, D. C.

DEAR SENATOR VANDENBERG: In compliance with the request contained in your letter of April 25, I submitted your letter to the advisory council for its consideration.

The advisory council was of the opinion that no reduction in the current tax rates under title VIII of the Social Security Act should be made at this time.

The advisory council also went on record regarding the handling of the old-age insurance funds, expressing its views in part as follows:

"The advisory council on social security has been giving much attention to the problem of financing the old-age insurance system. The council recognizes that there are other ways of financing the old-age-insurance system which upon further study may prove to have greater advantages than the present system. The entire subject, however, is so complex that the council is not yet prepared to express a final judgment as to the method of financing which would be most desirable from a social and economic standpoint.

The members of the council, regardless of differing views on other aspects of the financing of old-age insurance, are of the opinion that the present provisions regarding the investment of the moneys in the old-age reserve account do not involve any misuse of these moneys or endanger the safety of these funds."

A copy of the complete text of the advisory council's statement is enclosed.

Sincerely yours,

(Signed) A. J. ALTMEYER,
Chairman.

STATEMENT UNANIMOUSLY ADOPTED BY THE ADVISORY COUNCIL ON SOCIAL SECURITY APRIL 30, 1938

The advisory council on social security has been giving much attention to the problem of financing the old-age insurance system. The council recognizes that there are other ways of financing the old-age insurance system, which upon further study may prove to have greater advantages than the present system. The entire subject, however, is so complex that the council is not yet prepared to express a final judgment as to the method of financing which would be most desirable from a social and economic standpoint.

Upon one aspect of the general problem the advisory council deems it advisable to make a public statement at this time to allay unwarranted fears. This relates to the method of handling the funds collected for old-age insurance purposes.

In accordance with the statutes, the taxes collected from employers and employees under title VIII of the Social Security Act are paid into the general fund of the Treasury. While not expressly provided by law, it was understood at the time of the enactment of the Social Security Act that amounts equivalent to the entire proceeds of these taxes, less costs of administration, shall be appropriated annually by Congress to the old-age reserve account. Congress has not only done so but to date has appropriated somewhat more to the old-age reserve account than has been collected from the taxes levied in title VIII of the Social Security Act. Thus up to the end of March 1938, $636,100,000 had been invested to the credit of the old-age reserve account, and $577,447,532 had been collected from the taxes for old-age insurance purposes.

A proportionate part of the moneys appropriated by Congress to the old-age reserve account has been turned over periodically to this account and has been immediately invested in special securities of the United States Government bearing 3-percent interest.

The special securities issued to the old-age reserve account are general obligations of the United States Government, which differ from other securities of the Government only in the higher rate of interest they bear and in the fact that they are not sold in the open market. The issuance of such special securities is not only expressly authorized by law but is required by the provision of the Social Security Act that the old-age reserve funds are to be invested so as to yield an interest return of 3 percent.

The United States Treasury uses the moneys realized from the issuance of these special securities by the old-age reserve account in the same manner as it does moneys realized from the sale of other Government securities. As long as the Budget is not balanced, the net result is to reduce the amounts which the Government has to borrow from banks, insurance companies, and other private parties. When the Budget is balanced these moneys will be available for the reduction of the national debt held by the public. The members of the advisory council are in agree-

ment that the fulfillment of the promises made to the wage earner included in the old-age insurance system depends upon, more than anything else, the financial integrity of the Government. The members of the council, regardless of differing views on other aspects of the financing of old-age insurance, are of the opinion that the present provisions regarding the investment of the moneys in old-age reserve account do not involve any misuse of these moneys or endanger the safety of these funds.

J. DOUGLAS BROWN,
Chairman, Advisory Council on Social Security.

PRINCETON, N. J., *May 2, 1938.*

The following are members of the advisory council on social security:

REPRESENTING EMPLOYEES

G. M. Bugniazet, secretary, International Brotherhood of Electrical Workers of America and president of Union Cooperative Insurance Association, Washington, D. C.

Harvey Fremming, president, Oil Field, Gas Well and Refinery Workers International Union, 1200 Fifteenth Street NW., Washington, D. C.

John P. Frey, president, Metal Trades Department of the American Federation of Labor, Washington, D. C.

Sidney Hillman, president of the Amalgamated Clothing Workers of America, 15 Union Square, New York, N. Y.

Philip Murray, vice president, United Mine Workers of America, Washington, D. C.

Matthew Woll, vice president, International Photo Engravers' Union of North America and president, Union Labor Life Insurance Co., New York, N. Y.

REPRESENTING EMPLOYERS

Marion B. Folsom, treasurer, Eastman Kodak Co., Rochester, N. Y.

Walter D. Fuller, president, Curtis Publishing Co., Philadelphia.

Jay Iglauer, vice president, Halle Bros., Cleveland, Ohio.

M. Albert Linton, president, Provident Mutual Life Insurance Co., Philadelphia.

E. R. Stettinius, Jr., chairman of the finance committee, United States Steel Corporation, New York, N. Y.

Gerard Swope, president, General Electric Co., New York.

REPRESENTING THE PUBLIC

J. Douglas Brown, Princeton University, Princeton, N. J.

Henry Bruere, president, the Bowery Savings Bank, 110 East Forty-second Street, New York, N. Y.

Paul Douglas, University of Chicago, Chicago, Ill.

William Haber, member of Unemployment Compensation Commission, Lansing Mich.

Alvin H. Hansen, University of Minnesota, Minneapolis, Minn.

Theresa McMahon, University of Washington, Seattle, Wash.

A. H. Mowbray, University of California, Berkeley, Calif.

T. L. Norton, University of Buffalo, Buffalo, N. Y.

Josephine Roche, Rocky Mountain Fuel Co., Denver, Colo.

George L. Stocking, University of Texas, Austin, Tex.

Elizabeth Wisner, president of the Association of Schools of Social Work, New Orleans, La.

Edwin E. Witte, University of Wisconsin, Madison, Wis.

Gerald Morgan, author, Hyde Park, N. Y.

UNITED STATES SENATE,
April 25, 1938.

MR. ARTHUR J. ALTMEYER,
Chairman, Social Security Board, Washington, D. C.

MY DEAR MR. ALTMEYER: If the pay-roll taxes—now 2 percent divided equally on 30,000,000 employees and their employers—could be reduced at the present time, it would clearly be a great and essential relief not only to business but also to labor. These pay-roll taxes now constitute a major load on commerce. If the load may be safely lightened, without impairing the integrity of the pension system, the stimulation to suffering business will be profound. I do not need to reiterate my own view, which I have been urging for more than a year, that the load can be safely lightened, still leaving the pension system on a sound actuarial basis, if we frankly abandon the needless full reserve system and proceed on a pay-as-you-go basis with a contingent reserve only. I do not need to reiterate that I have produced the presidents of 70 of the leading life-insurance companies to sustain the propriety and wisdom of this change.

One year ago your Board, in cooperation with Congress, created an able, expert, nonpartisan advisory council to study this and other related problems connected with the Social Security Act. Six months ago the council proceeded to its task. It has not yet reported. I fully realize the size and perplexity of its assignment, and the importance of sound findings. I have declined, thus far, to join in any efforts to change the pay-roll taxes ahead of a report from this council, because I believe the full reserve system must change before the taxes can change. The taxes, in my view, must depend upon the system.

Under these circumstances, and in the presence of the present economic emergency, I inquire whether we may not now hopefully ask for a preliminary report from the advisory council with the next few weeks as a basis for congressional action on pay-roll taxes before the present session adjourns. If it be authentically determined that the present pay-roll taxes can be safely reduced now—through a change in the reserve system—I believe Congress would greatly welcome a recommendation for the alternative system on a sound actuarial basis, and I am certain nothing would be more helpful as a powerful factor in the antidepression campaign in which we all are now engaged.

I shall appreciate a report indicating the status of the work of the advisory council and answering the request for an immediate report.

Cordially and faithfully,

A. H. VANDENBERG.

Philippine Independence

EXTENSION OF REMARKS

OF

HON. WILLIAM E. BORAH

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Tuesday, May 10 (legislative day of Wednesday, April 20), 1938

TELEGRAM AND ARTICLE RELATIVE TO THE INDEPENDENCE OF THE PHILIPPINES

Mr. BORAH. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a telegram from Vincente Pamatmat, acting president of the Sakdalista Party, of Laguna Province, P. I., relative to the question of Philippine independence, and also an article on the same subject appearing in the Washington Star under the date line Manila.

There being no objection, the telegram and article were ordered to be printed in the RECORD, as follows:

MANILA, *May 6, 1938.*

Hon. WILLIAM E. BORAH,
Washington, D. C.:

Please inform President Roosevelt and Congress, Laguna Province passed resolution April 25 requesting Your Honor to support Congressman O'MALLEY's resolution for immediate and absolute independence of the Philippines. We condemn McNutt-Quezon proposal for dominion status.

VINCENTE PAMATMAT,
Acting President, Sakdalista Party, Laguna Province.

MCNUTT LEAD IN PHILIPPINES SET BACK BY RETENTION SPEECH—QUEZON DENIES, KNOWING CONTENTS OF BROADCAST TALK AND HOLDS PROPOSAL UNACCEPTABLE

MANILA (by airmail).—Evidently misjudging the temper of both the Americans and Filipinos when he advocated a permanent political and economic relationship between America and the Philippines, United States High Commissioner Paul V. McNutt has apparently disqualified himself for leadership in the final solution of the Philippine problem as a consequence.

In a broadcast he made from Washington in the National Radio Forum, he urged a "realistic reexamination" of America's oriental policy, maintained that America must remain in Asia, and declared that permanent retention of the Philippines was an essential part of the new policy. He calculated, no doubt, that the Japanese invasion of China had sufficiently worn out American pacifism, rendered obsolete Washington's policy of isolation, and voided the commitment of both the Republican and Democratic Parties that the Philippines will eventually be given its independence. He felt convinced, furthermore, that the Filipinos, being so near the scene of Japanese aggression, had cooled off considerably on their demand to be free.

That he was wrong soon became evident. Official Washington was meticuously noncommittal on the speech.

QUEZON HITS PLAN

President Manuel L. Quezon who, reports claimed, had known the content of the McNutt speech beforehand, made a categorical denial and called the McNutt proposal for the Philippines untenable and unacceptable.

In subsequent exchanges of views on the work of the Joint Preparatory Committee on Philippine Affairs, President Roosevelt communicated directly with President Quezon, apparently ignoring High Commissioner McNutt.

In all considerations of the Philippine question since the McNutt speech, there is not the slightest evidence that anyone has seriously considered the McNutt plan.

High Commissioner McNutt's triple proposal was fundamentally too radical to make. American pacifism, if one is to believe Dr.

Stanley High, is as intense as ever. As for urging that America stay in the Orient with troops, fleet, and all, he should at least have remembered not to do it so close to Washington's Birthday. If he counted on the administration's impatience with aggressor nations and the sinking of the *Panay*—whose only counterpart in American history, the sinking of the *Maine*, plunged America into the Spanish-American War—he evidently overcounted, too.

NEW POLICY OUTLINED

His Philippine program was radical and startling. His own party is committed in its platform since 1900 to immediate Philippine independence. Even the Republican Party has never denied the Filipinos' right to eventual independence. It can almost be said that in his speech McNutt was outlining a new American international and colonial policy for a third party—that he was repudiating the policies already traced and practiced by both major American parties.

President Quezon unwittingly placed himself in a most embarrassing position on the McNutt speech. The address was broadcast to Manila, and the entire Philippine officialdom literally dropped state affairs to listen in. Probably due to the broadcast plan, no text of the speech was locally made available except its concluding paragraph. Listening in badly and reading the paragraph text hurriedly, Quezon immediately endorsed the speech.

When the local papers headlined the speech, "McNutt for Permanent Retention," he demanded a full copy. The next day he invited the press to explain in a 2-hour conference that he had found that Mr. McNutt had offered a definite proposal for the Philippines and that he neither had previous knowledge of this proposal nor sympathy for it. As for the suggestion for a "realistic reexamination," he stated that he was for it, that, in fact, such a policy was already in effect. He had reference, no doubt, to the studies which for nearly a year have been going on in Washington and Manila centering in the Interdepartmental Committee and the Joint Preparatory Committee on Philippine Affairs.

MR. M'NUTT CALLED NEWSMEN

Sensing that he had gone too far, High Commissioner McNutt's first worry upon reaching Manila was also to explain himself to the Manila press. His clipper was still at Midway Island when he radioed to his office instructing that the press be invited to a conference as soon as he landed in Manila. And, of all things, he informed the astonished newspapermen, all of whom had heard and read the full text of his speech, that he had made no definite proposal of his own with respect to the Philippines and that all he urged was a "realistic reexamination" of the whole problem.

It is not strange, therefore, that since then the White House seems to have adopted the policy of contacting President Quezon directly whenever some Philippine matters have to be threshed out. For instance, when the joint committee sitting in Washington could not break a deadlock among its members on how to ease the export tax on Philippine exports to America as provided in the independence law, President Roosevelt, by radio and radiophone, took up the matter directly with President Quezon. And when the deadlock was broken and the plan adopted of spreading the ascending export tax over a period of 20 years at the rate of 5 percent increase per year, the State Department in Washington and Malacanan in Manila simultaneously released identical press statements apparently without the knowledge of the High Commissioner.

Thus High Commissioner McNutt has faded out of the Philippine picture.

Federal Aid to Education

EXTENSION OF REMARKS

OF

HON. PAT HARRISON

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Tuesday, May 10 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS BY DR. FRANK P. GRAHAM, MAY 7, 1938

Mr. HARRISON. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Dr. Frank P. Graham, member, President's Advisory Committee on Education, and president, University of North Carolina, Chapel Hill, on May 7, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Federal aid to education became a historic part of the American system before even the adoption of the Constitution, has been continued in a long succession of congressional grants to the States for agricultural, vocational, and higher education, and will be a further fulfillment of the great American tradition of Federal aid to the States for roads, agriculture, health, research, higher education, and social security. Failure to provide Federal aid now for the elementary and secondary schools is a failure of the American system to follow through for the most basic of all our American institutions. It is a failure to carry forward the democratic idea of more equal educational opportunity for all American children. Equal educational opportunity of the children who are to be citizens of both the States and the Nation is the main responsibility of our constitutional Republic of States and people.

The main support of public education will continue to be by the States and localities. It is proposed merely to supplement the $2,000,000,000 now provided by the States and localities with Federal appropriations which, in the sixth year for all purposes, will total $199,000,000. Of this amount six millions will be for teacher education in a country in which one-fourth of the teachers have not gone beyond the high school. Six millions will be for rural libraries, in view of the fact that of the 45,000,000 people without local access to public libraries, thirty-nine and one-half million of them live in rural areas. Fifteen millions will be for adult education in a nation of 75,000,000 adults, 36,000,000 of whom did not get beyond the eighth grade, 15,000,000, it is estimated, cannot read intelligently the daily newspaper, and more than 3,000,000 cannot read at all, and more especially in view of the fact that the conception of adult education has advanced from an exclusive concern with the immigrant, the unskilled, the underschooled, and the underprivileged to a concern for continuous and universal voluntary education of all adults.

Most important of all, one hundred and forty millions in the sixth year are proposed for the elementary and secondary schools. The approximately $300,000,000 provided annually now for the less than 300,000 young men in the economically productive and socially desirable Civilian Conservation Corps emphasizes the far-reaching value of the modest $140,000,000 proposed as Federal aid to the States for the more than 26,300,000 children in the public schools.

The terms of the control of public education will continue to be in the hands of the States and localities. Provision for local and State control is expressly written in the Federal bill, with the freedom and autonomy of the localities and States preserved as now in the selection of teachers and curriculum, the management of textbooks, school busses, health service, and the entire administration of the schools.

The two main principles for the distribution of the Federal funds will be equitable distribution between the races and democratic distribution among the States according to the economic ability of the States and the number of children per adult population. The following facts established by committee studies which make the basis for this principle will burn themselves into our American democratic consciousness and move the people to action.

In 1930 the farm people in the United States obtained 9 percent of the Nation's income and yet supported 31 percent of the Nation's children. Southeastern farm people, with approximately 4,250,000 children, received 2 percent of the national income, while northeastern nonfarm people, with approximately 8,500,000 children, received 42 percent of the national income. In three States less than $30 per child was invested in public education, while in three States more than $120 per child was invested. A higher tax rate is required to provide the $30 per child in three States than is required to provide the $120 per child in the three other States. In the States of the least economic ability the people pay the highest tax rate for the education of their children on the lowest plane in the Nation.

An economic, social, and cultural lag in any part of the country is an economic, social, and cultural damage to all parts of the country. Forty percent of the young people 10 to 20 years old on farms in 1920 were in cities at the end of the decade. Sixty percent of this net migration was from southern rural areas. While some regions are failing to reproduce their own population, the South has a 30-percent excess of births over deaths. The region with less than a third of the population has more than 50 percent of the excess of births over deaths in the Nation. A large proportion of the children who in their nonproductive years are supported and educated by rural people become in their economically creative years the producers in the vital industries and the citizens of the urban communities. The quality of the education in these rural areas is a matter of vital concern to the industries, the cities, and the people of the whole country. Economic inability and educational overload coincide in the same rural and sectional areas to fix educational inequality and to impair the foundations of our national democracy. Just as within the States children in rural localities can have a fairer educational opportunity only through State aid to the localities so children in the rural States can have a more equal educational opportunity only through Federal aid to the States. Over half of the American States are rural States.

Our corporate business structure while drawing on the rural States, on all elements of the population, all sections of the country, and all resources of the Nation, concentrates the greatest wealth in the metropolitan areas with the least number of children per adult population. Much of the low valued raw source of this wealth is back in the areas where are the greatest proportion of children. These natural resources, these raw materials, the work of the people in these tributary areas contribute greatly to wealth at its levels of highest valuations and in its centers of greatest concentration where are the least proportion of children. The Federal Government is the only agency which can redress this economic and educational imbalance be-

tween the metropolitan areas of the greatest concentration of wealth and the rural areas of the greatest concentration of children per adult population. Three-fourths of the cost of public education is carried by taxation of property chiefly local. For the most part taxation of agricultural property is taxation of the people on the farms where the tax is imposed. It cannot readily be shifted. Taxation of financial and industrial wealth, to an increasing extent in our integrated national industrial systems, is shifted to the consumers of the whole Nation. Since all sections, all resources, and all the people combine to produce the wealth concentrated in the great centers and since all the people as consumers help pay the taxes on this wealth it is that a little bit of the income from this wealth as Federal aid to public education should go back to the States whence it came and where are now the largest proportion of children whose equality and quality of education determine the future of democracy in America.

With democracy in retreat in many parts of the world may America give a lift to the democratic hopes of the forgotten millions in all parts of the world with a new declaration for equitable and democratic Federal aid to public education under State control in the American way for the fairer chance and more equal opportunity of all the children in all the States.

A Foreign Policy for America

EXTENSION OF REMARKS

OF

HON. JAMES P. POPE

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Tuesday, May 10 (legislative day of Wednesday, April 20), 1938

ARTICLE FROM THE NATION, MAY 7, 1938

Mr. POPE. Mr. President, I ask to have printed in the Appendix of the RECORD an article appearing in The Nation for May 7, 1938, entitled "A Foreign Policy for America."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Results of the Nation's poll, tabulated on the next page, show isolation to have been rejected by progressive opinion among all groups and in all sections of the country. Out of a total of 9,263 signed ballots received, only 1,493—or less than one in six—subscribed to the general isolationist program which some of our Washington friends have declared represents the sentiment of the country. While no attempt was made to analyze the four-thousand-odd unsigned ballots received, a cursory examination shows that they divide in approximately the same proportions. Readers of the Nation were particularly emphatic in opposing isolation, only 13 percent voting for this policy. But, suprisingly enough, 82 percent of the 6,816 nonreaders of the Nation who voted concurred in this choice. The lists of persons to whom questionnaires were sent were carefully chosen to avoid bias. Although it is not possible to give the details regarding these lists, it can be stated that among them were lists obtained from at least three magazines which do not agree with the Nation's editorial position on foreign affairs and at least one large organization which is presumably isolationist in its outlook. Only one list, and that one of the smaller ones, was obtained from an organization whose members presumably favor collective security. Less than 150 votes were obtained from this source.

Sectionalism played a significantly small role in the returns. There was not a State in the Union in which the isolationist vote even approached that given to collective security. Six Midwestern States—Illinois, Indiana, Iowa, Kansas, Nebraska, and Wisconsin—cast 83 percent of their ballots for collective action, which was almost identical with the vote in New York City. California was a little more emphatic than the average, with 86 percent favoring international cooperation, while 84 percent of the Alabama vote supported the same policy. In fact, the most striking characteristic of the vote is its consistency. Practically all of the States fall within an 80- to 88-percent range favoring collective security.

Approximately 83 percent of those favoring isolation as a method of keeping out of war felt that the present Neutrality Act does not supply sufficient guaranties of security for the United States. Only two-thirds of these, however, supported the proposal to stop all trade with belligerents, withdraw aid from American citizens in countries at war, and refuse to consult with other nations on ways to avoid war or end further conflict.

In view of the discouraging developments of the past few years, it seems surprising that nearly 40 percent of all those voting favored American entry into the League of Nations. More than 70 percent believed it necessary to collaborate, in joint or parallel action, with the major nonaggressive powers. An overwhelming majority of those favoring joint action—81 percent—placed their faith in economic sanctions directed against aggressors, but an almost equally large proportion—79 percent—also favored economic support for the victims of aggression. A somewhat smaller number, but practically half of the total number voting, would carry concerted action to the point of threatening collective armed resistance to aggression.

Of all the specific proposals suggested as a means of checking the drift toward war, the reciprocal-trade agreements and the consumer boycott received the greatest support. The boycott was strongly favored by both the supporters of isolation and of collective security, and rolled up a striking majority of 4 to 1 among all those casting their ballots. Unfortunately, no opportunity was given the participants to indicate whether they are themselves refraining from the purchase of Japanese goods.

At first glance the 5-to-1 vote for collective security seems, as one distinguished authority on international relations puts it, "almost too good to be true." A number of opponents of collective action have charged that the questions were "loaded" so as to give a favorable result. After studying the criticisms together with several alternative sets of questions submitted by various other groups, we are convinced that this particular charge is not justified. While several of the questions might have been rephrased in the interest of clarity and others added to allow expression to some of the more important qualifications of attitude, there is no indication that the phrasing in any way affected the results. This is borne out by the fact that the National Lawyers' Guild poll with entirely different questions yielded almost identical results. It showed, for example, a 6 to 1 majority in favor of a revision of the Neutrality Act to permit the President and Congress, acting jointly, to distinguish between an aggressor and its victim. An almost identical majority approved of the use of economic measures to enforce the Kellogg-Briand Pact. Most of the sample questionnaires submitted by other groups were devoted to an attempt to show that isolation is a "peace policy" and collective security a "war policy."

Next week we shall publish in our correspondence pages of letters from critics of the poll as well as from persons who attached to their ballots expanded statements of their beliefs. So many of these were received that we shall attempt a classification of the varied opinions expressed; for these, too, form an interesting reflection of liberal attitudes on peace and American foreign policy.

The Nation poll does not presume to give a cross-section of general public opinion on these most vital of the questions facing the United States today. It does, however, indicate that there is a surprising unity in liberal opinion throughout the country on the necessity for some form of concerted action to check the drift toward war. It suggests that isolationism, if it was ever as strong as its advocates insisted, is definitely on the wane. And it provides a reassuring demonstration of faith in the feasibility of achieving peace through nonmilitary means. An overwhelming majority upheld the Nation in the belief that economic sanctions, consumers' boycotts, and other pressures exerted by labor and unofficial groups may, if rigorously applied, yet stop the spread of war.

Final tabulation of the returns

I. In the long run, which offers the better insurance against war for this country—		
1. Isolation?	1,493	[1](16.1%)
2. A policy of cooperation with other nations in defense of peace?	7,770	(83.9%)
A. ISOLATION		
II. If you favor isolation, do you believe that our present Neutrality Act, if applied, would supply sufficient guaranties of American security?		
Yes	246	(17%)
No	1,182	(83%)
III. If your vote on question II is "no," would you go beyond the Neutrality Act and stop all trade with belligerents, withdraw all aid from American citizens in countries at war, and refuse to consult with other nations on ways to avoid war or end further conflict? [2]		
Yes	850	(67%)
No	418	(33%)
IV. Do you believe that a policy of isolation—		
1. Should be backed by a large increase in the Army and Navy?	495	(34.4%)
2. Or should we depend chiefly on measures of economic nonintercourse to protect us from war?	944	(65.6%)
B. COLLECTIVE SECURITY		
V. If you believe in collective action, what sort of commitments do you favor?		
1. Joining the League of Nations?	3,577	
2. Acting in common with other signatories to the Pact of Paris?	2,913	
3. Collaborating (through joint or parallel action), as occasion demands, with the major nonaggressive powers?	6,713	

[1] Percentages are based on the number of replies received on the specific question.

[2] Apparently some voted on this question who did not vote "no" on question II.

Final tabulation of the returns—Continued

B. COLLECTIVE SECURITY—continued

VI. What sort of collective action do you advocate to check aggression?		
1. Economic measures directed against the offending power?	6,341	
2. Economic support for the victims of aggression?	6,014	
3. The threat of collective armed resistance to aggression?	4,605	
VII. The present Neutrality Act prevents economic cooperation with other nations to prevent or resist aggression. Would you favor—		
1. Repealing the act outright?	2,837	(39%)
2. Or amending it to permit economic aid to the victims of aggression?	4,449	(61%)

C. IN EITHER CASE

VIII. Has the failure of the major democratic powers effectively to oppose the aggressions of Germany, Italy, and Japan weakened your belief in the possibility of collective action?		
Yes	3,547	(40%)
No	5,411	(60%)
IX. Has it caused you to direct your hopes for such action to nonofficial groups in all countries—particularly to labor and liberal and pacifist elements in the populations and the parliaments?		
Yes	5,560	(66.7%)
No	2,764	(33.3%)
X. Do you favor the application of voluntary popular boycotts to goods coming from nations engaged in aggressive warfare?		
Yes	7,023	(79.8%)
No	1,831	(20.2%)
XI. Do you believe that the United States should join in or support efforts to reduce the economic causes of friction by such means as—		
1. A redistribution of colonies?	3,005	
2. Reciprocal-trade agreements?	7,771	
3. Cancelation of war debts?	3,845	
4. Stabilization of currencies?	6,145	
5. Relaxation of immigration restrictions?	2,879	
XII. Do you believe in a referendum on the question of a declaration of war by the United States?		
Yes	3,754	(46.4%)
No	4,340	(53.6%)

P. W. A. Project, Clarence Center, N. Y.

EXTENSION OF REMARKS

OF

HON. ALFRED F. BEITER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 10, 1938

ADDRESS OF HON. ALFRED F. BEITER, OF NEW YORK, MAY 7, 1938

Mr. BEITER. Mr. Speaker, under leave to extend my remarks, I include herein the following address which I delivered on Saturday, May 7, at the ceremonies for the laying of the cornerstone of the new school building at Clarence Center, N. Y., now under construction with the aid of a Public Works Administration allotment:

This is a happy day for me—one of great personal satisfaction—not because I have been given the honor to assist in laying the cornerstone of this new school building but because you, the people of Clarence Center, are here to witness one of the final stages in the realization of a long-cherished hope—a new school building for your children.

Nearly 60 years ago—in 1879—the school building now housing its last classes was new and was, no doubt, lauded in a fitting manner. It has been of great service but has outlived its usefulness. America is marching on and with America, its youth, and in our march we are not overlooking youth and its demands and needs for better opportunities.

America is building! It is the verdict of history that when a nation for any reason stops building, it dies. This was true of ancient civilizations like Egypt, Babylon, and Tyre. It was also true of ancient Mexico and could easily be true in a country like the United States.

Wise leaders have realized that in times of great stress the creative instinct of the people must be protected. It is also an axiom of common experience that construction works involving large numbers of skilled and nonskilled workmen are among the most useful and helpful expedients which any government can adopt in a season of panic and economic distress.

I said a minute ago that America is building. It has been since 1933. When Franklin D. Roosevelt entered the White House he took immediate steps to check America's "nose dive" into chaos. One of these steps was the creation of the Public Works Administration. A few months later he appointed Secretary of the Interior Harold L. Ickes as Administrator of Public Works, under whose wise guidance P. W. A. has done a magnificent job of helping to revitalize America's industries through a Nation-wide building program.

As particularly applied to today's occasion, let's look at the record on school construction—it is most interesting.

During recent years, and particularly during the period of 1930–32, school construction fell far below the actual needs of the Nation. Over a period when educational facilities should have been expanded, expenditures for new school construction were generally curtailed throughout the entire country. In most cases this curtailment was necessary, due to lack of funds. The result, however, was an accumulated shortage of school accommodations which began in 1926 and reached serious proportions during the period 1930–32.

The trend of student enrollment continues upward year by year in the face of erratic and inadequate provision for this annual increase in the number of students. In 1918 it was 20,850,000, in 1924 it was 24,300,000, in 1930 it was 25,680,000, in 1934 it was 26,700,000, in 1936 it was 27,300,000, and in 1937 it was nearly 28,000,000. However, this situation has, to a great extent, been corrected through the extensive school-building program made possible by the aid of the Public Works Administration. But there are still thousands of students housed in unsafe and temporary structures.

Schoolhouse construction has been one of the major accomplishments of P. W. A. In fact, approximately 25 percent of all non-Federal projects have been those for increased school facilities. It has not only helped cities and communities to improve their educational equipment, but it has also given employment to workers in every trade and profession which from an economic standpoint has been a great aid in the rehabilitation of industry and business in general.

In 1926 the total capital outlay for schools was $400,000,000. In 1932 it had dropped to $200,000,000 and in 1933 before the Public Works Administration had gotten under way it had further decreased to $100,000,000 with indications of an almost complete discontinuance in 1934. During the life of P. W. A. approximately $580,000,000 has been spent on the school construction portion of the building program. Of this amount about $330,000,000, or 55 percent of the total, has been supplied by the communities and the balance through loans and grants by the Federal Government.

So you can easily see what the resources of the Government through the Public Works Administration have meant to American education. It has meant nearly 7,500 new schools providing 40,000 classrooms for 1,640,000 school children. In addition there were provided 2,200 auditoriums, 1,800 gymnasiums, 900 libraries, 700 shops, 475 cafeterias, and approximately 6,300 other units, such as laboratories, science and commercial rooms, and study halls. A large majority of these facilities are included in the 7,500 new buildings completed or under construction. Also repairs have been made to 1,200 schools for the purpose of providing better sanitation and adequate protection to the lives of students. More than 10,000 improvements are included in the 1,200 projects of this description.

The matter of the distribution of labor—direct and indirect—as a result of any public works construction is also of interest. Not long ago my friend, David Lynn, Architect of the Capitol, went to the trouble to trace back to their origin the materials and fabricated parts used in the construction of the new House Office Building in Washington. My recollection is that he found that 37 of the 48 States enjoyed some advantage from the building of that single structure. The same principle holds good for practically every Public Works Administration project of the past 5 years.

And it is true of our new school building. The homely example of dropping a pebble into a quiet pool and watching the ever-widening circle of ripples is indicative of the far-reaching results to industry that a single project such as ours can have. For example, the steel comes from Minnesota, Indiana, Pennsylvania, and Texas. The copper from Montana. The face brick from New York and Pennsylvania, as does the finished tile. Stone and gypsum from New York, and the oak trim from West Virginia. The States of Nevada, Montana, New York, Pennsylvania, Wisconsin, Ohio, Indiana, and Minnesota are responsible for the materials to be found in the plumbing fixtures, while Pennsylvania, Missouri, Michigan, Montana, Georgia, Delaware, North Carolina, Mississippi, and, if you please, Alaska, furnished materials for the electric fixtures. Thus you see various industries in 16 States and Alaska will be affected as well as transportation companies through the construction of this building. In the same manner industrial goods produced in the State of New York are used in P. W. A. projects in all other sections of the country.

I have no doubt that if the planners and builders of the old school building were with us today they would get a real shock. Let us compare for a little the two buildings. The one we are

about to abandon is of brick and timber construction—poor heating and worse ventilation. Water and sewage facilities are totally inadequate—the wiring is old and exposed, and the illumination of doubtful value. The building is, through no fault of its builders, a veritable firetrap. But, mark you, I say it has served its purpose and served it well.

Now, let us look into the plans for our new school. It will be of brick, steel, concrete, and stone construction. Its water supply and sewage facilities will be the last word. The finest heating plant and mechanical ventilation offered by industry will be installed. The wiring will be of approved standards as will be the illumination. The finishing equipment will be the finest money can buy, and because of the fire-resisting construction, coupled with an ample number of fire exits, the building will be as safe as the hand of man can make it.

Add to all this an intercommunicating telephone system, automatic bells and electric clocks, radio-outlet plugs in various parts of the building for the use of radio in instruction, locker rooms, and a library. And one more thing—and very important, too—a well-equipped gymnasium for physical education and training will be enjoyed by the entire community, because coupled with it will be a stage and facilities for seating large crowds at any time for town-hall meetings and other gatherings. So, you see, the schoolhouse of today is not just a source of "readin', writin', an 'rithmetic" for school boys and girls 6 hours a day 5 days a week; it is in effect a community center for all the people.

Ah, my friends, education in America is coming into its own—and rightfully so. As an integral part of the Nation, Clarence Center is sharing in this progress. Communities all over the length and breadth of the land are realizing that America's greatest asset is its youth. And in helping to build this school, along with 7,500 others, the Federal Government is making an investment in human values that will pay dividends to the Nation manifold.

We owe a debt of gratitude to President Roosevelt, Secretary Ickes, and the Public Works Administration for the part they have played in making possible our new building; but you, too, must be congratulated for the grim determination you have shown, dating back quite a long time, to some day have a practical and adequate school building to take care properly of your children's education. May God bless you all and the work that this new school will perform.

Is Pump Priming the Way Out?

EXTENSION OF REMARKS

OF

HON. SAMUEL B. PETTENGILL

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 10, 1938

Mr. PETTENGILL. Mr. Speaker, President Roosevelt's recent pump-priming message made recommendations in three general classifications.

One was to continue the Works Progress Administration, the C. C. C. camps, Federal aid to highways, and so forth. Until prosperity returns or until better ways are agreed upon to revive prosperity, there seems to be general agreement that this part of the program is necessary to prevent suffering among willing workers and their families. I have myself voted for previous relief bills, although I am deeply concerned over the tendency to centralize all relief responsibility and cost at Washington, the tendency to make relief permanent, and the tendency toward W. P. A. becoming a political "racket," concerning which investigations are now being conducted in Pennsylvania and Florida. Nevertheless, although W. P. A. has many disturbing features, needless suffering cannot be tolerated in America.

The second group of recommendations of the President require no congressional action and will not in themselves increase the national debt. They have to do with policies over which the President and the Federal Reserve Board already have authority to act. One is to increase the "excess reserves" covering deposit liabilities of Federal Reserve member banks. The other is to desterilize about one and one-half billions of the gold bullion now in storage. On the latter point I see no reasonable ground of objection, at least at the present. We have been buying gold, newly mined, here and abroad, at $35 an ounce. The purchase of that gold has added to our national debt. The gold is an asset. We have more than we probably will ever need to meet foreign obligations or to finance buying of foreign commodities, even in time of war, and it seems that we can well afford to use a reasonable part of this gold asset in the hope that it will stimulate business activity through easy and plentiful bank credit, provided sound borrowers can be found to avail themselves of it.

The third general recommendation of the President, in substance, is to revive P. W. A., which was ordered to go into liquidation only a few months ago. A new program of public works is the part of the pump-priming process which will definitely add to the public debt and create new obligations for our children to pay, if, in fact, they are ever liquidated by public taxation. It is this third part of the President's program as to which the major disagreement exists. It is the main "shot in the arm."

It raises many serious questions. One is whether it will not cause as many private dollars to go back into hiding as it pours out as public dollars. The second is the gradual and continuing and frightening tendency to "charge it on the cuff" and thus destroy confidence in government and government promises to pay.

The tendency of lump sum appropriations and allocations of projects by the Executive, rather than Congress, is to destroy the freedom of Congress as your policy-determining agency and the freedom of the people themselves to cast an independent and unpurchased and unpurchasable ballot in the voting booth on election day. And this is a great and grave danger which must be resisted if we are not to continue our march away from a constitutional democracy toward fascism or communism.

Let me say at once that I do not now question the solvency of the Government. On the contrary, I believe it is solvent and can be expected to carry its present debt. In fact, it can be argued that on account of the increase of population since the World War the national debt per capita is no more now than it was in 1920. But this is an argument that has to be held in some restraint. The size of the World War debt in itself did not scare investors in 1920. It was expected then that it would not grow larger; and, in fact, would begin to be reduced, and this was done until 1930 at the rate of about a billion a year.

But the same per capita debt today, with no end in sight of its rapid increase, with no declared policy toward reducing the cost of government, or reducing the debt, but on the contrary a disposition to keep on with "shots in the arm" is a horse of an entirely different color. We will soon begin the ninth consecutive year of charging current expenses against future taxpayers. We are mortgaging our children.

As I said, it is not the fact of the size of the present debt that need immediately concern us. It is the fear of constant and continuing increase of its size to some amount in the future where it will be so huge that no government can face the voters and stay in office with a tax bill large enough to pay both its interest and reduce its principal sum with constant increase of debt. There always comes a time when debts will no longer be carried by the people. Then repudiation in some form always comes as we have seen it in Russia, Germany, and today in France. And this repudiation wipes out the middle class, the frugal, thrifty, sober, industrious, God-fearing, self-supporting, self-respecting, and self-denying part of a nation's people. And when the middle class goes, the man on horseback comes. That is the danger of a continuing unbalanced Budget. It is the threat to democracy itself.

Well, some will cry out, "Follow the President." Which way shall we follow him—the way he went in the spring of 1933 or the way he goes today? In 1933 President Roosevelt pointed out the danger to which I have just referred.

Let me quote his words of March 1933. He said:

> For 3 long years the Federal Government has been on the road toward bankruptcy.
>
> With the utmost seriousness I point out to the Congress the profound effect of this fact [the accumulated deficit at that time of $5,000,000,000] on our national economy.
>
> It has contributed to the recent collapse of our banking structure.
>
> It has accentuated the stagnation of the economic life of our people.
>
> It has added to the ranks of the unemployed.

Upon the unimpaired credit of the United States Government rests the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It therefore becomes our first concern to make secure the foundation. National recovery depends upon it.

Ladies and gentlemen, is it possible that President Roosevelt was wrong in 1933 when the debt totaled $20,000,000,000, and is right today when the debt is rapidly approaching $40,000,000,000, and when it is anticipated now that the next fiscal year will show the largest deficit of his entire administration?

It is true that in the spring of 1933 we voted $3,300,000,000 to finance public works. And it has been argued recently that we had recovery then, and the same medicine will give us more recovery now.

The conclusion does not follow. In 1933 we definitely set our faces toward putting our house in order. We reduced ordinary government spending. We levied additional taxes to amortize the P. W. A. appropriation. It was expected then that the emergency was temporary and we would soon be reducing the debt again.

That is not the condition today. The emergency no longer appears temporary. We are not reducing ordinary expenses of government, but in fact increasing them. And we are not laying any new taxes to amortize our new expenditures. In fact, we are already taxing so heavily that the Government does not dare levy enough new taxes to balance the Budget and then face the voters this fall. That is the real danger of unbalanced Budgets, and the debt is now nearly $40,000,000,000 rather than $20,000,000,000. It is the last straw that breaks the camel's back, not the first.

It cannot be said, therefore, that public works on borrowed money produced the prosperity up-climb in 1933 and 1934. It helped, without doubt, but the main thing was the general up-surge of confidence that was felt in all lines of business. That up-surge began nearly a year before the P. W. A. became effective.

The President was either right or wrong in 1933. To say that he is right now and wrong in what he said in 1933, as I have quoted his words, is to argue that he is right now when the Nation is going downhill, and was wrong in 1933 when the Nation began to march up hill. Pump priming in 1933, therefore, is wholly different from pump priming in 1938. Today, as the New York Times has said, the administration has "chosen to pour water down the well instead of mending the pump."

Granted that unemployment is the great problem facing us, granted that the pump needs mending, how should we proceed to mend the pump?

Is there an alternative program, one which has a record of actual success behind it? There is. It is the record of Great Britain. By monetary action they have stabilized the buying and debt paying power of the pound sterling and the price level, in terms of raw-material commodities; they have built two and a quarter million homes, all by private enterprise; they have reduced unemployment to a reasonable minimum; they have a labor policy under which labor and capital are responsible copartners; and have done all this without going in debt, with a budget in which taxes equal outgo. With the single exception of war in Europe, Great Britain faces her future with confidence, while we now face our future with doubt.

Here is an alternative program with a record of demonstrated success. And the American people quite rightly demand a constructive alternative, rather than mere criticism.

Another suggestion which seems to me to be well worth serious study is this: At the present time we tax or borrow, bring the money to Washington, and then send it back again in W. P. A., P. W. A., C. C. C., expenditures to the very same States and communities from which the money comes in the first place. This is certainly running all around Robin Hood's barn. Why not encourage private industry to take up the load, instead of taxing it to the point where men hesitate to put money in new enterprise, or to expand existing business?

How could this be done? We would say to a factory, for example, that it can obtain an allowance against its tax bill to Uncle Sam by showing that it has increased its pay roll by giving work to men now unemployed. In other words, instead of paying taxes and having the Federal Government use that money to put men to work, the factory could use the same money and put its own men to work in their home communities without the humiliation of relief or paying tribute to a political racket. This is, of course, only a suggestion, but it seems to me to be constructive and well worth very serious study.

One conclusion seems to be as plain as a pikestaff. If private capital were put to work, pump priming would be unnecessary. Unless it is put to work pump priming will fail.

Wage and Hour Bill

EXTENSION OF REMARKS

OF

HON. ELMER H. WENE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 10, 1938

Mr. WENE. Mr. Speaker, on last Friday, May 6, I was unavoidably absent from Washington on official business in my home State. I wish to announce that it was my intention to sign the petition on the Speaker's desk to compel consideration of the wage and hour bill, and had I been present, I should have signed that petition.

Flood Relief

EXTENSION OF REMARKS

OF

HON. LEO E. ALLEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 10, 1938

A MEMORIAL RESOLUTION TO THE HOUSE OF REPRESENTATIVES IN THE SEVENTY-FIFTH CONGRESS

Mr. ALLEN of Illinois. Mr. Speaker, since I have been in Congress I have continually sought expenditures for flood relief. I am convinced that the people of this country are anxious that the Government instead of spending money on useless projects, use it for remedying flood conditions, thus saving the lives and property of millions of people. I trust something will be done this session of Congress. I am including a resolution passed by the convention of Federated Woman's Clubs of the Thirteenth District of Illinois, to which I request you give careful consideration.

Whereas during the late winter and spring months of 1938 and of 1937 many thousand dollars' worth of damage was caused by extensive floods of Rock River, extending from Rockford to Rock Island; and

Whereas this serious damage from floodwaters, which destroyed property and drove people from their homes, could be avoided by suitable means of flood control; and

Whereas the Federation of Woman's Clubs of the Thirteenth Congressional District of Illinois is deeply interested in the welfare of all residents of this district: Be it

Resolved, That said Federation of Woman's Clubs hereby request the proper authorities in our National Government to take immediate action to investigate and alleviate this condition of disastrous floodwaters in the Rock River Valley.

Presented to and adopted by the annual convention of Federated Woman's Clubs assembled at Galena, Ill., April 28, 1938.

Mrs. A. H. MILLER,
Chairman of Committee on Legislation.
EMILY RICE, *Secretary.*

Opinion of Supreme Court in Kansas City Rate Case

EXTENSION OF REMARKS
OF
HON. SHERMAN MINTON
OF INDIANA
IN THE SENATE OF THE UNITED STATES
Wednesday, May 11 (legislative day of Wednesday, April 20), 1938

COMMUNICATION WHICH APPEARED IN THE NEW YORK TIMES

Mr. MINTON. Mr. President, on the 25th of April the Supreme Court handed down an opinion in the case of Morgan against the United States, which contains some very interesting law that has attracted a great deal of attention. It involves rates fixed by the Secretary of Agriculture under the Stockyards and Packers Act. The phases of this subject that do not appear in the opinion and have not appeared sufficiently in the press, although the communication which I now offer appeared in the New York Times, having been directed to that newspaper by the Secretary of Agriculture, do appear fully in the communications which I send to the desk and ask unanimous consent to have printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 3, 1938.

To the NEW YORK TIMES:

The New York Times, on pages 1 and 2 of the Sunday issue of May 1, and on the editorial page of the issue of May 2, has unwittingly committed an injustice against the Department of Agriculture and the present Secretary of Agriculture. According to the New York Times, the decision in the Kansas City rate case handed down on April 25 "rebuked Wallace" and "intimated that the stockyards company was unfairly treated." In another place the New York Times says, "The Supreme Court held that Secretary Wallace had accepted as his own the findings of the 'active prosecutors for the Government' and had not given the packers the right to a full and fair hearing in the proceedings, which involved the establishment of maximum rates for livestock sales commissions in Kansas City."

It is not surprising that reporters for the New York Times, who are undoubtedly among the best in the country, should have been deceived. I have found that even the most prominent people in the administration, whose duty it is to keep up to date on current affairs, were misled by the curious way in which the April 25 decision of the Supreme Court was written by Chief Justice Hughes. The Court's cloudy phraseology was made necessary by the fact that 2 years previously the Chief Justice, in this same case, had taken a different stand and there was necessary a careful job of legal reconciliation which confused the clarity of thought. The very heart of the decision, as stated by the Chief Justice in his April 25, 1938, pronouncement, I believe to be sound. This central core of soundness, with which I am in complete accord, has to do with furnishing to businessmen a definite order or set of findings so that they may have something to shoot at before they appear in final oral argument. I agree that the practice followed in previous administrations was unfair, and I am glad to say that nearly 2 years ago this Department established the procedure which the Supreme Court now says is necessary.

It is interesting to note that the particular error of omission on which the Chief Justice hangs his decision was committed not by this administration but by the previous one. It was the Solicitor of the previous administration who failed in February or early March of 1933 to send out the order to the commission men so that they would have something definite to shoot at when they came into the oral argument on March 24, of 1933. I do not blame the Solicitor of the previous administration because he was merely following the practice which had been established in preceding administrations. Old deal lawyers did not have the opportunity of thinking so continuously about the problems of administrative law. Under the New Deal, however, there has been much thought about perfecting the procedure of administrative law to insure fair play.

Dr. John R. Mohler, Chief of the Bureau of Animal Industry, one of the most respected and fairest-minded men in the Government, deserves credit for helping to bring about the necessary change in practice long before the decision of the Chief Justice in 1938. It is rather interesting to note that in May of 1936, when this whole case was up before the Supreme Court on a prior hearing, the Chief Justice in the opinion which he handed down was not particularly concerned with whether or not an order had been sent out to the commission men in advance of the oral argument. On that occasion the one matter which seems to have concerned him above everything else was whether or not the Secretary of Agriculture had sufficiently studied the evidence in the case. To determine this point, he sent the case back to the lower courts and asked that an investigation be made. An investigation was made, the Secretary of Agriculture was cross-examined, and this point was settled to the Chief Justice's satisfaction.

Incidentally, I may say that Dr. Mohler tells me that I gave this case more personal attention than any previous Secretary of Agriculture had ever given to any case under the Packers and Stockyards Act or for that matter to any half-dozen cases. The Chief Justice in his 1938 decision quotes the statement in my testimony to the effect that I conferred with the men of the Bureau of Animal Industry and then reached an independent conclusion as a result of which I changed certain rates (in favor of the commission men, as it happens, although the Chief Justice did not so state).

The men of the Bureau of Animal Industry were of very real assistance to me in digesting the 10,000 pages of oral transcript and studying carefully the 1,000 pages of statistical exhibits. It was right that I should rely on them because these men were employed, among other things, for just such a purpose. They were not the active prosecutors in the case, as has been assumed. In 1928 the then Secretary of Agriculture divided the packers' and stockyards' administration into two parts. The legal part, composed of the active prosecutors, went to the solicitor's office; the administrative and investigational section went to the Bureau of Animal Industry. I conferred separately and collectively with both groups on several occasions. Their opinions did not agree. I arrived at an independent opinion of my own.

All of this, however, is quite irrelevant and would not be in the 1938 decision at all, if it had not been for the fact that in 1936 the Chief Justice sent the case back to the lower courts to find whether or not the Secretary of Agriculture had given the case sufficient personal study. Having found that the Secretary of Agriculture had given the case personal study, he shifted ground and placed the blame for the vital defect on the previous administration, although in such words that not even the most skilled reporter or headline writer could arrive at any other conclusion than that the present administration had been rebuked rather than the previous one.

The confusion arises from the fact that in the decision the words "Secretary of Agriculture" refer to several different individuals in two different administrations, and the distinction would not likely be caught by anyone who is not in the Department of Agriculture.

Because of the fact that the Kansas City rate case decision is certain to have a far-reaching significance to governmental quasi-judicial agencies, I have in the following sketched out rapidly the background of both the legislation and the particular case involved.

Twenty years ago Senator John B. Kendrick, of Wyoming; T. W. Tomlinson, secretary of the American National Livestock Producers; and Henry C. Wallace, my father, who was secretary of the Corn Belt Meat Producers' Association, worked together strenuously for what they believed to be a new deal for stockmen at the great central markets. Previous to 1921 livestock marketed at the central markets was not subject to Federal regulation. The stockmen felt that the charges were too high and that many of the practices were unfair. They had tried starting cooperative marketing agencies, only to have them boycotted and destroyed. I myself had done statistical work for the Corn Belt Meat Producers' Association and had written editorials on the need for Federal regulation.

When my father became Republican Secretary of Agriculture in 1921, his greatest interest was to bring about the passage of the Packers and Stockyards Act. When the act became law he set up in the Secretary's office an administrative force. Thus was set up in the Department of Agriculture one of the first of its quasi-judicial agencies. At that time, aside from the Interstate Commerce Commission and the Federal Trade Commission there were not many quasi-judicial agencies in the entire Government.

As time went on corporation lawyers more and more developed a feeling that these governmental agencies were unfair. The point they made was that the Government was simultaneously investigator, prosecutor, and judge. And yet the growing power of corporations and the increasing complexities in modern economic life made the increased development of semijudicial semiexecutive agencies inevitable.

Perhaps it was this growing feeling on the part of corporation lawyers which led the Secretary of Agriculture in 1928 to take the Packers and Stockyards Administration out of the Secretary's office and put the prosecuting functions in the Solicitor's office and the fact finding and administrative functions in the Bureau of Animal Industry. It is a curious comment on human affairs that the resentment which corporation lawyers had long held against quasi-judicial agencies in government should have received its most effective support from the Supreme Court in terms of condemnation of the action of an agency which had gone the whole way toward meeting the Supreme Court's objections. I find this whole matter of unusual interest because two of the six Justices who voted to take this action sat in the same Cabinet with my father in the early twenties. Both of them undoubtedly knew

that the Packers and Stockyards Act was an integral part of the Republican agricultural new deal of 1921. Both of them were doubtless familiar with the way my father had set up the original Packers and Stockyards Administration in the Secretary's office. But it is doubtful if either of them knew about the change in 1928 when the Secretary allocated the legal functions to the Solicitor's office and the other functions to the Bureau of Animal Industry.

Really vigorous action in the reduction of commission rates did not begin until the depression of 1930. As the depression deepened, farmers became more and more disgusted to see commission rates held up nearly to the 1929 level, when the price of their livestock had been cut in half. They brought great pressure to bear on Assistant Secretary of Agriculture Dunlap, whom the Secretary of Agriculture, Arthur M. Hyde, had assigned to deal with matters of this sort.

In April of 1930 Secretary Hyde ordered that the Kansas City commission rates be looked into. A representative of the Solicitor's office in the Department of Agriculture acted as an examiner and took evidence in late 1930 and early 1931. Commission men appeared as witnesses, so also did investigators of the Bureau of Animal Industry. In March of 1931 oral arguments were held before Assistant Secretary Dunlap and a year later, in the spring of 1932, the Secretary issued his findings and an order prescribing new rates. Within a short time, however, the Secretary reached the conclusion that because of changed economic conditions these rates would not be enforced but a new hearing would be held. The economic conditions had, of course, gone from bad to worse, and it is to be presumed that the then Secretary of Agriculture felt that the rates in his order were too high, and that a review of the economic situation would result in still lower rates. At any rate, an examiner was sent out from the Solicitor's office in the fall of 1932 and both the old evidence and new evidence were submitted.

When the Democratic administration came in, in March of 1933, the function of listening to oral arguments under the Packers and Stockyards case was still set up in the Assistant Secretary's office. On March 24, therefore, Rex Tugwell, the new Assistant Secretary of Agriculture, heard the oral argument with regard to the Kansas City Rate case. Previous to that time, however, there occurred that which Chief Justice Hughes described as a "vital defect" in the hearing. This defect, for which the previous administration was solely responsible, consisted in the following: The commission men had not been given the right to look at the proposed order before they came to the oral argument.

Personally, I agree with Justice Hughes in this particular contention, as is shown by the fact that in 1936, nearly 2 years before Chief Justice Hughes' finding, I signed an order providing for procedure to enable appellants to see the proposed order at least 20 days before the oral argument. When I side with the Chief Justice in this conclusion, I am not necessarily criticizing those who were Solicitors in the preceding administrations, and who felt that a full hearing did not require giving the commission men the right to see the order in advance so they would have something definite to shoot at in the oral argument. But if the Solicitor of the preceding administration could have had some sense of prophetic warning, he could have saved to the farmers of the Kansas City area at least $700,000 which rightfully belongs to them and which will now go to the commission men and their attorneys.

So far as the Packers and Stockyards Administration of the Department of Agriculture is concerned, the Supreme Court in its decision of April 25, 1938, has not served a useful purpose. We had already made the reform which the Supreme Court says should have been made by the preceding administration.

So far as the farmers are concerned they lost $700,000 which had been impounded as the difference between the rates established in the Secretary's order of 1933 and the old Kansas City rates based on the 1929 conditions.

So far as other quasi-judicial agencies in the executive branch of the Government are concerned, it would seem that each must discover in its own way an appropriate mechanism for showing a full hearing to businessmen and corporations. In packers and stockyards procedure I was able to assure such a full hearing by making it a requirement that the proposed order be sent to the interested parties by registered mail at least 20 days in advance of time for oral argument. In the case of the Packers and Stockyards Administration I do not anticipate that this requirement will result in any unnecessary embarrassment or delay. I can conceive, however, that with respect to certain fields of Government activity corporation attorneys and reactionary judges and justices might conceivably use this finding of the Supreme Court greatly to the advantage of the corporations and greatly to the disadvantage of the public. It would seem as though there is just as great a need for the public being fully and fairly heard as there is for the corporations. In the Kansas City Rate case the Supreme Court finding has the effect of doing a definite injustice to the public. Two extended sets of hearings before examiners were held, one in early 1931 and the other in late 1932. Two oral arguments were held, one in early 1931 and the other in early 1933. Two findings were made and two orders were signed, one in May of 1932 and the other in June of 1933. The change in economic facts between the examination of early 1931 and the examination of late 1932 was such as to justify lower rates rather than higher rates. Furthermore, in November of 1937 when economic conditions were materially better than in 1931, 1932, or 1933, the Kansas City commission firms voluntarily accepted rates which were almost identical with my order of June 1933.

The evidence is clear, therefore, that the Supreme Court in order to flash a warning to quasi-judicial agencies in the executive branch of the Government did that which those of us who are close to the industry know to be a definite injustice to the farmers involved. It will be exceedingly unfortunate if corporation lawyers take this finding of the Supreme Court as an excuse to bring about the interminable delays for which some of them are famous.

The final court of appeal in the United States is to the bar of public opinion. In bringing this present case before that bar I would raise the question as to the extent to which a court in its desire to call public attention to certain trends in public policy, should permit itself to do a substantial injustice to a considerable number of citizens, in this case, the farmers who had sent livestock to the Kansas City market from June of 1933 to November of 1937. They were harmed to the extent of more than $700,000 in order that the Court might make it known that in quasi-judicial proceedings orders should be formulated and sent out to the appellants in order that they might have something to shoot at when the time came for oral argument. With regard to this point I have no quarrel with the Chief Justice. But it does seem that he could have done justice to the farmers and at the same time have issued this warning. I trust the day will come when the Supreme Court will recognize a menace far greater than that contained in any of the quasi-judicial agencies, namely, the tendency for some corporation lawyers and courts to drag out their proceedings to an interminable length.

In conclusion we may well ask whether the court was interested in this case primarily from the standpoint of doing justice as between farmers and commission men in the Kansas City territory or in using a convenient peg on which to hang a statement encouraging lower courts to attack and delay the actions of quasi-judicial agencies. As I have said before I agree fully with the Chief Justice about the fairness of sending out orders in advance of final oral argument in order that the appealing parties may have something definite to shoot at. But if the obiter dicta in this case are to be taken as an excuse for delay by the lower courts it is high time that the whole matter be agitated to the utmost before the bar of public opinion.

Sincerely yours,

H. A. WALLACE, *Secretary.*

MAY 9, 1938.

Hon. SHERMAN MINTON,
United States Senate.

DEAR SENATOR MINTON: You have undoubtedly seen Chief Justice Hughes' opinion in the Kansas City commission rate case which was handed down by the Supreme Court on Monday, April 25. I am sure that you will be interested in knowing more about this case, and I am therefore enclosing a copy of a letter from myself which was published in the New York Times on May 8. This includes a summary of the factual background of the case, and a general discussion of its significance. I am also enclosing a copy of a letter from myself to Chief Justice Hughes.

I believe you will be especially interested in several points which these letters bring out.

1. The mistake in hearing procedure—that is, the lack of an examiner's report available to the parties for exceptions and argument—was committed not by this administration but by the preceding one.

2. When the Supreme Court remanded the case to the lower court 2 years ago, Chief Justice Hughes specifically declared that such an examiner's report was not necessary. In his opinion of May 25, 1936, he said:

"Again, while it would have been good practice to have the examiner prepare a report and submit it to the Secretary and the parties, and to permit exceptions and arguments addressed to the points thus presented—a practice found to be of great value in proceedings before the Interstate Commerce Commission—we cannot say that that particular type of procedure was essential to the validity of the hearing. The statute does not require it and what the statute does require relates to substance and not form."

3. Although the Supreme Court in May 1936 declared this type of procedure was not necessary, the Department of Agriculture nevertheless adopted it in September 1936, in connection with administration of the Packers and Stockyards Act.

4. The effect of the Court's decision of April 25, 1938, was not in any sense a rebuke to the present Secretary of Agriculture, because for the past 20 months this Department has been doing that which the Court itself said 2 years ago was not necessary and now says is necessary.

5. Actually, the effect is to give to the Kansas City commission men and their attorneys $700,000 of impounded money which rightfully belongs to the farmers.

6. Nearly 5 years have elapsed since the Kansas City commission men were ordered to lower their rates, and the Court finally has decided the case, saying: "• • • we express no opinion on the merits."

Sincerely yours,

H. A. WALLACE, *Secretary.*

Federal Aid to Education

EXTENSION OF REMARKS

OF

HON. ELBERT D. THOMAS

OF UTAH

IN THE SENATE OF THE UNITED STATES

Wednesday, May 11 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESSES BY HON. THOMAS KENNEDY, LIEUTENANT GOVERNOR OF PENNSYLVANIA, AND JEROME DAVIS, PRESIDENT, AMERICAN FEDERATION OF TEACHERS

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD two addresses on the subject of Federal aid to education, one delivered by Hon. Thomas Kennedy, Lieutenant Governor of Pennsylvania, and the other by Jerome Davis, president of the American Federation of Teachers.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

RADIO ADDRESS ON FEDERAL AID TO EDUCATION BY HON. THOMAS KENNEDY, LIEUTENANT GOVERNOR OF PENNSYLVANIA, SECRETARY-TREASURER, UNITED MINE WORKERS OF AMERICA, AND MEMBER PRESIDENT'S ADVISORY COMMITTEE ON EDUCATION, BEFORE THE NATIONAL CONFERENCE ON FEDERAL AID TO EDUCATION, NATIONAL PRESS BUILDING, WASHINGTON, D. C., SATURDAY, MAY 7, 1938

As an officer of the American labor movement I honestly believe that marked changes should be made in vocational education. I further believe that the recommendations of the President's Advisory Committee on Education on this subject are the most forward-looking suggestions that have been made for some time. Transformation of these recommendations into an act of Congress through legislative enactment would, in my opinion, go hand in hand with and should be an integral part of the general recovery program recently launched by the President.

Every year hundreds of thousands of school children leave grammar or high school to take their places among the Nation's wage earners or among the great army who are hunting for jobs. Doubtless these potential wage earners wonder how they can step from school into a job to earn their living. Figures show that each year 2,000,000 young people reach the age of employability. Some of these young people turn to vocational training in the school to help them secure work at a decent wage. Some are put into the vocational class by their teachers because they have failed in the regular school work. We do not subscribe to this latter practice of substituting trade learning for scholastic training during the school years for children of 14 or 15 years of age. The Committee recommended that a special minimum age of 17 years should be established for instruction designed to prepare for a specific trade or industrial occupation.

Labor wants educational opportunities to be coextensive with life. What one needs to know in order to live and work to highest capacity cannot be crowded into the sometimes all too brief school years if the immature pupil has to submit to an uneven division of time between the schoolroom and the school workshop.

From the inception of the movement for Federal aid to vocational education the labor movement gave its support to the program because it was intensely interested in the extension of all educational opportunities and also because it was concerned about the questionable methods of private or commercial plans for industrial and vocational education. I feel that I can say with accuracy that, as the program grew, little or no contact was maintained with the labor movement.

Labor—organized labor—must take on a greater share of responsibility toward the vocational program and have a part in shaping vocational policies in the States.

When we talk about labor representation on advisory boards we mean advisory boards that really advise and labor representatives who really represent. And we mean representation from the local communities up to the top set-up.

The report of the committee specifically states that the plans for training programs should be required to include provisions for the use of State and local advisory committees with adequate and equal representation of employers and labor. Labor standards must be determined by such advisory committees, and it must be made certain that labor conditions in individual projects conform to requirements before projects are approved. Acceptance of both minimum educational and labor standards shall be the conditions on which grants shall be made to States with the further conditions that Federal and State funds spent in industrial plant training programs shall be for bona fide vocational training and not as a means of using the services of vocational trainees for private profit.

I cannot emphasize too strongly that training for occupations requires both qualified teachers and administrative staffs. In-service training of teachers therefore becomes an important responsibility of the vocational program if the service is to measure up to its real function. The annual reports of the Assistant Commissioner of Vocational Education fail even to emphasize the importance of vocational guidance in a vocational-education program.

I want also to point out that the various occupations call for widely different amounts of preparations ranging from unskilled, semiskilled, and skilled jobs. It becomes necessary, therefore, that learners should be guided into types of occupational preparation for which their abilities are suited; otherwise there is certain to be waste in the training process and discouragement for the learner. We cannot lose sight of the real need for vocational guidance and that it is basic to a program of vocational education, yet no provision was made in the Federal Vocational Education Acts. To help the student to make an intelligent choice of occupation he should be given an opportunity before entering a course to explore the type of training required for the various vocations.

The committee report points out that at present no one can advise young people with any assurance as to the relative opportunities in the various occupational fields to which their abilities may be suited. The available information is scattered, fragmentary, and frequently unreliable. Moreover, the lack of adequate information makes it impossible for schools to plan their vocational courses in accordance with prospective job opportunities. Lack of this information causes conflict between employment and labor groups, particularly in connection with matters of apprenticeship and of vocational training of all types. An occupational outlook service is needed that will provide a clear description of each of the major occupations or groups of minor occupations, the kind of life each occupation offers, the character of the preparation essential to enter it, the numbers employed, and the trend of employment, the number of new employees taken on each year, and the numbers of young people in each year of college or secondary school preparation who intend entering the occupation.

The committee recommended that the Bureau of Labor Statistics be assigned to carry on an occupational outlook service and that there should be an initial appropriation of $50,000. The United States Employment Service and the cooperating State services should be sources of information concerning the numbers fitted for various types of employment who are currently registered with public employment offices. The full value of the service will not be obtained until it can conform to the conditions of specific localities with information concerning the regional shifts through migration that are necessary to balance workers and jobs.

In my opinion, the vocational laws should be amended at this session of Congress, regardless of whether provision is made for new forms of Federal aid.

RADIO ADDRESS ON FEDERAL AID TO EDUCATION BY JEROME DAVIS, PRESIDENT OF THE AMERICAN FEDERATION OF TEACHERS, 409 PROSPECT STREET, NEW HAVEN, CONN., BEFORE THE NATIONAL CONFERENCE ON FEDERAL AID TO EDUCATION, NATIONAL PRESS BUILDING, WASHINGTON, D. C., SATURDAY, MAY 7, 1938

The world is in a period of crisis. We are in the midst of a serious depression, dictators threaten the perpetuation of democracy, and we seem to be steadily drifting toward world catastrophic war.

In the face of such dangers some would have us take the easy road of spending billions on battleships and armaments. But the American people know that fundamentally our democracy and prosperity rest back on our intelligence and on our creative capacity. It is education more nearly than any other force which safeguards the foundations of our liberty.

You who are listening know in your hearts that we need Federal aid for education. You are quite well aware that the arguments in favor of such national aid are overwhelming. Let me briefly summarize them.

The problems of democracy in 1938 are vastly different from those of a century ago. Then the people had relative economic equality; now they face inequality. Then education could be obtained by any citizen on relatively equal terms; now millions are penalized by the lack of education the more fortunate enjoy.

Social situations are dynamic. With a changing era, the old ways of citizenship may no longer prove effective. Today we face an amazing autocratic control of economic power. We are in reality living in a corpocracy. Corporations rule the economic life. One-tenth of 1 percent of the corporations own 92 percent of the assets of all of them, and one-tenth of 1 percent earned 50 percent of the total net income of the entire group. Roughly, 1 out of every 300 in the population receives 78 cents from corporate dividends while all the other 299 combined receive only 22

cents. Forty-seven percent of all the families and individuals in America have an income less than $1,000 a year, while only 1½ percent of the wealthiest have an aggregate income so vast that it equals that of all the 47 percent combined.

What does all this have to do with education? For one thing, it means that the wealthy class tend to influence and control education. They do not like increased educational appropriations, especially if that means more taxes. Furthermore, they want to be sure the content of education will not challenge their vested interests. Hence, as a result, our schools do not explain clearly what democracy is, and of course economic democracy is rarely ever discussed.

In a society with such extremes of poverty and wealth, we cannot and do not have equality of educational opportunity. Instead of free equal schools for a free people we now tend to have special educational privileges for favored districts and favored classes.

A total of some 2,500,000 handicapped children of school age in the United States have defects of sight, hearing, speech, or other function. Less than 15 percent of them are receiving adequate education.

In most of the States where separate schools for Negroes are maintained, even the white schools are inadequate. But in these States the Negro schools are twice as bad as the defective white institutions.

In the poverty zones children are penalized for lack of good schools. Actually, over 3,300,000 children of school age between 5 and 17 years of age are not now enrolled in any school. We thus have intellectual slum areas which not only do not provide children with equal opportunity but predispose them to lives of crime and destitution. In eight States we find blighted school areas where over 25 percent of the children get no more than 150 days of schooling a year and even this little is defective. Alabama has over 18,000 children in just such shortened term schools while Arkansas has over 25,000.

In Oregon, Vermont, and Rhode Island only 76 percent of the children are in school, in Alabama only 59 percent. The basic cause of this condition is the poverty of the regions.

The rural child has to suffer what might be termed mental starvation. For example, even in such a relatively advanced State as Pennsylvania, the rural child only gets 155 days in school while his city brother gets 196. In Georgia the rural child actually only gets 123 days. Salaries of rural teachers range down as low as $450 a year.

Now all these differences result primarily from gross inequalities of economic resources. In an era of corpochracy with 127,000 local school jurisdictions, one district will be rich and another poor. In the single State of Iowa, for example, the most prosperous district has 275 times the wealth per child of the poorest.

The poor workers in some districts must bear a financial load for schools alone 80 percent greater in some areas than in others.

These educational inequalities threaten the whole theory on which democracy was founded. The result is that the accident of birth determines whether a child has or has not adequate educational training. America was founded as a democracy of the people, by the people, and for the people. It was designed specifically to prevent a hereditary aristocracy, yet under present conditions the schools which were founded to create democracy may in fact be creating the very inequalities which they were designed to prevent.

In view of these facts, why do we not eliminate these glaring educational evils? The basic reason is that we are today so engrossed with the problems of mass unemployment and the depression that we can hardly think of anything but immediate ways and means to bring back prosperity.

But what is really needed is not a panacea or a patent-medicine remedy, but a fundamental reconstruction of our society. Prosperity depends in the last analysis on education and social justice. The more intelligent we are the more we shall produce and the less exploitation we should tolerate. The more trained we are for citizenship the less blunders we shall make in the body politic.

One blunder by the people in deciding for war, or even for a billion-dollar navy, may cost untold millions of lives and billions in money. Therefore, it is far more important to have adequate schools than adequate navies. In fact, supernavies may lead us directly into war, whereas adequate schools lead in the direction of peace.

Democracy can only be saved if it is dynamic, not static. To meet the new and changed conditions of 1938 we need new and changed methods in education no less than in locomotion.

Our schools should be used as centers of child welfare. School plants should be rehabilitated. Many more forums should be set up to create an intelligent, informed public opinion.

In the world of 1938 we desperately need Federal aid for education. You who are listening to these words are fathers and mothers, or you have sisters and brothers or relatives who go to school. You have an unlimited stake in whether or not our education is adequate. Write your Senator and Congressman at Washington, urging them to vote for the Harrison-Thomas-Fletcher bill. If you really wish to avoid dictatorship and war, make your demand for more and better education irresistible.

On behalf of 30,000 teachers in the schools and colleges of America I call on you who are listening to act now to secure Federal aid for education.

Propaganda Activities

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, May 11 (legislative day of Wednesday, April 20), 1938

EDITORIALS FROM NEW YORK POST, APRIL 29 AND MAY 6, 1938

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD two editorials from the New York Post, one entitled "What Little Birdie Starts Those Telegrams?" and the other entitled "Doping Public Opinion."

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Post, April 29, 1938]

WHAT LITTLE BIRDIE STARTS THOSE TELEGRAMS?

The Frank Gannett technique of fighting the New Deal moves on to new ground.

The telegram titans who intend to pour bushels of messages against every Roosevelt proposal into Washington until Western Union freezes over are hard at work.

Out of thin air a Corn Belt Liberty League has sprung up in Macomb, Ill., to fight the New Deal's farm-relief program. A full basket of telegrams has already reached Washington.

Senator BURKE, of Nebraska, is sending out 200,000 form letters in a campaign against the Wagner Labor Relations Act.

Up in Rockland County, N. Y., two women (one the wife of the head of the Rockland County Gas Co.) organized a rebellion against the new spending program, which is described as spontaneous but looks about as spontaneous as a world series baseball game.

These two women are depicted as having sold some of their possessions, no less, to finance the printing of many thousands of circulars calling on women everywhere to oppose the President's recovery program.

The circulars, written in strict, professional up-and-at-them advertising style, repeat most of the misstatements the Republicans have been making for months—including the canard that Roosevelt has spent forty-nine billions in 5 years.

Look for a new "ride to Washington" against spending when Frank Gannett and his "committee to uphold constitutional government"—the Liberty League's successor—take hold. The opposition to Roosevelt has discovered a new hobbyhorse, the organized pouring in of telegrams, and is riding it hard.

We think the people of America have a right to know, in every demonstration that assumes to represent public opinion, who the backers and money men are.

Never before was the work of the Minton Lobby Committee so necessary to provide this information. We would not for a moment suggest (we would vigorously attack) the notion of any restraint on these tremendous mobilizations of pressure.

But we do want to know, in every case, how "spontaneous" they are and who the little birdie is who starts them. We think this is a proper field for legislative inquiry.

The Post again offers a suggestion, first made April 20 in our editorial: We Know Who Makes Our Dishes—But Who Makes Our Ideas? A statute should be enacted compelling every pressure organization, every lobby group, every publication to reveal periodically the source of all its funds and the nationalities of its members.

In this day, when money buys publicity, we want to know, when an idea is stamped "made by the common pee-pul," whether or not it has a little bit of big-shot press agent in it.

[From the New York Post of May 6, 1938]

DOPING PUBLIC OPINION

Day by day it becomes clearer that much of the great telegraphic wave of "public protest" against the reorganization bill was phony. Perhaps as phony as the telegram barrage against the Wheeler-Rayburn utilities bill, which was shown to have been created largely by paid agents of the utilities picking names out of phone books and signing them to the telegrams.

The truth is coming to light on the reorganization fight through the return—undelivered—of Congressmen's acknowledgments of the protesters' telegrams.

Representative BULWINKLE, of North Carolina, says that of 500 letters he wrote in reply to messages urging him to oppose the reorganization bill, more than half already have come back

marked "Cannot find," "No such address," "No such person at this address."

Constituents of Representative DINGELL, of Michigan, have written him that they never sent the telegrams to which their names were signed. Representative MERRITT, of New York State, had a similar experience, and so has Representative DUNN, of Pennsylvania.

It will be interesting to hear from other Members of Congress in this respect.

But more than enough has been shown to confirm what was suspected from the start.

That public opinion against the reorganization bill was "doped." Doped just as horses are doped. It is the opinion of this newspaper that the Gannett drive against the bill was as crooked as loaded dice, as misrepresentative of public opinion as the old hand-outs of the Liberty League.

In a great democracy, where public opinion is and should be an influential factor in public affairs, it is extremely important that there be no such doping. That is why we believe this Congress should institute a further investigation of the Gannett group, an inquiry which will turn it inside out, bring the malefactors to book, and let the people see how their Congress was misled by an outfit whose financing was as high as its principles were low.

That's why we again offer a suggestion, first made April 20 in our editorial, We Know Who Makes Our Dishes—But Who Makes Our Ideas? A statute should be enacted compelling every pressure organization, every lobby group, every publication to reveal periodically the source of all its funds and the nationalities of its members.

In this day, when money buys publicity, we want to know, when an idea is stamped "made by the common pee-pul," whether or not it has a little bit of big-shot press agent in it.

The Truth About the Tobacco-Grading or Inspection Bill

EXTENSION OF REMARKS

OF

HON. FRANK HANCOCK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 11, 1938

Mr. HANCOCK of North Carolina. Mr. Speaker, no man in public life is justified in even hoping, much less believing, that his convictions and actions will be pleasing to all those whom he undertakes and has the honor to serve. The best that he can hope for or expect is that he may be credited with intelligent efforts, good intentions, and an honest purpose. The more abnormal the times the more he will be called upon to make decisions on controversial issues. To be effective, however, in his leadership he must be courageous and be willing at all times to follow his honest convictions. No other guide is dependable or safe to follow. Our courageous leader, President Roosevelt, shortly after his inaugural address, stated to the American people that if he could be right 75 percent of the time he would feel that he was making a good average. Surely I could not hope to do better.

Since none of us are infallible, I have never been seriously worried as long as my people did not question my motives. I have learned, however, from experience that more frequently than not criticism has been due to a misunderstanding of either the operative effect or the true purpose of legislation which one in my position has to pass upon from time to time. When it is based upon accurate information and is constructive, it is helpful. Every man needs it, and I really like it. In this connection I well remember a piece of homely philosophy which my grandfather, Dr. F. P. Hobgood, gave me 2 years before his death in the early twenties. I do not remember exactly what provoked his statement, but it is certain that I was writhing under some severe criticism. He turned to me and said: "Remember, my son, that you will never find any rocks or big sticks under an apple tree that doesn't have apples on it." I have many times since that day appreciated the true significance of that statement. Only the man who does nothing can fail to catch its meaning and feel its consolation.

In October of last year, after careful thought and deliberation, I announced my candidacy for the United States Senate, and in the same announcement stated that I would seek the nomination upon my record for the past 7 years in the Congress of the United States. Since then I have had the pleasure of visiting practically every county in my State and I have met thousands of good men and women in every walk of life. Without an exception, I have been cordially received, and the reception to my candidacy has been even more than I could have without presumption expected. My activities in Congress and my position on public questions seem to be reasonably well known throughout the State and generally approved. The only objection to my candidacy that has been raised so far has been one of geography, which was almost entirely due to misinformation and perhaps some misrepresentation. Within the past few days, however, reports have reached me from reliable sources that some little opposition had developed here and there on the part of certain men who are engaged in the operation of tobacco warehouses.

I have been told by friends that a few of the warehousemen were opposing my candidacy and undertaking to influence others to do so because as a Member of Congress I had been active in preparing and sponsoring the tobacco grading and inspection bill. I hope that these reports are untrue, but, on the theory that where there is smoke there is obliged to be a little fire, I am taking this means of preparing myself to meet such opposition if it should develop, but it is not by way of defense. I am a great believer in that saying of old, "Ye shall know the truth, and the truth shall make you free." If the warehouseman in your community is opposing me because he believes the junior Senator will make you a better representative and is more interested than I am in the problems of the tobacco growers, you may laugh heartily to yourself, but you should not question his right to believe that, if it is a sincere belief. If he comes to you quietly, however, and with the contention that my opponent has looked after your interests and welfare better than I have, then I want you to insist that he sit down and have a little talk with you about it. I want you to ask him whether your interests are in North Carolina and Washington or in Russia and the Virgin Islands.

I also want you to look him square in the eyes and as man to man ask him if he honestly thinks that I have ever failed to do my duty by you. Being the type and character of man which a large majority of warehousemen are, you are going to get this kind of an honest answer: "I know Mr. HANCOCK. He has a good record as a Member of Congress, and there is no doubt but that he has been a true and effective friend of the tobacco grower. But Senator REYNOLDS has also voted with the administration on all farm legislation, and he is your friend, too. HANCOCK, though, didn't treat us right about the grading bill and was largely responsible for putting this bill across, and he is trying to put us out of business. It is true that Senator REYNOLDS voted for the same bill, but he didn't have anything to do with preparing the bill or advocating it on the floor of the Senate. He just voted, as he usually does. In the dark days of 1933, when our warehouses closed on account of the low prices, I admit that HANCOCK stayed in Washington, working night and day for the tobacco farmers, while Senator REYNOLDS was touring Russia."

Now, my tobacco-farmer friend, that may not be the exact answer which you will get, but it will not miss it far. You may be told quietly that the tobacco grading bill is the entering wedge to get rid of the loose-leaf auction system and go back to the condemned cooperative system which ended in disastrous failure. That was one of the misleading misrepresentations put out by some of the warehousemen in an effort to turn the tobacco farmers against this measure and bring about its defeat. It was so absurd that no one here gave it any mind. I, of course, do not know what each person had in his mind when this bill was being considered by the Members of the House and the Members of the Senate,

but I do know that no such idea or purpose ever entered the channel of my mind. My speech on this important measure clearly reflected that I conceived the bill to be merely an honest constructive attempt to eliminate the known abuses and specific faults in the present system for the purpose of improving and strengthening the loose-leaf warehouse auction system for the protection of the tobacco growers, for whose benefit it should be primarily operated. The record of hearings, the record of debate in the House and the Senate, and the bill itself is clear and convincing that that was the purpose, and the only purpose, in the minds of its authors and sponsors.

I am sure that every man in North Carolina who has ever sold a load of tobacco on a warehouse floor knows that the defects of the present system center around the rapidity with which sales are conducted and the fact that the growers have only their own imperfect knowledge of values to guide them in accepting or rejecting a sale. They well know that under the present system the average tobacco grower has little or no bargaining power or protection in the sale of his tobacco, which is, after all, a sale of the labor of himself and the members of his family, including sometimes—because of economic necessity—the labor of infant hands and energies.

Where in all the world of business or marketing systems can you find the seller so unprotected and helpless in the presence of the buyer? The more one reflects upon this unfair, unbusinesslike, haphazard and ex parte proceeding, the more one realizes the necessity for its improvement in the sound way provided by this bill. For many years I have contended that the economic well-being of our farmers could never be permanently improved and stabilized, irrespective of the progress in soil conservation, diversification of crops, and scientific production, so long as he sold in an unprotected market and bought in a protected market. In other words, the seller, under the present system, sells in a market protected by the buyer and buys in a market protected by the seller. To even suspect that the farmer can grow prosperous under such conditions is to toy with economic fallacies and deal in absurdities. Though I do not claim to be an economist or a scientific expert on agricultural questions, I know from actual experience and many years of close observation, the tobacco problem from the plant bed to the warehouse floor. My intimate knowledge of this problem compels me to frankly admit that the grading bill will not remedy all the defects of the present system but it should and will eliminate the more serious and harmful abuses and defects and lend a protection to the grower which he cannot and does not get under the system as presently operated. No system operated by human beings can do more than approximate perfection. I stated that I knew something about the problems of the tobacco farmer, and I also want to state that I understand and appreciate the problems of the warehouseman. I have always been happy to count most of the warehousemen among my best friends. They represent a fine cross section of the State's best citizenship. There are a few, however, who, in my opinion, are more interested in a quick take-down of their commissions than they are in serving and protecting the tobacco farmers. Most of the opposition, in my opinion, to the grading bill and to me for sponsoring it may be found in this small group; but I am honest to confess that there are a few of the best warehousemen in our State who have conscientiously opposed this measure because they thought it would merely complicate the system without protecting the grower. The chief objection has been not with the purpose or principle of the bill, but with its administration which, in some cases, has probably not measured up to the standards of expertness and efficiency required.

I was born and reared in a tobacco-growing country and within five blocks of a tobacco warehouse. Though I have never had the pleasure of living on a farm, I have and do now own several farms which are, in the language of Senator LEE, of Oklahoma, "beautifully mortgaged." As a youngster, however, I made a little crop of tobacco. I dropped plants, put them in the ground, suckered and wormed the growing plants, harvested it, housed it, cured it, placed it in the pack barn, and later stripped it and hauled it to the warehouse floor. It is a dirty job and a year-round one. I have watched the present method of marketing tobacco from my boyhood days up to the season which closed last spring. I have visited and observed the auction sale in operation in over half the warehouses in North Carolina. I have sold thousands of pounds myself. I have had tobacco moved from one row to another because of bad lights and unsatisfactory prices, and I have many times seen the price vary on the same floor to the same buyer under the supervision of the same warehouseman the same day. In a majority of the cases I got a better price, but in some instances I did not get as good a price. Probably most of you have had similar experiences. If you have, you well understand why I believe that this system can and should be improved by having impartial, disinterested, expert Government graders to carefully examine each pile of tobacco before the sale is made. I have long contended that every pile of tobacco of approximately the same grade should bring approximately the same price on the same warehouse floor, the same day to the same buyer, regardless of whether the tobacco was sold in the name of a landlord or a tenant. But is it done under the present system? It was to insure a substantial compliance with the objective in that contention that the Tobacco Inspection Act was placed upon the statute books. Who can rightfully disagree with that objective? Where is the man who is interested in the welfare of the tobacco farmer who does not want him to have accurate and reliable information as to the quality and value of his commodity? No one can deny that under the present system there is an element of guess and gambling in the marketing of tobacco which affords an opportunity for great loss to the growers.

The Tobacco Inspection Act is your Government's response to a vital need which exists today on our auction tobacco markets for some real measure of protection to the tobacco growers in the sale of their crop. The need for that protection arises out of excessive speed, as I have heretofore stated, with which tobacco is sold and the inequitable and unequal prices which result from that rapid selling. Why should North Carolina's chief money crop of labor be sold in such haste and hurry? Who benefits under such a program? The farmer certainly does not. We all know that within the past 2 years the tempo of tobacco sales has been stepped up, with the result that the importance of the protection that the Tobacco Grading and Inspection Act affords is increasing. At the time the Tobacco Inspection Act was approved in 1935 tobacco sales on auction markets took place at rates varying from 350 to 450 baskets per hour. This speed has been increased to 600 or even 800 baskets per hour since that time. At such rates, only 5 or 6 seconds are allotted from the time the auctioneer cries his bid on a basket of tobacco until the last bid is made. Manifestly, under such conditions, buyers must make more or less snap judgment on the price they will pay for the tobacco. They do not have time in which to carefully examine the tobacco under sale and regulate their bids according to its true grade and value. Manifestly, also, the possibility of error is enormously increased, and the probability of the errors being to the disadvantage of the grower, must be assumed in a higher percentage of the cases. All of us who have studied this important question know that tobacco has too long been a crop sold in confusion, out of which a few have grown very rich and many have been left struggling for the barest existence. Therefore any sound plan which is made toward the elimination of this confusion and its inevitable abuses and which will aid in an equitable distribution of the wealth which has flown to a few from this crop would be a blessing to a large majority of the thousands of families dependent upon growing tobacco for their economic existence and welfare.

The objective of the tobacco inspection service and its accompaniment, the marketing news service, is to place in the hands of the grower the means of protecting himself on

errors of judgment on the part of the buyers or warehousemen who buy in the tobacco occasionally for their leaf accounts. Trained inspectors employed by the United States Department of Agriculture and not working under the extreme limitations of time imposed upon buyers, carefully examine each pile of tobacco and label it according to the United States standard grades. These grades tell the grower specifically the quality of each basket he offers for sale. At the same time, daily or weekly market news reports convey to the grower the average prices currently paid on the markets for the various grades. What does this mean to the tobacco farmer? I will tell you what it means. It makes it possible for every grower, whether he be a pet or a stranger following the sale of his tobacco to compare the grade and the price received with the current market average price for that grade as shown in the market news report and determine for himself whether the price at which his tobacco was knocked down is fair and equitable. Under that system and with that protection it would be a rare day in November when a pin-hooker, because of bad light and the haste in which the present system is conducted, could ever pick up a bargain in a farmer's row of tobacco, as such pinhooker is frequently able to do without this protection. If the price is not fair, then under the rules which govern tobacco auctions, he has the privilege of rejecting the sale and calling for a new sale.

I think you will be interested to know that in a recent court action where the constitutionality of the Tobacco Inspection Act was brought in question, certain constituents of mine testified to the benefits they had received through the operation of the act. Their testimony showed that on individual sales utilizing the inspection and market news service as their guidance for making rejections, they sold identical lots of tobacco for two and three times the original sale price. Of course, these may have been exceptions, but they nevertheless serve to illustrate the present "hit and miss" system and the urgent need for its improvement. One of my constitutents testified at this same hearing that during one marketing season he rejected the sale on approximately 2,000 pounds of tobacco and on the second sale made a net gain of more than $250. Instances of the profitable use of this service by tobacco growers of everyday occurrence have merely demonstrated the constructive nature of the service rendered to tobacco growers through the administration of the Tobacco Inspection Act.

Up to the present time the farmers in 25 out of 26 areas or markets designated by the Secretary of Agriculture approved the grading system by majorities ranging from 80 to 98 percent and on only 1 market have the farmers opposed this constructive service. By an amendment, which I myself offered, the entire expense of this service is borne by the Government and not one penny is assessed against the grower, the warehouseman, or the buyers. When one stops to consider the exorbitant and unconscionable tax which the Federal Government exacts from the tobacco growers, we realize that no group of farmers has a better claim upon Congress for assistance in solving its marketing problems than the tobacco growers. They are the producers of the only agricultural commodity which provides a basis for revenue to the Government. In July 1935, when this bill was before the House, I had the privilege of making one of the three major arguments in its support and in advocacy of its adoption. I discussed in detail the actual procedure under the present market system, the specific faults of the system, and I believe I proved conclusively that this bill would tend to eliminate the existing faults and defects and provide in keeping with its true purpose substantial protection to the grower. In the main, its administration, according to my information, has been successful in accomplishing its chief objective. But there is no doubt that in time it can be more effectively and successfully administered, and certainly if the warehousemen will cooperate with the Government wholeheartedly and sincerely. Everybody knows that what is good for the tobacco grower is good for the warehouseman. Everybody knows also that the only real purpose of paying the warehouseman for his service aside from the rental space on his floor, the weighing charges, and the auction fee, is that he is supposed to serve as an expert agent for the protection of the grower. At my own expense I had more than 50,000 copies of my speech on this bill mailed to the tobacco farmers throughout North Carolina. I have a few copies of that speech left and I shall be glad to mail a copy to any farmer interested in knowing more about the workings of this measure upon receipt of a request.

Let me give you a little more interesting information about this bill. From some of the criticisms which I heard back in 1935, and which I have occasionally heard in recent times, it would seem that this bill had no legitimate parentage; that perhaps it was just an offspring found on the doorsteps of the Capitol at Washington. This measure, my friends, was the outcome of many years of patient, thorough, and careful study of the present tobacco-marketing system by experts in the Bureau of Agricultural Economics under the Department of Agriculture. It was an honest, practical effort to meet a practical need. It received a unanimous report from the great Committee on Agriculture of the House, of which my distinguished colleague, the Honorable HAROLD COOLEY, was and is a member. Now listen to this. It was endorsed in an even more drastic form by the Warehousemen's Association of North Carolina. Thousands of farmers wrote me letters urging me to support the bill. Wherever they have understood its purpose and operations they have heartily approved it. It is not, however, effective on any market unless the farmers patronizing that market vote for it by a two-thirds majority. Could any plan be fairer?

This bill also had the approval of every member of the tobacco growers advisory committee, of which Claude T. Hall was for several years chairman. It had the approval of J. B. Hutson, Chief of the Tobacco Section of the Department of Agriculture, whose intelligence and untiring efforts have contributed more to the success of the tobacco program, in my opinion, than any man in the United States. This bill had the hearty endorsement and recommendation of Hon. Clarence Poe, at that time State master of the Grange and editor of the Progressive Farmer. Dr. Poe wrote an editorial on this bill and commended my work. It was endorsed and advocated by Hon. MARVIN JONES, chairman of the Committee on Agriculture of the House and as true and able a friend as the farmers of America ever had. It was intelligently recommended and advocated by Hon. Henry Wallace, Secretary of Agriculture, a man whose every thought and action is in harmony with the welfare of American agriculture. It was approved by an overwhelming majority of the Members of the House and the Senate, and every member of the North Carolina delegation, with one exception, voted for the bill, as did both of our Senators. With the President's signature it became a law in August 1935, and on April 5 of this year the United States Circuit Court of Appeals for the Fourth Judicial District handed down a decision upholding the provisions of the act in every particular.

I am not talking out of school when I tell you in closing another little side light which should have considerable weight with you in your effort to determine the merits of this measure. I hope you will think long upon what I am about to tell you when some warehouseman who opposes this measure tries to make you vote against me because I voted to give you protection through this bill. It was my privilege to analyze the provisions of the Tobacco Inspection Act for President Roosevelt and to present that analysis to him in person. When I had explained to him the purpose and machinery of this bill, here was his comment: "Why, HANCOCK, that is an excellent measure. What can I do to help you get it passed? I do not see how anybody could be against it." He immediately picked up the telephone and called Mr. Chester Davis, Administrator of the A. A. A., and urged him to lend us his best assistance in getting the bill enacted into law. I hope you will pardon me for making any further reference to myself but I think it only fair that I should

tell you also that as an added appreciation of the work and efforts I did in securing the passage of this measure, the President gave me one of the pens with which he signed the Tobacco Inspection Act. That pen I have in my lock-box at home for safekeeping. As an instrument for writing it means nothing to me, but I shall always treasure its possession because it came from President Roosevelt and because it is symbolic of his sincere appreciation for the efforts which I had made to aid the tobacco farmers of our State and Nation, whose welfare has been constantly in his heart and in mine. In considering whether I have been the tobacco farmer's friend or not and whether my efforts and labors as a Member of Congress have been effective in your behalf, I should like for my farmer friends to read the following testimonials. Before doing so, however, I want you to know that in the first speech I made after announcing my candidacy for the United States Senate, I made this statement:

When elected to the Senate in 1938, my first request of the Senate leadership will be to get on the Agricultural Committee of the Senate where I can carry forward more effectively my constructive record for the farmers of our State and our Nation. Though ably represented on the Agricultural Committee of the House by Hon. HAROLD D. COOLEY, North Carolina's agricultural position fully justifies representation on the Senate committee as well. There is no problem in Washington of greater importance to the economic well-being of the State of North Carolina than to work out a fair and sound permanent agricultural program. Without farm prosperity in North Carolina there can be no business prosperity.

Mr. Claude T. Hall, Person County, chairman of tobacco growers' advisory committee:

Please accept my sincere congratulations on your announcement for the United States Senate.

When the people of this State know your record as we in the district know it, they will welcome the opportunity to promote you to this position of dignity and responsibility. Though your services as a Member of the House have been extended to our people in many helpful ways, I cannot but feel that your work for the tobacco growers in our State constitutes your outstanding achievement. I only wish that all of them could have had the opportunity that I have had to view on numerous occasions, and particularly in the dark days of 1933, the intelligent and vigorous fight which you made in their behalf. I therefore feel confident that a large majority of the farmers in North Carolina will give your candidacy their wholehearted support.

Congressman FRED M. VINSON, chairman of the Tobacco Subcommittee of the Ways and Means Committee of the House of Representatives:

I know of no Member of Congress who takes his duties as a Representative more seriously than does FRANK HANCOCK. He is one of the real working Members of the House. I represent a great tobacco district in Kentucky and it so happens that I became acquainted with him on the first day of his service. From that day until now, he has been one of the most consistent workers in the cause of the tobacco farmer, in every character of legislation in the Congress of the United States.

Hon. Henry A. Wallace, Secretary of Agriculture in President Roosevelt's Cabinet, at the annual meeting of the State Grange in Winston-Salem:

I have had much contact with Congressman HANCOCK, of this district, in his many efforts on behalf of tobacco farmers. I appreciate the forthright manner in which he has many times called me to task for errors and omissions of my past, and I have gained immensely from my contacts with him. I know that I can count on his continued helpfulness.

Congressman MARVIN JONES, of Texas, chairman of the Committee on Agriculture of the House of Representatives:

It has been my pleasure and privilege to have handled most of the farm legislation for this administration. Not only has FRANK HANCOCK supported this legislation but I frequently consulted with him because of his good judgment and information along these lines. Congressman HANCOCK has been especially helpful in connection with tobacco legislation. He is thoroughly informed on this subject, and the tobacco producers owe him a debt of gratitude for his fine work in their behalf. I am happy to commend the character of the services of Congressman HANCOCK.

Hon. FRANK HANCOCK,
House of Representatives.

DEAR MR. HANCOCK: I have your letter of December 3 and have read with interest your able speech on tobacco inspection. As stated to you, this system, when it can be made effective throughout the tobacco areas where the auction marketing system prevails, will be a very great aid to a general marketing program for tobacco.

Very truly yours,

H. A. WALLACE, *Secretary.*

Should Alaska Have a One-House Legislature—Its Citizens Will Decide

EXTENSION OF REMARKS
OF
HON. ANTHONY J. DIMOND
DELEGATE FROM ALASKA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1938

Mr. DIMOND. Mr. Speaker, for several years there has been considerable discussion in Alaska, as well as in the States, about the possible advantages of a one-house legislature. A memorial requesting a one-house legislature for Alaska was unanimously adopted by the Territorial house of representatives during the session of the legislature in 1935. That memorial was in form simple. It expressed approval of the principle of the one-house legislature but also went sufficiently into detail to suggest that the proposed new legislature, to be known as the Alaska Legislature, should be composed of 24 members elected for the term of 4 years, 5 of whom should be elected from each judicial division at the general election in 1936, and 3 from each division at each general election thereafter. Evidently the plan was to retain the senators whose terms had not expired and to elect a sufficient number of additional members so that the entire membership should be 24 in number, to be equally divided among the four judicial divisions of Alaska, one-half to be elected at each biennial election.

The memorial was defeated in the senate by a vote of 6 to 2, and as no record is made of debates in the Territorial legislature, it is not easy to determine at this time the motives which led to the rejection of the memorial by the senate.

It is fair to assume, however, that as the memorial was passed unanimously by the House and had two votes in the Senate, those of Senators Walker and Roden, there is material sentiment in the Territory in favor of the one-house legislative system. Subsequent to the meeting of the Alaska Legislature in 1935, the State of Nebraska has changed its legislative system from two houses to one house, a session of the Nebraska one-house legislature has been held, and thus some additional experience has been gained as to the actual working of such a legislature.

In view of the undoubted opinions of a considerable number of the citizens of Alaska in favor of a one-house legislative system, I thought it only just and right that the question should be submitted to the people of Alaska at a general election so that all of the voters of the Territory would have a fair opportunity to express their views on the subject by secret ballot. This is peculiarly a question which ought to be based firmly upon the expressed will of the people who are affected. Such a reference of important governmental matters to the people is in true harmony with the principles of democratic government.

Accordingly on June 20, 1937, I introduced in the National House of Representatives a bill to provide for a referendum in the Territory of Alaska to determine whether the people of Alaska desire the establishment of a one-house legislature,

and making provision for the printing of the ballots and the counting and canvassing of the votes. The bill was passed and approved by the President on August 6, 1937. It is now Public Law No. 307, Seventy-fifth Congress. Copy of the act follows:

[PUBLIC, No. 307, 75TH CONG., CH. 662, 1ST SESS.]

[H. R. 6651]

An act to provide for a referendum in the Territory of Alaska as to the establishment of a one-house legislature, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That at the general election held in the Territory of Alaska, in the year 1938, for the election of a Delegate to Congress from Alaska, members of the Alaska Territorial Legislature, and such other officials of the Territory as may be by law then elective, each of the qualified electors of the Territory shall be afforded an opportunity to vote upon the question as to whether a one-house legislature shall be provided for the Territory of Alaska, such vote to be taken by furnishing to each of such electors a ballot, separate and apart from the ballot which embraces the names of the candidates for office to be voted upon at said election, having printed thereon the following:

"SPECIAL REFERENDUM BALLOT

"(Place an (×) in square before your preference)

"(Vote for one only)

"☐ I favor a one-house legislature for Alaska.

"☐ I do NOT favor a one-house legislature for Alaska."

SEC. 2. Such ballots shall be prepared, printed, numbered, and distributed, so far as may be practicable, in the same form and manner as the ballots containing the names of candidates for office to be voted upon at said election; and the special referendum ballots so cast at said election shall be counted, tallied, canvassed, and returns thereon made in substantially the same manner as in the case of ballots containing the names of candidates.

SEC. 3. The expense of preparing, printing, distributing, counting, tallying, and canvassing such special referendum ballots, and all other additional expenses incurred in said election by reason thereof, shall be paid in the same manner as the other costs and expenses of said election.

Approved, August 16, 1937.

It will be observed that the referendum is not complicated or hard to understand. Every voter has an opportunity to say whether he favors or does not favor a one-house legislature for Alaska. So plain is the ballot that there is no chance for anyone to be confused. Not a single person now voting in Alaska but knows that the Territory at the present time has a two-house, or bicameral, legislature, and that the change suggested is to the one-house, or unicameral, system. It is to be hoped that every citizen of Alaska who votes at the September 13, 1938, election will vote on the referendum with respect to the proposal of the establishment of a one-house legislative system for the Territory.

So far as I am concerned, the proposal of a one-house legislature for Alaska is not and ought not be a partisan political issue. Whatever lies within my power, I have done to keep it from being such an issue. I have not suggested and do not now suggest that any Democrat should vote in favor of the proposal because he is a Democrat, and I am unable to see that any Republican is obliged to vote against it because he belongs to that party. But I should be less than candid if I did not make my own views known, and that without being asked the question. The people of Alaska have done me the honor to elect me as their representative, and therefore I owe to them the duty to tell them my own considered judgment with respect to the matter, just as I owed them the duty, which I have now fulfilled, of giving them an opportunity to express their opinions through the referendum ballot.

It is not denied by anyone that a two-house legislature has its advantages. If there were no arguments in favor of that system, it would not have survived so long under democratic forms of government. I am not so foolish as to think that the Territory will be lost if the one-house legislative plan is not adopted. Our experience in the past forbids any such idea. I realize the advantages of the two-house legislature just as keenly as anyone, but after careful study of the subject I am firmly convinced that under modern, present conditions a one-house legislature possesses greater advantages and will work out to the larger benefit of more of the people in the Territory—or of a State—than does the two-house system. In my judgment, the one-house legislative system is preferable in Alaska for several reasons. It is superior to the two-house system in that it is more efficient, more responsible to the will of the people, and therefore more democratic.

Despite my own views, the will of the people of Alaska in this matter is my will. If the people of the Territory prefer a two-house legislature, I shall bow to their conclusion. The reason that I introduced and secured passage of the act providing for a referendum was to find out with certainty what the voters of Alaska, who elect Delegates to Congress and members of the Territorial legislature, think about this particular subject.

What I have to say here should not be considered a reflection upon any legislature which has been held in Alaska or upon any member of any legislature, for I have no such thing in mind. As most of you who read this know, I served in the senate of the Alaska Legislature for four sessions, those of 1923, 1925, 1929, and 1931, and therefore I have first-hand knowledge of the operation of the Alaska Legislature as it is constituted at the present time. I have high respect and esteem for the members of the legislature with whom I served and for many members at other sessions whom I have known.

Generally the people of Alaska have been faithfully served by the members of their legislature. But it would be too much to expect that any legislative body will ever be composed of wise and patriotic saints. In legislatures, as everywhere else on earth, we must deal with human beings who are not always as intelligent, or as good, or as brave as they might be, and who thus resemble all the rest of mankind; and therefore it is the more expedient for us to make the best possible use we can of the human beings who serve us in our Alaska Territorial Legislature and to surround them and ourselves with such safeguards as are most likely to protect them and us in their legislative work. That is the sole purpose of proposing a one-house legislature.

Those of us who favor the one-house legislature believe that system preferable because we are confident that it will simplify the legislative business and thus make it easier for the people of the Territory to understand it and to make their desires effective; that it will fix responsibility so that no member of the legislature, through weakness or carelessness, will be able to say that the fault of what was done or not done lies in another body; that it will entirely eliminate the inherent faults of what almost amounts to secret legislative manipulation through the conference committees; and that it will restore to the legislature as a whole its duty and function to pass upon every bill and every feature of every bill in the full light of public discussion and in open view.

Is it not a singular thing that there ever should have been a two-house legislature anywhere on earth? That question may be asked because the answer is historically plain. The two-house legislative system had its origin in class distinctions which in this Nation do not now exist. The two-house legislature was created because the so-called highborn, those who belonged to the nobility, refused to sit in the same body with representatives of ordinary people, the commons. The two-house legislative system, as we have inherited it from England, was originated in precisely that fashion. An English king called together the nobles and representatives of the commons for advice upon the welfare of the realm. The lords declined to sit with the representatives of the common people, and so they met in separate rooms, and thus was established in the first instance this plan which has come down to us through the centuries as a two-house legislative system. It was a class division. In Great Britain

the two-house system was abolished for a while during Cromwell's time, but as soon as normalcy was restored and Charles II came back on the throne of England, the lords again decided that they should not sit with the representatives of the commons, and so the two-house parliament was reestablished and has survived until the present time. But right here it may be noted that Great Britain, the modern mother of the parliament system, has long since virtually abandoned that system and has now in substance a one-house parliament. While the House of Lords still exists, it has been so shorn of its power that it is in present times little more than a show piece of the government without any real authority and without daring to prevent the enactment of legislation. In fact, it is not easy to recall any occasion when the House of Lords of Great Britain has rejected or even materially amended a bill passed by the House of Commons.

In organization, the Canadian Parliament followed that of the mother country, and consists of two houses—the House of Commons, the members of which are elected by the people, and the Senate, the members of which are appointed for life by the Governor General in Council. Thus, in a measure, was perpetuated the theory of the English Parliament that the upper house should be in form and composition different from the lower house, and the lower house alone should directly represent the people. In eight of the nine Provinces of the Dominion of Canada the legislature is unicameral, being composed of a legislative assembly elected by the people. Only in Quebec is there a second chamber, styled a legislative council, and composed of nominees of the provincial government. Accordingly, we see that generally in Canada the provincial legislation is enacted by one legislative body, and that in only one of the Provinces is there another house, and in that Province the members of the second house are not elected by the people but are chosen by the government in power. This analogy is worth while, because we in Alaska are the next-door neighbors of British Columbia, which bears somewhat the same relation to the Dominion of Canada that Alaska bears to the United States. And yet the great and rich Province of British Columbia, containing a population of nearly 800,000—more than 10 times the population of Alaska—has only a one-house legislature and is apparently entirely content with it.

The bicameral legislature was generally adopted by the Colonies, which afterward became the United States of America. This was perfectly natural, because the residents of the Colonies were familiar with the British parliamentary system. Colonial legislatures generally embraced a lower house, composed of members elected by the people, and an upper house, or governor's council, composed of members appointed by the Crown, or by the governor as representative of the Crown. Again, we find that the members of only one house were elected by the people and responsible to the people. After the Declaration of Independence the States retained, as far as conditions permitted, the form of government which they already had.

Then, too, at that time there was still enough of class distinction remaining in the original States on which to base the reason for the two-house legislatures, and even to restrict the voting for members of the upper houses in some of the States to those citizens who had certain property of a determined value, and the membership to those who could similarly qualify, which was not required in considering the lower houses. I shall not take time to entirely cover these distinctions, but the following examples will make clear the situation as then established: In New York State property qualifications for voting for State senators were so much higher than for voting for members of the house that only about one-fourth of the voters that could elect members to the house could vote for members to the senate. Under the North Carolina constitution of 1776 all taxpayers could vote for members of the house, but the citizen was required to own at least 50 acres of land before he could vote for a State senator. And under the South Carolina constitution of 1778 any citizen owning 50 acres of land was eligible for membership in the house, while the requirement for membership in the senate was such that the candidate had to own land valued at £2,000 or more.

And so, according to tradition, we have generally in the United States a two-house legislative system, although that system has little more to support it than the ancient British tradition which was founded on the distinction and the social gulf between the lords and the commons. When the time came in the framing of the Constitution of the United States to provide for a national legislature, the English and colonial traditions were again influential. But the framers of the Constitution were controlled by another reason. The small States were jealous of their sovereignty and hesitated to enter a union in which the larger States might first dominate and then ignore them. Accordingly, as a matter of compromise, it was agreed that Members of the House of Representatives of the Government to be established should be proportionately divided in accordance with population and the Members thereof should be elected by the people. But that as to the Upper House or Senate, each State should have two Members and no more; and those Members should be elected by the State legislatures, thus giving the people only remote control of the Upper House and at the same time providing a legislative body where the small State should be equal in authority and power to the large one.

In Alaska we are far removed from the causes and the reasons which led to the two-house legislative system in England and the two-house legislative system in the establishment of the Government of the United States. In Alaska there are no classes and no division of classes. If the citizens of Alaska who are wealthy believe themselves wiser and better than other people, they do not proclaim it and they do not ask for any special treatment or consideration on account of their superior economic status. In fact, little, if any, such sentiment prevails, and we are a true democracy. Moreover, in Alaska there are no independent municipal organizations which demand or have any right to demand such treatment. We are in every way one people of common aspirations, common patriotism, and common devotion to the general good.

What sense is there, then, in having two bodies to legislate for us? Is it not better in every respect and simpler and more truly democratic to have our laws passed by one body of individuals whom we elect to act for us? Is not one body just as likely to be wise and patriotic as two of them? Is wisdom increased by having a so-called upper house, the members of which are chosen from and by the people and are elected just the same as are the members of the so-called lower house? To ask all these questions is to answer them. The present two-house system is cumbersome, unwieldy, and inefficient in business. Generally in life and in the conduct of our own most important affairs we demand simplicity and we demand efficiency, because they are in all respects reasonable and right.

It is said that the two houses are a check upon unwise or hasty legislation. The two-house system, in my judgment, tends rather to promote unwise and hasty legislation, for several reasons. Consciously or not, the members of each house lack the same feeling of responsibility that they would have if there were only one house of the legislature. Consciously or unconsciously, every member is subject to influence by the thought that if he and the other members of his house make any mistakes, those mistakes will be corrected when the bill reaches the other house. This tends to carelessness. If there were only one house of the legislature, every member would feel the sharp responsibility of knowing that he must avoid mistakes; that he must not act hastily because what he does is final and cannot be corrected except through a veto of the Governor. Under present conditions the people of the Territory find it difficult to follow the course of legislation through the two houses of the legislature. It has been said that a spotlight cannot be trained on two different places at the same time, and that is true. With one

legislature the spotlight of public inspection and public opinion will be always focussed on the house that is legislating, for there will be only one place to look and one body only will be responsible for the results.

Now, it may be said that no such public inspection of legislative processes is necessary and that it is an offense to our citizens who are elected to the legislature to assume that they will not properly perform their duty if they are not watched all the time. On the contrary, I think it is a compliment to the women and men who represent us in the legislature to have them know that they will always be under our interested and sympathetic or even critical gaze and that we trust them and them only to legislate wisely for us and that we do not place our reliance in a multiplicity of houses as though we doubted their wisdom or their patriotism.

The operation of the conference committee system of two-house legislatures is another blot on the two-house plan. Of course, if a bill passes both houses in exactly the same form no conference is necessary and the measure then goes to the Governor for approval or disapproval. But if a bill passes one house and is amended in the other house it then goes to conference in order that an effort may be made to agree upon the amendment or amendments. Each house under the rules appoints several of its members as members of the conference committee. Those members meet and endeavor to adjust the differences between the two houses. If they fail to agree then it is usual for the same conference committee, or for another, to be given "powers of free conference" which enables them to change any feature of the bill as passed by the house or the senate. All meetings of the conference committee are usually held with no one else present or permitted to be present. The people of the Territory do not know what is going on and have little opportunity to find out. This in a measure amounts to secret legislation. The operations of the conference committee are, in my judgment, a legislative weakness, inherent in a two-house legislature, and lend themselves to poor legislation. Things may be done in the conference committee which members would probably not do on the floor of the house or senate. Democratic government ought to be conducted in the open daylight at all stages. It is better for the members and better for the people that it should be so conducted. As long as we have conference committees we shall have opportunity for a greater degree of political and legislative manipulation than would otherwise exist. But with the one-house legislature there is no such thing as a conference committee. The bill is brought up and discussed and debated on the floor of the house and a record vote is taken on it, all under the scrutiny of the people of the Territory. There is no opportunity for any secrecy.

Moreover, with two houses it is the invariable custom to have many of the important measures considered by the legislature finally worked out in conference in the closing hours of the legislative session. Conference committees of the two houses, wearied by long hours of labor, at last reach some sort of an agreement and bring the results back to the houses for final vote. And such a conference report must be voted up or voted down in its entirety; there is no chance for amendment. This system and this result can be more truthfully called hasty legislation than anything which could possibly be done in a one-house legislature. Without the slightest reflection upon anyone who ever served on the Alaska Territorial Legislature, it is better for the members and better for the people that all legislative processes should take place in the open.

What I am now about to say is presented with full recognition of the principle that no legislative majority, however great, may lawfully or rightly invade the domain preserved by constitutional safeguards. As human beings, citizens have natural rights which no legislature may justly transgress. But with that thought in mind, it is nevertheless true that one of the essentials of democracy is that the legislative processes, subject to constitutional restrictions as to fundamentals, shall be controlled by a legislature which ordinarily expresses its will through majorities. If that idea is abandoned, then this Government cannot flourish and may not be able even to survive. If, under the Constitution, we deny the concept of legislative rule by the legislature, which involves majority government as to the matters ordinarily within the legislative jurisdiction, we deny one of the essential elements of democratic government. And yet in our two-house legislative system in Alaska, as at present constituted, a very small minority of both houses may be able to defeat the will of an overwhelming majority. Four members of our Alaska Senate may conceivably prevent the passage of legislation desired by the 16 members of the house and the other four members of the senate—20 in all. Surely it is not the best kind of democratic government to give 4 people out of 24 a possible absolute and final veto upon legislation. In fact, in the absence of one of the members of the senate by reason of sickness, three members of the senate may defeat the will of the other 21 members of the legislature. No person can seriously call this the most nearly perfect kind of democratic government.

The two-house legislature lends itself to influence of lobbyists for minorities, to an extent not possible with a one-house body. A two-house system gives every advantage to representatives of interests which are well financed. I would be the last person to say that any person interested in legislation, whether poor or rich, should not be given the amplest opportunity to have his views presented to the members of the legislature either individually or in committee. It would be a tragic mistake to attempt to deny to anyone the right to be heard. But under the two-house system the lobbyist who works secretly has undue advantage, because there is always the opportunity to bring influence to bear after a bill has passed both Houses and has gone to conference, which usually consists of three Members of each House and where meetings of the conference committee are not held in the open or publicly. Moreover, a person without any large amount of money, whether acting for himself or a representative of others, who is interested in legislation, may find it impossible to remain in the Capital long enough to see a bill through both Houses—a difficulty not encountered by those who are better off in his world's goods. While it is realized that wealth always has had and always will have an advantage, there is no good reason why such advantages should be deliberately multiplied.

Almost every Alaskan is to some extent familiar with the form and mode of operation of business corporations. Some of those corporations, as you know, contain tens of thousands of stockholders who are represented in carrying on the business of the corporation by a board of directors. The board of directors formulates and lays down the policies to be pursued by the corporation. Those policies are expressed in minutes of meetings or in resolutions. The board of directors in a sense is the legislature of the corporation. The analogy between the corporation and its board of directors and the Territory and its legislature is not strained or farfetched, and yet no sane person would ever consider that the board of directors of a corporation should consist of two bodies or two houses in order to prevent hasty and unwise corporate legislation. Frequently, however, the decisions taken by boards of directors of large corporations are more momentous and more vitally affect the economic welfare of stockholders of the corporations than the decisions taken by the Alaska Legislature and expressed in Territorial laws affect the welfare of the citizens of the Territory.

The great cities of our country containing hundreds of thousands and sometimes millions of people find no occasion for a municipal two-house legislative system. The people well know that such a system would be cumbersome, inefficient, and lend itself to the dodging of responsibility. And yet the legislation—the ordinances—of municipal legislative bodies bear just as vitally upon the welfare of the people of the municipality as do the laws enacted by the Alaska Territorial Legislature upon the inhabitants of Alaska. In our

municipalities in Alaska we have found no occasion to set up two common councils or a common council of two bodies, and most of us, if the idea were suggested, would think of it as absurd.

No municipality and no corporation can afford a bicameral legislature or board of directors. How, then, can Alaska afford it? Only because the two-house system possesses the false sanctity which may sometimes accompany age and because the price is paid out of the public treasury. In fact, I am convinced that if the people of the United States did not have a genius for democracy, the two-house legislature would scarcely work at all.

Considerable emphasis has been placed about the danger of hasty legislation if a one-house legislature should be set up. I have already adverted to the real danger of hasty and ill-considered legislation through the operation of the conference committees under a two-house system. It would be a simple enough matter, if a one-house legislature should be established in Alaska, to provide in the enabling act for the lapse of sufficient time between the introduction of a bill and its final consideration and passage to afford everyone an opportunity for discussion, debate, and thought. In setting up the one-house legislature in Nebraska this was taken care of by providing that no bill may be placed on third reading and final passage until 5 legislative days after its initial reference to the committee on enrollment or review, or until 2 legislative days after its reference to the third reading file, nor until printed copies of the bill in final form for passage have been on the desks of the members for at least 1 legislative day. Similar provision could easily be made to prevent hasty action if a one-house legislature should be provided for Alaska. To say that two houses are necessary in order to prevent hasty legislation is to overlook the fact that such action may be absolutely barred in another and more effective way.

Recently there was sent me copy of pamphlet entitled "An Appeal to the Voters of Alaska to Defend Their Full Territorial Form of Government." The title of the next page is "Shall Alaska's American Territorial Form of Government Be Destroyed or Developed?" The cover of this pamphlet bears a statement to the effect that a one-house legislature is the first step in an organized plan to create a full, centralized, bureaucratic form of government in Alaska through a "unicameral or one-house legislature, without check or balance, the Nazi-German type." Another pamphlet suggests that "Delegate DIMOND would destroy our American form of representative government in Alaska and substitute the communistic and fascistic unicameral legislature."

During prohibition days, if one man did not like another and wished to hold him up to scorn and ridicule, he sometimes referred to the latter as a bootlegger or a moonshiner. Nowadays other terms are used, and the "Nazi," or "Fascist," or "Communist" is applied to those people or to those measures which individuals do not favor, and frequently the derogatory word is so applied without foundation in fact. As I have already shown, the one-house system is the exact opposite and the very contradiction of the Nazi or Fascist or Communist or any other kind of dictatorship and, in fact, a one-house legislature is really a more simple form of democracy and a form more immediately responsible to the people than a two-house system.

It is to be hoped that no one will be misled or dismayed by the bad names which the advocates of the two-house system may apply to a one-house legislature. In fact, I am somewhat amazed that such terms should be used in an argument which ought to be maintained on the high plane of reason.

The opponents of the one-house legislature suggest that the setting up of the one-house system will somehow lead to dictatorship, but that again is simply frivolous. The establishment of a one-house legislative system in Alaska will not change in any respect the Constitution of the United States and every citizen will still enjoy the protection of that great instrument. Nor will the establishment of a one-house legislature in Alaska affect in any respect the veto power of the Governor. Those of us who support the one-house system have no such thing in view. The Governor's veto power may well be a check upon unwise and hasty legislation because a two-thirds vote is required to override it. That is not unreasonable. If a legislative measure is really of sufficient importance to be demanded by the people and to be in their interest, it is highly improbable that a two-thirds vote cannot be obtained for that legislation. But under the present system we have a condition where it may be within the power of one-sixth of all the members of the legislature to not only veto, but to absolutely prevent, the passage of a bill, and one-eighth of the members of the legislature with the veto of the Governor may be able definitely to forbid the enactment of any measure.

This is not the best and highest type of democratic government. I believe that the veto power of the Governor is a wise provision of law because it requires reconsideration of a measure which has passed and which the Governor deems unwise for one reason or another, but I do not care to go further than that. It is quite proper on such occasions to require a vote of two-thirds of the representatives of the people to pass a bill vetoed by the Governor, but it is not reasonable to require legislation to have more than five-sixths of all of the members of both houses of the legislature in order to enact it or more than seven-eighths of all of the members in order to override the Governor's veto.

The question of a full territorial form of government is not involved. All Alaskans have always understood the phrase "full territorial form of government" means the granting of further power and authority to the legislature, and particularly full legislative and administrative control over the fisheries and over the fur and game. That phrase has never been considered to have any reference to a legislature of two houses or any other number of houses, but only to self-government to the largest possible degree under territorial status. Nor is there involved in this proposal any plan of shifting the apportionment of members of the legislature. All one has to do is to read the referendum to see that is true. The referendum act simply calls for an expression of an opinion of the voters of Alaska as to whether a one-house legislature is desired. There is nothing else in it and to read anything else in it is to draw upon fancy or imagination or some other unreal thing. In the language of the late great Will Rogers, such a suggestion is as unsubstantial as soup made from the ghost of the shadow of a pigeon that had starved to death.

Please remember that a one-house legislature is essentially more democratic than a two-house system. It is a move not toward dictatorship but away from it. It is a move in favor of greater legislative control by the people of the Territory. It is giving democracy a better chance to exercise and function.

At the present moment it seems to me that if the one-house referendum is carried by a substantial majority and if Congress should act favorably upon the wishes of the people as so expressed, then the details of the plan, such as the size of the legislature and the apportionment of members, should be worked out by the legislature as at present constituted, and by the legislature recommended to Congress, for I am sure that the members of the legislature who will be elected on September 13, 1938, will be just as anxious to follow the will of the people of Alaska as any other person can possibly be. Perhaps the provisions of House Joint Memorial No. 3 which passed the house unanimously in 1935, as before stated, may serve as a model.

In considering this matter my mind goes back to the far-off days when we all were younger and when Alaska seemed even more the land of promise. Those who are now the old-timers in the Territory would not have gone to Alaska if they had been timid about undertaking new things. One of the most admirable and zestful characteristics of the early Alaskans was their undoubted spirit of adventure—adventure

controlled by reason. While they revered tradition, they respected it as a teacher, not a jailer.

The same intelligent spirit that induced us then to search the far horizons should lead us at the present moment not to blindly reject the proposal of the one-house legislature on the fictitious ground that it is un-American or undemocratic, or Nazi, or has in it the elements of dictatorship, but should rather lead us to make a searching and critical examination of all of its features and then to reject it if we find that it is not suited to our needs, but to adopt it for our use if we find it right and good.

Minnesota Admitted to the Union 80 Years Ago Today

EXTENSION OF REMARKS
OF
HON. DEWEY W. JOHNSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 10, 1938

Mr. JOHNSON of Minnesota. Mr. Speaker, in conformity with consent granted me to extend my remarks in the RECORD, I wish to call the attention of my colleagues and the people generally—especially my friends in Minnesota—to the fact that 80 years ago today, May 11, 1858, Minnesota became a member of this indivisible fraternity of American Commonwealths, the United States of America.

Eighty years ago today, the Members of the House of Representatives spent some hours in debate on whether or not my State was to be admitted to the Union, and, I am happy to say, voted affirmatively, 157 to 38. It also gives me pleasure to report that the most telling argument, and the most profound exposition of the constitutional questions involved, were given by a distinguished Member from the South, Mr. Stephens, of Georgia.

I have found my research into the circumstances of the debate most interesting. They are contained in the Congressional Globe, which was a predecessor of the CONGRESSIONAL RECORD. The verbatim account is given in the record of the Thirty-fifth Congress, first session.

Curiously enough, there was a constitutional question involved, and had it not been settled according to the conclusions reached by Congressman Stephens, the subsequent history of Minnesota, and no doubt of other States, would have been considerably different. The question revolved about the proposition that those of foreign birth were not properly voters within the States of the residence.

Many thousands of those Minnesota pioneers who came into the territory and civilized a wilderness, whose courage, endurance, and resourcefulness make an incomparable romance of the history of Minnesota, were of foreign birth. They came mostly from northern Europe, from the land of our forefathers—Sweden, Norway, Germany, Denmark, Finland, Poland, and France, as well as from England, Ireland, and even Iceland. They were a hardy people and they have reared a hardy State, which has brought forth such nationally known figures as Samuel R. Van Sant, John Lind, John A. Johnson, Knute Nelson, Charles A. Lindbergh, Senator Henrik Shipstead, and perhaps the most widely known of them all, our late Gov. Floyd B. Olson.

Our ancestors held a convention, delegates to which were elected by the people, by authority of an act of Congress of 1857. They proposed a State constitution and applied for admission as a State. Objection was raised, however, because not all of these pioneers who voted in the Territory of Minnesota were full-fledged citizens of the United States. They were referred to as aliens, though it was shown during the debate in Congress on that day that they were not aliens in the strict sense of the term and that they had foresworn allegiance to the lands of their birth and had sworn to uphold the Constitution of the United States, thus declaring their intention to become citizens.

Congressman Stephens defended the constitutional right of the States to determine for themselves who should or should not vote, and pointed out, as a defender of State's rights, that this was a prerogative which never had been delegated to the Federal Government. He referred also to the decision of Chief Justice Taney, who, in the Dred Scott case, held that "people" and "citizens" were synonymous. Then he gave some history, which I think is interesting to quote:

> Upon this subject of alien suffrage, about which we have heard so much lately—

Said Congressman Stephens—

> I wish in this connection to give a brief history. I state to this House that the principle was recognized by the Ordinance of 1787, which was before the Government was formed.
>
> It was recognized by the act of 7th August, 1789, soon after the Government was formed, one of the first acts signed by Washington—an act making provisions for carrying out that ordinance.
>
> It was recognized in the territory south, in the cession of North Carolina, on the 2d August, 1790.
>
> It was again recognized in the bill creating a government for the Territory of Tennessee on the 26th May, 1790.
>
> It was recognized in the act settling the limits of the State of Georgia and creating the Mississippi Territory, on the 7th April, 1798.
>
> It was recognized in a supplemental act to the last, on the 10th May, 1800.
>
> It was recognized in the division of Indiana Territory on the 3d February, 1809.
>
> It was recognized in an act for Illinois Territory on the 20th May, 1812.
>
> It was recognized in the act organizing the Michigan Territorial government; the date of this I do not recollect.
>
> But I cannot take up my time by referring to other instances in their order. I know that in some cases voting in the Territories was restricted to citizens. This was the case in the Territories of Missouri, Iowa, Wisconsin, Utah, and New Mexico; while alien suffrage was again recognized, in express terms, in the Territories of Oregon, Minnesota, Washington, Kansas, and Nebraska.
>
> Of the Presidents of the United States who, in some form or another, gave the principle their sanction either in the Territories or States may be mentioned Washington, the elder Adams, Jefferson, Madison, Jackson, Polk, Fillmore, and Pierce.

There was quite an argument about Minnesota's Territorial constitution also, but it was shown that discrepancies between this and the Federal document could be ironed out quite as easily after admission to the Union as before. Some of the States indeed stipulated the terms under which its citizens might or might not vote, and of this Congressman Stephens said:

> Let me say in conclusion that the constitution of Illinois has such a clause. Is she not an equal in this Union? Why not rule her out? Indiana has such a clause. Why not rule her out? Wisconsin has such a clause. I have the Journal here. When Wisconsin was admitted in 1848 Mr. Calhoun was in his seat and he did not even call the yeas and nays on it. And yet we are told that this is a great and dangerous example we are setting if we admit Minnesota on an equal footing with Illinois, Indiana, Michigan, Wisconsin, and all of the States. Deprive her of this great right, would she be their equal? Are Illinois and South Carolina now equal? Are Indiana and Massachusetts now equal? Why, then, if you deny Minnesota the power that Illinois and Indiana have, will she be equal to them? Things equal to one another are equal to each other. If those in the Union now are equal, will not Minnesota be unequal if you deprive her of this right? If you put upon her a condition you have never put upon these others, will you not make her unequal? And if you bring her in, would she be on an equal footing with her sister States? If she confers suffrage upon those born abroad, who purge themselves of their foreign allegiance and swear to support the Constitution of the United States, she has the right to do so. Any State in the Union now has the same right if any see fit to exercise it. The several States cannot confer citizenship of the United States upon any body or class of persons, but every State, in her sovereign capacity, has a right to say who shall vote at elections in that State. Let us, then, drop this objection; let us admit Minnesota, and let her come in clothed with all the sovereignty that the other States possess.

And so it turned out, by a vote of 157 to 38, in full recognition of the statesmanship of the gentleman from Georgia. Such statesmanship I am sure is emulated by every Member of this House today; and it is my hope and full assurance that, in the consideration of the many vital and

unprecedented problems now before us, we shall be guided by the clear thought, calm judgment, and unhesitating courage that has ever characterized these Houses of Congress, the greatest government, the most democratic government in history.

Roosevelt and Democracy

EXTENSION OF REMARKS
OF
HON. WILLIAM M. CITRON
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 11, 1938

RADIO ADDRESS OF HON. JOSEPH B. KEENAN, MAY 7, 1938

Mr. CITRON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address by Hon. Joseph B. Keenan, the Assistant to the Attorney General of the United States, before the convention of the Young Democrats of Connecticut, Hotel Taft, New Haven, Conn., May 7, 1938:

Mr. Chairman, distinguished guests, and Young Democrats of Connecticut, I am more than pleased to have this opportunity of addressing such a representative group and the Connecticut membership of that organization which has done so much for the cause of the Democratic Party throughout the country.

I have a warm feeling for your great State. I am a native of its sister State—Rhode Island. While I have been in the service of the Government I have had the honor and distinction of serving as an assistant to Connecticut's most distinguished son, the present Attorney General of the United States—Homer Cummings.

His career has been truly one of distinction, and I know that all of you are as proud of him as we are, who, like you, have grown to know and love him for the man he is.

It is my intention to talk to you tonight on the theme Roosevelt and Democracy. On Roosevelt because in 1933 he vindicated the democratic process in America—a vindication that was affirmed by the American people in 1936 in the stupendous political victory of that year.

On democracy because in a world racked with fear and foreboding—in an era when old values not only had been challenged but destroyed—it still stands out as the most articulate means of the expression of the will of a free people.

I do not need to recall to your minds the crisis which this country met and weathered in 1933.

The memory of those days is all too recent to be readily effaced. It has left its bitter impress on your generation and mine, and even yet we are still struggling back from the depths into which we were plunged.

Nor am I tonight, except in a most cursory way, going to allude to what might be termed the "factors" and the "causes" that brought us there. Suffice it to say our sense of the sureness of things was shattered, and men and women, both in high station and low, for one sickening moment believed that all was lost.

And no wonder! Had they not seen the countries of the Old World shaken by forces that changed governments overnight? Had they not seen their great inarticulate masses rise up and beat down not only their governments but all that those governments stood for, building up a new and what to us is a fearsome order upon the ruins of the old, bartering away everything, even their liberties, not for the promise of a better tomorrow but for the bread of a surer today?

For a while in this country we felt safe and secure in our isolation. The terrible convulsion overseas was felt only as some terrific midocean upheavel is felt by the sweep of wave upon a shore far from the scene of the catastrophe itself. We were aware of it, but we felt it little. The false prosperity built up by the Great War, the overexpansion of credit, the wild speculation—all had convinced us that no matter what evils and distress might beset and befall the older political divisions of earth America had evolved not only a political system but an industrial and business economy of its own.

Those were the piping days of rugged individualism, when every man, if he but willed it and tried hard enough, could be a king. Poverty, so it was said, was about to be abolished. Our inventive genius had multiplied the necessities, and what might have been regarded as the luxuries of life in a more sober period had become the essentials of the moment. Our granaries and warehouses were bursting with wheat and goods; stocks were going up and up. And then it happened. Great names in finance fell from their eminence. Men whose very whisper had been regarded as the oracle of omniscience and who had proclaimed the millennium suddenly became inarticulate and silent, and a cold and numbing fear spread over the land.

Small men who had striven and saved and mortgaged the present to achieve a competence and a freehold in the future found the present had kicked the bottom out of their world, and for the moment there seemed to exist not only no future but even no past. Big men stared like frightened children in terror at the edifice they had built, now tumbled in ruin about them. So from the heights to the depths, in what, now looking back, seemed the twinkling of an eye.

What had happened? What was wrong? There was nothing wrong with the country. The good earth still produced in abundance. There was wheat, yet men cried out for bread. There was work, yet men walked hungry in the cities that bulged with the stuff of life.

No foreign foe had planted his legions upon our shore. What was wrong? What was the cause of this want in the midst of plenty? Why had men suddenly sickened and grown pale? There was only one reason—and, looking back now along the road we have come since those days of disillusion, we know it is the only answer—rugged individualism had failed. It had taken us to the heights and spread before us for the moment all of the kingdoms of the world if falling down we would adore it. We did. And in a flash it swept away the vision and flung us down into the depths.

No man knew what the future held. Would we go the way of Europe? Had our democratic experiment failed? And, if capitalism had fallen, would it take with it our form of government also? These were the thoughts men dared not speak.

All eyes turned to the new Government at Washington and to the man and the party into whose hands the American people had entrusted the terrific task of rehabilitation. It was an occasion like those fateful days in 1861 when Buchanan walked out of the White House with the Union crumbling about him while the country waited with awesome expectancy for the advent of Lincoln.

In those early days of 1933 there was no talk of dictatorship but there was of revolution. No one said then that Roosevelt was aiming at the crown. The ticker-tape specialists had become strangely silent. The bankers and the prophets of prosperity forever had taken to the hills. The press purred in a chorus of approval and there was no cry of Fascist or Communist. For once the country made common cause in the face of overwhelming disaster.

But no sooner had the storm subsided and the ruin of the hurricane been swept away, no sooner was it seen that democracy had been saved and vindicated, when the question was raised, Whose democracy? The great masses of the American people felt it was theirs; that the destructive philosophy of laissez faire and individualism run riot had given away at last to that of the greater good for the greatest possible number, and that distributive justice after all would play some part in the newly rehabilitated industrial and economic order. They felt that a new era had dawned. They had demanded that the abuses of the past and the defects in our industrial and business economy that had brought it to the brink of ruin should be remedied so as to prevent all possibility of a recurrence of the disaster that had overtaken us.

They were to be disillusioned, however, for those who believed that the Government had no obligations to the people as a whole save to guarantee to them political liberty were determined that there was to be no tinkering with the economic and industrial dynasty that the philosophy of individualism and laissez faire had built up over the years. Political liberty was one thing but economic liberty was another.

The storm was over. The sun was shining once again and they were not to surrender either for the purpose of recovery or reform those things which they believed honestly and sincerely, if you will, to be their right and prerogative. They were determined to fight for and maintain the philosophy and the system which they believed had made this country great. They had become blind to its defects.

It did not matter if this philosophy and system had fostered and permitted the accumulation of great wealth in the hands of a favored few under the aegis of a beneficent Government. It did not matter because they were far removed from the comprehension of the fact that the great masses of the American people outside their own favored group, under the glaring defects of the system which they had built, either must remain just a step from want or be reduced to the sheer minimum necessary for their physical existence.

Any attempt upon the part of the Government to remedy this deplorable state of affairs was branded by them as socialistic and as an unwarranted interference with business. While every school boy knows that if the Socialists had their way not only would this group be swept away but the right to private property itself denied and obliterated.

Still, what did it matter to them if the President of the United States was trying to preserve by its liberalization the capitalistic system? Now that we had weathered the storm—to them it was whole cake or none. Indeed, what did it matter if this purblind attitude of theirs had stirred up activity upon the part of others—small in number, it is true—who would abolish capital altogether and with it private property and seize both product and profit for the masses or the state? It mattered nothing.

Intrigued and reassured by the vigor of their convalescence, they had learned nothing on the bed of pain from which they had too recently sprung. They were unwilling to pay either for recovery or

reform. They talked of dollars while men starved, as if the dollar were the alpha and omega of the existence not only of government but life itself.

Their first cry was—when they were able to stand up and walk without crutches—that the President had repudiated the platform upon which he was elected. You have heard that cry and so have I—but not so much lately. For they know that no political platform in the history of our Government has been followed with such fidelity.

Let us look for a moment at its general objectives and see for curselves what has been accomplished. Take a look at what was said about competitive tariffs and foreign trade by reciprocal agreements and ask ourselves what our Government has done along this line. Read about unemployment and old-age insurance—the promise of an adequate Army and Navy in a world racked by war and rumors of war, the antimonopoly and farm planks.

Read also the pledge to conserve water power and natural resources in the public interest, the promise to protect investors by requiring publicity on security offerings; and the plank on bank reform and the restriction of credit for speculative purposes. Read the statement of the policy of the "good neighbor" in foreign affairs—the promise of cooperation with the other nations in our Western Hemisphere and determine for yourselves how well those promises and those pledges have been kept.

There was something, too, said about economy, but nothing was ever said about economy at the expense of human misery and hungry men. There was talk, too, of the reorganization of the executive branch of the Government in the interests of economy, but those who hurled the economy pledge back in our teeth scuttled that by raising every bogey man in their repertoire in their endeavor to hamper Roosevelt at every step of the way. There was no talk by them, however, when it came to the millions under the old regime that were shoveled into corporations and banks that were failing because they had left the banking business for that of speculation. It all depends upon whose ox is gored and to whom the money went.

But there is talk of the millions that went to feed and rehabilitate Americans in the form of direct relief. And there is talk about the millions that went into public works, and there is a great hullabaloo being raised about the public debt and who is going to pay for the "wild orgy" of spending that the administration is about to embark upon. And who is going to pay for it all? You may rest assured that they won't if they can avoid it.

The public debt of this country when Roosevelt became President for the first time on March 4, 1933, was approximately 22 billions. Today, in the midst of a temporary recession, with no banks closed and with the financial structure and credit of the country unimpaired, it amounts to about 40 billions—an increase of 18 billions in 5 years—money, which has not been wasted, but which has been spent for the rehabilitation of the country and its citizens. Billions spent in America on Americans, not in 1 year, but in 5 years. Is that waste? Compare it, then, with the 42 billions spent by the American people during the World War, not for purposes of rehabilitation and construction, but for the work of hate.

Where are those war billions now? Where are the 400 millions of dollars that were lost to depositors in the banks of the United States during the year 1930, the 675 millions that were lost in 1931, the 600 millions that were lost in 1932 and the 500 millions that were lost in 1933? Over two billions in all. Not to mention the staggering and colossal amount of money lost as a result of the stock market crash of 1929—losses that can never be retrieved.

So when it comes to waste, it is another case of the boy who cried "wolf."

For how can it be reasonably or truthfully said that the millions of dollars spent on great public works, the miles of new highways, the new public buildings, the schools, the hospitals, and the millions which have been poured into the C. C. C. camps are wasted? They are capital assets, created by the money of all the people of this country, which have provided employment for thousands, stimulated private business, and added to rather than diminished the public wealth.

If this is waste and profligate spending, then it is waste and spending of a strange kind, for the Government and the people of this country have certainly been benefited much more than they were by the forty-two billions spent to fight Europe's battle, for which they got nothing except repudiated debts, ingratitude, and disillusionment, and—something more tragic still—thousands of empty chairs in thousands of American homes.

If we were engaged today in a conflict with a first-class power, there would be no talk of waste or balancing the Budget. It would be "give until it hurts" not only of your substance and your wealth but of your youth.

Let us go further—let us look at the factors that caused the debacle of 1929 and conditions as they exist in this year of 1938. Then we had bank credit stretched to the snapping point—and it snapped. Today we have a sound banking system with the added bulwark of the Federal Deposit Insurance Corporation behind it.

Then we had enormous private debt and consumer credit extended to the utmost limits. Today private debt is comparatively small. Then building construction had reached unheard-of highs and there was tremendous industrial overproduction. Today great demand exists in housing and other fields and production is tremendously curtailed.

Then everybody was in everything from the market to real estate and from real estate to the market. Money rates were high and going higher. Today there is no unbridled speculation and an abundance of cheap money. Then foreign trade—yes; but foreign trade built on a false bottom. Today not so much but getting better, and what there is on a sounder basis.

What holds us back? Thousands upon thousands of businessmen the country over are waiting for the word. Factories long to hear once more the swing of the hammer and the hum of machinery. Millions of men stand at their gates ready to respond to the call of the whistle.

What holds us back? The attitude of a powerful coterie possessing great wealth, who cannot see that the game is up and that the sensible thing to do is to acquiesce in the popular will. They want the profit system, and so do you and I, and so do the great bulk of the American people. For private property is the only basis upon which a sound economy can be built, and with the right of private property, of course, as a corollary, goes the right of an honest and a fair profit.

But they want it untrammeled and unrestricted with its uses and its abuses. Profit to the hilt is what they really want, and they will not give up without a struggle. They accepted 1933 in panic and in fear, but you and I know how bitterly they fought against 1936. The stupendous victory of that year for the President of the United States and his policies did not awe them. They turned to the courts determined to wage the battle on another front, but even the courts deserted them. And what they glibly had proclaimed was not the American way and was unconstitutional they suddenly found had been stamped with the hallmark of constitutionality. Again Roosevelt and Democracy had been vindicated.

Today they have lost the war on all fronts. They fought the Securities and Exchange Commission and the Social Security Act. They fought, and are fighting, the Wagner and the minimum-wage laws, giving up the courts which held them valid and are now looking for weakness in the armor of Congress.

Only yesterday the news from Florida and other sections of the country confirmed the most hardened of the die-hards among them that victory at the polls is a mirage and a delusion.

Why not accept the inevitable and bow to the expressed will of the American people? The system of private profit is safe and because it has been saved by the man who believed and believes in it and who had the common sense and the good judgment to realize that unless strengthened by reform it carried within itself the seeds of its own destruction and of the political system which nurtured it and protects it.

The war is over. Let capital then and labor, too, accept that fact with tolerance and forbearance. Let them accept it with the gallantry of those heroes of the South and North who accepted the finality of the decisions of '61 with the fortitude and magnanimity that is characteristic of Americans.

Let the tumult and the shouting die. We stand on the threshold of a new and better era, and you, Young Democrats, who have helped to make it possible, should go forth, determined to carry on, so that what happened in 1929 shall never happen again. The command is "Forward!"

Let Us Take the Middle Road

EXTENSION OF REMARKS

OF

HON. CHARLES A. HALLECK

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 11, 1938

ARTICLE BY HON. BRUCE BARTON, OF NEW YORK, IN THE JUNE COSMOPOLITAN

Mr. HALLECK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article written by our colleague, Mr. BARTON, of New York, for the Cosmopolitan Magazine, and appearing in the June issue of that magazine, entitled "Let Us Take the Middle Road":

IN THE TURMOIL ABOUT GOVERNMENT VERSUS BUSINESS, CAPITAL VERSUS LABOR, FASCISM VERSUS COMMUNISM, A FAMOUS PUBLICIST AND BUSINESSMAN, WHO HAS JUST TURNED TO PUBLIC LIFE, POINTS TO THE REAL AMERICAN WAY OUT

A group of boys and girls between the ages of 16 and 25 has just left my office here in Washington. Its members are part of a delegation of hundreds who chartered busses and converged on Congress from all sections of the country. They came to tell their Representatives that they have no money to finish their schooling; that they can get no jobs; that they see no hope in the present operation of the social system.

They demanded the enactment of two laws: One extending vastly the operations of the P. W. A.; the other a huge subsidy to pay school and college expenses of, provide vocational training for, and insure jobs to all young people everywhere.

"How much will it cost?" I asked.

One said three billions a year; one, three and a half billions; another had a notion that the three billions would be spread over several years. But the question of cost did not interest them; they waved it airily aside. Part of the money would come back in the decreased expenses of juvenile crime, but even if nothing came back directly, what difference? Is it not, they asked, the responsibility of the State to give every boy and girl the best possible start? What better use for public funds than an investment in education and opportunity for youth?

After they had filed out of the room I sat at the desk a long time and thought. What a startling contrast with my own youth. Would it ever have occurred to me to lay my troubles on the broad shoulders of the National Government? Of course not. Washington had nothing to do with our private tribulations.

It was the business of Washington to manage the Army and Navy, deliver our letters, and that was about all. Statesmen were people to be approached with deference. I should have been embarrassed in the office of a Congressman.

But these youngsters were in no way reticent. They said bluntly, "You are our Congressman, and we have come to know where you stand." (There was an implied promise of reward or threat of punishment.) They did not ask me; they told me, and in no uncertain terms.

Some of my readers may have run across a little book by a Spanish professor named Ortega, called the Revolt of the Masses. Its thesis is that since the year 1800 the world has quite suddenly filled up. Europe which, from the sixth century to the eighteenth, never suceeded in passing a population of 180,000,000, jumped all at once to more than 460,000,000. The United States, likewise, leaped from a few million scattered along the Atlantic coast to more than a hundred million spread across the continent.

These extra millions of population, says Ortega, came into the picture by the conquest of famine and plagues, the service of sanitation and preventive medicine. Not only were they preserved from starvation and the ravages of disease, they were taught to read and write; they were given the ballot, and they were told, in the language of Rousseau and his followers, that they had certain inalienable rights. Not duties, but rights.

By "masses" Ortega means not merely those lowest in the economic scale, but all those, rich and poor alike, who think only of getting from society, not at all of giving to it. Being in the majority, he says, these are now in control of the world. They have tasted power; they have been told, in Europe and America alike, that they are entitled to a larger share in the good things. Advertising has told them; the schools have told them; the politicians have told them. They believe it, and they will not be denied.

Of those young people who came to see me, most of them children of the slums, Ortega might have said: "These are symbolic of the new power of the masses." Make no mistake, there is a social revolution at work in America. Only those will succeed in public life who can convince these masses of the voters that they are able to work out a permanently fair and righteous distribution of the nation's opportunities and wealth.

Doubtless all this will cause acute pain to some of my more conservative friends. They think I am a radical, just as the radicals think I am a reactionary. They think, these lovers of the old America, that somehow, some time, we are going back. They have not yet been willing to face the hard fact that, while the financial power may still abide in the "best section" of town, the political power has moved permanently across the railroad tracks.

Let us not kid ourselves. Rather, let us try to picture honestly what has happened in the past 10 years, what is going on at the moment, where the future lies.

The new era fell flat on its face in 1929, and with it tumbled big business and the Republican Party. Big business, so impregnable, so lauded as the flower of our American genius, turned out to be just a collection of fallible and somewhat terrified human beings! And the Republican Party, to which many of us had plighted our troth in boyhood, was revealed as middle-aged, fat, and flabby from its long years of uninterrupted power.

Blow after blow landed on the solar plexus of us businessmen. First we lost our money, then we lost our political influence, and finally there bobbed up a lot of streamlined youngsters in high positions who treated us as if we were a public menace instead of being, as we had always supposed, the builders of America. For 9 years, and especially for the past 5, we have had a tough time.

But now the New Deal, too, has tumbled. Sure that it had banished depressions forever; boasting, as the market rose, that "we planned it that way," it finds itself all at once bogged in the same morass that swallowed up poor Mr. Hoover. It still whistles loudly, but the whistling fools no one. Like the new era, it has fallen on hard times, and in their hearts its people know it.

Events have proved that neither big business nor big government alone can provide a permanently better life. The time would seem to be here for frankness and a fresh approach.

When business says that no country in history ever moved forward as fast as this one, or attained so high a level of general welfare, that is the truth. Great resources, universal education, organized industry, and the profit motive worked miracles.

But with this wonderful progress there did develop grave abuses. There really was an old deal. Most of us in the lower ranks of business did not suspect it; even the generals at the top had become so accustomed to the traditional code that practices now condemned gave them no pause. But when one congressional investigation followed another with shocking revelations, we lesser folk began to realize that the insiders had been enjoying too much of an edge; some of them had been dealing from the bottom of the pack. At the top of society were too much money and too much power.

Another fact that we might as well admit frankly is that business, so capable and ingenious in improving and selling its product, was far less progressive in its human relations. Much of the time it was behind public opinion when it should have been ahead.

For example, there was a period when railroad rebates were legal. Long before the law forbade them, the conscience of the people had already condemned them. But business waited and profited by the slow processes of the law.

There was a time when the incorporation of foreign holding companies as an escape from taxation was entirely legal. Here, again, before the law caught up with them, the people had begun to suspect that something was wrong. Some of the worst things done in Wall Street in the twenties were legally all right, but those who did them were behind the march of public sentiment and, by their activities, provided much of the opportunity for and popular acceptance of the New Deal.

This is a democracy, and the most important question that can be asked is: What are the people going to be thinking tomorrow? Not even yet is business giving to this question the primary attention its importance deserves.

We still think of unemployment, for instance, as a temporary problem; we talk as if a few changes in the tax laws and the repeal of miscellaneous New Deal measures would create such abundant new industries that all the people who want jobs would be put to work at once. But unemployment is world-wide. England accepted it realistically as a permanent phenomenon of the industrial age, and set up machinery to deal with it on that basis.

The sooner we follow the English example, the better off we shall be. Unemployment is the biggest business in the United States. Government and industry merely add to their burdens and expense by trying to blame it on each other.

So much in criticism of the shortcomings of business. Now let us turn the picture around for a minute. What are the facts about the New Deal as the harsh light of the depression is beginning to bring them out?

First, we may say fairly that the major problems which the new dealers promised to settle are still far from any settlement. There were at least 10,000,000 persons out of work in 1933. More than $40,000,000,000 have been spent, and the public debt has reached a terrifying total. But some 10,000,000 of willing workers still are out of work.

A farm bill was enacted recently, marking the fifth year of the administration's regimentation of agriculture. Anyone who listened to the debate on the bill in Congress must have been forced to the conclusion that even the friends of the new measure question its value. Though social security is something all of us want, the social-security taxes are sopping up billions of dollars that otherwise would go into business expansion, and the billions are being poured out in Government-made work without creating permanent jobs.

Bureaucracy has spread itself up and down Constitution Avenue in marble palaces; its servants, on the whole, are hard working and sincere. But a startling change has come over them. They were very sure of themselves in 1934; they are wavering and discouraged now.

No consistent economic philosophy pervades the New Deal. On my first day in Congress the President sent us a message in which he said very truly that the whole success of his humanitarian program depends upon increasing the national income, the total amount of divisible wealth. Immediately thereafter we began debating a measure that had nothing to do with the increase of national wealth, but established the penalties to be laid upon any farmer who dares increase our wealth more than Mr. Wallace prescribes.

In the State Department an able and conscientious Secretary is laboring to reduce tariffs that hold back the flow of trade between this and other countries. Only a few blocks away the Interstate Commerce Commission is granting the railroads higher freight rates which are, of course, an increased tariff between the different sections of our own vast market.

On Monday the President announces that prices are too high; on Tuesday he says they are too low; on Wednesday that some are too high and some too low. One night the Assistant Attorney General, presumably with White House approval, denounces business for being too big. A few days later it is intimated from on high that the policy may be to let businesses be big, but under Government regulation. Proceeding with one hand to destroy the alleged "monopoly" of the Aluminum Co., the administration with the other hand seeks to create a monopoly at the consumer's expense via the Guffey Coal Commission.

Tossed about in this welter of confused counsels and pronouncements, the poor businessman is punch drunk. Unproductive, he

sits at his desk, a lawyer on one side, a tax consultant on the other.

The president of a middle-western company told me recently that he carried home with him the minutes of his executive committee for the past 12 months and read them all through. "Seventy-five percent of the discussion was on purely defensive matters," he said. "New taxes, new State laws, new questionnaires, new forms of governmental annoyance. Only one-quarter of the brain power of our executives is free to think and plan."

A wise observer once remarked that "there are two forms of human achievement that seem to have no relation to brains—writing poetry and making money." A Keats may be utterly lacking in judgment in the practical affairs of life, but there is in his head some curious juxtaposition of brain cells which enables him to touch a pencil to paper and produce the Ode to a Grecian Urn. The mind of an entrepreneur may be blank as to history, music, or books, but under his hair is some strange arrangement of brain cells which can take a few dollars and create huge factories, tremendous employment, and a transformed life for millions.

These curious kinks in brains, whether in poetry making or money making, occur with the infrequency of diamonds and are accordingly precious. The new dealers, talking with some money makers and finding them ignorant on many subjects, form the erroneous opinion that money making must be easy. But the money-making brain cells have no more connection with general culture than have the poetry-making cells with bookkeeping. Each set of cells is a special endowment.

Conceding that the money makers have been highly paid in the past, perhaps too highly, it still is true that you cannot run the capitalistic system without them. They are the spark plugs of the economic machine. They are the mathematical mystics who can look through a mass of red figures on a balance sheet and see in the future a thriving industry. They are the job farmers who cause 2 jobs or 2,000 jobs to grow where no jobs were before.

You can eliminate them from the picture and have a socialistic state; you cannot do without them if you are to have progress under capitalism. Even the most cocksure young regimenters are beginning to suspect that this may be a fact.

With industry and government both doubting their infallibility, what is the next step? People, obviously, are growing tired of undigested legislation, name calling, and hullabaloo. They are impatient with big business and big government alike. The left wingers are losing their lure, and the tough nuts on the right are being cracked. The country is about ready to swing back to the middle of the road. How can that swing be brought about?

In my judgment, the answer lies more with business than it does with the administration. Business has the highest paid brains in the world; it has the best economists, the fanciest lawyers, the cleverest experts in public relations. It can, if it will, work out a program so sound and attractive that the people of the United States will welcome it. The program must be conceived in unselfishness and with forthright purpose to serve the Nation, or it will not get anywhere. It must, in my humble judgment, be built along these general lines:

1. A frank recognition of the mistakes of the old deal and a genuine determination that they shall not recur.

2. A knowledge that the days of big fortunes are over in every country of the world, and that a more equitable distribution of wealth must be accomplished.

3. The promise of a truly more abundant life, including cheap and abundant food, cheap and abundant clothing, cheap and attractive homes. We cannot go on having too much cotton in Texas and people in New York with no shirts; we cannot go on destroying wheat in Kansas while families in Chicago have no bread.

The achievement of real abundance for everybody involves a working solution of the farm problem, the transportation problem, the distribution problem, and the housing problem. Business, if it be as smart as it ought to be and can be, is much better able to solve these problems than are the bureaucrats.

4. An acceptance of the accomplished fact that Government is on top in every country in the world and will remain on top. The great businessman of the future will be the one who has achieved a successful formula for working with government.

5. A determination to attack the political and social problem just like any other sales problem—with ingenuity, vigor, and no thought of defeat. The New Deal has sought to persuade people that whatever is good for business is bad for the worker and the farmer, and that whatever is bad for business is good for the worker and the farmer. After 5 years of trial and forty billions of expenditure, the impotence and futility of that doctrine is fully revealed. Now let business neither sulk nor exult. Let it humble itself and step into Government and say: "Together we shall serve—you with the power and authority that must be supreme, and I with all the science, skill, and resources which I have learned to use so well."

Such a progress can be born only out of a reappraisal of spiritual values. There are signs that this is beginning to take place. I find the most ardent new dealers less intolerant than they used to be. Almost every week some businessman tells me he is conscientiously seeking to use his business as a vehicle of social service.

America is passing into a new stage. For a long time it sought satisfaction only in business success and money. In 1929 these proved suddenly unreal and evanescent. Now for 5 years we have tried to fix everything from Washington, approaching our problems on the basis of class appeal and public extravagance. This phase of our national experience, also, is drawing to a close.

Left side, right side, the road is muddy and trodden; only the center remains high and dry and firm. This is the path of cooperation. The Nation is willing to be led into it, but those who do the leading must discard tradition, prejudice, and selfish purpose. They must address their appeal not to the stomach and the pocketbook, but to the heart.

America has spiritual capacities which have not been called into fullest operation since the days of the Great War. It is ready for patriotism and the merging of individual interests into the interest of the whole. It wants to stop being pushed and pulled from left to right and right to left, and to be guided firmly and cooperatively along the middle way.

Should Hitler Have Helium?

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 11, 1938

CLIPPING FROM THE WASHINGTON HERALD, MAY 11, 1938

Mr. SABATH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following clipping from this morning's Washington Herald upon the question of helium:

In his innermost heart (and sometimes we think we see it openly on his face), the good Dr. Hugo Eckener must feel a choking shame to be sent to the United States on such a mission as his present one of dissimulation.

He is here representing one of the greatest cutthroats, thieves, and liars ever to seize control of a nation in its hour of bewilderment.

He is asking the United States to let Germany have helium for airships, on her promise, on the personal promise of Der Fuehrer, that none will be used for military purposes.

We like you, Dr. Eckener. You are the kind of good man the whole world admires. You are the sort of German the people of the United States respect and welcome.

But that story about the peaceful intent of the man with blood on his hands? That, poor Doctor, is just a lot of gas. No helium for Hitler.

About Those Taxes on Business

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 11, 1938

Mr. MURDOCK of Arizona. Mr. Speaker, some of my business friends have said to me that Congress should repeal all such New Deal taxes as the tax on undivided surplus and on capital gains and to lessen all other taxes on business so as to free industry and business from the millstone that hangs about their necks, and thus restore confidence of business in Government instead of its fear of punitive taxation. As I first began to think about the proposition I felt that we certainly did need confidence between Government and business and that it was not the part of statesmanship to indulge in punitive taxation. Accordingly I said to my business friends, "I would like to see the revenue measure of 1938 modify, to a certain extent, existing law, changing the tax on undivided surplus for the benefit of small corporations, and possibly lightening the load on all corporations." Now, I believe that such has been accomplished in this measure which is before us today in the conferees' report. True, it does not entirely repeal the tax on undivided surplus, but in my judgment, it moderates the tax to a satisfactory degree.

The gentleman from Ohio [Mr. JENKINS] has stated that he will vote against this measure because he is unalterably opposed to any tax on undivided surplus. I cannot feel that such a tax is an unmitigated evil. It may be that as a New Deal device it was laid on a little too heavily in the experimental beginning, but I can see that it has some useful purpose, in addition to revenue raising.

I have heard businessmen insist that a corporation must be able to lay by for a rainy day, and that many corporations maintained a pay roll during the past depression because of the fact that they had some undivided surplus. It is further said that if another major depression should come upon us after a period of no accumulated surplus, that such corporations would soon become bankrupt, and their employees forced on relief. Certainly, that would not be a desirable state of affairs, and if the existing law tends that way, it needs to be changed. On the other hand, I have heard certain stockholders declare that they had been stockholders in a certain corporation for years, during which time the corporation was prosperous, but the stockholders received not a cent of dividends in cash until the New Deal government forced the corporations to turn loose. Such stockholders implore us to retain the provision of existing law in that matter.

It seems to me that we have reached a point in economic development where saving on the part of a corporation can be overdone, even if there is no intent on the part of those controlling a corporation to evade taxes by putting the earnings back into the business. It sounds like good business to "plow back" some of the profits of a business during prosperous days, or hold the same in reserve against an evil day. However, that practice, even with the best motive, when carried on almost universally, leads to expansion at an ever-growing pace and such expansion is apt to bring on these ever-recurring shocks which we know as panics or depressions. I believe that such a device as a tax on undivided surplus or capital gains, if wisely levied, might have the wholesome effect of regulating business expansion and thus preventing our production machine from running away with itself like a steam engine without a governor until a crisis is inevitably brought on.

Perhaps I do not have a broad enough grasp of this subject, but I take off my hat in profound respect to the judgment of the distinguished member of the Ways and Means Committee whose work this measure largely is, and who shall soon leave us to take his place on the bench—the gentleman from Kentucky, Mr. FRED VINSON. He says this is a good revenue bill, and I believe him. I believe, too, that those taxes most bitterly complained of by businessmen have been modified to such an extent as to make this bill satisfactory to all right-thinking citizens who do not wish deliberately to shirk their share of the burdens of government.

The Spending Bill

EXTENSION OF REMARKS
OF
HON. ROBERT L. BACON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 11, 1938

REPUBLICAN MINORITY REPORT ON HOUSE JOINT RESOLUTION 679, THE EMERGENCY RELIEF BILL

Mr. BACON. Mr. Speaker, under the leave the extend my remarks in the RECORD, I include the following Republican minority report on House Joint Resolution 679:

THE SPENDING BILL—REPUBLICAN MINORITY REPORT

I. GENERAL STATEMENT

So grave are the implications and possible consequences of the so-called recovery program laid before the Congress by the Chief Executive on April 14, 1938, of which House Joint Resolution 679 is a part, that the minority of the Committee on Appropriations have felt compelled to set forth their views at length.

The minority has taken the unusual course of filing a formal report because of its deep conviction that the program proposed here is not only inadequate to meet the serious condition of the country, but carries with it a most serious threat to national solvency.

II. A $6,000,000,000 PROGRAM

The administration's new spending and lending program, of which this bill is but one segment, contemplates emergency expenditures of more than $4,000,000,000 during the fiscal year 1939, in addition to Federal pump-priming loans to the approximate limit of $2,000,000,000. Prudence demands, therefore, that this legislation be viewed, not by itself, but as a part of a broad program which involves a new draft of $6,000,000,000 upon the Treasury of the United States.

All this is proposed in the name of business recovery, despite the fact that emergency loans and expenditures aggregating more than $30,000,000,000 during the last 5 years have left us with 12,000,000 unemployed.

The United States is the only nation in the world experiencing a severe general depression at this time. By the unanimous verdict of reputable economic opinion, this depression flows directly from the dangerous monetary, fiscal, and administrative policies of the Roosevelt administration. It is the Roosevelt depression.

The majority ask us to authorize Government loans and expenditures to the extent, not of $2,519,425,000, as tabulated on page 9 of their report, but to the extent of more than $4,000,000,000 (on the basis of full year operations) for the fiscal year 1939. The following tabulation indicates the items not included in the majority report:

Majority total (table A, p. 9)	$2,519,425,000
Plus unexpended balances	135,000,000
Plus Public Works Administration loans	500,000,000
Plus Works Progress Administration for February–June 1939	900,000,000
Total	4,054,425,000

This tabulation, of course, does not include the authorization of $1,500,000,000 for business loans through the Reconstruction Finance Corporation; neither does it include the proposed authorization of $300,000,000 additional bonds for the United States Housing Authority; $100,000,000 additional expenditures for highways; $50,000,000 additional for Civilian Conservation Corps camps; nor $37,000,000 additional for expanded flood-control work. The total of $6,000,000,000 for the entire program, therefore, is extremely conservative, inasmuch as all these other items have been passed or are in various stages of the legislative process at this time.

III. RETURN RELIEF ADMINISTRATION TO THE STATES

Title I of the bill purports to provide relief for the needy unemployed. It should not be coupled with the remaining provisions of the bill, which have to do with spending and pump priming. The two subjects should be treated in separate bills.

Let it be understood at the outset that the minority realize the necessity for adequate relief for the needy unemployed. With 12,000,000 unemployed today, we accept the President's own estimate of $1,250,000,000 for the first 7 months of the next fiscal year, beginning July 1, 1938. We are not in favor of heartlessly dumping the relief problem onto the States. We recognize the necessity for the Federal Government to continue to provide its share of relief expenditures.

In order that this problem may be met squarely, and stand on its own merits, we propose to offer as a substitute for title I substantially the terms of H. R. 10311, introduced on April 19, 1938.

As far as administration is concerned, this substitute simply sets up a bipartisan Federal board to be charged with the allocation of the $1,250,000,000 to the States along certain well-recognized principles, such as need, and population. The money is to be turned over to the States when they set up bipartisan boards to administer the funds. Each State would contribute 25 cents for every dollar the Federal Government grants them. Thus the total amount available for the relief of the needy and unemployed will be at least $1,562,500,000 instead of $1,250,000,000.

By establishing State responsibility for the administration of relief it will be possible eventually to liquidate the huge and ever-growing Federal bureaucracy that now exists. If we do not make a beginning toward the elimination of this bureaucracy we shall have it saddled on us as a permanent proposition. We believe that by returning the control of administration of relief to the States that employables on home relief will receive much fairer treatment. We believe that our suggested substitute will result in a greater percentage of the relief dollar reaching those in actual need of relief.

It is admitted in the hearings that the administrative cost of the present Federal relief bureaucracy is over $125,000,000 a year. If the administration is turned over to the States we believe a large saving can be made in administrative costs. The set-up of a bipartisan Federal board under our proposal, and the establishment of bipartisan State boards, in our belief, should restore public confidence and reestablish the responsible local interest that the people everywhere should feel in the relief problem.

We believe that our proposal should go a long way toward the removal of politics from relief.

Minority representation on any commission or agency is demanded in the public interest, more especially when human need is involved.

That there has been politics in relief everyone will now agree.

Political erosion in relief

Under the prevailing administrative arrangement the political exploitation of relief workers is a demoralizing national scandal.

The public records, and the personal correspondence of the Members of Congress as well, offer voluminous documentary evidence that in many States, and especially in all the principal cities, the entire relief system is operated, in large measure, as an adjunct of the local New Deal political organization.

Under threats of dismissal relief workers have been herded systematically to the polls by precinct captains, compelled to change their party registration, forced to contribute a portion of their subsistence wages to local campaign funds, mobilized in State campaigns for active political solicitation in the interest of whatever local faction at the moment enjoys the approval and support of the Roosevelt administration.

Public scandals relating to such political trafficking in relief have been, from time to time, the subject of extended inquiry in Pennsylvania, New York, Massachusetts, West Virginia, Ohio, California, Michigan, Indiana, Illinois, Missouri, Georgia, Maryland, Louisiana, and Florida.

In several States the public demand for elemental honesty and efficiency in the administration of relief has been carried to the courts. In other States the subject has been a matter of formal legislative inquiry. In every such case of record, however, the full power of the national administration, including the assistance of the legal staff of the Department of Justice, has been exerted to smother every proposal for an orderly, exhaustive inquiry. In the same manner repeated efforts of Senators and Representatives to secure a congressional inquiry into relief methods have been resisted with every Presidential power.

Despite this unwholesome autocratic policy, the political manipulation of relief now is impressed deeply upon the public mind. A national sample poll by the American Institute of Public Opinion put the question, "In your opinion, does politics play a part in the handling of relief in your locality?" For the Nation at large the answer was 65 percent in the affirmative. In Arkansas the answer was 83 percent in the affirmative; in New Jersey, 78 percent; West Virginia, 77 percent; and so on through the list. A total of 47 States polled an affirmative answer of 51 percent or more, with 28 States giving a return of 65 percent or more in the affirmative. Since this poll, new evidence of political erosion in relief has come to Congress from no less than 12 States.

It is the conviction of the minority members of the committee, based upon meticulous study of the relief problem through the many appropriation hearings since 1933, that the tax burden in this item, for the Nation as a whole, could be largely reduced through purging the Federal Relief Administration in the States of its present political patronage and corruption. Available evidence indicates that, as now administered, the Federal relief agencies, and more particularly the Works Progress Administration, are burdened with corroding political spoils.

Priming the elections

As a part of his testimony before this committee, Mr. Hopkins submitted a tabulation (p. 73) showing the total number of persons receiving Federal assistance, by months, since 1933. This table reveals that in nonelection years the relief roll normally declines between June and October, when seasonal employment usually is at a peak, but that in the election years (1934 and 1936) this normal summer decline in the relief load is reversed.

In 1934 there were 2,283,000 more people aided by Federal relief funds in November than in June. In 1936 the increase between July and November was 1,213,000 persons.

In sharp contrast with these summer increases in relief and assistance rolls in the 2 election years we find decreases between June and November in nonelection years as follows: 1933, a decrease of 3,243,000 persons; 1935, a decrease of 3,165,000 persons; and 1937, a decrease of 2,648,000 persons.

Neither are these fluctuations in relief related to the movement of industrial production, as charted by the Federal Reserve Board. In 1933 the relief load declined by 3,243,000 during these 4 months; and during the same 4 months the Reserve Board's index of industrial production also declined 20 points. But in 1934, an election year, the relief rolls expanded by 2,283,000 in the corresponding 4 months, although in 1934 the Reserve Board's index of production was moving upward through September and October.

In the next election, 1936, the combined Federal assistance rolls increased from 17,900,000 persons in July to 19,113,000 in November, despite the fact that the Federal Reserve index of industrial production moved upward steadily from 104 percent of normal in June to 114 percent of normal in November.

The following year, 1937, in which there were no national elections, the assistance rolls declined 2,648,000 from June to November, during a period which witnessed the sharpest decline in the general production index in our entire economic history.

In the light of these figures, covering the experience of 5 years, it is impossible to escape the conclusion that fluctuations in the relief rolls are determined, not by actual need as reflected in the movement of general business but by political considerations related to the incidence of general elections.

Mr. Hopkins' testimony before this committee confirms the conclusion that, under prevailing administrative policy, the Treasury relief load is not related directly to the scope of unemployment. For example, Mr. Hopkins told the committee (p. 44):

"There might be a pick-up of 1,500,000 in private employment in the next 6 months. Even if that happens, you would still need this fund with the unemployment situation we are dealing with."

At another point Mr. Hopkins said:

"I would say that you would need the amount requested even with an increase of 1,500,000 in private employment."

At another point Mr. Hopkins replied to a question:

"What I say is this, that if we had a 1,500,000 pick-up in private employment in the next 7 or 8 months, in my judgment you would still need this amount of money for Works Progress Administration employment."

For a fourth time the same conclusion was presented in this language:

"In fact, you could get a decrease in unemployment or an increase in employment of 1,500,000, and I still think that you would need this amount."

The minority feel justified in asking if there is in fact any guiding relief policy when, in Mr. Hopkins' own testimony, repeated four times, a difference of 1,500,000 persons on the relief rolls would not make any difference in the amount of money required for relief?

At another point in the hearings (p. 4) Mr. Hopkins told the committee that Works Progress Administration work costs an average of $63.50 per month in Federal funds for each relief worker. On this basis, a return of 1,500,000 persons to private employment might be expected to reduce the relief burden of Works Progress Administration by approximately $100,000,000 a month.

For Congress to acknowledge that a decrease of 1,500,000 in the relief load need not change the money requirements of Works Progress Administration, would be to abandon proper legislative control of expenditures. This in turn would signalize departure from an elemental concept of constitutional government. It would be contrary to every principle of sound policy to ratify once more by legislative enactment this fantastic New Deal theory, that actual relief needs, in years of national elections, are entirely unrelated to the number of unemployed.

Further direct testimony that the current demand for relief appropriations is related directly to the approaching congressional campaigns, is found in the testimony of Mr. Eugene Leggett, acting director of the National Emergency Council. Questioned as to the estimated need for $1,000,000 during the next fiscal year, as against $875,000 in the current fiscal year, Mr. Leggett responded (p. 612) as follows:

"The first half of the fiscal year 1938 and the fiscal year 1939 are not comparable. So far as fiscal years are concerned, that period is comparable with 1936, because of the fact that the demands for information during an election year are tremendous as compared with the demands in an off year."

The minority do not understand how any agency engaged honestly in relief activities can anticipate increased demands in any given year solely on the ground that the approaching general elections will increase the demand for emergency services from the Federal Government.

The minority insist that public opinion in the United States demands emphatically an end to the prevailing frightful political trafficking in human need.

IV. FAILURE OF THE SPENDING THEORY

As we previously have indicated, the appropriation of funds to care for the destitute unemployed is but part of House Joint Resolution —, and that resolution is but a part of the program outlined to the Congress by the Chief Executive on April 14. That program must be considered as a whole. The dissent of the minority members of the committee is addressed primarily to that program as a whole and to the fundamental philosophy underlying that program.

The President stated that philosophy when in his message he asserted that "at this immediate time we suffer from a failure of consumer demand," and when he proposed to meet that failure by a greatly enlarged Federal spending program based on deficit financing. This has been called the "spending theory" of restoring prosperity, or "pump priming."

It is precisely the course the administration has followed for almost 5 years, and it has not brought about a lasting recovery. Nor will such a program now bring about permanent prosperity. Recovery cannot be had unless the administration is willing to change its attitude toward private enterprise and business in this country. Indeed, the prospects of success for such an undertaking now are far less than they were for the previous spending programs. In the early years of the New Deal pump priming was an untried experiment. It had a psychological value in that it aroused hopes that it was a workable scheme. But pump priming is now a demonstrated failure, especially when accompanied by other unorthodox policies. The country has lost faith and confidence in "spending your way to prosperity" schemes. Consequently even the psychological value of pump priming is now gone.

If proof is required for this contention, it can be found in the reaction of business and of the commodity markets following the Chief Executive's message to Congress on April 14. If the country

still had faith in the efficacy of pump priming as a device for pulling it out of the slump there would have been, as the New York Times has pointed out, an anticipatory improvement in the markets and in business activity. But there was not. Cotton, which was 8.65 cents a pound at the close on April 13, closed last Saturday, May 7, at 8.63. Wheat, which closed at 82¾ cents a bushel on April 13, closed last Saturday at 81⅛ cents. Corn, which closed at 59⅞ cents on April 13, closed last Saturday at 58⅛. The New York Times business index figure for the week ending April 16 was 77.1. One week later it was 75.4, the lowest level since the week ending May 6, 1933.

In view of the record of the last 5 years, this public and business apathy to the President's program should not be surprising. There is no convincing evidence that spending will restore prosperity. On the contrary, there is now affirmative evidence that it will not bring about recovery. There also is the evidence that this country has emerged from many serious economic depressions prior to 1929 without resort to huge spending programs. In fact, in some of these instances prosperity has been achieved on the basis of curtailed Government spending. The depression of 1920–21 serves as an illustration. Underlying that depression were factors somewhat similar in nature to the current recession. Neither the outgoing Democratic administration nor the incoming Republican administration undertook to fight that depression by spending, as evidenced by the Treasury records. Federal expenditures fell from $6,403,000,000 in the 1920 fiscal year to $5,116,000,000 in 1921, to $3,373,000,000 in 1922, and to $3,295,000,000 in 1923. In the fiscal year 1921 the Government—instead of borrowing—reduced its debt by more than $1,000,000,000. Yet the country came out of that depression with amazing rapidity. By 1923 production had increased 50 percent over that of 1921 and employment had increased about 30 percent. There followed a period of great and well-sustained prosperity which lasted until 1929 and raised the American standard of living for all our people to previously undreamed high levels.

Our experience with the 1921 depression appeared for a few months about to be duplicated in 1933. It will be recalled that the present Chief Executive was elected in 1932 on a platform pledged to governmental economy. In that platform the Democratic Party criticized the then Republican administration for extravagance and promised a 25-percent reduction in the cost of the Federal Government. The present Chief Executive accepted that platform 100 percent.

Indeed, he made economy and the necessity for a balanced Federal Budget the keynote of his campaign, uttering, day in and day out, contentions the truth of which have become more apparent in the last 5 years. Assailing increased governmental expenditures, the present Chief Executive, in an address at Pittsburgh on October 19, 1932, asserted that the burden of taxation in this country constituted "a brake on any return to normal business activity." And he added:

"Taxes are paid in the sweat of every man who labors because they are a burden on production and are paid through production. If those taxes are excessive, they are reflected in idle factories, in tax-sold farms, and in hordes of hungry people, tramping the streets and seeking jobs in vain. They pay in deductions from wages—in increased cost of what they buy, or—as now—in broad unemployment throughout the land. There is not an unemployed man, there is not a struggling farmer, whose interest in this subject is not direct and vital. It comes home to every one of us."

Those words, uttered almost 6 years ago, today have new force and meaning because they so well and accurately visualized the results of the policies we have pursued since the summer of 1933. For that reason they are pertinent to this discussion.

The present Chief Executive at the beginning of his administration in 1933 adhered to the promises of his campaign. One of his first actions was the submission to the Congress of a message (March 10, 1933) asking for drastic economies in governmental expenditures. In that message he asserted "for 3 long years the Federal Government has been on a road toward bankruptcy," pointing out an accumulated deficit of $5,000,000,000 for the early and worst years of the depression. The Chief Executive added:

"With the utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy. It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed."

And then he uttered a historical truth when he said:

"Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy."

Congress promptly enacted the economy bill which the Chief Executive requested. This action, along with his adherence at that time to the sound orthodox principles of his party platform, inspired a wave of confidence which swept over the country. Business immediately improved; industrial production surged upward; employment increased. These results are graphically recorded on the charts of the Board of Governors of the Federal Reserve System. Industrial production—after an upward movement in the second half of 1932—had fallen back in March of 1933 to 59 percent of the 1923–25 average, the figure which the Reserve authorities use as the base for their index figure. The following table indicates the course of industrial production in the subsequent months of 1933:

	Unadjusted	Adjusted
April	67	66
May	79	78
June	91	91
July	96	100
August	90	91
September	85	84
October	78	76
November	72	72
December	69	73

Source: Federal Reserve Board's Index of Industrial Production. "Adjusted" and "Unadjusted" refer to adjustment for seasonal variation.

During the late spring of 1933 the Chief Executive suddenly shifted fundamentally his policies. Virtually overnight he started on a course almost opposite to that which he pursued during the first 2 months of his administration. He threw his influence behind legislation applying the theory of the economy of scarcity to agriculture; legislation placing business in a strait jacket through codes based on a delegation of power "running riot," as Justice Cardozo termed it; and he approved legislation authorizing the most dangerous monetary experimentation. The Chief Executive also reversed his efforts to bring about order in world economic affairs through international cooperation toward stability. He thereby dashed the hopes of world statesmen for constructive action by becoming the dissenting voice at the London Economic and Monetary Conference, of which previously he had been a leader in assembling. Finally the Chief Executive proposed and approved a so-called Emergency Spending Act appropriating $3,300,000,000 for public works. This was the beginning of pump priming in the Roosevelt administration.

All of this recital is pertinent to a discussion of the appropriation measure now pending before the House, because that measure is here not alone as a supply bill, but also as the basis of a program for the restoration of economic recovery, and because, as will be shown, these events of 1933 demonstrated the fallacy of the pump priming or spending theory, particularly when accompanied by unorthodox action in other fields.

The effect of the Chief Executive's policies undertaken during the late spring of 1933 did not become apparent until midsummer of that year and, as shown by the industrial-production figures above, it was an adverse effect. The industrial-production figure which had advanced 41 points, or approximately 70 percent from March to July 1933, fell back when the new policies commenced to be felt. Confidence and faith in the future gave way to uncertainty and misgivings. Business paused to appraise what these experiments portended. As shown above, the Federal Reserve Board's industrial-production index figure fell from 100 in July 1933, to 91 in August; to 84 in September; to 76 in October; and then to 72 in November. In other words, the industrial production for November 1933 was only 5 points above the figure for November 1932. It is pertinent to point out during the 4 months prior to November 1933 the National Recovery Administration and Agricultural Adjustment Administration were in operation and the President was embarking on his inflationary monetary policy. What is more to the point, the Federal Government from July 1 to November 30, 1933, spent $1,908,969,977 as compared to $1,832,879,671 in the corresponding period of 1932.

It is impractical to continue such a detailed recital of the subsequent months of the present administration. What has been pointed out suffices to demonstrate that a vigorous recovery movement was inspired by the pursuit of sound fiscal policies in the early days of this administration but was halted when pump-priming and other unorthodox policies were followed. Indeed, despite continued spending the level of industrial production achieved in 1933 was not again reached until January 1936, 2 years and 6 months later. In the meantime the Supreme Court had declared unconstitutional the National Recovery Administration and the Agricultural Adjustment Administration, and several other enactments which had been a source of disturbance and uncertainty to the country.

The table of industrial production and Treasury expenditures, by months, from March 1933 to and including April 1938, in the appendix of this report, indicates little relation between a sustained prosperity and spending. In that period the Congress enacted the following relief and public-works appropriation acts (exclusive of the regular departmental and independent agencies appropriation bills, many of which provided increased sums, and exclusive of the transfer of appropriations or the reappropriation to relief and emergency agencies of funds previously appropriated):

National Industrial Recovery Act approved June 16, 1933	$3,300,000,000
Emergency Relief and Civil Works Act, approved Feb. 15, 1934	850,000,000
Emergency Appropriation Act of 1935, approved June 19, 1934	1,424,675,000
Emergency Relief Appropriation Act of 1935, approved Apr. 18, 1935	4,000,000,000
Emergency Relief Appropriation Acts of 1936; two acts—one approved June 22, 1936, the other Feb. 9, 1937	1,733,000,000

Third Emergency Relief Appropriation Act of 1936	884,000,000
Emergency Relief Appropriation Act of 1937, approved June 29, 1937	1,500,000,000
Appropriations for Civilian Conservation Corps approved July 1, 1937	350,000,000
Supplementary Relief Appropriation Act, approved Mar. 2, 1938	250,000,000

The above list of bills is exclusive of legislation appropriating about $2,000,000,000 of R. F. C. funds for relief purposes.

Altogether, in the period from March 4, 1933, to April 30, 1938, the Federal Government has spent $39,585,915,693, or a sum equal to approximately 40 percent of the total expenditures of the Federal Government from the first day of George Washington's administration to July 1, 1933. In other words, the Federal Government has spent in the last 5 years approximately 40 percent of the total expended by the Treasury in the previous 144 years. Instead of a steady upward-moving prosperity, this period of fabulous spending has been marked by the sharpest fluctuations, upward and downward, in industrial production, in employment, and in commodity and security prices in the country's history.

After the expenditure of almost $40,000,000,000, we find that industrial production for April of this year is estimated by the Federal Reserve Board at 78 percent of the 1923–25 average, or 22 points below the level reached in July 1933. It is only 19 points above the level of July 1932 when the depression touched bottom. Retail sales are estimated by the Federal Reserve Board for April at but 83 percent of the 1923–25 average, while wholesale commodity prices in April were down to the level of 78.6 percent of the 1926 average. During the first quarter of this year many security prices were back to the levels of 1933 and 1934. Freight-car loadings in the first 17 weeks of this year were less than in any corresponding period since 1918 when compilation of the figures commenced, except in 1933 when business was paralyzed by the bank holiday. Mr. William Green, president of the American Federation of Labor, told your committee that in March of this year "there were again 11,231,000 unemployed" (at p. 751 of hearings). Mr. John L. Lewis, chairman of the Committee for Industrial Organization, told your committee that "13 to 14 million workers are now unemployed." The so-called Biggers unemployment census, taken last November, estimated the unemployed at 10,822,912.

Thus, despite the $40,000,000,000 expenditure of the last 5 years we find this country back in the throes of a severe depression. Its business is close to that point of demoralization visualized by Prof. Rexford G. Tugwell as essential for the success of his principles of planned economy toward which he took the leadership in guiding this administration. All of this has happened after 5 years of efforts directed toward a planned or managed economy under the direction of the Federal Government. "We planned it that way" has been the keynote of the present administration. The responsibility for the Roosevelt depression is clearly on the New Deal planners.

Government spending will perhaps bring about a slight temporary improvement in economic activity. But we emphatically assert that unless constructive steps are taken along other lines, it is impossible to achieve a permanent lasting recovery. It should be clear to all by this time that if the gap in national income is to be abridged, if the unemployed are to be restored to gainful operations, if factories are to resume capacity production it will have to be done by private enterprise. It has been said that private enterprise has failed to take up the slack between what the Government spending program has done and full economic activity. This failure is not due to a failure on the part of business to cooperate. Business has been ready to cooperate. The truth is that unwise policies of taxation and excessive restriction have frozen the capital markets and placed business generally in a strait jacket.

The flow of new capital funds into the channels of business and industry is as essential to prosperity as blood is to the human body. When that capital flow is anemic, the economic body becomes sluggish and withers.

According to the Commercial and Financial Chronicle, the average annual new corporate security issues total $5,713,400,000 in the years from 1925 to 1929. Compare that with the new corporate security issues in the years 1930 to 1937, inclusive, as given by the same source:

1930	$4,944,000,000
1931	1,763,000,000
1932	325,000,000
1933	161,000,000
1934	178,000,000
1935	404,000,000
1936	1,217,000,000
1937	1,159,000,000

Private capital did not flow in the thirties with the vigor it did in the preceding years because government had done nothing to restore the confidence of private enterprise—confidence that businessmen could again undertake large, bold projects and make daring investments looking far into the future with reasonable hope of earning larger returns than on timid investments in safe existing securities. On the contrary, government in the last 5 years has done everything in its power to convey the impression that it would help to make daring, and therefore inherently risky, investments still more risky and unprofitable. Mention need be made in this connection only of the repeated increases in Federal taxation, the heavy taxation of capital gains without any adequate offset for capital losses, the undistributed-profits taxes, and the constant strangling of the business community of the country by needless restrictions. These have made investors, large and small, cautious about taking risks because the prospects of a reward for the risk taken have constantly been diminished. Big capital expenditures that provide for large-volume employment almost always constitute big risks, and the reward must be in proportion to the risk or the risk will not be taken. Nor is it suggested here that the large corporation necessarily takes the largest risk. The little-business man risking his $5,000 may be risking his all, and, though such an individual sum may be small in the national economy, when it becomes a part of similar investments by millions of small-business men, it soon totals billions of dollars and is a stimulant to employment on a large scale in private industry.

Those who still defend pump priming after all that has happened do so with the contention that the current depression was caused by tapering off of Government expenditures. What they mean is that deficit financing was tapered off, for certainly there has been no reduction in Federal expenditures, exclusive of the payment of the World War veterans' bonus. This is a cry of despair. It is a contention that the administration must go on indefinitely without a balanced Budget. Let us examine the implications of such a contention.

The national debt on April 30, 1938, was $37,509,948,998, or $16,572,598,034 more than it was on March 4, 1933. This does not include a total of $4,646,000,000 of obligations of the Federal Farm Mortgage Corporation, the Home Owners' Loan Corporation, and the Reconstruction Finance Corporation, fully guaranteed by the Treasury but not reflected in the debt figure. In addition, the United States Housing Administration has been authorized and is preparing to commence the issuance of another $500,000,000 of obligations fully guaranteed by the Treasury. These figures take no account of the insurance of more than $1,000,000,000 of home mortgages by the Federal Housing Administration, which also are guaranteed by the Treasury. The Acting Director of the Budget informed your committee that with the passage of the resolution now pending before the House, the deficit for the next fiscal year will be $3,722,000,000, if all the sums proposed to be appropriated are spent in that period. His estimate is conservative since he made no allowance for a decrease in the estimates already made of revenues for the 1939 fiscal year.

In view of the foregoing, it is a conservative estimate that, if this legislation is passed, the public debt on June 1939 will approximate $41,500,000,000 in addition to contingent liabilities in the neighborhood of $6,000,000,000. In other words, we face the prospect within another year of a Treasury indebtedness and contingent liability rapidly approaching the $50,000,000,000 figure without the prospect of even a reasonable possibility that huge spending can then be stopped. Such a prospect must be disturbing to every American. It was the present Chief Executive who in 1932 at Pittsburgh said:

"The credit of the family depends chiefly on whether that family is living within its income, and so it is with the Nation. If in some crisis it lives beyond its income, for a year or two, it can usually borrow temporarily on reasonable terms. But if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxation to the limit of the people's power to pay, and continues to pile up deficits, it is on the road to bankruptcy."

Those words constitute a far greater truth today than when they were uttered, for then the national debt was less than $21,000,000,000. Much has been said by those who propose this program about their concern for the masses of the workers of this country. It is our concern for the men and women who earn their living in the sweat of their brow that causes us to make this determined plea against further progress along a road which admittedly leads to bankruptcy. Our very ability to take care of those on relief and in distress depends on the protection of the Government credit and the value of our currency. What becomes of those on relief, of the Social Security program, of the savings accounts of millions of men and women and of their life-insurance policies if we should reach the end of that road to bankruptcy, of which the Chief Executive spoke? We have gone far down that road in the last 5 years. And still another disturbing thought occurs to us: If this country should have the misfortune to become involved in another war in the near future, we would be financially unprepared, as we have an enormous debt outstanding, and we already have an excessive tax burden. To reduce this debt and to put the tax burden on a reasonable basis is as much a part of our national defense as an adequate Army and Navy.

It is to be assumed that the day must come when an effort will be made to reduce the national debt, yet the tax burden on the people of this country already is crushing. It has been estimated that the tax collections of Federal, State, and local governments during the fiscal year now coming to an end constitute 23.6 percent of the national income of the country. How can economic recovery be achieved when nearly $1 out of every $4 goes into the pocket of the tax collector? The Chief Executive's estimate of the collections of internal revenue and customs by the Treasury for the current fiscal year constitutes the largest sum ever collected from those sources in the history of this country. Nor is this money coming out of the pockets of the rich and well to do alone. In the last fiscal year revenue from taxes on consumption equaled

51 percent of the total of the Federal internal revenue and customs receipts. This compares with 39 percent in 1920, at a time when income taxes were at their peak.

Mr. Roosevelt in a radio address in 1932 asserted that "all public works, including Federal, must be considered from the point of view of the ability of the Government's Treasury to pay for them." We reaffirm that sound declaration. We do not believe that a Treasury which has been in the red for the last 8 years should be asked to continue huge public-works programs, no matter how meritorious the individual projects may be. It is upon that sound basis that our dissent here is made to this newest "pump priming" program.

V. RECOMMENDATIONS

In view of the foregoing, the minority of your committee, among other things, proposes:

1. Substitute for title I of the resolution substantially the provisions of H. R. 10311 to provide for the administration of relief by a bipartisan board in Washington, with bipartisan local administration, on the basis of Federal relief grants limited to 80 percent of each State's need.

2. Elimination of title II of the resolution.

3. In the event of the failure of these motions submission of an amendment forbidding the use of any funds allocated under titles I or II for projects which would provide competition by Federal or public agencies with private business or enterprise.

4. The congressional investigation of administration of Works Progress Administration and the expenditures of relief funds, especially in Pennsylvania and other States where charges of politics and flagrant misuse of funds have been made publicly, with a view toward making relief administration more efficient, more helpful to the needy, and less costly to the Government.

5. Outright repeal of the undistributed-profits tax and revision as soon as possible of the antiquated Federal tax structure in order to remove inequities which retard business.

6. Elimination of tax-exempt securities.

7. Reduction at once of the unnecessary and burdensome social-security taxes in order that in this time of recession both employer and employee may have more of their own money to spend in their own way.

8. Elimination of harassing restrictions and administration assaults on business.

9. Restriction of Government competition with private enterprise.

10. Revision of the National Labor Relations Act along lines to promote harmony between employer and employee, and not discord, as at present.

11. Repeal at once of the Thomas greenback law.

12. Immediate steps to eliminate waste and extravagance throughout the entire Federal Government, with a view to reducing expenditures and bringing about a balanced Budget as soon as practicable.

Words are not sufficient: action is imperative now.

JOHN TABER.
ROBERT L. BACON.
RICHARD B. WIGGLESWORTH.

APPENDIX A

There follows a tabular compilation by months of the index figure (based on 100 for 1923–25) of industrial production by the Board of Governors of the Federal Reserve System and the total Treasury expenditures by corresponding months for the period from March 1933 to April 1938, inclusive. The industrial production figure has been adjusted for seasonal variations.

Industrial production

	Index number	Government expenditures in thousands of dollars
1933:		
March	59	266,713
April	66	336,972
May	78	252,325
June	91	381,812
July	100	270,971
August	91	309,717
September	84	328,807
October	76	500,055
November	72	499,420
December	75	712,901
1934:		
January	78	980,579
February	81	635,322
March	84	610,233
April	86	974,423
May	86	549,356
June	84	733,267
July	76	466,274
August	73	513,700
September	71	515,598
October	74	758,453
November	75	638,608
December	86	652,386

Industrial production—Continued

	Index number	Government expenditures in thousands of dollars
1935:		
January	90	468,540
February	90	498,377
March	88	550,524
April	86	796,619
May	85	611,127
June	87	905,620
July	86	727,535
August	88	521,931
September	91	581,020
October	95	796,673
November	96	533,520
December	101	620,982
1936:		
January	97	472,733
February	94	504,293
March	93	578,424
April	101	630,887
May	101	564,696
June	104	2,347,104
July	108	417,109
August	108	569,539
September	109	674,152
October	110	684,785
November	114	539,876
December	121	667,369
1937:		
January	114	635,062
February	116	574,834
March	118	758,258
April	118	725,202
May	118	557,220
June	114	1,301,754
July	114	658,545
August	117	556,218
September	111	709,751
October	102	621,340
November	88	543,476
December	84	731,953
1938:		
January	80	567,361
February	79	524,840
March	[1]79	762,563
April	[1]78	686,942

[1] Preliminary.

Preservation of Our Democracy

EXTENSION OF REMARKS
OF
HON. HATTIE W. CARAWAY
OF ARKANSAS
IN THE SENATE OF THE UNITED STATES

Thursday, May 12 (legislative day of Wednesday, April 20), 1938

ADDRESS BY CHARLES W. TAUSSIG AT MONTGOMERY, ALA., APRIL 4, 1938

Mrs. CARAWAY. Mr. President, I ask unanimous consent to have printed in the RECORD an address entitled "The Preservation of Our Democracy," delivered by Charles W. Taussig, Chairman of the National Advisory Committee of the National Youth Administration. The address was delivered before the regional conference of the Democratic National Committee at Montgomery, Ala., on April 4, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Democracy is founded on the belief that the mass judgment of the people is sufficiently sound to direct its political authority. A substantial portion of the world today has renounced its belief in the mass judgment of the people in favor of the judgment or impulse of an individual. The appalling tyranny and destruction of the liberties of the people in certain countries of Europe and Asia have so shocked the American people that they are more sensitive today to problems of liberty and democracy than at any period since 1776. This is a good time for Americans to decide what is really precious to them—the realities of democracy or some of its irrelevant accompaniments. The slightest change or proposed change in government organization, in economic controls, in political alinements, brings in its wake the cry of "dictatorship." The basic principles of democracy are lost sight of.

To hear some of our publicists talk it might be thought that liberty, for instance, for corporations is just as important as liberty for individuals. It is not. Some of the editorials that I have read recently in eastern newspapers would lead one to believe that freedom of the press and of assemblage was the exclusive property of a few large propaganda organizations. That is not my conception of freedom under a democracy. The world-wide challenge to democracy and the freedom of the individual today is too menacing and too potent to make it safe for individuals in this country, be they of right or left persuasion, to degrade the sacred word by using it for sordid and selfish political purposes. The New Deal, no doubt, is subject to criticism and attack by those who see differently than we do. But that attack has degenerated into something dishonest, unpatriotic, and malicious, and is endangering the very foundation of our democratic form of government.

The American concept of democracy has never carried with it the implication of a changeless political, social, and economic order. Yet it has become the habit of a certain group who have access to the press and the radio to brand every suggested effort to improve the condition of the underprivileged and to make less cumbersome our governmental processes as being destructive to democracy. They know better than this, and they should cease their dishonest propaganda before it has accomplished irreparable damage.

What is it peculiar to today that has destroyed so many of our great democracies? The cause of the upheaval in Europe is clear. The World War, the Versailles Treaty, created economic and social conditions that became unbearable and impossible for the great mass of the people. It is not an exaggeration to say that they knowingly and willingly gave up their liberties for loaves of bread. I do not say this in a figurative sense. I mean this literally. True, the dictators have not been able to boast of high living standards in their countries, but every so-called totalitarian state has reduced unemployment to the vanishing point. They have done it partly by unorthodox financing, by a rigorous nationalistic isolation, by enlarging public works, and by great armament programs. Some of these things have been sound, some unsound, but none of them have anything to do with dictatorship. The dictator was able to accomplish materially what the democrat was unable to accomplish, because he liquidated by force the special privilege which prevented improving the condition of the poor. It is unthinkable that we, in this great country, have become such spiritual paupers that we will adopt the same methods to accomplish some of those desirable ends. The principal danger that confronts our democratic system is that we should fail to give to our underprivileged their due share of our national wealth.

The New Deal has made a brave start toward this end. We have already demonstrated that it can be accomplished within the framework of a democracy. The New Deal has recognized the right of labor to a fair wage and reasonable hours. It has recognized the right of children to be educated and to play and not to be forced to work. It has recognized the right of the farmer to receive a fair price for his crops. It has recognized the right of the investor to be protected from pillaging pirates of privilege. It has recognized the right of the borrower to be protected from usury. The recognition of these rights, I believe, was the first step in the protection of our democracy. The next step must be to give to the people that which we have announced and agreed rightfully belongs to them. To do this we must, through education, through fighting in a democratic way, and through the polls, break down the resistance of the selfish minority who would keep from the great mass of the people that which is their just due. I believe that Franklin Roosevelt will accomplish this end and in so doing, he will make imperishable our democratic system.

I am a friend of the New Deal. I have the honor in a small way of participating in this administration; but I would feel myself to be intellectually dishonest if I did not recognize some imperfections in our methods. I think at times we are inclined to be unfair to some men of wealth and economic power when we make a blanket attack on their integrity and their willingness to help us in attaining the objectives I have just outlined. All of the privileged are not unmindful of the plight of the underprivileged. Many of them are as ardent as we in attempting to find methods of accomplishing what we are trying to accomplish. Because they differ with us on method does not warrant impugning the honesty of their motives. It is not difficult to separate those who, under the guise of differing with us on method, would prevent us from attaining those objectives, and those who sincerely endeavor to accomplish these ends via a different route. The President himself, in word and deed, has always shown his respect for honest opposition.

I emphasize the method of presenting our case, for a political campaign is immediately ahead of us. Let both parties have caution that, in the heat of the battle, they do not, through intemperate use of the potent press and radio, plant the seeds of hate and revolt in every home in our land. It is inconceivable to me that either major party or any factions within those parties would willingly enfeeble our democratic system by raising false and dangerous issues.

Those who have a real desire to preserve our democracy must agree on one cardinal point. I do not think, in the light of world conditions today, it is debatable. Every American willing to work must be given a job, if not in private business, at Government expense. Whether business is good or business is poor, the cost will run into the billions. That is the price we have to pay for an imperfect economy and for the liberty that only a democratic form of government will give us. In essence the democratic ideal is a spiritual quality, but let us not strain its transcendentalism to the breaking point. Americans have fought for democracy. They have rotted in the trenches for democracy. But, surrounded by plenty, they will not starve for democracy. We must eliminate those conditions that give birth to the ugly brood that is rampant in Europe today. The good-neighbor policy of that great statesman, Cordell Hull, must apply within our borders as well as without.

And we must carefully guard another front in our battle for democracy. The problem of freedom of speech and press has always been with us. Excepting for some glaring abuses which are constantly being corrected, our country has been successful in maintaining this essential to democracy. Dictatorship is impossible where freedom of discussion is unmolested. The radio in particular, the technique of which the totalitarian countries have mastered, presents to democracies problems not understood when the Bill of Rights was written.

There is an unlimited number of soap boxes from which street-corner orators may declaim. Conservationists may deplore the vanishing woodpulp, but as yet there is no scarcity of newsprint. There is, however, a definite limitation to the number of wave bands available to broadcasters under the present state of that art. It is, therefore, physically impossible to make the microphone available to all who want to use it. Here, incidentally, is a good example of how advances in science and technology make us alter our traditional attitudes toward social controls. We are forced to put some curb on freedom of speech in the case of the powerful but limited medium of the radio. We must formulate these controls with the greatest of caution. Government ownership of all broadcasting stations is not the answer in a democracy.

Without attempting to go into any details of this difficult problem may I make two suggestions as to possible approaches? One is not to permit any individual, corporation, or group to acquire a vested interest in the new wave bands now being developed, which promise a tremendous increase in the available channels for broadcasting and television. The other is to require every radio commentator and lecturer to announce who is directly or indirectly paying for his services, in the same manner as newspapers and magazines are required by law to publish a list of their stockholders and bondholders. The law relating to periodicals has been in force for some time. I believe it was drafted and introduced by Cordell Hull when he was in Congress. Perhaps some other distinguished southerner will cause a similar law to be enacted applying to radio broadcasting.

In considering the general problem of freedom of speech, of the press, and of assemblage let us remember that the very act of suppressing even the abuses of this constitutional right is a far greater blow at our free institutions than the abuses themselves.

One cannot discuss the problem of preserving democracy without at the same time considering the welfare of our American youth. As Chairman of the National Advisory Committee of the National Youth Administration I have had an opportunity to study with some care the functioning of that branch of our Government. The contrast between the central European way of meeting the youth problem and the American way is in itself a lesson in the processes of democracy. The European method is to force youth to a single pattern of national action under absolute control and direction of the dictator. The American way is to minimize central control and to render such aid that impoverished youth may fit more easily into the economic and social pattern of his community. This is the way of the National Youth Administration.

In the recent history of European tyranny, youth, that part of society which normally cherishes liberty and freedom above all others, has been a powerful element in the maintenance of dictatorship. Paradoxical as this may seem it is not difficult to understand. Vibrant, vital, ambitious youth is among the first to feel the effects of impoverishment. It is not that they are unwilling to tighten their belts, but it is the hopelessness of the future that makes them easy victims of the demagogue with bright promises. Unemployment among youth between the ages of 16 and 24 years, inclusive, is appalling. It is estimated that 5,000,000 youths in the United States are out of work and out of school. The National Youth Administration was created by President Roosevelt to meet this situation.

The work of the N. Y. A. can be divided into three parts—student aid, work projects for youth out of school, and counseling and placement of youth in private enterprise. We have had in the course of the 3 years of Youth Administration activities at one time as many as 444,000 youth attending high school and college receiving aid. Without this aid their education would have ceased. The average earnings for youth in high school is about $5 per month, in college $13, and graduate students average $23 per month. These payments are made on an hourly basis for work performed. This type of work varies according to the needs of the institution which the student attends. It may be the erection of dormitories on the campus. It may be assisting the faculty in scientific research. It may be landscaping the school grounds, or any one of a hundred useful projects. Effort is made to have the work assigned to the N. Y. A. students supplement their education so that the work may not only be socially useful to the school but equally useful to the student, besides giving him sufficient financial aid to continue his education. The students are selected from needy families by the schools themselves, not by the Federal Government. On an average, N. Y. A. students rank in the top third of their classes. An N. Y. A. student recently won a Rhodes scholarship.

For out-of-school youth the communities plan work projects. There are hundreds of varieties of such projects, almost all of which are of importance to the community. Personally I am impressed by the construction projects. Investigation has shown that youth are as capable of doing construction work under proper supervision as are adults. Our youth build rural schoolhouses, community centers, construct athletic fields, build school furniture. They do many other things that formerly were thought beyond their capabilities. Most of the building is of light frame construction, but where necessary our youth are able to do heavy work. For instance, they have built many community houses out of stone, the youths themselves quarrying native stone for the construction. All of these projects are planned in and by the local community and meet a definite community need.

The effect of this type of work on the morale of youth is great. The old hopelessness of being out of a job is gone. Their self-confidence is bolstered. They see with their own eyes the results of the work they do with their hands and brains. The attitude of youth toward their own work is perhaps well illustrated by the experience of Mrs. Ernest K. Lindley, who recently visited some work projects in the mountains of Kentucky. Mrs. Lindley, in collaboration with her husband, Ernest K. Lindley, is writing a book, called A New Deal for Youth, which is an account of the National Youth Administration, and will shortly be published. One of the N. Y. A. youths took her to visit a schoolhouse that was built entirely by mountain youth under the auspices of the N. Y. A. This youngster showed her all over the schoolhouse, but particularly he pointed out certain parts of the concrete foundation, and glowing with pride, would say, "I poured that concrete." This boy has a tangible stake in his country. He can be counted on to protect our democratic institutions which gave him his opportunity. The communities are enthusiastic about the work of the Youth Administration and contribute considerable in time, materials, and money, cooperating with us in taking care of their own youth.

The N. Y. A. has performed an almost immeasurable service to the rural school system of the country. Thousands of rural school buildings have been repaired, painted, foundations strengthened; walks have been laid, grounds improved, sodded, and graveled for play areas, and roads; bus stops and safety zones have been built off the main highways. In the rural districts of almost every State one school building after another shows the evidence of N. Y. A. work which has been done by the out-of-school youth.

Throughout the country our division of guidance and placement operates to counsel with youth and help them determine what type of work they are best fitted for. We then help them find this work. Two hundred and fifteen thousand young people have registered at our placement offices. Fifty-two thousand employers have been personally visited by the N. Y. A., asking for jobs appropriate to younger workers. We had placed, as of some months ago, 93,000 youth in private jobs. The work experience gained by N. Y. A. youth materially assists them in finding private employment. In Alabama 25 percent of the N. Y. A youth employed on work projects in the past year have found jobs in private employment.

As long as the democratic system provides our people with economic security and opportunity there will be no change in the form of our Government. The seeds of dictatorship lie not in any individual but in the great mass of the unemployed, both youth and adult. Fail to provide for them adequately and our democracy will be relegated to history. The present recession puts a great strain on the patience of our people, but it is my belief that the program now being formulated by the President to meet the present emergency will effectively check it and that shortly we will again see the resumption of the economic recovery that commenced on March 4, 1933. Let us have faith in the soundness of our democratic principles. Let us have courage to discard those parts of our economic system that have failed us. Let us loyally support our President in these trying times and we need have no fear for the future of American democracy.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. HENRY CABOT LODGE, JR.

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Thursday, May 12 (legislative day of Wednesday, April 20), 1938

EDITORIAL IN THE BOSTON EVENING AMERICAN, MAY 11, 1938

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very enlightening, and, I think, encouraging, editorial which appeared in the Boston Evening American of yesterday.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STOP THE FLOOD—LET THE SENATE PUT PROSPERITY IN OUR OWN PEOPLE'S POCKETS

The Lodge-Walsh resolution, now before the United States Committee on Finance, concerns all Americans, particularly Americans who want jobs and decent wages.

This resolution, offered by our two Massachusetts Senators, who show a commendable determination to rise above politics and party differences, calls for a full and complete investigation of the volume and value of all articles imported into the United States in the last 8 years.

It recognizes the fact that the tidal wave of foreign sweatshop competition which has descended upon us from the low-standard nations of Europe and Asia is largely responsible for our current business recession and the joblessness of 11,000,000 of our people.

It challenges the starry-eyed theories of Washington bureaucrats that it is perfectly proper for our Government to fill the pockets of Japanese coolies and Czechoslovakian peasants with American dollars and to expect Americans to be satisfied with meager W. P. A. checks and charity doles.

It calls upon the Senate to rouse itself, to get up, to stand on its own feet, and to reclaim in constitutional authority to make and regulate the tariff in the interest of American prosperity.

This resolution must pass. No member of the Committee on Finance or no Senator who has an ounce of consideration for the constantly growing army of the American unemployed can conscientiously oppose it.

The American System of Broadcasting

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Thursday, May 12 (legislative day of Wednesday, April 20), 1938

ADDRESS BY DAVID SARNOFF AT NEW YORK, APRIL 28, 1938

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the American System of Broadcasting and its Function in the Preservation of Democracy, delivered by Mr. David Sarnoff, president of the Radio Corporation of America, at the Town Hall, New York, April 28, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There could be no more fitting auspices than those of the Town Hall for a talk on the American system of broadcasting. Your distinguished 44-year history as a molder of public opinion has upheld the finest traditions of our democracy. Your own radio forum, America's Town Meeting of the Air, has grown out of an adventurous experiment to become one of the most popular and important of radio programs.

GROWTH OF RADIO

It has been my privilege to be associated with radio for more than 30 years. At an age when the average boy is still wearing a football headguard or a catcher's mask, I was proud to wear a radio telegrapher's headset. The radiotelephone was nothing but a dream, and radio broadcasting was not even that.

There were only a handful of us in those days, but during the intervening years thousands of able men and women have joined our ranks. A vast radio industry has grown up. No other industry ever grew so fast. The years and days and hours have been crowded with a never-ending procession of new discoveries, new developments, new services.

The pagan conception of Mercury serving the gods on Mount Olympus never approached the present-day reality of radio, the modern messenger that travels with the speed of light, encircling the globe seven times in a single second. Radio carries messages between all nations. Oceans, mountain ranges, and man-made boundaries alike are powerless to hold it back. It safeguards the passage of ships at sea and in the air. It has given mankind the greatest means of mass communication ever devised. It brings the voice and the music of civilization, and some day will also bring its living image into the most isolated home.

Nature yields her secrets slowly and reluctantly. It has been a hard, exciting struggle to take these ether waves that have filled the atmosphere since the beginning of time, and in a single generation harness them to serve mankind.

Although my subject concerns broadcasting, I have not come here today as a broadcaster. I am speaking as one of the pioneers of a new art, of which broadcasting, however significant, is only a part. I speak as one who has watched that art develop from the beginning. I am concerned with the opposition to which all new

arts are exposed, and with the forces which tend to shackle their freedom and curtail their development. I speak to preserve broadcasting as one of the free institutions of our democracy.

WHAT IS BROADCASTING?

Broadcasting consists of more than wavelengths, more than towers outside and equipment inside a radio station. It is a service of entertainment, culture, and information. The greatest significance of broadcasting is in the directness of its appeal, not merely in the speed and spread of its message. Many of its programs originate in a single local station, and are heard only in a single listening area. Here radio performs an important community service.

The national services of the American system of broadcasting, however, depend upon more ambitious programs nationally distributed. In the broadcasting systems of other countries there is nothing comparable to the great transcontinental networks across the United States. These are voluntary associations of independent stations, each an important economic and social factor in its own community. During a portion of the time, each station broadcasts national instead of local programs. During the remaining time, stations associated with the National Broadcasting Co., for example, may choose whether they will broadcast national or local programs.

Without this linking of broadcasting facilities there would be no national service of broadcasting. Without networks the vast majority of the American people would never have the opportunity to hear the voice of their President, or the music of Toscanini, or the debates of the Town Meeting of the Air. Tapping the talent sources of the world, American network broadcasters have made a radio receiving set infinitely more valuable in the United States than it is anywhere else in the world.

BROADCASTING A YOUNG ART

When we talk about the American system of broadcasting we are talking about something barely 11 years old. The first Nationwide broadcasting network was created by the National Broadcasting Co. in November 1926. And because it is young, the American system is still developing, subject to constant experiment and change.

In its present state, there is only one certainty about the technical development of radio, and that is the certainty of change. Its greatest achievements still lie in the future. The public services of radio sight will soon be added to those of sound. Radio facsimile, which makes it possible to deliver a radio newspaper into the home, may supplement the regular services of the press. Television will bring us the faces and gestures of speakers and artists, as well as their voices, and will enable us actually to see news in the making. As new inventions create new channels in the ether, not only in short waves but in waves measured in centimeters and millimeters, the day will come when there will be more wavelengths than broadcasting stations to use them.

Whatever controls over broadcasting are necessary at the present time, it is important that they should be kept as flexible, as free from rigidity, as the art itself. Otherwise there is danger of tying up the future usefulness of radio in a strait jacket. We should not try to regulate something as yet unborn; and we should not freeze an expanding art in any rigid code.

RELATION OF RADIO TO GOVERNMENT

If wavelengths were now available for an unlimited number of broadcasters, there would be no more need for special Government regulation over broadcasting than over the printing of newspapers.

It is the allocation of station frequencies, which for the moment are limited in number, that creates a difficult task for the Federal Communications Commission. The Commission deserves great credit for having helped broadcasters to make the present American system of broadcasting what its name says it is—something that is both systematic and American.

The law empowers the Commission to license broadcasting stations for periods not exceeding 3 years. In practice, however, the Commission grants licenses for only 6 months, on the theory that it is easier to reject an application for renewal than, for any reason, to cancel an unexpired license. When its license comes up for renewal, if the station has operated with technical efficiency, and if, in the opinion of the Commission, it has served "the public interest, convenience, and necessity," it gets another 6 months' lease of life. Twice a year, therefore, the substantial investment which the licensee has made in his business is placed in jeopardy.

CENSORSHIP

The broadcasting controls established by law are intended primarily to regulate physical facilities, not programs. The law specifically withholds from the Commission the power of program censorship. Section 326 of the radio law of 1934 states:

"Nothing in this act shall be understood or construed to give the Commission the power of censorship over the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech by means of radio communication."

While direct Government censorship over radio programs is thus forbidden by law, the terms of the Government licenses leave the door open for an indirect—and more insidious—censorship. Any attempt to impose the ordinary "blue-pencil" censorship is little to be feared, because, being a conspicuous violation of the right of free speech, it would arouse a storm of public protest. But what is not conspicuous—and is therefore dangerous—is the effect on the mind of the broadcaster, resulting from attitudes that may be taken by the Government toward stations, on matters outside the regulation of facilities.

Fear of disapproval can blue-pencil a dozen programs for every one that an official censor might object to. While practically nobody advocates a preprogram blue-pencil in the hands of government, few realize that postprogram discipline by the Government can be a form of censorship that is all the more severe because it is undefined.

Another aspect of government supervision over broadcasting, which is in effect a form of censorship, is the attitude in some quarters of the Government toward the profits earned by broadcasters.

The grant of broadcasting licenses is only one of the many responsibilities of the Federal Communications Commission. It has supervision over all forms of wire and radio communication. In the field of two-way telephone and telegraph communication, control over rates is one of its most important functions. Here questions of investment value and profits are material.

But broadcasting is a one-way, not a two-way, medium. It is not a common carrier which the public hires to perform a fixed service. It is a medium of artistic and intellectual expression, free to the listening public. Its financial structure does not impinge upon the public interest, convenience, or necessity.

While stations and networks represent substantial investments, broadcasting is essentially a personal-service business. The earning of stations cannot be judged on the basis of their investment, any more than those of a lawyer, doctor, theatrical producer or publisher. Income results not from studios and transmitters but from programs.

It is a strange assumption that the less money a broadcasting company makes, the better the public will be served. This attitude is contrary to all sound business principles and experience. In what way is it conceivable that the public will be given better programs if the broadcaster is deprived of both the incentive and the means to improve his facilities and service?

Adequate profits mean the continuance of private investment, and increased enterprise. Losses mean poorer programs, and, when private resources fail, government ownership. If government regulation of the economics of broadcasting results in a no-profit industry, investors may prefer to exchange their broadcasting equities for government securities. Then we shall have government ownership and 100 percent control of broadcasting. Any further discussion of censorship would then be purely academic. We would have broadcasting of the Government, by the Government, and for the Government.

We have but to look to the autocracies of Europe to see what such governmental control of broadcasting may mean.

BROADCASTING IN EUROPEAN AUTOCRACIES

Broadcasting in those autocracies serves the interest, convenience, and necessity, not of the public, but of totalitarian government. It is allowed to present only one side of public issues. Its so-called news services are services of propaganda. When the dictator stands before the microphone, the citizens are regimented before the loudspeaker. At the same time, the public may be forbidden, under penalty of imprisonment, to listen to programs presenting any point of view contrary to that of the party in power.

It is no coincidence that in an autocracy where freedom of broadcasting does not exist, neither is there a free economy to which it might look for support. It is no coincidence that where freedom of thought and of speech are denied on the air, they are equally denied on the platform, in the university, and in the church. It is no coincidence that where you find broadcasting enslaved, you also find a slavish press.

BROADCASTING UNDER THE AMERICAN SYSTEM

Our American system of broadcasting is what it is because it operates in the American democracy. It is a free system because this is a free country. It is privately owned because private ownership is one of our national doctrines. It is privately supported, through commercial sponsorship of a portion of its program hours, and at no cost to the listener, because ours is a free economic system. No special laws had to be passed to bring these things about. They were already implicit in the American system, ready and waiting for broadcasting when it came.

Broadcasting did not take on the American system. The American system took on broadcasting.

In recent years we have witnessed a steady enlargement of the economic power of Federal Government. That very enlargement has put upon the defenders of democracy the need for greater vigilance. That is where radio and the press assume a new importance. In the European countries that have been lost to democracy, the dictators who accomplished that revolution did so through their control of radio and the press. Nor were they satisfied with that. Their next step was to use the same governmental power to destroy the freedom of religion and of education.

Every increase in the economic power of a government makes more precious and more important the vigilant maintenance of the freedom of thought, and the courageous, unflinching defense of the freedom of all forms of its expression.

RADIO AND THE PRESS

In its functions, its freedoms, and its responsibilities, broadcasting is essentially analogous to the press. It provides a forum for the spoken word, just as the press provides a forum for the written word.

The broadcasting networks perform for their affiliated stations the same service that the great press associations perform for their member newspapers. They assemble news and talent from the four corners of the earth, and deliver it swiftly and economically to local stations. And just as a press association franchise is a coveted asset for a local newspaper, so a major network connection is a principal factor in determining the importance and quality of service of a local broadcasting station.

The broadcasting station and the newspaper both have editorial functions, one in the selection of programs, and the other of reading matter. Both also have commercial functions. Both are supported by advertising revenue. The income and influence of both depend upon circulation figures; of listeners in one case, readers in the other. Both have a legitimate investment asset of goodwill in the circulation they have built up.

The broadcaster decides upon the relative interest to his audience of each program, and proportions his broadcasting hours accordingly. In so doing, he performs an editorial function similar to that of the newspaper in making up its pages or selecting its features. The care exercised by the broadcaster to present all sides of controversial public issues is in itself an editorial function of great importance.

There may be occasional abuses both on the air and in the press, but in a democracy it is the power of public opinion, rather than a government tribunal, which enforces standards of public expression.

This public censorship is in keeping with democratic principles. And it is a very real power, because it is exercised by direct control over the profits of the broadcaster. Broadcasters are competing every moment of the day for the listeners' interest. Program approval by listeners spells circulation and profits; disapproval spells losses and disaster.

If freedom means anything it means freedom to make mistakes as well as to do the right thing. Broadcasters have made mistakes, plenty of them. That is the way they learned to be broadcasters. I want them left free to make more mistakes. That is the way they will learn to be better broadcasters.

SUMMARY

Let me summarize the four beliefs about broadcasting concerning which I have tried this afternoon to give you the groundwork of my thinking:

First. The extent and value of the services of American broadcasting depend upon its freedom to develop and to operate with a minimum of regulation by the Government. Until and unless the radio art can provide as many wavelengths as there are broadcasters to use them, centralized regulation of technical facilities is essential. But the spirit of such regulation and its enforcement should differentiate clearly between technical operations and program services.

Second. While broadcasting should remain subject to all the laws that apply to other industries serving the public, it should be made morally as well as legally certain of its freedom from program censorship, other than the legitimate censorship of public opinion. There should be no censorship by intimidation or economic pressure. The station license should carry a longer term than 6 months. It should be revocable only for cause, and these causes should be clearly defined in advance.

Third. The progress of the American system of broadcasting, and the improvement of its program services, depend upon continued network development. Only by such development can we provide a finer national service, free to the public.

Fourth. And finally, freedom of the air is inseparable from the freedom of thought, of speech, of worship, of education, and of the press. These are the cornerstones of our American democracy. What helps one helps all; what injures one is an encroachment upon all; what destroys one destroys all, and thereby destroys democracy itself.

A free system of broadcasting can survive only under a democratic form of government, but it is no less true that democratic government itself will survive only if broadcasting is kept free.

American broadcasting asks no special privileges. It deserves none. It needs none. All it asks is the preservation of the American spirit of freedom.

Alleged Attacks on the Press

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Thursday, May 12 (legislative day of Wednesday, April 20), 1938

EDITORIAL IN THE BLUEFIELD (W. VA.) SUNSET NEWS, MAY 7, 1938

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial appearing in the Bluefield (W. Va.) Sunset News of Saturday, May 7, 1938, entitled "No Attack on Press."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NO ATTACK ON PRESS

Though Dr. Glenn Frank, chairman of the Republican policy committee, may charge that the investigation of the magazine Rural Progress by the Senate lobby committee is a part of a "campaign of terror and intimidation" against publications that attack the Roosevelt administration, the people will see no threat to the free press in the exposure of a magazine which has been sent free to farmers of seven States by capitalists contributing a million dollars to foot the cost.

Dr. Frank is himself editor of Rural Progress. It pretends to be the organ of the farmers, yet very few if any of them subscribe to it out of their own pockets. Its publisher, Maurice Reynolds, yesterday made a floundering attempt to explain the bona fide character of the publication, and it was because he was making a poor exhibition that Dr. Frank tried to horn in to explain. Because he was not given the floor to orate, the voluble and flashy-worded G. O. P. policy chairman began to scream "attack on freedom of press."

The committee may be culpable in not letting Dr. Frank take the stand, but we see nothing that can be honestly construed as intimidation of the free press in bringing to light the ownership, sponsorship, and propaganda purposes of Rural Progress.

"The committee thought that the readers of this publication ought to know the facts about it," said Senator GREEN, of the Lobby Committee, "and that should go for any newspaper. This is merely a purification of the press which the press ought to welcome."

Naturally when the farmers who have received copies of Rural Progress free of charge read the committee's revelations as to the backers of the magazine, they will take its editorial content with plenty of grains of critical salt. They will see that it isn't a "farmer's organ" but a mouthpiece for "big business" and the Republican Party.

Naturally, too, the publisher, editor, and backers of the magazine don't want its readers to know its real purpose—which is to attack the Roosevelt administration in the interest, not of the farmers but of the backers themselves, most of them enemies of the farmers.

Bringing the facts to light does not constitute any attack on freedom of press. It merely shows in what way freedom of press is used and for what ends. It remains with the readers of Rural Progress to make whatever "attack" they might wish to make.

Federal Old-Age Pension

EXTENSION OF REMARKS

OF

HON. LEO E. ALLEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 11, 1938

PETITION FROM ILLINOIS OLD-AGE PENSION LEAGUE

Mr. ALLEN of Illinois. Mr. Speaker, all of us are aware that there are several million splendid old people in the United States who have worked hard all their lives and through no fault of their own find themselves without the means of providing for themselves in a reasonable comfortable manner. Many of these old people lost their money in closed banks. They need our help at this time.

We passed the Social Security Act, an act that is repulsive to every sense of honesty and decency. It merely gives these old people a few dollars a month according to the whims of some appointee. I hope that this Congress now will do something in keeping with a reasonable pension for these old people.

I include a petition signed by many old people from my district. I trust you Members of the majority side will do something about this appeal before we adjourn.

ILLINOIS OLD AGE PENSION LEAGUE, INC.,
Freeport, Ill., April 2, 1938.

We, the undersigned citizens of the United States and members of the Illinois Old Age Pension League, Local No. 1, of Freeport, Ill., hereby request the Members of Congress to pass at the present session of Congress a Federal old-age pension act requiring the Federal Government to pay an adequate and reasonable pension based on age of 60 years and over, regardless of children or property

value not to exceed $5,000, and the same to be paid monthly to all eligible persons.

C. A. Prasse, J. O. Paules, Maurice F. Wiley, Reuben Long, S. O. Roberts, Laura Pickard, William M. Church, Alma Eggemeier, Edw. Eggemeier, W. H. Wybourn, Clayton Ilon, Mike Root, Emale Betterby, Etta Branthover, Elmira Collier, Auguste J. Moran, Mrs. Iva Paner, Wm. Pax John, Rosa Becke, Addie Shrive, Floyd Kloepping, Mary Burbridge, Carl R. Wolfe, Charles Zuhn, Mr. and Mrs. Nick Bestes, Roy Hemphill, Geo. Dornfeld, Margaret Hemphill, Hugh Lyons, John J. Grattelo, Robert Connery, C. W. Smyth, P. H. Tierney, Anna Dogan, Fred Binger, Mrs. E. J. Deal, Mr. E. J. Deal, Carl Wolfe, Michael Rigney, J. H. Hoefle, Ed. Betterby, W. F. Horsley, Chas. C. Price, C. P. Niesman, Carrie Niesman, Ed. Brown, Alex Sweeney, David Levin, Bernard Russell, Jerry Moore, Minor Engle, H. M. Long, Earl Mongler, Edward Rich, Theodore Weigand, Ray Fink, Walter Frye, Ernes. Drier, Herman Vogel, Charlie Rutter, Carl Jacob Becker, George D. Coprentor, Pete Samson, R. V. Cannon.

The Recovery Bill

EXTENSION OF REMARKS

OF

HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 1938

Mr. DONDERO. Mr. Speaker, the Congress of the United States is again presented with a program that calls for more than $5,000,000,000 to be expended by the President as he sees fit.

The measure now before the House, House Joint Resolution 679, asks Congress to sign a blank check for that collossal sum of money belonging to the people. Similar bills have been presented to Congress during the last 5 years for identical purposes, namely to promote a recovery program. Congress has voted billions of dollars as requested by the President. This is medicine of the same sort, except that it is a larger dose. All former injections of the same kind of medicine had but temporary effect and has left the patient sicker than before. It has not cured unemployment for the number of unemployed is equal if not more than it was in 1933; but the amount of the doctor's bill has doubled and has left the patient worrying more about the cost than his chance of recovery.

It requires no special effort to spend money and especially is this true when it is someone else's money. Government gives nothing to the people that it does not first take away from them.

No Member of this House, regardless of his political allegiance, is unwilling to vote the necessary funds to provide for the hungry and the destitute. It would not even be necessary for a roll-call vote to decide that question. We are all willing, ready, and eager to lend our support to such a humanitarian cause.

But that is not all that this bill contains. In it are included stupendous sums for lending and spending. No opportunity is given to vote on the one item for relief. Every Member is compelled to vote yes or no on the entire program. If such a policy as this is continued in this country, it must ultimately lead to chaos, bankruptcy, and financial ruin, for it will destroy the entire credit structure of the Nation.

No family or people and no nation ever squandered itself into prosperity, and the United States will find that it is no exception.

The President could do more to bring about recovery in this country by frankly admitting the ruinous effect that legislation already passed by this administration has had upon business and industry and by recalling some of the proposals now made of the same character.

The President could send a short message to this Congress which would be worth more than $5,000,000,000 to the country if in it he would say: "I believe we have made some mistakes, and I urge that the Congress join with me in correcting them." "I suggest that we amend the Wagner Labor Act so that it will be fair to employee and employer alike." "Let us broaden it to meet the American standard of fair play." "Amend the Social Security Act to provide a fund large enough to pay as we go." "I believe that taking out of business and industry immense sums of money to be accumulated here in Washington is detrimental to the people as a whole and should therefore be corrected."

Let us reduce the cost of Government as we promised in 1932.

I recommend to the Congress the repeal of emergency legislation granting unlimited power to me, which is no longer necessary.

I recommend that the Government withdraw from all competition with private enterprise. Let us aid and encourage those who employ labor as well as those who labor in order that all may be employed; that capital may have a reasonable profit; that business and industry may pay good wages out of that profit, expand their activities, produce more at lower cost and allow the people of the United States to run their own affairs.

Such a message would usher in a new day and do more for the people of this country than adding $5,000,000,000 to the mortgage on their backs.

Some in the administration insist that private capital has gone on a sit-down strike; that industry is holding back and that a conspiracy exists among the employers of labor to wreck the country and further add to the chaos and disorder. Such charges or even suggestions are absurd. That would be suicide and no one would be benefited by any such course.

On the 4th day of March 1933, we stood near the President on the east steps of the Capitol, and heard him say:

The only thing we have to fear is fear itself.

The country is suffering from fear today after 5 years of this administration. It is suffering from fear of Government; fear of increased taxation; fear of Executive reprisal; fear of Government competition; fear of more political nostrums; fear of more regulation and restrictions on business; fear of more strikes, acquiesced in by Government and encouraged by unfair and one-sided legislation; fear of further lawlessness, disorder, threats, intimidation, coercion, and violence in the industrial and business life of the country; and fear that more class hatred will be created.

Prosperity can never be purchased by going into debt any more than a family can acquire social security by increasing the mortgage on its home. The Nation is only an aggregation of families. No one gets rich by borrowing. No one gets out of the red by increasing the deficit.

I believe it is the duty of Congress to step in and take a firm hand and stop this unsound proposal which will further wreck the confidence of the Nation.

The subject of relief has no place in this legislation and there is no connection between that and pump priming. We all desire to support and vote for the necessary money to feed the hungry and the needy, but we do have different views of the remaining items included in this legislation; but we must either vote for all or none, and, being opposed to other items in the bill, I cannot support it.

We have primed the pump every year for the last 5 years. It has failed. Unemployment is as great, if not greater, today than it was before pump priming began.

To vote for this bill is to place your stamp of approval on failure and what has been shown by experience not to be the remedy for our troubles.

When this proposed bill becomes law the public debt in June 1939 will be nearly $42,000,000,000. Such a prospect must be disturbing to every American. The President, while a candidate for the Presidency, in a speech at Pittsburgh in 1932, said:

The credit of the family depends chiefly on whether that family is living within its income, and so it is with the Nation. If in some crisis it lives beyond its income for a year or two, it can usually borrow temporarily on reasonable terms. But if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxation to the limit of the people's power to pay, and continues to pile up deficits, it is on the road to bankruptcy.

I agree fully with what the President said in 1932 as a candidate. Those words are of far greater truth today than they were then, for the national debt was less than $21,000,000,000. He has doubled it since that time. It is for the very reason that the President himself gave to the Nation while a candidate that I cannot support his program of spending and lending today.

Bills to Discourage Murder

EXTENSION OF REMARKS

OF

HON. EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Thursday, May 12 (legislative day of Wednesday, April 20), 1938

LETTER FROM NEW YORK HERALD TRIBUNE, MAY 12, 1938

Mr. BURKE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a letter entitled "Bills to Discourage Murder," which appears on the editorial page of the New York Herald Tribune this morning, by J. Weston Allen, formerly attorney general of Massachusetts, now a Special Assistant to the Attorney General of the United States.

Mr. Allen is a recognized authority on the problem of firearms control. He was chairman of the special committee of the National Crime Commission which drafted a uniform firearms act for the States, and he is now chairman of the National Crime Commission, which has actively worked for adequate governmental control. He delivered the address on firearms control at the Attorney General's Conference on Crime in December of 1934. As Special Assistant to the Attorney General, he represented the Department of Justice at the Second International Congress of Comparative Law at The Hague last August, and contributed to the Congress a comparative study of the laws and regulations relating to governmental control of the manufacture, sale, purchase, possession, and carrying of firearms, not only in the United States, Canada, and Great Britain but in the leading countries of continental Europe. This was the first time that a comprehensive survey had been made in the international field of this vital problem in its relation to crime prevention.

There is now pending in Congress legislation sponsored by the Attorney General to aid the States in obtaining more effective governmental control of these deadly weapons.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ASSISTANT TO THE ATTORNEY GENERAL ASKS FOR NATIONAL SUPPORT TO THE NEW YORK HERALD TRIBUNE:

The Federal legislation now pending in Congress which, if enacted into law, will provide more effective control of the traffic in firearms which can be concealed upon the person is of such importance that it should receive more extensive public attention and support.

Last summer a survey was made of the laws and regulations relating to the manufacture, sale, purchase, possession and carrying of firearms not only in this country and Canada and Great Britain but also in the leading countries of continental Europe and a paper containing the results of this survey was presented, on behalf of the Department of Justice, at the Second International Congress of Comparative Law, which was held at The Hague in August.

This comparative study disclosed that the United States is the only civilized country which tolerates the indiscriminate sale of firearms to criminals, minors, and mental defectives, in contravention of laws which have been passed in some of the States to restrict such indiscriminate traffic. The problem of firearms control in the United States is rendered more difficult than in other countries because, while in other countries the control is vested in a centralized government, in this country there are 48 sovereignties, each having the primary responsibility in the exercise of the police power of regulating the traffic in and possession of firearms within their territories.

The State of New York has been foremost in promoting legislation to effect adequate supervision and control, but no single State can effectively meet the situation without the aid of the Federal Government. Attorney General Cummings early recognized the obligation upon the Federal Government to aid the States in meeting the menace of this indiscriminate traffic in deadly weapons, and soon after he became the head of the Department of Justice he introduced in Congress a bill to provide for the registration of all firearms which can be concealed upon the person.

Unfortunately, pistols and revolvers were excluded from the bill before its passage, so that its operation was limited to machine guns, sawed-off shotguns, sawed-off rifles, and silencers. But even with this limitation, the law, known as the National Firearms Act, has demonstrated the value of this method of firearms control, for under its provisions more than 20,000 machine guns and submachine guns have been registered, and it has resulted in substantially putting an end to the sale of machine guns to the public and restricting the sale to law-enforcement officers and others charged with official duties which require the use of these weapons.

The urgent need now is to secure legislation which will provide for registration of pistols and revolvers. When it is considered that deaths from homicides in this country are 10 times more frequent than in Canada and 20 times more frequent than in Great Britain, and that in this country 70 percent of the homicides are committed with firearms, as compared with 30 percent in Canada, it is clearly apparent that to attempt to legislate against the evil of criminal use of firearms in this country without including pistols and revolvers is like playing Hamlet with Hamlet left out.

The bill which has been introduced in Congress by Chairman DOUGHTON, of the House Committee on Ways and Means, at the request of the Attorney General, described as the National Small-Arms Act (H. R. 9999), is now hanging fire in that committee. No hearing has yet been assigned for the bill, although a hearing has been requested by the Attorney General. The bill provides for the registration of pistols, revolvers, and gas guns now in possession of individuals, with no registration fee, and by simple form of registration imposing no hardship on the owner. It further provides that all transfers of such firearms in the future shall require registration and identification by fingerprinting of the person receiving the firearm and the payment of a nominal registration fee of $1.

Opposition to this bill has come mainly from sportsmen, under the mistaken belief that the present bill covers all firearms, including rifles and shotguns, which are the firearms commonly used in hunting and target practice. But the Attorney General, in the present legislation, has intentionally excluded shotguns and rifles, because the objective is to stop the indiscriminate traffic in pistols and revolvers, which are the main reliance of the underworld in their nefarious war against society.

A second bill, introduced by Chairman LEA of the House Committee on Interstate and Foreign Commerce and sponsored by the Department of Justice, will put an end to the indiscriminate sale of pistols and revolvers by mail-order houses and dealers in firearms to unknown and unidentified purchasers. In 1897 Congress passed an act forbidding the sending in the mails of pistols and revolvers and other arms which can be concealed upon the person, but this was only a half remedy, because the pistols and revolvers which were formerly sent by mail are now sent by express.

The bill now pending in Congress (H. R. 10150), while not prohibiting transporting of such firearms by express companies and other common carriers to and from persons lawfully entitled to own or possess such firearms, expressly prohibits the delivery in interstate commerce of such firearms by dealers to purchasers, thereby effectively putting an end to the indiscriminate sale of firearms by dealers outside a State to criminals, minors, and mental defectives who are prohibited from purchasing such weapons by the laws of their own State.

Although munitions manufacturers and others who have consistently opposed Federal regulation of the traffic in firearms have fostered the belief that there was a strong opposition to the registering of firearms and fingerprinting of purchasers, and many Congressmen have been led to believe that the legislation would arouse resentment, particularly in the rural districts, a Nation-wide poll recently conducted by the American Institute of Public Opinion indicates that the Attorney General's registration bill has the general approval of the public in all sections of the country, more than five-sixths of all votes being cast in favor of registration. While the highest percentage in favor of registration is naturally in the large cities, where crimes of violence are most prevalent, there is very little difference in the sentiment throughout the country, the opposition in the South and in the mountain section of the West, where gun toting is supposed to be most prevalent, nowhere reaching a higher percentage than 16 percent of the total vote.

Furthermore, the proposed legislation has been approved by the American Bar Association and the International Association of Chiefs of Police, which organizations are intimately in touch and directly concerned with the crime problem, and has been urgently advocated by the General Federation of Women's Clubs, representing organizations with a membership of more than 2,000,000 women throughout the country.

If an insistent public demand is made for favorable action on the pending bills, there is every prospect that there is yet time to secure their enactment into law during the present session of Congress.

J. WESTON ALLEN,
Special Assistant to the Attorney General.

WASHINGTON, D. C., *May 10, 1938.*

The Place of Alaska in United States Defense and Economics

EXTENSION OF REMARKS

OF

HON. ANTHONY J. DIMOND

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 11, 1938

RADIO ADDRESS OF HON. ANTHONY J. DIMOND, OF ALASKA, MAY 7, 1938

Mr. DIMOND. Mr. Speaker, pursuant to leave heretofore granted, there is here presented for incorporation in the CONGRESSIONAL RECORD an address which I made over the Columbia Broadcasting System on the evening of May 7, 1938, on the subject of the Place of Alaska in United States Defense and Economics. The address follows:

First, let me express my sense of deep obligation to the Columbia Broadcasting System for affording me this opportunity to speak on the subject, The Place of Alaska in United States Defense and Economics. The topics embraced in that subject are two in number—one of defense, the other of economics—but they are so closely interrelated that they may properly be discussed together.

Alaska, by reason of its geographical location, occupies a vital position in any sound plan for national defense. That can best be realized by looking at a world globe, rather than at the ordinary map in which the positions of the areas shown thereon are bound to be somewhat distorted. The defense of Alaska is necessary to our national safety by reason of its proximity to the United States and the great nations of eastern Asia. The most casual inspection of a globe will show this fact clearly. The globe, or even an ordinary map of the North Pacific, will show just as clearly that Alaska, at its southeastern extremity, reaches within 700 miles of the States, while the Attu Island, the westernmost of the Aleutians, is less than 500 miles from the mainland of Asia.

Most people in considering travel to Japan, or China, or even to Siberia, are under the impression that the route to any of those countries by way of the Hawaiian Islands is the shortest route. But the facts are quite otherwise. The short line from the United States to the Orient, whether from San Francisco, Portland, Seattle, or Tacoma, runs close to the Aleutian Islands, and that chain of islands, as you may know, extends out from the mainland of Alaska approximately 800 miles toward Asia and is more than 2,300 miles north of the Hawaiian Islands. And this short, great-circle route from Yokohama to the United States, which touches the Aleutians, is about 1,400 miles less in distance than the route which goes by way of the Hawaiian Islands. One thousand four hundred miles require more than 2 days of sailing for a 25-knot vessel.

In view of recent developments in Asia, it seems tolerably clear that if this Nation is again obliged to enter into armed conflict with any other, and to defend itself against aggression, the attack will come, not across the Atlantic, but across the Pacific. And for any attack coming across the Pacific aimed at our shores, if we hold possession—actual, fortified, defensive possession—of the coast as well as the main body of Alaska, we shall necessarily be in control of the interior, short line from the Orient, and will thus be in the strongest possible position for the defense of both Alaska and of the continental United States. But if possession of Alaska be in the hands of an enemy, that enemy will occupy the most advantageous post to carry out offensive operations against the United States. Nothing is clearer, nothing more certain than the proposition, which is based upon the elementary principles of military and naval art, that possession in force of the short, interior line always gives strategic and actual control.

The Territory of Alaska at the present time has no defensive forces whatsoever, with the exception of 300 infantry stationed at Chilkoot Barracks and approximately six naval airplanes which are located at Sitka, both in southeastern Alaska. In the event of hostilities in that area, our military and naval forces now in Alaska would be obliged to escape or surrender. They are not large enough to fight.

Yes, the possession of Alaska by foreign and hostile nationals would be a constant source of menace to the peace and safety of the United States. And this is true because of something not known when Alaska was purchased from Russia in 1867. Just as the invention of gunpowder destroyed feudalism, so the invention and development of the airplane has set at naught the former earthbound concepts of military and naval strategy. A few years ago Great Britain felt perfectly safe because the Straits of Dover, and the English Channel, and the North Sea, intervene between the British Isles and continental Europe. But only the other day, in the British House of Commons, former Prime Minister Baldwin made a statement which no one can doubt, that the defense line of Great Britain is no longer at the Channel, but on the Rhine. The modern military airplanes can exercise their terrible striking power hundreds of miles away from their bases within the nation. And so if the defense line of England is no longer at the Channel but on the Rhine, then it is certain that the defense line of the United States is not on the actual shores of our Atlantic or Pacific or Gulf coasts, but a long, long distance farther away out in the oceans which wash those shores.

In the Pacific that defense line can be considered only as embracing all of Alaska. It has been said that the Hawaiian Islands are the key to the Pacific, and that assertion I do not propose to dispute. But it is only a part of the fact, a part of the truth. Let us change the figure of speech and say that the Hawaiian Islands are, for defense purposes, a door to the United States—a door that has been locked and barred by the strong defensive works and establishments which now exist or which are under construction in that group of islands. It is probable that the United States Government has spent more than $400,000,000 in establishing defensive works in the Hawaiian Islands: A splendid harbor for its fleet; a capacious base for a mighty air force; accommodations for a considerable part of the Army of the United States; and all of the facilities necessary to serve all arms of the services. Yes, we have locked the Hawaiian door, a door which undefended would give access to the United States, but the Alaska door is still wide open. It has always been considered folly to lock one door of a house and leave the other one ajar to be entered by thieves and vandals and marauders, and yet that is the precise situation which we find with respect to Alaska.

The sound reasons which justify the defensive works in Hawaii call insistently for even stronger works in Alaska, thus to bolt and bar and to wall with the masonry of our arms the now open door to the United States through and along the coast of Alaska. Pearl Harbor is too far from both the United States and the Orient to be alone sufficient. Alaska is near to both.

It is not an exaggeration to say that the control of Alaska—and by that I mean real control, control which has something more than naked land to depend upon, control that is made effective by strong defensive works and installations—means control of the North Pacific and control as well of the route across the North Pacific from the Orient to the coast of the United States.

Not only is it vital that Alaska be defended in order to protect the United States but the Territory is well worth defense on its own account. Equal in area to all of the States east of the Mississippi River and north of Georgia, Alabama, and Mississippi, Alaska contains almost illimitable resources. More than a thousand tons of gold of the value of more than $500,000,000 have been taken from Alaska. It has produced more than $200,000,000 worth of copper. It has given to the economy of the Nation more than $100,000,000 worth of furs, and more than a billion dollars' worth of seafood products, principally the rich and nutritious salmon. Its forest resources, although not now utilized, are capable of producing in perpetuity products worth at least $50,000,000 per annum. Its coal alone would supply the Nation for 500 years. Alaska produces both platinum and tin as well as silver and other minerals. It contains vast resources of iron. Its oil lands are mostly withdrawn for the future use of the Nation. And most valuable of all are the 40,000,000 acres and upward of agricultural lands of the Territory, capable of producing enough food to supply millions of people. The reindeer ranges of the Arctic could furnish sufficient meat to feed those people. In 1937 the total trade between the United States and Alaska amounted to approximately $124,000,000. A large part of this wealth produced in Alaska does not remain in the Territory but is channeled into the pocketbooks of people who reside in the United States. Moreover, the Territory possesses an intangible resource in its magnificent scenery, equal in grandeur to anything to be found in the world.

In truth, Alaska is a priceless asset, and if it were located in any other part of the earth, it would long before this have been the cause of half a dozen wars. Italy has spent hundreds of millions to acquire Ethiopia and that land now partially conquered, according to most reliable reports, is not one-fourth as valuable as is Alaska.

To long fail to establish defensive works in Alaska would be folly—folly because Alaska is worth a million times the cost of any such works necessary for its defense, and folly because the possession and adequate defense of Alaska are vital to the safety of the United States.

Under modern conditions we cannot rely upon any armed force or defensive works which may be improvised after a war is started. Many years ago an eminent American said that we need not be concerned about war because in the event of an attack upon us a million free men would spring to arms overnight. In this day of high explosives and airplanes and gas and machine guns, a million free men springing to arms overnight and confronting a trained enemy adequately prepared and equipped, would be just a million poor human beings destined for slaughter without being able to inflict any appreciable harm upon the foe. There may have been a time in the history of the world when forces and defensive works could be thus provided, but we must realize that in this age the combatant that is armed, trained, equipped, and ready, has every possible advantage in action, so that the one not so prepared is fighting against hopeless odds and has nothing before him but disaster.

Now, it may be said that all of these defensive works which are proposed for Alaska will cost a vast amount of money and that

the Nation cannot afford the expense. I submit that the Nation cannot afford not to spend whatever money is necessary to provide for adequate national defense. For unless we do so provide, our wealth, everything we possess, and our lives as well, are at the mercy of the invader. No sane person who knows the history of the earth for the last 30 years can longer believe that all of the nations of the world are governed by moral principles of right and justice.

Marco Polo tells of the taking of the city of Baghdad by the Tartar prince Alau. The caliph of that then great city, though perhaps the wealthiest monarch in the world (just as we are today the wealthiest Nation in the world), failed to take adequate measures for defense; and so Alau and his Tartars took Baghdad and sacked it. The men were put to the sword or sold into slavery, and the women met the customary fate. Alau entered the captured city and discovered to his astonishment a tower filled with gold. After taking stock of that vast and unexpected treasure he ordered the caliph to be brought in and reproached him for his greediness which prevented him from employing his treasure in the formation of an army for the defense of his kingdom against the powerful invasion with which it had long been threatened, and thereupon by order of the Tartar conquerer the caliph was shut up in the tower of gold, without food or water, and there in the midst of his hoarded wealth he soon finished a miserable existence.

Somewhere in the State of Kentucky there is an underground chamber, guarded day and night, and containing billions upon billions of gold, a prize to tempt the cupidity and the ruthless ambition of those rulers, now so powerful, who refuse to be bound by treaties, or good faith, or any of the things which we regard as upright and honorable in international relations. And so, if we, with all of this vast mass of wealth—the greatest accumulation the world has ever known—and our much greater wealth in land and houses and factories and ships, as well as in natural resources, fail to take adequate measures for our own defense, we shall deserve and eventually we shall be almost certain to meet the same fate which overtook the foolish and greedy caliph of ancient times.

Emergency Relief and Federal Public Works Bill

EXTENSION OF REMARKS

OF

HON. EUGENE B. CROWE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 11, 1938

Mr. CROWE. Mr. Speaker and Members of the House, since the message of President Roosevelt on April 14 in which he stated he would make a request for relief legislation, countless statements have been made through the press, over the radio, and in the Congress. Countless letters and telegrams have been sent to the Members of Congress. Many of these communications are proof that many of them have been misled and deceived about the amount that would be requested, about the uses or the need for this legislation, as well as erroneous statements in regard to the national debt. Many newspapers carried great headlines across the top of their front pages stating this legislation was for $7,000,000,000. Yesterday, I read in a Washington, D. C., paper in small type where it said the relief bill was for $3,000,000,000. The facts are, as the legislation discloses, that it calls for $2,519,425,000. This, of course, plus unexpended balances which have already been appropriated heretofore.

It is my opinion that if facts and figures had been honestly and truthfully given to the public there would have been or would be little complaint regarding this legislation.

The most of so-called wealth is the work of man's hands. Wealth consists of buildings, factories, highways, bridges, dynamos; and, in fact, wealth is largely the things that man either individually or collectively make. If you need a house to live in, if it is properly built, its real value to you is the same as a place of abode, irrespective of whether it would be built by yourself, were you a mechanic, or whether it was built by the State or the Federal Government, by a contractor from your home town, or from whatever way it would be constructed. If it is properly constructed, it has certain intrinsic value. Accordingly, if the people need gymnasiums, school buildings, roads, bridges, hospitals, or what not, and if it is not possible for them to do that under the means they have at hand, if those projects are necessary, they have their same intrinsic value if constructed by the P. W. A. or the W. P. A. as they would have if constructed in any other manner. Accordingly, money spent for needful and sound projects add to the local, State, and National wealth.

Now, just a word concerning the national debt, of which we hear so much. I think it is a good thing to keep the size of the national debt before the public. Debts, either private or public, should never be considered in a light vein, because debts must be paid, with interest. It is not at all surprising to me that we would have a large national debt, for the reason that we have a mass psychology in America of debt. That psychology has been brought on, to a great extent, by some of our greatest industrialists who have spared no means and have spared no effort in placing their product before the public in such a way as to induce almost every man and woman in America to go in debt. They built up a mass psychology of going into debt far beyond the ability of the buyer to pay. Accordingly, we need not be surprised that that mass psychology fastens its tentacles upon the Government as well as upon most all of the people. The mortgaging years ahead of the anticipated salaries of millions of households was a thing which made the panic of 1929 far more devastating than it otherwise would have been.

The Federal debt at the close of the World War was $242 per capita. Today the net per capita debt of the United States is $213. The great debt at the end of the World War had been accumulated for destructive purposes. You could see nothing tangible at the end of the World War to show for all the money that had been spent. Certain people through that war had made almost countless millions of dollars but no one seemed to complain. No one seemed to think the Nation was anyways near bankruptcy. In spite of all the noise concerning the great debt of today, Government bonds are liked best of anything on the market and they pay a premium for them. The debt today is $37,556,302,154. Items which might properly be charged against this amount are as follows:

Recoverable assets of the Treasury Department	$4,088,227,850
Cash balance in the Treasury	3,140,343,548
Stabilization fund	2,000,000,000
Which makes a total of	9,228,571,398
Which, deducted from the total national debt, would leave a balance of	28,327,730,756

Since worth-while construction of schoolhouses, gymnasiums, hospitals, highways, streets, sewers, and bridges are wealth, for that reason we can show value received for billions of dollars of the increase of the national debt by grants by the P. W. A. and W. P. A. to municipalities and other agencies of State and local governments. Eight hundred and fifty-three million thirty-five thousand one hundred and eighty-two dollars have been granted by the P. W. A. We can also, without fear of successful contradiction, count 75 percent of W. P. A. project money which was spent for construction of public property. The total spent was $3,860,000,000, three-fourths of which amount, $2,895,000,000, was spent for useful construction. In round figures 25 percent of the figure quoted above was used for improvements in cities and towns and to give relief to the unemployed and hungry people in cases where more worth-while and substantial projects could not be started soon enough to relieve suffering and distress. The total of money spent for worth-while substantial improvements by the P. W. A. and the W. P. A. amount to $3,748,035,182. I doubt if you can go into a county in the United States where you cannot see the fruits and the monuments of some of this money which has been spent for the most worthy and worth-while projects and construction that is to be found in those communities.

Since these late Congresses and the present administration have been called to account for their stewardship, a further analysis of the facts may well be considered, and I will summarize them as follows: At the end of the World War the national debt was something over $28,000,000,000. On March 4, 1933, when Mr. Roosevelt took office as President of the

United States, the national debt was approximately $21,500,000,000. Today it is $37,556,302,156. After deducting cash on hand, the stabilization fund, and recoverable assets, which amount to $9,228,571,398, it leaves a net balance of debt of $28,327,730,754, or an increase of national debt since March 4, 1933, of $6,827,730,756. It is fair to state that the money spent for worth-while construction by the P. W. A. and the W. P. A. in the sum of $3,748,035,182 can well be balanced against the net sum which this Government has gone in debt in the past 5 years. This construction is beyond doubt national wealth. Can we not as well say that worth-while construction, if done by the Government, is wealth just the same as we can say that railroads, power plants, terminals, and other improvements which are publicly owned are wealth? Therefore you only have a difference of a little over $3,000,000,000 which has been spent and which is not accounted for in the analysis which I have given above. That, if you please, is a small amount to have been spent with which to feed, clothe, and house the millions of American citizens who are unemployed, hungry, ragged, and cold through no fault of their own.

Many unwarranted statements are made that it is futile for the Federal Government to spend more money for relief or rehabilitation. Statements are made that we tried that and it did not do any good. Those statements are as far from the facts as the heavens are from the earth. All one has to do is to let his mind wander back 5 to 6 years ago to see the suffering on every hand—to see the roads lined with men, boys, women, and girls begging food and begging rides. Let your mind travel back to that era when the banks on every hand were bursting around your ears—the lifetime savings of hundreds of thousands of people being lost through closed institutions. At that time one could not even collect money on life insurance, even though his policies were totally paid. A million farmers faced mortgage foreclosures and a million home owners were in a like condition. Things today are far better than those days, and the national income is a positive assurance that my statements are correct.

As a substantial taxpayer and as one who knows what it means to repay borrowed money and to pay interest, I will say that I heartily recommend the passage of House Joint Resolution 679, the so-called relief and recovery bill.

Those who oppose this legislation, it would seem, entirely overlook the one great purpose and value of it—human beings, people. Our present high state of civilization, with our great industries, has for the present, unbalanced the Nation. Too many people have been induced to migrate to the cities because of inducements offered them by industry. Until the surplus labor can be drawn back to the farm, or until industry does again furnish employment, it is up to agencies of Government to fill the breach and supply the necessities of life to the unemployed. In a land of plenty anyone who desires to work, and who will work if given employment, must not be allowed to starve.

Greetings to the B'nai B'rith

EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 11, 1938

LETTER FROM THE PRESIDENT OF THE UNITED STATES

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a letter written by the President of the United States to Hon. Alfred M. Cohen, president of the B'nai B'rith, on the occasion of the triennial convention of the organization at the Willard Hotel, Washington, D. C., May 9, 1938:

THE WHITE HOUSE,
Washington, April 26, 1938.

Hon. ALFRED M. COHEN,
President, B'nai B'rith,
50 Electric Building, Cincinnati, Ohio.

MY DEAR MR. COHEN: It gives me great pleasure to extend greetings to the members of B'nai B'rith on the occasion of the triennial convention of the organization.

For almost a century B'nai B'rith has effectively served the well-being of American Jewry and the Nation. Its philanthropic achievements are permanently enshrined within the walls of hospitals, orphanages, and homes for the aged which bless humanity in every section of our land. Its endeavors in the realm of education exhibit a farsighted understanding in the problems of the younger generation. No less important is B'nai B'rith's program of Americanism, which fortifies the effort to keep America safe for democracy, while its program of good will strives toward harmony among the component elements comprising our American society.

In the conflict of policies and political principles which the world witnesses today this Nation remains unshaken in its devotion to the ideals and the institutions of democracy. Except insofar as we deplore ill treatment of human beings anywhere, the domestic policies of other nations are of no concern to the United States. When, however, alien influences seek to undermine the foundations of our own institutions, we become definitely concerned.

This country, for its own guidance and for the guidance of other nations if they will follow it, has ever held aloft the torch of freedom. Our conception of freedom embraces complete liberty of conscience and of thought, freedom of education, freedom of the press, the right of free speech and of assembly. On that conception of liberty all of our happiness as a nation has been built.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Triennial Convention of B'nai B'rith

EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 11, 1938

RADIO ADDRESS OF HON. ALFRED M. COHEN, AT WASHINGTON, D. C., MAY 9, 1938

Mr. BLOOM. Mr. Speaker, in accordance with the leave granted to extend my remarks in the RECORD, I include the speech delivered over a Nation-wide radio network by Hon. Alfred M. Cohen, president of the B'nai B'rith, at a dinner given in his honor on the occasion of the triennial convention of the organization at the Willard Hotel, Washington, D. C., May 9, 1938:

Ladies and gentlemen, what we shall say here tonight will be heard in the uttermost parts of the world. Science and invention carry the human voice over oceans and continents, mountain ranges and desert lands. Sadly, too often the voice of conscience is not carried into the hearts of men and nations.

We of B'nai B'rith have come to the National Capital from every section of the United States and Canada, and from other countries. Until recently we were wont to say that B'nai B'rith functioned in almost all lands in which there are a considerable number of Jews. Unfortunately that cannot be said now, because Germany and Austria have driven B'nai B'rith out.

Gathered around this festive board is a brilliant company of men and women who are grateful for the privilege of living fruitful lives of their own choosing. They would be completely happy but for the ill fortune of their coreligionists in lands of terror who, through no fault or demerit of their own, are the victims of furious hate. Their agony is our anguish. We console them in the words of the Great Liberator who led our people from Egyptian bondage: "Be strong and of good courage, fear not, nor be afraid of them."

This occasion affords opportunity for Jews to express their thanks to the fine humanitarian who is Secretary of State for his recent invitation to 31 other nations to join the United States in easing the way to havens of refuge, within existing quotas, for victims of political persecution. In effect, Secretary of State Hull called the roll of those nations and asked each to say whether it approved or disapproved of what was being done to Jews and others similarly situated in Germany and Austria. We all know the answers given.

God bless our beloved country and democracy everywhere, for democracy is the one hope of civilization in this critical period.

B'nai B'rith is nearly 95 years old. It is an American institution. It was founded when there were not more than 20,000 Jews in the United States. Now there are 5,000,000. B'nai B'rith has kept step with that enormous growth and through its many undertakings has largely influenced it.

Let me state the purposes of the organization as set forth in the preamble to its constitution:

"B'nai B'rith has taken upon itself the mission of uniting Israelites in the work of promoting their highest interests and those of humanity; of developing and elevating the mental and moral character of the Jewish people, of inculcating the purest principles of philanthropy, honor, and patriotism; of supporting science and art, of alleviating the wants of the poor and needy, visiting and attending the sick, coming to the rescue of victims of persecution, providing for, protecting, and assisting the widow and orphan on the broadest principles of humanity."

For 13 years I have lead this great organization which extends over America, North and South; Europe, Asia, and Africa. I know its philanthropies—they are in nearly every land where it is established—its wonderful orphan's homes, caring for children, many of whom never knew the warmth of mother love, the indescribable joy of mother fondling. I have visited hospitals without number which B'nai B'rith wholly or partially maintains, open alike to Jew and non-Jew, where emaciated children and spent men and women are nursed back to health, or soothed as they pass into the valley that leads to eternity. I have watched the fine ministrations to unfortunates who have lost their way and are paying for it in penal and correctional institutions; I have heard told the delinquent that the Salvation Army speaks the truth in its wonderful phrase: "A man may be down, but he is never out."

I have attended classes of men and women being taught the rights and obligations of American citizenship; I have seen them imbued with the spirit of the Republic and with the supreme duty of all who live beneath the Stars and Stripes to respect and obey the law. I have heard the speech of slanderers and I have listened to valiant defenders within and without our fold, champions of justice for Jew and non-Jew alike. I have seen the privileged youth of our land in schools for higher education, assembled under the name of the kindly Hillel, satisfying their longing for knowledge of their faith and of what the Jew has meant to the world; I have witnessed other youths recruited from the busy walks of life preparing themselves under the standard of the A. Z. A., Junior B'nai B'rith, for leadership with full consciousness of their Jewishness. Above and beyond all these I have felt the unifying influence of B'nai B'rith. It is uniting Jews that they may serve in humanity's cause. Uniting them so that they may save Jewish youths for Judaism and prepare them for useful citizenship. Uniting them in realizing that accident of birth should in nowise affect the man. Uniting them so that they may know that the sin of one Jew is witnessed on all Jews. Uniting them with followers of sister religious faiths to emphasize the basic truths which run alike through all religious faiths, so as to hasten the blessed day when all human beings shall acknowledge the common Fatherhood of God and the common brotherhood of man.

Those who are gathered here tonight represent a cross section of the officialdom and people of our Nation. All unite with B'nai B'rith in this broadcast dedicated to democracy. On such a program it is meet and proper that a high-ranking officer of the legislative branch of our Government should give expression to our sentiments of loyalty and devotion to this concept of government—ladies and gentlemen, I have the honor and privilege of presenting to you the Honorable WILLIAM B. BANKHEAD, Speaker of the House of Representatives of the United States.

The remarks of the Honorable WILLIAM B. BANKHEAD appeared in the Appendix of the CONGRESSIONAL RECORD on page 1909.

The General Welfare Act, H. R. 4199

EXTENSION OF REMARKS

OF

HON. JOHN J. McGRATH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 1938

Mr. McGRATH. Mr. Speaker, although our aged citizens are deserving of every consideration, including a fully adequate old-age pension, in emphasizing the care of the aged we must not forget to give our young people a chance if we are to survive as a nation.

Our schools are turning out millions of fine, alert, trained young men and women. Industry does not need them. Every crop of graduates but adds to the growing list of unemployed. They are thrust out into a world that in altogether too many cases has no place for them. Our prisons are crowded with these young Americans. My heart is still sick from the memory of a visit with my old friend James Holohan, then warden of San Quentin Prison, in California. I saw him in the interests of a young husband and father who was serving from 5 to 15 years for stealing some used shirts. Like most of the 70 percent of the inmates of this typically American jail, he was under 27 years of age. This is part of the terrible price we are paying for closing the doors of opportunity to youth.

The Social Security Act, passed as a result of the moral leadership of President Roosevelt, does something toward enabling our people beyond middle age to retire without facing actual starvation. It does not go far enough. Obviously our civilization does not provide jobs for our older citizens, our citizens in the prime of life and our young people. The machine has so displaced manpower that there are not enough jobs to go around. No one class, no one age, is responsible, but we do owe it to our older people and to our youth to see that those who are displaced by economic developments are given a fair chance.

Congress should carry on from the foundations laid by the Social Security Act. The General Welfare Act, H. R. 4199, is a step in the right direction, but it can be brought out for discussion only by petition. Every member of the House who favors a fair, permanent solution of our economic ills should sign the petition now on the Speaker's desk. Whenever this measure is discussed upon its merits, we need not fear the results.

I was delighted to join with many of my colleagues in signing the request to the House Ways and Means Committee to hold hearings on H. R. 4199. Chairman DOUGHTON, of the committee, and our California committeeman, Representative FRANK BUCK, of the Third District, both favor the hearing, and, with the gains which we have made during the past session, I am certain that the supporters of this progressive legislation will see victory for the aged and youth will have a chance at the jobs.

The Present Democratic Administration

EXTENSION OF REMARKS

OF

HON. EDWARD L. O'NEILL

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 9, 1938

ADDRESS OF HON. JAMES A. FARLEY, AT EAST ORANGE, N. J., MAY 5, 1938

Mr. O'NEILL of New Jersey. Mr. Speaker, under leave to extend my remarks I include the following address delivered by the Postmaster General of the United States at a dinner in East Orange, N. J., on Thursday night, May 5. His remarks with reference to the present Democratic administration and the forces alined against it are both temperate and reasoned. Only once before has a member of the Cabinet of the President of the United States officially visited the city of East Orange and the welcome extended to Mr. Farley was as enthusiastic as it was deserved.

Mr. Toastmaster, ladies, and gentlemen, it is a genuine pleasure for me to join with this large gathering in honoring my good friend and your distinguished young representative at Washington, Congressman EDWARD L. O'NEILL.

In paying tribute to him and his work on this very delightful occasion you are really doing more than demonstrating your keen appreciation for his splendid achievements at the Nation's Capitol in behalf of the people of this district. By your presence here tonight in such large and enthusiastic numbers, you are serving a welcome notice on the citizens of this community and the people of this State that you are determined to keep this able, clean-cut, and industrious straight shooter on the job at Washington to carry on his unwavering fight for the humanitarian program of Franklin D. Roosevelt. [Applause.]

Congressman O'NEILL is one of the youngest men, if not the youngest, in the House of Representatives. His youth, his honesty,

his alert sense of responsibility add a true luster to that distinguished body. In these times of economic stress, when the fate of the Nation depends upon the courageous convictions of God-fearing men, it is well that we have in the legislative halls of our Republic such a man as EDWARD L. O'NEILL to represent this congressional district as well as every other district throughout the land. [Applause.]

We are about to enter the congressional campaign. Ordinarily, nobody gets excited about the broader aspects of such an election. Each district in every State is concerned with its local problems. If the incumbent Representative has been a satisfactory public servant you reelect him. If he has proved a disappointment you send somebody else. What few districts realize is that the election of a Congressman in California, Maine, or Ohio is of as much importance to you as your own immediate choice. Florida recently set the tone for this campaign.

You know what kind of government you want, and the Congress elected next November will be your Government for the next 2 years. It is bound, of course, to be a Democratic Congress. Even if the fondest hopes of the minority party were realized, there would still remain in both Houses of Congress a definite Democratic majority. But what our party now needs is a demonstration of solidarity that will convince the country that they are going to have a Democratic administration for a long time. You may think that because this district has been, and will be, Democratic, there is nothing you can do to influence the rest of the country. That is true only to a degree. Enthusiasm is contagious and the vigor and virility that is displayed in one State for a particular cause has its influence on every other State. And so I look to the good Democrats and independent voters of New Jersey to vote our candidates in with record majorities. I hope you will not forget that the congressional election this year is only a curtain raiser for the Presidential election of 1940.

I am looking forward to no easy or automatic victory next November. The minority party—or rather the owners of the minority party—are set on getting rid of a democratic government. We know that unlimited campaign funds are being poured out all over the country in the effort to discredit the Roosevelt administration and to dim the prestige of the President. So, in the coming election, you may be sure that all the money they can use will be spilled into every State and every congressional district where the Republicans think they have even a slight chance of prevailing.

The Liberty League has subsided apparently into a deep slumber. That is only a possum sleep. The Liberty League may be dead, but its money bags go marching on and are at the disposal of various so-called patriotic and paper organizations masquerading under such titles as the National Committee to Uphold Constitutional Government. In some of the recent movements opposing measures recommended by the President there were hundreds of thousands of telegrams sent to Congressmen in an effort to influence their votes. You know and I know who paid for those telegrams. In the case of one such propaganda campaign investigated by the Senate it developed that messages were filed in batches of a hundred or more by a single unidentified individual and that the names came out of city directories and telephone books without the knowledge of those whose signatures were attached.

The truth is that the old Liberty League crowd is very busy carrying on the campaign that was so signally defeated in 1936. The name of the money-shoveling organization has changed, but the propaganda comes out now under a variety of authorships. But they are all devoted to the same enterprise—discrediting of the New Deal. You have perhaps noted some astonishing editorials, embellished with pictures of closed factories—pictures taken during the depression of 6 years ago and dealing with a four-part program. Curiously enough, newspapers in different sections of the country announce this program as their own, and, still more curiously, the program is identical word for word. In nearly every case the same editorial accompanies the announcement. In short, here is canned editorial policy, prepared—and the preparation paid for from an unnamed source—and furnished the readers of these newspapers, which are supposed to present their individual views. I cannot give you the exact figures, but experts in such matters have told me that already a half million dollars has been spent in fighting the administration—and the congressional primaries are just under way.

It is unfortunate for the American people at this time that there are those who bitterly oppose every measure which the President advocates for the betterment of social and economic conditions. Those who oppose the President's reforms through a system of Nation-wide propaganda undertake to create the impression that he is an enemy of business; that he is seeking dictatorial powers; and that he is striving to substitute fascism for democracy.

Of course, none of these things is true in the slightest degree. It would be an idiotic administration that did not realize that to be successful it must have business successful, just as it must realize that prosperity does not consist of huge profits for the few and a bare subsistence for the many.

The reorganization bill, which Congress recently denied the President, partly, no doubt, as a result of the terrific propaganda campaign, proposed no greater authority for Franklin D. Roosevelt than was asked for by practically every President, Republican or Democrat, since the days of Grover Cleveland.

Our enemies naturally hailed the result of that vote in Congress as a repudiation of the President. Really it has merely added his name to the long list of his predecessors who were balked in their efforts to make over the clumsy, cumbersome, sway-back Government machinery into a practical, workable, and efficient administrative unit.

Among the absurdities advanced when that bill was up was the solemn declaration that the President, in this bill, asked for the power to abolish the Presidency itself. Every school child knows that it would take an amendment of the Constitution to make such a change. We even had to amend the Constitution to change the date of the inauguration from March 4 to January 20.

You have listened to or read a lot of criticism of certain provisions of the tax laws. In some of these presentations the capital-gains tax and the surplus-reserve tax have been declared the reason for the present stagnation of business. The first of these was designed simply to make the profits of speculation pay taxes, just the same as profits from investment. That doesn't seem to me a very oppressive measure. The second was to prevent tax dodging by enormously lucrative corporations, which covered up their gains by slipping them into excessive reserves instead of distributing them as dividends. I could, of course, argue the merits of these propositions for an hour, but what is the use? Both provisions of the income levies are materially altered and softened in our recent tax bill. We do know that these taxes were in the law during the peak years of the Roosevelt recovery and there was no sign that they were depression breeders.

Is there anybody within the sound of my voice who is simple enough to believe that the tax return from these sources indicates the difference between prosperity and depression in this great country? It is just about as important in the total of affairs as the tip you give the boy who carries your grip to the train compared with the cost of the whole journey.

Periods when business sags increase the total of Government expenditures, and decrease the normal returns from tax levies. Somewhere the slack has to be taken up. This brings us down to the suggestion of curtailing or abolishing relief measures. Would that meet the situation?

Nobody has yet devised a process of feeding the hungry without paying for food. If the Government did not take care of the destitute, private charity would have to do it. Hungry millions are not going to starve peaceably. Is there any American who believes that an era of food riots is preferable to an unbalanced Budget? Neither is a comfortable situation for a nation. The first must be avoided and the second corrected; but that cannot be done overnight. Unemployment relief cannot be postponed [applause]; balancing the Budget has to be postponed. [Applause.] After all, who is there in this country that has really experienced any distress because the people, through the Government, owes the people a debt that pays interest to the people? Obviously, the goal must be to bring Government expenses within the limit of Government income. That is definitely the goal of the Roosevelt administration, and it will come to pass. It will come quickly if business cooperates with Government in such matters as adequate wages and the resumption of investment. It will come quickly if business will put men back to work and we can take them off relief. It will come slowly if the country is encouraged in its fears, and is scared into panic by those who, for political purposes, seek to undermine confidence in our institutions and our officials.

Until business is ready to take over the problem of general reemployment the Government has no choice but to continue the job. That is all that the relief measures now before Congress propose or intend.

Of course, the foes of the administration are shooting at this program. Their favorite contention is that because the relief system did not head off a drop in the stock market 5 years after the New Deal was established, the New Deal is a failure.

They might as well contend that because the first-aid treatment that saved a person near drowning did not keep that person out of deep water, 5 years later the first-aid ought not to be employed in a second emergency.

Actually the New Deal has served its purpose. It not only lifted the country out of despair, and increased the national income from some 40 billions when the President assumed office to some 68 billions, but it also kept our American system of government intact and efficient, while other nations were plunged headlong into dictatorship and other forms of tyranny. Was the money wasted? Let us trace what became of it. It went into wages that substituted a measure of comfort for downright distress. These wages went into the life stream of commerce, and every merchant and professional institution in America profited by its turn-over. It shows in the bank balances, and in the renewed solvency of corporations and firms that were on the verge of dissolution when the spending began.

Perhaps some people, by superior craft or superior opportunity, got more than their share. Possibly these very people are the ones who are financing the movement to assail the prestige of the administration that took them out of the mire. That is not a happy thought, but such things are bound to happen in a practical world, despite the cry that rugged individualism and individual initiative are being endangered by governmental efforts to make prosperity general instead of making it a monopoly of particular interests.

It will all come out in the wash. The turmoil created by the drumfire of the doom sealers will subside; business will wake up to its opportunities, I am sure, for most of that vital element in our make-up is bound to realize that their well-being is not in the field of politics, and that in the purchasing power of the mass lies their chance for profit.

It will be shown in the future, as it was shown many times in our history, that democratic government cannot be either purchased or coerced. [Applause.]

And this will be demonstrated in the congressional elections this year and emphasized in the Presidential election 2 years hence.

It will be made clear not because the administration has been Democratic but because it has been patriotic, courageous, and single-minded in its efforts for the public welfare. Perfection is not among the possibilities of any human agency, but our Chief in the White House has done a work that will live in history as one of the greatest services to American humanity. He came to the Presidency confronted with problems that involved not only the prosperity of the Nation but the preservation of our most precious liberties. On his shoulders was placed the burden of responsibility for the fate of 130,000,000 people, nationally and personally—a trust of appalling magnitude. None knew what could be done. We only know that unless he solved the problems the result would be chaos.

Well, he did work it out, and we are today a nation confronted only by such difficulties as come to all peoples; a normal, not an abnormal economical slackening—such as we have experienced several times since the foundation of the Republic, and have learned how to handle. No longer must we follow untried trails, such as President Roosevelt blazed. No longer do the foundations of our economic and financial system tremble under the impact of a depression. No longer do we have to look on the collapse of our banks as the probability of tomorrow.

We have security, and the reason we have it is because we have a great President, who has shown that he has the will, the ability, and the bravery to do what is necessary. That is why I tell you that next November's election and the election of 1940 will confirm the faith of our people in the Democratic doctrines represented by Franklin D. Roosevelt. [Applause.]

In conclusion I would like to express the hope that you will in November elect another Democrat to the United States Senate. The young man you honor here tonight, ED O'NEILL, has been a capable Member of the House of Representatives, and the people of his district have cause to be proud of him. [Applause.]

Federal Expenditures and Politics

EXTENSION OF REMARKS

OF

HON. CARL E. MAPES

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 11, 1938

ARTICLE BY ARTHUR KROCK, IN THE NEW YORK TIMES, MAY 8, 1938

Mr. MAPES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article by Arthur Krock, which appeared in the New York Times of Sunday last:

NEW DEAL VICTORY LAID TO FEDERAL MONEY LURE—PERIL IN LARGESSE INFLUENCING VOTES IN FLORIDA AND LATER IN KENTUCKY PUT FORWARD AS NATIONAL ISSUE—LINKED WITH WAGE-HOUR BILL

WASHINGTON, May 7.—The result of the Democratic senatorial primary in Florida this week, with its immediate effect of reviving the labor-standards bill in the House, should make certain things clear to two groups in this country. One group is made up of the Democratic Members of Congress; the other of persons who are honestly alarmed over the electoral power of Government spending.

These things are: (1) Unless Congress puts strings on new grants of relief money (which amount to grants of power), the administration will continue to have superior influence in renominating and reelecting its favorites and in punishing independents; (2) it is going to require long, arduous, intelligent, and nonpartisan effort to discourage the exchange of votes for local Federal benefits.

"You can't beat a government that has $4,000,000,000 to spend as it pleases," is something Vice President Garner has said often since Congress voted that amount to the President in a lump sum. And he has also expressed doubt that it will be possible in the near future to cure the American people of their new-formed habit of looking to the largesse of Washington. The overwhelming renomination of Senator PEPPER by the Democrats of Florida, while some of the size of his vote is traceable to espousal of the Townsend plan in a State populous with elderly expatriates, attests the wisdom of Mr. Garner's epigram.

Mr. PEPPER is a 100-percent New Dealer who told his constituents he was willing to follow the President "to the death." He voted for everything the administration proposed; he questioned nothing. His chief opponent, Representative WILCOX, opposed the New Deal on many major items. On that issue the campaign was made, and on that issue the Senator got a majority over his several rivals.

CROSS-SECTION ELECTORS

Florida is but one small State, and southern at that. But Florida's southern aspect is more a matter of geography and less of history and race than in other Commonwealths below the Mason-Dixon's line. For many years people from the other sections of the country have streamed into Florida and made their permanent residence there. Miami is a huge cosmopolitan city the year round. No longer do crackers, hill-billies, and the old Confederate families of the north Florida region comprise a majority of the people of the State. It is more of a national cross section than any other southern Commonwealth.

Also, Florida is not the only State where the New Deal has recently won a useful test. There is Alabama, an essentially southern community, where Senator LISTER HILL challenged the industrial sentiment against a labor-standards bill and won easily. And in both States much was said and printed about the money the administration had spent within their borders, and how its favorites—PEPPER and HILL—could get more than Democrats who have resisted Mr. Roosevelt.

It may be that in the great centers of population in the East, the Midlands, and the far West a majority of voters can no longer be swayed by such considerations. It may be that the bulk of the American people, fearful of the consequences of continuous spending and of total dependence on Washington, are ready to reject the lure of Federal millions. If so, this will be disclosed in later primaries and in the congressional elections. But on the score so far that attitude is not apparent; the other is; and the administration must be credited with a valuable victory in its fight to regain control of Congress and prevent serious losses in the November elections.

BAIT FOR KENTUCKY, TOO

In Kentucky, where the issue of Florida will also exist but not so clearly, Democratic voters will be subjected to similar bait. Senator BARKLEY is the majority leader in the Senate. The President's influence produced the single vote by which he defeated Senator HARRISON. Already he has been given a public White House blessing, and he can have it extended.

The record of his rival for the Senatorial nomination, Governor Chandler, is an automatic counter to the spending and taxation policies of the New Deal. But Mr. BARKLEY has done well by Kentucky in Federal moneys, and he can prove it. He can promise more, with real authority behind the promise; and between now and August—the date of the primary—Kentucky can be expected to find favor in the eyes of the bursars of Federal funds.

Politicians generally expect Kentucky Democrats to respond to the same influences as those which affected Democrats of Florida, though this is said without denial of the fact that Mr. BARKLEY has enough personal appeal to make a strong race on his own.

Should this primary repeat the story of Florida, the last doubter must then be convinced that Federal spending has a significance beyond the Budget and beyond inflation. It must then be fully recognized that through unrestricted grants of relief and pump-priming money an administration may be able to perpetuate itself and choose its own successors for a dangerously long time. This is what Mr. Garner and a few others have long foreseen as a possibility. This is the vivid peril suggested by the Florida primary, a peril more real than some of those fancied by the Chamber of Commerce of the United States et al.

CANDIDACY ON "GETTING"

A Member of the congressional party which recently made a holiday trip to Charleston returned uneasy in mind over the growth of the new formula for keeping in office. He reports the prevailing thought among most of those in the party was "How much can I get for the district from the President?" On the train most of the talk he heard was of this. And during the festivities at Charleston, Representative MCMILLAN was envied because, like Christopher Wren, his monuments were visible all around him—in Federal works.

"Mr. MCMILLAN referred to the navy yard as 'my right eyeball,'" says this unofficial observer. "And at the picnic near Somerville the House Democratic leader, Mr. RAYBURN, made a speech about Mr. MCMILLAN's 'getting' record and expressed the belief that no other man could provide so well for his constituents."

(While lump sums are voted, this estimate will, of course, be true only so long as the Representative maintains his standing with the administration.)

FORCING LABOR MEASURE

Such is the national problem illuminated by the easy victory of Senator PEPPER in Florida. It is not posed as a reflection on the personal worth or ability of Mr. PEPPER, Mr. BARKLEY, or any other administration leader. It calls for the devoted attention and labor of patriots, and for the meditation of every Democrat in Congress—however much a spender—who wants to preserve a measure of independence.

One other effect of the primary is personal, proof that James Roosevelt, son and secretary of the President, is a good general and a bold strategist. Having concluded on a recent visit that Florida was strongly New Deal, he announced that the President and he hoped for Mr. PEPPER's renomination. The antis snapped at the bait and swallowed the hook. A great New Deal issue was proclaimed in a test the administration couldn't lose. A few days later 22 Southern Representatives were signing the labor-standards-bill petition.

Government Monetary Control

EXTENSION OF REMARKS
OF
HON. CHARLES G. BINDERUP
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 10, 1938

FUNDAMENTAL PRINCIPLES OF H. R. 9800

Mr. BINDERUP. Mr. Speaker, a bill for Government monetary control introduced by me in this, the Seventy-fifth Congress, amplifies the velocity of our money supply by creating a purchasing and consuming power at the bottom, among the ill-fed, ill-clad, and ill-housed portion of our population, in exactly the same proportion and in the same degree as money expansion takes place, thus avoiding any possible inflation.

It establishes the plan whereby banks become merely the custodian of demand bank deposits, thereby preventing the banks from minting and unminting our money supply, thus avoiding booms and depressions, bankers' inflation and deflation. It reestablishes the constitutional provision that "Congress shall have power to coin (issue) all money and regulate the value thereof."

It establishes, for the first time in the history of civilization, a measure of value that measures all values, for the purpose of equitable exchange, the same yesterday, today, and tomorrow; a dollar with the same purchasing and debt-paying power a year or a generation hence that it has today; that definitely protects the creditor as well as the debtor.

It creates a lasting prosperity by reestablishing and maintaining the great American market for American goods and American services.

It provides for the increase of our national income to $108,000,000,000 in the first 18 months of its operation by increasing the purchasing and consuming power in and among the lower-income group; and thereafter an annual increase of national income of from 8 to 12 percent (governed by the ceiling of prices—based on the average of 1926—at 100 percent), to keep pace with the physical increase of all commodities; increased business and new industries (based on 25 years' statistics), including increased population—1,000,000 yearly average; increased prices to 1926 level; money exported to foreign countries; money lost or used in the arts.

It recognizes that our needed yearly increase in money supply must be earned and forced into circulation from the bottom and up, rather than being bribed or coaxed into circulation from the top and down through mortgages and interest charges on a people who have been depleted of equities by money monopoly and man-made booms and depressions. It positively prohibits a ransom being extracted from the people for the creation of their own money.

It provides for liquidation of the entire national debt without taxing the people and without the issuing of a dollar by the Government or the creation of a single bankers' printing-press dollar, but by a simple switching of credits, exactly the same plan used by the big banks when they bought our Uncle Sam's bonds.

It takes away from the trusts their greatest instrument of monopoly—by taking away from the banks the power of money creation.

It makes the smallest bank as safe as the largest bank, eliminating entirely any argument for the dangerous chain-banking system.

It prevents bank failures by automatically insuring demand deposits, 100 percent, free of charge to the banks and free of expense to the Government, leaving only the slight risk on time deposits for the Federal Deposit Insurance Corporation.

It balances the Budget automatically. It makes Uncle Sam a creditor in place of a debtor; a lender in place of a borrower; a master of finance in place of a servant; the guardian of his own soul; the captain of his destiny.

Federal Chain Store Tax Bill

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 12, 1938

Mr. PATMAN. Mr. Speaker, in any line of distribution certain functions must be performed; someone must produce, someone must warehouse, and someone must sell to the consumer. These functions are inescapable in any method of national distribution. Regardless of who performs these functions, whether it is the independent wholesaler or the national chain, the basic relative cost is about the same.

I favor any fair and honest method of distribution that will lower the cost between the producer and the consumer. If there were only a few wholesalers or a few retail distributors, competition would be ineffective, and this would result in a very low price to both the producer and the manufacturer; but with a relatively high price to the consumer, since only the few would fix both prices in their favor.

INTERSTATE BUSINESS DESPERADOES REFERRED TO

In this discussion—when I refer to chain stores—bear in mind that I refer to the interstate chains which are operated by absentee owners, who take their net profits from the local community, usually to the money markets of Manhattan. I do not refer to local chains conducted by local people, who keep their net profits at home.

H. R. 9464—the Federal chain store tax bill now pending in Congress—will not destroy any chain company. But, if enacted into law, it will restrain the greed of absentee owners, because the tax will be so high that they will be unable to operate profitably in a number of States.

The largest food chain—which has about 15,000 stores in 40 States—might, for example, be restricted to 500 stores in one State. Its other 14,500 stores could be sold to local managers and local citizens, which will give that number of people a chance to go into business for themselves.

It is better for the country that—where business can be conducted by local people—it be conducted by them instead of by absentee owners. This certainly applies to both the retail and the banking business.

Our bill, although it levies a tax on national corporate chains, seriously affects only a very small percentage of them. There are about 1,500 retail chain companies in the United States. The average chain company owns 35 retail units. This bill, which is sponsored by 75 Members of the House of Representatives, including myself, and who represent 33 different States, will actually affect seriously only about 20 interstate chain companies. In other words, the bill will substantially restrict retail distribution to the boundaries of one State. The interstate companies will not be allowed to break up into State corporations under one holding company without being subject to the tax.

The people who control these 20 interstate chains are now trying desperately to obtain the assistance of the local chains, which they expect to be their next victims.

SAME PRECEDENT AS IN BANKING

The Independent Bankers Association of America has endorsed our bill. Chain banks are now prohibited from crossing State lines and, under the Constitution of Texas, no bank is allowed to have one branch or chain. So we are following a precedent already established for banking, believing that absentee control of retail business is just as destructive to the public welfare as absentee control of the credit facilities.

DANGERS OF MONOPOLY

If 100 corporations owned the same number of retail outlets that one corporation now owns, all the retail stores in

America, from peanut stands to automobiles, would be owned by these 100 corporations operating from Wall Street.

If 200 corporations owned the same amount of wealth that one corporation now owns, all of the wealth of the Nation would be owned by these 200 corporations. If 10 concerns were as large as the one that now owns 15,000 stores, the 10 concerns would be doing all the retail food business in America.

This tax bill will help all the people in the United States, except the greedy few on Broad and Wall Streets in New York City. Frankly, it is a tax proposal that cannot be passed on to the consumer because eventual competition will prohibit such a burden.

It is our belief that private monopoly is determined to conquer; that we must destroy monopoly or monopoly will destroy us. This proposal is a long step in the direction of regulating monopolistic selfishness and preventing greed.

UNFAIR OPPOSITION AND LOBBYING TACTICS

I want to remind you again that this bill will be, and is being, bitterly opposed by those who are selfishly interested. They have lots of money and they have already demonstrated their ability to spend it in a way to deceive the public.

Testimony before a Congressional investigating commitee, of which I was chairman, disclosed a number of different methods used by the interstate chains to fool the public. These included the organization of fake consumer groups; the use of hired farm leaders as stuffed shirts before legislative bodies and referred to by monopolists as "our cornstalk brigade"; the hiring of influential politicians—lawyers who practice influence instead of practicing law—and giving them fat retainers with unlimited expense accounts to kill legislation unfavorable to the monopolists, which was pending in different State legislatures. In some cases arrangements were made on a contingent basis, that is a certain large amount of money was to be paid if a bill was killed for the session or if some sugar-coated amendment was inserted to cause it to be held unconstitutional if passed.

GENERAL WELFARE OF PEOPLE INVOLVED

But let us not look at this problem only from the standpoint of those engaged in retail business. Whether they be independent merchants or interstate chains, let us view this entire picture from the standpoint of the general welfare of all the people.

It is just as necessary to oppose bureaucracy in business as it is to oppose bureaucracy in government. It is just as dangerous to the future security of our country for business to be Hitlerized by a few absentee owners as for our Government to be Hitlerized.

And we cannot justify restraining the greed of the chains because they menace the independent merchants unless we can also show that they menace the entire community life of our Nation.

If monopoly is created by an electric company, a transportation system or a telephone company, there are boards and commissions charged with the duty of protecting the public against unfair and unreasonable charges.

But if a few retail distributors obtain a monopoly, the public does not have such boards and commissions to protect it against unreasonable prices. Then the people will say "private monopoly is indefensible" and will demand Government ownership. So the fight we are making today is against eventual Government ownership of retail business and in favor of private property and the profit system.

CHAINS DESTROY INDEPENDENTS UNFAIRLY

The chains put independent merchants out of business unfairly and thus threw millions of people into unemployment. Now the corporate chains howl for public sympathy because their own jobs are at stake. It reminds me of the man who murdered his father and mother, but, when brought to trial, begged sympathy from the jury on the ground that he was an orphan. The people will not stop eating and buying goods because we restrict the greed of interstate chains.

One man who was ruined by the invasion of the foreign chains realized there was only one thing left for him to do. That was to try and get a job with the concern that had destroyed him. He was quickly told that the company employed only young men.

EFFECT OF LAW

The indictment is too long to be recited in my brief time on the air. The chain-store question does not constitute a battle between persons. We are engaged in an attempt to correct an uneconomic system and to this end my congressional colleagues and I have introduced H. R. 9464 to provide for a Federal tax on chain stores.

Upon enactment into law, this bill will provide:

First. Needed revenue for old-age assistance.

Second. Employment for more than 1,000,000 people.

Third. Reasonable security to small-business men.

Fourth. Compensation by payment of taxes to State and Nation by absentee owners who today are hogging valuable local privilege.

Fifth. Lower retail prices through clean competition.

Sixth. Benefits to farmers, and small manufacturers, because there will be more buyers for their products. This is the direct opposite of the monopolistic picture.

Seventh. It will not apply to voluntaries and cooperatives composed of individually owned stores.

This bill cannot be justified unless it serves the best interest of all the people. The public interest is vitally at stake. The interstate chains use horseshoes in their gloves to batter farmers and farm prices into helpless pulp. Not content with this unholy conquest, they are driving more independents out of communities and will soon have American consumers knocked cold with monopolistic prices.

This bill is designed to break the vast monopolistic chain-store system of the United States into smaller groups and to confine the retail distribution of these groups practically within the limits of individual States.

FARMER SHOULD NOT BE OVERLOOKED

And right here let us not overlook the farmer. In the name of national prosperity, farmers must have fair prices. They must have not one but a multitude of buyers for their products. As it is, the chain-system buyers chisel farmers down, year by year, and throttle their very existence by ruthlessly slashed prices. The interstate chains claim to be the farmer's friend. Let us see.

HOW CHAINS AFFECT FARMERS

In a recent report—compiled but not yet printed—the Federal Trade Commission cites a number of glaring examples of the unfair gouging of farmers and growers throughout the land. This report deals with many commodities. I will mention a few. In each example the consumer's dollar is broken down—fractionally—as follows:

Pacific Northwest apples: Of one consumer dollar spent in 1936, 14½ cents paid for packing and loading, 23⅓ cents for railroad shipment to the Dallas, Chicago, New York, and other principal markets; the interstate chain stores hogged 31⅓ cents of the consumer dollar while the poor grower got a mere 21⅓ cents.

Texas onions: Again in 1936, of one consumer dollar, 11½ cents paid for packing and loading; 28 cents for rail—watch this closely—41½ cents went to the interstate chain stores, but the hard-working Texas onion grower received only 12¼ cents.

Now, take Texas cabbage: In 1936, and for the same markets, of one consumer dollar, 10¼ cents paid for packing and loading; 36 cents went to railroads; the interstate chains grabbed 35½ cents; and the painstaking Texas cabbage grower got only 14½ cents.

Florida cabbage, for the same year, same markets: Of one consumer dollar, 14¾ cents for packing; 27½ cents for rail-

roads; interstate chains greedily clutched 40¼ cents, but the Florida grower received a miserable 11¼ cents.

California tomatoes: Of one consumer dollar in the same markets, 11 cents for packing; 17½ cents for railroads; interstate chains received 44¼ cents; and the grower ended up with only 23 cents.

These are very convincing official figures by the Federal Trade Commission. Similar illustrations could be given for other commodities, including dairy products.

Prior to the advent of the interstate chains the average farmer had an open market in which to sell his products. But today his price is virtually dictated by the grasping chain-store interests.

OFFICIAL REPORT OF FEDERAL TRADE COMMISSION

Last year, 1937, the Federal Trade Commission reported to the Congress of the United States as follows. Listen to this. I quote:

The Commission records with dismay its belief that the survival of independent farming by farmers who own their own farms and maintain an American standard of living is in jeopardy.

You cannot read this report without realizing that the Federal Trade Commission is saying, in just so many words, "Mr. Farmer, unless the interstate chain-store system is broken, you are absolutely ruined."

LOBBY GANGED UP

This lobby has ganged up on the farmers. It has ganged up on the wage earners. It has ganged up on the livestock and dairy producers, and it is wrecking them. In cities where they obtain control they gang up on the consumers.

MEMBERS OF CONGRESS THREATENED WITH POLITICAL DESTRUCTION

Sworn testimony, before the investigating committee, of which I was chairman, disclosed that one lobbyist in Washington, representing his gang, had at his disposal $375,000 a year to be used in lobbying against proposed antimonopoly legislation. He is still operating, but with increased allowances. Other lobbyists, opposing us, have more money than this at their disposal. They have millions to spend to defeat and politically destroy members of lawmaking bodies who are courageous enough to expose their greedy system. They have threatened Members of Congress who are sponsoring this legislation. The people should be on the alert and quick to recognize their propaganda.

Our fruit, produce, vegetable growers, and dairy farmers will never prosper so long as a few large buyers control the market.

IF FARMERS SUFFER, NATION SUFFERS

The farmers of this Nation represent sufficient buying power to cause our Nation to be prosperous if they are prosperous. If they suffer—by reason of low prices—all classes and groups will suffer along with them.

We never have good times in this country when prices and wages are low. And the city consumer is beginning to realize that the interstate chain store is rendering a disservice by destroying prices of farm products, because farmers represent a large market for the products of industry upon which the city consumer depends for a livelihood. It is in the selfish interest of the consumer to adopt a policy of live and let live toward farmers, wage earners, and industry.

Any consumer who demands a price so low that the farmer or wage earner does not receive a fair price or a fair wage to give him purchasing power, is demanding a price that will destoy the purchasing power of two-thirds of our people and will eventually destroy our Nation. If low prices were the paramount consideration, repeal of the protective tariff would be the logical step in that direction.

GREATEST EVILS AND GREATEST INSTITUTIONS

Our four greatest national evils—poverty, crime, disease, and ignorance—cannot be abolished with low prices and low wages. Our three greatest institutions—the home, the church, the school—around which all civilization is built, cannot be preserved with low prices and low wages.

FARMERS DISCRIMINATED AGAINST

The farmers are already discriminated against by reason of having to buy in a protected market and sell in the world market and by discriminatory freight rates. They should be protected against this interstate chain-store device to further destroy their buying power and should, without further delay, be given at least parity prices for their products.

NET PROFITS TAKEN AWAY FROM LOCAL COMMUNITY

We are "dead set" against the interstate chains that milk the community dry by taking money in the form of net profits away from local towns and local banks and by crushing out the life of independent business. Such chains are neither economical, efficient, nor in the public interest.

Every boy cannot own a railroad, a telephone company, or an electric-light plant. But if every young boy in this Nation is deprived of the opportunity of some day acquiring a retail store in his home town, the aspirations of many fine young men will be crushed.

The Robinson-Patman Act—which greatly benefits the independent merchant and the public—does not prohibit the chains from using profits from many stores in towns where they already enjoy a monopoly, to enable them to sell goods at a loss in another town until the independent merchants in that town are put out of business. That is why the Federal chain-store tax bill is necessary.

INDICTMENTS AGAINST INTERSTATE CHAINS

Here are a number of direct indictments against the interstate chain system:

They are the products of a few monopolistic money masters of Manhattan.

Cost of food is higher in chain-controlled towns and communities.

They do not contribute to local relief, local schools, churches, or charities, except a miserly sum—entirely out of proportion to their business—in an effort to buy good will.

They break down local rent schedules by destroying the independent merchants.

They compel our boys and girls to work for absentee owners for long hours at starvation wages.

They crush out labor as monopoly invariably does.

They are draining capital from local towns.

They destroy the independence and self-reliance that built this Nation.

They do not create. They take away what others have created.

They never guarantee a doctor bill for an unfortunate employee.

They take local privileges and opportunities that formerly enabled local citizens to assume local relief assistance and responsibility.

They never send an unnamed Christmas basket to a poor family.

They never fail to beat down the price of farm products.

They are the first to arrive after a town is built and the first to leave when a town is overtaken by drought, cyclone, epidemic, or other unforeseen disaster.

They charge different prices in different cities in the same State (and even in the same city) depending upon competition from the independent merchant across the street who is marked as the next victim.

They owe their growth to chiseling, cheating, racketeering methods, wrecking others to build themselves.

They never operate in a distressed community.

They never render temporary assistance in the form of credit to any citizen.

They never pay their just and fair share of taxes in proportion to their volume of business.

They have never raised the standard of living in any community. Absentee control of business is a detriment to the future welfare of all classes and there is no class or group that escapes its detrimental effect upon our economic life.

Net profits from farms, mines, or business is the only means of building towns, cities, and States. These net profits (under the chain system) fly overnight to New York.

Every dollar (that is taken from your State or mine in net profits) is a loss of many times that one dollar in buying power to the local residents.

Net profits remaining in the community and deposited in the local bank circulate many times a year among local citizens.

FINANCE MORE BARBARA HUTTONS

Chain-store net profits go to distant owners to buy automobiles there—not in our community—to build schools and churches there—not in our community—or to finance more Barbara Huttons, who will spend not in America but in foreign lands.

More than 15 officials of one large national corporate chain each receive more than $100,000 a year. Would it not be better for these privileges and opportunities to be widely distributed and have a larger number receive the aggregate amount of salaries paid to these 15?

The independent businessmen cannot compete with interstate chains on a fair basis because the independent does not have a monopoly in some other town from which to use the profits to cut prices like the interstate chains. Such a practice gives the consumer lower prices—temporarily. Eventually all consumers pay and pay dearly. People who cannot see this have very short vision.

CHAIN WOLF IN CONSUMER SHEEP'S CLOTHING

One typical example of a chain-system wolf in consumer sheep's clothing is the National Consumer News. It has a beautiful magazine cover in vivid colors. The price is only 10 cents. It is found on newsstands and is given wide free distribution among housewives over the country. The object of its publication is represented to be to give impartial information to the consumer buyer. Who supports it? It is an expensive publication, but it contains little or no advertising.

Let me tell you about this publication. It is sponsored by the Consumers Foundation, Inc., which, in turn, is sponsored by a few interstate chain companies. It is filled with misinformation about our bill. It is a method adopted by interstate chains to lobby against legislation by attempting to deceive the housewives, and in the near future they will probably boast about their "housewife brigade" like they did their bought-and-paid-for "cornstalk brigade."

The April issue of this so-called official organ, or self-appointed guardian of the consumer-buyer, offers $100 in cash prizes and a free trip to Washington to the one who writes the best letter against our chain-store tax bill to a Congressman. The advertisement discloses on its face that a letter in favor of the bill is not wanted. The letters will be judged by those who are hired and may be fired by interstate chain-store officials.

I wonder just how dumb they think the women of America are. Their inspired and paid lobby effort is a reflection on the intelligence of our good women and is positive evidence that the chain stores have hired some dumb editorial clucks who are deceiving no one except themselves.

MONEY POWER AND UNDERMINING INFLUENCE OF ENEMY

In conclusion, I want to tell you that my congressional colleagues and I have made a long hard fight. We are seasoned. We know well the monopolistic enemy and we do not underestimate his money power and undermining influence.

FIGHT TO FINISH

But we will continue this fight until we have gained our objective—until independent business is conducted locally without fear of money masters, and until the farmers and wage earners are protected and the young people of our country are guaranteed equal opportunity.

This is a fight to the finish.

The above remarks were also delivered over the radio—N. B. C. Blue network—May 10, 1938, 3 to 3:30 p. m. eastern standard time.

Election of Henry Monsky of Omaha, Nebr., as President of the International Order of B'nai B'rith

EXTENSION OF REMARKS

OF

HON. CHARLES F. McLAUGHLIN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 1938

Mr. McLAUGHLIN. Mr. Speaker, I am pleased to have this opportunity, through unanimous consent of the Members of the House, to call attention to the fact that on yesterday the International Order of B'nai B'rith, meeting in Washington, D. C., elected as its president Mr. Henry Monsky, a resident of the city of Omaha, Nebr.

The people of Omaha will rejoice in this selection and I take a personal satisfaction in Mr. Monsky's election to the head of the great B'nai B'rith organization. His fellow townsmen have watched his work and development as a humanitarian and as a socially minded citizen, and they will be gratified by the recognition of his leadership which is explicit in his elevation to the high post he will now occupy.

Through personal friendship over a period of many years and as a result of long continued contacts as an active fellow member of the Omaha and Nebraska Bar, as well as through close association with him in community chest work and in civic activities in my home city, I have come to know well his public record and can attest, as can all who know him well and intimately, that he is eminently deserving of the recognition accorded him by the international association in which he has so long taken a prominent and helpful part.

Mr. Monsky is a civic leader who has a record of unselfish activity in matters affecting social welfare which may well stand as an example for citizens in all parts of this country. Throughout his mature life he has taken part in movements for the benefit of the people of his community, especially for the benefit of those least able to help themselves. He has long been in the forefront of Jewish welfare movements, local, state and national, and has also given unsparingly of his time and energy to all civic welfare developments, regardless of their authorship and irrespective of the race, color, or creed of those sponsoring the enterprises or those to be directly benefited by them.

Henry Monsky is to be congratulated upon the high honor which has been bestowed upon him. B'nai B'rith and its membership are likewise to be congratulated for they have honored themselves by the choice of so distinguished and worthy a president as Henry Monsky.

Philippine-American Trade Conference

EXTENSION OF REMARKS

OF

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Thursday, May 12 (legislative day of Wednesday, April 20), 1938

ARTICLE BY PORFIRIO U. SEVILLA, IN THE PHILIPPINE-AMERICAN ADVOCATE

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article by Porfirio U. Sevilla, the publisher of the Philippine-American Advocate, on the subject of a Philippine-American trade conference.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Philippine-American Advocate for February 1938]

Defend and protect Filipino rights! And save the Philippines for the Filipinos! Such have always been the national battle cries of every Filipino patriot in his aspiration to be free and independent.

It should and must always remain dear to every Filipino heart that we are about to be a free and independent people.

It is the natural right of every Filipino to defend and protect the land of his birth from destruction, either by means of foreign or domestic conquest through military invasion or commercial exploitation.

WAR AGAINST CAPITALISTS

The time has now come when all Filipinos must unite and declare war against the few capitalistic groups currently dominating our political, economic, and social life, to the end that all and none but true Filipinos must remain the benefactors of their natural resources and glory.

We are expressing this view to acquaint all Filipinos regarding the Philippine-American trade agreement now under negotiation and consideration between the two Governments—the United States and the Philippines. It is most indispensable and natural that both peoples—Americans and Filipinos—should be consulted and be posted on what is going on concerning this particular trade parley, being the ones that will be ultimately affected, and therefore the ones that should be considered when effecting this trade agreement.

BACKGROUND OF FILIPINO MEMBERS

But before we discuss the significance of this much-talked-of trade agreement, let us first examine the background of every member of the Philippine committee group. This will give us the opportunity to decide whether or not the Filipino group representing the Philippines' interests is in order, and also to ascertain whether or not the Filipinos are properly represented according to their respective economic interests.

Only by proper representation of Philippines' interests at the trade parley can our people be assured of their desire to obtain an equal and just trade agreement with the United States.

We are not expressing this view with the belief that the American members would take advantage of the Filipinos, not merely to present a fair investigation of the forces governing Philippines' economic interests, but also to present to the American people a picture that would help and abate them in forming their opinions in effecting trade relations with the Filipinos.

On the Philippine committee, the members are:

1. Jose Yulo, chairman, a lawyer, now a cabinet member, being the secretary of justice in the Quezon government; formerly legal counsel to the Pacific Commercial Co. and a few greedy foreign interests. (Note: Whether his law firm is active in the solicitation of business now, we do not know and are not interested.) Yulo is a brother-in-law of Jorge Araneta, a Manila millionaire, coowner with the Ehermans, of California, of the Pampanga State Sugar Central and the Calamba Sugar Central.

2. Joaquin Mike Elizalde, confidential adviser to and close friend of Señor Quezon, one time chairman of the board of the National Development Co. of Señor Quezon's government; also, formerly president of the Elizalde firm, having enormous investments in the sugar, cordage-hemp, and shipping industries in the Philippines. The same Elizalde over a year ago, was a full-fledged Spaniard, and became a Filipino citizen shortly after Señor Quezon was inducted into office as president of the Commonwealth of the Philippines, although Señor Elizalde, all his life was a resident in the Islands as a Spanish subject. He is being considered by Señor Quezon to be next Resident Commissioner to Washington.

3. Benito Razon, the most trusted employee of the Philippine committee. Like Elizalde he is a Spanish mestizo, identified commercially with Soriano's interests—another sugar aristocrat in the Philippines.

4. Manuel L. Roxas, a lawyer and minority member of the Philippine committee. Since the pros and the antes have united into the Fusion Party controlled by the Quezon government, Roxas' influence at the conference is reduced to zero, he being only a minority observer. Roxas is closely commercially identified with Marsman gigantic business in the Islands. The Marsman's are a combination of Dutch-English capital, Mr. Marsman being of Dutch-English ancestry.

5. Conrado Benitez, the only economist in the Philippine group. As usual, he is an appointee and protégé of Señor Quezon, and as usual he submits in his report what Señor Quezon has outlined and ordered him to do for the committee.

6. Jose E. Romero, majority leader of the Philippine National Assembly. Romero is Quezon's right-hand man in the national assembly, and as usual, wherever Quezon's interests are at stake, Mr. Romero would come to their defense. And what business has Mr. Romero to become a member of this economic trade parley when, never in his life has he been trained as an economist, or appointed to any commercial or financial institution, whether public or private?

7. QUINTIN PAREDES, a lawyer and now Resident Commissioner to the United States. As usual, PAREDES is Quezon's "yes" man; hails from northern Philippines, where there are no products to be favored in the trade agreement, outside of tobacco, but tobacco export to the United States is practically nil. Therefore, with the exception of Commissioner PAREDES, the members of the Philippines Trade Committee group, more or less, on the phases of their personal, political, and commercial relations with financiers and political leaders, have something to protect and defend in accordance with their respective interests.

WHERE DO FILIPINOS COME IN?

Again, on the basis of these political appointments made by Señor Quezon, where do the Filipinos come in? We can only surmise the inescapable conclusion, namely, that "the people of the Philippines are not properly represented on trade with the United States in accordance with their economic respective interests."

With Yulo-Elizalde-Razon combination in the Philippine committee group, we question * * * we challenge * * * we denounce the sincerity of the Philippine committee members.

To us, to our people, and to any impartial observer, their appointment to the MacMurray committee is a challenge * * * a repugnant to and a clear violation of Filipino principles of fair play and decent Filipinism.

OUTRAGEOUS AND UN-FILIPINO

We denounce their official capacity on the committee as outrageous and un-Filipino. Their presence at the United States-Philippines trade conference is an insult to all intelligent Filipinos, a disgrace to our national life, and a death blow to Philippine democracy.

Why did Señor Quezon have to appoint Yulo, Elizalde, and Razon? Could not Señor Quezon appoint members who are totally disinterested and whose individual careers could not be identified with foreign commercial interests in the Philippines?

Why, Señor Quezon? We are entitled to know why. Are there no more capable Filipinos to act and represent our people? Or are these capable Filipinos no longer existing in our present form of government today, under the so-called Quezon-fusion government?

A TRAGEDY

This is, indeed, a tragedy. A drama that could not be told without breaking one's heart and a confession of one's revenge for honor, for sincerity, and for power.

It is our opinion again, on the face of this revelation, that truly Señor Quezon is totally disregarding the ability and integrity of the true Filipinos to administer the functions of government.

THE AMERICAN MEMBERS

Let us examine the individual records of the American committee group. So far as the history and records of the American members appointed by President Roosevelt are concerned, their ability, integrity, and their qualifications are beyond question. President Roosevelt appointed them on the basis of their previous training and experience. Besides, they are all experts and have held technical positions in the United States of America. And, to say the least, none of these members representing the United States has any personal or commercial affiliations with capitalistic or industrial groups in the United States.

BRILLIANT FILIPINOS

Also, why did not Señor Quezon appoint men with knowledge of economics, such gentlemen as Miguel Unson, Filimon Perez, Antonio de las Alas, gentlemen who have had previous experience as department secretary of finance and commerce? Why did not Señor Quezon appoint Sergio Osmena to serve in the committee to represent the Visayas, the greatest sugar-producing section of the Philippines, and others whose character and ability are beyond dispute and reproach?

Also, what about Jorge Bacobo, president of the University of the Philippines, and many others who are disinterested and could not be identified with any capitalistic group in the Philippines?

Señor Quezon is aware of the fact that the ultimate result of this trade agreement is for the well-being of all the people and not for the benefit of the few well-selected individuals in the Philippines, such as the Yulos, Aranetas, the Ehermans, the Hausermans, the Elizaides, the Sorianos, the Alunans, and other economic royalists.

QUEZON VERSUS FILIPINO WELFARE

Señor Quezon, you are not going to settle the interest of the Filipino people based on special privileges enjoyed by certain groups in the Philippines as against the economic well-being of the Filipinos.

Remember, Señor Quezon, that the life of the future Philippine Republic rests upon the ultimate resources of all Filipinos and surely not upon the sugar interests of a few sugar barons controlled by foreigners and foreign capital.

In the interest of both peoples—American and Filipinos—and for the future security of their commercial friendship, we propose a reciprocal-trade agreement on the basis of economic status quo among the most-favored products of their respective countries, to wit: So much quota for sugar, with equal amount for tobacco or for coconut oil or for cordage or for any other Philippine manufactured products.

SELFISH INDIVIDUALS

But there are a few selfish individuals, mostly foreigners, who want to dictate the economic policy of the Philippines when they desire to control and monopolize Philippine-American trade by allowing them all they demand for sugar, cordage, and coconut oil and to hell with the other Philippine products such as tobacco interest, and others.

The Filipino people must have an equal share in the distribution of the products to be bargained in the trade arrangement, to wit: 50 tons of sugar to equal 50 tons of tobacco or to equal 50 tons of coconut oil, etc., and not 10,000,000 tons of sugar and no tons of tobacco, and so on. Briefly, a status quo based on respective economic interests of all Filipinos.

The same elementary economic program could be enforced on the local productions of all Philippine products among local producers, based upon the character of capitalization of their corporate or individual financial interests.

EQUAL AND JUST TRADE

We do not want any preferential trade agreement with the United States only to allow our sugar, cordage, and coconut oil free of entry to the detriment of the other Philippine products. Likewise, we do not believe in preferential trade agreement with the United States so as to allow only sugar as the most favored product from Philippines. We believe only in equal and just trade reciprocal agreement with the United States and with the rest of the world.

The Filipinos must stand pat onto the traditional principle of an equal protection among themselves in the exercise of their political or economic rights within their country or abroad. A government established on the foundation of social and economic justice, guaranteeing equal protection of its people lasts long, but a government created for the exploitation of selfish individuals usually culminates in destruction, chaos, and revolution, thus destroying the very form of government that grants special privileges to those special vested interests.

Mark the change of European governments from one hand to another when special interests militate against the welfare of the common people! Russia, Germany, and, lastly, Spain, now on the verge of civil economic revolution.

BRITISH COMMERCIAL POLICY

On the other hand, examine the British foreign trade policy and the stability of her commerce all over the world today. People wonder, but the truth of the matter is that the British Empire and her Dominions share and share alike according to their respective economic interests to create such a gigantic trade. Had England created a government for the exploitation of the few, England's commercial success today would be remote and possibly destroyed by her own hands.

POLITICAL AND ECONOMIC TACTICS

Pretty soon we will stand as an independent people, and have yet to learn political and economic tactics, * * * experience which will be purchased at the price of difficulties and distress, * * * possibly * * * therefore, only honor, power, and true interest to our country and people will convince us to the extent that our nationalism must be measured by a national act, and that every departure therefrom weakens the foundation of our Commonwealth Republic and may destroy the string of a united people which holds us together.

In dealing with commerce and trade as one of the natural sources of income to support the existence of any government and people, our leaders should and must take into consideration, first, and above all, the well-being of our people by the adoption of a uniform system in our commercial relations; thus protecting our people's common interests, and assure our permanent harmony, happiness, and posterity.

QUEZON'S "BLUNDERBUSS" TACTICS MUST STOP

To understand President Quezon's flealike acrobatics, * * * his announcement one day that he would willingly abandon the independence idea altogether to welcome a suggestion of a Dominion status, * * * and then his now agitation the next day for independence now, right off the griddle, serve it hot, and to hell with tomorrow, * * * to understand these idiotic gyrations by the man who claims all the credit for what has been achieved so far, it is necessary only to look back over the many years of Señor Quezon's personal history.

The Filipinos are today facing urgent necessity for sincere and constructive leadership.

Dictator Señor Quezon should and must adopt a few sound policies for the Philippines and for the Filipinos, first and last, and stick to them.

If Señor Quezon has anything to shoot at Philippine-American affairs, he can use a rifle and shoot what he is aiming at, instead of using "blunderbuss tactics" and scattering shot over anything and terrifying everybody.

Again, it is our opinion of Señor Quezon "that there is a growing menace in the unfortunate fact that the man we have honored with our presidency has been trained only as an agitator in the past."

Relief Bill

EXTENSION OF REMARKS
OF
HON. CHARLES A. WOLVERTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 1938

On House Joint Resolution 679, making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public works projects

Mr. WOLVERTON. Mr. Speaker, the resolution now under consideration by the House is vital to the well-being of millions of unemployed throughout the Nation who are in great distress. Today, the need for relief is greater than at any time during the depression. With 13,000,000 unemployed in the Nation it could not be otherwise. Conditions that have justified relief appropriations in the past are more pronounced now than at any previous time. I have voted for all relief, W. P. A., P. W. A., and other work-relief measures in the past. I am unwilling to refuse help to the unemployed who are now in need through no fault of their own.

I confess that I am disappointed that the resolution does not include any provisions that would correct the fundamental economic problems that are generally accepted as the cause of the severe business reverses that have resulted in increased unemployment and a consequent increase in the need for relief.

The need for relief as the result of 13,000,000 unemployed is not open to argument. No one who thinks in terms of the welfare of his fellow man would do otherwise than provide the necessary relief. The burden cannot be carried by State and local municipalities without Federal assistance. To do so would place an intolerable burden upon real estate that would prove disastrous. Thus, there should be no serious opposition to make proper provision for relief by means of Federal funds. But, what of the future? How long can this be done even by the Federal Government? How long will the unemployed be satisfied with the meager wages now paid to those engaged on relief projects? It is this situation that creates the necessity for the adoption of policies that will put the unemployed back to work, at their regular jobs and at wages that will provide some of the comforts of life beyond the bare necessities of mere existence.

It is regrettable that the measure as presented to the House did not provide for a nonpartisan administration of work relief. To have done so would have eliminated the present un-American policy of using work relief as a part of a political machine. Those who are in need because of unemployment should not be required to appeal to some political boss in order to obtain work that the family may have bread to eat, clothes to wear, or shelter over their heads. The administration of work relief should be placed in nonpartisan, nonpolitical hands that would be more anxious to provide relief for the needy than to build a political machine to control the votes of those who, unfortunately, are unemployed and in need.

It is the undisputed right of every American citizen no matter how humble he may be to exercise the right of free choice at the polls when he votes and without fear of incurring the displeasure of some politician who wields the authority to put on or remove workers from Federal, State, or local projects. Those who think in terms of national welfare, as well as the workers who through no fault of their own are among the unemployed, will resent the continued use of "politics" in administering work relief and the refusal to remove the possibility of it by this measure.

While I sincerely regret that the Democratic majority of the House is unwilling to join with the Republicans of the House in an amendment that would remove all possibility of "politi-

cal control" from work relief, yet I do not feel justified in voting against this measure because of such refusal. The need for relief is too great for me to do otherwise than vote for the measure. In doing so I have faith and confidence in those who will receive the benefits accruing from these appropriations that they will respect and maintain the dignity of American citizenship and the right to exercise the freedom of ballot no matter how strong may be the pressure from politicians.

Spending

EXTENSION OF REMARKS

OF

HON. RICHARD B. WIGGLESWORTH

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 1938

EDITORIAL BY DAVID LAWRENCE

Mr. WIGGLESWORTH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial:

PRIMING THE PRINTING PRESS—PAPER MONEY UNDER ATTACK AS THE ADMINISTRATION ORDERS MORE BORROWING AND SPENDING WHILE STILL REFUSING TO REDEEM PAPER DOLLARS IN GOLD—FIRST INFLATION'S DEFICIT OF $16,000,000,000 BROUGHT FAILURE—SECOND INFLATION ABOUT TO BEGIN

The pages of history are strewn with the follies of governments. Statesmen heed the lessons. Politicians ignore them.

Again and again in world chronicles, peoples have been deluded by their leaders into believing the doctrine that "say-so" money is real and that "say-so" bonds are as good as those which are backed by tangible assets and gold specie.

Plausible excuses are usually given when economic recession comes. An immediate "stimulus to business" is always offered as a reason for accepting the quick remedies. The first dose of inflation is customarily applied after much debate. The immediate effects are like those of an opiate. Then the relapse comes. Alibis are brought forward in ingenious arguments. The patient is asked to take a second dose. Resistance becomes weaker. National legislatures yield their convictions and so goes the process of disintegration.

The printing presses which turned out billions of francs in the 1790 inflation in France and trillions of marks in the German inflation of 1923 are being primed again, this time in the modernized mechanism of pump-priming in America.

MR. ROOSEVELT'S WORDS OF 1933 SOUND STRANGE

After a series of unbalanced budgets every year and an increase since 1933 in the national debt of $16,000,000,000 excluding obligations guaranteed by the Federal Government, we are back where we started in 1933. The unemployed are as numerous now as then.

The President of the United States happens to be the same individual who presided over the Government 5 years ago. His words sound strange now in comparison with what he said in 1933.

Either Mr. Roosevelt uttered sound principles then or he himself did not believe what he said.

Either what he is saying today is the product of a confusion of policies or Mr. Roosevelt has invented a new economic doctrine—the more you borrow and the less you pay off the richer you are and the better is your credit.

But let us go back to March 10, 1933. The new President had come into office after a campaign in which he denounced Federal spending. He was addressing a joint session of the House of Representatives and the Senate of the United States. The Nation was thrilled with his leadership, for this is what he was saying:

"For 3 long years the Federal Government has been on the road toward bankruptcy.

"With the utmost seriousness, I point out to the Congress the profound effect of this fact (the accumulated deficit of $5,000,000,000) on our national economy.

"It has contributed to the recent collapse of our banking structure.

"It has accentuated the stagnation of the economic life of our people.

"It has added to the ranks of the unemployed. Our Government's house is not in order and for many reasons no effective action has been taken to restore it to order.

"Upon the unimpaired credit of the United States Government rests the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It therefore become our first concern to make secure the foundation. National recovery depends upon it."

BANKS FILLED WITH BONDS OF GOVERNMENT

Then what did Mr. Roosevelt do? He proceeded shortly afterward to unbalance the Budget not by a mere 3-year total of $5,000,000,000 which he called the "road toward bankruptcy," but by more than three times as much; that is, by more than $16,000,000,000 in 5 years.

And what did the businessmen of the country do? They cried out for a sound fiscal policy. They have never withdrawn that plea. They, too, have thought national recovery depended upon it. They have wanted the Government credit to be built on a sound and secure foundation.

And what did the banks do? They absorbed the loans pushed at them by an administration which soon acquired dictatorial powers over the whole banking mechanism. To refuse to buy Government bonds meant trouble for a bank.

Today the banks hold far too many of the Government's bonds. There are something like $42,200,000,000 of Government securities outstanding, including obligations guaranteed by the Federal Government, and the banks hold about 35 percent of those in the hands of the public—the greatest proportion that private banks have ever held of a government's securities anywhere and at any time except in countries which have resorted to actual forced loans.

Bank deposits in large part in America have been converted into Government bonds. Insurance company reserves are in Government bonds in large part—far greater than any previous proportion.

More than $4,000,000,000 of Government trust funds, including the savings of the people in such institutions as the Federal Deposit Insurance Corporation and the Postal Savings Fund are in Government bonds. So also are pay-roll taxes collected supposedly for social security.

GROWING RICH BY PILING UP BIGGER DEBTS

And what are Government bonds worth? They are either worth par because they can be paid off through tax receipts eventually, or else they are not worth much, because they will be repudiated in part some day due to inability of the Government to collect enough tax money without breaking down the whole economic system. The citizen is left to guess, because market prices of bonds are not always an indicator of true value owing to Government pegging and stabilization operations.

Paper money outstanding is larger today notwithstanding the existence of a depression than it was at the height of the so-called recovery of 1936. Why is so much currency needed when business is down? Is it being hoarded?

The citizen cannot test the value of this paper money as yet because he cannot get gold. The metal is locked up. It is against the law to possess gold. We are on an irredeemable paper basis. Dollar bills are worth what the Government says they are worth. The Government's "say so" is accepted as a rule, only as long as the people have faith in a government's capacity to pay back. And who is making any plans to pay back the immense borrowings of today? Listen to what the President said this last week to the American people over the radio:

"If you think back to the experiences of the early years of this administration, you will remember the doubts and fears expressed about the rising expenses of government. But to the surprise of the doubters, as we proceeded to carry on the program which included public works and work relief, the country grew richer instead of poorer."

Mark those words—"to the surprise of the doubters." No comment now on the "road toward bankruptcy." No fear now about a $5,000,000,000 addition to the debt. On the contrary, the doctrine now expressed is, "Let's have bigger and bigger debts and we will grow richer and richer."

The President confesses that the national income after reaching a peak of $68,000,000,000 in 1937 is now running at the rate of $56,000,000,000 for 1938. In spite of this record of the failure of pump priming, he said to Congress last week:

"If this citizen income can be raised to $80,000,000,000 a year, the National Government and the overwhelming majority of State and local governments will be 'out of the red.'

"The higher the national income goes the faster will we be able to reduce the total of Federal and State and local debts."

But back in 1929 we had an $81,000,000,000 national income and we had only a $17,000,000,000 national debt and a $4,500,000,000 annual Budget, which was balanced and yielded a surplus from taxes.

PEOPLE NEED TO BE AROUSED TO THE DANGER

Mr. Roosevelt's message indicates that between 1932 and 1937 we increased the national income two dollars for every dollar borrowed. Using the same ratio and applying it to an increase from a possible $60,000,000,000 national income in 1938 to the desired $80,000,000,000 it means a $20,000,000,000 expansion by means of another 10 billion of borrowings.

In other words, the national debt would go up to about $47,500,000,000, exclusive of the guaranteed obligations and the annual Budget would be running at $7,000,000,000 or more a year and we would supposedly be better off than before.

Just how a Nation can prosper with a debt more than two and a half times that of 1929 and with an annual Budget about 50 percent higher and with taxes not equal to the expenses is difficult for many of us to understand. But if Mr. Roosevelt says it's so, we are supposed to accept it as a matter of "self-restraint" if not of enforced patriotism.

There is little need to worry about the rich. They always get through inflationary periods, protecting themselves through the purchases of commodities and other tangibles. The poor, and the middle class particularly, always get caught. In their behalf words of caution should be spoken today.

The patriotism of the hour is to warn the American people and arouse them to the attack being made on the American dollar and its purchasing power. The Congress of the United States has lately shown signs of independence. Surely no battle is more important than the preservation of the integrity of Government credit and of the purchasing power of the dollar.

INFLATIONARY MOVES ALWAYS LEAD TO OTHERS

For there comes a time inevitably when these inflationary moves have to be renewed. More billions must then be borrowed. Some of the prominent "pump primers" in the Government's inner circle are already saying that $4,500,000,000 is only a drop in the bucket. They criticize the President on the ground that his new pump-priming plans are inadequate.

Mr. Roosevelt asks the American people to continue to lend their savings to a government that makes no pretense of meeting its expenses. The tax burden is already so great that it has broken down the national income and brought unemployment and curtailed consumption. Yet the maximum taxes collected thus far are insufficient. Even when using the pay-roll taxes for current operating expenses, the funds are not enough. Mr. Roosevelt in his message said the Government would have to borrow at least $1,500,000,000 of new money the next fiscal year. Undoubtedly there will be further borrowings.

Ordinarily when one borrows at a bank, the previous experience becomes pertinent. Some indication of how a borrower intends to pay back must be given if credit is to be extended. The administration relies on the citizens, however, not to ask such questions but to keep on lending. It is the history of such illusions that, sooner or later, the people refuse to lend. Then come the "forced loans" and paper money gradually declines in terms of prices for goods. Commodities become more valuable than paper money. Gradually prices rise to fantastic levels.

POOR PEOPLE SUFFER MOST FROM INFLATION

In Germany, in 1923, it took a week's wages to buy a loaf of bread. The stories of the German inflation are too recent in our memory to be repeated here. The blow falls heaviest on the poor people. It is for them that the battle should be waged now.

Mr. Roosevelt talks glibly about his reform measures, but he forgets something else he said to Congress on March 10, 1933:

"Too often in recent history liberal governments have been wrecked on the rocks of loose fiscal policy."

Was he thinking of the labor government in Britain, which foundered on the rocks of a badly unbalanced budget? Was he thinking of the German Republic, which bankrupted itself only to have a Hitler arise on the ruins and erect a terrible dictatorship? In his message last week the President said, quite persuasively:

"History proves that dictatorships do not grow out of strong and successful governments but out of weak and helpless ones. If by democratic methods people get a government strong enough to protect them from fear and starvation, their democracy succeeds, but if they do not they grow impatient.

"Therefore, the only bulwark of continuing liberty is a government strong enough to protect the interests of the people, and a people strong enough and well enough informed to maintain its sovereign control over its government."

Does such a government exist in America today? Has any government ever been made strong by offering a policy which threatens government credit?

Only the people, acting through their Congress now and throughout this year of elections, can save the American dollar and the American democracy from the ravages of unlimited borrowing and unlimited spending.

Constructive alternatives have been outlined again and again. They await action now by a new majority in Congress.

The Recovery Bill

EXTENSION OF REMARKS

OF

HON. J. W. ROBINSON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 1938

Mr. ROBINSON of Utah. Mr. Speaker, those who oppose further appropriations for relief by the Federal Government have but a single stock argument with which they attempt to meet all reasons advanced by proponents of relief appropriations. They refer to the cost of Government during years of prosperity when relief expenditures were low as compared with the present-day expenses, and on this and no other basis reach the conclusion that the Congress has been guilty of reckless and wasteful spending. However, it appears to me that in order to determine whether or not we have been wasteful we must take into consideration more than the amount spent, we must also determine just what we have purchased with the money which we have spent. Other Members of the House have told us of the human suffering which has been prevented by the relief funds and of the increase in our national industrial activity resulting from the expenditure of these funds. While these two are probably the most important things which we have purchased with the money which we have expended, we should not overlook the actual physical improvements which we have made throughout the Nation.

Many who recognize the need of some form of relief advocate direct as opposed to work relief because of the fact that direct relief is cheaper if we consider merely the cost to provide subsistence for unemployed persons. However, to compute the cost of a relief project with this idea alone in mind is to overlook a very definite part of the project, in fact the part of the project with which we would normally be most concerned, the physical improvements made by the application of relief labor.

Because of the fact that the figures on a national scale are so large as to be almost incomprehensible, I wish to review for you the results in the form of actual construction achieved by the expenditure of relief funds in one of our smallest States, my home State of Utah.

Six years ago in Utah, as in most other States, there was a pressing need for the construction or improvement of various public property. Inadequate and even hazardous school buildings were unable to meet the demands of our present educational system. Water mains which had been serving for years, but which had rotted or rusted out, wasted much of the water supply of the communities, and in many places open ditches exposed the water intended for culinary purposes to polution. Open cesspools endangered the health of people in communities not having proper sewerage facilities. Children were forced to play in the streets in the absence of proper recreational facilities. Public buildings, which had once perhaps served the purpose for which they were constructed, were pitifully inadequate to the needs of the communities. The municipal governments were unable with their very limited resources to undertake the task of making the necessary improvements. Most of them were bonded to the limit allowed by statute.

When funds were made available by the Federal Government in the form of loans and grants, applications poured in from communities throughout the Nation for Federal aid in the construction of sorely needed public improvements. In the period from March 4, 1933, to December 31, 1937, the emergency organizations of the Federal Government made grants in the State of Utah totaling $115,980,189 and loans totaling $68,583,526. In addition to this, they insured private loans amounting to $11,041,999.

On the basis of the Government organizations by which they were expended, these funds may be classified as follows:

Grants:	
Agricultural Adjustment Administration	$6,515,270
Farm Security Administration	351,938
Civil Works Administration	4,410,841
Federal Emergency Relief Administration	20,707,850
Civilian Conservation Corps	24,642,787
Bureau of Public Roads	14,512,497
Social Security Administration	2,754,131
Public Works Administration	14,091,416
Works Progress Administration	17,510,503
Bureau of Reclamation	6,635,723
Miscellaneous	3,827,233
Loans:	
Reconstruction Finance Corporation	6,686,710
Farm Credit Administration	31,557,219
Farm Security Administration	2,875,891
Home Owners' Loan Corporation	25,037,878
Public Works Administration	2,322,033
Miscellaneous	103,795

Of these funds, grants totaling $56,720,000 and loans amounting to $2,311,033 went to the State and local governments for the construction of needed civic improve-

ments. There is scarcely a city or town in the entire State of Utah that is not now enjoying the benefits of one of these projects.

Under the Public Works Administration, 71 projects for the construction of water systems were approved, 28 school buildings were constructed, and 15 miscellaneous projects including sewers, light and power plants, and so forth, were completed.

The Works Progress Administration has given funds to a greater variety of projects, the average cost of which has been much less than the average cost of the Public Works Administration projects. This organization has financed the construction of 155 new and the alteration of 293 existing public buildings, including 147 school buildings. One hundred and seventy-one miles of road, 73 miles of sidewalk, and 137 bridges have been built while, 1,041 miles of road, 133 miles of sidewalk, and 207 bridges have been improved. Ninety-nine recreational centers have been constructed and 93 have been improved. Ninety-nine miles of water lines and 50 miles of sewer have been installed, 41 additional miles of water lines and 6 additional miles of sewer line being replaced. Twenty-nine storage dams and reservoirs have been constructed and a number have been improved. Almost 40,000 acres of swampland have been drained by mosquito-control projects. Over 50,000 trees have been planted on reforestation projects, more than 100,000 acres have been cleared of noxious weeds.

It would be impractical at this time to attempt to enumerate all of the types of projects sponsored by the Works Progress Administration, the C. W. A., and the F. E. R. A. in Utah. A mere listing of the various classes of projects fills several closely written pages. There has been scarcely a need of a public nature for which funds have not been available. Improvements have been made which small communities with their limited revenue could never have hoped to make. The $56,720,000 which has been spent on public works in Utah and the $9,816,000,000 which has been spent in the entire country have not been dissipated. We do not, in paying the increased national debt, face the prospect of paying for a "dead horse." We as taxpayers are enjoying and will continue to enjoy the public improvements which we have purchased. While the increased national debt has been written on the debit side of the ledger of the American public, it has been balanced by an entry on the credit side of the value of the projects created by the expenditure of relief funds.

The needs of our communities have by no means been completely satisfied. The existing relief organizations at present have in their files thousands of applications which have been approved but for which no funds are available. While it would no doubt be difficult to justify appropriations merely for the purpose of constructing these improvements, when funds are needed for the relief of the needy and the stimulation of business, and when these projects offer a practical method of distribution of these funds, it appears that appropriations for work relief are not only justified but obviously offer the most practical method of meeting the present crisis.

Wage-Hour Legislation

EXTENSION OF REMARKS

OF

HON. LEON SACKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 1938

RADIO ADDRESS OF HON. ARTHUR D. HEALEY, OF MASSACHUSETTS, MAY 9, 1938

Mr. SACKS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered over the radio by the gentleman from Massachusetts [Mr. HEALEY]:

Ladies and gentlemen of the radio audience, on Friday last a totally unprecedented action took place in the House of Representatives. In less than 2½ hours after it was laid on the Speaker's desk, the petition to bring the wage-hour bill before the House for action had been signed by the two hundred and eighteenth Member of Congress and was thereby completed. With such amazing swiftness was the petition filled that many ardent supporters of wage-hour legislation did not have an opportunity to sign it. One Member arose from a sick bed, others, fresh from intimate contact with the needs of the people of their districts, left active campaigns at home to fly to Washington in order to sign the petition. Many of these Members arrived only minutes too late and still others who were awaiting their turns to sign or were away on important business in their districts intending to sign on Saturday or Monday, were deprived of the opportunity by the rapidity of events.

The completion of this petition by 218 Members in less than 2½ hours is a most dramatic demonstration of the acute Nation-wide need and demand for a national law to place a floor under wages and a ceiling over hours. Because every indication points to the overwhelming support of this bill by the public opinion of America, I feel every confidence that it will speedily pass the House when called up and that no prolonged filibuster will be attempted in the Senate.

The primary purpose of this bill is to abolish the products of child labor and sweatshops from interstate commerce. It sets a floor under wages below which no employer engaged in interstate commerce may go and a ceiling on hours. Under its terms, the minimum-wage rate is to be 25 cents an hour during the first year. This will be increased by 5 cents each successive year until a final minimum wage under the terms of this bill of 40 cents is reached. The bill provides that during the first year the maximum workweek shall be 44 hours. Each succeeding year, this will be reduced 2 hours until the final maximum hour standard set by this bill of 40 hours is reached during the third year. There is also a provision for working more than the maximum hours provided that time and a half is paid to the worker. In addition, the bill bars from the channels of interstate commerce any goods manufactured by children under 16 years and, in particularly hazardous industries, under 18 years of age.

Now, I personally do not believe that the minimum wage set for the first year of 25 cents an hour is adequate. I feel it is altogether too low. But the passage of this bill will be a start—an important step toward eliminating child labor, starvation wages, sweatshops, and ruthless labor exploitation. It establishes the great principle that even among those workers who because of their lowly situation do not possess the power to better their condition by collective action, at least a bare living wage must be paid.

The signing of this petition by Members of Congress from every section of the Nation is a conclusive answer to those who have tried to block its passage by injecting sectional issues.

I have heard it said many times that the cost of living is so much cheaper in some sections than others that wages of three, four, five, and six dollars a week are adequate for maintenance and should not be disturbed. But never yet have I been shown any authoritative figures to support this contention. Moreover, the persons supporting this proposition ignore the fact that the sweatshop and labor exploiter is no respector of geography or climate. Sweatshops exist in every section of our land—North, South, East, and West—within the very shadows of decent industry, competing with it for markets and menacing its standards.

Let us consider just a few figures. At 25 cents an hour for 44 hours the worker will receive $11 a week, or $572 a year, if he can secure 52 weeks' work. Under the 40-cent minimum he will receive $16 a week, or $832 for a 52-week year. Keep these figures in mind—$572 a year to start and $832 a year when the fourth year is reached.

In a very careful and elaborate statistical study conducted by the Works Progress Administration in cooperation with the Bureau of Labor Statistics entitled "Intercity Differences in Cost of Living in March 1935—50 Cities," we find the following facts:

Basing their study on the living requirements of industrial workers for a family of four (husband, wife, and two children), the report states: "The cost of living in the maintenance level ranged from a high of $1,415 in Washington, D. C., to a low of $1,130 in Mobile, Ala., at March 1935 prices. The cost of the emergency level was also highest in Washington, $1,014, but was lowest in Wichita, Kans., $810." And let me explain that the maintenance level provides only for the cost of living necessary for material needs and some psychological needs. The emergency level provides almost exclusively for physical needs and it is stated that "it might be questioned on the ground of health hazards if families had to live at this level for a considerable period of time. * * * Neither of these budgets approaches the concept of what may be considered a satisfactory American standard of living." From these figures it is clear that even the minimum-wage rates set by this bill only approach the emergency level, and certainly wages less than this cannot even begin to meet the barest costs of living.

The principles of this legislation are not new. Twenty-four States in addition to the District of Columbia and Puerto Rico already have minimum-wage laws for women and children in industry, the first having been enacted in Massachusetts in 1912.

Progressive legislatures in those States, representing a forward-looking people, have placed such legislation on the statute books, basing it on the philosophy that the health, well-being, and morals of women and children must be protected. The Supreme Court invalidated such minimum-wage legislation in the celebrated Adkins case and again rejected the New York minimum-wage law on technical grounds in the Morehead case. Yet mark this highly significant fact. Less than a year later, the stark realities of our economic order so forcibly impressed the Court that it expressly overruled the Adkins case and upheld the validity of the Washington minimum-wage law. Today we have come to realize that men in industry must also be protected from the sweatshop and I believe that dicta in the majority opinion of the Parrish case seems to support the power of the States to provide such protection.

Once we admit the power of the States to protect the health, morals, and well-being of its people by legislation of this type, it seems to follow as a corollary that States adopting legislation should be entitled to the cooperation of the Federal Government, through the power of Congress to regulate interstate commerce, in protecting such States against nullification of their safeguards by the competition of goods produced under substandard conditions. Otherwise the trend must always be toward areas maintaining the lowest conditions at the expense of areas maintaining decent conditions with an inevitable tendency to drag down standards all over the Nation—a tendency now conspicuous in the Nation-wide trend of wage-cutting.

Despite the claims of some that this bill is an entering wedge to enable the Government to regulate all industry, this bill is not in any sense designed to regiment labor or industry but is predicated on the philosophy of the minimum-wage statutes of the several States. It only proposed to eliminate from interstate commerce those factors that threaten to drag down the standards of American life and are productive of impoverishment and undermining of health, morals, and well-being. The failure of States to ever employ existing minimum-wage legislation as an excuse to control industry seems to demonstrate that such legislation is predicated on the police power for the protection of health and morals rather than on any theory of control or regulation.

There are also those who evidence a hitherto unmanifested concern that this legislation will eliminate the need for agencies of collective bargaining. The enthusiasm of virtually all leaders in the labor-union movement for passage of this legislation should certainly be a conclusive answer to that claim. To charge that the establishment of national minimum wages of 40 cents an hour and a maximum workweek of 40 hours, affecting, as they do, only those workers unable to obtain better conditions through collective bargaining, will in any way circumscribe the function of the labor-union movement, is an undeserved reflection on that movement. This is only a starting point for the operation of forces of collective bargaining. The achievement of a real American standard of wages and working conditions will continue to be approached through the free and orderly operation of agencies of collective bargaining.

Ladies and gentlemen, in these critical times, we cannot and will not allow ourselves to be confused by irrelevant issues and imaginary fears. This legislation is designed to approach at least a bare living wage for every worker and to abolish from the channels of interstate commerce the products of child labor and the sweatshop. When passed, it should go far toward checking the menacing wave of wage-cutting, build up purchasing power, spread out work opportunities, and be a great stimulus toward putting our national economy again on the uptrend.

Every indication now seems favorable that the great principles embodied in this legislation will at last, after a long and bitter struggle, be written into the law of our land before this session of the Congress has ended.

W. P. A. Accomplishments

EXTENSION OF REMARKS

OF

HON. CHARLES A. BUCKLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 1938

Mr. BUCKLEY of New York. Mr. Speaker, I have been hearing some complaints with regard to the recovery program and the uselessness of the so-called pump priming.

In the New York Times, Monday, May 9, 1938, there appeared an editorial stating that pump priming has failed. The editorial is fearful about the expenditure of money for pump priming. The editorial, however, fails to show what should be done. And that is generally true of all critics of the recovery program.

The present recovery and relief bill, among other things, provides moneys for the Works Progress Administration, National Youth Administration, Farm Security Administration, Civilian Conservation Corps, and Public Works Administration. We are all familiar with the National Youth Administration and the great aid that it has given to worthy students to complete their education and the other phases of its program. We are acquainted with the valuable work done by the Public Works Administration. It has done a great deal in constructing hospitals, schools, tunnels, and bridges. These are of a permanent nature. It has been a means of employing skilled labor in the main and putting moneys into circulation due to the purchasing of large quantities of materials. The Civilian Conservation Corps is certainly a praiseworthy function.

However, today I will speak of the Works Progress Administration and its accomplishments. Who has been the one so outspoken in his complaint against Government spending? You will find him to be the one who has means over and abundant for himself, raising a protest against this program. You will not find the fellow with a family who has not the wherewithal to buy his people the bare necessities of life and to keep them from hunger against this program. He is the one who needs it.

What shall we do with these people? For most of them, through no fault of their own, they have come face to face with a situation where relief and W. P. A. aid is the only alternative to starvation. We cannot follow the "do-nothing" policy of the previous administration and just let nature take its course. We must help them until such time as private industry can absorb them into its ranks. I am not of the opinion that relief and governmental work is the solution to this economic problem. I do not even claim that the plan is perfect, but I cannot deny that it is the only one to help these people continue life until a change for the better develops. This bill liberalizes regulations for obtaining W. P. A. jobs. Persons in actual need, although not registered on the relief rolls, would have equal eligibility. It provides for the prevailing rate of pay on W. P. A. projects and other provisions which are necessary to improve its scope. I favor work instead of a dole. I also believe that as long as there is a work-relief program, it should be wide enough to give employment to all needy employables.

The money spent is not wasted. It has increased the material wealth of this country. It has given a stimulus to business and increased the national income. As a result, we have added fine public improvements in every city and State of the land. We have tangible evidence of the accomplishments of W. P. A. We note some of these are 44,000 miles of new roads; the improvement of 147,000 miles of roads; the construction of 19,000 new bridges; 105 new airports; 12,000 new schools and other public buildings; 15,000 small dams; 10,000 miles of water and sewer lines; the planting of 10,000,000 trees; the improvement of millions of acres of land. These things, I repeat, constitute national wealth and national assets.

The reports show that on April 30, 1938, there were 2,552,479 persons employed on W. P. A. projects in the United States. It is the intention to take care of a few hundred thousand additional in the immediate future.

Let us take our own city of New York. I am informed that on April 30 of this year, we had 151,659 people employed by the Works Progress Administration. These people are earning their money. They are not getting too much. Some of these men and women have been in business for themselves, have employed people of their own, and have earned many times over the small pittance given to them by W. P. A.

While on the subject, I condemn with all my feeling the proposal to limit W. P. A. projects to a man-year cost of $1,000. I have so expressed myself both to the President of the United States and the Works Progress Administrator. I am informed that the effective date of the ruling has been delayed to June 30. I hope that the ruling will be rescinded. These people are getting little enough and to cut their allowance further would work a great hardship upon their families and themselves and result in loss of useful work done by these projects.

I made a careful study of W. P. A. in New York City and these are some of the physical accomplishments. A total of 391 new public buildings were erected. A total of 1,007 public buildings were repaired and improved. In this category were schools, libraries, stadiums, gymnasiums, bathhouses, hospitals, health centers, penal institutions, courthouses, office buildings, fire houses, garages, and warehouses.

Miles of streets, roads, and highways were paved and improved; bridges erected; roadside landscaping provided; removal of car tracks; several hundred thousand street signs made and erected; fire alarm telegraph system extended. Athletic fields, parks, playgrounds, swimming pools, wading pools, golf courses, tennis courts, handball courts, ice skating rinks constructed and provided for the use and enjoyment of the people of the city of New York; water supply, sanitation and drainage systems constructed, repaired, and improved; landscaping around public buildings; hundreds of thousands of shrubbery and trees planted.

I continue on, but I will not forget the worth-while distribution of millions of quarts of milk, millions of pounds of foodstuffs and fuel to the poor and needy.

May I also say a word about the good work done in the public libraries by the employees of Works Progress Administration?

Now I come to the sewing-room project. I am informed that this project is one of the finest in the United States. Millions of garments for men, women, and children and household needs were made by the workers on the sewing-room project. Some will say it, therefore, competes with private enterprise, but need I remind those critics that these garments go to the poor and needy who are on relief and who have not the cash to buy the same from private dealers. Many a poor man and poor woman would face the winter's cold without suitable clothing it it were not provided by this source.

How about the millions of school lunches served to poor, undernourished children?

And, yes, let me say a word or two about the medical, dental, and nursing assistance supplied to those requiring the same. We have eight dental clinics conducted by W. P. A. in the city of New York. We have a medical clinic and additional aid given to other medical and dental clinics. We have nurses making visits to the homes of the sick requiring attention. Will you call this money foolishly wasted?

I would be remiss if I did not mention the work of the art, music, and theater projects, for they have given to millions of people, not alone joy, but an appreciation of the cultural arts.

With regard to other activities, let me include the research and statistical studies conducted, the museum activities, and the aid rendered in naturalization proceedings. And I just remembered the housekeeping aids sent to poor families to help them with their household work.

Is helping people with their problems, even though it involves the expenditure of money, wasteful?

Now to the field of education. The educational project conducts classes in literacy, vocational training, parent and homemaking, public affairs, nursery schools, and general adult education. These classes give one an opportunity to equip himself with knowledge for a position if the same presents itself. Many of the teachers are working for far less salaries than they would receive for teaching in our city school system, and they are well qualified to do so. They are thankful for the opportunity of using their ability to help others. It would be foolhardy to cut the wages of these people.

There is also the recreation project. The excellent work done by this project supplies the social, physical, and cultural recreational needs of the community. It tends toward good citizenship. You cannot say that this money is wasted. We know that the background of the community center was to have people meet in an atmosphere under proper supervision and leadership. This will prevent to a great degree the unemployed youth from falling into associations leading frequently to vice, crime, and the courts. What better way to spend money than to provide this need for our future citizens?

But my opinion alone of W. P. A. is not controlling. An independent survey was made. I have reference to the United States community improvement appraisal. It was sponsored by the following organizations: National Education Association, American Municipal Association, American Public Welfare Association, National Aeronautic Association, American Society of Planning Officials, American Engineering Council, American Institute of Architects, National Recreation Association, United States Bureau of Public Roads, and the United States Conference of Mayors. Citizens' committees went out, appraised the work, and gave their opinion as to whether the program was worth while. It is astonishing that the replies from the public officials in the various towns and cities, Republicans and Democrats alike, stated that the work was worth while from the standpoint of community needs and beneficial to the needy unemployed. The response was practically unanimous in that the program was a most worthy one.

These gentlemen who today deplore what they consider wasteful extravagance in these expenditures were the same who sat back complacently and watched billions being poured into the brutal destruction of human beings during the world conflict. They profited at that time and that was their indicator of moneys usefully spent. These same gentlemen would rather see luxury for the few as against comfort for the many.

The program is necessary for the reason that humaneness and decency demand that human beings be provided for. It helps maintain the morale and self-respect of people. It helps conserve the skill of unemployed workers.

The program is necessary for the reason that it will stimulate purchasing power and aid recovery.

The program is necessary for the reason that it provides projects of a useful nature benefiting great masses of people and increasing the natural wealth of the country.

We will not adopt the "do nothing" policy. Congress must and will act in behalf of the people. Any other policy will but give incentive to agitators who foster communism and fascism. We will continue to show the world that democracy can still solve this country's problems.

I close with the same statement I made to the House last week on the wage-hour bill.

The majority of the American people want this legislation. We will not fail them. We cannot let them down. We will go forward.

Law Enforcement Takes a Holiday—Taxpayers Speak Up for the G-men

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EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 1938

Mr. CRAWFORD. Mr. Speaker, the dilly-dallying of the Federal Government in getting the efficiency of the Federal Bureau of Investigation back to its full capacity and full manpower, instead of the 50-percent skeleton force now attempting to hold down criminal activities in the United States, is beginning to arouse public sentiment against Congress.

Through lack of foresight, insufficient funds were granted the F. B. I. by Congress for the 1938 fiscal year despite statements of Attorney General Cummings and F. B. I. Director Hoover that considerable more funds would be needed than it was proposed to give them. All that is past.

Two weeks ago half of the agents of the F. B. I. were called away from their posts and from cases they were investigating and they were handed enforced furloughs. Law enforcement takes a holiday, in other words. That holiday started

2 weeks ago; today Congress has not turned its hand to get these men back on the job by providing funds to meet the $173,000 deficit. In other words, the taxpayers of the Nation will be justified in attaching the kidnaping label to this Congress because we have "snatched" one-half of the G-men away from their posts where they were engaged in protecting law-abiding citizens.

I understand it is proposed to further delay action until the second deficiency bill comes up. It will be fully 2 weeks, or perhaps more, before hearings can be held, the bill passed by both Houses, and signed by the President.

We thus tie the hands and feet of the F. B. I. for 1 month, and even then under the pending proposal will send that Bureau into the next fiscal year nearly $200,000 short of its actual needs for this year.

Under leave to extend my remarks let me read to you what some of the national organizations such as the American Legion, the D. A. R., the Veterans of Foreign Wars, the International Association of Chiefs of Police and the editors are saying about Congress and this F. B. I. emergency. The National Society of the Daughters of the American Revolution adopted a resolution which said in part:

Resolved, that the National Society, Daughters of American Revolution, commend the Federal Bureau of Investigation for its courage and devotion to public good, and pledge its support to congressional appropriations sufficient to meet demands.

The National Headquarters of the American Legion has supported a resolution of its local department stating in part as follows:

The American Legion deplores the situation and urges the President and Congress of the United States to provide adequate emergency funds for the operation of the Federal Bureau of Investigation at maximum efficiency during the remainder of the present fiscal year.

The vice president of the International Association of Chiefs of Police, Mr. Donald L. Leonard, a highly respected and nationally known law-enforcement officer, residing in Michigan, has written me, in part, saying:

Our association is opposed to any such curtailment in the operation of the F. B. I. The splendidly trained officers of the Bureau, under the able direction of Hon. J. Edgar Hoover, have worked hand in hand with the other law-enforcing officers in the country in the suppression of crime and detection of criminals. The record of the Federal Bureau of Investigation in this respect speaks for itself.

I, therefore, appeal to you, not only in behalf of the International Association of Chiefs of Police but also personally, to oppose any reduction in the appropriation for the Federal Bureau of Investigation.

The Veterans of Foreign Wars of the Edward Hoffman Post No. 116 of Detroit have sent me a resolution which they unanimously adopted last week protesting against the reduction of personnel of the F. B. I. and that resolution states in part:

We feel that the personnel of this Department instead of being decreased should be increased; economy at the expense of law-enforcement agencies of the Government means not only waste in security, but waste in money. Records show that this Bureau in 1937 recovered in fines, recoveries of property, etc., the sum of $41,438,370.22. It is evident to us that the effort to curtail the activities of this Bureau is not economy but a disguised attempt on the part of criminal and subversive forces to disrupt a group of men who have and are serving this Nation well.

Milwaukee's chief of police, Joseph Kluchesky, has written me a three-page letter upholding the work of the Bureau and stating in part:

May I appeal to you for support in our efforts to keep the Federal Bureau of Investigation at its present high efficiency and value to the country and to frustrate the efforts apparently being made to cripple the service now rendered by that Bureau. It is a matter of utmost gravity as curtailment of the appropriation of funds for that Bureau threatens to have such far-reaching consequences that they will be felt by every citizen of the country.

The Washington Star said editorially last night:

At best, this is patchwork financing. After the patch is applied, the Bureau still faces a new fiscal year with less money available than it started out with this year. Unless gangland suddenly decides to go straight, another deficit would seem to be in prospect.

The Budget Bureau and Congress need expect no cooperation from crime, for statistics show that lawlessness takes no furloughs and spares no money. The Government can ill afford to shut its eyes to these facts under guise of economy.

Mrs. McLean, in her column My Say published last Monday, said:

"Millions for defense to fight our enemies, but not 1 cent to protect our women and our children" will soon be a motto in America, thanks to the utter disregard and failure of the powers that be to safeguard the F. B. I.

The Pittsburgh Sun-Telegraph said editorially this week:

But the Communists in the Government want a Bolshevik G. P. U.—a political secret police bureau with which the politicians can persecute their enemies, oppress the public, and take another step toward Russian despotism.

Nothing can be more important to the people of this country than immediate rehabilitation of the honest, independent, and competent Federal Bureau of Investigation. But the motto of Congress seems to be billions for political tribute but not one cent more for the efficient defense of the people against crime.

The Detroit News said editorially in part last Tuesday:

It must be—and there is a steady accumulation of signs that way—that Hoover's refusal to play ball with the politicians, to make his office another haven for their hangers-on, along with his unequivocal expressions of what he thinks of political interference with police functions, have made him intolerable to the objects of his scorn.

The Memphis (Tenn.) Commercial Appeal stated:

With hundreds of millions and even billions of Government dollars either being poured out, or in the process of being, this skimping of the G-men strikes the average citizen as the most flagrant case of penny wisdom and tomfoolishness yet on record.

The New York Herald Tribune says:

If the F. B. I. were an extravagance, this fiscal discipline might be applauded, but the services it is constantly rendering the country in pursuing and capturing our major criminals, in spreading fear of the law among the most dangerous enemies of society is in striking contrast to the relatively paltry figure of its cost.

Texans likewise apparently resent this situation for the Houston Post says:

The type of economy which would cripple that Federal police force and expose the citizens to the type of violence which flourished before the G-men joined the fight on crime is extremely short-sighted. This is one governmental activity that pays rich dividends on the money spent. Enough money is wasted by Congress in useless political and logrolling activities to double or quadruple the size of the F. B. I. forces, so there is no valid reason for crippling that very necessary agency of the Government.

Our Nation's Tax Burden

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 1938

STATEMENT OF THOMAS W. PECK, OF KALAMAZOO, MICH.

Mr. SHAFER of Michigan. Mr. Speaker, under permission to extend my remarks, I include herewith an interesting statement on the present tax burden of the Nation that has been prepared by Mr. Thomas W. Peck, an official of a large paper-manufacturing concern in Kalamazoo, Mich. The figures and observations contained in this statement should prove not only interesting but valuable to Members of Congress who are today voting to further increase the tax burden.

Twelve billions of dollars is a lot of money in any man's language. Yet this represents just the tax bill of the 175,000 taxing bodies in the United States for the year 1936, the last year for which completed figures are available. Do not confuse this with the cost of government, for in addition to this huge sum the various public bodies borrowed a cool five billion more to make up their deficits. The cost of government in this United States during 1936 was $17,000,000,000. And the "Cost of government," as one wise observer said, "is always up."

Express these enormous figures in personal terms and you have average tax collections of $100 per man, woman, and child in the whole country. Which means a $7,000,000 tax bill for greater Kalamazoo. You will say this is impossible, for it represents nearly half of the cash on deposit in our banks, and should this amount have been withdrawn for tax payments, the banks would have closed their doors.

Now, only a fool or knave would advocate a $100 head tax. But wise statesmen know that the average man, who would become a raving maniac if he could see the tax bill he pays, will nevertheless remain happy and content if his taxes are buried like dead bodies in the rubbish of the temple. He doesn't know it, but he pays 58 tax bills on his bread, 38 taxes on his bacon, 45 taxes on his sugar, 63 on his clothing, and so on, ad infinitum.

Perhaps he thinks the social-security taxes which are deducted from his pay checks do not become a part of the cost of the product he makes, yet these direct wage taxes have advanced wages so as to absorb them, and the manufacturer or employer is really paying the bill. The higher wages go into the cost sheet, but a part of the wage is the social-security tax bill.

Individual income taxes are not a direct tax on business, but indirectly they are, for the salary or wage on which the tax is computed is a cost of business, and that salary or wage includes the tax.

Indeed, one can reason logically that every tax is directly or indirectly a part of the cost of doing business, somewhere. The low income pays taxes in a higher ratio than the high income, when these indirect taxes are considered.

Yet we are distraught today with the fallacious idea that business organizations can pay any kind of a tax burden without necessarily passing it along in the selling price of its products, and so the politicians who run our fair land have exploited a soak-the-rich tax idea in a most malicious manner—"rich" meaning any person or corporation which has reserves over and above all liabilities. Sometime the public will awaken to the gravity of this deception. God grant that it is not too late, for with the fall of the right to save and to accumulate goes also the other rights which we have always considered as the inherent rights of free men.

We do not dispute the fact that the services of government necessarily will multiply with time, although it is questionable if this always comes from a demand on the part of the people so much as the result of self-interest on the part of unscrupulous or unwise political leadership. Yet, in a progressive society, government will increasingly play a more important part in the life of the people, and we must therefore be prepared for some advances in the cost of government from decade to decade. But the advance has now become so precipitous as to challenge every good citizen, whether a direct taxpayer, or indirect, to the seriousness of the situation. We cannot continue at this accelerated pace forever—there is a breaking point where the burden becomes oppressive. I personally believe we are arriving at that point, and that we must demand immediate and far-reaching retrenchment.

It is not a good situation when the direct tax burden on a paper-producing corporation gets to the stage where it equals 12 percent of the pay roll, or 6 percent on the capital stock; where more than 25 cents must be added to the cost of 100 pounds of paper to provide for government. The cost of government then crowds in on dangerous territory, challenging the rights of business capital, business labor, and business management to their proportionate share of the value of the product.

I personally feel that these extravagances of government, these encroachments into the fields of private enterprise at public expense, this wasteful handling of relief funds for political ends rather than as a means to assuage human suffering, creating an exploitation of adversity and a pauperism of character, all this creates a situation which should be hauled out of the closet into the full light of day. And that otherwise our whole civilization is imperiled.

Most serious, however, is the unbalanced Budget. Now, if the American people do still insist on all this waste and extravagance, this duplication of governmental effort and the building of bureaucratic government on bureaucratic government, then they should pay for it year by year, rather than to pass on to our children's children debts they cannot pay with money which has no value.

Taxes must be levied annually in an amount equal to the expenditures. For instance, in 1936 the tax burden, instead of having been $12,000,000,000, should have been 17 billion. Instead of $100 for each and every man, woman, and child—or $400 for each head of a family—the tax burden should have been $140 per capita, or $560 for each head of a family.

Someone may say that this would have made serious inroads on corporate earnings; yet bear this in mind, please, that within limits corporations are only tax collectors, passing the tax cost on to the consumers in the way of higher selling prices. You may challenge the justice of this practice; I ask you to follow me with this sound economic reasoning:

1. Business, or industry, has no wealth to distribute which it does not create. Between the delivered cost of the raw material and the price the consumer pays must be sufficient spread to take care of the service performed by labor, by capital, management, and government, and to set up sufficient reserves for the restitution of depreciated capital, the normal expansion of the business, and the savings account for the rainy day. Anything over and above all that might be considered profit.

2. Each factor in the creation of wealth is entitled to its just and proportionate share.

3. When distribution of the spread is the result of arbitrary demand rather than relative value, then costs will rise disproportionately.

4. Costs cannot exceed selling price.

5. When costs do rise to a point higher than the capacity or the interest of the consumer to pay, then production ceases, no wealth is created, no distribution can be made.

6. If no wealth is created, then either the producing unit must close its doors, or costs must be reduced.

7. When costs are reduced, the last cut will be Government. Already capital has anticipated its cut in income for 1938, as the market value of securities reflects. If buying does not soon open up, selling prices of all commodities will be lowered to a point where consumer interest is aroused. The margin being narrowed, less can be distributed to all except Government, who will demand their full pound of flesh, so long as the people passively stand by and permit it.

Industry then faces a dual problem: First, to make the adjustment in today's costs so as to meet the tax demand of Government; and, second, to plan well for the future in the face of unknown tax costs and unknown capital markets.

We cannot underestimate the force of this last-named factor. Capital has a unique characteristic of going into hiding when scared. It matters little whether the capital is in the possession of the beggar on the street or the Wall Street plutocrat—whether $10 or $10,000,000—if it is harassed or fearful, it goes out of circulation. America is still the safest place for it to hide, and it slips away from the ports of Europe and Asia at every alarm. But should our cost of government continue at this excessive rate, or should our debt mount up to higher levels by continued deficits, or should America be ruled by demagogues who foster class hatreds, who pound out lies, who use national income to promote personal power, then what has been God's country can become arid as the desert, destitute of life, devoid of liberty, and divested of the privilege of the pursuit of happiness, then we shall find capital continually restrained from undertaking risk through justified fear.

Formerly, business furnished the leadership in government, and the least that can be said of it is that it followed sound economic precept, living within its income, paying its debts, refraining from unnecessary expenditures, placing responsibility where it would be most wisely administered. Five years of the opposite policy in the hands of impractical dreamers has not yet disproven the soundness of the policy of the business leadership of the past. Perhaps it is expecting too much that we should go back to the past glory, but at least there should be a place in the councils of government today for a few men trained in the school of practical business—men who know the meaning of the dollar, who remember the Scriptural advice to give unto Caesar only the things that are Caesar's and unto God the things that are God's.

Giving the Farmer a Lift to Market

EXTENSION OF REMARKS

OF

HON. KARL STEFAN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 1938

RADIO DIALOG BY HON. KARL STEFAN, OF NEBRASKA, AND RAYMOND H. COMBS, PRESIDENT, NATIONAL RURAL LETTER CARRIERS' ASSOCIATION

Mr. STEFAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio dialog by Hon. KARL STEFAN, Member of Congress, of Nebraska, and Raymond H. Combs, president of the National Rural Letter Carriers' Association, over the facilities of radio station WJSV, Washington, D. C., and the Columbia Broadcasting System network, on May 11, 1938:

Mr. STEFAN. I am very happy to meet you again, Mr. Combs. I am particularly pleased to be able to take part in this broadcast with you. When it comes to the question of roads, a Congressman from Nebraska and the president of the National Rural Letter Carriers' Association will always be found walking together on common ground. The members of your organization and my constituents have the same road problem.

Mr. COMBS. Indeed we do walk on common ground, Congressman STEFAN, and, when it comes to our mutual problem of farm-to-market roads, we very often find ourselves contending with common mud. We are, naturally, both intensely interested in

farm-to-market roads, since the members of my association and the majority of your constituents live and make their living on that kind of road.

Mr. STEFAN. That is very true, Mr. Combs. Roads play a most important part in the social, economic, and cultural life of the farmers in my State. They play an equally important role in the lives of the 30,000,000 farm people throughout the Nation. It is, therefore, only natural that we Middle Westerners are particularly interested in the condition of our secondary roads.

Mr. COMBS. What is the condition of the secondary roads in your State today?

Mr. STEFAN. Well, to be perfectly frank, I must admit that many miles of these roads are in very bad shape. Many of my good farmer friends can sit on their front porches and watch the traffic on a highway 3 or 4 miles away. Yet during bad weather they are completely isolated from that highway. In order to reach it, to bring their produce and their families to town, it is necessary for them to cross several miles of unimproved dirt road, which rain often makes completely impassable.

Mr. COMBS. The picture you have just painted, Congressman, is one that is repeated over and over again throughout the 48 States. More than 50 percent of the roads on which our rural population lives are plain, ordinary dirt roads which at many times during the year become plain, ordinary mud roads. The result is, of course, serious loss to the rural letter carriers as well as to the people they serve.

Mr. STEFAN. When you speak of rural letter carriers, Mr. Combs, do you speak from personal experience?

Mr. COMBS. Absolutely. I carried mail on a rural route for 32 years. All our officers are picked from the ranks of letter carriers. We feel that, having had this personal experience, we are in a position to discuss the problems of our work to better advantage. During my 32 years of active service I learned a great deal about the importance of rural roads.

Mr. STEFAN. Yes; you certainly must have done so. I have heard considerable comment lately concerning the difficulties experienced by your carriers on mud and dirt roads. Carrying mail under such conditions must entail a great deal of extra expense.

Mr. COMBS. Yes; the cost to us is tremendous. The loss in time and money which results from the unimproved condition of secondary roads is of the utmost significance to the 33,494 rural letter carriers in the United States today.

Mr. STEFAN. You are not the only ones who suffer because of the necessity of driving over bad roads. Every other person who is forced to use poor roads, either for business or for pleasure, must sustain actual monetary loss. It has been found that the cost of operating the average automobile on dirt roads is 8 cents a mile. This cost is reduced to 5 cents a mile on gravel roads and 3½ cents on pavement. In other words, it costs more to drive 1 mile on a dirt road than 2 miles on a paved highway. The additional cost of negotiating these dirt and mud roads would go a long way in paying for their improvement.

Mr. COMBS. I agree with you on that point, Congressman. Bad roads take their greatest toll from the farm families who must live on them and use them daily. In my experience I have found that there is a world of difference between life on a good secondary road and life on one that has never been improved. Where you find good roads you find buildings improved, fences well kept, and people with pride in their property. Where you find unimproved roads, the general aspect of the place is just the opposite.

Mr. STEFAN. That is very true, Mr. COMBS, and there are many concrete reasons for the prosperity of the farmer who lives on the good road and the poverty of his less-fortunate neighbor. The farmer deals largely in perishable products. When muddy roads keep him from taking his butter, his eggs, or his vegetables to market, his produce becomes completely worthless within a very short time. Financial loss to the farmer also results from the wear and tear suffered by his machinery when driven over these rough roads.

Mr. COMBS. Yes; those are the day-by-day effects of bad roads on the farmer's pocketbook. Now, I would like to call attention to a long-range benefit which comes to the farmer when a good road is constructed and maintained past his farm. I refer to the increase in the value of his property. I have seen land which was considered comparatively worthless sold for a good price merely because of a rumor that a new road would be built to connect it with the main highway system.

Mr. STEFAN. In considering the important economic difference between farmers on good roads and farmers on bad roads, we must not lose sight of the part which roads play in their social life. I have always been a firm believer in the importance of giving every child an opportunity to obtain an education. Our Government has invested large sums of money and is likely to invest much more—as can be seen in the bill recently introduced by BROOKS FLETCHER, of Ohio—for the purpose of providing better education for the Nation's youth. Records show that millions of our children are denied adequate education. By adequate education I mean at least an eighth-grade education.

I think that everyone will agree that this money has been well spent. These new and improved schools, however, must often serve farms at a distance of many miles. In rural communities, where the roads are poor, there are many months during rainy and stormy weather when it is impossible for a great number of these farm children to get to school at all. The social loss, not only to these children but to their whole community and even to the Nation, cannot be computed in dollars and cents.

Mr. COMBS. Yes; I don't think anyone will argue with you about that, Congressman. I don't know what your opinion is concerning the desirability of an isolationist policy for nations, but I am sure that you agree that it is not good for anyone to be cut off from his fellow men. Yet that is what happens in districts where roads become impassable during a large part of the year. Church, social affairs, and all contact with their neighbors is eliminated for our farmers, their wives, and children when the road which passes their farm is not kept in repair.

Mr. STEFAN. Yes; that is very serious, Mr. Combs, but there are other things which may prove even more serious. Consider the farmer on a poor road who is involved in one of the accidents which are so likely to happen when one is working around farm machinery. Much precious time will be lost in obtaining medical aid if it is necessary to drive over a road in bad condition. In many cases, due to impassable roads, a doctor cannot be reached at all. Consider this same farmer if his house or barn should catch fire. The same difficulties will face him in his efforts to get help before his home is burned to the ground. In all these emergencies, which so often arise in the country, the farmer's life or property may depend on the condition of a road.

Mr. COMBS. Your mention of farm accidents reminds me of another man whose livelihood is greatly affected by the roads in his territory. I refer to the country doctor. Improved roads make it possible for him to extend his practice over a much greater area and to cover more territory in less time, not to mention the reduction in the depreciation of his automobile. The doctor, incidentally, is only one of the rural business and professional men who are benefited by an adequate program for secondary roads.

Mr. STEFAN. Yes, greater prosperity for the farmer will always mean greater prosperity for the persons he patronizes.

Mr. COMBS. And that is not all. Better roads mean increased traffic and increased traffic means a proportionate increase in the potential sales of the small-town merchant. The tourist industry has in recent years become of tremendous importance in America. Tourists are the main source of income for communities in many sections of the country. Yet there are many beautiful and historic spots which have never received any of this trade because of the difficulties involved in reaching them over poor roads.

Mr. STEFAN. You are exactly right, Mr. Combs, our vacationing Americans, no matter how intent they may be on seeing all the attractions which our county offers, cannot be expected to take their automobiles and trailers into sections where the condition of the roads makes driving unpleasant, expensive, and often dangerous. It is only natural that the sections of the country with the best roads will be favored by this constantly growing army of tourists.

Mr. COMBS. And the result is that the businessmen in the communities located on unimproved roads are losing their rightful share of the trade of these tourists.

Mr. STEFAN. The tourists themselves, Mr. Coombs, are also losers, through their inability to visit some of the Nation's most interesting and beautiful spots without suffering all the inconveniences and hardships of travel over rough roads.

Mr. COMBS. Yes; I am well aware of this loss to those of us who like to motor for pleasure. For a Sunday afternoon's ride most of us prefer to get away from the main arteries where driving is uncomfortable and too exacting. I know that when I go riding I like to turn off the main highways and go to the back roads where there is peace and quiet instead of hurry and congestion. But this is only possible if the rural roads are good roads.

Mr. STEFAN. We must not overlook the tremendous social effect which improved farm-to-market roads will have on heavily populated areas. The places immediately adjacent to big cities are growing by leaps and bounds. For many years the movement in this country has been away from the farms. But with better roads in rural sections, electricity, water, and other improvements will soon follow. As a result more people will seek homes in the country, thus relieving congestion in the big cities and helping to distribute the growth in population more equally throughout the 48 States, particularly in the Midwest.

Mr. COMBS. Yes, sir, I am quite certain that whether we live in the city, town, or country, we all have very good reasons for striving for the improvement of the Nation's farm-to-market roads.

Mr. STEFAN. That is very true, Mr. COMBS, and I am equally certain that when all the advantages which result from good secondary roads—social, cultural, and economic—are added together, it will be found that they immeasurably outweigh the construction and maintenance costs of an adequate farm-to-market system. I want to say, in closing, that I am proud of the fact that I had a part in the recent passage of the Cartwright highway bill in the House of Representatives. As you know, it provides $25,000,000 for farm-to-market roads for the fiscal year 1940 and the same amount for the fiscal year 1941. This legislation is undoubtedly of far-reaching importance to the farm population of the State of Nebraska and the other States in the Union.

Work Relief and Relief

EXTENSION OF REMARKS
OF
HON. EDWARD W. CURLEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 12, 1938

Mr. CURLEY. Mr. Speaker, the Democratic platform states: "We believe that unemployment is a national problem, and that it is an inescapable obligation of our Government to meet it in a national way."

In 5 years the Congress accomplished much in the way of human legislation enacted on the recommendation of the leader of our party, President Roosevelt.

Shall we save human Americans' lives or balance the Budget? By all means protect human rights. It is the paramount thought in the minds of the intelligent citizens of our great American Nation. While our critics clamor about "too much spending and lending in the new emergency relief measure" why did they not clamor back in 1929–33—the years of the Republican deficits and unbalanced budgets? They said nothing then about the Constitution but now they wrap themselves under the protection of that organic instrument and want the money for relief allotted to the States.

President Roosevelt's interpretation of our Constitution compares with that of Chief Justice Marshall, who stated:

THE FEDERAL PLAN

The Constitution was ordained and established by the people of the United States for themselves, for their own Government, and not for the government of the individual States * * * the people of the United States framed such a Government for the United States as they supposed * * * best calculated to promote their interests." (John Marshall, Chief Justice of the U. S. Supreme Court, January 1833.)

So our great President believes the Constitution is meant to serve all the people and not meant as a strait jacket. Do not forget our Nation was a very sick patient in 1933, with the banks closing all over the country, the railroads and business bankrupt and in a state of collapse. Well, Uncle Sam gave each of them a financial blood transfusion, and saved the financial institutions who held 16⅔ percent of the millions of home owners' mortgages. That financial help was all right then, but they failed to use that money to promote security to all. So now the Nation is down sick again.

Here is some food for thought for the critics of our Republican minority.

Let us look at the Republican record before 1933

Banks closed in—

1921	505
1922	367
1923	646
1924	775
1926	618
1927	669
1928	499
1929	659
1930	1,352
1931	2,294
1932	1,456
1933	4,000

The total number of 14,820 banks closed during the 12 golden Republican years.

Now let us examine the record of the New Deal. In 1934 only 54 banks failed, and the depositors got their money up to $5,000 at once. In 1935 only 44 banks failed, and the depositors got their money. In 1936 only 34 banks failed, and the depositors got their money. In 1937 only 71 banks failed, and the depositors got their money.

Thus in 4 years of the New Deal, under Roosevelt, the total number of banks that failed was 203, far less than the number of failures in any 1 year of the "old deal." So that while the New Deal may not suit certain bankers, it quite obviously suits their millions of depositors who have not forgotten that many of those same bankers fought the deposit insurance which now protects them.

It is estimated that there are 45,000,000 persons who are employable in the United States, of which approximately 12,000,000 are unemployed at present.

The President seeks, and is cooperating with the captains of big business and industry, in planning for another blood transfusion to increase consuming power and resultant production. This is no time for quibbling. The country is in need of government help in this recession emergency. We have to coordinate all elements of our democratic economic system that it may function more efficiently for all concerned in this crisis. Twelve million families are crying out for work to provide food, clothing, and shelter. We will not let them down.

THE INDUSTRIAL AGE ARRIVES

When we note the inventive genius employed in the technological development absorbed in our American economic structure, we must realize it was difficult for labor to keep pace with the drastic forces rapidly displacing them in industry. That modern history reveals the age of machinery entering our life * * * then we realize manpower had to yield to horsepower * * * and next horsepower was superseded by steam and electricity. To top all these new inventions off we find industry and business was revolutionized by the marvelous development in communications through the telephone and telegraph and the mastery of the air in transportation. Our daily lives were vastly changed by inventive genius.

Today we have the concentration of men and women in industry, money, and machinery, controlled by the invention of the dynamo and the assembly line, in the dense congestion of manufacturing plants and industrial cities. That old-time self-reliance of the individual was forced to give way to those technological changes too numerous to mention. When you visualize the networks of steel and concrete highways which carry the products of remote farms, forests, and mines to the market places, you can then realize the vast displacement of labor that took place, without planning for reallocating labor in the economic structure, to balance it and secure economic equilibrium. If private industry failed to recognize their fallacy in increasing profit through lessening costs of production by use of machinery, thereby causing a reduction in the number of workers and increasing the number of unemployed, with the resulting decrease in the purchasing power of the consumer, then industry must be shown the error of its ways by the Government. This resolution, providing for additional relief for 1939 is meritorious, constructive, and deserves the support of all.

Edward A. Kenney

MEMORIAL ADDRESS
OF
HON. WILLIAM H. SUTPHIN
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 20, 1938

On the life, character, and public service of Hon. EDWARD A. KENNEY, late a Representative from the State of New Jersey

Mr. SUTPHIN. Mr. Speaker, I rise to pay tribute to a friend, who, throughout his life, has given of himself in service to others. The State of New Jersey and the Nation will miss our late colleague, EDWARD A. KENNEY.

As I attended the funeral services of my friend, and saw the hundreds of people who gathered there from all walks of life, I realized that here, indeed, is reward for good works well done. For these people came to bless their friend and helper on his way to his Maker. They came sincerely,

plunged into grief for the loss of their friend, and overwhelmed in gratitude for the many ways in which he had helped them. His splendid example will live after him and contribute much to make the world more kind.

I pause to offer comfort, and the sympathy of this House, to Mrs. Kenney, his bereaved widow, who knew him as a devoted husband who cherished her dearly.

Mr. Speaker, our departed colleague was an able, industrious, and conscientious Member of Congress who gained the respect and esteem of all those who came to know him. He served with distinction on the Interstate and Foreign Commerce Committee, one of the truly important committees of this House, and his colleagues who sat with him there came to admire him for the fine qualities of his keen legal mind.

His colleagues from the State of New Jersey probably knew him best for his service to his State. Coming from a district of great importance to the Nation's commerce and industry, the employers of men and the men employed found EDWARD A. KENNEY a sympathetic helper, who, both in committee and in this House strove to obtain for them an equality of rights and opportunity.

Deeply interested in his country's welfare, our departed Member gave much of his time to a study of fiscal theory and practice in an effort to lift from industry and the workingman the heavy burdens of taxation which rest upon them. He died with his work unfinished, as we all must do, but I have no doubt that his efforts contributed to the welfare of his fellow men.

I believe it was Pericles who doubted the wisdom of funeral speeches, declaring that where men's deeds have been great they should be honored in deed only. The deeds of EDWARD A. KENNEDY were great, and their greatness and goodness have established for him, on earth, a hallowed place in the minds and hearts of those he served or served with.

His life was full of useful deeds. He was prompted and guided by the inspiration that comes from an abiding faith in the directing hand of an all-wise, all-loving, and all-powerful Providence. God has prepared a place for him, and he has joined his Heavenly Father there.

Philip Arnold Goodwin

MEMORIAL ADDRESS
OF
HON. BERTRAND H. SNELL
OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1938

On the life, character, and public service of Hon. PHILIP ARNOLD GOODWIN, late a Representative from the State of New York

Mr. SNELL. Mr. Speaker, our late colleague and friend, PHILIP ARNOLD GOODWIN, was serving his third term as Representative from the Twenty-seventh Congressional District of New York when a persistent illness took him from us. His passing was a severe shock and loss to his friends in Congress and to his district where he was greatly beloved for his sterling qualities.

PHIL GOODWIN, as he would have us call him, was essentially a businessman, and he brought his experience as such to play in the discharge of his duties here. In his first term he readily became identified as a level-headed businessman applying the same methods and high standards to his work as legislator as those employed in his multifarious engagements at home where he was so highly respected for his probity and uprightness of character.

PHIL GOODWIN was versatile in business. He graduated from a business school and this kind of education and training stood him in stead in many business enterprises. He soon became recognized as a man of excellent judgment, and withal one in whom could be placed absolute trust and confidence.

His business enterprises covered a wide range—bridge building, owner of a lumber company, president and director of a national bank, vice president of a milling and supply company, founder and president of the Goodwin-Griswold, Inc., president of the chamber of commerce of his home town of Coxsackie, and he was identified prominently with many civic, fraternal, and religious activities in his community. Indeed, there was hardly a movement in business and social circles in which he did not take a prominent interest and part. Truly he was a leading citizen in the true sense in every department of life, the type that has led in the building of America, both spiritually and materially.

PHIL GOODWIN was of a modest, retiring nature, yet strong in his personality and in his political and religious convictions. He was not dogmatic, however, but was tolerant of the views and opinions of those who might differ with him. He was unacquainted with expediency and hated sham and hypocrisy. Frail in body but rugged in spirit, he commanded affection and esteem in friends and the respect of enemies if he had any. His service in the House, all too brief, but of the average length, was filled with deeds and kindly acts and with work for his constituents and the country that endeared him to all who were privileged to know and to come under the benign influence of this fine, courtly gentleman.

The Judiciary

EXTENSION OF REMARKS
OF
HON. M. M. LOGAN
OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Friday, May 13 (legislative day of Wednesday, April 20), 1938

ADDRESS BY CHIEF JUSTICE HUGHES, MAY 13, 1938

Mr. LOGAN. Mr. President, there has been so much newspaper comment regarding the address recently delivered by the Chief Justice of the United States that I ask unanimous consent to have printed in the Appendix of the RECORD his address in full as it appears in the Washington Post of today.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 13, 1938]

HEAD OF SUPREME BENCH QUESTIONS EXISTENCE OF ANY GREATER NEED AT PRESENT THAN "RESPECT FOR JUDICIAL TRADITION OF IMPARTIALITY"

The address by Chief Justice Hughes before the American Law Institute meeting yesterday follows:

"When, under the Presidency of Mr. Taft, it was suggested that the Supreme Court should have a separate building, Chief Justice White strongly objected. Among other grounds, he feared that the removal of the Court from the Capitol might cause a loss of public interest. The Court would be isolated and might largely be ignored. So far as I can judge from the course of events, that fear has not been realized. Nor do we lack visitors. Our records show that over 88,000 visited the Supreme Court Building during the month of April, and in 1 day the number was nearly 7,000.

"I am fond of recalling that Prof. Hiram Corson, of Cornell University, a distinguished scholar of his day, on returning to Ithaca from a visit to New York where he had witnessed a lavish production of a play of Shakespeare, confessed to some disappointment. 'Why,' he said, 'when the curtain rose, the audience applauded the scenery.' I imagine that the audience was really interested in the setting because of their interest in the drama.

PAYS TRIBUTE TO TWO RETIRED JUSTICES

"The work of the Court continues in volume and importance. When we began the present recess, on May 2, our statistics showed that we had disposed during the present term of 878 cases as against 820 in the corresponding period of last term. The number of cases on our dockets had increased this term by 65. We expect to adjourn at the end of this month with all cases disposed of which were ready for hearing.

"The past year has witnessed the retirement of two of our most eminent judges, Willis Van Devanter and George Sutherland. I cannot allow this opportunity to pass without a tribute to their service. Justice Van Devanter began his judicial career about 49 years ago as chief justice of the Supreme Court of Wyoming. His service on the Federal bench began in 1903 as circuit judge in the eighth circuit, and in 1911 he came to the Supreme Court. It is unnecessary to remind this body of judges and lawyers of the vast importance of the work of the Court which, unspectacular and hence largely unnoticed by the press and the public, goes on from day to day, demanding unremitting industry and technical competence. The public are naturally interested in the great divisive cases in constitutional law, but these are few and constitute but a small part of the burden which the Court constantly bears. In the discharge of its work, the conference of the Court is of the greatest importance, as there the Court discusses and decides the cases which have been heard and passes upon the applications for permission to be heard. It was in that conference that Justice Van Devanter's wide experience, his precise knowledge, his accurate memory, and his capacity for clear elucidation of precedent and principle contributed in a remarkable degree to the disposition of the Court's business. And, aside from his broad knowledge of the law, he had enjoyed the opportunities for special training in public-land law, which made his participation in that class of cases of peculiar value. Few judges in our history have rivaled him in fitness by reason of learning, skill, and temperament for the judicial office.

SAYS RESPECT FOR COURT MUST BE PRESERVED

"Justice Sutherland came to the Court after a notable public career as a Member of the House of Representatives and the Senate of the United States. Like Justice Van Devanter, he had his training in the West, and he was familiar with all the peculiar problems of the new States formed from our great western acquisitions. He had a special aptitude for the law, and his powers of analysis and exposition, his industry and thoroughness, have made his judicial opinions a highly important part of the jurisprudence of the Court. He has been the embodiment of judicial integrity—conscientious and independent. Bearing his full share of the work of the Court, unflagging in his labors, he never failed in courtesy, and his keen sense of humor and his rare ability as a raconteur made his companionship one of the special privileges of the intimate association of the members of the Court. We honor these judges in their retirement, and we cherish the memory of their fidelity to the best traditions of the bench.

"I question if there is any greater need at this time than continued respect for the judicial tradition of independence and impartiality. It is in the judicial process that we find the most developed and systematic effort of a democratic community to maintain the interests of justice by opposing reason to passion, accepted principles to unbridled discretion, and the requirements of fair play to the favoritism or tyranny of power. The defects in judicial administrations, which have made the public critical and restive, and which sometimes have obscured in public estimation the service of the courts, have been due in part to the law and in part to lawyers and judges. The law has lacked clarity, has maintained an unnecessarily complex procedure, and has permitted obstacles to be interposed to the prompt disposition of controversies. Too many lawyers have made the practice of their art a display of skill in avoiding or delaying the determination of cases on their merits by resort to technical obstructions. And, here and there, we find a judge who by pettiness, petulance, arbitrary conduct or procrastination in rendering decisions, has brought his office into disrepute. Despite all the just complaints addressed to these shortcomings, the judicial tradition still stands forth in testimony to the endeavor of the people to be just and to maintain their rights against the varied opportunities for partiality and oppression in administration.

"You have been busy for years in the undertaking to reduce the complexities of the law, to give it, so far as possible, needed clarity and simplicity, and the value of your efforts is receiving increasing recognition as the courts use and cite the restatements issued by this institute. Judicial councils in a number of States are watching and appraising the work of the courts. In the Federal sphere, the Supreme Court, some time ago, under the act of Congress of 1933, formulated rules which have expedited proceedings on appeals in criminal cases. Recently the Supreme Court submitted to the Congress, under the act of 1934, a body of rules of civil procedure so as to provide one form of civil action and procedure for both cases in equity and actions at law. To make this possible the Supreme Court enlisted the services of a distinguished body of practicing lawyers and professors of law who had specialized in the study of procedure. Their proposals were submitted to the consideration of the bench and bar of the country and have been widely discussed and approved. The Supreme Court examined these proposals and with certain changes adopted them. Under the statute they are to go into effect after the close of the present session unless Congress shall provide otherwise. Thus in the recent years we have witnessed a series of outstanding efforts to remedy the defects in the law, so far as these are responsible for unnecessary obstacles to obtaining as speedy justice as is consistent with a fair and full hearing.

PROMPT DISPOSITION OF CASES NOTEWORTHY

"With respect to the Federal courts also, the judicial conference of senior circuit judges annually considers the state of the work in the various districts and circuits and recommends such additional judges as seem to be required. The progress in the prompt disposition of cases is noteworthy and most gratifying. The last report of the judicial conference shows a greater number of districts in which the trial dockets are said to be current; that is, where all cases in which issue has been joined and which are ready for trial are disposed of not later than the term following the joinder of issue, except cases continued at the request of counsel. It appears that in the fiscal year 1934 there were only 31 districts of which that could be said; in 1935, 46 districts; in 1936, 51 districts; while in 1937 the Attorney General's report showed that the work of the district courts was thus current in 68 of the 84 districts, exclusive of the District of Columbia. That report also showed that the same condition prevailed in some divisions of four other districts and as to certain types of business in five other districts. In some districts equity cases may be tried even between terms if ready. The survey made by the judicial conference clearly indicated that the question of delays in the trial of cases after joinder of issue was one that should be considered with respect to particular districts and afforded no just ground for general criticism of the work of the district courts. Recommendations for additional judges to make possible the more prompt disposition of work in congested districts are now pending in Congress. The judicial conference is an institution of great promise, whose supervisory functions could wisely be extended.

"Still the prime necessity of making the judicial machinery work to the best advantage is the able and industrious judge, qualified by training, experience, and temperament for his office. He can accomplish much with a poor procedural system and the improvement in rules procedure vastly increases his opportunity. We are fortunate in the great number of such judges that we have throughout the country, and only the ill-informed or ill-disposed would overlook that fact. It is the exceptions among the judges, who with their conspicuous ineptness, do the harm, and they need such admonition as it may be practicable to give under our system. But the maintenance of the standards of judicial office rest chiefly with the electorate, where judges are elected, and with the appointing power, where they are appointed, and in both relations a vigilant bar through its organized effort to secure good judges should exercise, and constantly seek to exercise, a potent influence. The bar in each community well know who are fitted by ability and character for the work of the courts.

CITES MULTIPLICATION OF FEDERAL AGENCIES

"There is another relation in which the judicial tradition has, and should have increasingly, a helpful influence. The complexities of our modern life have brought into play rules of conduct which demand for their enforcement new machinery, and it results that a host of controversies as to public and private right are not being decided in courts. The multiplication of administrative agencies is the outstanding characteristic of our time. As I said some years ago, the demand for such agencies arises from "a deepening conviction of the impotency of legislatures with respect to some of the most important departments of law making. Complaints must be heard, expert investigations conducted, complex situations deliberately and impartially analyzed, and legislative rules intelligently adapted to a myriad of instances falling within a general class." Administrative agencies "informed by experience," and which have shown their capacity for dealing expertly with intricate problems, as, for example, in the case of the Interstate Commerce Commission, have won a very high degree of public respect. I notice that there is a tendency, in the desire to emphasize the importance of obtaining flexibility and expertness in particular classes of cases, to depreciate the work of the courts and by comparison to exalt administrative boards and commissions. Such efforts are shortsighted and are not in the interest of the suitable development of administrative agencies. It must be remembered that to the courts the community still looks for the standards of judicial conduct. The controversies within the range of administrative action may be different and extremely important, and they may call for a particular type of experience and special methods of inquiry, but the spirit which should animate that action, if the administrative authority is to be properly exercised, must be the spirit of the just judge. Whatever the shortcomings of courts, and whatever the need of administrative bodies, it is still the courts which stand out as the exemplars of the tradition of independence and impartiality. This is because judicial institutions, as we understand and support them, have won their place and established their standards through the historic contest against the abuses of power. So far as it is humanly possible under the conditions of democratic organization, judges are as a class supposed to be removed from political influence, to be guided by principle and not by sentiment or passion, and habitually to adhere to the requirements of the law in a conscientious endeavor to ascertain and apply them. This tradition should be cherished and not weakened by disparaging the institutions which embody it. Judicial work also has the advantage that those who are responsible for its results are identified. The judge who decides stands before the public as responsible for the decision.

"The community cannot afford to depreciate these accepted standards or to ignore the processes by which they are maintained. Administrative agencies, which we earnestly desire to succeed in discharging their important tasks according to the basic requirements of their authority, will achieve that end to the extent that they perform their work with the recognized responsibility which attaches to judges and with the impartiality and independence which is associated with the judicial office. Deliberation,

fairness, conscientious appraisal of evidence, determinations according to the facts, and the impartial application of the law, whether the controversies are decided in the courts or in administrative tribunals, these are the safeguards of society. For the law is naught but words, save as the law is administered.

"We cannot change human nature. We cannot expect perfection in the discharge of duty either in or out of courts. But if we hold strongly to our standards, defects will gradually be remedied, delinquencies will be suitably rebuked, and the democratic ideal demanding equal justice under law will be more fully attained.

The Magazine Rural Progress

EXTENSION OF REMARKS

OF

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Friday, May 13 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS OF HON. SHERMAN MINTON, MAY 12, 1938

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the RECORD a radio speech delivered by the Senator from Indiana [Mr. MINTON] on May 12. The address has special reference to the magazine known as Rural Progress.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I propose to tell you the story of how the press is used to deceive the people. The story today is about a magazine known as Rural Progress. This magazine was started in the fall of 1934. Each month since that time it has been stuffed into the mail boxes of 2,000,000 people who live on the farm or in rural communities in Indiana, Illinois, Iowa, Wisconsin, Minnesota, Ohio, and Michigan, designated by the magazine itself as seven pivotal States. These 2,000,000 people never ordered this magazine. They found it in their boxes each month. Then didn't pay for it, nor were they asked to pay for it. They were told by the publisher that the cost of the magazine was paid for by the advertisers in the magazine and they would never be asked to pay for it, and they never have, for the reason you will later see.

The readers were told that the magazine not only was being sent free because the advertisers paid for it but also that the magazine had no ax to grind in politics. It was wholly nonpartisan and as free as the air you breathe, so they said. Many farmers were suspicious about the method by which it was distributed and wrote many letters to the magazine expressing their doubts, and they were called by the magazine the "doubting Thomases," who were reassured time and time again that the magazine was nonpartisan and paid for by the advertisers.

Last Friday a Senate investigating committee called the publisher of that magazine to Washington and asked him about its nonpartisanship, its advertising, etc. This investigation has been so greatly misrepresented to you in the newspapers that I want to give you briefly the evidence brought out at this hearing, and I am grateful to the National Broadcasting Co. for an opportunity to tell you something that some newspapers concealed from you.

The evidence at this hearing showed that the magazine is sent out for distribution through the mail in these seven States with no address on it except that of box holders. This is possible because of a regulation of the Post Office Department that permits mail to be sent out in this manner. The corporation that sends out Rural Progress has no publishing plant or any assets except a little office furniture and a deposit in bank. During the time it has been operating the advertising it carried did not pay one-half of the expenses of publication. Since it has been in operation it has lost more than $951,000.

Evidence further showed that it was not nonpartisan but was consistently opposed to all the major objectives of President Roosevelt, including his farm program. They weren't violently opposed, like some of the newspapers. No; they were too smart for that. They remembered that the gentle dripping of water constantly upon a stone wears it away. They knew what men know who have studied the action of poison—that poison administered in mild doses would eventually destroy some vital organ of the body and kill the person to whom it was gently administered. The smart criminal who wants to poison never gives his victim a large dose; he always gives it in small doses, but steadily, until his victim is dead. That is and was the technique of Rural Progress. This sugar-coated propaganda was steadily printed in its pages, sounding on the theme that the Roosevelt administration was by its acts leading to dictatorship—a favorite theme of the propagandizing press at this time. That was the poison that was put out by Rural Progress in small doses each month against the Roosevelt program.

You say, "Well, what's wrong with that? Can't one criticize the Roosevelt program or be against it?" Most assuredly you can. That is the right of every free American citizen. Neither I, nor any other administration supporter, has any objection to that. The propaganda newspaper have told you that we have been trying to curb criticism. That's another one of their many lies. Of course, anyone has a right to criticize this administration. All we say is that you have a right to know where the opposition or criticism is coming from, who directs it, and who pays the bill. What we do say is that no magazine, such as Rural Progress, or any other, has the right to deceive the people by telling them falsehoods about who pays the bills of the magazine that is sent you free, or to tell you that it is nonpartisan, when it is consistently partisan and headed and handled by partisans.

Now, let me tell you where their money came from to put Rural Progress free in your mail boxes, whether you wanted it or not. I have already told you the advertisers didn't pay for it. They lacked $951,000 of paying for it. Where did the $951,000 come from? It came from capitalists, opposed to this administration, such as the late Frank Vanderlip, Mrs. Frank Vanderlip, Frank Vanderlip, Jr., George A. Ball, the then Republican national committeeman from Indiana, the Carnation Co., officers and directors of corporations such as Allis-Chalmers, Northwestern Mutual Life Insurance Co., and Westinghouse Air Brake Co. Oh, yes, I almost forgot to tell you, our old friend Dr. Rumely, executive secretary of Frank Gannett's National Committee to Uphold Constitutional Government, also was helping to finance Rural Progress.

You will remember Dr. Rumely as the man who was convicted of a conspiracy to defraud the United States, in that he tried to conceal the fact that he had received $1,300,000 from the Imperial German Government to buy and operate a newspaper to propagandize for the German Government during the war.

Thus, you see the advertisers weren't paying the bill by half, and the difference was being put up by wealthy men who are now, and always have been, opposed to President Roosevelt and his administration. Imagine that group being interested in the farmers. Why did they want to conceal from the readers of Rural Progress that these rich people, opposed to President Roosevelt, were putting up the bank roll? The answer is simple. Their propaganda would never have been accepted had it been known that they were paying the bill.

Now, let's look at its alleged nonpartisanship. The present editor and president of Rural Progress is Dr. Glenn Frank. Did you ever hear of him out on the farm? Is he an authority on farm problems? No. Is he a dirt farmer? No. Who is he? He was until a little over a year ago president of Wisconsin University, but was ousted by the board of trustees. He then formed his present connection with Rural Progress as editor and president, for which he receives $25,000 per year, and that, notwithstanding the fact that Rural Progress never made a dollar, but has lost almost a million dollars since it started. Is Dr. Frank nonpartisan? No. You could hardly find a more partisan man in the country today.

In addition to getting $25,000 dollars per year from Rural Progress, he is employed as chairman of the Republican Policy Committee of One Hundred. Did you who had been receiving this so-called nonpartisan Rural Progress know that its policy was shaped by the same man that is shaping the policy of the Republican Party? Well, it is; and Dr. Frank, partisan Republican policy maker, is the policy maker of Rural Progress.

How much chance has Rural Progress to be nonpartisan with such a partisan directing its policy? None whatever. It is just as partisan as Dr. Frank. Of course, it has a right to be partisan, but it ought to tell you the truth, and not represent to you that it is nonpartisan.

At the hearing in Washington the other day Dr. Frank was not subpenaed as a witness, but he showed up at the hearing. The publisher who started Rural Progress was the witness. He knew all about the magazine from the start. Although Dr. Frank was not called as a witness, he was present and sought to, and did, interrupt the proceedings, and tried on several occasions to make a speech, more in his capacity of Republican policy maker than as president of Rural Progress. The committee did not let Dr. Frank make a speech, so after the hearing was over he made a speech to the newspapers, and you read more about his speech than you did about the hearing. The hearings are not complete. Dr. Frank may have plenty to explain if he wants to be sworn as a witness.

So, ladies and gentlemen of the rural communities, that's the story of Rural Progress. I wanted you to know that it was not paid for by the advertisers, but, instead, is paid for mostly by rich people who are opposed to the administration. I wanted you to know that it was not nonpartisan but was headed by a partisan of the most decided partisanship.

As the New York Post well said, speaking of this kind of propaganda: "We do want to know in every case how spontaneous they are and who the real birdie is who starts them. We think this is a proper field for legislative inquiry in this day when money buys publicity. We want to know when an idea is stamped 'Made by the Common People' whether or not is has a little bit of big-shot press agent in it."

That is all the Senate committee wants. We do not want to stop propaganda or criticism. All we want is that the critic shall stand before you with his sponsors, especially those that put up

the bank roll. If you are satisfied with the propaganda and criticism when you know where it is coming from and who pays the bill, that is your business, not ours. So I have removed the mask of Rural Progress so you may know they were deceiving you about where the money came from to publish Rural Progress, and that they are not nonpartisan but just as partisan as the Republican Committee of One Hundred, whose chairman is also the head of Rural Progress.

The Right of Free Speech

EXTENSION OF REMARKS
OF
HON. H. STYLES BRIDGES
OF NEW HAMPSHIRE
IN THE SENATE OF THE UNITED STATES

Friday, May 13 (legislative day of Wednesday, April 20), 1938

ARTICLE BY DAVID LAWRENCE IN BOSTON TRANSCRIPT, MAY 12, 1938

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD an article by David Lawrence, which appeared in the Boston Transcript yesterday, entitled "Lawrence Sees Hague's Actions a Violation of the Labor Statute," and an editorial which appeared in the same paper on the same subject.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

LAWRENCE SEES HAGUE'S ACTIONS A VIOLATION OF THE LABOR STATUTE—TERMS ROOSEVELT ATTITUDE IN JERSEY CITY ROW AS AMAZING, BUT BASED ON POLITICS

WASHINGTON, May 12.—Maybe the right hand doesn't know what the left is doing in the present administration, or maybe President Roosevelt overlooked for reasons of political expediency the activities of Mayor Hague, Democratic boss of New Jersey, but it is amazing to find Mr. Roosevelt saying to the press that the controversy is purely local and the Federal Government cannot intervene.

The President is responsible for the acts of the Department of Justice. A staff of Government attorneys is now in Harlan County, Ky., seeking indictments for offenses which could also have been construed as local if the administration had so desired.

What is happening in Kentucky differs in detail, but not in principle, from what has been occurring in Jersey City. Organizers for the C. I. O., it is charged, have been forcibly ejected or else they have been interfered with by Hague supporters. This, if proved, is a violation of a Federal statute.

The theory of Mr. Roosevelt's Department of Justice, as applied to Kentucky, but not as yet to New Jersey, is that the National Labor Relations Act guarantees to citizens certain rights, namely, that they may engage in concerted activities for the purpose of dealing with employers.

The statute under which Federal indictments are being sought in Kentucky reads, in part, as follows:

"If two or more persons conspire to injure, oppress, threaten, or intimidate any citizen in the free exercise or enjoyment of any right or privilege secured to him by the Constitution or laws of the United States, or because of his having exercised the same • • • they shall be fined not more than $5,000 and imprisoned not more than 10 years, and shall, moreover, be thereafter ineligible to any office, or place of honor, profit, or trust created by the Constitution or laws of the United States."

The foregoing law by itself has long been dormant, because, strange as it may seem, constitutional rights to be exercised by the citizen are not specifically defined or detailed in the Constitution. Thus the Constitution forbids Congress to pass a law abridging the freedom of speech, but nowhere does the Constitution affirmatively grant citizens the right of free speech and place a penalty on denial of free speech.

Supreme Court decisions have, of course, prevented States, as well as cities, from interfering with free speech so far as passing laws or ordinances are concerned.

But this is a prohibition against acts of legislatures or ordinances of city governments and does not provide a penalty in the case of a citizen whose "privileges and immunities" are interfered with. That's the reason why the Federal Department of Justice has just started its proceedings in Harlan County, declaring that the National Labor Relations Act now specifically bestows certain rights on the citizens in a law which seeks to safeguard their opportunity to organize.

Certainly, in New Jersey, the rights of the citizen under the National Labor Relations Act exist as surely as they do in Kentucky, and any conspiracy to interfere with those rights is a Federal matter. The Supreme Court last year, in the first case upholding the Wagner Act, affirmed that the right of organization for workers was one that Congress could lawfully confer.

If the Department of Justice is upheld in the Harlan County case by the Supreme Court, it may mean that coercion from any source may be prosecuted, especially interference by one group of employees with others, or interference by employees with the operations of a company whose business affects interstate commerce. This is because the interstate commerce laws passed by Congress many years ago provide that nobody may conspire to interrupt interstate commerce.

HAGUEISM MORE THAN LOCAL ISSUE

President Roosevelt told the reporters in Washington that the suppression of free speech in Jersey City was "a local police matter." It is a surprising statement. If what has happened in the domain of Mayor Frank Hague is merely a local police matter, so it would be in other places. Free speech would be at the mercy of the police the country over, or of any official who could forbid a public meeting and order the police to draw their clubs.

It is easy enough to provide the setting for this interference with one of the fundamental rights of the American people. Mobs may always be mustered as excuse for the assertion that speeches would provoke disorder. The excuse is good whether the speeches are intended for delivery in the open air or indoors. Mobs have been known to invade buildings.

Men who have undertaken to speak in Jersey City and have been hustled out of town are advocates of doctrines repugnant to American ideas. Communists are not popular in this country. Nor, except by a small minority, are Socialists welcome. But if these people are to be denied the right of expression, the time may come when men who could be heard to advantage will be roughly silenced. It has been supposed in the United States that the way to maintain order when mobs interfered with freedom of speech and action was to suppress the mobs. Mayor Hague adopts the Nazi method and suppresses the speakers to the tattoo of night sticks. And the President of the United States says it is a local police matter. Would he still regard it as purely local if Mayor Hague, taking a further hint from the Nazis, established a Jersey City concentration camp?

Meanwhile merchants doing business in Journal Square are demanding that the demonstrations for and against the mayor be held elsewhere. They interfere with trade. Customers are absent from the stores. Moving picture houses are empty. Business stops when turbulence rules the streets. Journal Square merchants are painfully reminded of that fact. But they do not demand an end of the violence which marks the rule of Jersey City's little Hitler. As far as they have made their position clear, all they want is to keep the trouble away from their doors. Let the loss of business occur somewhere else. It is not an attitude which invites sympathy. Still the Journal Square merchants may have unwittingly begun a Jersey City rebellion against fascism of the Hague variety, or this "local police matter," to quote the President.

Federal Control of Water Pollution

EXTENSION OF REMARKS
OF
HON. AUGUSTINE LONERGAN
OF CONNECTICUT
IN THE SENATE OF THE UNITED STATES

Friday, May 13 (legislative day of Wednesday, April 20), 1938

ARTICLE BY LT. COMDR. CHARLES W. THOMAS, OF THE COAST GUARD

Mr. LONERGAN. Mr. President, in view of the special interest of Congress at this time in the subject of Federal control of water pollution, in connection with a bill for that purpose now pending in conference, I ask unanimous consent to insert in the RECORD an enlightening article from Outdoor America on the work of the United States Coast Guard, in which Lt. Comdr. Charles W. Thomas explains what may be done in this field under existing authority.

I am personally impressed with the fine work of the Coast Guard in fighting water pollution, and believe that if the same initiative and courage were displayed by other Federal and local agencies in a sincere effort to abate pollution much good could be accomplished during the interim while we are attempting to obtain clearly adequate Federal antipollution legislation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

The task of keeping Uncle Sam's navigable waters free of oil and refuse is assigned the United States Army, Corps of Engineers. The Coast Guard and Customs Bureau share this responsibility in

an assisting capacity. The State of California has an antipollution statute which is enforced by the State fish and game patrol.

On June 22, 1936, a concerted Federal and State campaign was launched to stamp out pollution of waters in southern California. The plan established the Coast Guard as coordinating agency for Federal forces and provided for joint investigation by the Coast Guard and State fish and game patrol of all reported cases of pollution.

The chief advantages of joint Federal and State investigation are interchange of evidence and flexibility of legal procedure. County life guards, police and harbor masters of coast cities, the Los Angeles marine fire department, and United States customs guards have wholeheartedly cooperated by taking samples and reporting cases to the coordinator.

In most cases of oil pollution the oil on the water is the only evidence. In the harbor this is easy to trace to its origin by noting the drift and working in that direction until a ship showing evidence of a recent oil spill is located.

Not infrequently oil drifts onto some beach. As soon as this is reported, whether it be day or night, the Coast Guard and fish and game investigators (Chief Boatswain's Mate A. L. Lundberg and Warden C. L. Towers) proceed to the scene, photograph the oil beach, and obtain a sample, which they turn over to the State chemist for analysis. Current data is then plotted on a chart. The intersection of the drift line with the steamer lane is generally the point of illegal discharge, and from the rate of drift the probable time of dumping is determined. Identity of vessels which could possibly have passed that point within reasonable limits of time is determined. The suspects are then boarded and oil samples taken from their bunkers, cargo tanks, or bilges, and analyzed. The vessel whose sample matches the sample recovered from the water is invariably the violator.

Most polluters here are inbound vessels which pump ballast or clean tanks before entering port. It has been occasionally necessary to radio a request to a distant Coast Guard unit to take a sample from a suspect who was outbound at the time of pollution. The sample is analyzed and its specific gravity returned by dispatch. On one occasion this service was rendered by the Governor of the Canal Zone.

ONE HUNDRED AND FIFTEEN CASES SOLVED

Refuse pollution cases are handled similarly to those involving oil pollution. The most complex situation is where garbage has drifted onto some beach or been found drifting at sea. The mess is carefully examined for some item or refuse bearing identifying marks or whose nature permits trace of purchase. For example, the Coast Guard patrol boat *Hermes* reported considerable refuse drifting about 2 miles offshore. The investigators determined the identity of the vessel dumping the refuse from a fish can found in the pollution area, and secured a confession from the person responsible. Out of 121 cases of oil and refuse pollution reported, 115 had been solved up to January 1 of this year.

The United States attorney is authorized by law to proceed against a vessel alleged to have violated either the antirefuse act or the antipollution law. Where the vessel is on trial rather than a person or persons, the trial is not to a jury. Criminal procedure may be instituted in either case, however. Under both acts, the fine may be from $500 to $2,500 with 1 year imprisonment.

In a first offense, such as a minor oil spill that is not immediately cleaned up, the State proceeds against the person responsible for the nuisance. The State must make a criminal suit. The fine is generally between $250 and $500. In flagrant or second-offense cases, the district engineer (a United States Army officer) recommends Federal proceedings to the United States attorney. When pollutants deleterious to fish and game life are dumped into a stream and do not reach navigable waters of the United States, the State is the only agency empowered to act.

When an oil spill occurs after every possible preventive measure has been observed, no action is taken if the steamship or shore plant cleans up the nuisance. This is accomplished either by engaging a ship's service company to reclaim the oil or by scattering straw on the water to absorb the oil, then cleaning the straw off the water. Most shipping agents now report the spills themselves and try to have cleaning contractors on the job before an investigator arrives.

WASTES RECOVERED FOR USE

Oil or refuse cannot legally be placed in such a position where it can enter navigable waters of the United States. The following is quoted from War Department Regulations: "The navigable jurisdiction of the United States extends over the coastal waters to such distance seaward as may be necessary to give full effect to the laws for the protection and preservation of the navigable waters of the United States." Likewise, when pollutants are dumped on shore and wash into the navigable waters an offense has been committed. Recently the Los Angeles disposal plant was forced to bypass oil into the harbor which was observed to be entering the separator. The Coast Guard was notified. State and Coast Guard investigators traced the oil in the sewer to a small drain in an oil sump. The oil company owning the sump was convicted.

Enforcement efforts in southern California have not been confined to shipping. Canneries and shore plants which formerly discharged factory refuse into the harbor, to menace fish life and to be cast up on bathing beaches, are now reclaiming waste matter and turning it into valuable byproducts. A hexometric screen was developed for separating fish waste from the water. These wastes are now manufactured into oils and fertilizers.

LIQUIDS NOT POLLUTION

Refuse laws exclude as pollution only matter passing into Uncle Sam's navigable waters from the streets and sewers and in a liquid state. They include every conceivable kind of refuse from garbage to logs. A city then whose sewers discharge raw sewage into any waters open to public navigation is guilty of a Federal offense because only treated sewage is in a liquid state. There can be no question of the sufficiency of law to cover any case of pollution of navigable waters and the law has plenty of teeth. Furthermore, any case of pollution can be solved.

Many cities in southern California depend upon clean beaches for their very existence. Deposit of oil and garbage upon any beach will drive tourists away, many of whom will never return on account of the adverse impression.

Due to the petroleum industry there is ever present the danger of a major conflagration in Los Angeles and Long Beach Harbors if oil is deposited in great quantities. The fire department, because of its interest in fire prevention, has contributed materially to the success of our efforts.

THE FIGHT JUST BEGINNING

Federal and State departments of agriculture are particularly interested in refuse pollution, for this is one possible way by which the fruit fly and other harmful parasites can gain entrance into the country. For obvious reasons, health departments of cities are vitally interested.

Perhaps most important is the effect of pollution upon fish and game conservation. A major oil spill or concentrated refuse may kill thousands of fish. When a bird settles upon oil-covered waters the poor creature will eventually die a lingering death, stuck fast in the oil. Fish are sensitive to almost any kind of pollution. The numbers killed by careless dumping of oil and refuse annually cannot be estimated, but it would be safe to say that it costs the taxpayer millions of dollars indirectly.

Southern California is rapidly gaining a reputation for being "hot" in the matter of pollution since the combined efforts of enforcement agencies have been brought to bear against the nuisance. It is known that the harbors and coast of southern California are the cleanest they have been in many years. Notwithstanding the marked improvement, however, we have just begun to fight.

Pennsylvania—the Keystone State; Philadelphia—the Cradle of Liberty; Tercentenary Anniversary of First Permanent Settlements

EXTENSION OF REMARKS

OF

HON. ERNEST LUNDEEN

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Friday, May 13 (legislative day of Wednesday, April 20), 1938

ADDRESSES BY HON. GEORGE H. EARLE, GOVERNOR OF PENNSYLVANIA, AND OTHERS

Mr. LUNDEEN. Mr. President, April 8, 1938, a great host assembled in Philadelphia to honor Forefathers' Day, the tercentenary anniversary of the first permanent settlements on the Delaware. Here 300 years ago Swedish pioneers laid the foundation stones for Philadelphia, the Cradle of Liberty, and Pennsylvania, the Keystone State of the American Union.

In the great hall of the Benjamin Franklin Hotel Gov. George H. Earle, of Pennsylvania, Gov. Richard Cann McMullen, of Delaware, and Governor Nice, of Maryland, addressed the assembly and many other able and distinguished guests of honor.

I ask that their remarks and greetings be printed in the RECORD. There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

BY HIS EXCELLENCY GEORGE H. EARLE, GOVERNOR OF THE COMMONWEALTH OF PENNSYLVANIA, A PROCLAMATION OF THANKSGIVING FOR 300 YEARS OF GODLY CIVILIZATION

To the President and to the citizens of the United States of America, to the Governors of Delaware, New Jersey, and Maryland, and to their constituencies in particular, and to all peoples of Swedish and Scandinavian affiliation throughout the United States, over the borders, beyond the seas, and to their friends, and to all others to whom these presents may come, greetings and welcome to the Pennsylvania three hundredth anniversary celebration of 1938:

Whereas Thanksgiving Day of 1937 is the approximate anniversary of the date the ships *Kalmar Nyckel* and *Fogel Grip* sailed from Gothenburg, Sweden, upon that momentous voyage which brought them to the shores of the Delaware on April 8, 1638 (new style),

thereby establishing the colony of New Sweden on land later included in the royal grant to William Penn. That event invests this tercentenary of the first permanent civilized settlements within the bounds of Pennsylvania with a deep significance and an especial interest to this Commonwealth, the Nation, and the world; and

Whereas the general assembly has authorized the establishment of the Pennsylvania Three Hundredth Anniversary Commission, and also has created the three hundredth anniversary date of the landing of her original colonists a legal holiday in Pennsylvania, to be known as Forefathers' Day.

Whereas on the first Forefathers' Day in 1638, the first Governor of New Sweden, Peter Minuit, purchased from the Indians lands extending from the Falls of the Delaware, at Morrisville, Bucks County, south to the Delaware Capes, thereby creating the first civilized land titles in Pennsylvania, and at once settlements began to be established up and down the river.

Whereas sovereignty in Pennsylvania began shortly afterward when Col. Johan Printz, under plenary powers reposed in him by Queen Christina, established the first capital under permanent government on Tinicum Island, and became our first chief executive, or governor. Here were established the first law courts, the first school; and here also was consecrated to the glory of God and the practice of religion the first building of any branch of the Church Universal within Pennsylvania bounds.

Whereas with varying vicissitudes the settlement continued. Under Dutch and English rule our Swedish forefathers were held in high esteem. During the Duke of York's government on the Delaware, three of his six councilors were native Swedes, while all the justices of the earliest English tribunal on the soil of Pennsylvania, the upland court, save one, were Swedes.

Whereas the establishment of Penn's government under Col. William Markham at Upland, now Chester, in August 1681 was followed by the coming of the great Quaker himself in October 1682. Upon his arrival began a coalition in government unique in the annals of colonization. New Sweden merged into his holy experiment of civil and religious liberty in the Province of Pennsylvania and in the counties of New Castle, Kent, and Sussex-on-Delaware, which later became the sister State of Delaware.

Whereas under the tolerant religious principles voiced in Sweden's colonial charters and bodied forth in the Proprietary's Charter of Liberties, New Sweden lived on in her multiplying churches, preserving, through the aid of the Swedish mission, the simple liturgy of her national faith in her national tongue for nearly two centuries. There is not upon record a more remarkable example of disinterested care for its expatriated subjects than that of the Swedish Crown for the scattered members of its race living in pastoral simplicity on the banks of the Delaware, no longer bound by political ties and separated by the Atlantic Ocean. Between 1696 and 1831 the Swedish Government sent to the churches at Christina, Wicaco, and their dependencies 24 clergymen of distinguished scholarship, and sustained them with liberal grants from the royal treasury.

Whereas this long and affectionate intercourse between Sweden and both proprietary and commonwealth governments is a bond between Sweden of the past and present, Pennsylvania of the past and present, and the inter-racial groups which spread out from the Delaware to the adjacent colonies, to be joined later in the middle and far West by new groups from Sweden and Scandinavia: These groups, old and new, have made important cultural contributions not only to the welfare of this Commonwealth but as well to the entire body politic in religion, statesmanship, science, economics, literature, music, and other arts.

Now, therefore, I, George H. Earle, Governor of Pennsylvania, titular successor, so-called, to His Excellency Johan Printz, do solemnly adjure the citizenry of the Commonwealth loyally to consider at this Thanksgivingtide, during 1938 and thereafter, the historical and spiritual significance of events marking this goodly vista of 300 years, and by practice and precept to evolve a concept of simpler, sterner, living in which character is fundamental; to encourage exhibitions of Swedish life, past and present, with discourses thereon in schools, in historical societies, and in all institutions of learning; to stimulate scholars, writers, investigators, craftsmen, and the like to delve deep, both at home and abroad, into rich archival resources concerning every phase of this Commonwealth's distinguished origin and to recall and to record whatsoever things are of good report, that ancient ties be more closely welded and mankind everywhere enriched by this international celebration.

Given under my hand and the great seal of State at the city of Harrisburg this 10th day of November A. D. 1937 and of the Commonwealth the one hundred and sixty-second.

[SEAL.] GEORGE H. EARLE.

By the Governor:

DAIRAH LAWRENCE,
Secretary of the Commonwealth.

GOD SAVE THE COMMONWEALTH

FRANK W. MELVIN, Esq. (presiding). God's blessing will be asked upon this, our Forefathers' Day dinner, by the Right Reverend Francis M. Taitt, bishop of the Protestant Episcopal Diocese of Pennsylvania and diocesan of the three Old Swedish colonial churches in Pennsylvania.

Bishop TAITT. God of our forefathers. Upon this, the three hundredth anniversary of the landing of the first civilized settlers on these shores, we pray for Thy Fatherly blessing upon the Commonwealth of Pennsylvania, whose foundations they then laid.

We pray for Thy continued blessing upon our schools, our churches, and our law courts, first established by those forebears who landed here this day three centuries ago.

We thank Thee for that rich heritage of godly life and of true piety which they bequeathed to us. Keep us mindful of the goodly heritage that they have transmitted to us and inspire us continually to emulate their sturdy virtues.

We thank Thee for the good examples that have come down to us from past generations, and we pray for Thy blessing on this, our own generation, that we may be given light to learn of their achievements and quickened consciences to profit by them.

Bless this three hundredth anniversary commemoration which we begin on this memorable occasion tonight and grant that it may bring us all closer to Him who rules the ages. This we ask in the name of our Savior Jesus Christ. Amen.

TELEGRAMS FROM SWEDEN

Chairman MELVIN. This is from His Royal Highness Gustaf Adolf, Crown Prince of Sweden:

[Radiogram]

STOCKHOLM, SWEDEN, *April 8, 1938.*

Governor EARLE,
Philadelphia:

Swedish citizens are today celebrating in the Stockholm Town Hall simultaneously with you the first Forefathers' Day instituted by you in memory of the early Swedish settlers on the Delaware River. We all extend to you and the people of the Commonwealth of Pennsylvania our heartfelt greetings and our best wishes of welfare and prosperity.

GUSTAF ADOLF, *Crown Prince.*

As a climax, permit me to read several telegrams received tonight from Sweden:

[Radiogram]

STOCKHOLM, SWEDEN, *April 8, 1938.*

Governor EARLE,
Philadelphia:

Vasaorden Lodges Maelar Queen and Stockholm, assembled to commemorate this great day of American-Swedish friendship, send their warm respectful homage.

WIGSTROEM BRODIN, *President.*

[Telegram]

Hon. GEORGE H. EARLE,
Governor of Pennsylvania, Harrisburg, Pa.:

I avail myself of today's celebration of a historical event connecting the Swedish and American Nations to convey to you on behalf of His Majesty's Government the expression of our feeling of close and friendly kinship.

T. ALBIN HANSSON,
Prime Minister.

Finally I read this cablegram from His Majesty, King of Sweden:

APRIL 8, 1938.

Governor EARLE,
Philadelphia:

On Forefathers' Day I send you my hearty greetings and best wishes.

GUSTAF.

RADIO PROGRAM FOR FOREFATHERS' DAY, APRIL 8, 10 P. M., EASTERN STANDARD TIME, BENJAMIN FRANKLIN HOTEL, PHILADELPHIA, PA.

RADIO ANNOUNCER. Pennsylvania invites you to join our celebration of the three hundredth anniversary of the founding of our State.

We are now in the main ballroom of the Benjamin Franklin Hotel, in Philadelphia, confronted by a most brilliant scene. At the speakers' table is Gov. George H. Earle, of Pennsylvania, official host of Pennsylvania's three hundredth birthday celebration. Beside him are foreign diplomats in their gorgeous decorations and uniforms. High-ranking naval officers with glittering gold on their evening dress and Army officers with their more somber trappings are also in attendance.

To those hundreds of Swedish and Finnish organizations who are listening to this broadcast in joint celebration with Pennsylvania, we carry our greetings in commemoration of those sturdy Swedish colonists who came here on April 8, 1638, to establish Pennsylvania.

And now with State and National leaders from all walks of life in attendance here, the celebration opens as the men's glee club sings Pennsylvania.

Rendition of Pennsylvania.

RADIO ANNOUNCER. At this point we introduce Mr. Frank Worthington Melvin, chairman of the Pennsylvania Three Hundredth Anniversary Commission and president of the Swedish Colonial Society, who is toastmaster. Mr. Melvin.

Mr. MELVIN. To those of you throughout the world who are gathered in celebration of this historic occasion, I bring you the greetings and thanks of Pennsylvania.

The Commonwealth of Pennsylvania, through its three hundredth anniversary commission, welcomes you to the commemoration of the establishment 300 years ago of the foundations of the civilization that is called the Commonwealth of Pennsylvania.

Three centuries look down upon us. As we pass this memorable milestone we are impressed by the fact that Pennsylvania, or at least the eastern portion, has been ruled during these 300 years under four flags: The first 17 years were passed under the Swedish

flag. During the next 9 years the Dutch or Netherlands flag ruled the Delaware Valley. That was followed by a period of 112 years, or down to 1776, during which the flag of England held sway. During the following 12 years from 1776–88 the flag of sovereign and independent Pennsylvania flew over this Commonwealth.

Hence, during nearly all of the first 150 years of this span of 300 years three flags that are now considered foreign—although they were not so considered during their periods—flew over Pennsylvania. It is only the last half of our history, or during the past 150 years, that this State has developed under those two most precious of all precious heritages, the Stars and Stripes and the Constitution of the United States. [Applause and cheers.]

It is, however, the beginnings of our civilization in New Sweden 300 years ago that command our attention today. Who were these pioneer forefathers of ours? What manner of men and women were they? From what stock did they spring, and who sent them forth? You recall that New Sweden became a living concept in the mind of the great Swedish King, Gustavus Adolphus, in 1624–26. It became a reality during the reign of his daughter, Queen Christina, probably the most remarkable woman of her age, and one of the greatest women rulers of any age.

It has been difficult in the past properly to appraise Queen Christina or to form an estimate of her true greatness. It is easier to do so today than in past ages, because the former almost inconceivable bitterness of religious controversy has vanished in our modern age. It is fundamental today, among civilized peoples, that each individual possesses an inherent right to worship God according to the dictates of his conscience, and in any manner he chooses, within the broad groundwork of morality.

Let me here note that in the times of the bitterest religious intolerance the Swedes of 300 years ago were not nearly as intolerant as has been commonly supposed. The charter of exploration and settlement which King Gustavus Adolphus gave to the South Co. expressly provided for religious liberty. Although the instructions to Johan Printz directed that the colonists and the Indians should be instructed in the Evangelical religion, there was absolutely no instruction that any man should be coerced or persecuted for his religious belief. That doubtless is why Governor Earle, in his three hundredth anniversary proclamation, referred to "the tolerant religious principles voiced in Sweden's colonial charters." Tolerant Swedish and Dutch rule was succeeded by the no less liberal English rule. Today, as we look back over our 300 years of history, we are entitled to the proud boast that not one single case of true religious persecution can be found to mar the records of Pennsylvania civilization during all these three centuries.

That is one precious heritage that has come to us from New Sweden.

Again, the fundamental principles of peace and justice that are now cardinal principles in the United States of America were exemplified in New Sweden in a manner that must have bewildered some of its contemporaries.

Hear the ninth of the instructions to Gov. Johan Printz: "The wild nations, bordering upon all other sides, the Governor shall understand how to treat with all humanity and respect, that no violence or wrong be done to them; * * * but he shall rather, at every opportunity, exert himself that the same people may gradually be instructed in the truths and worship of the Christian religion, and in other ways brought to civilization and good government, and in this manner properly guided. Especially shall he seek to gain their confidence and impress upon their minds that neither he, the Governor, nor his people and subordinates are come into those parts to do them any wrong or injury."

This is not merely an instruction of peace and good will between different races. It is a definite direction to respect the rights of subject minorities. This is one reason why William Penn found it so easy to build upon this substantial foundation and to attract to Pennsylvania the oppressed Irish and Welsh, the persecuted Germans, and people from other subject minorities in Europe, who thus found in Pennsylvania at that early age a Swedish tradition that their natural rights would be respected, that principles of fair dealing would prevail, and that they would be invited to assume a voice in the affairs of the Province.

These, then, we Pennsylvanians gladly acclaim as our three outstanding inheritances from New Sweden: (1) Religious toleration; (2) policies of peace and fair dealing; (3) respect for minority groups. What those three great traditions of our civilization would be worth to some of the nations of Europe today I leave to our former minister to the former country of Austria to surmise.

As we look back we can observe with pride the outstanding reason why we have had bequeathed to us such a glorious heritage of freedom from our forefathers.

New Sweden sprang from the golden age of Swedish history. The age of Gustavus Adolphus, of Christina, and of Charles X, represents a glowing chapter in the development of Europe. Those were great rulers, of a great and conquering people, in a great age. Sweden's greatness lay not alone in her victories on the battlefield but also upon her achievements in statesmanship and in the arts of peace.

I would speak in particular of Queen Christina, the real foundress of Pennsylvania's civilization. It has been common among historical writers to dwell upon her alleged peculiarities, to call her an abnormal woman, and to emphasize the extravagances of her reign.

But be it said for Christina that her country remained at peace during all of her reign, and peace, following the slaughter of the Thirty Years' War, was what Sweden needed above all other things.

Writers who criticize her extravagance probably would not have given her expenditures a second thought had she spent the crown moneys on wars. Instead of that, she spent lavishly to develop the arts and sciences, to bring philosophers and educators to Sweden. She, more than any other person, helped to bring Sweden to the forefront in the development of letters and arts and to create a cultural tradition that has placed Sweden in the forefront of the nations of northern Europe.

Queen Christina developed from a precocious child into the most learned person in her kingdom, with the possible exception of her chancelor, Count Axel Oxenstjerna. She had been educated as a man and frequently acted like a man. For a woman in her age to demonstrate such learning, ability, and initiative was nothing less than a scandal to many, in an age in which even many great ladies did not know more than how to read and to write. Christina possessed a greater intellect and was as successful a ruler as was Elizabeth of England, or any woman ruler since her day. We in Pennsylvania are proud to have taken our origin from such a golden age of Swedish history.

That was 300 years ago.

Today, as we look abroad, as we reflect upon our 300-year-old inheritance, we are forced to wonder if Sweden is not living again in another golden age.

In the midst of a great world economic depression, Sweden has remained peaceful and prosperous. Unemployment in Sweden is negligible today.

In the political chaos which embitters most of Europe, we find the Scandinavian countries outstanding in their peacefulness and true progressiveness. Sweden has been under tremendous pressure from bolshevism on the east and from nazi-ism on the south, yet it has maintained, in the face of strong influences, its capitalistic system, which, to most of us, represents civilization. And this statement about Sweden applies also to Finland.

Hence as we pause at the end of this span of 300 years, first to look back and then to look around us, we are proud to find that our civilization represented in our first schools, our first churches, and our first law courts, was founded by a people of great and sterling qualities in the days of New Sweden, and who are demonstrating anew those sterling qualities in this age in which we live.

Three great European cultures underlie the civilization of our Thirteen Original States, the English, the Holland Dutch, and the Swedish. Abundant evidences of the English culture survive. Our English common law, our language, innumerable relics of literature and of furniture survive. Of the Holland Dutch culture fewer visible traces have been transmitted. But of the Swedish culture almost no evidences have been transmitted to us. We have been compelled to rediscover them, to dig them out of the obscurity of Swedish archives where they had been forgotten.

The Swedish Colonial Society, cosponsor with the Commonwealth of this banquet, was organized to resurrect this information and to recover our lost heritage of Swedish culture.

We acclaim the first president and one of the founders of that society, Hon. Marcel A. Viti. No Swedish colonial commemoration could pass without very honorable mention of America's greatest and outstanding pioneer scholar and translator in this field, Dr. Amandus Johnson.

Pennsylvania desires to retain two enduring evidences of this three hundredth anniversary commemoration. First, we wish to establish more firmly the American-Swedish Historical Museum, located in this city, as a repository of every evidence of what Sweden has contributed to America. Today, throughout the far-flung States of the United States, a campaign begins to raise an endowment fund of at least one-half million dollars to insure the future of that great institution. We hail such a campaign at this banquet and wish it Godspeed.

The second enduring reminder of this commemoration we desire would be a strengthened and revitalized Swedish Colonial Society. In the past it has sponsored the publication of most of the essential source material. It must continue to do so, and, in addition, I hope, when these commemoration exercises are concluded in June next, that the Swedish Colonial Society will take under its care the problem of the oldest church in Philadelphia—that beautiful shrine, Gloria Dei or Old Swedes Church. Aside from Independence Hall it is the most historic building in our Commonwealth. The hovels and abandoned buildings surrounding it should be torn down and an "old Swedes park" created to insure fire protection to the church, to establish a much-needed beautiful setting for this great colonial shrine on our crowded Delaware bank, and to enable all those who care to feel that the glories of New Sweden will live forever in our midst.

We are deeply honored tonight by the distinguished presence of men and women who are here in tribute to those early pioneers who paved the way for 300 years of progress and civilization through the establishment of our first churches, schools, and law courts.

And now we introduce a man who comes to you as a representative of the Federal Government to express the pleasure that the United States takes in playing a part in this great celebration. He is a man who numbers thousands of friends in the districts where Swedes today are thickly congregated and who has dug deeply into colonial history to reveal the glorious part the Swedes and Finns played in the colonization of the United States. I introduce Hon. ERNEST LUNDEEN, United States Senator from Minnesota and a member of the United States Delaware Valley Tercentenary Commission, recently authorized by Con-

gress, to signalize the landing of Pennsylvania's pioneers on April 8, 1638. Senator LUNDEEN.

Senator LUNDEEN. Ladies and gentlemen, by request of Senator GUFFEY, the able Senator from the State of Pennsylvania, I am here to bring greetings to you in his behalf.

I deeply appreciate the honor accorded me tonight in speaking to this vast assemblage throughout the world gathered in honor of Pennsylvania's three hundredth anniversary.

Pennsylvania today is one of the greatest States in the Union, leading in wealth, culture, and industry. Its splendid position can be definitely traced to the sturdy foundations in education, civilization, and religion that were so well laid by the vigorous Swedish pioneers who came to our land in 1638. They truly laid the groundwork for this magnificent Commonwealth that is our heritage today.

Let me say for the United States Senate and its five tricentennial commissioners that we are proud of this glorious day in American history—the founding of Philadelphia and the great State of Pennsylvania. This State, destined to become the very Keystone State of the American Union, furnished America its very cradle of liberty. Senator GUFFEY, as your United States Senator, wishes to emphasize the admiration and thankfulness that all Pennsylvanians bear our forefathers.

The Senator is chairman of the United States Delaware Valley Tercentenary Commission, on which I have the honor to serve. It was established by Congress as an expression of the national concern in this great commemoration. I am commissioned to bring you the greetings of the President of the United States, of the National Government, and of our National Tercentenary Commission. We are grateful for this opportunity to join you, in spirit and in fact, in congratulating Pennsylvania upon its splendid achievements, from the dawn of its civilization 300 years ago down to this memorable anniversary day.

We of Swedish descent glory in the courage of our ancestors who crossed the wide expanse of a great ocean to found Pennsylvania and Delaware. The imperishable glory of their achievement will live on down through the ages, and their courage, loyalty, and patriotism will forever shine on in the stars of the American flag. [Cheers and applause.]

Mr. MELVIN. We now hear the men's glee club in Stouthearted Men.

Song by men's glee club.

Mr. MELVIN. Ladies and gentlemen, we will hear from a man who, perhaps more than any other, has striven to make this celebration a memorable event. He has, despite the burdens and cares of his high office, always found time to further the cause of this commemoration. I know that nothing is closer to his heart than that Pennsylvania signalize to the world its pride in 300 years of progress. I introduce Hon. George H. Earle, Governor of Pennsylvania.

Hon. GEORGE H. EARLE, Governor of Pennsylvania. Ladies and gentlemen, Pennsylvania, the keystone of the Thirteen Original States, the birthplace of the United States of America, and the home State of the Constitution of the United States, acknowledges with grateful appreciation the congratulations of her sister States and of the world upon the three hundredth anniversary of the birth of her civilization.

Especially do we appreciate the greetings of the President of the United States and of the Governors of our sister States here present or represented. To them, and to all peoples of Swedish and Scandinavian affiliation throughout the United States, over the borders and beyond the seas, in Sweden, in Finland, and the other Scandinavian countries, we express our heartfelt gratitude. Welcome to Pennsylvania—now and always.

In my proclamation of this anniversary I ask that our people give thanks for 300 years of godly civilization. Our Commonwealth has a history of which any State would be proud. Founded by sturdy pioneers who arrived 300 years ago today, our foundations were laid in principles so just and so enduring that within 100 years after the Swedes landed the province of Pennsylvania, although the seventh area to be colonized, had developed into the most populated, strongest, and the richest colony along the Atlantic seaboard.

Could that remarkable result have been achieved by accident? By no means. It was achieved only because of the solid and substantial foundations first laid by the Swedes and the Finns and strengthened by William Penn and his followers. Those foundations are found in New Sweden. The hardy pioneers who established our first colony, as has been well said, represented the golden age of Sweden. These Swedish forefathers brought to America a great tradition of achievement. They had been a conquering people on the battlefields. They, and their fellow Norsemen possessed a great tradition of exploration, of discovery, and of adventure. They were accustomed to definite accomplishments. The brought with them to America an indomitable will that conquered the wilderness along the Delaware and established here those landmarks of civilization which William Penn discovered to have been so well laid that he made no attempt to change them.

The colonists of New Sweden established our first churches, our first schools, and our first law courts. It is to these that I would briefly allude. Because schools, churches, and law courts are not merely the earmarks of civilization, they are the foundations of civilization. Schools, churches, and law courts are civilization.

So today we commemorate the three hundredth anniversary of the dawning of our culture. Primarily, of course, we honor our Swedish and Finnish forefathers who established New Sweden. But along with them we also honor those who came immediately after them and who helped to strengthen the foundations. We honor our Dutch forbears, the Irish and Welsh and the German pioneers, the English, Scotch, and French Huguenot settlers who poured into this Commonwealth in its early formative days. We are proud of them and of their labors. They builded better than they knew and that is why I have so solemnly adjured the citizenry of our Commonwealth loyally to consider during this three hundredth anniversary year and hereafter—

"The historical and spiritual significance of events marking this goodly vista of 300 years and, by practice and precept, to evolve a concept of simpler, sterner living in which character is fundamental; to encourage exhibitions of Swedish life past and present, with discourses thereon in schools, in historical societies, and in all institutions of learning; to stimulate scholars, writers, investigators, craftsmen, and the like to delve deep, both at home and abroad, into rich archival resources concerning every phase of this Commonwealth's distinguished origin and to recall and to record whatsoever things are of good report, that ancient ties be more closely welded and mankind everywhere enriched by this international celebration."

The General Assembly of Pennsylvania, with my approval, created this date, Forefathers' Day, a legal holiday. Our celebration in Pennsylvania has been matched today in far-off Sweden. At Stockholm, and at Göteborg, solemn ceremonies have been held, attended by the highest representatives of state, commemorating the first arrival of Swedish settlers on American shores.

To those assemblages I have sent, and Minister Bostrom has been good enough to transmit, the following message:

"Upon this, the three hundredth anniversary of the landing of Swedes in America and the beginning of your valued contribution to American civilization, I extend friendly and fraternal greetings on behalf of 10,000,000 Pennsylvanians. May this epoch-making commemoration renew memories of the ancient times that have bound us, so that we may continue to grow in friendship and be increasingly enriched by a deeper understanding.

"GEORGE H. EARLE,
"Governor of Pennsylvania."

In closing I want to express my thanks to all who have worked so hard and devotedly to make Pennsylvania's three hundredth anniversary the outstanding success that I am sure we all feel it is, and especially do I voice my sincere appreciation to the National Broadcasting Co. for the generous offer of its far-flung facilities that has brought this program to so many millions of listeners. [Great applause and cheers.]

Mr. MELVIN. The Philadelphia schools' choral group will now sing Vermeland, and Song of My Heart.

Music by school choral group.

Mr. MELVIN. Our next speaker is one who for many years has performed a great task in promoting friendly relations with the Swedish Government in the United States. He has had a brilliant career as a diplomat, has long been honored and respected for his splendid ability by the United States. [Pause.] Hon. Wollmar Filip Bostrom, Minister to the United States from Sweden. Minister Bostrom.

Minister BOSTROM. Mr. Chairman, your excellency, ladies and gentlemen, it is a great honor for me to have been asked to speak for my country tonight at this, the first celebration of Pennsylvania's Forefathers' Day.

This day, the three hundredth anniversary of the landing of the first Swedish colonists, is of great historical importance for Pennsylvania and Sweden alike. We have recently listened to Governor Earle's eloquent radio speech on March 23 about the first history of New Sweden, its founding, its short life under Swedish sovereignty, its continued activity under Dutch and British rule, and its influence upon the civilization of the country on the banks of the Delaware. I will, therefore, not repeat any details about these well-known facts. For a Swede it would be an interesting experiment of thought to try to figure out what would have happened if Sweden had been strong enough to maintain, develop, and strengthen its colony on these shores. The colony was founded during the time Sweden was a great power, and the intention was to expand its power, develop its trade, and perpetuate the influence and the name of Sweden. The tremendous effort made during the Thirty Years' War had weakened Sweden so much that the colony could not get sufficient support. But although, after 17 years, the sovereignty over the colony changed hands, its activity continued and increased, and one can truly say that the Swedish civilization planted on the shores of the Delaware River remained and had a considerable influence upon the future of these lands.

As to this, Pennsylvania has given many beautiful testimonies. First of all, your Governor has honored these first Swedes by proclaiming this day a State holiday. Further, Governor Earle's Thanksgiving proclamation was a beautiful document, entreating, as it did, every citizen to remember this part of Pennsylvania's early history and ordering a real educational campaign to emphasize this historical fact, hitherto so oft forgotten. Another beautiful gesture of appreciation given to my country was your Governor's trip to Sweden in November and December last, when he, on behalf of Pennsylvania, presented Sweden with two bronze plaques, commemorating the departure of those same two ships which brought the first colonists over to these shores. For all these expressions of appreciation and recognition we feel proud and grateful.

It is interesting to note that Sweden, Great Britain, and Holland were the three countries which first colonized North America and

even if Sweden naturally had a much smaller influence than Great Britain on the upbuilding of the country, the influence of the Swedes, even in politics, was not negligible. John Morton, one of the signers of the Declaration of Independence, was a Swede, and so was John Hanson, who, as President of the First Continental Congress, can be regarded as the first President of the United States.

A continuous stream of Swedish immigrants has followed these first Swedish colonists, the greatest number arriving the latter part of the last century. It is impossible to know exactly how many American citizens have Swedish blood in their veins. But we know that, counting only the second generation, there are one and a half or two millions. How many they are, if one should try to count the sixth or eighth generations, can only be guessed. However, that there are an enormous number of people in the United States with some particle of Swedish blood is certain. The Swedish Colonial Society, whose name we see on the invitation to this splendid banquet, together with that of the Commonwealth of Pennsylvania, was formed with a view to preserving the interest for these first colonists and for their descendants, is performing a very interesting work in trying to enlist them all as its members.

The United States, through its President and Congress, have invited Sweden to participate in the New Sweden tercentenary, of which the main celebration will take place in June. We are proud of this invitation, in which we read an expression of appreciation of the contribution of not only the first colonists but also of the immigrants of later years. The United States have received them with open arms and given them a new home, where they thrive. For this we thank your Nation, and today this, our gratitude, goes out particularly to Pennsylvania, together with our warm congratulations on this its first Forefather's Day. [Cheers and applause.]

(Great applause as the King's message is concluded.)

RADIO ANNOUNCER. We will now be pleased to hear Miss Virginia E. MacWatters sing The Star Spangled Banner, accompanied by the men's glee club and the school choral group.

Miss MacWatters.

RADIO ANNOUNCER. Ladies and gentlemen, you have been listening to Pennsylvania's celebration of its three hundredth anniversary in the Benjamin Franklin Hotel in Philadelphia, held in commemoration of the Swedish colonists who established Pennsylvania when they landed here April 8, 1638.

You have heard Swedish folk songs rendered by Philadelphia school children and the men's glee club; also speeches by Gov. George H. Earle, of Pennsylvania; Hon. Ernest Lundeen, United States Senator from Minnesota; and Hon. Wollmar Filip Bostrom, Swedish Minister to the United States. This is the blue network of the National Broadcasting Co. * * * announcing.

Chairman MELVIN. Many of the colonists of New Sweden were from that province of Sweden then known as the Grand Duchy of Finland, today an independent nation. Queen Christina, foundress of Pennsylvania civilization, was the Grand Duchess of Finland. Finland was a part of Sweden for over 500 years, or until the Napoleonic wars. Relations between the present-day Governments of Sweden and Finland are exceptionally friendly.

We Americans have a particular admiration for Finland. She is the only European nation that is paying her war debt. Because about one-third of the New Sweden colonists were Finns it is especially appropriate that the Finnish Minister should be our guest at this tercentenary celebration.

As a distinguished diplomat, Finland's Minister has won many friends for his country in America. I take great pleasure in presenting His Excellency Minister Järnefelt, of Finland.

Minister JÄRNEFELT. Your Excellency, ladies, and gentlemen, may I at the outset express the thanks of my Government to the invitation of the State of Pennsylvania to participate in this celebration of the three hundredth anniversary of your Commonwealth's beginnings? It is a happy occasion to come here tonight with your committee and the Swedish Colonial Society and join with you in commemoration of the historic events of so long ago. When Mr. Melvin extended the invitation in behalf of your State I was particularly pleased, for the earliest ties that bind Finland to the New World are more a part of present-day Pennsylvania than perhaps any other section of this great country. Let me explain. The earliest maps of the Dutch and Belgian map makers of what is now the eastern shore of the United States, of course, show the Delaware River colony of New Sweden. And on these maps we see a settlement designated Finland, so named by these pioneers from northern Europe in memory of their homeland. Today every vestige of that ancient community has disappeared. In the place of the log cabins that were the homes of these early Swedes and Finns, we see gigantic manufacturing establishments; instead of the broad cultivated fields waving with wheat or corn or tobacco, we have paved streets and modern homes of a substantial Pennsylvania city.

But even though the log cabins and the fields have disappeared, and these maps for the last two-hundred-odd years have not borne the name of Finland upon them, yet something, I am certain, has survived this lapse of time.

When we picture these early colonists landing on these shores, stout-hearted and healthy and brave; cutting down the forest and building their log cabins and cultivating the land, must we not believe that as the stream of growing American life swallowed up this settlement and its people, there survived in those who followed them that same love of liberty and independence which brought them here; that there survived the industry and piety of home-loving folk; and the health and vigor of a peaceful people? I would not be true to the people of the country that I have the honor to represent, nor candid in my feelings, if I did not admit of these qualities as traditional in the Finnish people.

It is my privilege to make at this time an announcement of some importance, which is especially appropriate to this occasion.

There is now being completed, in Finland, at the hands of the foremost artist of our country, Mr. Väinö Aaltonen, a monument designed to commemorate the Finnish participation in this early settlement in America. This monument is to be a gift to the United States and to the Commonwealth of Pennsylvania, from the people of Finland through their Government and from Americans of Finnish birth or antecedents.

The monument, sculptured from imperishable Finnish granite, will be shipped to this country next month. The site for its erection has been chosen in the city of Chester, Pa., in the area once covered by the farms of the little settlement called Finland. Through the good will and enterprise of the officials of the city of Chester, the site has been chosen in a fine public park.

The unveiling of this monument will take place during the ceremonies commemorating the tercentenary of the Delaware River colonies next June.

I treasure the hope that Governor Earle and Mr. Melvin and others of your distinguished committee and your official family will be able to be there with us to celebrate the event. To me it will be a happy and felicitous occasion and should cement further the deep regard and affection in which the people of Finland hold the people of your great United States.

I thank you.

Chairman MELVIN. Pennsylvania's connection with Delaware always has been close. With her we share the sites of the two capitals of New Sweden. When, about two generations after New Sweden was established their present-day names were first employed, Delaware and Pennsylvania continued substantially united under the proprietorship of William Penn and under his successors until 1776. For generations Delaware was known as "the three lower counties" of Pennsylvania.

This three hundredth anniversary commemoration is of special concern to Delaware. The *Kalmar Nyckel* and *Fogel Grip* landed near Wilmington. Pennsylvania comes into the tercentenary picture because on the day of landing, the first Forefathers' Day, 300 years ago this day, the southeastern counties of Pennsylvania were purchased from the Indians, with the territory of present-day Delaware. Yes; we recognize Delaware's special pride in this anniversary.

We are truly delighted that her Governor is our guest. I acclaim and introduce the distinguished Governor of Delaware—Governor McMullen.

Governor MCMULLEN. Mr. Chairman, Your Excellency Governor Earle, distinguished guests, ladies, and gentlemen, as chief executive of the State of Delaware, it affords me much pleasure to be with you on this momentous occasion, as with your splendid State of Pennsylvania Delaware joins heart and hand in this celebration of Forefathers' Day.

There is a strong alliance between our neighboring States, Delaware, being north of the Mason and Dixon's Line, was part of the William Penn grant, and our State was then the three lower counties of Pennsylvania. Long before the Revolutionary War the three lower counties of Delaware had their own assembly, but until the adoption of the Declaration of Independence they continued to have the same Governor as Pennsylvania.

It well behooves a people with a history such as ours to pause from our everyday labors and to recall to our minds the momentous events of the past, in order that we, as a people, may draw fresh inspiration to go forward in patriotic endeavor, with God's help, to build on the foundations that have so firmly been laid by our forefathers, a civilization that will afford every man, woman, and child within our country the greatest happiness consistent with sobriety of conduct, religious reverence, and simplicity of living.

Let us join together to pay homage and honor to those brave people who, in perilously small boats, crossed the ocean, seeking a place to settle where they and others that followed could live in peace and happiness. These early settlers of this particular part of our country, the Swedes and Finns, tilled the soil, built homes, and performed all the necessary homely tasks which finally resulted in a permanent settlement of peaceful, home-loving, God-fearing, and law-abiding people. Pausing to look backward, we can feel, but not entirely measure, the depth or imprint which these people of bygone days impressed upon succeeding generations. I feel that we cannot live in Pennsylvania or Delaware without being more than conscious of this early influence, even to the present generation, of these people of 300 years ago, who left their home in the far north to build for themselves a new haven along the banks of the Delaware River. Their courage, their fortitude, and their kindness was unsurpassed. Through all the years of the changing conditions in our country, the early Swedish names have stayed with us, landowners, people of substantial business, churchman, many, many others of solid worth and reputable character bearing the names of their forefathers from the early days.

Our Old Swedes Church, located in Wilmington, built by the Swedes long after their settlement of New Sweden had ceased to exist, still stands as a symbolic landmark, indicative of their faith and culture.

For the heritage which they gave us we should show our appreciation by trying to emulate their traits more closely, which

enabled them to withstand the rigors of a new, untried country and to persevere in the face of dangers and discouragement.

Wishing again to express my extreme pleasure at being with you at such a memorable celebration, and with the hope that many of the guests of the evening will find it possible to attend Delaware's celebration of the early settlement of our State in June of this year, may I conclude by giving a verse or two of Charles Wharton Stork's tercentenary hymn, written:

From the cold of the North our fathers came.
But their hearts were kindled with eager flame,
As they set their prows to the dip and rise,
Of the gray North Sea under autumn skies.

Peace they loved, only God they feared,
Truth and justice, their hearts revered.
They did their full part and took their place
Bold in the van of the coming race.

[Applause.]

Chairman MELVIN. It is a pleasure to have with us the distinguished Governor of Maryland. The Eastern Shore of Maryland, especially the northern part, was not settled by those who came here with Lord Baltimore and who found St. Mary's City. It was settled by Swedes from Christina, Upland, and Tinicum.

Maryland, therefore, is interested in commemorating this three hundredth anniversary of the landing of the first Swedish settlers. I take great pleasure in presenting His Excellency Governor Nice, of the Free State of Maryland.

Governor NICE. I extend to you the greetings of Maryland. I bring to you of Pennsylvania the love of the people of Maryland for their neighboring sister sovereign State.

You are commemorating today the first settlement within the present confines of Pennsylvania. A little company from overseas 300 years ago sought refuge for a freer life and instituted on the shores of the Delaware River a community founded upon freedom of thought and fair dealing among men. Later these small beginnings were developed by the immortal Penn into a Commonwealth founded upon brotherhood in God and love of humanity. That you are today, and may you in your greatness never forget those simple spiritual forces that are your heritage.

It is altogether fitting that Maryland should join with you at this time. Three hundred and four years ago likewise a little band of earnest Pilgrims in search of freedom landed on the shores of the Chesapeake Bay. They established a colony founded upon tolerance of religious thought and freedom of its expression, and this spiritual background of Maryland has continued through the vicissitudes of political and commercial growth so that today there is no haven in the world offering to mankind greater tolerance and greater freedom of conscience than the State of Maryland.

It was the sacrifice of Maryland's 400 at the Battle of Long Island that covered the retreat of Washington's little Army. When that battalion of Maryland Infantry five times charged with bayonets a British host of 20,000, they left three-quarters of their number dead on the field of sacrifice. But it was by that gallant defense that Washington's forces were saved from utter annihilation and enabled to re-form their ranks and carry on that righteous war for the right to establish into law those spiritual ideals that actuated Pennsylvania and Maryland at their inception.

Later it was upon Maryland's original suggestion that a Convention of the Thirteen States was called in Philadelphia, the outcome of which was the Constitution of the United States, that greatest instrument for government ever devised by man, in which is contained the written expression of the hopes and the struggles of the ages toward freedom from governmental tyranny.

A great nation does not happen overnight. It becomes great only when the high character of its people, the noble tradition of its commencement, devotedly sustained throughout the years, has given it not only a body but a soul; given it a spiritual power that transcends material might. A nation is great only when it can fill the hopes and answer the prayers that come from the heart of the world.

In these days of change it behooves us all to propound and to answer a few serious questions in the privacy of communion with our own souls. Do you see any signs on the part of our people, or on the part of some of our people, to indicate that they are becoming indifferent toward our American ideals? Do you see any signs of a drifting away from that freedom in political and economic life which has so long been characteristic of our democracy? Do you fear that influences from beyond our boundaries may affect our people's loyalty to our form of government? Do you apprehend that our governmental structure may be threatened from within? Do you see anything to indicate that our people may be led by false prophets to leave the sacred shrine of liberty at which our fathers have knelt for generations in order to worship unknown idols, whose cold and unfeeling arms may close to crush the breath of freedom from the bodies of their misguided devotees?

If your answers to these questions arouse in you apprehension and misgivings, I implore you to gird yourselves for the struggle to defend by every constitutional weapon those fundamental principles of human relationship that have made us the most prosperous, the most happy people on the earth. We are free to think as we please, we are free to express our opinions, and we are free to worship God according to our own consciences. We govern ourselves. No man is our master.

What a heritage is that. We as a nation stand today, the hope of the world. History justifies our faith in the American philosophy of life. Before we turn our backs upon it for a blind voyage on an unknown sea, if we do not know where we are going, we should at least know what we seek.

It is with these thoughts buttressed by the glorious heritage of history that we of Maryland join with you in this signal commemoration of the establishment of human freedom in America. We of Maryland greet you of Pennsylvania and bid you Godspeed. May you ever as a Commonwealth stand in the front rank of progress toward those material goals and toward those spiritual ideals which are today the constant hope of the soul of a God-fearing people. [Applause.]

Chairman MELVIN. Our courts, in last analysis, are the foundations of all of our orderly life. What a difficult subject is Three Hundred Years of Courts in Pennsylvania. There is but one person who can speak upon this topic. Chief Justice Kephart is not merely a distinguished jurist; he is one of the foremost students of Pennsylvania history and has pursued exhaustive research into our jurisprudence during these three centuries. He is an honorary chairman of the Pennsylvania Three Hundredth Anniversary Commission. He helped to lead the Pennsylvania delegation to Sweden last November when Governor Earle commemorated the three hundredth anniversary of the sailing of the *Kalmar Nyckel* and *Fogel Grip* from Gothenburg.

I take great pleasure in presenting the distinguished chief justice of the Supreme Court of the Commonwealth of Pennsylvania, Chief Justice Kephart.

Hon. JOHN W. KEPHART. I am to speak to you about 300 years of courts in Pennsylvania. This is to be done in 15 minutes. I concede that I am pretty fast at times, but this exceeds my speed limit. I can only hope to give you a faint idea of my subject; at least to tell you something of the first known courts of our State, held by the settlers of New Sweden. To obtain a correct picture of these early trials it is necessary to understand the situation of the Swedes, who first came here in 1638. For many, many years prior to that time, from Nova Scotia to the Carolinas, and as far west as the Great Lakes, including the Mississippi Valley, this country was peopled by that powerful race of Indians known to history as the Algonquins. They were composed of many tribes. The Indians who controlled the lands along the Delaware and Schuylkill Rivers came originally from the Mississippi Valley. They were the recognized leaders of the Algonquin race. The Delawares comprised three great clans. The largest clan was known as the Unami, or River Indians. The head of the Unami was the recognized chief of all the Delawares. These people were agriculturists. Their fields of corn and tobacco were planted over a large part of what is now Philadelphia. It is difficult to realize that this great city was once farm land.

You have been told that the first permanent white settlement was made by the Swedes in 1638. They found these Indians peacefully located in the river valleys. Here among them the Swedish colony sprang up. Little is known of historic value concerning my subject of law and the courts in the colony prior to the arrival of Johan Printz in 1643. Probably the earliest settlers patched up their grievances amicably or by neighborly arbitration.

We, therefore, must start our review with the first commissioned justice of Pennsylvania, this bluff old soldier, third of the Swedish Governors. Printz was an interesting character. He was enormous in size, headstrong, and shrewd. His enemies charged him with being at times cruel and deceitful. Johan studied for the ministry. His father had been a clergyman, and from these early instructions Johan Printz was deeply religious according to his own views. He read the Bible daily and often conducted religious services. He became a soldier of fortune and rose to high rank in the army of the great King, Gustavus Adolphus. He seems to have been well-prepared and well-equipped to carry on the duties of his office as Governor, and his immense size no doubt helped to reinforce his authority in administering the law. He was an able administrator and governed the new colony with energy for 10 years.

His commission from the youthful Queen Christina was to "render justice without distinction so that there shall be injury to no one." He had power to punish "great offenders" by "imprisonment, and even with death," but he could only do so according to his instructions, "after legal forms and sufficient examination by the most noted persons, such as the most prudent assessors of justice that he could find and consult in the country." This is the first known reference to trial by jury in Pennsylvania. Of course, the jury under Swedish law was not the same as our modern jury, and Sweden today does not have the jury system. These assessors are judges in Sweden, but they were jurors in the time of New Sweden. They were appointed by the judge and held office permanently. While it was their duty to examine the evidence, just as our juries do today, they were really associate judges, because they also passed on the law of the case. The judge who presided voted with them, but they could not give judgment against their opinion.

Governor Printz was instructed to treat the Indians liberally and, if possible, to avoid conflict with the English or Dutch settlers. Accordingly there was no bloodshed as long as he remained Governor, although there were interminable rows with both the Dutch and the English. When the Swedes arrived they bought land from the Indians and paid for it in goods more liberally than did the later settlers from other countries. The Indians had, however, a peculiar idea as to the conveyance of property that frequently led to trouble. When they sold a piece of land they believed, or so they

said, they granted merely the right to hunt and fish over it, but were not deprived of its use for their own purposes, nor did that sale prevent them from selling the land to someone else. This they frequently did, and the same land sold by the Delaware Indians to one colonist passed often into various other hands. It was a constant source of trouble to the early settlers and led to many legal controversies.

Governor Printz did not always follow his instruction to the letter concerning jury trials. Often, in fact, he sat as both judge and jury; particularly was this likely to be the case when he was a party to the action. But he no doubt administered justice to the best of his ability. In 1647 he wrote to Sweden: "I have several times solicited to obtain a learned and able man * * * to administer justice and attend to the law business, sometimes very intricate cases occurring in which it is difficult, and never ought to be, for one and the same person to appear in the court as plaintiff as well as judge."

One of the first recorded trials was held in 1643, shortly after Printz arrived. Governor Printz was the prosecutor and the defendant was George Lamberton, a trader from the English Colony of New Haven, Conn. Lamberton had established a trading post in New Sweden and was accused of bribing the Indians to sell him lands previously purchased by the Swedes. As we have stated, this was a very annoying custom. The trial was before a jury of eight men at Printzhof, on Tinicum Island. One of the jurors presided and Printz himself gave testimony. The decision of the court has been lost, but we do know that the Governor extracted from Lamberton a goodly number of beaver skins before permitting him to depart.

The trader complained of this treatment to a court of inquiry in New Haven, and some of his sailors testified—I hope falsely—that the rotund Swedish Governor had plied them with strong liquor to obtain admissions that Lamberton planned to turn the Indians against the Swedes. In answer to these charges, Governor Printz called a special court in 1644 to examine his conduct. There were seven jurors, but as Governor Printz sat as judge and gave most of the testimony, there was little fear of the result. The Governor was triumphantly vindicated, and the records were sent to Sweden and New Haven.

These trials usually took place in the hall of state. This was in the executive mansion on Tinicum Island. It was built of logs, two stories high. The Governor generally sat at a table on a platform with members of his staff. His presence seemed to dominate the entire room. His face and actions denoted a character accustomed to command. While shrewd, he was intensely human. His eyes were piercing, and his portrait shows a square jaw, double chin, and long, straight nose. He sported a short mustache, and his wavy hair flowed over his shoulders.

A historian reports the trial of Lasse, a Finn, charged with witchcraft and debt, in the hall of state. As he stood before the court, he was paralyzed with fear, and vociferously denied the witchcraft, entreating the Governor to spare him. It appears that Governor Printz had loaned him considerable money, more than his plantation was worth. He was dismissed on the promise to discontinue his evil practices, but his plantation was forfeited to Governor Printz. After court, however, the Governor generously made him another and larger grant of land suitable for a plantation.

While the court was in session the room was filled with spectators. There were usually Indian chiefs in their ceremonial dress, Englishmen, Dutchmen, Swedes, and Finns. Once when negotiations were proceeding for the purchase of a cargo of grain for which was offered the customary currency, beaver skins, a disturbance arose outside the door. A Dutchman, one Alexander Boyer, burst unceremoniously into the room. He greeted Printz with an abrupt "Good morning" and handed him a document. The Governor did not reply, and threw the paper on the floor, directing his secretary to take charge of it. The humiliated Dutchman scowled and retired to the background. The negotiations continued for a long time while the waiting Dutchman became more and more impatient. Finally he burst out that he was sent by the Dutch commissary, Hudde, with a complaint, and demanded to be heard. The relations between Hudde and Printz had not been friendly and the outburst enraged the Governor. He snatched a gun from the wall, pointed it at Boyer and started toward him. With an oath the Dutchman fled out the door, ran to his boat and rowed off at top speed toward Fort Nassau, vowing vengeance. The whole occasion for this trouble was again the prodigious activity of the Indians in selling land. It was just another instance where the Dutch had purchased some land that the Swedes had also bought, and Hudde, a Dutchman, who was in command at Fort Nassau, tried to secure his purchase from the Swedes. His efforts were unsuccessful.

Other trials by Governor Printz may be noted. Early in 1646, an explosion occurred at Fort Gothenburg on Tinicum Island, practically destroying Printzhof. The unfortunate gunner, Sven Vass, was blamed for the explosion and was tried for 4 days before Governor Printz and a jury. He was found guilty, and sent in irons to Sweden. This is the first verdict of guilty recorded in Pennsylvania.

Many of the cases tried by Governor Printz were prosecutions for selling firearms to the Indians, or for trading with the Dutch, which he had forbidden. Fines were assessed in grain, skins, and other goods, as well as money, and some offenders were sentenced to hard labor. While we can find no express right of appeal from Governor Printz's actions, there are of record several complaints that went to Sweden for the purpose of reviewing his judgments and decrees.

His heavy-handed, home-spun justice aroused many of the settlers. In 1653, the last year of his administration, they lodged a complaint against him for injustices, particularly for passing judgments in his own favor and ignoring the opinion of the jurors. Printz promptly arrested the ringleader, one Anders Johnson, whom he tried and executed for treachery. With this first instance of capital punishment the record of Governor Printz's judicial career closes.

Johan Rising, who succeeded him, had a very short career as Governor, but he conducted several formal trials. One of these, held at Tinicum Island, was a suit against former Governor Printz. It was referred in writing to Sweden. Many disputes arose between the English, Dutch, and Swedes, all struggling for a foothold on the Delaware, and many actions at law arose from their quarrels. Governor Rising held court not only at Tinicum, but at Christina and Fort Trinity, which he had seized from the Dutch. One interesting trial is that of two Swedes on the charge of "pounding the Englishman blue." It is reported that they were freed to the great chagrin of their English accusers.

In 1654 many persons were tried for conspiring to desert the Swedish colony and go over to the English or Dutch settlements. Turmoils of this sort led the Governor to write to Sweden for a hangman, and for more complete authority in "higher and lower law cases." He also requested that a man trained in law be sent, suggesting that fines be divided one-third to the accuser, one-third to the court, and one-third to the colony for the services of such an officer.

The Swedish colony passed into the hands of the Dutch in 1655, but the Dutch system of justice differed little from that of the Swedes in its ultimate purport. While the Swedes claim the credit, and rightfully so, for originating the jury system in Pennsylvania, the Dutch did not adopt it. They entrusted officers, akin to our justices of the peace, with the duty of hearing cases. The procedure during all this time was very informal, and whenever possible parties were induced to settle their grievances between themselves.

When Pennsylvania was granted to the English King's brother, the Duke of York, he was given legal authority much the same as that given to Governor Printz when he came from Sweden. We do not propose to follow the course of the law through the Duke of York's reign, nor that of his successor, William Penn. Time would not permit.

The principle of friendly arbitration early favored by the Swedes has a distinct place in the law today, and the early command given by the youthful Queen to Governor Printz "to render justice without distinction" has been and is still the basis of justice in the Commonwealth. Sweden may well be proud of her achievement in America. [Applause.]

Chairman MELVIN. We are celebrating today the three hundredth anniversary of our civilization, as evidenced in our churches, our schools, and our law courts.

Bishop Taitt invoked the divine blessing at the beginning of this dinner on behalf of our churches.

On behalf of our schools no one can more fittingly speak than our distinguished Pennsylvania Superintendent of Public Instruction. With a wealth of sympathy and a broad perspective, he is an expert educator and an able executive. As a member of the Pennsylvania Historical Commission he has taken a deep personal interest in the historic development of education in this State. To speak upon "Three Hundred Years of Education in Pennsylvania" in 20 minutes is an exceedingly difficult task, but I know of no one more qualified than our brilliant superintendent of public instruction. May I introduce Dr. Lester K. Ade?

THREE HUNDRED YEARS OF EDUCATION IN PENNSYLVANIA

I. INTRODUCTORY

Dr. LESTER K. ADE. The development in Pennsylvania of our modern concept of free public education is one of the most notable achievements of American social democracy. Education is significant as a phase of our civilization worthy of review under an administration so vitally concerned with the problems of a modern social and economic democracy. It is fitting, therefore, on the occasion of Forefathers' Day that this subject should be considered in a celebration of three centuries of the evolution of our Commonwealth.

1. TWO CONTENDING FORCES

From a view in retrospect of the struggle to reach this great goal of a free school system in Pennsylvania we are able to see the forces of reaction and progress contesting in the past even as they are today. It is a far cry from the spirit of 1670 which prompted the remark, "I thank God there are in Virginia no free schools or printing, and I hope we shall not have, for learning hath brought disobedience and heresy into the world," to the almost universal positive sentiment for free education. From the triumphs of modern thought over the past 300 years in the educational field the proponents of a more just and equitable social order may take courage and find example.

2. A CONTINUOUS EVOLUTION

It is well also to recognize the fact that the trials of education are not yet over. Education still faces forward and is a vital and integral force on our modern democratic struggle. In advancing the frontiers of democracy, the educator is ever the modern pioneer, developing new concepts of social responsibility and assum-

ing new social burdens. The volume and importance of legislation and activity pertaining to education has never been greater than under the present administration of our Commonwealth.

II. HIGH LIGHTS OF EDUCATIONAL HISTORY

1. EARLIER EFFORTS

Our first Pennsylvania schoolmasters were the Swedish Lutheran pastors of our forbears along the Delaware 300 years ago. That was an age when education had not yet come to be a direct responsibility of the State. Rather it was assumed to be the burden of the church, which was at that time an indirect part of the State. It is significant, therefore, that Pennsylvania's first Governor, Johan Printz, was insistent that "all persons, especially the young, be well instructed in the articles of their Christian faith." Education was carried on in the home and church and designed to provide the basis for a better understanding of organized religion and participation in its functions.

Illustrations of conditions prevailing in our earliest schools are easily found. The New England Primer reveals the strong religious influence in the materials used in schools. It was filled with moral lessons. Each letter of the alphabet was followed by a little rhyme intended to teach morality and sobriety. That, indeed, was the primary requirement of all textbooks. Some of these moral aids to the memory were:

G. As runs the Glass
Our Life doth pass.

O. Young Obadias,
David, Josias,
All were pious.

X. Xerxes did die,
And so must I.

A more extreme excerpt from the educational literature of the old day reads:

"You are welcome to the schoolhouse to debate all proper questions in it, but such things as railroads are impossibilities and rank infidelity. There is nothing in the Word of God about them. If God desired that his intelligent creatures should travel at the frightful speed of 15 miles an hour, He would have clearly foretold it to His holy prophets. It is a device of Satan to lead immortal souls to hell."

Still another classic example is found in a problem that appeared in an old arithmetic book, as follows:

"To the number of years the children of Israel wandered in the desert, add the age of Methuselah at his death, multiply by the number of provinces in ancient Judea, add the number of sons Jacob had, multiply by the number of pieces of silver given to Judas. Consider this result as pounds and reduce it to farthings."

It is significant, however, that in the field of higher education a Pennsylvanian pioneered one of the important developments of the age. In Philadelphia, American cultural and intellectual center during the colonial era, there was founded between 1749 and 1755 the first nonsectarian university in America. Under the guiding and all-wise sponsorship of Benjamin Franklin there had come into being by the latter date the College of Philadelphia—the present University of Pennsylvania. Uncontrolled by any religious sect, the new institution became the pioneer of our present conception of the free and untrammeled university devoted to freedom of thought and intellectual achievement.

2. Period of the Revolution.

The age of the American Revolution and after was one of rising democracy. With it came naturally an increasing concern for the plight of the common man. With a democratic concept of government established, the necessity for the improvement of the learning of the masses become evident to all those of liberal inclination. The philosophy that government should be of, by, and for the people, however, was not accepted immediately by all. The forces of aristocracy and special privilege, an Old World heritage, were loathe to give way to the doctrine that government should serve all men equally regardless of property or inherited position. From the democratic Pennsylvania constitution of 1776 to the third decade of the nineteenth century a bitter struggle between a rising democracy and a declining aristocracy was fought out in Pennsylvania.

The aristocratic doctrine that the few constituting the well born alone were entitled, among other social privileges, to the fruits of education was especially difficult to overthrow. Just as today there are those who assert that the benefits of our economic system legitimately accrue only to the few, so a century past there was a powerful minority which claimed alone the advantages of social progress.

With the evolution of a more enlightened social order, the dominant position of the church likewise had come to be questioned. The mind of great Pennsylvania thinkers of the mold of Franklin, Rush, and Rittenhouse were no longer sure of the advantages of a sectarian control of education. The rising belief in a free education for all did not envision a clerical sponsorship. Frightened by this challenge to their long-established privilege, the clergy unhappily in many instances became the opponents of a democratic educational system.

To the support of the aristocrats and the clergy there rallied all those of naturally conservative tendencies and those frightened at the prospect of change merely because it was change.

3. JACKSONIAN ERA

The final triumph of liberalism and democracy was delayed in Pennsylvania until the Jacksonian era. Although the Pennsylvania constitution of 1790 had provided a legal basis for a public-school system, more than four decades passed before its practical realization. During these decades, the church and neighborhood schools continued to function as the mainstays of Pennsylvania public education. While the number of institutions of higher learning advanced at a rapid pace, the University of Pennsylvania remained the unique experiment in nonsectarian higher learning.

In 1829 Andrew Jackson was elevated to the Presidency of the United States. In his life, personality, and character he epitomized the rise of the common man to political power in America. The frontier democracy united with the toiling masses of the growing urban centers of the East to make him the first representative of the small farmer and worker to reach the Presidency. A political and social revolution was under way in America.

4. GOVERNOR WOLF AND THE FREE-SCHOOL ACT—TAX-SUPPORTED PUBLIC-SCHOOL SYSTEM ESTABLISHED IN 1834

5. NEW PROBLEMS OF CIVIL WAR PERIOD

6. PROGRESS UNDER WICKERSHAM

7. LIBERAL AND CONSERVATIVE FORCES

Were time to permit an analysis of the conflicts involved in these sweeping educational changes, so simply and easily chronicled today, the age battle of the liberal and the conservative again would be revealed. As in our own time, there were powerful and ofttimes privileged interests which viciously fought the new educational movements. Especially objectionable to many were the lengthening of the program as to attendance ages and length of school term, and recognition of the free public secondary school. "Unnecessary," "extravagant," and "pampering the lower classes," were cries of objection raised by conservatives on every hand. Prophets of an enriched social order in present-day Pennsylvania will quickly recognize this trend of thought. Through three centuries these have been the constant criticisms of those who have sought to oppose any movement for the uplift and the improvement of the common man.

For a decade or more following the opening of the twentieth century, few changes of outstanding significance in Pennsylvania education were observable. The history of our educational system during those years was rather a story of the expansion and improvement of existing facilities. In 1903, the first minimum-salary law was passed fixing $35 as the base salary for a public-school teacher. In 1907, and thereafter, this minimum was steadily advanced. The same year, school directors were authorized to establish a teachers' retirement system. The beginnings of some economic security for the teachers of Pennsylvania was in sight by the time of the World War.

After 1900, the secondary-school movement gained momentum and appropriations of the general assembly to aid in this expansion of the public-school program mounted from biennium to biennium. Moreover, beginning in 1913, the Commonwealth proceeded to acquire as State institutions for teacher education the formerly privately owned normal schools. By this step, the Commonwealth for the first time placed the education of teachers for its great school system upon an equal plane with other phases of its educational program.

8. CODE OF 1911

No summation of the developments of this period could fail to stress the importance of the far-reaching school code of 1911. In 1907, the general assembly authorized the appointment of a commission "to revise, collate, and digest all the acts and statutes relating to or touching the laws of the public schools of the Commonwealth." The result was the new code of 1911. In its comprehensive review and organization of the educational statutes of the Commonwealth, this measure must be regarded as one of the most important since 1834.

Prior to 1929, few Americans were able to recognize the basic social and economic forces which had begun as early as 1900 to reshape American civilization. The end of the frontier era, and with it the epoch of unlimited individualism and opportunity and an economy of scarcity, began to make itself felt during the post-World War years. At the same time the increased impetus of industrialization brought to the forefront challenges to old traditions and institutions never before realized. The specter of economic and social insecurity began to plague America and our Commonwealth.

9. POST-WORLD-WAR PENNSYLVANIA

Few persons in 1938 fail to appreciate that post-World War Pennsylvania, along with the United States, has faced some of the most perplexing and serious problems of its history. The very foundations of our democracy are at stake. The necessity for a complete reorientation of our traditional political, economic, and social concepts, and the development of little less than a new social philosophy confronts us. This is primarily a task of education.

At the same time the problems thrust upon educators by the shortening of the work day and week, by unemployment, and the needs of adult education, to mention a few recent challenges to

education, are so stupendous as to stir the best minds of the profession.

Fortunately, important steps toward modernizing the public-school system were taken in Pennsylvania after the World War. In 1921 the general assembly, largely under the influence of Dr. Thomas E. Finegan as superintendent of public instruction, enacted a series of new education laws. Standards of the entire educational system were raised by expanding minimum-salary levels, changing teacher qualifications, transferring certification to the State department, lengthening the school term, and increasing State aid. A State council of education was set up by the same act, while the normal schools were further improved and their services made more valuable. The foundations of a modernized school system had been created.

Mere revision of school laws and raising of professional standards, however, were not enough. The multiplicity of social problems arising both before and after the debacle of 1929 demanded new approaches to the problems of education. The mere instructing of children in a few fundamentals of routine learning would no longer suffice.

10. MODERN MOVEMENTS

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III. TODAY'S ACTIVE FRONTIERS

A glance at the achievements in Pennsylvania's program of education under the administration of Gov. George H. Earle reveals a consistent advancement in practically every era of public education. School attendance, organization of districts, the education of teachers, transportation of pupils, improvement of buildings, enrichment of instruction, appropriation of funds—these, and many other essential elements of education in Pennsylvania received definite action. Common needs of the people were recognized, proposals to meet these needs were formulated, interested groups participated in the development, and all united in this cooperative effort to promote the general welfare through the enactment of law.

IV. NEW ACHIEVEMENTS OF THE HISTORICAL COMMISSION

Through the Pennsylvania Historical Commission, new interests and new materials in Pennsylvania history have been developed in the public schools of Pennsylvania. The commission is cooperating with historical societies in order to stimulate more activity in local history in the schools. A pamphlet, together with dramatic music and illustrative materials relating to the sesquicentennial of the Constitution of the United States, was distributed to the secondary schools of the State. Numerous other publications dealing with various phases of local history have been published and distributed to the public schools.

A new publication, History Notes, has been instituted to disseminate information on various activities in the field of Pennsylvania history to schools, societies, and other groups in a position to stimulate a more general interest in Pennsylvania.

Several historic properties, such as Tinicum, site of the first State capital; the Ephrata Cloisters, the Daniel Boone birthplace; Pennsbury, and other historic sites, are being acquired for preservation and further study. These historic properties will be kept constantly available for educational trips and study on the part of the schools. Likewise, elaborate plans are being carried out for the celebration of the three hundredth anniversary of the Swedish foundations of Pennsylvania.

V. CONCLUSION

A review of the achievements in public education in Pennsylvania during the 300 years since the first settlement of the Swedes gives inspirations to those of the present generation who are guiding the destinies of this fundamental American institution. We have seen how free public education has spread from a chosen few to the many until these essential opportunities have become available to every child in the Commonwealth and to many adults.

1. EXPANSION CONTINUES TODAY

* * * * * * *

2. TRIBUTE TO EARLY CHAMPIONS OF EDUCATION

The remarkable growth of our great educational system is in no small way due to the democratic principles introduced by the early Swedes in 1638 and to the splendid ideals of William Penn, who arrived nearly a half century later. The work so nobly begun by Printz and Penn was carried forward during the succeeding generations by such notable champions of free education as Governor Wolfe, Senator Breck, "Thad" Stevens, State Superintendent Burrowes, and a great many others who supported the free-school movement during its difficult beginnings.

3. COURAGE AND INSPIRATION

The celebration of Forefathers Day on the occasion of the tercentenary of the first civilized settlement in Pennsylvania reminds us all not only of the glowing progress in public education during these centuries, but of the unselfish devotion of the distinguished men who made these achievements possible. From them we have caught inspiration to carry on the work which they have so well begun. It is for us, therefore, to continue to spread the blessings of public education until it reaches every citizen—young and old—to the end that this great Commonwealth may continue to rise toward its highest industrial, cultural, and spiritual destiny. [Applause.]

AN EARLY HISTORY OF PENNSYLVANIA WITH COMPARATIVE FIGURES REVEALING ITS TREMENDOUS EXPANSION

The establishment of Pennsylvania began on April 8, 1638, when Peter Minuit landed in what is now present-day Wilmington, Del., in command of about 150 men aboard the *Kalmar Nyckel* (Key of Kalmar) and the *Fogel Grip* (Bird Griffon).

The two ships started from Gothenburg, Sweden, as a commercial trading company with some of the funds for the venture provided by the Swedish Crown. Minuit was chosen as commander because of his prior experience as a trader in North America for the Dutch. In fact, it was Minuit who purchased the island of Manhattan from the Indians for $24.

Losing his connection with the Dutch, Minuit, who incidentally was a French Walloon, went to Sweden and told of the wonderful valley lying between Nieuw Amsterdam (New York) and Jamestown, Va., where the English had taken root in 1607. This valley referred to was the one now coursed by the Delaware River. The Delaware was then known as the South River to distinguish it from the North River which is today the Hudson.

Minuit's voyage from Göteborg began about November 25, 1637, and last year an official Pennsylvania delegation headed by Gov. George H. Earle went to Sweden to honor the memory of those who established present-day Pennsylvania. Pennsylvania thus becomes the only State to officially recognize the forebears who founded a Commonwealth in the United States.

Scarcely had Minuit made a landing when he ordered cannon fired to attract the attention of the Indians to come aboard for trading. History records that soon five sachems were in his cabin and he negotiated for the purchase of a strip of land extending from about 60 miles south to the mouth of the Delaware Bay to a point on the north where the Philadelphia Navy Yard is located today. The eastern boundary was the west bank of the Delaware, while the western edge of the tract extended to "where the sun set." This purchase therefore included the lands containing portions of both Delaware and Pennsylvania.

A few months after establishing his colony, Minuit was lost at sea in the West Indies. He was succeeded by a man named Hollandaer who purchased more land from the Indians that extended the northern boundary to present-day Morrisville, Pa., which is opposite Trenton, N. J., while that on the south went to Cape Henlopen. Trading posts were spread all over the area, which was known as New Sweden, and the pioneers did a splendid business in trading for beaver, mink, otter, and other valuable furs with the Indians.

In 1642 the brilliant statesman, Count Axel Oxenstjerna, persuaded the young Queen Christina to earnestly undertake colonization in New Sweden as a Crown venture to replace the commercial company which then controlled the territory. This was done and a brilliant soldier, Lt. Col. Johan Printz, was dispatched to the colony.

Printz came as the first Governor of New Sweden. The other two leaders were properly called directors, as they were the managers of a commercial enterprise.

Printz landed in New Sweden at the blockhouse constructed originally by Minuit in late March 1643. He quickly realized that Minuit had picked a poor place for control of the Delaware, as the fort, named Fort Christina after the young queen, was located 2 or 3 miles up a small tributary. Printz ordered a new settlement built on Tinicum Island, which extended out into the river proper just below the Philadelphia Navy Yard.

Printz was a mighty man, a 400-pounder, and his feats were about as prodigious as his person.

In 2 or 3 months he had a new blockhouse, fort, trading post, and crude homes erected on Tinicum. He ordered religious services held in the blockhouse and also ordered school held there. He set himself up as chief magistrate of New Sweden and established a jury system. It was really there that the schools, law courts, and churches of Pennsylvania had their foundations. Printz ruled firmly but wisely, so history says, until 1653, expanding his trading post, tilling farms about the countryside, and spreading further the culture of the community. In the latter year he set sail for Sweden to plead for more colonists, livestock, and farming implements. He was told to wait, however, and given a civil post in the little rural town of Bottnaryd, about 25 miles from his birthplace. He remained there year after year, without receiving the assistance he sought, until in 1663 he fell from a horse and received injuries that resulted in his death.

Printz was succeeded by Gov. John Rising, and under him Swedish supremacy in the New World was short-lived. It is reported he quarreled with the Dutch, and in 1655 truculent Peter Stuyvesant sent military expeditions by land and sea to chastise him. Thus the Dutch captured New Sweden in that year, and the Netherlands flag supplanted the blue and gold of Sweden.

However, Dutch supremacy was not long in ascendancy, as the English soon claimed all the land in North America and the Dutch capitulated. New Sweden, therefore, came under British rule, but with little change in the civic life of the territory. The Dutch and Swedes continued to occupy many civil posts, and they were allowed to keep their lands.

So things went until 1682, when William Penn came to the Delaware Valley with a grant from the British Crown that gave him control of thousands of acres in what was New Sweden. This grant was in settlement of a debt of £16,000 which King

Charles II and the British Crown owed his father, Admiral Penn. This charter to Penn was actually granted March 4, 1681.

Penn named the grant "Pennsilvania"—Penn's woods. As founder of the province, Penn convened a general assembly at present-day Chester, Pa., December 4, 1682. Penn's proclamation stated that the assemblage was to include all residents of the province. Three laws were enacted during a 4-day session, which divided the province and territories (Pennsylvania and Delaware) into three counties each—Philadelphia, Chester, and Bucks for the former; and New Castle, Kent, and Sussex for the latter.

Penn granted a charter to Pennsylvania in 1701 under which both that Commonwealth and present-day Delaware were governed until the Constitution of 1776 was framed.

The United States was literally born on Pennsylvania soil. The Articles of Confederation were adopted in Philadelphia; the Declaration of Independence was written and signed there; as was the Treaty of Peace that ended the Revolutionary War ratified; and also the Constitution of the United States formulated.

On June 29, 1938, historic Tinicum Island will officially become another of Pennsylvania's historic colonial shrines when it will be deeded to the Commonwealth by the Swedish Colonial Society.

At that time, Frank W. Melvin, president of the society, and also chairman of the Pennsylvania Three Hundredth Anniversary Commission, will present title to the property and it will be formally accepted by Gov. George H. Earle.

Attending these ceremonies will be Their Royal Highnesses the Crown Prince and Crown Princess of Sweden and other members of the Royal New Sweden Tercentenary Commission. Also delegates of the Finnish Tercentenary Commission headed by Foreign Minister E. Rudolf W. Holsti.

Thus will be written one of the last pages in Pennsylvania's anniversary, which will conclude on the evening of that day with an informal dinner tendered to the Swedish and Finnish commissions by Governor and Mrs. Earle.

In Penn's time the population of Pennsylvania was given as about 2,000 persons. The 1930 Census enrolls 9,631,350 and conservative estimates today place it at well over 10,000,000, of which about 3,500 are Indians.

Penn divided his province into 300 counties; now there are 67, which contain 46 cities of the first and second class, Philadelphia being the third largest in the United States.

Where there were perhaps 100 miles of crude game trails and rutted oxcart routes in the late 1600's there are now 103,181 miles of public highways in Pennsylvania. What Penn's bill for roads was no one knows, but from 1911 to 1935 Pennsylvania spent more than $9,000,000 for better highways.

Johan Printz, with his little blockhouse school on Tinicum Island, certainly seems to have laid the foundation for a splendid educational institution in the Keystone State, for Pennsylvania now offers the highest educational opportunity to its youth in practically every possible field in the country. There are 55 fully accredited colleges and universities within its borders, and 13 State-owned teachers colleges. Public and private schools exceed 13,000.

Of course, air travel was undreamed of by the early colonists, but if they were here today they could see from aloft a network of 86 accredited commercial airports.

The capital of Pennsylvania, by its modern name, was really Chester, as Penn stopped there while Philadelphia was being laid out into lots. It was not until 1683, the year after his arrival, that Penn established his provincial government in Philadelphia, which remained the State capital until 1799.

Lancaster next became the capital, in November of the same year. It was not until 1810 that an act was passed in general assembly making Harrisburg the capital after 1812. It has remained the capital since that time.

Capitol buildings there, with their added wings, are worth more than $10,000,000 today. Independence Hall cost only a few thousands.

Three hundred years ago Pennsylvania's chief product was furs, with a probable annual value of not more than $50,000. Today it is the leading industrial State in the Union. It far excels all other States in mineral production. The principal products, in order of value, are coal, cement, natural gas, and petroleum. The last census, in 1930, gave these products a yearly value of $778,523,421.

Even the Liberty Bell has a competitor for honors that dates back to Swedish origin. In 1645 a bell arrived from Europe, ordered by Printz. It was finally brought to Gloria Dei (Old Swedes) Church in Philadelphia, which was established in 1677. It was sent abroad for recasting in 1806. On its return it was replaced in Old Swedes' Church and the original tongue put back in it. That bell can be heard today, so it has been calling worshipers to service for 293 years, which is much more than 100 years before the Liberty Bell crashed out its joyous note of freedom.

Chairman MELVIN. Our dinner opened with an invocation for Divine blessing. In the same way it should close with a benediction.

Our forefathers were godly people. Long after New Sweden had passed Swedish culture and influence lived on through the multiplying Swedish churches, assisted by the Swedish mission.

There are three old Swedish colonial churches, originally Lutheran, but are now in the communion of the Protestant Episcopal Church, represented on this program by Bishop Taitt.

The precise faith of our forefathers is now represented by one church in Philadelphia, the Zion Swedish Lutheran Church. There every Sunday morning you will find High Mass celebrated as it was celebrated at Printzhof and at Gloria Dei, according to the Augustana-Lutheran rite. The pastor of that church is our guest.

May I call upon Dr. Paul Luther Hegstrom to pronounce, in benediction, the parting word as we close this Pennsylvania three hundredth anniversary dinner.

BENEDICTION

Rev. P. L. HEGSTROM. God of our fathers, bestow Thy grace upon us and grant us Thy favor, that we may ever be worthy of the precious heritage, which is ours. Thy blessing be upon us and on our children from this time forth and forever. In the name of God, the Father, Son, and Holy Spirit. Amen.

Opinion of Supreme Court in Kansas City Rate Case

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Friday, May 13 (legislative day of Wednesday, April 20), 1938

LETTERS FROM SECRETARY HENRY A. WALLACE TO CHIEF JUSTICE HUGHES AND TO THE NEW YORK TIMES

Mr. BARKLEY. Mr. President, I ask unanimous consent that there be printed in the RECORD a letter from Secretary of Agriculture Wallace to Chief Justice Hughes, and also a statement by Secretary Wallace to the New York Times, pertaining to certain statements in the opinion of the Supreme Court in a case recently decided by the Court entitled *Fred O. Morgan et al.* v. *The United States of America and the Secretary of Agriculture.*

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 3, 1938.

Hon. CHARLES EVANS HUGHES,
Chief Justice of the United States.

DEAR MR. CHIEF JUSTICE: The opinion you delivered on April 25 in the case of *Fred O. Morgan et al.* v. *The United States of America and the Secretary of Agriculture* has been duly noted by those of us in the Department of Agriculture whose responsibility it is to perform quasi-judicial functions in the execution of the laws.

You will be interested to know that the practice you now recommend, that the examiner conducting a hearing make a report which is available to both parties for exceptions and argument, was adopted by this Department about 20 months ago. You will recall that when you remanded this same case to the lower court in May 1936, you discussed this question and at that time you wrote: "* * * we cannot say that that particular type of procedure was essential to the validity of the hearing. The statute does not require it, and what the statute does require relates to substance and not form." Although you pointed out that such procedure was not required, we nevertheless felt that its adoption would help to assure fair play to all parties and made it a part of our regular procedure in all cases arising under the Packers and Stockyards Act and similar legislation. I am glad to know that the Court now has approved the procedure which the Department already had inaugurated.

The particular case in question, of course, originated under the preceding administration in 1930 and under a law adopted in 1921. Up until this present administration no examiner's report in connection with hearings under the Packers and Stockyards Act had been thought essential. But as you point out in your opinion of April 25, administrative agencies are more and more necessary in our complex society, and it is important that all citizens be assured of fair play.

Sincerely yours,

H. A. WALLACE, *Secretary.*

UNITED STATES DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 3, 1938.

To the NEW YORK TIMES:

The New York Times on pages 1 and 2 of the Sunday issue of May 1 and on the editorial page of the issue of May 2 has unwittingly committed an injustice against the Department of Agriculture and the present Secretary of Agriculture. According to the

New York Times the decision of the Kansas City Rate Case handed down on April 25, "rebuked Wallace" and "intimated that the stockyards company was unfairly treated." In another place, the New York Times says, "the Supreme Court held that Secretary Wallace had accepted as his own the findings of the 'active prosecutors for the Government' and had not given the packers the right to a full and fair hearing in the proceedings, which involved the establishment of maximum rates for livestock sales commissions in Kansas City."

It is not surprising that reporters for the New York Times who are undoubtedly among the best in the country should have been deceived. I have found that even the most prominent people in the administration, whose duty it is to keep up to date on current affairs, were misled by the curious way in which the April 25 decision of the Supreme Court was written by Chief Justice Hughes. The Court's cloudy phraseology was made necessary by the fact that 2 years previously, the Chief Justice in this same case had taken a different stand and there was necessary a careful job of legal reconciliation which confused the clarity of thought. The very heart of the decision as stated by the Chief Justice in his April 25, 1938, pronouncement, I believe to be sound. This central core of soundness, with which I am in complete accord, has to do with furnishing to businessmen a definite order or set of findings so that they may have something to shoot at before they appear in final oral argument. I agree that the practice followed in previous administrations was unfair and I am glad to say that nearly 2 years ago, this Department established the procedure which the Supreme Court now says is necessary.

It is interesting to note that the particular error of omission on which the Chief Justice hangs his decision was committed not by this administration but by the previous one. It was the Solicitor of the previous administration who failed in February or early March of 1933 to send out the order to the commission men so that they would have something definite to shoot at when they came in to the oral argument on March 24, 1933. I do not blame the Solicitor of the previous administration because he was merely following the practice which had been established in preceding administrations.

Old Deal lawyers did not have the opportunity of thinking so continuously about the problems of administrative law. Under the New Deal, however, there has been much thought about perfecting the procedure of administrative law to insure fair play.

Dr. John R. Mohler, Chief of the Bureau of Animal Industry, one of the most respected and fairest-minded men in the Government, deserves credit for helping to bring about the necessary change in practice long before the decision of the Chief Justice in 1938. It is rather interesting to note that in May of 1936, when this whole case was up before the Supreme Court on a prior hearing, the Chief Justice in the opinion which he handed down was not particularly concerned with whether or not an order had been sent out to the Commission men in advance of the oral argument. On that occasion the one matter which seems to have concerned him above everything else was whether or not the Secretary of Agriculture had sufficiently studied the evidence in the case. To determine this point he sent the case back to the lower courts and asked that an investigation be made. An investigation was made, the Secretary of Agriculture was cross-examined, and this point was settled to the Chief Justice's satisfaction.

Incidentally, I may say that Dr. Mohler tells me that I gave this case more personal attention than any previous Secretary of Agriculture had ever given to any case under the Packers and Stockyards Act, or for that matter to any half dozen cases. The Chief Justice, in his 1938 decision, quotes the statement in my testimony to the effect that I conferred with the men of the Bureau of Animal Industry and then reached an independent conclusion as a result of which I change certain rates (in favor of the Commission men, as it happens, although the Chief Justice did not so state).

The men of the Bureau of Animal Industry were of very real assistance to me in digesting the 10,000 pages of oral transcript and studying carefully the 1,000 pages of statistical exhibits. It was right that I should rely on them, because these men were employed, among other things, for just such a purpose. They were not the active prosecutors in the case, as has been assumed. In 1928 the then Secretary of Agriculture divided the Packers and Stockyards Administration into two parts. The legal part, composed of the active prosecutors, went to the Solicitor's office; the administrative and investigational section went to the Bureau of Animal Industry. I conferred separately and collectively with both groups on several occasions. Their opinions did not agree. I arrived at an independent opinion of my own.

All of this, however, is quite irrelevant and would not be in the 1938 decision at all if it had not been for the fact that in 1936 the Chief Justice sent the case back to the lower courts to find whether or not the Secretary of Agriculture had given the case sufficient personal study. Having found that the Secretary of Agriculture had given the case personal study, he shifted ground and placed the blame for the vital defect on the previous administration although in such words that not even the most skilled reporter or headline writer could arrive at any other conclusion than that the present administration had been rebuked rather than the previous one.

The confusion arises from the fact that in the decision the words "Secretary of Agriculture" refers to several different individuals in two different administrations and the distinction would not likely be caught by anyone who is not in the Department of Agriculture.

Because of the fact that the Kansas City Rate Case decision is certain to have a far-reaching significance to governmental quasi-judicial agencies, I have in the following sketched out rapidly the background of both the legislation and the particular case involved.

Twenty years ago, Senator John B. Kendrick, of Wyoming; T. W. Tomlinson, secretary of the American National Livestock Producers; and Henry C. Wallace, my father, who was secretary of the Corn Belt Meat Producers Association; worked together strenuously for what they believed to be a new deal for stockmen at the great central markets. Previous to 1921 livestock marketed at the central markets was not subject to Federal regulation. The stockmen felt that the charges were too high and that many of the practices were unfair. They had tried starting cooperative marketing agencies only to have them boycotted and destroyed. I myself had done statistical work for the Corn Belt Meat Producers Association and had written editorials on the need for Federal regulation.

When my father became Republican Secretary of Agriculture in 1921 his greatest interest was to bring about the passage of the Packers and Stockyards Act. When the act became law he set up in the Secretary's office an administrative force. Thus was set up in the Department of Agriculture one of the first of its quasi-judicial agencies. At that time, aside from the Interstate Commerce Commission and the Federal Trade Commission, there were not many quasi-judicial agencies in the entire Government.

As time went on corporation lawyers more and more developed a feeling that these governmental agencies were unfair. The point they made was that the Government was simultaneously investigator, prosecutor, and judge. And yet the growing power of corporations and the increasing complexities in modern economic life made the increased development of semijudicial, semiexecutive agencies inevitable.

Perhaps it was this growing feeling on the part of corporation lawyers which led the Secretary of Agriculture in 1928 to take the Packers and Stockyards Administration out of the Secretary's office and put the prosecuting functions in the Solicitor's office and the fact-finding and administrative functions in the Bureau of Animal Industry. It is a curious comment on human affairs that the resentment which corporation lawyers had long held against quasi-judicial agencies in government should have received its most effective support from the Supreme Court in terms of condemnation of the action of an agency which had gone the whole way toward meeting the Supreme Court's objections. I find this whole matter of unusual interest because two of the six Justices who voted to take this action sat in the same Cabinet with my father in the early twenties. Both of them undoubtedly knew that the Packers and Stockyards Act was an integral part of the Republican agricultural "new deal" of 1921. Both of them were doubtless familiar with the way my father had set up the original Packers and Stockyards Administration in the Secretary's office. But it is doubtful if either of them knew about the change in 1928 when the Secretary allocated the legal functions to the Solicitor's office and the other functions to the Bureau of Animal Industry.

Really vigorous action in the reduction of commission rates did not begin until the depression of 1930. As the depression deepened, farmers became more and more disgusted to see commission rates held up nearly to the 1929 level, when the price of their livestock had been cut in half. They brought great pressure to bear on Assistant Secretary of Agriculture Dunlap, whom the Secretary of Agriculture, Arthur M. Hyde, had assigned to deal with matters of this sort.

In April of 1930 Secretary Hyde ordered that the Kansas City commission rates be looked into. A representative of the Solicitor's office in the Department of Agriculture acted as an examiner and took evidence in late 1930 and early 1931. Commission men appeared as witnesses, so also did investigators of the Bureau of Animal Industry. In March of 1931 oral arguments were held before Assistant Secretary Dunlap and a year later, in the spring of 1932, the Secretary issued his findings and an order prescribing new rates. Within a short time, however, the Secretary reached the conclusion that because of changed economic conditions these rates would not be enforced, but a new hearing would be held. The economic conditions had, of course, gone from bad to worse, and it is to be presumed that the then Secretary of Agriculture felt that the rates in his order were too high, and that a review of the economic situation would result in still lower rates. At any rate, an examiner was sent out from the Solicitor's office in the fall of 1932 and both the old evidence and new evidence were submitted.

When the Democratic administration came in in March of 1933, the function of listening to oral arguments under the Packers and Stockyards case was still set up in the Assistant Secretary's office. On March 24, therefore, Rex Tugwell, the new Assistant Secretary of Agriculture, heard the oral argument with regard to the Kansas City Rate Case. Previous to that time, however, there occurred that which Chief Justice Hughes describes as a "vital defect" in the hearing. This defect for which the previous administration was solely responsible, consisted in the following: The commission men had not been given the right to look at the proposed order before they came to the oral argument.

Personally, I agree with Justice Hughes in this particular contention as is shown by the fact that in 1936, nearly 2 years before Chief Justice Hughes' finding, I signed an order providing for procedure to enable apellants to see the proposed order at least 20 days before the oral argument. When I side with the Chief Justice in this conclusion I am not necessarily criticising those who were solicitors in the preceding administrations and who felt that a full hearing did not require giving the commission men the right to see the order in advance so they would have something definite to shoot at in the oral argument. But if the Solicitor of the preceding administration could have had some sense of prophetic warning he could have saved to the farmers of the Kansas City area at least $700,000 which rightfully belongs to them and which will now go to the commission men and their attorneys.

So far as the Packers and Stockyards Administration of the Department of Agriculture is concerned, the Supreme Court in its decision of April 25, 1938, has not served a useful purpose. We had already made the reform which the Supreme Court says should have been made by the preceding administration.

So far as the farmers are concerned they lost $700,000 which had been impounded as the difference between the rates established in the Secretary's order of 1933 and the old Kansas City rates based on the 1929 conditions.

So far as other quasi-judicial agencies in the executive branch of the Government are concerned, it would seem that each must discover in its own way an appropriate mechanism for showing a full hearing to businessmen and corporations. In packers and stockyards procedure I was able to assure such a full hearing by making it a requirement that the proposed order be sent to the interested parties by registered mail at least 20 days in advance of time for oral argument. In the case of the packers and stockyards administration I do not anticipate that this requirement will result in any unnecessary embarrassment or delay. I can conceive, however, that with respect to certain fields of Government activity corporation attorneys and reactionary judges and justices might conceivably use this finding of the Supreme Court greatly to the advantage of the corporations and greatly to the disadvantage of the public. It would seem as though there is just as great a need for the public being fully and fairly heard as there is for the corporations. In the Kansas City Rate case the Supreme Court finding has the effect of doing a definite injustice to the public. Two extended sets of hearings before examiners were held, one in early 1931 and the other in late 1932. Two oral arguments were held, one in early 1931 and the other in early 1933. Two findings were made, and two orders were signed, one in May of 1932 and the other in June of 1933. The change in economic facts between the examination of early 1931 and the examination of late 1932 was such as to justify lower rates rather than higher rates. Furthermore, in November of 1937 when economic conditions were materially better than in 1931, 1932, or 1933, the Kansas City commission firms voluntarily accepted rates which were almost identical with my order of June 1933.

The evidence is clear, therefore, that the Supreme Court in order to flash a warning to quasi-judicial agencies in the executive branch of the Government did that which those of us who are close to the industry know to be a definite injustice to the farmers involved. It will be exceedingly unfortunate if corporation lawyers take this finding of the Supreme Court as an excuse to bring about the interminable delays for which some of them are famous.

The final court of appeal in the United States is to the bar of public opinion. In bringing this present case before that bar I would raise the question as to the extent to which a court in its desire to call public attention to certain trends in public policy should permit itself to do a substantial injustice to a considerable number of citizens—in this case, the farmers who had sent livestock to the Kansas City market from June of 1933 to November of 1937. They were harmed to the extent of more than $700,000 in order that the Court might make it known that in quasi-judicial proceedings orders should be formulated and sent out to the appellants in order that they might have something to shoot at when the time came for oral argument. With regard to this point I have no quarrel with the Chief Justice. But it does seem that he could have done justice to the farmers and at the same time have issued this warning. I trust the day will come when the Supreme Court will recognize a menace far greater than that contained in any of the quasi-judicial agencies, namely, the tendency for some corporation lawyers and courts to drag out their proceedings to an interminable length.

In conclusion we may well ask whether the Court was interested in this case primarily from the standpoint of doing justice as between farmers and commission men in the Kansas City territory or in using a convenient peg on which to hang a statement encouraging lower courts to attack and delay the actions of quasi-judicial agencies. As I have said before, I agree fully with the Chief Justice about the fairness of sending out orders in advance of final oral argument in order that the appealing parties may have something definite to shoot at. But if the obiter dicta in this case are to be taken as an excuse for delay by the lower courts, it is high time that the whole matter be agitated to the utmost before the bar of public opinion.

Sincerely yours,

H. A. WALLACE, *Secretary.*

Relief and Pump Priming

EXTENSION OF REMARKS
OF
HON. SAMUEL B. PETTENGILL
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 1938

Mr. PETTENGILL. Mr. Speaker, this bill ties pump priming to relief. If the bill dealt only with relief, I would vote for it, as I have for all relief bills during my service. The present bill ought to be recommitted and a new one brought in dealing only with relief, which would then have my hearty support. We cannot let people go hungry in America.

But the pump-priming section and the relief section are tied together in the bill, and the only effective way to protest against pump priming is to vote against the whole bill. A vote for the bill would indicate approval for pump priming as well as relief.

Pump priming has nothing to do with relief as such. My attitude on pump priming is best described by President Roosevelt. I am following him in the matter, as he stated his position in Pittsburgh in 1932, when he said:

> The credit of the family depends chiefly on whether that family is living within its income, and so it is with the Nation. If in some crisis it lives beyond its income for a year or two, it can usually borrow temporarily on reasonable terms. But if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxation to the limit of the people's power to pay, and continues to pile up deficits, it is on the road to bankruptcy.

It is my judgment that President Roosevelt was right in 1932 and that he is wrong today in taking a directly opposite position.

We have lived beyond our income "in some crisis", not for a year or two, but are now about to enter our ninth consecutive year of deficits, the ninth year probably having the biggest deficit of all.

We have "extended taxation to the limit of the people's power to pay"; we "continue to pile up deficits"; we are now willing "to make no sacrifice at all in spending"; and if President Roosevelt was right in 1932, we are "on the road to bankruptcy."

If we go down that road, the poor, the unfortunate, the unemployed, the person in the greatest need of genuine relief, will suffer most of all. In their interest, especially, we should now make some "sacrifice in spending." We ought not to burn our seed corn, use up our last reserves.

Indeed, as President Roosevelt again said in 1933:

> The road toward bankruptcy has added to the ranks of the unemployed. * * * The credit of the United States Government definitely affects these fundamental human values.

I might now gamble one more "shot in the arm" if the public-works program were definitely made a part of a genuine program to restore confidence to business and investment, so that our billions of idle dollars would go to work and put our millions of idle men back to work. If that were done, pump priming would be unnecessary. Unless it is done pump priming will fail.

But nothing fundamental is being done to restore that lost confidence. Indeed, this bill will not only further impair the Nation's credit but also the credit of States, counties, cities, and towns, by inducing them, as well as the Federal Government, to go further along "this road toward bankruptcy." This bill certainly invites and in effect offers to bribe States and local governments to violate their own constitutional restrictions against incurring too much debt. To these extremes have we gone to tear down constitutional government.

The complacency with which many people, and particularly members of the Democratic Party, regard this program is beyond my understanding.

This is the road to the poorhouse. There was a time when we did not consider this matter as a joke. There was a time when people who talked about the necessity of preserving the national credit were not denounced as "reactionaries" or "economic royalists." There was a time when a Democrat did not run the risk of being read out of his party by insisting on such a sound national policy. That was not so long ago. It was only 6 years ago. And in proof of this I again quote what President Roosevelt said on July 30, 1932:

> We face a condition which at first seems to involve either an unbalanced Budget and an unsound currency or else failure of the Government to assume its just duties—the relief of distress and protection against loss of savings built up through many years by numberless small investors. This concerns you, my friends, who managed to lay aside a few dollars for a rainy day.
>
> This dilemma can be met by saving in one place what we would spend in others or by acquiring the necessary revenue through taxation. Revenues must cover expenditures by one means or another. Any government, like any family, can, for a year, spend a little more than it earns. But you and I know that a continuation of that habit means the poorhouse.

A Democratic President once said that he would "play for the verdict of history." In my humble way I must take my present stand and let it be judged not by the madness of today but by the appraisal of tomorrow.

The children of today have some rights in our tomorrow. But we are mortgaging them and their future. If we ever "live within our income" again and begin paying off the debt at the rate of a billion a year, as we did from 1920 to 1930, it will be at least a quarter of a century before that mortgage is paid.

Federal Chain-Store Tax Bill

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 1938

FEDERAL CHAIN STORE TAX BILL

Mr. PATMAN. Mr. Speaker, one of the most important legislative measures now pending before the Congress of the United States is the Federal chain-store tax bill, which is known as House bill 9464.

As most people realize, this bill is designed to break down the vast monopolistic interstate chain-store systems of the United States into smaller groups, and to confine the retail distribution of these groups within the limits of the individual States.

Now, I hold to the conviction that the American people are essentially honest; that the American public has a fertile mind; that the American people will do what is right if they get the truth.

Thomas Jefferson once said:

> If the people get the truth, the country is safe.

THE RIGHT SIDE

And with specific reference to the Federal chain-store tax bill, I say that we have the right side of the question. There is no doubt about it. We have logic and reason to support our arguments and none of our opponents can answer them successfully. The question confronting us is reaching the people with the truth.

Fortunately, we are living in an age when the dissemination of information is more efficient and effective than ever before in our history and more people can be enlightened on any particular subject in a shorter time than ever before. And our job at the moment is to inform the American people of the purposes and objectives of our bill.

Naturally with a bill of such direct intent, aimed at so gigantic and so powerful a monopolistic clique as the interstate chains, there is bound to be some confusion about it.

PROPAGANDA MILLS GRINDING

The interstate chain propaganda machines are pouring out great sums of money in high pressure lobbying and in stupid attempts to deceive the American public through publication of fake consumer-buyer magazines and in many other ways.

We have had our Captain Kidds in industry for a long time. We now have interstate business desperadoes who are threatening to destroy our country. We must stop them.

To stop them we must, among other things, bring the truth to the American people, and, in the face of an overflow of chain-inspired propaganda and lobbying, I want to say to the people of our country who believe in fair trade principles, local ownership and operation of business and parity prices to farmers, that the Federal chain-store tax bill has an excellent chance of being enacted into law.

GIVE YOUR SUPPORT

If the independent businessmen of this country and the people generally will give us the same support on this bill that they did on the Robinson-Patman bill—this bill will pass.

Broadly speaking, I want to urge American people to exercise their vision and see through the smoke screen of chain-store propaganda and ignore the pleadings of absentee owners of Manhattan who claim low prices to consumer-buyers. Their low prices are a snare and the truth is that we never have had good times in this country when wages and prices were rock bottom.

There is no need of going into detailed explanation of the battle now raging in Washington over this bill. The public knows about this fight.

FRANTIC OPPOSITION

In their frantic fight for life the interstate chain systems have sent out form letters for their unit managers to rewrite or to fill out and send to Washington urging Members of Congress to vote against our bill. Their effort failed.

Highly paid interstate chain lobbyists are swarming through the halls of Congress endeavoring to "buttonhole" Members and talk them into becoming monopolistic Charlie McCarthys for the money masters of Manhattan. This effort is failing.

I could recite a lengthy list of similar indictments and I am happy to say that I can conclude each with the definite assurance that the effort has failed or is failing.

So the picture today is that, despite these unprincipled efforts by the interstate chains, our bill is now supported by a steering committee in the House of Representatives composed of 75 Members of Congress, including myself, who represented 33 States.

Regardless of the intense interstate chain-system pressure on my congressional colleagues, this steering committee is fully cognizant of the situation and is in perfect agreement regarding campaign tactics for our bill.

CORRECTING UNECONOMIC SITUATION

We do not contemplate a full hearing on H. R. 9464 during the present session of Congress because (1) this session is nearly over and (2) a certain amount of time and effort must be spent in bringing this subject into national prominence for public discussion and public education.

We are engaged in an attempt to correct an uneconomic situation; we are not involved in a battle of personalities: We do not plead the special interest of any group. We say the Federal chain-store tax bill is thoroughly justified because it serves the best interest of all the people, for it is a fact that today the public interest and welfare are distressingly at stake because of the evils of monopoly.

BUREAUCRACY IN BUSINESS

It is fact, not fiction, that we justify restraining the greed of the vast interstate chain systems because they not only menace independent merchants but because they threaten the entire community of our Nation.

In broad terms, the fight on behalf of our bill is the fight against private monopoly. We must destroy it or it will destroy us. This is not a new issue. We had a similar fight against monopoly during the days of the Robinson-Patman

legislation, but the outcome of that campaign was victorious because the public had the truth and supported the measure.

SECOND MAJOR OFFENSIVE

Thus the Federal chain-store tax bill becomes our second major offensive against monopoly. The Robinson-Patman Act, which greatly benefits the independent merchant as well as the American public, does not prohibit interstate chains from diverting net profits from stores in one town to sustain the ruthless selling at below cost by chain stores in another town until independents are out of business from town to town. This monopolistic abuse is definitely corrected by the Federal chain-store tax bill.

Nor is the benefit to be derived from our bill available only to independent merchants. H. R. 9464 will help consumers, buyers, and farmers as well. Low wages and low prices have never brought prosperity. When monopolistic interests buy at distress prices from farmers, it only creates community poverty that presses back on all consumers in villages, towns, and cities and eventually destroys consumer power.

REACH THE PEOPLE

I make this assertion with the knowledge that it cannot be successfully contradicted: When we reach the American people with this proposal, after driving our opponents into the open, this bill will be enacted into law by Congress by almost unanimous consent.

Ceremonies in Honor of Gen. Wladimir Krzyzanowski

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Monday, May 16 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. F. RYAN DUFFY, OF WISCONSIN, MAY 14, 1938

Mr. BARKLEY. Mr. President, on last Saturday, May 14, appropriate ceremonies were had in the city of Washington in honor of that great Polish general, Wladimir B. Krzyzanowski, who distinguished himself in the service of this country. In the morning at Arlington National Cemetery a monument was unveiled over his grave. In the evening, a dinner was held at a local hotel, and the Senator from Wisconsin [Mr. DUFFY] delivered a very able address on that occasion. I ask unanimous consent that that address by the Senator from Wisconsin may be printed in the Appendix of the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Wisconsin is very proud of her citizenship. Wisconsin glories in the fact that so many of the nations of Europe have sent many of their bravest and most industrious citizens to live in this country, and that many of them have become citizens of our Badger State. One of those nations which has contributed so much to this Nation and to Wisconsin is Poland. Today Milwaukee has more citizens of Polish extraction than many of the larger cities in Poland; and as you travel about our State you encounter such locations as Pulaski, Polonia, Krakow, Sobieski, and many others. While perhaps one-half of such citizens are on the farms and in the towns in rural areas, the other half of our Polish population forms a large element among the skilled workers in industrial cities, such as Racine, Kenosha, Milwaukee, Green Bay, Menasha, and Stevens Point. As the Polish blood is such an important element in our State, I am, of course, most happy to have the privilege of attending this dinner and these exercises given in honor of a great Polish soldier who fought for this country.

Upon hundreds of occasions heretofore American citizens have extolled those great Polish heroes, Kosciusko and Pulaski, who contributed so much during our struggle for independence. It was about 78 years after the close of the Revolutionary War when Wladimir Krzyzanowski, the great general whom we honor tonight, offered his services to this Government; and again almost the same period of time has elapsed from that date to this hour when we are gathered here to do honor to him. But when I consider that a splendid Wisconsin regiment, the Twenty-sixth Volunteer Infantry, was so closely connected with this great soldier, I am doubly privileged to participate in these ceremonies, and to have had the opportunity of laying upon his tomb this morning a wreath composed largely of the Wisconsin State flower, the violet.

THE TWENTY-SIXTH WISCONSIN REGIMENT OF INFANTRY

On August 16, 1862, in the second year of the War between the States, President Lincoln issued a call for 300,000 volunteers. Within 2 weeks from the date of the call there was recruited in eastern Wisconsin a regiment of 1,000 men, mostly of German birth. On October 6, 1862, under Col. William H. Jacobs, they left Wisconsin for Washington, D. C. From October 10 to December 9, 1862, they were stationed at Centerville, Va. On December 14 they were ordered to Stafford Courthouse, Va., a few miles north of Fredericksburg. They were assigned to the Eleventh Army Corps, under General Sigel. The regiment was attached to the second brigade of the third division of the Eleventh Army Corps, the brigade commander being Col. Wladimir Krzyzanowski. This brigade consisted of the following infantry regiments: Twenty-sixth Wisconsin, Fifty-eighth New York, One Hundred and Nineteenth New York, Seventy-fifth Pennsylvania, and the First West Virginia Artillery. The major portion of the Twenty-sixth Wisconsin was recruited from Milwaukee County, with the remainder coming from Racine, Manitowoc, and also my home county of Fond du Lac. The muster roll shows 36 names of unmistakable Polish origin, of which the following are representative: Joseph Zbitowski, August Ligonski, Anton Cziskowski, Bart Mantowski, Frank Smitka, Walz Lalofski, Rudolf Kreofski, and Charles Grochowski. These names show that the first tide of that splendid Polish immigration, which has so greatly helped to build the State of Wisconsin, had already set in motion as the war opened.

CHANCELLORSVILLE

May 1 to 7, 1863, the battle of Chancellorsville marked the first engagement in which the regiment participated. This battle is frequently cited as one of the great strategic achievements of the Confederate combination of Generals Robert E. Lee and Stonewall Jackson. You will recall from your history that at 5 o'clock on the afternoon of May 2, 1863, Stonewall Jackson's corps of 24,000 men suddenly struck the right wing of the Union Army at Chancellorsville. The Eleventh Army Corps was stationed on the right, the First Division being located at the extreme right, and the Second Brigade of the Third Division under Colonel Krzyzanowski a quarter mile distant and to the east, in some exposed ground between the heavy woods located there and the highway to Fredricksburg. The flank attack by Stonewall Jackson, it will be recalled, covered a front of a mile, so that the defending troops were virtually attacked from three sides—front, left, and right. In the course of 4 hours, the Union right was pushed back nearly 2 miles on its 6-mile front. It was here that the brigade under Colonel Krzyzanowski distinguished itself. Their stubborn resistance slowed up the Confederate advance, enabled the Union forces to reorganize themselves so as to permit an orderly retreat 3 days later. At the moment of the Confederate attack, 5 p. m., on May 2, the Fifty-eighth New York and Twenty-sixth Wisconsin were under the immediate command of Colonel Krzyzanowski. I could say many complimentary things about this great soldier and his men, but I prefer in this address to quote from official records. The report of Gen. Carl Schurz reads:

"The Fifty-eighth New York exposed to a flanking fire from the left, where the enemy broke through, and severely pressed in front, was pushed back after a struggle of several minutes. The Twenty-sixth Wisconsin flanked on both sides and exposed to a terrible fire in front, maintained the unequal contest for a considerable time. This young regiment, alone and unsupported, firmly held the ground where I had placed it for about 20 minutes, nor did it fall back until I ordered it to do so. One of Colonel Krzyzanowski's aides came to me asking for reinforcements as the Twenty-sixth Wisconsin, being nearly enveloped on all sides could no longer maintain its position. Having no reinforcements to send I gave the order to fall back to the border of the woods east of the open ground. The Twenty-sixth Wisconsin then marched in good order, facing about and firing as often as possible." (Official records, series I, vol. 25, p. 654.)

The casualties of the Twenty-sixth Wisconsin in this engagement were 37 killed, 23 missing, 117 wounded; a total of 177. Among the killed were the captains of Companies E, G, and K.

GETTYSBURG CAMPAIGN

Following the Battle of Chancellorsville, the Eleventh Division returned to Stafford Court House, remaining there in camp until mid-June, when the Confederate Army made its invasion of Pennsylvania in what is known as the Gettysburg campaign. Colonel Krzyzanowski's brigade was moved to Emmitsburg, Md. On the morning of July 1, 1863, artillery fire in the vicinity of Gettysburg, 12 miles distant, was heard. The brigade moved forward in a driving rain and reached Gettysburg at noon. They were immediately thrown into the Union right, located northwest of the town, opposing the advance of General Hill's Confederate corps. The fighting of this first day of the battle, July 1, 1863, resulted in both armies taking positions—the Confederate Army west of the town on an eminence called Seminary Ridge, and the Union Army on a hill running south of the town called Cemetery Hill. In the first day's fighting the Twenty-sixth Wisconsin and the

Fifty-eighth New York were again under the immediate command of Colonel Krzyzanowski. They covered the retreat of the outnumbered Union forces (about 8,000), permitting the successful establishment of the Union line on Cemetery Hill. The second day of the battle was marked by fighting on the Union left at Little Round Top. Colonel Krzyzanowski's brigade had no action on that day until 9 o'clock in the evening, when a sudden Confederate attack on Culp's Hill, the Union right, where the colonel's brigade was stationed, almost resulted in a loss of Captain Weidrich's New York First Artillery Battery. Colonel Krzyzanowski personally led his men, and, in fierce hand-to-hand fighting, regained the battery, thereby saving the Union right. Of this engagement the official report of Maj. Benjamin A. Willis reads:

"It is needless for me to say, Colonel, for you led us in person, with what alacrity the regiment responded and with what determination it moved forward, and with what courage it met the foe, drove him back, saved the position, and thus secured the whole Army from irreparable disaster." (Official Records, series I, vol. 27, p. 744.)

On the third day of the battle, marked by the famed charge of Pickett's division, Colonel Krzyzanowski's brigade held their line but were otherwise not actively engaged. Of the work on this day General Schurz reports:

"During the memorable cannonade of the afternoon my men behaved with the same firmness which they had exhibited on the preceding day. (Official Records, series I, vol. 27, p. 731.)

On the morning following the battle Colonel Krzyzanowski's brigade partook in what may be termed the final action of the battle. At 8 a. m. on July 4, 1863, the One Hundred and Nineteenth New York and the Twenty-sixth Wisconsin made a reconnaissance toward Seminary Ridge and took 47 additional prisoners. The report of Major General Howard reads:

"Were I to accord praise to individuals, I would hardly know where to begin or where to end. I noticed Generals Ames, Schurz, and Steinwehr; Colonels Orland Smith, Coster, Krzyzanowski, and Von Gilsa, commanding brigades; also Major Osborne, commanding the artillery; and I commend them all for bravery, faithfulness, and efficiency in the discharge of duty." (Official Records, ser. I, vol. 27, p. 706.)

The casualties of the brigade at Gettysburg were: Fifty-eight New York, 20; One Hundred and Nineteenth New York, 140; Eighty-second Ohio, 181; Seventy-fifth Pennsylvania, 111; Twenty-sixth Wisconsin, 217. In the memorable bombardment of July 3, one exploding shell killed or wounded 27 men of the One Hundred and Nineteenth New York, who were part of the brigade holding their portion of the line. The fierceness of the fighting in which the Twenty-sixth Wisconsin engaged in its first 8 months of service is apparent from the fact that the total casualties in the first two battles were 217 at Gettysburg, 177 at Chancellorsville, a total of 394.

THE ATLANTA CAMPAIGN

After the Battle of Gettysburg, the Eleventh Army Corps returned to Warrentown, Va. On October 2, 1863, they were transferred to Tennessee. For the commencement of the Atlanta campaign, under General Sherman, the Eleventh Army Corps was transferred to the Twentieth Army Corps. The Twenty-sixth Wisconsin, now mustering 417 muskets, under Col. Fred C. Winkler, comprised the Third Brigade of the Third Division of the Twentieth Army Corps. Here occurred a parting of these comrades, even though they continued members of the same Army corps, the Twenty-sixth Wisconsin becoming part of the Third Division of the Twentieth Army Corps, under Brigadier General Cogswell. The new commander of the Twentieth Army Corps was General Hooker, their old commanding officer from Chancellorsville. The Twentieth Army Corps was part of the Army of Cumberland, headed by Gen. George Thomas. The Twenty-sixth Wisconsin played a prominent part in the campaign before Atlanta, the capture of Atlanta, and Sherman's march to the sea, ending their service finally in the battle of Averysboro, N. C., on March 16, 1865, where their casualties were 23, including one captain and one lieutenant. Following the surrender of General Johnston, they marched to Washington, were mustered out, having shown a service record of 284 killed and 232 discharged for wounds from an original muster roll of 1,002.

The parting between the comrades took place May 1, 1864. Colonel Krzyzanowski was assigned to command of the fort at Bridgeport, Ala., on the Tennessee River, commanding the Third Brigade of the Fourth Division, Twentieth Army Corps, for the defense of the Nashville & Chattanooga Railroad. This was an important post, as it kept open the Tennessee River, a vital line of supplies for the Army of the Cumberland. For the final year of the war, Colonel Krzyzanowski continued in charge of this post. During that time he trained six companies of volunteers from Ohio, Michigan, and Wisconsin. These companies, as trained, were immediately transferred to Sherman's command in the march to the sea. The forces under him at any given time averaged about a thousand men during all this period, and there was likewise under his charge a gunboat known as gunboat *A*, which periodically made trips down the river to Muscle Shoals. The entire period was marked by vigilance, frequent skirmishes, and casualty lists running 10 to 50 each month. One characteristic incident which occurred is worthy for conclusion to this narrative. On July 15, 1864, a force of 2,800 Confederates was reported massing for an attack from Bridgeport. In a telegram to headquarters, Colonel Krzyzanowski reported:

"I can hold this post. If I need reinforcements, I will telegraph" (Official Records, ser. I, vol. 38, pt. IV, p. 149).

The attack never materialized, but it is interesting to note the striking trait of Colonel Krzyzanowski, who never entertained the thought of defeat, however outnumbered he and his forces might be.

CONCLUSION

Volume 49, series I, part II, page 445 of the Official Records, dated April 23, 1865, reads:

"The Twenty-ninth Michigan Infantry, Col. Thomas Saylor commanding, and the Forty-third Wisconsin Volunteer Infantry, Col. Amasa Cobb commanding, will hereafter compose the Third Brigade, first subdistrict of middle Tennessee. Col. Amasa Cobb, of the Forty-third Wisconsin Infantry, is hereby placed in command of said brigade, with headquarters at Decherd. All reports and returns heretofore made through Brevet Brigadier General Krzyzanowski will hereafter be made through Colonel Cobb. By command of Major General Milroy, John O. Cravens, assistant adjutant general."

The war was not yet ended when the deserved and well-earned promotion to brigadier general came to Wladimir Krzyzanowski.

General Krzyzanowski—linked to my home State with the ties that will never perish.

May the fragrance of our State flower, the violet, wreathed on your tomb tonight, with tokens from World War veterans of your adopted State of New York, all ascend as an incense of love and devotion to the Valhalla of brave warriors.

Dedication of Monument to Gen. Wladimir B. Krzyzanowski

EXTENSION OF REMARKS

OF

HON. F. RYAN DUFFY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, May 16 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. LOUIS JOHNSON, ASSISTANT SECRETARY OF WAR, MAY 14, 1938

Mr. DUFFY. Mr. President, on last Saturday morning, May 14, at Arlington National Cemetery, there were very impressive dedication ceremonies of the monument which has been erected to Gen. Wladimir B. Krzyzanowski. A very able address was delivered by the Honorable Louis Johnson, the Assistant Secretary of War, in which he pointed out the splendid contributions of Poland and citizens of Polish ancestry to this country.

I ask unanimous consent that Mr. Johnson's address be printed in the Appendix of the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE BATTLE FOR THE COMMON RIGHTS OF MAN

Mr. Chairman, Mr. Ambassador, citizens and friends of America, on behalf of the American Nation, which owes its lifeblood to the virility and to the genius of its citizens of many origins, I reverently accept this memorial to our illustrious son of Polish birth, Brig. Gen. Wladimir B. Krzyzanowski.

Here, in historic Arlington Cemetery, surrounded by brave comrades who fought at his side to keep the Union free, he now lies at rest. This simple stone, placed at the head of his grave, stands as a memorial not only to the exemplary qualities of this outstanding citizen-soldier of Polish origin, but to all his compatriots who, from the dawn of our history, have contributed so fully to our American life.

In our struggle for independence, Poland and the sons of Poland valiantly fought on our side. While Kosciusko and Pulaski faced death on the battlefields of Saratoga and Savannah, the Polish Nation, led by Stanislaus Augustus, its last king, was winning our battles for us on the soil of its own native land. So long as the torch of liberty was held high in Poland, neither Frederick of Prussia nor Catherine of Russia could furnish the quota of mercenaries that England was ready to purchase for service against her American colonies.

The love of Poland for America was shared by our own colonial forefathers. After we achieved our own independence, and Poland was struggling to cut the bonds of slavery imposed upon it by foreign aggressors, our first President was among its sympathizers and champions. Speaking of Poland to a Polish citizen who had fought for our independence, George Washington said:

"That your country is not as happy as her efforts were patriotic and noble is a misfortune which all the lovers of sensible liberty and rights of men deeply deplore; and, were my prayers during that hard struggle of any good, you would be now 'under your own vine and fig tree,' to quote the Bible, as happy in the enjoyments of

these desirable blessings as the people of these United States enjoy theirs."

As time passed, friendship for Poland grew into an American tradition. In the Polish-Russian war of 1792 a number of Americans, fired by their sympathies for Poland, actually enlisted in the Polish Army and fought in Poland's battles for freedom. Throughout our history we have been on the side of Poland, on the side "of that brave and generous people who have for centuries been battling against the sceptred plunderers of Europe and the tramplers upon the common rights of man."

Polish citizens came to our shores, however, not only to keep up the battle against those who trampled upon the common rights of man but to find here a permanent asylum, to build their homes in our communities, and to become loyal citizens of our Republic.

"From thee, oppressed Poland, the pride of my heart;
An asylum I sought o'er the dark rolling sea,
In the land of the noble, the brave, and the free,"

sang the former aide-de-camp to Kosciusko when he returned to America in 1796; and to similar strains thousands of men and women of Polish blood have taken their places in the life and heart of America.

Krzyzanowski was typical of our early Polish immigrants. Buffeted by forces of political oppression, denied the opportunity to study his own native tongue, marked for prison because of his love for liberty and democratic institutions, this distinguished son of Poland came to America at the age of 22, mastered a new language, qualified as an efficient engineer, and took an active part in the life of his community.

When war between the States appeared imminent, he, then 36 years old, enlisted as a private in an infantry company. Several months later we find him a colonel and later a brigadier general in command of a brigade in the Army of the Potomac. For more than 4 years he served on various fronts and received many citations for his leadership, gallantry, and courage. Upon returning to civilian life, he continued in the service of his adopted country, in Alaska and Panama, as well as in his Nation's Capital. At his death he was mourned by his neighbors and the soldiers who served in his regiment and brigade. At his grave his own commanding officer, Maj. Gen. Carl Schurz, himself a citizen of foreign birth, pronounced the eulogy.

We are proud of the mixed blood of Europe that flows in our American veins. Ours is not a Nation of stereotyped individuals governed by the same emotions and respondent to the same appeals. America is not a chorus in which individuals sing the same tune. America is a harmonious symphony. Each member of our national orchestra may play on a different instrument, but whatever the individual variations in tone, a beautiful blending of sound comes forth.

We may differ in opinions, in beliefs, in theories. We may worship God as Catholics, Jews, or Protestants. Only in our devotion to liberty and in our faith in freedom—freedom of speech and freedom of conscience, do we believe as one. Only in our love for America and its institutions do we act as one. Native or foreign-born, we are Americans all, in possession of blessings of liberty and of opportunity unequaled anywhere in the world. Diverse in origin, unified in purpose, we go forward to achieve for ourselves and for our children the ideals of democracy and of liberty for which loyal sons of Poland and of America throughout the ages have valiantly fought.

"Then join hand in hand, brave Americans all!
By uniting we stand, by dividing we fall."

Air-Mail Week

EXTENSION OF REMARKS

OF

HON. PAT McCARRAN

OF NEVADA

IN THE SENATE OF THE UNITED STATES

Monday, May 16 (legislative day of Wednesday, April 20), 1938

PRIZE ESSAY BY MISS MARY DAVIS, ON THE SUBJECT OF AIR MAIL

Mr. McCARRAN. Mr. President, the present week has been designated as Air Mail Week, which has been set aside by the Post Office Department in celebration of the twentieth anniversary of the first Air Mail Service, which was inaugurated between New York City and the Capital of the Nation.

The Post Office Department has offered prizes in the way of trips and other rewards to pupils of high schools throughout the United States for the best essays, the winner in each State to be given a trip to the National Capital, and the winners in the Nation-wide contest to be given trips, one to Miami, Fla., and the other to California.

Mr. President, the winner for the State of Nevada was a young lady from the Pioche High School, in Lincoln County, Nev. She is here as the prize winner. Her essay is so outstanding that I ask that it be inserted in the CONGRESSIONAL RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

[From the Reno Evening Gazette, May 11, 1938]

AIR-MAIL ESSAY THAT SECURED HONORS

"Wings Across America" was the title of the State-winning essay written by Miss Mary Davis, freshman student at the Lincoln County High School at Pioche, in the National Air-Mail Week contest, which won for her a free air trip to Washington, D. C., to attend the dinner Sunday tendered to all State winners.

The essay which brought top honors follows:

"The dreams of generations are centered in me. I am the greatest miracle of all times, a product of genius and imagination; I contain the spirit and integrity of the pioneer, unconquerable and fearless.

"I bear the magic power of ascending into heaven. Over the snow-capped mountains of Alaska I pass, where no human foot has ever trod, to bring food and news of the outside world to the ice-bound Eskimos. Neither flood nor fire has the power to stop me in my deeds of mercy.

"I laugh at broken telephone lines and washed-out railroads as I speed with the flight of a bird from coast to coast carrying within my arms the wealth of the American people and important messages which cannot allow time to go by the slow route of regular mail service.

"Within my luxurious body I carry the peoples of the world, such as the President, great actors, singers, and playwrights, as they travel from the East to the West, bringing with them the excitement and entertainment of the world.

"From the sage-covered plains of Nevada to the crowded cities of New York I am known and loved by the American people. I breathe the spirit of youth and progress as my power of communication is as swift as modern civilization. With my silver wings glinting in the sunshine I wing my way across America. I am aviation, the spirit of transportation."

Air-Mail Week

EXTENSION OF REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Monday, May 16 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS BY HON. ALBEN W. BARKLEY, OF KENTUCKY, MAY 16, 1938

Mr. McKELLAR. Mr. President, the Senator from Kentucky [Mr. BARKLEY] this morning delivered a radio address on air-mail week. His address is a splendid presentation of the subject. In this connection, I may say that I recall very distinctly that just 20 years ago I reported from the Committee on Post Offices and Post Roads the first air-mail bill, which was passed by the Senate and by the House of Representatives and became the law. It is with a great deal of pleasure that I note that air-mail week is being celebrated, and I take great pleasure in asking unanimous consent that the address delivered by the senior Senator from Kentucky may be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The spirit of modern America is more vividly portrayed in the development of aviation than in the development of any other business or enterprise of modern times.

Twenty years ago yesterday, on Sunday, May 15, 1918, there was established by the Post Office Department, with the cooperation of the United States Army, the first regularly scheduled air-mail service, between New York, Philadelphia, and Washington. Prior to that time there were experimental flights for the carrying of mail and messages by balloon and airplane in many parts of this country and throughout the world. Of course, airplanes were used effectively during the World War, but it is a fact that the first regularly scheduled air transport service in this country was the

air-mail service placed in effect between the Nation's Capital and New York, with a stop at Philadelphia, on May 15, 1918. This first mail was flown by air-mail pilots in Army planes.

The Army continued to fly the mail until August 1918, when, with congressional authority, the Post Office Department took over the maintenance of the service on its own account. The air lines were operated exclusively by the Post Office Department for the transportation of mail until 1926. By this time the success attained was sufficient to attract the attention of private capital. Therefore the Congress authorized the Department to withdraw from the actual operation of the lines and made appropriations enabling the Department to contract with the private operators for the transportation of the mail. The Department could not properly go into the business of carrying passengers, and this rearrangement, which enabled private enterprise to set up the transportation system, started the development of what is now the most efficient air-transportation system in the world.

As a matter of fact, the air-transport system in the United States flies more miles and carries more mail than all other air-transportation systems in the world combined.

Radio has unquestionably made a most valuable contribution to the success of air-transport operation. By the use of radio the pilots of these great ships are enabled to fly in good and bad weather, the result being more regular service on more frequent schedules with reasonable assurance that such schedules will be maintained.

I want to pay tribute—first to the Wright brothers, then to the courageous Army flyers—the pilots who established the first service for the Post Office Department—and, last but certainly not least, the courageous men who are flying the huge transport ships back and forth across America today, and also across the Pacific, to Honolulu, the Philippines, and China, as well as to our neighboring countries in Central and South America.

The Army and the Navy, as well as the Department of Commerce, have made their contribution to the success of aviation. In fact, almost all of our major industries have contributed something to the development of this modern, speedy means of transportation. Successful flights are made possible not alone by the men who fly the ships but are dependent also on the efficiency of the ground organization.

This past 20 years of development of the Air Mail Service and the air-transport system provides some of the most glorious pages in the history of our country. With full credit to all where credit is due I feel that it is only fair to say that to the Post Office Department itself there should go the largest measure of credit for the creation and maintenance of not only the Air Mail Service but of the air-line system.

I want to offer my congratulations most sincerely to Postmaster General Farley and to his efficient departmental staff for their tireless efforts in keeping the facilities of the Postal Service up to the minute at all times under all conditions for all of our people.

The President's Antimonopoly Program

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Monday, May 16 (legislative day of Wednesday, April 20), 1938

EDITORIAL IN THE BALTIMORE SUN OF MAY 1, 1938

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "Monopolies," published in the Baltimore Sun of May 1, 1938.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, May 1, 1938]

MONOPOLIES

Mr. Roosevelt's monopoly message is definitely to the good. It has more of information, more of thought, more of statesmanship than has been usual. Points could be made against the President. His concern over cartelization is in strange contrast indeed to the enthusiasm with which he greeted "great industrial guilds" when 5 years ago he gave the Nation the monopoly breeding N. R. A. His statistics on corporate control and corporate earnings suggest the wisdom of careful analysis. They prove so much more than is visible to the naked eye. His specific suggestions call, in instances, for further thought. But all of this is minor to the fact that Mr. Roosevelt has intelligently approached one of the truly major issues of the time.

Moreover, the President has approached the question of monopoly with a sense of time and of circumstance. It is vastly important that the whole question of monopolies be thoroughly explored once again and that a strong and intelligible policy be laid down. But also it is vastly important that this matter be so handled as not to give an unnecessary shock to the whole of the business community. Everyone is familiar with cases in which an operation is essential to the health of an individual, but cannot be performed hurriedly or in conditions of excitement. The patient must be allowed a period of repose. The heart must be strengthened. The analogy is apparent. Mr. Roosevelt has chosen to state, very calmly on the whole, the problem that is presented by monopolies and to propose studies that may be conducted competently and without demagogy. He does not write as though Secretary Ickes were at his elbow or as though he were preparing ammunition for another one of Mr. Ickes' witch-burning speeches.

This is a fact which the business community should respect. It will not do for Mr. Roosevelt's critics to whip themselves into a mood in which everything that proceeds from him becomes the work of the devil. There have been two obvious dangers in connection with the long-heralded monopoly message. One was that Mr. Roosevelt, having himself fostered monopolies on a wholesale scale in the beginning of his administration, would appear as a wild and furious crusader at this time. The President has guarded himself against that temptation. He comes forward with something of the sense of proportion and the sense of inevitable gradualness that have marked Secretary Hull's attack on the problem of excessive tariffs. The second of the obvious dangers in connection with the appearance of this message has been that businessmen would construe it simply as another attack on business. They should be on guard against anything so superficial and should consider the substance.

There is not the slightest doubt that the growth of monopoly, an issue since the days of Cleveland and Harrison, has been swift and wide in late years. And there is not the slightest doubt that, on the whole, the power of monopolies has been exerted in a manner that is injurious to the national economy.

They have introduced control of production and control of prices. By controlling production they have limited the amount of goods and services available for the use of the people. By controlling prices they have limited the distribution of the goods and services that were available. They have thus stood as a barrier to the constant production of more goods at lower prices (real prices) which has been the great contribution to human society of a free, competitive capitalism. Taken as a whole—there are exceptions, and, of course, there is such a thing as a natural monopoly—they have been a check on that process of constant enlargement of the quantity and quality of goods which is possible in a land rich in raw materials and in technological skill.

It is this process, allowed freely to function, which makes goods and services available to an ever-widening circle of consumers. It is this process which makes distribution a naturally oiled, naturally operated system, rather than some stiff-kneed governmental mechanism such as the "advanced thinkers" are always trying to imagine. It is this process which goes to the heart of the question of purchasing power. It constantly forces down real costs and real prices to meet the means of more and more people, instead of seeking artificially to create purchasing power sufficient to overtake high real prices.

In times of adversity the evil of monopolies is so apparent that it would seem they could not escape any eye. The Steel Trust, during the great depression, presented evils that men of all shades of political and economic opinion recognized and discussed—public officials, economists, businessmen, and even bankers who had close relations with the steel interests.

The Steel Trust controlled production. Therefore, only limited competitive production of goods took place to press for a market. The Steel Trust controlled prices. Therefore, additional protection was given against pressure for a place in the market. The Steel Trust stood pat and waited for the depression to lift. It did not attempt to get its production and its prices in line with the prevailing levels of industry in general and thus to facilitate exchange of steel commodities for other commodities, which is the way to prosperity. Let us say that certain steel goods had been selling for $42 a ton during the boom. They continued to be offered at $42 a ton. The price of commodities in general had fallen greatly. The purchasing power of the dollar had increased greatly. But steel stood at $42. When it stood at $42, while other commodities were falling in price and the value of the dollar as against commodities was soaring, the effect was the same as though the price of steel had been raised 50 or 60 percent. It took that much more of other commodities to buy a given amount of steel. It took that much more of dollars, considering the increased value of dollars.

Naturally purchases of steel were reduced to a minimum. Businessman A and businessman B, operating under competition, were pushing down their prices to the prevailing level. At those prices they were able to exchange goods and services with each other. They were offering supply and creating demand at a workable level. But, save in dire necessities, they could not buy steel. Normal exchange of what they had to sell for what the Steel Trust had to sell was not possible. Steel had not only maintained by monopolistic methods its boom-time price. Because of the fall in commodities generally and the increase in dollar value, steel had in effect increased its prices enormously in a period of stagnation. The ordinary businessman, operating competitively, could not reach a trading level with the entrenched monopolies. The masters of steel, with all their pretensions to wisdom, were playing exactly the game that they and other businessmen condemned when it is

played by organized labor—the game of a closed economy, of a limited production, and of an inflexible price.

This country must get at such practices and see what can be done to cure them. It has been estimated that steel directly or indirectly affects as much as 15 percent of the national economy. It has been estimated that similar monopolistically controlled industries, added to steel, control as high as 40 percent of the national economy. These estimates may be on the extravagant side, but no one seriously disputes the fact that a great proportion of the industry of the country, especially in basic commodities, is under monopolistic control. And the evil consequences, so apparent, so notorious, in the case of steel during the depression, are at work during boom times as well. They may not be sufficient to halt an upsurge. They always are sufficient to hamper and retard that abundant production of goods at lower real costs which is the only genuine prosperity and the only genuine and durable means of improving the lot of the masses of the people.

The argument that only through these great systems of monopolistic control can we realize the benefits of mass production is sheer nonsense. Ford has proven this, if any proof were needed. He has stood alone, asking nothing of the Government in protection and nothing of other industrialists or financiers. Often he has defied Government and magnates alike. And he has taught the world more about mass production than all the monopolists who sit behind mahogany desks the country over. At the same time, he has taught the whole country—if it will turn away from panaceas to look—that it is possible in a competitive system so to marry raw materials and labor-saving devices that production goes up, that prices go down, and that consumption is increased by delivering the article at a cost within the means of the average man. He has taught the country, if it will look at the lesson, that this practice of the economy of abundance means ever-increasing employment in the great industrial centers.

It is late in the day for Mr. Roosevelt to begin his attack on the evils of monopoly and his fight for the restoration of competitive capitalism. It would have been far better had he given attention to this subject 5 years ago, as the Sun and some other of the critics then urged, amid cries that they were reactionary tools of entrenched wealth. Starting at this late date, Mr. Roosevelt can hardly hope to complete his task before the end of his administration. But better late than never. If he continues the fight in the thoughtful manner in which he has started it, he will have served the people well. If he continues in this thoughtful manner, and does not let the Ickes type become spokesman, he will deserve the support of intelligent businessmen. For he will be fighting to make secure the system of free enterprise which businessmen profess to favor and which offers, in truth, the greatest hope of the greatest prosperity for the people of this country.

A "Free Press" Is Not a Privileged Class

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, May 16 (legislative day of Wednesday, April 20), 1938

EDITORIAL FROM LOUISVILLE (KY.) COURIER-JOURNAL, MAY 8, 1938

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Louisville (Ky.) Courier-Journal of May 8, entitled "A 'Free Press' Is Not a Privileged Class."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Louisville (Ky.) Courier-Journal, May 8, 1938]

Maybe Dr. Glenn Frank, chairman of the National Republican Program Committee, has got an issue.

In his other capacity as editor of an anti-New Deal farm magazine which circulates 2,000,000 copies free, Dr. Frank charges the Senate Lobby Probe Committee with "a campaign of terror and intimidation" to destroy the freedom of the press. The committee professes to be trying to find out whether the publication, alleged to have lost $951,000 the last 3 years, is a bona fide venture to make money out of advertising or is subsidized by the same element of the Republican Party that Governor Aiken, of Vermont, says is represented on Dr. Frank's committee.

So far the investigation has brought out the names of Rudy Vallee, a former Republican national committeeman who once had control of the top holding company in the Van Sweringen railroad system, and the secretary of the National Committee to Uphold the Constitution, which fought the reorganization bill.

There is no apparent reason for terror at this particular form of inquisition. Indeed, if the committee investigation should disclose that Dr. Frank is engaged in a genuinely benevolent enterprise which furnishes the farming population agricultural advice gratis, his publication will receive invaluable promotion. As for the freedom of the press, the Constitution and the courts amply protect that, though the courts never have gone beyond the original conception of the Constitution—the printing press.

Dr. Frank can go on publishing his magazine, whoever is putting up the money, and say what he pleases in it. The law requires periodical publication of ownership. There was no outcry when the Federal Trade Commission, at the instance of Congress, divulged the fact that an electric utilities organization was buying into newspapers and hiring college professors as lecturers. That was inquiring into who financed publications and wasn't considered interfering with the freedom of the press.

This very freedom bears a corresponding accountability. The privilege was not designed to create a privileged class. The privilege is one to be enjoyed by all, along with free speech and the rights of petition and assembly. Because early rulers licensed the printing press, refused to license their critics, and withdrew the license at will, a free press was ordained by the Constitution. The privilege being for the benefit of all, it is no abridgement of the freedom to inquire who is exercising it. As an institution, the press is not free if it is secretly dominated by selfish and private interests. The people who depend on the press for information are entitled to know on whom they depend. Some members of the daily press are taking a view of freedom as a privilege to conceal control, and that is damaging to the prestige of the press generally. It creates the suspicion that there really is something to conceal which would be damaging to their prestige. That section of the press which is free would gain by exposure of the controlling influences in organs of private selfishness.

Sweet Dreams

EXTENSION OF REMARKS

OF

HON. H. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Monday, May 16, 1938

EDITORIAL FROM ADIRONDACK DAILY ENTERPRISE, MAY 10, 1938

Mr. BRIDGES. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial from the Adirondack Daily Enterprise of May 10, 1938, entitled "Sweet Dreams."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SWIFT DREAMS

(By Jean Bigler, St. Lawrence University, 1939)

Last night we dreamed that Mr. Roosevelt suddenly saw the light of sanity and with his fireside in front of him chatted the following "chat":

"My friends, we are now in the sixth year of my none-too-successful administration. While I have tried my best to bring the Nation out of the chaos of 'recession,' the socialistic royalists and the 12 most radical families have had such a deleterious effect on me that my administration has not even been able to blunder through.

"Where are we now? I tell you frankly we are in the same position as when I took office. I have squandered approximately twenty billions of your hard-earned dollars.

"I have plowed your crops under, burned your cotton, and dumped your wheat into the rivers, and blighted the lives of your unborn pigs. For 6 years I have promised you a balanced Budget, governmental efficiency, and reduced taxation. We have had none of them.

"To keep my colleagues at the helm of this great Nation I have erected post offices, bridges, and schools in every corner of the land. I have furnished substantial shovels for our young men to lean upon.

"We are still in office, but heavy taxation has so numbed your senses that you have almost forgotten that I do not want to be a dictator.

"I have foisted upon the banks of the country such a load of restrictions that they are hardly able to function, at the same time exhorting them to make credit easy.

"I have bled the utility companies white with taxes to keep my bureaucracy going, and at the same time have maintained that the very devil himself is the sole owner of such companies.

"My red tape has practically strangled millions of small-business men. By relieving corporations of their surpluses, I have also spared them the responsibility of fostering 'useless' research.

"Undoubtedly one of my greatest achievements has been to create more class hatred than has ever existed at any previous time in the home of the free and the land of the brave.

"Comforted by $500,000 taken from the hands of fellow miners, I have sat by and watched my good friend, John L. Lewis, carry on an emotional and highly unintelligent war between labor and capital—a war which the majority on neither side desires.

"In conclusion, friends and neighbors, I emphasize the fact that my colleagues and I have planned it this way. We now have 10,000,000 people unemployed, as did my Republican predecessor. We have tons of useless gold stored in various holes in Kentucky and elsewhere.

"We have purchased carloads of silver for a price higher than we could get if we were to sell it. Business is at a standstill, and the Federal debt is approximately $40,000,000,000. Young men and women are not able to take their rightful place in society.

"Who is to blame? The Republicans? No. The economic royalists? No. I say to you, my friends, such men as Ickes, Wallace, Hopkins, Cohen, and myself are probably responsible, but, remember, we planned it this way."

P. S.—And then we woke up.

The Supreme Court

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 16, 1938

ADDRESS OF CHIEF JUSTICE CHARLES E. HUGHES

Mr. COCHRAN. Mr. Speaker, last Thursday at a meeting of the American Law Institute held at the Mayflower Hotel in Washington, Chief Justice of the United States Supreme Court Charles Evans Hughes delivered a very interesting address. Under the permission granted me today, I include his address as part of my remarks. The address follows:

When, under the Presidency of Mr. Taft, it was suggested that the Supreme Court should have a separate building, Chief Justice White strongly objected. Among other grounds, he feared that the removal of the Court from the Capitol might cause a loss of public interest. The Court would be isolated and might largely be ignored. So far as I can judge from the course of events, that fear has not been realized. Nor do we lack visitors. Our records show that over 88,000 visited the Supreme Court Building during the month of April and in one day the number was nearly 7,000.

I am fond of recalling that Prof. Hiram Corson, of Cornell University, a distinguished scholar of his day, on returning to Ithaca from a visit to New York where he had witnessed a lavish production of a play of Shakespeare, confessed to some disappointment: "Why," he said, "when the curtain rose, the audience applauded the scenery." I imagine that the audience was really interested in the setting because of their interest in the drama.

The work of the Court continues in volume and importance. When we began the present recess, on May 2, our statistics showed that we had disposed during the present term of 878 cases, as against 820 in the corresponding period of last term. The number of cases on our dockets had increased this term by 65. We expect to adjourn at the end of this month with all cases disposed of which were ready for hearing.

The past year has witnessed the retirement of two of our most eminent judges, Willis Van Devanter and George Sutherland. I cannot allow this opportunity to pass without a tribute to their service. Justice Van Devanter began his judicial career about 49 years ago as chief justice of the Supreme Court of Wyoming. His service on the Federal bench began in 1903 as circuit judge in the eighth circuit, and in 1911 he came to the Supreme Court. It is unnecessary to remind this body of judges and lawyers of the vast importance of the work of the Court, which, unspectacular and hence largely unnoticed by the press and the public, goes on from day to day demanding unremitting industry and technical competence. The public are naturally interested in the great divisive cases in constitutional law, but these are few and constitute but a small part of the burden which the Court constantly bears. In the discharge of its work the conference of the Court is of the greatest importance as there the Court discusses and decides the cases which have been heard and passes upon the applications for permission to be heard. It was in that conference that Justice Van Devanter's wide experience, his precise knowledge, his accurate memory, and his capacity for clear elucidation of precedent and principle contributed in a remarkable degree to the disposition of the Court's business. And aside from his broad knowledge of the law he had enjoyed the opportunities for special training in public-land law which made his participation in that class of cases of peculiar value. Few Judges in our history have rivaled him in fitness by reason of learning, skill, and temperament for the judicial office.

Justice Sutherland came to the Court after a notable public career as a Member of the House of Representatives and the Senate of the United States. Like Justice Van Devanter, he had his training in the West and he was familiar with all the peculiar problems of the new States formed from our great western acquisitions. He had a special aptitude for the law, and his powers of analysis and exposition, his industry and thoroughness, have made his judicial opinions a highly important part of the jurisprudence of the Court. He has been the embodiment of judicial integrity—conscientious and independent. Bearing his full share of the work of the Court, unflagging in his labors, he never failed in courtesy, and his keen sense of humor and his rare ability as a raconteur made his companionship one of the special privileges of the intimate association of the members of the Court. We honor these judges in their retirement, and we cherish the memory of their fidelity to the best traditions of the bench.

I question if there is any greater need at this time than continued respect for the judicial tradition of independence and impartiality. It is in the judicial process that we find the most developed and systematic effort of a democratic community to maintain the interests of justice by opposing reason to passion, accepted principles to unbridled discretion, and the requirements of fair play to the favoritism or tyranny of power. The defects in judicial administration, which have made the public critical and restive, and which sometimes have obscured in public estimation the service of the courts, have been due in part to the law and in part to lawyers and judges. The law has lacked clarity, has maintained an unnecessarily complex procedure, and has permitted obstacles to be interposed to the prompt disposition of controversies. Too many lawyers have made the practice of their art a display of skill in avoiding or delaying the determination of cases on their merits by resort to technical obstructions. And here and there we find a judge who, by pettiness, petulance, arbitrary conduct, or procrastination in rendering decisions, has brought his office into disrepute. Despite all the just complaints addressed to these shortcomings, the judicial tradition still stands forth in testimony to the endeavor of the people to be just and to maintain their rights against the varied opportunities for partiality and oppression in administration.

You have been busy for years in the undertaking to reduce the complexities of the law, to give it, so far as possible, needed clarity and simplicity, and the value of your efforts is receiving increasing recognition as the courts use and cite the restatements issued by this institute. Judicial councils in a number of States are watching and appraising the work of the courts. In the Federal sphere, the Supreme Court, sometime ago, under the act of Congress of 1933, formulated rules which have expedited proceedings on appeals in criminal cases. Recently the Supreme Court submitted to the Congress, under the act of 1934, a body of rules of civil procedure so as to provide one form of civil action and procedure for both cases in equity and actions at law. To make this possible, the Supreme Court enlisted the services of a distinguished body of practicing lawyers and professors of law who had specialized in the study of procedure. Their proposals were submitted to the consideration of the bench and bar of the country and have been widely discussed and approved. The Supreme Court examined these proposals and with certain changes adopted them. Under the statute they are to go into effect after the close of the present session unless Congress shall provide otherwise. Thus in the recent years we have witnessed a series of outstanding efforts to remedy the defects in the law, so far as these are responsible for unnecessary obstacles to obtaining as speedy justice as is consistent with a fair and full hearing.

With respect to the Federal courts, also, the Judicial Conference of Senior Circuit Judges annually considers the state of the work in the various districts and circuits and recommends such additional judges as seem to be required. The progress in the prompt disposition of cases is noteworthy and most gratifying. The last report of the Judicial Conference shows a greater number of districts in which the trial dockets are said to be current; that is, where all cases in which issue has been joined and which are ready for trial are disposed of not later than the term following the joinder of issue, except cases continued at the request of counsel. It appears that in the fiscal year 1934 there were only 31 districts of which that could be said; in 1935, 46 districts; in 1936, 51 districts; while in 1937 the Attorney General's report showed that the work of the district courts was thus current in 68 of the 84 districts exclusive of the District of Columbia. That report also showed that the same condition prevailed in some divisions of four other districts, and as to certain types of business in five other districts. In some districts, equity cases may be tried even between terms, if ready. The survey made by the Judicial Conference clearly indicated that the question of delays in the trial of cases after joinder of issue was one that should be considered with respect to particular districts and afforded no just ground for general criticism of the work of the district courts. Recommendations for additional judges to make possible the more prompt disposition of work in congested districts are now pending in Congress. The Judicial Conference is an institution of great promise, whose supervisory functions could wisely be extended.

Still the prime necessity in making the judicial machinery work to the best advantage is the able and industrious judge, qualified by training, experience, and temperament for his office. He can accomplish much with a poor procedual system, and the improvement in rules of procedure vastly increases his opportunity. We

are fortunate in the great number of such judges that we have throughout the country and only the ill-informed or ill-disposed would overlook that fact. It is the exceptions among the judges, who, with their conspicuous ineptness, do the harm and they need such admonition as it may be practicable to give under our system. But the maintenance of the standards of judicial office rest chiefly with the electorate, where judges are elected, and with the appointing power, where they are appointed, and in both relations a vigilant bar through its organized effort to secure good judges should exercise, and should constantly seek to exercise, a potent influence. The bar in each community well know who are fitted by ability and character for the work of the courts.

There is another relation in which the judicial tradition has, and should have increasingly, a helpful influence. The complexities of our modern life have brought into play rules of conduct which demand for their enforcement new machinery, and it results that a host of controversies as to public and private right are not being decided in courts. The multiplication of administrative agencies is the outstanding characteristic of our time. As I said some years ago, the demand for such agencies arises from "a deepening conviction of the impotency of legislatures with respect to some of the most important departments of lawmaking. Complaints must be heard, expert investigations conducted, complex situations deliberately and impartially analyzed, and legislative rules intelligently adapted to a myriad of instances falling within a general class." Administrative agencies, informed by experience, and which have shown their capacity for dealing expertly with intricate problems, as, for example, in the case of the Interstate Commerce Commission, have won a very high degree of public respect.

I notice that there is a tendency, in the desire to emphasize the importance of obtaining flexibility and expertness in particular classes of cases, to depreciate the work of the courts and by comparison to exalt administrative boards and commissions. Such efforts are short-sighted and are not in the interest of the suitable development of administrative agencies. It must be remembered that to the courts the community still looks for the standards of judicial conduct. The controversies within the range of administrative action may be different and extremely important, and they may call for a particular type of experience and special methods of inquiry, but the spirit which should animate that action, if the administrative authority is to be properly exercised, must be the spirit of the just judge. Whatever the shortcomings of courts and whatever the need of administrative bodies, it is still the courts which stand out as the exemplars of the tradition of independence and impartiality. This is because judicial institutions, as we understand and support them, have won their place and established their standards through the historic contest against the abuses of power. So far as it is humanly possible under the conditions of democratic organization, judges are as a class supposed to be removed from political influence, to be guided by principle and not by sentiment or passion, and habitually to adhere to the requirements of the law in a conscientious endeavor to ascertain and apply them. This tradition should be cherished and not weakened by disparaging the institutions which embody it. Judicial work also has the advantage that those who are responsible for its results are identified. The judge who decides stands before the public as responsible for the decision.

The community cannot afford to depreciate these accepted standards or to ignore the processes by which they are maintained. Administrative agencies, which we earnestly desire to succeed in discharging their important tasks according to the basic requirements of their authority, will achieve that end to the extent that they perform their work with the recognized responsibility which attaches to judges and with the impartiality and independence which is associated with the judicial office. Deliberation, fairness, conscientious appraisal of evidence, determinations according to the facts, and the impartial application of the law, whether the controversies are decided in the courts or in administrative tribunals, these are the safeguards of society. For the law is naught but words, save as the law is administered.

We cannot change human nature. We cannot expect perfection in the discharge of duty either in or out of courts. But if we hold strongly to our standards, defects will gradually be remedied, delinquencies will be suitably rebuked, and the democratic ideal demanding equal justice under law will be more fully attained.

Pay Roll of National Bituminous Coal Commission

EXTENSION OF REMARKS
OF
HON. RUSH D. HOLT
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Monday, May 16 (legislative day of Wednesday, April 20), 1938

LETTER TO A MINER IN FAIRMONT, W. VA.

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a copy of a letter written by me to a miner in Fairmont, W. Va.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR JOE: I have your letter in which you tell me about the number of miners who aren't working in West Virginia. I know that nearly all of the miners who are employed are working a couple of days a week and many others are not working at all.

Do you recall how John Lewis and the other politicians told you if Congress passed the Guffey Coal Act the miners would have steady jobs at high wages? I told you then that the act was set up to provide jobs for the politicians and their friends.

The National Bituminous Coal Commission, created by the Guffey Coal Act, has a large pay roll. I find 34 persons employed by this Commission to carry messages. These 34 draw $39,560 a year. Think of that! To deliver messages the Coal Commission spends approximately $130 every working day. The Washington office spends $27,980 and the district offices $11,580. Even though you are not working, the hundreds of employees of the Commission are drawing their salaries.

This is typical spending. Instead of helping the miners the Guffey Coal Act has hurt them. I will write you again real soon with some more interesting facts about these politicians.

Sincerely,

RUSH D. HOLT.

Wage and Hour Bill

EXTENSION OF REMARKS
OF
HON. WILLIAM P. LAMBERTSON
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, May 16, 1938

RADIO ADDRESS OF HON. WILLIAM P. LAMBERTSON, MAY 15, 1938

Mr. LAMBERTSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address I delivered over the radio May 15, 1938:

Proposed wage-hour legislation is deserving of the country's closest attention. We are facing the proposition in the House on an amended Senate bill May 23, and I think it was generous and patriotic of the Mutual Broadcasting System to permit my distinguished colleague, the chairwoman of the House Labor Committee, and myself to discuss it pro and con at this time. I will not touch on constitutional or sectional arguments.

I came to the Labor Committee 9 years ago. My district has a fair amount of labor, and up until this proposal for wages and hours the only previous time I have been in disagreement on any major proposition with labor leaders was on the Guffey coal bill. The contents of this wage-hour bill were not discussed in the last campaign. It wasn't any part of any man's election. A minimum wage for men is not a reality in any State in the Union today. This is a new field.

While this bill says it shall apply to those engaged in interstate commerce, it is the intended purpose of this legislation to comprehend all labor. I don't like this circumvention of the Constitution. I don't like this centralization of power. It is just one more effort to broaden the scope of centralized government. A logical next step would be a proposal guaranteeing a yearly wage, such as was advanced last week to Henry Ford.

A great deal of labor is supporting this bill primarily with the feeling that it is going to increase their wages. It in no wise meets the glaring problem of the 13,000,000 unemployed. One of the main arguments in favor of it is that it is going to increase purchasing power, and this is where it is a delusion to labor and to the producer with goods to sell, for under the N. R. A. the record shows the employer reduced some of his better-paid workers in the same industry when he was compelled to raise the wages of the lower paid. There was no increased purchasing power in that operation. The passage of this bill would drive thousands of small businesses to the wall and would add to the roll of the unemployed. Many small business concerns are struggling along today with practically no profit. If any added burdens were put upon them, they would simply have to quit. This would be in the interest of monopoly and of the larger corporations.

When this legislation was first proposed a year ago it was during the fight on the Court bill, and without question it was designed to be the second N. R. A. Aside from the persistent advocacy of the President, the best psychology that has resolved in its favor, as pointed to by its friends, is Senator PEPPER'S recent renomination in Florida. I am not sure that that was a wage-hour victory. Senator PEPPER is an able young man and had the advantage of being the sitting Member.

This country is too big, it is too varied to be blanketed in a bill with no differentials. If there were differentials, it would be an endless madhouse in administration. Either way it will not work. If

there could be an act passed giving power to the Federal Trade Commission to halt as unfair practice any substandard wage paid in industry, I think that would be going far enough, but they are not content merely with that proposal.

There is more in this bill than merely subnormal wage, for instance—what has time and a half for overtime, as provided in this bill, to do with the sweat-shop wage?

The main objection to the bill in December was the five-member political board. That is the bill that the House has amended. How do we know, if this bill should go to conference, that that wouldn't be the bill that would finally come out? The ranking House Members favored it last summer. If this bill should be amended on the floor to provide it with differentials, Mr. Green's support would be withdrawn again. With either of these provisions prevailing, he would oppose it.

There would be no wage-hour fight before this Congress today, in spite of the President's persistent proposal, if it were not for the C. I. O. and A. F. of L. conflict in this country. John Lewis took the lead for this bill through his Labor's Non-Partisan League. The A. F. of L. doesn't want to lose any advantage over any proposal in trying to do the most for labor. It is a well-known fact that the Denver labor convention of a year ago was practically opposed to any wage-hour bill. Organized labor has been and is at heart satisfied with its opportunity in collective bargaining, to help the wage earners' plight.

If we enact this proposed bill into law in this session, it will disturb the already restless business more than anything else we could possibly do. If we give to Mme. Perkins the power to send out a thousand more snoopers now into business and give her the power that is provided in section 6, to determine who shall come under this act, it will be the most damaging influence that business could experience.

President Roosevelt has repeatedly said that he wants to do something for the American farmer. He thought he was doing something for the American farmer when he drove the farm bill through Congress, but now he is trying to drive through Congress this bill which will have a distinctly injurious effect on the American farmer. Supposedly, farm labor is exempted from the operation of this bill. However, a bill that was considered by the committee following the recommitment was one in which there were no exemptions—even farmers were included, and there is a strong feeling among some that such a bill should be universal with no exemptions now. This does not mean, however, that the proposed legislation will not touch the farmer. The cost of processing and transporting farm products to market will be increased as a consequence of this legislation. The cost of the goods that the farmer must buy to live and produce his crops will likewise be increased as a consequence of the bill. Insofar as unemployment will be increased by this legislation, the American farmer will be injured because the purchasing power of urban workers will be decreased.

Supposedly this legislation is to be enacted in order to be of assistance to American labor. But will this bill be helpful to American labor? In reality, it will destroy the independence of labor and make the labor movement in this country entirely subservient to the Government. The next move after minimum wage legislation might be maximum wage legislation. All wages will then be set by the Government. There will then be no need for the American labor movement. There will be no need for trade unions in this country. When that day comes, American labor will be completely under the will of Government bureaucrats, without any organization to represent their interests for them. At that time American labor will be reduced to the position of labor in Italy, Germany, and Russia.

In the interest of the struggling farmer who would have to compete with a higher wage, in the interest of the consuming public who would pay more for their products, in the interest of labor itself, that is being disillusioned, we should oppose this bill.

It is not a partisan question. The minority is divided on it, and everybody knows the majority is split wide open on it. It is a ponderous issue that is facing us, that has been thrust upon us and not by the workers themselves.

The gentle chairwoman of the House Labor Committee appointed a subcommittee, with Mr. RAMSPECK as chairman, to draft a new bill after the one had been recommitted in December. After about 3 months of work, the subcommittee reported a bill, but before the Ramspeck bill was even discussed, the chairwoman had a different bill which she wanted the committee to consider instead of her own subcommittee bill. It is the generally accepted supposition that this last proposed bill has come from the Department of Labor. By a vote of 10 to 8, the committee substituted her bill for the subcommittee bill. Her new bill was never discussed or considered more than an hour by the whole Labor Committee before it was reported out, and that is the bill on which the petition seeks to discharge the Rules Committee. That is the bill we take up May 23.

One of the funny spectacles on the floor in December, when the other bill was under consideration, was to see the anxiety of the committee members themselves who had reported the bill out, pushing each other aside in an endeavor for recognition so they could amend their own bill. The same thing is going to happen on this one the 23d. The chairwoman has indicated that she, herself, will offer amendments. Every member of the committee is going to offer amendments to improve the bill. Railroad labor is going to offer an amendment to take them in in an attempt to stave off the proposed 15-percent cut.

This all goes to prove that this legislation is half-baked. It isn't mature. There is no well-defined policy of what the law should be. Therefore it should be postponed until the next session for a comprehensive discussion of it will be made through the coming campaign.

The House will probably succumb on the 23d of May and pass any kind of a bill because we are in a political campaign and we are in the midst of weekly primaries. We know that labor leaders are militant and many times temporarily unfair in order to win their point. Members are anxious to be returned and are too often cowardly. It will be up to the Senate again to show that it is the hope of the country by defeating, at least for the present, this immature proposal. Rather, let us do something before we adjourn which will encourage industry to pick up some of our already idle. That would be something real.

Undistributed-Profits Tax Should Be Repealed Outright

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 11, 1938

Mr. LUDLOW. Mr. Speaker, I was one of 89 Members of the House who voted today against the adoption of the conference report on the tax bill. I did so because the tax bill, as agreed upon in conference, still contains the undistributed-profits tax, and it is my opinion that the best interests of the country demand the entire elimination of that discriminatory and punitive tax from our tax structure. I could not by any vote of mine recognize the undistributed-profits tax as a legitimate principle of taxation.

The argument is made that the tax on undistributed profits that finally was agreed upon is but a limited and attenuated form of tax, not nearly as dangerous as the original undistributed-profits tax, but the answer to that is that it is a germ that may grow into something very harmful to the business of the country. If we do not tear this tax up by the roots, if we do not eradicate it entirely, we still leave the seed of potential trouble for the legitimate business interests of the United States. There will be nothing to prevent some future Congress from using this tax as the basis to build upon and to expand into a form of taxation that will harass and paralyze business, which is already worried to the point of distraction by the many different kinds of governmental exaction and dictation that are being fastened upon it. I voted against the conference report because I would like to see the undistributed-profits tax repealed outright, and I would like also to see a further modification of the capital-gains tax.

There is nothing new about my position on the undistributed-profits tax. I denounced and voted against that tax when it was first enacted by a former session, believing that it would prove a millstone around the neck of small and middle-class business. It has had exactly that effect. When the tax bill of 1938 was before the House on passage through that body recently, Representative TREADWAY, of Massachusetts, made a motion to recommit the bill to the Ways and Means Committee with instructions to strike the undistributed-profits tax out of the law, and I voted for the motion to recommit, so that in voting today against the adoption of the conference report I have at least maintained a consistent attitude. I could not conscientiously vote any other way.

Taxation of undistributed profits is a very wrongful principle of taxation. It is like removing a section of the backbone of a healthy man and then expecting him to be normal. It is taking away the backbone of strength of a business firm by the taxation process. It weakens that firm so that it

cannot fight depressions. It takes away the power of that firm to maintain its working force and give continuous employment when the rainy days come. It increases the bread lines and magnifies and multiplies economic distress and human suffering. I personally know of one firm that has made it a practice over a long period of time of maintaining a million-dollar rainy-day reserve. As a result, during all of the worst period of the depression, the blackest night of economic distress our country ever has known, that firm has never dismissed a single employee or reduced a single salary. Is that not a good thing for the community? Is it not in the interest of the best public policy to encourage business firms to maintain reserves that will protect employment during the recurrent periods of distress? It ought by this time to be obvious to everybody that we have too much unemployment in this country and that the very safety of the Nation depends in no small degree on the future ability of employers to absorb the relief load so that relief workers may be transferred into regular jobs. How in the name of common sense can we expect that transformation to take place if we impose upon business a form of tax which makes it impossible to accomplish that task?

I have the honor to represent a district that embraces large industrial and business interests and many thousands of unemployed. I would like to see every unemployed person in my district in possession of a regular job on which he could depend as a means of support for himself and his loved ones; and, come what may, I shall continue to do everything I can to relieve business of unreasonable exactions and to give it a chance to carry on.

New Deal Alibis for Roosevelt Depression

EXTENSION OF REMARKS

OF

HON. ROBERT L. BACON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 16, 1938

Mr. BACON. Mr. Speaker, in the same fumbling and contradictory manner in which the New Deal has conducted the Federal Government for the last 5 years, the Roosevelt administration is now attempting to alibi the economic depression which descended on the country a few months ago. Such alibis are to be expected, since the President stubbornly refuses to admit the errors of his past policies, but insists that the country continue down what he termed earlier in 1933 "the road to bankruptcy."

The people of this country are not interested in alibis. They want constructive action that will restore the 12,000,000 unemployed men and women to jobs in private enterprise. But since the new dealers seem to think they must alibi their actions, they at least should get together on one story and, if that is not asking too much, stick to it. They have been so desperate to save their faces that over the week end they have given us several alibis which contradict each other and which find no support in their previous explanations.

Obviously replying to the exposure of the demonstrated failure of the New Deal pump-priming theory in the report of the minority of the House Appropriations Committee last week, the President at his Friday press conference asserted that spending had not failed. Since he cannot deny the depression which overwhelms the country, he followed his usual tactics of blaming business for it.

Business, he said, had run away with the ball. But did not Secretary of the Interior Harold L. Ickes and Solicitor General Jackson tell us in December that business caused the depression by going on a sit-down strike? This is the best New Deal form. Business, big and little, always is to blame.

The President had another idea about the depression. He said that heavy inventories and high prices were at the bottom of it. I do not propose to argue economic technicalities with the President, but every economist knows that in a freely functioning economic system heavy inventories and high prices do not go together. If Mr. Roosevelt finds them together, then it is because of the restrictive and inflationary policies which he has pursued.

As the President deplored heavy inventories as a serious problem and talked about the evil of high prices, John W. Hanes, his S. E. C. Commissioner, whom he has just promoted to be Assistant Secretary of the Treasury, comes forth with a scheme for R. F. C. guaranty of bank loans on inventories. Such a scheme would have the effect of freezing inventories and keeping prices high. It would perpetuate the evil of which the President complains. The President's observations and the Hanes' scheme together do not make sense.

Nor does it make sense to talk about freezing inventories, planning production by governmental edict, and increasing prices in the same breath in which monopoly and high prices are attacked. It is another New Deal attempt to be all things to all men.

A few hours after the President uttered his observations, his Chairman of the Federal Reserve Board, Marriner Eccles, addressed the New Jersey bankers. He was more candid than the President in discussing the causes of the depression. He admitted the New Deal had made mistakes. In effect, he confessed to mismanagement of the previous spending programs and explained the administration had helped create an unwise inflationary psychology and then turned it into a deflationary psychology by large collections of the social-security taxes. He condemned the use of public funds to subsidize competition with private industry. In brief, Mr. Eccles thinks there is a great deal wrong with the New Deal, even though he, too, stubbornly sticks to the pump-priming theory.

Now, listen to Secretary of the Treasury Henry Morgenthau speaking before the Academy of Political Science on November 10 last year, at a time when the New Deal house of cards was falling apart, just 6 months ago. His address on that occasion clearly indicates that the Roosevelt administration had no idea of what was happening in this country.

For Mr. Morgenthau asserted that the level of activity of 1937, which the President now apparently denounces—

> Has been of a healthy character—not of the character that usually marks an unhealthy boom and precedes a serious depression.

And he added:

> The present situation is not characterized by the existence of huge inventories.

He went on to say:

> Conditions are favorable for a continued increase in the level of business activity.

Since that statement was made industrial production has gone down the toboggan and business activity has suffered the sharpest drop in so short a period in the history of the country. So much for New Deal alibis.

Fixing of Bituminous Coal Prices

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 16, 1938

CORRESPONDENCE BETWEEN HON. JENNINGS RANDOLPH AND CHAIRMAN TETLOW OF THE BITUMINOUS COAL COMMISSION

Mr. RANDOLPH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following

correspondence between myself and Chairman Tetlow of the Bituminous Coal Commission:

MAY 5, 1938.

Hon. PERCY TETLOW,
Acting Chairman, National Bituminous Coal Commission, Washington, D. C.

MY DEAR MR. TETLOW: Conditions in the bituminous coal fields of northern West Virginia are steadily growing worse.

In my congressional district choice size coal is now selling for as low as $1.35 a ton. The situation is not only bad, it is actually tragic. Many operators in that territory are faced with the fact that they will be forced out of business within a very short time provided conditions do not materially improve.

I trust that orders will be issued for hearings because I say to you in all frankness that there must be definite assurance given at this time that a price-fixing date will be set within the next 60 or 70 days.

These operators are distressed and there is resultant curtailed operation which is causing increased unemployment for the miners. I am reliably informed that the West Virginia Northern Railroad Co. moved a less number of cars during April than ever before in that month. The outlook is even darker for the month of May.

I trust that you and your fellow Commissioners will remedy this situation by speeding up the machinery, if at all possible, to set in motion anew those factors which are so necessary to stabilize this crippled industry.

Most sincerely,

JENNINGS RANDOLPH.

NATIONAL BITUMINOUS COAL COMMISSION,
Washington, May 10, 1938.

Hon. JENNINGS RANDOLPH,
House Office Building, Washington, D. C.

MY DEAR MR. RANDOLPH: This is in reply to your letter of May 5, requesting that the Commission establish a price-fixing date within the next 60 or 70 days.

The Commission is keenly aware of the distressing conditions which exist in all of the coal fields in the United States, and we are proceeding as rapidly as possible to the end that prices may be established in the near future. In the light of recent court decisions, however, it is becoming more and more apparent to the Commission that no determinations may be made affecting property rights until adequate public hearings have been held and complete information and data have been collected to support them.

The Commission is determined to proceed in full compliance with the provisions of the act to the end that when prices are established they will be upheld by the courts. The procedure we are now following, which has been worked out in cooperation with the industry leaders, involves a considerable amount of work, and it is therefore impossible for me to state just when minimum prices will be established by the Commission.

With full knowledge and understanding of existing conditions and the problem before us, I assure you that we will proceed to bring about stabilization of coal prices at the earliest possible date.

Very truly yours,

PERCY TETLOW, *Chairman.*

National Air Mail Week

EXTENSION OF REMARKS
OF
HON. CHARLES KRAMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 16, 1938

Mr. KRAMER. Mr. Speaker, the marvelous manner in which people in every walk of life have joined in a great cooperative movement to make National Air Mail Week an outstanding success proves beyond all doubt the personal interest the people of the United States have in their Postal Service.

The rapid and remarkable progress made in the development of aviation during the past 20 years proves beyond all doubt that the people realize what has been achieved and what the immediate future holds for further development.

The observation of Air Mail Week, may 15 to May 21, will mark 20 years of progress for the aviation industry. The first scheduled air-mail service in the United States was established on May 15, 1918, between New York, Philadelphia, and Washington, and was operated by the United States Government until 1921 when this experiment was concluded. The first scheduled transcontinental air-mail service was inaugurated in sections by the United States Government during 1919 and 1920—all daylight flying. Night flying of mail on regular transcontinental schedules was inaugurated by the Government in July 1924 between Chicago and Cheyenne and extended to Cleveland that summer and to New York in 1925.

In March of 1921 Congress passed a bill which authorized the awarding of air-mail contracts to private operators, and in February 1925 another bill was passed by Congress which authorized contracts more nearly commensurate with the cost of air-mail service.

A nation is no stronger than the ties which bind it together, and we realize that air transportation and communication constitute such a tie—an agent in binding our country into one unit. It also helps to maintain within that unit a social, cultural, and economic, as well as a political democracy. Wings across America help to keep us united yet democratic; efficient yet free—an ideal much of the world has given up.

Air-mail transportation has progressed to such an extent now that the little island of Guam, situated in the Pacific Ocean about 9,000 miles away—which not so long ago was a month removed—can now communicate with Washington by air mail in 1 week. It is interesting to note that the island of Guam is now as near to Washington, so far as communication facilities are concerned, as was San Francisco before air-mail service was established in 1918; San Francisco is as close to Washington now as Chicago was 20 years ago; and Chicago is now less than 5 hours away by air.

It is further interesting to note that a person can have an early dinner in New York or Washington and be in California for breakfast next morning—thanks to the development of aviation. Such rapid and remarkable progress has been made in the development of aviation during the past 20 years that only those who have been intimately connected with it realize what has been achieved and what the immediate future holds for further development. For this reason everyone who can possibly do so should view the numerous interesting, and informative, as well as spectacular and thrilling, events which have been planned for National Air Mail Week, as these events will bring to everyone a realization of what has been accomplished in the development of aviation and the benefits which the air-mail service offers to the public.

Loved ones or business connections, days away by land, become but a matter of hours by air. Scenic wonders take on even greater glory when viewed from above. Speed and dispatch undreamed of a few years ago are now at every man's disposal for the purchase of an air-mail stamp, all of which makes for unity for the Nation and more abundance for the individual.

The pioneers of air travel must view with a great deal of satisfaction the progress which has been achieved since the first days of airplane flights 30 years ago. These pioneers, along with all other citizens of the United States, take pride in this country's air-mail service, which represents not only the world's most efficient and far-flung air-mail system but also the world's greatest air-transportation system. It is interesting to note that this system not only serves all of the United States, its Territories and possessions, but it also serves 38 foreign countries.

We, as Americans, should be proud that the finest planes found anywhere in the world are operating over our air lines. In several manufacturing plants planes which will exceed these in speed, range, cargo capacity, and comfort are being rapidly completed. Included in these new planes are some landplanes which will carry 42 passengers, will have a cruising range of more than 2,000 miles, and will fly at an altitude of between 4 and 5 miles. Seaplanes are also under construction which will carry 50 passengers and thousands of pounds of cargo.

Innumerable celebrations are being held throughout the country in connection with National Air Mail Week, such as

pageants, dinners, displays, airplane stunts, and many other interesting maneuvers to celebrate this great occasion. There will be more than a thousand special flights throughout the country, sponsored by chambers of commerce, American Legion posts, and civic organizations.

The hard work and courage of the scores of pioneer pilots who performed the Government-operated service, the inventive genius and skill of those who have developed the airplane and the technical aids to aviation, and the abilities and leadership of the operators who have builded from our pioneer air-mail system the world's largest air transport system, all deserve and have the deepest gratitude of the Members of Congress and the United States Government. It is reasonable to predict that the developments of the future will be even more remarkable than those of the past, and we are striving daily to improve and enlarge this wonderful transport system.

I am happy to say that the people of California have always taken an active interest in pioneering this relatively new method of mail transportation because of the increased rapid transit to the northern, southern, midwestern, and eastern sections of the United States, and also because California has been fortunate to be chosen as the western terminal for trans-Pacific service.

It is remarkable to note that although our Government established the first air-mail service over a route of only 218 miles, that route today has expanded to 62,826 miles. In addition to mail, passengers and express span the mightiest oceans, cross deserts, the highest mountains, and the widest prairies at incredible speed, thereby bringing people and nations close together for business and pleasure.

Prosperity and depression may raise man to the heights or plunge him in the depths, but both alike are unable to stop the irresistible progress of science and achievement.

Everyone who has had the minutest part in the perfection of this mighty instrument of progress is proud and happy to join in this twentieth anniversary and join in dedicating to the further perfection and extension of this great service to the nations of the earth.

The Minton Bill

EXTENSION OF REMARKS

OF

HON. SCOTT W. LUCAS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 16, 1938

EXCERPT FROM ADDRESS OF GOV. HENRY HORNER, OF ILLINOIS, MAY 9, 1938

Mr. LUCAS. Mr. Speaker, I ask permission to revise and extend my remarks, and include therein part of an address made by the Honorable Henry Horner, Governor of Illinois, at the Fourth Annual Convention of the Daily Newspaper League of Illinois at the Hotel Abraham Lincoln in Springfield, Ill., on May 9, 1938.

That's a strange law—that Minton bill. It is wrong basically. It violates the principles of democracy. It affects not only you, but it affects me. It affects everyone.

When I want the news I go to your journals. When I want to know what to do I go to your editorials. This criticism the President receives, this criticism I receive, and not always deserve, is the mark of democracy. I like to see criticism in the newspapers because I know when I do that I am still living in a democracy, and not in a country like those of Europe where you are driven out of the country or thrown in jail if you print or say anything unfavorable to the Government.

The newspapers of Illinois have been extremely fair in our efforts to bring this great State of ours up to the place it deserves. I shall be ever grateful. The State is dependent, and acknowledges its dependence, upon your newspapers. I want you to be a part of the State. A State can't be run by a Governor. You have to have intelligent public opinion.

A Reply to Mr. Pelley

EXTENSION OF REMARKS

OF

HON. FRANCIS D. CULKIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 16, 1938

CONGRESS SHOULD TREAT THE RAILROADS FAIRLY, BUT ITS FIRST DUTY IS TO THE PUBLIC

Mr. CULKIN. Mr. Speaker, on or about May 2, 1938, the Members of the House received a communication from J. J. Pelley, Esq., president of the Association of American Railroads, taking exception to what the writer called "a surprising statement" by me in the House on April 28 of this year concerning the railroad disbursements for lobbying.

My statement was based on a report of the hearings of a Senate Interstate Commerce Subcommittee pursuant to Senate Resolution 71, which appeared in the weekly newspaper Labor, published by the standard railroad labor organizations. May I say that the best type of American labor is found in the railroad labor groups. The membership of these outfits is outstanding in point of basic Americanism and sound approach to economic problems. Their leadership is tolerant and able. It is therefore to be expected that its publication, Labor, should be on a high plane in its approach to questions that involve its constituency.

Since coming to Washington 10 years ago, I have each week read this publication, and have invariably found it sane and factual. To my mind it is the outstanding publication in the labor field in the United States. My information as to the disbursements the railroads were making in lobbying was taken from this publication and bears the hallmark of truth and reliability.

VAST PROPAGANDA MACHINE

Labor's first disclosure of the propaganda machine set up by the railroads appears in the issue of January 8, 1935. In the publication of that date it discloses the fact that under the direction of Mr. Pelley, former president of the New Haven Railroad, a vast propaganda machine had been set up. Under the proposed procedure the new association and, indeed, the whole management organization of the class I railroads, was to devote much of its time to influencing public opinion, with all the railroad associations in the saddle. The propaganda was Nation-wide in scope and reached its peak when the Pettengill bill was before the House. It reached every crossroad, every station, every grange, and every avenue of public opinion.

In Labor's issue of July 23, 1935, on page 3, it is shown "How rails divide Members of Congress," and Field Marshal Pelley assigned to the United States Senators from New York and all the Representatives where the principal railroad operated in their districts. Instructions went forth to look after these legislators and subject them to the "right kind of influence."

Mr. Pelley, the writer of the letter which the Members of the House received, was called from the presidency of the New Haven Railroad and made chief of this vast propaganda association. The task was a gigantic one, and the salary was in proportion, for Mr. Pelley, who received $37,000 annually as president of the New Haven, now receives $60,000 a year as president of the Association of American Railroads.

Mr. Pelley's genius, however, did not seem to lie in the successful operation of rails, because the New Haven speedily went into a disastrous receivership and the Central of Georgia, of which he had been president, had a like fate. In any event he was kicked upstairs in his new position with a salary of $60,000 and disbursements and the dance was on.

MR. PELLEY'S STIPEND

While on the subject of Mr. Pelley's income, it is interesting to note that while he is receiving a salary of $60,000 a year, he is engineering a Nation-wide propaganda to make the public believe that the railroad employees are receiving too much pay, and that their pay should be cut. Incidentally, he says nothing about cutting his own pay or the pay of the propagandists under him who are giving false witness against the worth of the service of railroad employees.

The point I want to make is that the vast machinery of class I railroads, and, in fact, all railroads under Pelley's direction, was energized in the matter of Nation-wide propaganda. All these agencies had full power of disbursement, and under various guises this money was taken out of the falling earnings of the railroads.

The following is a copy of an exhibit placed in evidence at the Senate hearings showing the disbursements of these associations:

Summary of cost to railroads in maintaining railroad associations, 1920–37

1. American Railway Association (1920 to Nov. 1, 1934)	$21,979,966.73
Association of Railway Executives (1920 to Nov. 1, 1934)	5,102,948.36
Association of American Railroads (November 1934 to 1937)	7,748,643.60
2. Railroad associations listed by Pennsylvania R. R. for merger under appropriate departments of Association of American Railroads but not so merged	142,914,105.40
3. Additional similar railroad associations not listed by Pennsylvania R. R.	12,015,324.24
Total	189,760,989.33

NOTE.—American Railway Association and Association of Railway Executives were consolidated into the Association of American Railroads in October 1934.

In its issue of April 5, 1938, in a special article written by Albert H. Jenkins, Labor states that the shippers advisory boards were merely arms of the Association of American Railroads and they devoted their time to lobbying. The writer goes on to say:

Other witnesses provided additional details about the vast lobby managed by the Association of American Railroads (Mr. Pelley's outfit), which, with other carrier associations, spent over $189,000,000 of railroad money since the war.

I will not weary the House by quoting this article in full, but it shows the conventional approach to all public questions, including those of labor and waterways. Stooge lecturers galore, with high salaries were freely used to put over this propaganda. One of the groups organized was the unfortunate investors in watered railway securities. These people have been victimized once, and according to Mr. Pelley's theory, were now to be used as a battering ram to defeat waterways and beat down the just demands of railroad labor.

I again call Labor as a witness. In its issue of March 29, 1938, in a special article written by Budd L. McKillips, appearing on page 1, Mr. McKillips states:

The Senate committee investigating railroad financial troubles uncovered the fact that the carriers, although voicing an almost incessant cry for alms, have spent since 1920 more than $189,000,000 for lobbying activities.

DISCLOSURES OF WHEELER COMMITTEE

The disclosures of the Wheeler committee show that the propaganda machines of the railroads are now fully in action, and they are supporting an army of lobbyists and propagandists. I give the House a description of a few of these organizations as follows:

The Association of American Railroads, now spending $3,000,000 a year. It created the Nation-wide lobby machine exposed by Labor in 1935 which assigned States, counties, Senators, and Representatives to particular railroads and rail officials.

The Railroad Security Owners Association (Milton W. Harrison), which posed as "the voice of millions of railroad investors," but was subsidized by railroads, particularly the Van Sweringen roads.

The Fuel-Power Transportation Educational Foundation (S. S. Wyer), formed by the Ohio Chamber of Commerce and largely financed by railroads and utilities: Propaganda against the "right to strike," against Government ownership, etc., through pamphlets and lectures to school children, women's clubs, and church organizations.

Chambers of commerce were tied into the railroad lobby machine in various ways. Evidence was presented that the A. A. R. "coached" chamber witnesses before they testified before Senate and House committees against the 6-hour-day, full-crew, train-limit, and other railroad-labor bills. Railroads contribute enormous sums to the chambers.

Shippers' advisory boards formed in many parts of the country, ostensibly to represent shippers' interests but acted as "arms of the A. A. R." in opposing labor bills.

Eastern Public Relations Association, Western Public Relations Association, and State railroad associations were named as other "arms of the A. A. R."

Taxpayers' associations, largely supported by railroads: Examples given of their activity in supporting railroad lobbying.

Transportation Association of America: This posed as a broad nonpartisan organization, but a letter written in 1935 by John H. Hayes, counsel of the Western Association of Railway Executives, said of it that, "in plain language, we are marshaling our friends to help carry the flag for legislation. We are lining up other outfits, particularly the life-insurance companies." Pelley testified that the A. A. R. contributed a large sum yearly to this association and individual railroads also contributed.

The further fact is that the railroads have given liberally to local chambers of commerce and other disguised associations. These were not counted in the $189,000,000 referred to herein. This item only includes the so-called railroad associations. In many sections of the country, when railroad management was not busy abandoning marginal routes, they were engaged in incessant and vigorous lobbying with the usual disbursements. The Members of the House will see that my figures are not extravagant or exaggerated.

TRANSPORTATION VITAL TO AMERICA

I wish to stress that I have no quarrel with the railroads. I do object to the lobbying tactics of Mr. Pelley's group. This procedure is old-fashioned and takes us back to the old disgraceful days when the railroads controlled whole States and were sitting pretty in the Nation's Capital. Transportation is of vital importance to every American. America's comfort, her very life is dependent upon the maintenance of transportation at fair cost and free from the interference of the strutting lobbyists who do a disservice both to the railroads and the public.

It is interesting to note that at the present time the tentacles of the lobbying machine reach into every State capital. An authoritative weekly of the railroad industry, The Railway Age, in an article appearing in its April 2, 1938, number, gives a dispassionate discussion of this subject. In its report of the Wheeler investigation, it shows that these lobbyists go into collateral matters not directly involving the railroads, and use their propaganda machine to aid their friends. On page 615 of the issue in question, the article recites the fact that the Chicago, Milwaukee, St. Paul & Pacific Railroad, at the instigation of the Colgate Palmolive Peet Co., had influenced certain Minnesota State representatives to refrain from introducing a bill which would have been detrimental to the soap company. The article also recites that Senator WHEELER said that the railroads dominated the shippers' advisory boards, and they used certain influence such as the barge-line advocates, to provide scenery for the public.

Earlier in the article in Railway Age, also on page 615, is a discussion of Mr. Pelley's attempt to scotch the present rail-finance investigation. The article states:

The Senator [Mr. WHEELER] wanted to know why Mr. Pelley had tried to thwart the inquiry. Mr. Pelley explained that at the time he was opposed to the inquiry, believing that all it would do would be to tear down the railroad industry instead of recommending helpful legislation. He went on to say that he spoke to Senator WHEELER about this, and that the Senator had quieted his fears, assuring him that this would be no fishing expedition. Senator WHEELER observed that Mr. Pelley had a much better memory than he did, as he did not remember such a commitment on his part.

PERNICIOUS ACTIVITY

The reading of this article would be a worthwhile performance for every Member of the House. It will show that there is no phase of national transportation that is not inter-

fered with by the extremely pernicious and active Pelley lobby. Appointments to the committees of the House, appointments to the Interstate Commerce Commission and other regulatory bodies were attempted to be dictated by the Pelley lobby. Senator Wheeler's committee has done a great service to the country by bringing the facts to the public.

The bill that brought forth the discussion in question was the Merchant Marine Act. An efficient merchant marine is an important adjunct to the railroads, for the railroads are now bringing to the seaboard annually some $4,000,000,000 worth of freight, and are taking away from the seaboard a similar amount. The lobbyists, however, in order to appear to earn their salaries made a frontal attack on section 30 of this bill which would have created an intercoastal subsidy which was made necessary by the imposition of a $26,000 toll per round trip on each ship going and coming from the Pacific coast.

We have spent many millions on our Navy and these ships should be maintained as auxiliary supply ships for the Navy. Not a pound of freight is diverted to the railroads by the defeat of this section. This freight will still be carried to the coast at a lower cost by slower freight ships which will continue to operate. But Mr. Pelley and his associates justify their existence, salaries, and disbursements by defeating this worthy measure.

WATERWAYS AND RAILS

I have said on the floor that the railroads under the Pelley regime had mistakenly elected themselves as the chief foe of waterways, including the proposed St. Lawrence seaway. The railroads, in fact, are the chief beneficiaries of waterways and its tonnage, both internal and by ocean carriers. They likewise elect themselves the foes of motor transportation and necessary highways. These systems of transportation can exist side by side and supplement each other without prejudice to either. They would do this normally except for the intervention of this vast lobby headed by Mr. Pelley, which has for one of its chief purposes the destruction of waterways. The whole procedure amounts in part to an alibi to soften the wrath of the unfortunate investors in railway securities.

It should be stated at this time that 90 percent of the harbors that have been improved in America have been improved at the request of the railroads. The vast steel industry which has been established in and around Pittsburgh, with its mammoth railroad development, would not have been possible except for the intervention of low-cost lake transportation which brought iron ore to the coal regions of Pennsylvania, there to be made into steel.

I wish again to say, that although the railroads' wounds are self-inflicted, I have a sympathetic attitude toward their legitimate problems and current troubles, and will vote to give them all reasonable and justifiable relief.

The foregoing constitutes my reply to Mr. Pelley's letter. I do not believe that lobbying in the conventional or the venal sense is the solution to the railroads' problems. Nor do I believe that the Federal Government can continue to bail the railroads out. They must be shorn of Wall Street influence and control. They must be reorganized through the medium of proper laws, with safeguards against exploitation by the financial groups and professions.

ABOLISH NEPOTISM

The late Senator Couzens once made history by printing a list of salaries of railroad executives and their satellites. Those familiar with the subject will remember that list. Some of the class I railroads are said to have had 10 floors of vice presidents drawing approximately $25,000 a year apiece. They got these jobs because they were the sons or sons-in-law of some influential officer, banker, or stockholder. These parasites should be taken off the backs of the railroads and retrenchment should be made correcting these abuses. The suggestion by Mr. Pelley, with his $60,000-a-year stipend, that the wages of railroad employees should be reduced is enough to make angels weep.

CONCLUSION

Low-cost transportation is vital to the well-being and life of the American people. Our distances are so great that that problem will always be with us, and unless Congress functions adequately to protect the economic well-being of the people in this respect, it will fail in what I regard as one of its most important duties.

The Members of the House should steel themselves against the influence of this vast, far-flung lobby, whose only purpose is to increase the cost of transportation and ultimately secure for itself a monopoly in that field. The railroads are essential to the continued development of the American Continent, and for one I am willing to give them liberal consideration. I am unwilling, however, to saddle the American people with the financial sins of their past, or return to the days when the railroad lobby controlled both Congress and the State legislatures.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 16, 1938

RADIO ADDRESS OF STANTON E. HYER, OF ROCKFORD, ILL.

Mr. MASON. Mr. Speaker, much has been said pro and con upon the subject of our reciprocal-trade agreements. These agreements during the past 2 years have been cussed and discussed upon the floor of this House. Much heat has been engendered by the discussions, but not so much light has been thrown upon the subject. For the edification of the thoughtful Members of Congress on both sides of the aisle, I offer the following illuminating discussion of our reciprocal-trade agreements given over the radio by Stanton E. Hyer, of Rockford, Ill. I consider it worthy of the attention and serious thought of the Congress.

The Reciprocal Trade Agreements Act authorized the President, after preliminary proceedings, to make agreements with a foreign country whereby duties on items of their exports to us will be reduced in consideration of a reduction of their duties on items of exports by us to them.

According to the preamble of the act, its purpose is to expand foreign markets for our products, to assist in the present emergency, to restore the American standard of living, to overcome domestic unemployment and depression, to increase American public purchasing power and to establish and maintain a better relationship among the various branches of American agriculture, industry, mining, and commerce.

This language can mean almost anything. It is pertinent and illuminating to examine the meaning given it by Secretary Hull. He states that we are the best-equipped nation "to play its role in assisting in the development of higher standards of living throughout the world and thereby stimulating the increased purchasing power of the huge populations in backward areas, which cannot fail to increase our own prosperity."

This is the brave assumption of a large assignment. For 5 years American genius, as exemplified by the mental production line at Washington, has spewed forth legislation to raise our standard of living, to stimulate and increase the purchasing power of our underprivileged and the huge populations in backward areas, and thus increase our prosperity. Present conditions would indicate quite clearly that we do not know all the answers. A world-wide program is foolhardy in the face of domestic failure.

Mr. Hull seems to intimate that American dollars should be diverted from American markets and pockets to foreign pockets in the pious hope that they will be used to purchase our goods. Why not shift the dollar from the right to the left pocket and avoid the transoceanic trip? He does not seem to consider the fact that of the $7,000,000,000 rehabilitation dollars loaned to European countries and peoples after the war, about half were used for investment and speculation in our securities markets. In 1931 and 1932 when our situation was desperate, these foreign investments, purchased with our money, were liquidated and withdrawn to the tune of about two and one-half billion dollars and materially contributed to the wreck of our banking system.

Mr. Hull's theory that we are the keepers of our international brothers, has a sentimental appeal, but the fact remains that in many cases I am more than willing to disown the relationship.

Mr. Hull further explains that we must learn the lesson that we must put cash in the pocket of the foreign nations by buying their goods, if they are to buy our cotton, tobacco, lard, and surplus agricultural commodities. Does he mean that, unless spent abroad, American dollars will become rusty for want of products to buy?

In the light of Mr. Hull's statement, what has happened under the trade agreements? The cotton surplus is our problem child. Artificial domestic prices have wrecked our world cotton market. The resulting domestic surplus is largely responsible for our present theory of scarcity by Government statute and decree. The year 1936 found our cotton exports at their lowest ebb in many years.

Certainly we have a sick patient here in need of prompt trade-agreement treatment. Yet in 16 agreements, the best that we have been able to do is to procure in 6 of them promises that existing duties or free listing will not be changed. No concession and no reductions were obtained. Cotton is still a very sick problem child after 2 or 3 years of trade agreements.

The plight of agriculture in general will be referred to briefly later.

Mr. Hull further says that we must have trade agreements, because after the World War our unduly high protectionist policy contributed in important measure to the present break-down of international commerce and financial relationships. Let us examine this free-trade language. It means that our import duties are so high that they have stifled imports and thus wrecked world trade.

On the other hand, the Department of Commerce figures indicate that after the World War import figures reached a point closer to the export figure than before the war. In other words, after the war foreigners traded with us with less expense to themselves than before.

The Department of Commerce indicates a more realistic view of the international trade collapse. It calls attention to the rising tide of nationalism, self-sufficiency movements, direct Government intervention in trade policies, fluctuating currencies, new foreign protective policies to protect newly established industries, currency wars, and the like. It takes an active imagination to attribute such factors to any American tariff policy.

As the Department of Commerce states, political and social pressure has driven foreign countries to policies which normally would be recognized as unsound. They remark upon the fact that Britain finds itself compelled to restrain the abundant flow of goods to its market, in order to protect its own comparatively small agriculture or in answer to pressure from the dominions. Why blame our tariff for this?

The Department calls attention to the fact that in attempts to adjust domestic costs to lower world trade prices, paper currency has replaced gold, with the paper currencies depreciating steadily.

We can accept no blame for this situation, because for 5 years we have consciously and steadily raised our prices and production costs, while the world, according to the Department of Commerce, was as consistently reducing its prices and production costs in its competition for trade. This conflicting situation is an indictment of trade agreements, as will be pointed out later.

After listing all of these things, the Department of Commerce mentions our tariff policy. In spite of our reputation as a high-tariff country, did you know that the larger proportion of our imports come in duty-free and that the volume of free imports in 1929 was double the volume of dutiable imports? It would seem that Mr. Hull's position is none too strong. The conclusion is further fortified by the fact that after 2½ years of trade agreements, we find that the imports from the trade-agreement countries increased 18 percent in 1937 over 1936; while those from non-trade-agreement countries increased 34 percent. Can it be that Mr. Hull is right when he says that trade agreements are necessary to give the foreign countries a better import showing? If so, the performance of the agreements does not indicate it, because in 1937 the non-trade-agreement countries made the best import showing.

As a matter of fact, most of the items upon which we impose a duty are competitive items competing with domestic products. Keep this in mind while I call your attention to the fact that, under the Tariff Act of 1930, the Tariff Commission upon its own motion, or that of the President or any person adversely affected, was authorized to reduce the tariff upon any import item also produced by us, when the American price was out of line with our cost of production. In other words, if American industry was gouging the consumer, it could be brought into line by a tariff reduction permitting foreign competition. In spite of this, we find very few complaints and comparatively no action taken by the Commission. So apparently over this period, we may conclude that our domestic prices were not out of line and that the tariff rates were no higher than necessary for protection. Why, then, is there any present occasion to reduce them by reciprocal-trade agreements or otherwise, particularly at a time when we are neck deep in a program which can only raise our production costs and prices.

The result of the trade agreements as disclosed by statistics is both interesting and confusing—confusing because whenever the statistical result is adverse, the Government apologists and explainers commence to prove their own statistics unreliable by calling attention to all of the abnormal factors.

Nevertheless, let us examine a few of the statistics. Let us see how our agricultural surplus has been liquidated by the treaties. In 1934 we exported $902,000,000 of products of agricultural origin and in the same year imported $1,100,000,000 of exports of agricultural origin. We were $187,000,000 in the red. In 1937 our exports of similar products was $1,000,000,000 and our imports $2,000,000,000, leaving us $1,000,000,000 in the red on our agricultural exchange. In 1934 our competitive agricultural exports were $787,000,000 and in 1937, $733,000,000. We were a little worse off after 4 years. In 1934 our competitive agricultural imports were $419,000,000 and in 1937, $868,000,000. We thus find that during 4 years, part of the time with trade agreements in operation, the American farmer had progressively less of the foreign market and the foreign farmer progressively more of the American market. During this same time we had been blandly following the planned scarcity program at an almost incredible expense to our taxpayers.

Recall again the theory that the trade agreements are to operate, according to the authorities, to increase our imports, thus giving the importer money to buy our goods and to bring imports and exports into better balance.

What happened? In 1937 we exported to trade-agreement countries 40 percent more than in 1936; to non-trade-agreement countries we exported only 33 percent more.

On the other side of the ledger imports from trade-agreement countries increased only 18 percent in 1937, while imports from the non-trade-agreement countries increased 34 percent.

These figures apparently mean that trade agreements operated to make us more of a creditor Nation, and that where there were no trade agreements, imports and exports tended to balance.

Thus these international contracts proceeded to operate exactly contrary to Mr. Hull's theory.

I admit that the use of aggregate figures is dangerous. However, I do use them because the analysis of separate items led to hopeless confusion. In checking them one discovers that where we exported both to trade-agreement and non-trade-agreement countries, exports would increase to some and decrease to other trade-agreement countries, with the same thing true of the non-trade nations. The increase seemed to be in many instances about equally divided between the two classes of countries. All of this indicates the presence of outside factors which were unpredictable and beyond our control.

That these factors were present logically leads to other considerations. On the average about 93 to 94 percent of the goods which we produce are sold right here at home, 6 or 7 percent abroad.

For several years this domestic market has been a tremendous and unsolved problem. Theories have been tried and abandoned. They were like dandelions, in that when 1 dies 10 seem to spring up in its place. All of them were directed to the general proposition that the road to consumer prosperity, and resulting production prosperity, was paved with rising prices, rising wages, shorter hours, restricted production, high taxes for the distribution of wealth, and other propositions. The national debt has increased about $18,000,000,000 and will be a lien and load upon national income for years. A Government mechanism has sprung up which is and will be tremendously expensive. The whole scheme not only consciously but inevitably is reflected in rising costs of production.

In the face of this by trade agreements we are to increase our sales in the world market. There we must compete on price and quality. Sentiment and international fraternity have little effect.

Therefore, the travesty of the whole thing is that it places us in the position of attempting to increase a highly competitive world business by raising our costs of production and prices. We can't do both. Either our domestic policy is wrong or our new trade agreement policy is a waste of time. This conflict excuses a digression to comment upon the fact that we are told that our domestic market has not even been scratched. One school of thought, as exemplified by the administration, attempts by the pumping of money into a shaky system and the raising of the cash income of the consumer to remedy a bad situation. The other school, hopelessly outnumbered and unofficial, believes in the lowering of prices and production costs to reach a larger domestic market, thus generating volume which will generate profits. The official theory is absolutely in conflict with our new foreign-trade theory. The unofficial theory, which officialdom will not recognize, is very consistent with it.

Before we make any grandiose attempts to garner world trade, we had better determine and settle upon our domestic policy.

Another angle requires that we consider that in the last few years there has been an enormous industrial development in countries where the cost of production is low. Abandon the idea that American genius and American equipment is so superior that none can compete. Foreign countries have taken the best that our geniuses could produce in machinery and production methods and have combined it with cheap labor and low costs to compete with us both in world and domestic markets at prices which we have been unable to meet. Yet like Don Quixote we are now determined to go forth and battle these competitors, using for our weapon a high-cost-of-production policy.

Not only that, we are entering into fixed-term trade agreements, reducing tariffs at a time when these low-cost newly industrializing countries are making somewhat successful inroads in our domestic markets. This does not seem to make sense. Perhaps it is well to call your attention to the fact that all of these trade treaties contain the most-favored-nation clause. This means

that, if we make a concession on wheat to Canada, the same concession operates in favor of other wheat countries. If we make a concession on whisky to Canada, other whisky-producing countries receive the same treatment automatically.

While we do not presently have trade agreements with these newly industrialized low-cost countries, nevertheless they have the benefit of any reductions and are furnished an additional temptation to take a crack at the American market. It seems unwise to reduce rates for a fixed term at a time when it is difficult to tell who the new competitors will be, in what products they will compete, and the prices at which they will be able to produce. Again, we all know that the world as a whole is in a chaotic condition almost without parallel. In some instances protection and selling policies and industrial profits are controlled by the Government. National hates are rife, exchange is unsettled and currencies fluctuate, war threatens, and the future is unpredictable. Yet we would attempt to base an ever-increasing portion of our domestic economy upon this shifting, unstable foundation. These things, according to the officials, have already played havoc, which can only be multiplied by the pursuance of our present policy. It is like building a house upon the river bank which has already been badly undercut by the current.

I submit that we shall continue to buy and foreign nations continue to sell those things which we need and do not produce. Foreign nations will continue to buy and we to sell the materials and products which they cannot acquire elsewhere, irrespective of tariffs, and they will further buy only those competitive items upon which we can equal or better the world in price or quality. The fact that the import duties on our exports are reduced by trade agreements does not improve our competitive position as long as we adhere to the most-favored-nation policy.

The world markets are cold-blooded and competitive and are not sentimental and fraternal. As long as we can produce better goods at lower prices we are going to sell, irrespective of tariffs. On the other hand, we are going to sell domestic products in our markets only so long as the tariff equalizes the low production costs in these growing industrial countries. I may be wrong, but I believe that as long as our present recovery program prevails it is better to buy our own light bulbs protected by tariff from the competition of 20-cents-per-day labor.

The trade agreements were to create a better relationship among the various branches of American agriculture, industry, etc. In preparing this paper there came to light agonized wails from agriculture, lumber, wool, dairy products, shoes, glass, hothouse vegetables, potatoes, manganese, whisky, textiles, and others which I now forget. I found editorials in papers in industrial centers chiding the farmers against sponsoring a lower tariff policy and warning them that this would cut their own market. If this is evidence of better understanding, the nations of Europe are in complete accord.

For a final summing up, it would appear that the State Department, in promoting and developing the program, at least in its public utterances, has ignored realities.

Second. That altogether undeserved blame has been placed upon the American tariff policy in view of the evidence.

Third. That our world-wide beneficence is apt to prove very expensive at a time when our own resources are becoming increasingly limited.

Fourth. That the program has done less than nothing for expensive, unwieldy, and stubborn agricultural surpluses.

Fifth. That, as far as statistics show, instead of bringing a closer balance between exports and imports, this result has been more closely approximated in the case of countries where the trade agreements were not in effect.

Sixth. That our domestic economic policy is entirely inconsistent with the theory of the trade agreements and world market competition.

Seventh. That an attempt to base a larger portion of our domestic economy upon the foundation of a shifting, unstable, chaotic, and unpredictable world situation is foolhardy.

Eighth. That it renders us more vulnerable to the rapidly developing low-cost industrial nations; and

Lastly, that fundamentally it is difficult to attribute to the tariff the responsibility for this unfavorable favorable trade balance, unless we wish to abandon the general policy of the protective tariff.

In conclusion I will quote from the impassioned utterances of two Representatives at Washington, which were possibly never made, but which, at least, were printed in the CONGRESSIONAL RECORD: "How is it possible for American manufacturers and farmers to pay higher wages, work shorter hours, and support a higher standard of living and still compete in both the domestic and foreign markets, when the products of other countries are produced at lower wages, longer hours, and under lower living conditions?"

Second. "Yes, Mr. Chairman; when the German masses take back their liberty, when the Italian people reassert their independence, when the multitudes of Russia throw off the bitter yoke of servitude, when the Japanese lay aside their world-domination ambitions, the minds of the world may be 'softened toward peace.' But it must be obvious to any man or any woman in this House that if we are to purchase this 'saner attitude toward international relations' by these reciprocal-trade agreements that the markets of America will have become exhausted, the wage earners of America will be workless, and the farmers of America will be destitute long before this utopia is achieved."

Wage and Hour Bill

EXTENSION OF REMARKS
OF
HON. MARTIN DIES
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, May 16, 1938

AMENDMENTS TO BE OFFERED BY MR. DIES

Mr. DIES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following amendments to be offered to the wage and hour bill:

Page 53, line 21, after the word "hire", insert the following:

Provided, however, That overtime employment shall only be permitted in the case of emergency work which shall mean any work necessary for the protection or preservation of life or health, for the prevention of damage to property, or for maintenance or repair of property or equipment, or made necessary in the due course and conduct of production and to avoid undue disruption of business.

Page 53, after line 21, insert new section to be known as Section 5 (a), as follows:

SEC. 5 (a). Notwithstanding the provisions of sections 4 and 5, upon application to the State labor commissioner or other State official designated by State law (or to the United States Secretary of Labor in case there is no State labor commissioner or other State official designated by law) of the State in which the industry is situated, by any employer subject to this act, and after public hearing and proper showing, the State labor commissioner, or other State official designated by State law (or the United States Secretary of Labor in case there is no State labor commissioner or other State official designated by State law) shall establish a minimum wage rate less than that provided in section 4 but not less than 25 cents an hour, or a maximum workweek more than that provided in section 5 but not more than 44 hours in any one week with respect to such industry if such action is justified by the following circumstances: (1) The cost of living; (2) the wages paid by employers who voluntarily maintain reasonable wage standards in similar occupations; (3) the wages established in similar occupations through collective labor agreements negotiated between employers and employees by representatives of their own choosing; (4) local economic conditions; (5) the relative cost of transporting goods from points of production to consuming markets; (6) the reasonable value of the services rendered; (7) differences in unit costs of manufacturing occasioned by varying local natural resources, operating conditions or other factors entering into the cost of production; (8) the hours of employment observed by employers who voluntarily maintain reasonable maximum workweeks in similar occupations; (9) the hours of employment established in similar occupations through collective labor agreements negotiated by the employers and employees by representatives of their own choosing; and (10) the number of persons seeking employment in the occupation to be subject to the maximum workweek.

Such hearing shall be reported by an official reporter and the entire record of such hearing, together with the order of the State labor commissioner, or other State official designated by State law, shall then be forwarded to the Secretary of Labor of the United States. Upon receipt of this record the Secretary of Labor of the United States is hereby authorized to reverse or modify the order of the State labor commissioner, or other State official, if the Secretary of Labor of the United States finds that such order is contrary to the facts as adduced at the hearing.

(b) In the case of any State that does not have a State labor commissioner, or other State official designated by law, then until such time as such State designates a proper official the Secretary of Labor of the United States shall receive all applications provided for herein and conduct the hearings herein provided for either in person or through some deputy labor commissioner designated by the Secretary of Labor of the United States.

(c) As soon as practicable after the receipt of the record of any hearing before the State labor commissioner or other State official designated by law, the Secretary of Labor of the United States shall issue an order either affirming, reversing, or modifying the order of the State labor commissioner, or other State official, and such order, when issued by the Secretary of Labor of the United States, shall supersede the order of the State labor commissioner, or other State official, who shall immediately change his order to comply with the order issued by the Secretary of Labor of the United States: *Provided, however*, That the order issued by the State labor commissioner, or other State official, shall be effective until such time as same is reversed or modified by the Secretary of Labor of the United States.

(d) Any person aggrieved by an order issued by the Secretary of Labor of the United States under sections 4 and 5 may at any time obtain a review of such order by filing in the circuit court of appeals for the circuit in which is situated his principal place of business, or in the Court of Appeals of the United States for the District of Columbia, a written petition praying that such order be modified or set aside in whole or in part. A copy of such petition shall forthwith be served on the Secretary, and thereupon the Secretary shall certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, or, if it is not in accordance with law to modify or set aside, such order in whole or in part. The judgment or decree of the court shall be final subject to review as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., 1934 ed., title 28, secs. 346 and 347). The commencement of proceedings under this subsection shall not, unless specifically ordered by the court, operate as a stay of the Secretary's order.

Pages 53 and 54: Strike out all of section 6 and insert in lieu thereof the following:

SEC. 6. Any industry affecting commerce is hereby declared to be any industry whose activities are Nation-wide in their scope, or (b) which is dependent for its existence upon substantial purchases or sales of goods in commerce and upon transportation in commerce, or (c) where the relation of such industry to commerce is close and substantial.

Page 54, lines 19 to 26: Strike out all of section 7 and insert new section, which shall read as follows:

SEC. 7. For the purpose of any hearing provided for in section 5 (a) of this act, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (U. S. C., 1934 ed., title 15, secs. 49 and 50) are hereby made applicable to the jurisdiction, powers, and duties of the State labor commissioner, or other State official designated by law (or in case there is no State labor commissioner or other State official, then the Secretary of Labor of the United States).

Page 55: Strike out all of section 9, on pages 55, 56, and 57, and substitute in lieu thereof the following:

SEC. 9. (a) The State labor commissioner, or other State official designated by law (or in case any State does not have such official, then the Secretary of Labor of the United States), or his designated representatives, may investigate and gather data regarding the wages, hours, and other conditions and practices of employment in any industry subject to this act, and may enter and inspect such places and such records (and make such transcriptions thereof), question such employees, and investigate such facts, conditions, practices, or matters as he may deem necessary or appropriate to determine whether any person has violated any provision of this act, or which may aid in the enforcement of the provisions of this act.

(b) With the consent and cooperation of State agencies charged with the administration of State labor laws the State labor commissioner, or other State official designated by law (or in any State that has no such official then the Secretary of Labor of the United States), may for the purpose of carrying out the provisions of this act utilize the services of State and local agencies and their employees, and, notwithstanding any other provision of law, may reimburse such State and local agencies and their employees for services rendered for such purposes.

(c) Every employer subject to the provisions of this act or any order shall make, keep, and preserve such records of the persons employed by him and of the wages and hours, and other conditions and practices of employment maintained by him, and shall preserve such records for such periods of time, and shall make such reports therefrom to the State labor commissioner, or other State official designated by law (or in any State that does not have such State official then to the Secretary of Labor of the United States) as he shall prescribe by regulation or order as necessary or appropriate for the enforcement of the provisions of this act or the regulations or orders thereunder.

Page 59, lines 14 to 16: Strike out all of subsection 1.

Page 61, after line 5, insert new section, which shall be known as section 14 (a), and which shall read as follows:

SEC. 14. (a) Any person in any State subject to this act who shall evade or attempt to evade the provisions of this act by increasing charges for housing, fuel, and lights furnished to his employees, or who shall decrease the wages of any of his employees now receiving in excess of the minimum wage provided in this act in order to offset the increase in the wages of those who receive less than the minimum provided in this bill, shall be deemed guilty of the violation of this act, and upon conviction shall be punished in accordance with the provisions of section 14.

Page 61, after line 14, insert new section, which shall be known as section 15 (a):

SEC. 15. (a) Any employer under collective-bargaining contract with the union of his employees providing for higher minimum wage and shorter maximum hours shall be exempted from the provisions of this act as to the employees covered by such agreement and insofar as the agreement covers hours and wages. Any employer who voluntarily maintains higher minimum wages and shorter maximum hours shall be exempted from the provisions of this act as to employees who receive higher minimum wages and work shorter maximum hours.

National Progressives of America

EXTENSION OF REMARKS

OF

HON. BERNARD J. GEHRMANN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 16, 1938

ADDRESS OF HON. PHILIP F. LA FOLLETTE, GOVERNOR OF WISCONSIN, BEFORE THE CONFERENCE OF THE NATIONAL PROGRESSIVES OF AMERICA, HELD IN MADISON, WIS., ON APRIL 28, 1938

Mr. GEHRMANN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered a few days ago by Governor La Follette, of Wisconsin:

All over the world principles for which Americans have fought and died are under attack. Since the close of the World War those who believe in the democratic way have been retreating. Unless something is done, and that quickly, the retreat may become a rout.

It is a fatal mistake to assume that millions of intelligent people willingly desert the ways of freedom. They do so only because, confused and desperate, they see no other way.

If there was ever a time when of necessity we must be united upon a well-thought-out plan of action, it is now. If there was ever a time when clear heads and stout hearts are in demand, it is now. Yet in no period were people more confused than now.

The basic assumption of the American way of life is that men and women on the farm, in the factory, the shop, the office, the school, and the home understand the broad questions of policy that guide their State and Nation. That is what Jefferson meant when he wrote into the Declaration of Independence the principle that "governments derive their just powers from the consent of the governed"; that is what Lincoln meant when he spoke of "government of the people, by the people, and for the people"; that is what Robert M. La Follette meant when he said, "the will of the people shall be the law of the land."

HEART OF DEMOCRACY

The heart of American democracy is that men and women who live under the laws and policies of a government have the ultimate right to decide what those laws and those policies shall be.

If men and women are confused and bewildered, they cannot form strong convictions and make intelligent decisions. They are in a fog. They have no sense of direction. They do not know where to go or what to do. No wonder that Americans grimly set their jaws as they watch democracies across the world crumble.

The rise of dictators, the destruction of democracy, and the specter of another World War have one underlying cause—the failure to produce enough real wealth to support a secure and high standard of living.

Let us take a simple illustration: See an average family at the evening supper table. The father has a job. He is earning a living. There is plenty of food on the table. The parents urge the children to eat freely what is spread before them. There is a secure and happy atmosphere in the home.

Now the scene changes: The father has lost his job—perhaps his farm. The family supplies begin to run low. What happens then? The father and mother are obliged to use parental discipline to see that what there is, is divided with some degree of fairness among those at the family table. You and I know from experience that that is what happens to families when there is not enough to go around.

NATION LIKE A FAMILY

Apply that same illustration to a nation. Then we understand what causes dictatorships to rise and democracies to fall. For a nation is like a family. If there is plenty to go around, there is security, happiness, and tolerance throughout the Nation. But when there is not enough, people reluctantly turn to some public authority, which, like the parent, uses its control to divide what there is. But dividing or sharing wealth is not a solution for either the family or the Nation.

American freedom is rooted in American abundance. To retain that freedom we must keep our human and natural resources harnessed in productive work. Religious liberty, political liberty, eco-

nomic liberty—these liberties that have made America the land of opportunity—are like the superstructure of a building. It is futile to try saving the upper stories when dry rot is attacking the foundation timbers.

In this critical period in our own and in world history, people need to work out an understandable program to which allegiance can be given; an allegiance not bought by favor or secured by fear; an allegiance flowing from deep and profound conviction. We need also to develop a leadership which will act on this conviction.

Conviction of this kind cannot be founded on fine spun theories unrelated to the common-sense lessons of daily living. It must grow out of experience with life as man lives it. Therefore, our choice does not necessarily lie between so-called capitalism or socialism.

OLD FRONTIER GONE

Capitalism, as most of us have defined it, developed very naturally in a day when an unexplored frontier was always beckoning men on to new opportunities. For unnumbered centuries "the course of empire moved westward." Now, in our time, that old course of empire has made the complete circle of the globe. The old frontier that challenged the adventurous spirit of our ancestors is gone. The old capitalistic idea was adapted to and actually worked well when individuals had free access to undeveloped natural resources, and when a rapidly growing population provided constantly expanding markets. These produced an ever-increasing demand which continually absorbed the production of agriculture and of industry.

The passing of the old frontier marked the end of the old capitalism. No longer does it provide expanding markets and a widening demand for the production of the farm and the factory. This failure of demand gives us the notion of oversupply which has betrayed so many into thinking that we have overproduction.

Those who honestly but mistakenly seek the "good old days" with the cry "restore confidence" make a fatal mistake. The capital locked up within our financial institutions is not idle because of fear or panic. Capital has no emotion. Capital goes to work when it sees a chance to earn money. If there is opportunity to make money, capital will go to work under a Roosevelt. Just as quickly it will remain idle if there is no chance to make money under a Hoover. Capital is idle because the machinery that kept it at work became obsolete with the disappearance of the old frontier.

SEES NEW FRONTIER

There is a new frontier with greater and more limitless possibilities than the old. The new frontier is not in Asia or Africa. It is here at home. The investment of capital in the past created an expanding demand for the products of the farm and factory. The sound investment of capital will again create increasing demand for what we produce. We had machinery that did this job well in the days of the old frontier. We have not yet provided the machinery to do it for the new frontier. In this sense old-fashioned capitalism is gone forever.

Neither is socialism a way out. It is based on a theory that does not fit America. We are not now speaking of those concrete proposals, such as the public ownership and control of money and credit, which reactionaries so often label "socialism." We refer to a socialist philosophy that proposes to reward work and achievement on the same basis, regardless of individual contribution. Experience demonstrates the dangers of giving "to each according to his needs" rather than to each according to his contribution.

We would be the last to claim that our existing institutions provide the social and economic justice at which we all aim. But American progress has come not from pulling people down the ladder of achievement but keeping the way open for all to climb higher. There is a vast difference between a socialist theory of absolute equality and the American principle of equality of opportunity. The former would pull achievement down to the level of mediocrity; the latter opens the way for ability to rise.

The life of the human race depends on the earth itself. No human institution can be successful that attempts to go counter to the underlying rules of Nature. Nature teaches that "the laborer is worthy of his hire." Nothing gives more immediate rewards for skill, courage, and intelligence, and nothing brings swifter punishment for mistakes than the forces of Nature herself.

SAME KIND OF PEOPLE

The old-fashioned capitalist fails to see that the world in which we live has changed. Many Socialists recognize that the world has changed, but fail to see that human nature has not. While the house we live in today is different from that of our fathers, we are still the same kind of people. Thus neither old-fashioned capitalism nor socialism provide real alternatives for the American people.

Nor does either fascism or communism offer a way out. Both are founded, not on something new but on the ancient principle that a chosen few—whether from the top or the bottom of the economic ladder—shall make the decisions and rule by force.

Autocratic dictatorship not only violate every principle of Americanism; it violates the best teachings of the human race. Through long experience we have learned that progress in every field comes from those who have the courage, the vision, and stamina to find new and better ways of doing the world's work.

If we are to have a society of men and women free to think and to act, where we shall have the right to try new ways, or to retain the old—if we are to preserve a free America, then it is clear beyond all doubt that neither fascism nor communism offer the slightest permanent hope.

Our world moves toward war, chaos, and barbarism. What then are we to do?

While many of us out here have long felt that something must be done, it was only human to hope that we could make a joint beginning with others perhaps better situated. We gave every encouragement to them, and went on waiting. At last, within our obvious limitations, a beginning has been made.

MARKED OUT COURSE

Extending over many months thousands of us, in small groups, met here and elsewhere. So far as I know never before have so many people taken counsel together upon a problem of this kind. Average men and women from every walk of life have been at grips with this decision. After mature deliberation these men and women, individually and by groups, have made their choice and marked out the course we are to follow. Their decision is practically unanimous. In due course the written decision they made, each in his own individual way, will be made an historical record.

It is their decision that brings us here tonight.

This is not a convention. We have no honors to bestow, no favors to pass out, no sops to offer, and above all, no personal fortunes to promote.

In our fight we want no conscripts—only volunteers enrolled for the duration of the war—be it long or short—men and women of sublime faith and undaunted courage—men and women tested, winnowed and sifted by the very difficulties of the task before us.

We are not at a cross road. We can turn to capitalism or to socialism, we cannot turn to fascism or to communism. We are near the end of a road. The time has come when a new trail must be blazed—a trail that will take the fundamental teachings of the past and apply them to the modern world as we know it.

LOOK AT AMERICA

Look at America: We occupy 6 percent of the world's area. We have about 7 percent of the world's population. Under normal conditions we have consumed about one-half of the world's coffee, half of its tin, half of its rubber, a fifth of its sugar, two-thirds of its silk, a third of its coal, nearly half of its pig iron, half of its copper and over two-thirds of its crude oil.

We operate over half of the world's telephone and telegraph; we own over three-quarters of the automobiles and a third of the world's railroads; we produce nearly three-fourths of the oil, over half of the wheat and cotton, the lead and coal of the world.

We dug a hole in Kentucky in which to hide over $12,000,000,000 in gold, over half of the world's monetary metal. We have two-thirds of the world's banking resources and it has been estimated that our people have a purchasing power greater than that of the 500,000,000 people of Europe and considerably larger than that of the billion people who live in Asia.

No people can compare with us in inventive genius or capacity for constructive building. Endowed with no more natural resources and raw materials than possessed by other great nations, we have in our relatively short history created by our own industry and genius the wealthiest Nation on earth.

Yet, here we are at the end of 10 years still in a depression nearly one out of every four living off some kind of relief. Half our people are back where they were in 1931, and the country is headed for conditions as bad or worse than 1933.

WHY IN TROUBLE?

With everything we need—skilled, industrious people and enormous endowments of material resources—why are we in trouble? The answer is clear: We are not now, and we have not been during the depression, producing enough to support the American standard of living. We are consuming more than we produce. Not because we cannot produce amply to provide for all our people, but because we cannot produce even enough for a low standard of living with a fifth of our people and resources kept out of production.

Many of us see America divided into thousands of different enterprises. We see the individual farmer, businessman, worker, or corporation, each with his own separate set of books.

Let us see America as one great enterprise with one set of books. If we do this, our basic problem stands in clearest outline. We see that since 1929 the United States as a whole—industry, agriculture, and business—has been operating in the red. We have not produced enough to maintain our standard of living. We dodge the issue by juggling the books. We have mortgaged over a third of our total private and public resources. And a substantial part of this enormous debt represents wealth that has been used up or worn out.

During the 4 years of the Hoover administration we waited for "prosperity which was just around the corner." As we waited, we failed to produce for our normal capacity. We lived from our accumulated fat. At the end of 3 years of waiting, private business was nearly bankrupt. The books of our banks, insurance companies, railroads, and thousands of individuals and corporations were "in the red."

During the 6 years of the Roosevelt administration we transferred red ink from the books of private enterprise to the bookkeeping of our local, State, and National Government.

MISTAKEN BELIEFS

Many large corporations have sought to maintain high prices in the mistaken belief that they could be prosperous with a diminishing volume of business. Labor, in turn, has followed the same pattern of seeking to maintain high unit costs, failing to see that the workers' real prosperity is founded on the total income for the entire year. Under the sponsorship of Government itself, an agricultural program following the same fatal course has been invoked to reduce the production of the farm, in the mistaken belief that high prices for a diminishing volume of production would mean prosperity for the farmer.

We have spent so much time squabbling over sharing our wealth that we have lost sight of the essential fact that we cannot share wealth unless we have first produced enough real wealth to share.

We have tried to give the farmer high prices by restricting agricultural production. We have tried to give industry high prices by restricting the production of the factory and the shop. We have tried to give labor high wages by restricting the output of the worker. On top of all this we have even kept millions of able-bodied men and women from productive tasks by relief and various forms of made-work. A little simple arithmetic gives the answer; less from agriculture, less from industry and business, and less from labor can only equal less for all, instead of more for all.

All this has been based upon a mistaken theory of overproduction. Millions of people "ill-fed, ill-clothed, and ill-housed"—millions of people with only the bare necessities of life, millions of people without enough clothes—so we produced less cotton and less wool; millions of people without adequate food, so we produced less wheat, less hogs, less beef, less corn—less produce of the farms; millions of people without enough shoes, clothing, paint, shingles, wire, houses—billions upon billions of man-hours of work waiting to be done and yet we decided to produce less, and to work less.

FUTILE EXPERIMENT

This well-meant but futile experiment has been expensive. Through private and public borrowing we have sought to maintain the American standard of living without producing enough real wealth to support it. We approach the point where we cannot much longer borrow for that sort of enterprise.

The day of reckoning may not come this year or next, but the cold, inescapable truth stands before us. The American standard of living today is supported by an enormous mass of outworn public and private debt. Rich as America is we cannot escape the calculations of simple arithmetic. We cannot long maintain the American way of life by mortgaging the future. If we do not consciously decide to solve this problem, hard inescapable reality will bring the house down about our heads and force a decision upon us.

We are in a period much like that which preceded the Civil War. Then, as now, we faced a profound economic issue. Then, as now, we sought to compromise and evade that which could not be compromised or evaded. The issue then was free labor against slave labor. Lincoln summed it up by saying, "A house divided against itself cannot stand. This Nation cannot exist half slave and half free * * *." Slave labor in the same market with free labor pulled free labor down to the standard of slave labor. In exactly the same sense a free nation cannot exist with half of its productive resources at work and the other half idle. As certain as a law of physics the lower standard of living will undermine and destroy the higher.

Let me emphasize the statement that no free nation can remain half at work and half idle. We could in time move back to the old order of things with a tyrannical Government, the mass of people held in subjection by force, while a few at the top rolled in luxury. What so many people fail to see is that American freedom is inescapably interwoven with and a part of our high standard of living.

Our liberty is grounded in our capacity to produce abundance. If the foundation is undermined our liberties are likewise undermined. The only way out is by putting and keeping all our able-bodied people at wealth-producing work. Thus, and thus alone can we be free and prosperous.

EXPECTS QUESTIONS

There are those who will continually ask, "How can we put people to work—how can this be done?" These people will never be satisfied. They expect someone to shake out of his sleeve a perfected blueprint for every detail of every problem for the next 20 years. They bicker so much over details, they have no energy left for action.

It is one thing to demand clear and unequivocal specifications as to the direction in which to go. It is quite another to demand a completed plan for the highway before even the trail has been blazed. These people forget the fundamental lesson that we "learn by doing." We know the truth of this from long experience.

Remember the first automobiles, radios, or airplanes? How awkward and clumsy they were. Suppose people had said, "No; we will not build a single automobile until you can first show us a set of plans for a perfect car." There would have been no automobiles or telephones or radios. It is the same in the field of social and economic problems. Workmen's compensation was adopted in this State only after a prolonged study by careful students. A thorough job was done to be sure we were headed in the right direction. Then we acted. In the years that followed we made hundreds of improvements and changes. The same is true of unemployment compensation. That was studied for 10 years. Then a group of able people spent a year in drafting the law. We were sure it was headed in the right direction. Then we acted. In the 5 years since its adoption we already have made scores of improvements.

So it is with whatever we do. First, we must be sure we are headed right, and then we learn by practical experience how to take care of the contingencies that can be found only by doing the job.

NO WORK LIMIT

There is no limit to necessary, wealth-producing work here in America. The other day I suggested how easy it would be to put billions of idle money and millions of idle people to work providing the United States with a modern, efficient, and economical railroad system.

Tonight let me give you another illustration. We have a long overdue task waiting us in the field of housing. On this question, as conservative a person as Mr. Hoover recently noted how much further ahead Scandinavia, Holland, Germany, and Britain were than the United States.

We are rich in men and materials, but shockingly poor in the shelter we provide our people. Again, a government that had the vision and the courage to act could cut through the red tape. We have a tried and tested procedure for building new streets, laying sewers, and other life improvements. The framework of that procedure could be easily adopted to open the frontier of modern housing.

To be specific: First, an engineering and architectural survey approved by the individual family affected; second, an order that it be done; third, just as with the illustration of railroad financing already given, new capital must have an opportunity to go back to work on this vital section of the modern frontier; last, so far as possible, do the job under contracts at the best bid. Private capital and private business must be afforded opportunities to go to work. When people spend their own money they are careful to get their money's worth. When work is carried on by experienced contractors, operating in small, well-organized units, skill and industry are likely to be rewarded. Where work is done by too large, cumbersome governmental agencies there may be more political pull than engineering push.

These are only two of hundreds of examples of the great new frontier ahead of us. But just these two alone would put billions of idle capital to work and create millions of new wealth-creating jobs. They alone would end unemployment in America for years.

SEES REAL BUSINESS

This is the kind of work that makes real business for everyone—the mines, the railroads, the factories, the farms, the stores, the shops, and the offices. It is the kind of business, too, that does not have to be run from Washington.

A program of constructive action is not difficult to think of or agree upon. Our great difficulty is getting a government that sees the problem and has the courage to act.

I emphasize, a government that will act, because if anything is clear this is clear: That the question of prosperity or hard times, of liberty or dictatorship, will be made by government.

Here, above all else, is a problem that we as individuals cannot solve. A farmer may be industrious, thrifty, and intelligent. But that farmer is helpless against an economic storm sweeping across the Nation. An employer may follow the best methods, may be thrifty, prudent, and farsighted, and yet he has no alternative but to close his plant when there are no longer orders to fill. Millions of industrious and willing workers lose their jobs through no fault of their own. We cannot answer these questions as lone individuals. They can be solved only by acting together as an organized people.

There will be organized action. That is the inevitable result of the conditions under which we live. One man with an axe could build a log cabin; but it takes planning and organization to build a skyscraper. We live in an age of mass production. To make it function requires organization. The real issue is not whether we shall have organized action, but rather what kind of organized action shall it be. Let us resolve that it shall follow the same principles which guided our country through all its creative history.

HAD IDLE RESOURCES

In the old days we had idle resources in the form of undeveloped land. Our Government opened up that frontier by organized action. In those days our country did not pay people to remain idle or to do unproductive work. We gave everyone an opportunity to do wealth-creating work. If they did not take that offer, they could sink or swim as they pleased.

Today we have idle resources and also idle people. Organized action must again open the new frontier. Again we must provide every able-bodied man and woman with a real opportunity for wealth-creating work at decent hours and at decent pay. Then, let us return to the principle that he who is able and does not work—well, then at least he shall not live at the expense of his neighbor.

Our way out can come only through organized national action. How then are we to get a National Government with the vision to see and the courage to act? Can it come through either of the old parties?

For 10 years the Republicans and Democrats have been fumbling the ball—not because of bad intentions but because neither of them are united upon any program. The political lines between Republicans and Democrats were marked out in 1860. They have nothing to do with 1938.

The real division in America today is not between Republicans and Democrats. It is not between workers and farmers. It is not between capital and labor. It is between the earners on the one side and the collectors on the other.

The vast majority of our people live from their own work. They are primarily interested in preserving opportunity for themselves and for their children.

RIGHT TO PRODUCE

The earners appreciate that nothing is so important as the right and the duty of able-bodied men and women to produce—not just in the factory or just on the farm but in every part of our system; in the office, in the school, in the store, in transportation—in a word, in every place where men and women are performing the services and doing the tasks that give us a rich and fruitful life.

No one wants to unnecessarily deprive any individual of what he has acquired. But the fate of the whole Nation depends on getting and keeping our people at productive work. The welfare of all—even those who live only by collecting—depends at last upon that.

Changes in our economic institutions should not be made for light or transient causes, but we must not forget that the economic system developed to serve the best interests of man—not that man was created to serve the economic system. And no system can long exist that denies to a substantial part of its manpower an opportunity to do useful work.

The rank and file of both the Republican and the Democratic Parties is composed of fine, patriotic men and women. The principles of individual initiative and self-reliance of which Republicans so often speak are as essential today as in the past. But when it comes to offering concrete methods for enabling those principles to exist and thrive in our time, the Republican Party is bankrupt.

We of the North, too, must never forget that the Republican Party turned its back on Lincoln's admonition, "Charity for all and with malice toward none." For a third of our country the word "Republican" became a symbol for the devastation, humiliation, and suffering of reconstruction.

SAYS DEMOCRATS SPLIT

Looking at the Democratic Party in the most favorable light, no one can dispute that it is split wide open—not over fundamental economic problems of our time but in a bitter factional fight.

Progressive leaders within the Democratic Party are only an outer fringe that act as window dressing. The real power within the Democratic Party is increasingly wielded by a group of politicians who see no more and who feel no more than the Old Guard of the Republican Party. Republicans were in power from 1929 to 1933. The Democratic Party has been in power for over 6 years. Neither solved our problem.

If the task before us could have been achieved by brilliant leadership, supported by great popular confidence and affection for that leadership, then the job would have been done long ago under the administration of President Roosevelt. Practically every Democrat holds his office because of that leadership. Yet it is the dissension within the Democratic Party itself which has sabotaged, undermined, and hamstrung the administration.

When there are basic issues to be met, leadership alone, no matter how great, cannot mix political oil and water. The Democratic Party, exactly like the Republican, is not and cannot be united on any fundamental program. The one thing the politicians within both the old parties agree upon is getting and keeping all possible political power and patronage.

This is why the present administration has had to go in so many different and inconsistent directions at the same time. It is tragic, but true, that the Roosevelt administration has had to dissipate gifts of leadership in a course so confused and confusing that no one should know just where it led. Because—let this be emphasized—had the course been clear and fundamental, the Democratic Party as such would not follow. Even such attempts to move forward as the administration has made have torn the Democratic Party apart. Is it any wonder, then, that a course so charted should return us to our starting point?

CITES ONLY SALVATION

There are sincere men and women desperately fearful of reactionary dictatorship, who insist that liberals must unite to keep reaction out of power. These good people fail to see that no political party, and particularly no liberal party, can stay in power unless it solves the problem of maintaining our standard of living. Good intentions, kindly sympathy, humanitarianism are not enough. Steps forward like social security are fine. Germany had all these 50 years ago. Yet they did not save the second reich, because today nothing short of complete restoration of the right and duty to work can save any nation.

No one with any practical experience underestimates the difficulties in building a new movement. No one will undertake that long and arduous task for selfish ends. That choice can come only from a deep conviction that no other course is open.

There is no other course. The time has come when an entirely new movement must go forth to fight for what we believe. A movement founded upon a base as wide as America itself—upon the young and old, farmer, worker, businessman, doctor, dentist, lawyer, teacher, and homemaker—upon all who are determined to secure and preserve the right of a free people to work, and by their work add to the wealth of the country.

NEW PARTY LAUNCHED

A new movement—the National Progressives of America—is under way. A beginning has been made here and now. Not in 1944, not in 1940, but now, in 1938. The National Progressives of America are now organized. State by State we shall build as rapidly as firm foundations can be laid. Definitely and irrevocably we are in the lists to stay until the American people recapture their heritage. Make no mistake, this is not a third party. As certain as the sun rises, we are launching the party of our time.

This is no "popular front," no conglomeration of conflicting, opposing forces huddled together for temporary expediency. We do not seek, indeed we shall not accept, individuals or groups who seek us out because they are embittered or disgruntled. We seek only those who come with complete conviction, and without reservation. The movement that unites America must be itself united.

What we believe in and what we propose is so clear, and so fundamental it can be told without words. It is expressed by a symbol. The National Progressives of America have adopted as their mark the emblem displayed here tonight.

First. The mark symbolizes the principle that "governments derive their just powers from the consent of the governed." The cornerstone of American democracy is the sovereign power of the citizen—his right, through the ballot, to a voice in the Government and destiny of his Nation. At the polling place we mark our ballot with an X. That cross symbolizes the principle that "the will of the people shall be the law of the land."

SYMBOL OF FAITH

Second. Every American has deep religious faith in the principle that "All men are created equal and endowed by their Creator with certain inalienable rights." Not that every individual is exactly equal in ability; but each of us, as a human being, has an inalienable right to "life, liberty, and the pursuit of happiness." Whatever our religion or race, whatever our occupation, whether farmer or worker, in business or the professions, whatever may be our walk in life, we each have the right to stand before the great bar of justice equal. On that principle the ballot of every American stands equal. So again the mark symbolizes this deep religious faith of every American.

Third. The mark reduces to its essence our economic program. We cannot make ourselves rich by working less and producing less. The only way out is by multiplying and increasing the total production of real wealth. Sharing, dividing, or subtracting wealth cannot give us more. It can only give us less. Security for every American can only be obtained by multiplying our wealth and its distribution. We all know the sign for multiplication. It is the same cross that we place on the ballot when we vote.

Fourth. The emblem symbolizes the only way by which we can accomplish the great task of producing prosperity and protecting our liberties. Organized action under the leadership of government can cut the red tape, can open up the new frontier, and restore to every able-bodied man and woman, on the farm and in the city, the absolute right to a decent living earned by honest work. This emblem personifies organized action through the ballot.

CIRCLE SHOWS UNITY

Fifth. Great constructive enterprises are not conceived or carried through by discordant, divided people. America's enormous physical and spiritual powers are today largely dissipated because of confusion, bewilderment, and division within our ranks. As a mighty nation we must be united—not by coercion but by deep conviction that what we do is right. The circle symbolizes the uniting of our people under principles in which we believe—united we multiply and grow, divided we shrivel and die.

The principles to which we give allegiance are stated in our articles of association. The specific details of program will be adopted by a representative body of our number. But even now, I am confident we are united upon these:

First: The ownership and control of money and credit without qualification or reservation, must be under public and not private control.

Second: The organized power of this Nation must stop at nothing short of necessary steps to restore to every American the absolute right to earn his living by the sweat of his brow.

Third: We believe in the basic concepts of American Government and, in particular, that grants of power should always be safeguarded against abuse. Our present governmental system is in sad need of modernizing. One important step is to grant the executive branch power to get things done—to get to work on the problems of agriculture, business, and industry. But, as we have demonstrated in Wisconsin, this can be done with ample guarantees against arbitrary or dictatorial abuse of such power.

MUST GAIN SECURITY

Fourth: Those who work on the farm and in the city must be given security, not a security founded on producing less for more, or working less for more. We propose security founded on a definite, decent annual income for all, measured by our contribution both in quality and quantity.

Fifth: We flatly oppose every form of coddling, or spoon-feeding the American people—whether it be those on relief—whether it be farmers or workers—whether it be business or industry. No government on earth can successfully manage, regulate, and direct the numerous details that make for healthy families or successful business. Like our forefathers, we will use every power of government to open the frontier of this age. We will build stockades and forts to protect industrious producers from raiding squads—we will use its might to cut through the modern underbrush of worn-out debts. We will use without hesitation its authority to suppress the modern counterpart of the savages—those

stupid people who deny others access to materials that they themselves do not know how rightly to use. Whatever it may cost—so help us God—we shall use the power of these United States to restore to every American the opportunity to help himself. After that, he can sink or swim.

And lastly: We believe that this hemisphere—all of it—was set aside by our Creator for the ultimate destiny of man. Here a vast continent was kept virgin for centuries. Here it was ordained that man should work out the final act in the great drama of life. From the Arctic to Cape Horn let no foreign power trespass. Our hemisphere was divinely destined to evolve peace, security, and plenty. It shall remain inviolate for that sacred purpose.

A RELIGIOUS CAUSE

Progressives!

We make no unfulfillable promise of riches without work. Our rolls are closed to mercenaries drawn by such inducements. We offer enlistment in a cause older than man—greater than life itself.

Americans!

The black plague is upon us. Year by year since the World War our faith has been retreating. Who shall save us? France, torn and distraught with strife and indecision? Britain, coldly concentrated on saving her empire? No. Their prime interest is to maintain the style to which they have become accustomed, even though like the Bourbon King Louis XV they say, "After me the deluge!"

Whatever dreams of a better world there be—their fate rests with our people. In America alone is the vigor, the vitality, the vision, the stamina, the courage to fight it out no matter how long it takes.

Americans!

Here and now, for the first time anywhere on earth we see tonight the common man's answer to the black plague of the twentieth century. Reduced to simplest truth, freed from obscuring verbiage, our faith goes forth to conquer.

In its best sense this new crusade is a religious cause. Any movement that expresses the deep spiritual needs of man, enlists his religious aspirations. Those who fight for our cause until death shall close their eyes, are those for whom this offers opportunity to use the gifts the Creator gave us—not for selfish ends—but to make life better for all who walk the earth.

While we point toward certain nearby goals, our ends are not merely economic, but are means to free the soul of man.

This is no trading expedition. We are not adventurers looking for selfish profits. No—whether or not this is the last, it is man's greatest challenge. We go forward to a new and final stage in the evolution of the human race.

For the first time in history we enter a new age knowing what we do and where we go. Nothing can defeat us but ourselves. We have solved the problem of material plenty. Now we cross the frontier where fear, humiliation, and frustration shall no longer be the common lot.

Truth has lost many a battle—but never a war. The spirit of our people, marching united under a common banner in freedom's cause, cannot fail.

In the words of that great progressive, Andrew Furuseth:

"Work is worship—to labor is to pray, because it is to exercise the highest, the divine faculties implanted in us as the sons of God. It matters not if the labor be the writing of a thesis or the digging a ditch, it is the use of the same divine faculty to labor—to create—and upon its proper and free use depend the lives of individuals, nations, and races. Those that have been untrue have shared the fate of the tree without fruit. They have passed away because they encumbered the earth. Those that have been true have lived, and according to history and to religious belief they are to live. Let us try to profit by this lesson and so live that labor shall be free, that it shall come into its own."

In the spirit of that great crusader, James, "* * * Be ye doers of the word, and not hearers only * * *."

America Must Increase Its Air Forces—Warfare Is Now Being Waged Effectively From the Skies

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EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 4, 1938

Mr. RANDOLPH. Mr. Speaker, increasingly it becomes apparent that the United States must give further prompt attention to its program for a decided increase in our air forces.

During debates on the regular Navy appropriation bill, and later during consideration of the huge naval-expansion program, I pointed out the fact that warfare today and tomorrow will be shifted largely from the land and sea into the air.

In this connection I include the following editorial as published in the Pittsburgh Sun-Telegraph on Sunday, March 27, 1938:

CITIZENS, CONSIDER CAREFULLY THE EFFECTIVE WAY TO DEFEND YOURSELVES AND YOUR COUNTRY

The way to defend the United States of America from attack in any form by any hostile power is with airplanes.

The way to halt and hamper an invading army is with airplanes.

The way to destroy an attacking fleet is with airplanes.

The way to defend our coasts and our interior cities, too, from the most destructive hostile armament of all—a force of bombing airplanes—is by a force of defensive airplanes, larger and better and more effective than that of the invaders.

The next war will be fought in the air and won in the air.

Of course, auxiliary defense forces will be necessary.

It is not contended here that airplanes alone could completely defend this widely extended and varied country and coast line to the best and fullest advantage.

But airplanes will be, and must be, the main arm of defense, and the immediate arm of defense, and the determining arm of defense.

They are the modern arm of defense and of destructive offense.

They are the quickest to build, and the cheapest to provide, and the easiest to operate.

If we had by far the most effective airplane force in the world, no hostile airplane force could ever reach our shores.

The hostile planes would be destroyed far from our borders.

And if a few straggling planes avoided destruction in the far-away airplane battle, they could do but little damage before they were hunted down and destroyed by our victorious planes.

If we had the greatest and most effective airplane force in the world, any navy attempting to attack our shores would be vitally damaged and virtually crippled long before it reached our shores, and so made an easy prey for our defensive Navy.

If we had immense airplane forces, any attacking armies landed in Canada or Mexico and invading from there could be harassed, and hampered, and halted by destroying roads and bridges and railways, until our own armies could be assembled and deployed to repel the invading armies.

Furthermore, in the battles of the armies, our superior airplane forces would be of conclusive importance, eliminating the enemy's air fleet, interfering with the enemy army's advance, destroying supplies and communications, supporting our own Army's counter-attacks, and absolutely determining the issue.

A well-trained Regular Army is desirable for the United States as a nucleus around which the citizen soldiery may rally when war occurs or impends.

A powerful navy is extremely desirable; in fact, absolutely necessary.

And especially necessary for purposes of defense is an extremely strong submarine force.

But no navy can defend our coasts and our cities from powerful hostile airplane attack and no navy would even try to.

It would be practically eliminated in the attempt.

The record of the World War shows that navies were for the most part bottled up in their respective ports.

So that even if it were possible to build and maintain navies large enough to defend our east coast and our west coast and our Gulf coast from naval attack they would still not be able to defend these coasts against airplane attacks.

They would not be able to defend the Panama Canal against airplane attack; and with the Canal bombed, ships could not be transferred from one coast to the other.

However, our defensive airplane fleets could be transferred from one coast to another in 12 hours, and they would not have to go through any canals.

The only thing which would impede the transfer would be a superior hostile airplane force, and the essential of completely effective airplane defense is that no nation shall have superior air forces to ours.

What is more, with our area and our mail and commercial airplane routes, domestic and foreign, and our consequent host of commercial airplanes, auxiliary to the military planes, no nation could have a superior or equal airplane force to ours.

That is provided, of course, that we have intelligence enough to realize the possibilities of air defense, and the necessities of preparing for it by liberal construction of military planes, and by proper encouragement of auxiliary commercial planes.

The expense of complete airplane defense is small in construction cost, and in cost of maintenance, compared with the expense of creating and maintaining other defenses on a sufficiently great scale to be of any real value.

But no matter what the cost, other defenses of armies and navies can never be entirely adequate without a great airplane force.

The cost of extensive coast-defense armament alone—with numerous fortifications, and much heavy artillery, and thousands upon thousands of air-defense guns spread over our enormous coast—would alone equal the cost of a supreme airplane force.

And not only has coast-defense artillery no mobility, but it has no actual efficiency against an invading air force, which could fly

5 miles above it, out of range and out of sight, and then descend to destroy interior cities, which could not possibly have sufficient defense in such situations.

There has been immense increase in airplane efficiency since the Great War.

There is greater efficiency being developed every day.

The lesson of the present wars in China and Spain is not only that cities can be destroyed by planes, but that battleships can be destroyed and land forces rendered almost impotent by sufficiently great airplane concentration.

The whole morale of the communities attacked is destroyed from the air.

The most notable superiority of the Japanese over the Chinese is in the air.

The most notable superiority of the Franco forces in Spain over the government forces is in the air.

With that air superiority, Japan is prevailing over China, and Franco is prevailing in Spain; notwithstanding the great superiority of their opponents in manpower.

Every day, with the progress in airplane construction, airplane defense becomes more and more the one chief defense to be relied upon by a nation which wants war kept from its confines.

Every day the failure to provide complete air defense lays our country more and more open to attack by air—attack which no armies or navies, no matter how powerful, can repel.

The way to defend America from the ravages of war—and the only way to defend it—is in the air.—William Randolph Hearst.

The challenge of Mr. Hearst is certainly one that merits prompt consideration.

WESTOVER ASKS FOR MORE PLANES

During the annual Army Day exercises in New York City, Maj. Gen. Oscar Westover, Chief of United States Army Air Corps, said in an editorial at the Hotel Biltmore:

Has it not been evident that foreign powers have closely observed air operations in Spain and China? Has it not been evident that every country is not only observing but is drawing the conclusion that air power is an essential and effective war weapon? Every country is increasing its air forces and the personnel to man its planes.

The Italian invasion of Ethiopia and the play of nations today in the theater of war show that air power must be considered on a par with armies and navies in the settlement of international disputes in armed conflicts of the future.

BUTLER TELLS OF PLANE POWER

During the consideration of the $1,200,000,000 naval-expansion bill hearings before the Senate Naval Affairs Committee Maj. Gen. Smedley Butler, according to International News Service, flatly asserted the battleship is susceptible to airplane attack. He said, "It has been my experience that airplanes and bombs can demobilize any navy."

In the Washington Post of April 8, 1938, an Associated Press dispatch stated:

Maj. Gen. Smedley D. Butler told the Senate Naval Committee today that the United States should abandon defense of the Panama Canal and let American shipping take care of itself on the high seas.

The retired marine argued that the Canal could not really be protected because a "handful of bombs" could destroy it. He suggested that the nations of the world keep the Canal open by some international understanding.

He advised the committee not to favor a navy to "police the world." Because airplanes and submarines could "immobilize" any fleet, he advocated heavy investment in bombing planes.

ADMIRAL LEAHY MAKES ADMISSION

According to a United Press dispatch in the Washington Daily News of February 8, 1938, Admiral William D. Leahy told the House Naval Affairs Committee "that battleships, while the best of all modern defense weapons, can be sunk by aerial bombs or torpedoes."

RUSSIA BUILDS AIR FORCE

In the Washington Daily News of March 26 there appeared a copyright story by Norman B. Deuel, of the United Press, in which he says:

Moscow, March —.—Whoever fights Soviet Russia must defend herself against "an army marching on clouds," composed of parachute troops who will drop from the skies carrying machine guns, cannon, and tanks.

Russia, once dependent only on her inexhaustible manpower, has turned to science to help her fight battles. The parachute soldiers are the most striking military development since the World War. There are at least 2,500 of them. There may be thousands more. The Soviet, forced to guard the longest frontier in Europe, does not encourage curiosity about her army and air force.

A parachute army is the most mobile force known to military science. Over a favorable terrain suddenly hundreds of planes appear. Before the enemy can organize, the air is crowded with men—as many as 1,200 have been dropped in one maneuver—dangling on the end of chutes. Wearing special clothing, the parachute trooper carries part of a machine gun or automatic rifle. Pieces of tanks also float to earth.

On the ground the troops assemble their machine guns, put their tanks together and take up battle position. Then come big transport ships, carrying as many as 6,000 men. They land behind the lines of the parachute troops, discharge their soldiers and go back for more. In an incredibly brief time 10,000 men are ready for battle.

The following dispatches are also from the Washington Daily News:

[By United Press]

TAMPA, FLA., March 26.—Ten days of tests in central Florida proved that Uncle Sam's fighting aircraft can operate effectively 800 miles from a permanent base, officers of the second wing, General Headquarters United States Army Air Force, said today as they prepared to break camp.

Detailed results of the maneuvers were withheld, but officers did not conceal their satisfaction. The games were conducted yesterday with a mass flight in which 65 bombardment, pursuit, and patrol ships traveled 750 miles.

HONOLULU, March 26.—Forces "defending" Hawaii in the United States Battle Fleet maneuvers increased scouting activities at dawn today in the belief "enemy" aircraft carriers were within striking distance of Honolulu.

United States Army planes carried out an unusual exercise, dropping substantial quantities of food supplies by parachute to theoretically "isolated" troop units. Naval and Army aircraft strengthened day and night patrols in anticipation of an early "clash."

ITALY PREPARES IN AIR

In the Washington Herald Walter Howey quotes King Victor Emmanuel III, of Italy, as saying:

War from the air must be conducted to destroy whatever arrangements the enemy has already made, to dominate the skies, and weaken the morale of peoples.

War from the skies is destined to assume ever greater importance.

We must reach complete autarchy in air construction.

We believe in airplanes which can reconnoiter and bomb at the same time.

There appeared in the Herald also the following dispatch:

HENDAYE, FRANCE, April 11 (I. N. S.).—Loyalist armies, whipped into new life, today held back the nationalists on all northeastern fronts but lost ground when Franco planes counterattacked southwest of Madrid.

In a resumption of large-scale air raids on the east coast a squadron of Franco planes attacked Valencia today and damaged two ships in the harbor.

AMERICA NEEDS MORE PLANES

The Philadelphia Record, in a well-written and timely editorial, says:

We find the problem of war-plane sales to the British arising at a time when Admiral Cook warns that our plane plants are insufficient to supply even our own needs; at a time when Major General Andrews declares that our air force is seriously hampered by a shortage of planes.

That American interests be placed ahead of foreign interests.

One maxim still unchallenged is that "the Lord helps those who help themselves."

H. R. 4199—The General Welfare Act

EXTENSION OF REMARKS

OF

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 1938

Mr. HILL. Mr. Speaker, during three terms in the Washington State Legislature—1927–33—as a member of the house of representatives I consistently supported what was known as the Eagles old-age pension. It was not a very popular cause in those days and the law was not enacted. I supported it as a matter of economy and as a matter of right and justice to our aged citizens. Not only was the expense greater in our State than in States which had adopted a system similar to the Eagles bill but, too often, under our system, those in charge of the poor and aged would

go as far as to gather stale bread and other food from the alleys for the inmates and pocket the insufficient public funds provided for their maintenance. If our aged people—the fathers and mothers of the present generation—cannot be taken care of in comfort and decency, we have no claim to the name of Christian civilization. Any humane being if he has an old decrepit horse which has served faithfully will either mercifully shoot him or turn him out in green pastures as a matter of justice. It would seem that many, including members of the bench and members of legislative bodies, would prefer, if they dared, the former method for our aged people. On the contrary, let us dare to treat them as respectable citizens who have a just claim on us to allay their fear and dread of old age by providing an adequate old-age pension. This is not personal with me, as I have neither grandparents nor parents to claim any protection from the Government. But I am able and willing to pay my share of taxes to take care of the less fortunate; it is a wise policy as well as just.

Originally this function was the duty of the community. Then it became a county function, and later a State activity. Today, however, because of its tremendous scope, its far-reaching results, the practical obliteration of State boundaries resulting from swift communication and transportation, it has become a national function and duty. Other nations, smaller and more compact than ours, took the lead decades ago. We are slowly, too slowly, falling in line. The Social Security Act was a step in that direction. For that reason I supported it. But it is wholly and sadly inadequate. It does not provide sufficient funds for comfort and decency. Its administration has in too many cases become a graft and a disgrace. Too much favoritism and racketeering is permissible and practiced. The Federal Government should appropriate all the funds and should administer them so that every needy person above 60 years of age, no matter where he resides in the United States, may live respectably and well. We boast of our wealth and our resources and our democracy. Let us use these for the benefit of all our people; there is more than plenty for them all.

During my three terms in Congress (1933–39) I have consistently supported old-age pensions. Recalcitrant and autocratic committees—or their chairmen—have persistently refused to permit legislation which they oppose to have a hearing or to be brought to the floor of the House for consideration, discussion, and a record vote. Some of us have for three sessions urged a hearing on H. R. 4199, the General Welfare Act. Our number has now increased to 154 Members, representing a population of 30,579,811. Fourteen entire State congressional delegations (including ours from the State of Washington) are unanimous for such a hearing. One hundred and twenty-four Members (again including every Member of our Washington State delegation) have signed the petition on the Speaker's desk to force the bill from the Ways and Means Committee and thus bring it to the floor of the House. This committee held no meetings for 3 weeks following the passage by the House of its tax bill. To say that it has not had time for a hearing on this important bill is ridiculous and it cannot justify the refusal of a request by such a large number of colleagues in the House for a fair hearing.

The General Welfare Act is not merely an old-age pension measure which would care for the aged. By removing those over 60 years of age from the pay rolls it would thereby make those jobs available to millions of young and middle-aged men and women who are now on the unemployed list. The children of this country should be in our schools. The strong and middle aged should be in our factories and industry of all types. The aged should be assured of decency and comfort in their declining years.

The purpose also of the act is to put our money into circulation. Money is the life-blood of commerce and our economic body. Like the blood of our physical bodies it is useless and worthless unless it is in circulation. Stagnation and congestion are dangerous and disastrous. It must not be controlled by special interests so as to flow into special channels and arteries. That, too, means death.

The method of taxation provided is fair and equitable and will provide the necessary revenues. It reaches those who otherwise escape their share of the burden of carrying on government. All who are able should pay their share of taxes; it will make them tax-conscious and hence cautious in condoning the spending of public funds except where it is necessary and where the tax dollar returns a dollar's value in service. Too many of the favored few have in the past enjoyed the bounty of the Government in protection to life and property and opportunity for profits without being called upon to contribute to the legitimate and necessary expenses of that Government. Taxation should be based upon the threefold premise: Ability to pay; benefit received; and ease and certainty of collection. H. R. 4199, the General Welfare Act, is therefore a measure of justice, recovery, and reform. It should have a public hearing where proponents and opponents may fully express themselves. We demand such a hearing. We believe that its fundamental principles are sound and just. Its details may require amendments. Its friends should forget their differences, their personal animosities, jealousies, and ambitions. They should unite their far-flung forces and devote their best efforts and energies to enact this bill into law without delay. It is a travesty on justice and a camouflage to the millions of old people who have looked to us for something tangible and substantial to permit petty personalities within our own ranks to delay consideration of this humane legislation and recovery program. I call upon its friends everywhere in this country to demand a cessation of internal strife and a clarion call for a determined and united front against the opponents of the measure. Only in this way can H. R. 4199, the General Welfare Act, be enacted into law.

The Townsend General Welfare Act

EXTENSION OF REMARKS

OF

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 16, 1938

Mr. LEMKE. Mr. Speaker, I received hundreds of letters from all parts of this Nation from people who are interested in the Townsend General Welfare Act. They ask, "Why does Congress not bring up for discussion and disposition on its merits H. R. 4199?" My answer is, because too many of those who believe in this legislation forgot to vote for themselves on election day—forgot to vote for people who would have represented them and voted for the other fellow. That is, they voted for men and women who are opposed to their ideas.

After election Members of Congress are generally frightened when they are asked to support anything the people really want. Then they become suspicious. When the people ask for something they are afraid they will make a mistake, but when the financial monarchs ask for anything these same Members seem to lose all fright and suspicion. They generally swallow such legislation hook, line, and sinker, and without a protest.

Again, many Members have a very erroneous notion of H. R. 4199. They claim that we cannot raise $200 a month for all who are over 60 years of age, but they forget that the bill does not provide for $200 a month. It provides for a maximum of $200. It does provide for a 2-percent transaction tax and it further provides that whatever the amount raised by this tax may be, it shall be distributed equally to those eligible. For example, if that amounts to $100 or less a month, then that is all that anyone over 60 will receive. If, on the other hand, it amounts to more than $200, then $200 will be the maximum or limit that any person over 60 will receive under this act.

I cannot understand why some Members of Congress are so afraid that the people who have created the wealth of this

Nation may get too much of it back. Congress is in session practically all the time, and if it makes a mistake and is too generous to those who created the wealth of this Nation, then it can change it when the mistake is discovered. If Congress should ever make a mistake on the side of the people it would be the first time in the history of the Nation. All of its mistakes up to date have been made on the side of the coupon clippers.

There are now at the Speaker's desk some 36 petitions to bring up bills that the people really want, but under the corroded rules of the House we cannot get a vote on them unless we have 218 signers on each petition. The petitions at the Speaker's desk are for the General Welfare Act, the Frazier-Lemke refinance bills, the cost of production bill for the farmers, the Bank of the United States, and others.

We have struggled in vain to get these bills up during this session. I have opposed these iniquitous rules ever since I have been a Member of Congress. These rules have become more corroded under this administration than they were before. It used to require 145 signatures on a petition to get a bill up for a vote. Now it requires 218. That is the contribution that this administration made toward democracy—no; we should say toward bureaucracy.

"Old-age pension" should be called "old-age compensation," because any person who has worked at a useful occupation from the age of 20 to the age of 60 has produced enough wealth to take care of himself or herself for the rest of his or her life. If such a person finds himself or herself in financial distress and without the means of a comfortable livelihood, then it is because someone appropriated this wealth, or rather misappropriated it.

We have now arrived at a stage in our civilization where we realize that as a nation we can safely restore to the aged part of the wealth which they created, part of the wealth taken from them by overzealous individuals and corporations. This is not a pension; it is not charity; it is a compensation for useful labor performed or for wealth actually created or produced.

While our Federal Government and the various States now realize that it is for the best interests, peace, and security that the aged be comfortably provided for, yet whenever this question comes up before the National Congress or the various State legislatures it has been niggardly dealt with—dealt with as if it were a charity to unworthy people rather than compensation for services rendered.

In fact, the Federal Government, as well as the States, require a pauper's oath from the aged in order to give them just a dribbling of that which is theirs, which they are entitled to, and which they themselves have created or produced, but which under our financial system has been taken from them, generally without their consent and without fault on their part.

In the distant past, as well as more recently, the combined energies of the world were required to produce the necessities of life. Nations became great because of an abundance of raw materials and sufficient labor to change these raw materials into finished products, but even then there was usually a scarcity of some of the necessities. Saving and thrift became the watchword of the day.

Now, however, owing to machines, to mechanical inventions, and chemical discoveries, all this has been changed. We suddenly find that we have an abundance for all. Our problem no longer is how to produce more nor fear that the morrow may not bring plenty, but rather how to distribute the things that we have and that are essential to our well-being.

According to the Department of Agriculture in Washington, we have too much of everything. We have too much to eat, and too much cotton and wool for clothing. Too much leather for shoes, and too much sugar. We have so much of everything that that Department entered upon its mad orgy of destroying and restricting the production of these essentials of life in the midst of hunger, want, and rags. The bureaucrats in the Department of Agriculture believe in the doctrine of scarcity. They believe that there is an overproduction, while intelligent people know that there never was an overproduction, but that our trouble is underconsumption and maldistribution.

In fact, there is an overproduction of just one thing, and that is an overproduction of ignorance. We are afflicted at present with national insanity. So that I may not be misunderstood, when I use the word insanity, I mean just plain, ordinary craziness—a national mental disease—a mental defectiveness. That kind of a national mental condition that will permit the destruction and curtailment of food and clothing when we still have millions who could use that food and that clothing—when thousands are gradually dying from malnutrition.

In place of destroying this food and clothing and other essentials of life, why not distribute it to those who helped to create it and need it? Why does Congress not pass a decent and intelligent old-age pension bill? Such a bill would provide the machinery for the distribution of our so-called surplus and overproduction. It would compensate the aged for part of the wealth they have created. Such a bill would make it unnecessary for the aged to continue in industrial competition with the youth of this Nation. It would to a large extent solve our unemployment problem. It would give to those who have toiled for 40 years a needed and deserved rest for the remainder of their lives. It would add to the health and well-being of the Nation. It would give peace and contentment where now all is doubt, uncertainty, insecurity, and mental suffering.

We all know that this Nation is still in agony. We all know that we still have some 20,000,000 on a disguised dole; that every courthouse is a poorhouse. We all know that in spite of all the statements to the contrary by politicians for political reasons, that mortgage foreclosures on city and farm homes are continuing and that thousands are being evicted from their homes. We all know that there are still 12,000,000 unemployed, whose condition is becoming more wretched and pitiful every day. This situation could be remedied if Congress were not hamstrung by the "gag and shackle rule" which the Members have not yet seen fit to blot out and abolish.

I regret to say that official Washington does not know what is going on in this Nation. It seems deaf and blind to the appeals of the men and women who have made this Nation what it is. The trouble is not so much with Members of Congress but with the bureaucrats in charge of this Government at the other end of Pennsylvania Avenue. These do not understand and cannot be made to understand the situation as it exists. The trouble is that Washington is too close to Wall Street—too intimately associated in the past with the special privileged, selected few, who have amassed the greater part of the wealth of this Nation in their hands.

I know that if Congress were left free to act, that a majority could and would get together and put an end to hunger, want, and rags in the midst of plenty. Unfortunately, however, under the "gag and shackle rule" the majority are not permitted to and cannot function as they should. Unfortunately, because of the corroded patronage system, the majority are kept from doing that which they in their hearts know they ought to do.

W. P. A. Expenditures and Commitments in the Fourteenth Congressional District of Michigan

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EXTENSION OF REMARKS

OF

HON. LOUIS C. RABAUT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 16, 1938

Mr. RABAUT. Mr. Speaker, under leave to extend my remarks in the RECORD, I am most pleased to insert a brief résumé as to the expenditures and accomplishments of the

Works Progress Administration in the Fourteenth Congressional District of Michigan. Expenditures and commitments in the district total $6,475,710.

The district, comprising the three most easterly wards of the city of Detroit and all of Wayne County east of the Detroit city limits, is indebted to the W. P. A. for a comprehensive program of civic improvements and rehabilitations of public facilities which would have been impossible without Federal assistance.

Work completed and in progress in this district as of March 1, 1938, represent expenditures and commitments totaling $6,475,710, and of this sum the Federal Government has allocated a total of $5,523,927.

The projects may be divided into three general classifications—new construction, rehabilitation and general repairs, and additions and betterments. Outstanding projects under the first heading covered extensive improvements at the city airport and the State naval armory.

The airport project involved much work on the field itself, including the construction of a concrete apron outside the waiting station, where the air lines take on and discharge their passengers. W. P. A. workers also constructed a parking area adjacent to the field on Connors Avenue for the accommodation of the public. Extensive alterations were made to the hangars, adding greatly to their usefulness.

Improvements at the State naval armory included the addition of an extra floor to a large section of the building, construction of a two-story auxiliary drill hall, rebuilding of the office portion, and the installation of air-conditioning equipment, which necessitated the sinking of a deep well. Under this project also the training ship *Dubuque* has been practically rebuilt and reconditioned for the use of the Michigan Naval Reserve.

Under the Federal art project the dining room and lounge of the armory have been appropriately decorated by Detroit artists. These murals are outstanding and rank with some of the best work done in the United States under Government patronage.

Street and alley improvements loom large in the W. P. A. program for the rehabilitation and repair of public property in this district. Nearly $2,500,000 had been allotted for this work as of March 1, and that part of the district within the city limits will receive its proportionate share of the $11,000,000 recently approved by the President for continuing these improvements throughout the city. To date, more than 50 miles of alley and scores of streets have been graded and drained, and in many instances surfaced, in the seventeeth, nineteenth, and twenty-first wards.

A project that involves a comparatively small sum of money but is of tremendous importance to the general health of the city concerns the cleaning of the filter beds at the waterworks. Because only a few beds can be cleaned at one time, the number of workers is small, but the men assigned to this work are doing a thorough job.

Work on city sewers includes the reconstruction of various connections that have given considerable trouble in the past, particularly in wet weather.

More than a million dollars has been spent or allocated for the rehabilitation of municipal streetcar lines in this area, in the interest of better service to the public. Schools, libraries, police and fire stations, and other public buildings have undergone extensive repairs long deferred as a result of greatly curtailed city budgets.

A project sponsored by the Public Lighting Commission, now under way, will convert East Jefferson Avenue from the downtown section to the city limits into one of the best lighted thoroughfares in the country. It involves the installation of several miles of underground lines in connection with the substitution of modern incandescent lamps for the antiquated arc type.

In the Grosse Pointe and Lochmoor Village area civic improvements have been carried out under the W. P. A. program, on a proportionate scale. Completed work includes, among other items, 20,000 lineal feet of sewers rehabilitated or repaired; 4,000 square yards of sidewalk and 1,800 square yards of pavement constructed, and 1,000 square yards of street improved. Schools and other municipal buildings have been painted and repaired and parks and boulevards improved.

The program, on the whole, has been of immeasurable benefit to the district. It has converted into realities long needed civic betterments. And, what is even more important, it has provided useful employment for several thousand residents of the district who otherwise would have been dependent on the dole.

The Democratic Outlook

EXTENSION OF REMARKS
OF
HON. CLAUDE PEPPER
OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Tuesday, May 17 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. JAMES A. FARLEY AT TALLAHASSEE, FLA., APRIL 29, 1938

Mr. PEPPER. Mr. President, I ask unanimous consent to have printed in the Appendix an address entitled "The Democratic Outlook from a National Point of View," delivered by Hon. James A. Farley, chairman of the Democratic National Committee, at an outdoor mass meeting held under the auspices of the Lyon County Democratic Committee, Tallahassee, Fla., April 29, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a genuine pleasure for me to return to Florida, the land of true hospitality, sunshine, fruit, and flowers. I feel perfectly at home here, and I feel even more at home because I have the privilege tonight of being with so many of my fellow Democrats.

I am grateful to the people of this magnificent State for the cordial welcome which they extended to me everywhere today. This indicates that the people of Florida understand the great leadership and achievements of Franklin D. Roosevelt.

We are passing through another crisis in the Nation's history, and at no time have the citizens been more intensely interested in the affairs of Government.

The fight which we are approaching in the fall campaign is the same old fight that we have waged from the beginning of our national life. In this country there has always existed a conflict between those who believe in an aristocratic form of Government—a Government passed down from above to the ordinary citizen—and on the other hand the Democratic theory that the people are supreme. In other words, Jefferson and Hamilton are contesting today as they have since the foundation of the Republic for the determination of the course of the Nation's progress.

While we are interested, as loyal and patriotic citizens always are, in the affairs of the Nation, we are also Democrats. For that reason we have more than a passing interest in the immediate future of the party. With that fact in mind, I am going to devote a few moments to an honest, full, and old-fashioned appraisal of Democratic prospects in the congressional elections of 1938 and in the Presidential election of 1940.

Let me begin by conceding that our worthy foemen, the Republicans, are facing the approaching engagements in a restored frame of mind that amounts on occasion almost to downright optimism. They are especially happy over the events of the past year. They feel that 1937 was a good year. But before you become too disturbed, you might recall they also felt 1935 was a good year. In fact, their spokesmen were then announcing with unconcealed enthusiasm that they had Roosevelt "on the run" and that the Republican candidate was certain to send him swiftly to defeat in the following election. Just by way of prior celebration, those graduate students of Republicanism—the Liberty League—held a dinner in Washington in January 1936 to celebrate their coming victory. As a matter of fact, and as they learned in November, they were but the original mourners at a million-dollar wake.

History has a habit of repeating itself, and the spokesmen for the opposition are once again being deceived by what they see and hear, just as they were 2 years ago. They mistake the noisy outcry of a small minority possessing exceptional facilities for publicity and propaganda for the genuine voice of the people. Elections, however, are not decided according to the dictates of publicity bureaus, but in the more subdued atmosphere of the polling booths. To the Republicans, off-year victories, when there is no voting to be done, come as easy as falling off a log. It is difficult to criticize the political conduct of a party when that party is completely out of power. From that point of view, the G. O. P., of course, has all the advantage. But once they face the necessity

of nominating candidates and framing a platform, their troubles will begin.

If the election of 1936 had any meaning, then its one great lesson was the fact that pussy-footing, straddling, and just plain ducking the issues had passed out of favor as political strategy with the vast majority of the electorate. You recall how the Republican Party started off by denouncing everything the Roosevelt administration had done, and then wound up by advocating policies as similar to Democratic policies as they dared to make them. The result was that their party went down to crushing and deserved defeat. And so today, despite the rose-tinted prophesies emanating from Republican spokesmen, who are spurred on by visions of returning power and glory, the Grand Old Party is just where it was after the great debacle of 1936. And this time, dodging will be just as fatal if it is attempted once again.

The Republican Party must step up and face the farm issue; it must evolve a definite program for dealing with the problems of agriculture, and it must state that policy fully and fairly. The Republican Party must fact the issue of wage and hour legislation. The Republican Party must state honestly whether it favors the repeal of the Social Security Act, of the act insuring bank deposits, of the Work Relief Act, and the volume of other worth-while social legislation which has been placed on the statute books by this administration. Bear in mind that every one of these acts has been criticized unmercifully by Republican newspapers, spellbinders, and spokesmen. If the opposition fails to state openly that it favors the repeal of those beneficial laws, then it stands condemned of deliberately hampering a magnificent social-welfare program merely to advance its own partisan political interests.

I cite this merely to illustrate that this so-called revival of Republicanism hasn't even begun. On the contrary, despite the flood of propaganda, only two varieties of views have been offered thus far. First, there is the kind of statement that deals wholly in glittering generalities without suggesting definite policies. And then we have the view of the few liberals remaining in the Republican ranks who come out openly and advocate the adoption of a New Deal program. The net situation is that we have just had the ridiculous picture of an eminent committee of 200 esteemed and distinguished Republican leaders vaguely trying to decide, with the help of Glenn Frank, what the G. O. P. represents. In other words, nobody knows, not even the leaders themselves.

Of course, opposition is always easy. Because he has dared challenge the special privileges of a powerful group, President Roosevelt is the constant target of a barrage of bitter criticism and at times of malicious personal abuse. His critics stop at nothing. Every possible misconstruction is placed upon his official acts, and every conceivable misrepresentation is applied to the motives which inspire his policies. At times this hymn of hate grows to such proportions that even its own sponsors become frightened of it. But let me assure you that President Roosevelt has met these gentlemen before in the arena of public debate, and the same flaming honesty and sincerity which carried him through to glorious vistory before will carry him through again. The Tory diehards never learn that when they adopt the weapons of treachery and deceit to tear down and destroy the patriotic policies of a Thomas Jefferson or of a Franklin D. Roosevelt the people invariably cast their vote for the sturdy leaders who fight their battles and preserve their rights.

It is my hope that, as Democrats interested in the continued success of the party, you will remain undisturbed over these unfounded reports of party defeat or disaffection. The truth is that the control of national political affairs is going to remain in the hands of Democratic leaders for a long time, because our party is the only party that has inaugurated a practical program for meeting present-day needs and the only party that has the courage to put that program into operation.

It is customary from time to time to recall the events of the immediate past and to consider the prospects for progress and advancement in the months that lie ahead. This year we may as well face the fact that there is plenty of trouble in the world and that our own economic interests are pressing for attention. The problems of the hour are different in form from what they were in Jefferson's time, but basically they remain the same.

The first duty of the Government is just what it always has been—to conduct the public business with even-handed justice and to make certain that the good of the entire Nation is made supreme over the interests of any particular group or class. Perhaps the idea was never better expressed than it was by President Roosevelt at the conclusion of a recent message to Congress. Reviewing the purpose which he had in mind, he said: "I have spoken of practices and abuses which demand correction through the cooperation of capital and labor with the Government.

"But no government can help the destinies of the people who insist on putting sectional and class consciousness ahead of general weal. There must be proof that sectional and class interests are prepared more greatly than they are today to be national in outlook. A government can punish specific acts of spoliation but no government can conscript cooperation."

This purpose which the President stated—this intention to put the general welfare above sectional and class consciousness—has been the only motive which has guided the present Democratic administration in formulating its policies, and it will continue to be the only motive while this administration remains in power.

Perhaps at this juncture it would be well to discuss frankly a misconception which a partisan minority for its own selfish purposes has been trying to drive into the public consciousness. I refer to the propaganda to the effect that this administration is hostile to business. In the first place, it just isn't so. And in the second place, what possible motive could inspire sincere and earnest officials to hamper deliberately the employers of the Nation?

What is actually the administration's attitude toward business? The facts disclose that the Government at Washington during this administration has used the public credit without reserve to prime the pump of prosperity and to stimulate business when industry was prostrate as a result of the worst depression in history. Under this administration Federal funds were loaned to individual corporations on a scale never known before to guard them against the menace of bankruptcy. There is no one who can say accurately how many railroads, banks, corporations, and other enterprises are in business today because they were rescued at a critical time by the liberal policies of the Roosevelt administration. It is a known fact that business profits were generally stimulated and in some cases expanded to new records because of the President's policies. Far from endeavoring to cut off industrial profits, this administration has been most anxious at all times to aid capital in obtaining a fair return in every legitimate way.

But the fact remains there are other groups in the population that must be helped as well as the employers, and business should not complain when the President and Congress do their obvious duty for the benefit of the general welfare. For example, some of the great metropolitan dailies continuously attacked the efforts of the administration to enact a farm bill that will enable the growers of this Nation to get a fair return on their labor and investment. It is generally conceded that without governmental assistance the prices of major farm products would tumble to dangerously low levels as the result of overproduction and glutted markets. That happened before and the end was disastrous. It could easily happen again. And yet there are actually newspapers and individuals that loudly demanded that Congress do nothing about the farm problem and let nature take its course.

There are more than 20 States in the country which derive the main part of their income from agriculture. If nothing were done to protect the farmer, the resulting economic dislocation would not only affect those States, but would have a harmful effect on every single manufacturing and business concern throughout the Nation. President Roosevelt does not recommend to Congress these far-reaching measures merely to satisfy his personal financial theories. On the contrary, the Government acts because it is compelled to act. I say without fear of contradiction that if the Government took the advice of its severest critics and withdrew entirely from its present activities, the rule of chaos would come so fast that these selfsame critics would be taking the first airplane to Washington to plead for Roosevelt's aid.

Any fair-minded citizen who looks at the current and economic conditions which exist in this country today is forced to reach the conclusion that what the Chief Executive is trying to do is not only right, but it is necessary. The national income must be maintained at a substantial level, the Nation's resources must be protected against the erosion of nature and protected against the assaults of selfish groups.

Running the affairs of a great nation under the complex and confusing conditions which exist in the world today is not an easy job. As a Nation we are only beginning to learn something about the methods which must be used to fight droughts, overproduction, unemployment, and other manifest evils. It is a tremendous task and fortunately for us, in this time of difficulty, the Nation has in President Roosevelt a man who has an unparalleled grasp of Federal affairs. No man has ever brought to the White House a wider or deeper knowledge of his own country. He is not guided by sectional needs or class needs or by the clamor and demands of insistent minorities. His policies are broad enough to stand the test of public inspection from the Atlantic to the Pacific and are fashioned in a manner that will benefit the people of this country.

I wish to say that the President looks with sympathetic interest on the effort of every American citizen to prosper and succeed in the endeavor which he has chosen as his life's work. He looks not with malice but with friendly concern on the operations of business. But when one group or one class seeks to promote its own advantage at the expense of the general welfare, he has the courage of a Robert E. Lee or a Stonewall Jackson in denouncing and correcting that abuse.

Under President Roosevelt the Nation has moved forward steadily toward the solution of the bewildering problems of a modern industrial age under the time-honored rules of democratic government. Other governments have failed at the same task, and as a result they are today ruled by despots, intent only upon accomplishing their own selfish purpose. Here in the United States, despite the ridiculous cry of dictator by the opposition, there has never been a time when our free institutions were held in higher esteem by the great mass of people. The vast majority of American men and women sense the presence in the Nation's Capital of a fearless and capable leader, whose vision and fortitude are equal to the manifold duties which devolve upon the occupant of the White House.

As Democrats we can face the future with courage and confidence, secure in the knowledge that the destiny of America is safe in the hands of President Roosevelt. Knowing he will not let them down, the people of this Nation will stand by him shoulder to shoulder and go forward to new and greater achievements.

Air-Mail Week

EXTENSION OF REMARKS

OF

HON. GEORGE McGILL

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Tuesday, May 17 (legislative day of Wednesday, April 20), 1938

PRIZE ESSAY BY MISS ELLEN PARK, OF KANSAS, ON THE SUBJECT OF AIR MAIL

Mr. McGILL. Mr. President, this week has been designated as Air-Mail Week, having been set aside by the Post Office Department in celebration of the twentieth anniversary of the first air-mail service which was inaugurated between New York City and the Capital City, Washington.

Prizes were offered by the Post Office Department to pupils of high schools and similar schools throughout the United States for the best essays relative to the National Air Mail Service.

Contests were held in the various States, and the winner in each State was given a trip to the National Capital, there to have determined which essays in a Nation-wide contest had won the first, second, and third prizes, for which trips and trophies are to be awarded.

Mr. President, the winner for the State of Kansas was a Miss Ellen Peak, a senior at the Sacred Heart Academy, Manhattan, Kans. Miss Peak, who is 17 years of age, is the daughter of Mr. and Mrs. Herman C. Peak, of Manhattan, Kans., and in the Nation-wide contest her essay won the second prize. She is here as such prize winner. I know her many friends in her home city and elsewhere rejoice in her accomplishment. Her essay is outstanding, and I request unanimous consent that it be incorporated in the Appendix of the CONGRESSIONAL RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

WINGS ACROSS AMERICA

I am yesterday's dream—her dream of unity of people, and unity of thought; of a nation united by a common bond of communication. I have made realities out of yesterday's fantastic hopes. At first she scoffed at me as a passing novelty. But I have proven my worth. I made America test me. I came through the test. I was young, but I was mighty. She saw in me possibilities of progress. She accepted me—not because I demanded it, but because she needed me.

I am today's achievement—America points with pride to me—to my huge bodies of steel flashing through her skies—guided by radio beams—carrying her people swiftly and safely to their destinations. The advantages I offer appeal to all—speed, safety, economy.

I am tomorrow's necessity—time is precious to a progressive nation. I save time. I perform a multitude of services for America—in times of peace—in times of disaster. Air mail and air transportation are no longer a luxury. They are rapidly becoming a necessity. My past achievements are marvels. My future knows no limits. In a short while the China Clipper will be greatly surpassed by regular trans-Atlantic aviation.

Thus I soar—onward and upward. Beneath the shadow of my wings lies a new, progressive America—confident in herself—confident in me. I will not fail her.

I am yesterday's dream. I am today's achievement. I am tomorrow's necessity. I am the wings across America.

Tom Mooney and American Justice

EXTENSION OF REMARKS

OF

HON. HOMER T. BONE

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Tuesday, May 17 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS BY HON. JAMES E. MURRAY, OF MONTANA, TUESDAY, MAY 10, 1938

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a most interesting and revealing address on Tom Mooney and American Justice, delivered over the National Broadcasting Co. network on May 10, 1938, by the Senator from Montana [Mr. MURRAY].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I have been invited to speak on this national broadcast on the subject Tom Mooney and American Justice. I come here not as a protagonist of Tom Mooney but as an American citizen interested primarily in American justice. I regard the Mooney case as one involving a problem of American justice of transcendent importance to the whole Nation.

For more than 20 years now, Tom Mooney has been making a tragic and unequal struggle to have his innocence declared and his liberty restored. His case has come to be regarded as a classic example of a frame-up.

If it can be shown that an innocent person can be made the victim of a vicious plot to railroad him to the penitentiary, it becomes a matter of vital concern to every citizen. If it can be shown that an American court, organized to defend innocence, has been perverted into an agency to destroy it, the time has arrived when the Federal Government must, alike for its own honor and its own vital interests, take measures to prevent its institutions from being discredited by the perpetration of such monstrous injustice.

The Supreme Court of the United States, speaking through Chief Justice Hughes, has recently said: "If a State has contrived a conviction through the pretense of a trial which, in truth, is but a deliberate deception of a court and jury, by the presentation of testimony known to be perjured, such a contrivance is as inconsistent with the rudimentary demands of justice as is the obtaining of a like result by intimidation."

It may appear astounding to many people who are not familiar with this case to hear the statement baldly made that Mooney was convicted on framed-up, perjured evidence, wholly devoid of any foundation in fact, and that his conviction cannot be sustained upon any basis of essential justice. Yet that appears to be the simple truth, for it has been established beyond all reasonable doubt that every important fact and circumstance shown in the case was manufactured by reckless and irresponsible parties causing the conviction of Mooney.

To understand this stupendous crime and learn how it has been possible in this great democratic country of ours for a human life to be thus placed in jeopardy, and, in fact, actually declared forfeit on manufactured evidence, we must go back a bit and visualize the conditions, political, social, and industrial, in America during the past half century or more. Every intelligent person is familiar with the destructive and bloody struggle which has been going on for many years between labor and industry. As a result of that bitter conflict, a system of labor-baiting agencies sprang up in the country which has furnished detectives, spies, gunmen, affidavit makers, suborners of perjury, and desperate and unscrupulous characters, ready and willing to use any method or means to defeat the American labor-union movement.

Gradually that mistaken policy of American industry in opposing unionism is being discarded, and today high-minded, far-seeing industrial executives are realizing that it is more profitable to cooperate with organized labor than to seek to destroy it.

The Mooney case, however, occurred 21 years ago and grew out of the old, ruthless style of conflict which usually prevailed in that period.

Mooney entered into the labor-union struggle in California in that early period and brought to bear such ardor and ability that he soon became a marked man and provoked the undying hostility of all the corporate officers and agents with whom he came in contact. As a result of his successful union activities, desperate but unsuccessful efforts were set on foot to frame him and railroad him to the penitentiary.

The labor struggle in California was at this stage on July 22, 1916. On the afternoon of that day, at precisely 6 minutes after 2 p. m., while a so-called preparedness parade was marching through the streets of San Francisco, a bomb was exploded on the sidewalk, killing and wounding a number of people. The crime was as horrible as could be conceived in all the annals of human depravity.

Instead of conducting an impartial and scientific investigation of the crime through the customary channels provided by law, the case was, in reality, turned over to Martin Swanson, a private detective who had been in the employ of the corporate interests opposing Mooney's labor activities. It appears that immediately following the explosion Swanson had gone to the prosecuting attorney and immediately became connected with the district attorney's office.

In a few days Tom Mooney's arrest was secured without a scintilla of evidence having yet been developed to connect him with the crime. Mooney was arrested first and the case built up afterward.

I cannot take the time to discuss the details of its preparation, but when the case finally came on for trial a weird and motley procession of perjured witnesses recruited from the dens, dives, and gutters of San Francisco was produced—not a single credible witness in the entire crew. Glowing promises had been held out to each witness that large slices of the advertised reward would be distributed upon the successful termination of the case.

Let me call the roll of witnesses: Estelle Smith was a convicted underworld character. Mellie and Sadie Edeau were two fanatical spiritualists, shown even at the trial to be mentally unbalanced and utterly unreliable. These three witnesses have since been wholly discredited, and, in the subsequent cases growing out of the crime, they were not called and the defendants were acquitted.

Then came John McDonald, a pathetic dope fiend. McDonald testified in general corroboration of Swanson's theory, with some conflicts and variations; but it is not necessary to discuss his evidence or its materiality, because he subsequently confessed that he was a perjurer, and that all his testimony was false.

The weakness of the prosecution's case was manifest. It was just too weak to stand up, and the prosecution knew it only too well. Mooney's trial had been held off on this account. But now, to bolster the case, a new witness was discovered and brought forward a year after the crime—one Frank Oxman, a cattleman from Oregon. His testimony is the only vital testimony in the whole case. Without it, Mooney's conviction was impossible. An air of apparent honesty enveloped Oxman. His statements were thought to be thoroughly reliable. He told about seeing Mooney and his alleged confederates arrive in Weinberg's jitney at Steuart and Market Streets; that he saw Mooney and Billings get out and set the suitcase, supposedly containing a bomb, on the sidewalk and then reenter the car and drive off. He fixed the time at 1:45 p. m. His testimony was accepted by everyone as credible and reliable in every respect. It was regarded as the final and conclusive proof in the case.

On the strength of this testimony which I have related, the prosecuting attorney made an impassioned appeal to the jury for conviction. The jury was urged, as a patriotic duty, to convict Mooney. The arguments were grossly intemperate and dishonest. The atmosphere of the trial was such that a verdict of guilty was inevitable. Mooney was convicted and sentenced to death, later commuted to life imprisonment.

Very shortly afterward, however, the State's fabricated case, upon which the conviction rested, began to unravel and fall apart. Startling revelations developed. It was established that Frank Oxman, the supposedly honest, reliable cattleman from Oregon, was not even in San Francisco at the time when he testified he saw Mooney at the scene of the crime. It was shown by a hotel register and by credible witnesses that he was in Woodland, Calif., 90 miles away, at the time the explosion occurred.

Not only has it been conclusively proved that Oxman gave perjured evidence in the Mooney trial, but it has also been established that he was a suborner of perjury. He wrote to a friend, Ed Rigall, of Grayville, Ill., requesting him to come to California and corroborate his story, upon a promise of sharing the reward with him. Rigall exposed these letters and admitted that he had never been in San Francisco prior to the crime. It was the printing of these letters by Fremont Older in the San Francisco Bulletin that blew the lid off the Mooney case and exposed the whole diabolical scheme to railroad Mooney to the scaffold.

Since then, every material witness in the case, upon whose testimony the conviction could have been influenced in any degree, has been thoroughly discredited. John McDonald, the miserable dope fiend and mental and moral degenerate, as I have pointed out, acknowledged that his testimony was wholly fabricated.

Then, also, it has been completely established by a photograph which was taken of the roof of the Eilers Building during the parade, showing the dial of a clock and proving conclusively that Mooney was on the roof of that building—a mile and a quarter from the scene of the explosion—at the time these perjured witnesses undertook to place him at the corner of Steuart and Market Streets; thus establishing beyond any question of doubt that it was a physical impossibility for Mooney to have perpetrated the crime charged.

Following the disclosure of this proof, conclusively establishing the perjury of Oxman, Mooney was again brought on for trial on a pending indictment involving the same crime. The jury was drawn and the case was ready to proceed. The prosecuting attorney in open court stated that the State had no competent testimony upon which to rest the case and moved for a dismissal. The jury thereupon brought in a verdict of not guilty and a judgment was entered acquitting the defendant.

The situation of Mooney, therefore, is that he was convicted and condemned to death upon perjured evidence in one case and shown to be innocent of the same crime in another case.

The judge who tried the Mooney case, as well as all the living jurors who sat in the jury box, have joined in a demand for the reversal of the judgment or the unconditional pardon of Mooney. Judge Griffin, the trial judge, has made the following statement:

"Every witness who testified against Mooney has been shown by facts and circumstances to have testified falsely. There is now no evidence against Mooney, and no serious suggestion that any exists. In the face of this demonstrated perjury no fair-minded person can deny that Mooney is entitled to be pardoned."

The Department of Labor Dinsmore report and the Wickersham Committee report both establish the Mooney conviction as America's premier "frame-up" and most conspicuous perversion of justice on record.

In the few remaining moments of my allotted time, let me solemnly say in conclusion: This monstrous wrong, perpetrated on an innocent man, strikes at the very foundations of American justice. It operates far beyond the confines of California, and, if not remedied, will ultimately impair our faith that our democracy protects the lowliest in the land—aye, even the unworthy.

Every sense of decency, of justice, and of fair play calls for the immediate and unconditional pardon of Tom Mooney.

The Agricultural Program

EXTENSION OF REMARKS

OF

HON. WILLIAM M. CITRON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1938

LETTER FROM THE SECRETARY OF AGRICULTURE

Mr. CITRON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter received by me from the Secretary of Agriculture:

DEPARTMENT OF AGRICULTURE,
Washington, May 14, 1938.

Hon. WILLIAM M. CITRON,
House of Representatives.

DEAR MR. CITRON: This is in acknowledgment of your recent letter with enclosure from Mr. L. D. Holcombe, of West Simsbury, Conn., who forwarded an editorial from the London Sphere. We appreciate the opportunity of studying the viewpoint of your constituent and are glad you brought his letter to our attention.

Without wishing to enter into an extended controversy, we would say frankly that a careful reading of the editorial fails to convince us of the logic of its conclusions. The statement contains, briefly, the following premises: 1. The United States is a great consuming nation. 2. The United States is a great producing nation. 3. The United States is a nation with great purchasing power. Yet it concludes that when these great economic forces become disrupted (although unquestionably their approximate balance throughout the Nation is essential to a real prosperity), the Government of the United States should do nothing to correct such an anomalous situation.

Your constituent will undoubtedly be interested to learn what the British article seemingly ignored—that Great Britain, through the Sugar Subsidy Act of 1924, the Wheat Act of 1932, the tariff measures of 1931–32, and the Agricultural Marketing Act of 1931 and its subsequent amendments, did not hesitate to use "political management" to aid its agricultural producers. For instance, today, individual potato producers in Great Britain are registered and assigned acreage quotas based on previous performance, surplus production is kept off the market by temporarily increasing the minimum permitted size of marketable potatoes, and growers are prohibited from selling except to wholesale distributors licensed to deal in potatoes. Certain exemptions to very small producers are permitted. The plan is financed chiefly by an annual levy on the acreage of all potatoes grown by registered producers and party by a charge per acre for increasing basic allotments.

One rather important way in which the British situation differs from that in this country is that in general the businessmen of Great Britain have cooperated wholeheartedly with their Government toward the success of such tax and regulatory measures as have been deemed necessary.

We realize that Mr. Holcombe himself does not oppose Government activity in behalf of the general welfare of all the people, since he approves as "human and far-sighted" such measures as the Social Security Act, the Securities and Exchange Act, the Federal Housing Act, and others not mentioned. Although he appears to believe that the administration's farm policies are directed toward the complete regimentation of agriculture, we feel sure that his remarks have been offered in a spirit of friendly and constructive criticism, and may be caused by an insufficient knowledge of the principles upon which these policies are based.

As you know, ever since the early 1920's, farmers have been seeking a program that would serve them and serve the Nation. It was not until 1933 that their pleas found expression in adequate legislation. The Agricultural Adjustment Act of that year was designed to correct a situation of tremendous commodity surpluses and a greatly decreased farm purchasing power. The Agricultural Adjustment Act of 1938 is based on the conservation of our country's greatest resource—the soil; definitely provides for an abundance of food supplies; and applies the principles of democracy directly to the most serious problems that farmers have to face.

Participation in the conservation program is entirely voluntary—no farmer is compelled to join it. The inauguration of marketing quotas (the compulsory feature of the act) depends upon the decision of farmers themselves. Marketing quotas may be applied only to five specified crops, including tobacco, and can start only when at least two-thirds of those farmers taking part in a referendum vote in favor of such action. The referendum is not called for until after excessive surplus levels are reached.

Mr. Holcombe is undoubtedly familiar with the conditions of the tobacco growers in Connecticut in 1932–33. Such enormous surpluses had accumulated as a result of increased production and decreased consumer purchasing power that sufficient cigar tobacco would have been available had there been no production at all for a year or two. In fairness to the producers, some regulation of production was necessary to avoid a completely demoralized industry.

The earlier adjustment programs enabled Connecticut tobacco growers to attain a fairly good balance between production and demand. The present program provides a means for the Department to continue to aid Connecticut farmers in maintaining that balance.

Sincerely yours,

H. A. WALLACE, *Secretary.*

Air-Mail Week

EXTENSION OF REMARKS

OF

HON. WILLIAM GIBBS McADOO

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Tuesday, May 17 (legislative day of Wednesday, April 20), 1938

PRIZE ESSAY BY PERRY MORRISON, OF CALIFORNIA, ON THE SUBJECT OF AIR MAIL

Mr. McADOO. Mr. President, in connection with the celebration of Air-Mail Week, and the contest for the best essay appropriate to the week, my distinguished friend the junior Senator from Kansas [Mr. McGILL] has introduced into the RECORD the second prize essay, written by a charming young woman of his State. I now desire to introduce into the RECORD the first prize essay, written by one of our high-school pupils, Perry Morrison, of Arcadia, Calif., and ask that it be made a part of my remarks.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

WINGS ACROSS AMERICA

A nation is no stronger than the ties which bind it together. Air transportation and communication constitute such a tie—an agent in binding our country into one unit. Moreover, it helps to maintain within that unit a social, cultural, and economic, as well as a political democracy. For instance, the Federal Reserve Bank's resources in New York are being taxed. Money lies idle in San Francisco. An adjustment is made—by air. A Government official is in Chicago. Urgent matters of state call him to Washington. He is there in less than 24 hours—by air. Serum from Boston is needed for an epidemic in Florida. It gets there in a few hours and saves many lives—by air. Junior cuts his first tooth. Full particulars are sent—by air. Even such trivial matters as information about Junior's tooth help to bind us together as a Nation. Wings across America help to keep us united, yet democratic; efficient, yet free—an ideal much of the world has given up.

Wings across America also make for more gracious living for the individual. One has breakfast in Los Angeles, dinner in New York. A letter mailed on one coast is delivered on the other in an astonishingly short time. Loved ones or business connections, days away by land, become but a matter of hours away by air. Scenic wonders take on even greater glory when viewed from above. Speed and dispatch undreamed of a few years ago are now at every man's disposal for the purchase of an air-mail stamp. To what end? Unity for the Nation, more abundant life for the individual.

Postalization of Railroad Fares

EXTENSION OF REMARKS

OF

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1938

Mr. LEMKE. Mr. Speaker, the well-being and future safety of our Nation depends upon cheap and rapid transportation of persons and goods. The intellectual and economic life of a nation depends upon a diversion of persons and goods from one part of the nation to another. The cheap and rapid transportation of persons and goods within our borders is of greater importance than any other issue now before this Nation.

During the last 30 years, due to our scientific and inventive genius, we have annihilated space and time. During that short period of time de luxe and streamlined trains, modern automobiles and airplanes, telephones, and radios have all come into common use. All these instrumentalities are now at our fingertips for the purpose of rapid transportation of persons, goods, and ideas. In the twinkle of an eye, thoughts and ideas can be transmitted to every corner of the earth, and with unbelievable rapidity goods and persons can be transferred from one corner of this Nation to another.

While our scientists and inventors have made these things possible our political and economic physicians have failed in making full and complete use of these instrumentalities for the good of mankind. They have not kept abreast with the times. They have utterly failed to place at our disposal these facilities in our everyday life for universal use and enjoyment. The political and the managerial end has been woefully lacking in wisdom.

Due to mismanagement and unreasonable charges the life of our railroad system is at stake—as a whole it is bankrupt. Yet we cannot get along without railroads, and unless some method by which they can again be made self-sustaining is found the Government will have to take them over. Even then, under the present rate-fixing scheme, they will become an unbearable burden upon the public.

In order to get away from this dilemma I introduced H. R. 10570, a bill providing for the "postalization of transportation rates." This bill is based upon the plan worked out and presented to the Interstate Commerce Commission by John A. Hastings, of New York. While this bill applies only to passenger rates, I am satisfied that if it is passed it will meet with such great success that it will be extended to all other transportation rates. It will solve the railroad problem once and for all, not only for the railroads but for all of us.

Under the provisions of this bill the Interstate Commerce Commission would establish nine regions within the continental boundaries of the United States. It would also establish within each region suburban districts. Outside of these suburban districts it would prescribe and fix, within each region, passenger rates between any two points in the same direction. These rates would be flat rates, irrespective of distance, for each class of service rendered within the same region.

For example, transportation in a coach would be $1 anywhere within the region, or $3 from the Atlantic to the Pacific coast. The transportation in a parlor car within any region would be $3, or $9 from the Atlantic to the Pacific coast. Again, transportation in a sleeping car within any one region, regardless of distance, would be $5 and from the Atlantic to the Pacific coast $15. These rates, of course, do not include meals or sleeping accommodations. Additional charges would have to be made for these.

This is not a new idea. It was adopted long ago by our Government in transporting first-class mail. You can send a letter from Brooklyn, N. Y., to Nome, Alaska, for 3 cents. Again, you can send a letter within the city of New York 1 block or 200 blocks for 2 cents. The Government has made money on the transportation of first-class mail.

We use this same principle in suburban and interurban transportation. You can get on a street car, bus, or subway and you pay the same whether you ride 1 block, 20 blocks, or a hundred blocks. In New York you can ride all day in the subway for a nickel. The success of this method of transportation is due to volume induced by reasonable rates. The rate is based upon service and cost as a whole and not upon the distance that an individual is carried. It is based upon the law of averages.

It costs, within a few cents, just as much to haul an unoccupied seat across the continent as it does an occupied one. It costs, within a few dollars, just as much to haul an empty car across the continent as it does one filled with goods and merchandise. It is the number of persons or the volume of

goods hauled rather than the distance they are hauled that produces revenue for the railroads. The longer that a freight or passenger car stands idle on a side track, or the longer the distance that an empty car or an unoccupied seat is hauled, the less will be the revenue received and the greater the operating cost. Why not operate them at full capacity and at a profit in place of a loss?

The financial success of a railroad depends rather upon the volume of traffic than upon the rates charged. Sixty-one percent of our railroad operating costs are fixed or constant without relation to the number of trains operated, passengers or goods carried, or the distance such passengers or goods are transported. Only 39 percent of all operating costs are variable. Of these costs only fuel, wages, and water are affected by the distance traveled.

Class 1 roads, exclusive of commuters, carry less than 15 percent of their passenger capacity. They could carry from four to five hundred percent more passengers without materially increasing their costs. If these roads would postalize their rates as suggested, would the number of passengers not be doubled, tripled, and quadrupled? Would they not stimulate agriculture, industry, and commerce? Then would they not greatly increase their traffic and their income?

During the 10 years beginning with 1925 and ending with 1934 the railroads of this country, exclusive of commutation, carried 2,889,988,000 passengers and received for such services, for the 10 years, $6,522,353,898. In other words, during that period they carried an annual average of 288,998,900 passengers and received for such annual service from all such passengers $652,235,390. The average fare paid by these passengers was approximately $2.26 each and the average distance they traveled was about 73½ miles each.

If the railroads would postalize their passenger fares, then their income from passengers would be from $1,500,000,000 to $2,000,000,000 annually in place of the $652,000,000. This because of the greater volume of traffic produced by the lower rates. The trains would again be filled to capacity. In place of pulling empty trains, they would pull trains filled with revenue-paying passengers. They would be able to get out of the red and become self-supporting and would soon be in a position to again pay dividends to their legitimate stockholders.

The production, as well as the distribution of wealth, bears a close relation and is largely dependent on a nation's transportation facilities. The exchangeability of commodities from one part of the Nation with another depends largely upon the cost of transportation. When passenger, freight, and express rates are postalized, then the burden of transportation will be placed more equally and justly upon the shoulders of our entire population and that burden will be made lighter for all. "It would place all persons and all industry, so far as location is involved, upon a plane of the most perfect commercial equality."

The postalization of our railroad rates will not only protect the American market for the American producer throughout the Nation but will give all an equal chance to supply our own markets with our own goods. It will be of immense benefit to the consumers as well as to the producers. It will give to the consumers commodities of which we have an abundance, but which at present are denied them because of distance and transportation charges.

We all know that at times millions of bushels of apples, potatoes, as well as large quantities of other vegetables, fruits, and berries, are permitted to waste and rot in the fields because there is no local market and the transportation charges to more distant points, where these commodities are wanted and needed, are prohibitive. Again, many of us have seen large quantities of wood decay in the forests because there was no local market and transportation charges were too high to ship it where it was wanted and needed. Why not remedy this condition by equalizing transportation charges?

The postalization of railroad rates will prevent unfair foreign competition with our own agricultural products. At present Argentina and other South American countries can ship corn by water transportation cheaper to New York, Boston, and Chicago than can the corn producers of some of our Western States. These nations can deliver wheat and other grains at a far lower transportation charge to New York, Boston, and Chicago than can the farmers of North Dakota, Montana, and other Western States. This is equally true of cattle and meat products, as well as other agricultural commodities. Why not give our own markets to our own people by providing them with reasonable and adequate transportation facilities?

The equalization of transportation charges has long been sought for by the Interstate Commerce Commission. It has asked and been given control of coastwise shipping so as to equalize it with interior shipping. It has sought and striven to prevent unfair competition by unfair and discriminatory freight and passenger rates. Why not do the whole job at once in place of attempting to accomplish it by patchwork? Why not postalize passenger, freight, and express rates and bind this whole Nation more securely together commercially and industrially?

If we abolish the inequality in transportation rates and modernize our transportation facilities providing greater speed and greater efficiency we will break down the ever-increasing barricade to economic rehabilitation and in place of progress and poverty we will enjoy an era of unprecedented progress and prosperity.

In conclusion, I will state that postalization of transportation will restore the railroads to their proper place in our economic life and will restore to the people the social and economic equilibrium they are entitled to. It will abolish distance as a rate-making factor. It will equalize the transportation charges throughout the Nation. It will decentralize population. It will reduce the cost of living to the consumers and increase the price to the producers of our agricultural and manufactured products. I am confident that postalized transportation is near at hand.

The General Welfare Act and the Spending and Lending Program

EXTENSION OF REMARKS

OF

HON. ALFRED J. ELLIOTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1938

Mr. ELLIOTT. Mr. Speaker, the program of the administration to make these certain expenditures is, I believe, necessary at this time. The housing program to build needed houses; the construction of roads and the Federal aid to State highways must be continued, and many other necessary public-works expenditures are sensible. As to the unemployment relief, we know that unemployment has grown very rapidly in the last few months. The funds available for relief of the unemployed are inadequate. Either work must be found for the unemployed or the additional amount of money required to meet this phase of the present depression must be provided.

I am not entirely in accord with the expenditure of billions of dollars for so-called pump priming but support the legislation due to existing conditions. However, I heartily approve of relief for the unemployed, and I believe the country is united in demanding that they shall be looked after until they can find jobs in private industry. Relief is a serious and sacred matter.

Reemployment of men now out of work and increased buying power is what we need to permanently correct existing conditions and there is only one bill before this Congress that can accomplish this, and that is the General Welfare Act, H. R. 4199, introduced by our colleague from Pennsylvania, Mr. CROSBY.

The enactment of the General Welfare Act would make unnecessary these expenditures now characterized as unemployment relief; it would be administered at very little, if

any, expense to the Government; it will be financed by a transaction tax which will be paid by those who benefit. Our people over 60 years of age will receive direct and immediate benefits, and it is estimated that of those annuitants there would be 4,000,000 who would give up their positions, which would mean that 4,000,000 now unemployed would be given productive jobs. A new and greater purchasing power will result, creating new jobs, and our children graduating from our schools would have a definite course to steer and would not drift as they are doing now.

The greatest menace confronting us today lies in the continued number of citizens anxious and willing to work but unable to obtain gainful employment. The administration has made and is making heroic and conscientious efforts to stimulate business and absorb the unemployed, but no marked decrease in the number of unemployed has been accomplished.

Enactment of the General Welfare Act will correct the uncertainty of recovery and reform to the end that a greater and permanent prosperity will be built.

Millions of our citizens are praying that consideration be given this measure by this Congress, and I urge you that their wishes be granted.

The People Pay for Watered Stock and Continue to Pay in Interest and Dividends on This Stock

EXTENSION OF REMARKS

OF

HON. CHARLES G. BINDERUP

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1938

Mr. BINDERUP. Mr. Speaker, naturally I think it can be assumed the opposition to the Government's program, as sponsored by this administration, in supporting the development of projects for the conservation of our water resources in the interest of flood control, navigation, and irrigation—where such irrigation is necessary and feasible—and for the development of electric energy where as a result of the construction of such projects the manufacture of electric energy as a byproduct is desirable both for the purpose of helping the States, municipalities, or other legally organized public districts to repay loans made them through the Public Works Administration and to give to our people, both rural and urban, the advantage of electric energy at rates at which the people should be and are entitled to have this wonderful and necessary service, comes, in the main, from private utility interests, largely controlled by the great financial groups of Wall Street.

In this connection, therefore, I think it might be well to have something of a picture of how these, the power trusts, operate; and, inasmuch as our Nebraska projects have been brought into this discussion, I would like to give you something of the history of private power companies in Nebraska. I use as an example the Nebraska Power Co. which is the great representative in that section of the Electric Bond & Share Co.

The Nebraska Power Co. was developed from the systems of the Omaha Electric Light & Power Co. and the Citizens' Gas & Electric Co., of Council Bluffs, Iowa. The Omaha and Council Bluffs companies serve a population of about 214,000 in Omaha and 42,000 in Council Bluffs, and operate also in about 40 towns and rural territories within a radius of 50 miles of Omaha and within a radius of about 25 miles of Council Bluffs in Iowa. The original plant in Omaha was built in 1885. It changed hands in 1903; at the time this transfer was made the utility owners took an inventory and valued their property at $794,000, but when they sold it on the date mentioned it was capitalized at $1,201,000, a very handsome little profit of some $507,000, but get the real picture in this transaction. The new company bought this system one day at $1,201,000 but the next morning the property appeared on the new company's books at a capitalization of $3,831,000. In other words, without setting an additional pole, without the addition of a single piece of wood or stone, or without an additional light bulb, the valuation of the property of the Omaha Electric Light & Power Co. and of the Citizens' Gas & Electric Co. of Council Bluffs, Iowa, increased overnight by more than 200 percent. And, mind you, the $1,201,000 which the new company paid for these properties was, according to the inventory taken by the former owners themselves, $507,000, or better than 66 percent more than these former utility company owners themselves claimed they were worth. This fact was also the conviction of the city authorities of Omaha, as expressed by them in a rate case held some time later. Here, then, we have the new company, headed by a utility magnate of Omaha, with a valuation of $3,037,000, or better than 395 percent greater than was the valuation of the properties the night before according to the former private utility owners themselves. Nice little overnight profit, do not you think?

Of course, we know that what actually took place was what usually takes place with corporations of this kind; they were simply pumping watered stock into the organization. And it made a nice little income for the head of the new company and his associates, for the common stock, all water, paid dividends up to $600,000 annually between 1903 and 1917. But we note also that at the same time they were writing up their fixed capital and issuing their watered stock, the public-utility franchise which one of the old companies had obtained from the city of Omaha, a franchise that did not cost a cent, was entered on their books at a value of $2,055,000. This franchise was being carried on the books at this value when this property again changed hands in 1917. And I want to call your attention for a minute to this new transfer. This was a real one.

Keeping in mind the first write-up where they pumped more than 200 percent of water into the capitalization and set their book valuation of the property at $3,381,000, we now find this company in 1917 with purported assets of $6,432,000, or, with the franchise eliminated, with assets of $4,377,000. The Electric Bond & Share Co. wished to obtain control of the power system centering around Omaha and to make this a part of its own much greater system. This it accomplished by first buying up the preferred and common stock of the Omaha Light & Power Co., including, of course, its subsidiary, the Citizens Gas & Light Co., of Council Bluffs, for which it paid, in one form or another, a total of $4,633,000. Then it—the Electric Bond & Share Co.—sold these same securities to the American Power & Light Co., a subholding company of Electric Bond & Share Co., for $5,865,000. In other words, the Electric Bond & Share Co. bought this stock and immediately sold it to itself for a neat little profit of $1,232,000.

Now comes the Nebraska Power Co. into the picture. The American Power & Light Co. now turned these stocks over to its newly created Nebraska Power Co. In doing so it recapitalized the property, totally disregarded the $4,377,000 which was the amount of the assets, with the franchise eliminated; it disregarded the $4,633,000 which the Electric Bond & Share paid for the Omaha properties; it disregarded the $5,865,000 which the American Power & Light Co. paid to Electric Bond & Share, and it wholly disregarded the total of $6,432,000 purported fixed capital, which appeared on the books of the old company and which included the value they entered for the franchise, which cost nothing. Paying no heed to these figures and to the fact that these figures themselves contained from 200 to 300 percent or more of watered stock, they—and here is the interesting part—the American Power & Light Co. causes the new company, the Nebraska Power Co., to enter upon its books as fixed capital $13,500,000 and to issue its securities accordingly. This was accomplished merely by writing a new set of figures on the books.

Examiner J. W. Adams, of the Federal Trade Commission, clearly shows that there was no change in any way in the amount or character of the properties. All that took place was this: The Omaha Light & Power Co. closed its books

on the evening of May 31, 1917, with a fixed capital of $6,432,000 (which included a franchise which had cost nothing and which amount already contained more than 300 percent of watered stock), and the Nebraska Power Co. opened its books the next morning with a fixed capital of $13,500,000, or an increase of $7,068,000. Yet again not an additional pole had been placed, no additional piece of wood or stone, not even a light bulb had been added. Thus, another 100 percent and more, this time amounting to $7,387,000 worth of water was pumped into this structure. Substantially all these securities were turned over to the American Power & Light Co., subholding company of and completely dominated by the parent company, the Electric Bond & Share. Most of these securities were, in turn, passed on to the public.

The American Power & Light Co. retained for itself $5,000,000 of the common stock of the Nebraska Power Co. It realized more than $5,000,000 from the sale of other of these securities. Therefore, since the American Power & Light Co. paid, according to their figures, to the Electric Bond & Share Co. $5,865,000 for this property and received more than $5,000,000 from the sale of securities, all of which were water, these properties had actually cost them $865,000, and they had the $5,000,000 of common stock in the Nebraska Power Co. But, better still, if you eliminate the $1,232,000 profit which the Electric Bond & Share Co. took when it sold the property to its own subsidiary holding company, the American Power & Light Co., both of which companies are one and the same, they owned the Nebraska Power Co. and had additional actual profit of some $466,000, all through the manipulation of securities and the pumping of water into the structure.

And so they tell us some mistakes in engineering, and so forth, have been made in connection with some of these public projects for the development of our water resources, that these mistakes have been a misuse of our people's money.

That was fraud pure and simple; that was deceit, and, my friends, the people paid the bill in that case just the same. The people served by these power companies have paid and will continue to pay. Yes; the people who bought these watered stocks and bonds paid and in many instances paid dearly. There was much more that I might have told you about this transaction of the Nebraska Power Co. I could have told you how the Electric Bond & Share Co. put the Nebraska Power Co. in debt, issued bonds against the property of the Nebraska Power Co., without the Nebraska Power Co. knowing anything about it, how the receipts of these bonds never went to the Nebraska Power Co. or into any construction work of the Nebraska Power Co., but were issued only because the Electric Bond & Share wanted or needed some money.

Yes, my friends, the people paid this bill, too. This is the power that is here today; this is the power we are fighting, or which is fighting us. This is the power which is against the public development of our water resources, because as an incidental to the conservation of these waters and their use for irrigation and the purpose of flood control and navigation we manufacture some electric energy, and have been and are bringing electricity to our people at decent rates and making it possible for all our people to enjoy the blessings of this great and necessary power. Yes, this is the power we fought in Nebraska for more than 26 years. Statistics will show that our State was one of the leading agricultural States in this Nation. We have a wonderful soil and our State is wonderfully adapted for agriculture. But we have suffered for want of moisture, and, in the past few years, in spite of our other ideal natural advantages as to agriculture, our farmers have become almost destitute because we have not had sufficient rainfall.

But when we try to remedy the situation in the only way it is possible for us to remedy it, we meet the opposition of such concerns as the Nebraska Power Co., which is in reality the Electric Bond & Share, or in other words, the Power Trust, for they are all practically one and are all virtually controlled by a few great financial organizations in New York or other financial centers. They have thrown every obstacle in our way from the start. For almost 26 years we were unable to secure any recognition from our Federal Government, possibly, and I say this with all kindness, because those who control the Power Trust had too great a voice in the Federal Government. It was not until this administration came into power that we finally succeeded in saving our great State and again restoring it to its place among the leading agricultural States. Of course, the Power Trust does not like this administration. Of course, they are here fighting us. They want to be privileged to carry on their operations like the one to which I have called your attention. The case of the Nebraska Power Co. is just an illustration; it is just one among hundreds, and not among the larger ones at that.

Just this past week, with the project in Nebraska only partially finished, we turned the first water on our land. If you could have been there, if you could have seen the celebration and heard the rejoicing of these people, you would not think this great program is in vain, or that our money is being wasted.

The saving of a great State like Nebraska is not a mistake. The people's money has not been wasted there; it will come back to the Nation manyfold.

A National Policy on Migration

EXTENSION OF REMARKS

OF

HON. H. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1938

ARTICLE PUBLISHED IN SOCIAL FORCES, MAY 1938

Mr. VOORHIS. Mr. Speaker, under leave to extend my remarks in the RECORD, I am including herewith portions of an article appearing in the May 1938 issue of Social Forces. The author is Dr. Eric Beecroft, of the University of California at Los Angeles, and it constitutes one of the most challenging and sobering discussions of our modern problem of interstate migration that I have yet read.

There has been a striking reversal in the American attitude toward migration. In our popular history the readiness of the individual or the family to travel overland in search of a better opportunity has been regarded as one of the most praiseworthy national habits. Earlier pioneers were faced by no police barriers or other human obstacles. While fertile lands remained unoccupied and urban commerce was still expanding, there was a fair chance for every migrant that he would find a job, and even a welcome, in the economic and social life of some new community.

But the citizen who now faithfully follows this tradition seldom finds a hospitable reception. Upon abandoning the depressed area of his legal residence, he finds himself confronted in every community by hostile police officers, overburdened relief agencies, or harassed social workers. His honorable venture, which, in an earlier day would have offered hope of work and fulfillment, now earns for him, in official and unofficial language, the title of "transient," "bum," "alien," "undesirable," "wanderer," "invader."

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A drastic modification of national policy toward relief became effective in 1935. In September of that year the Federal Government announced its intention to return to the old premise that every human being "belongs" in some local community and that the community where a person has a legal residence will accord him relief and employment under the W. P. A.

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Withdrawal of the Federal transient funds, which for a time had enabled local agencies to relieve migrants as well as resident clients, has given these agencies an impelling financial interest in keeping out the impoverished migrant. Letters to the writer from social workers throughout the country contain many expressions of regret that their professional effort must ignore the claims of worthy citizens whose only offense is that they have been the helpless victims of depressed conditions in some community totally unable to support them.

POLICE MEASURES AND INTERGOVERNMENTAL CONFLICT

Shortly after the Federal Transient Service was liquidated in the fall of 1935, the police force of the city of Los Angeles established a blockade of the southeastern border of California and turned back or arrested migrants who were without means of support and were, presumably, bound for Los Angeles. This action of the police department was, apparently, taken on its own initiative; no higher official has since taken responsibility. While, of course, the legality of the blockade was doubtful, no one seemed to be in a position to challenge it effectively in the courts.

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The use of police to "discourage" migrants and to "clear them out" and "keep them moving" is apparently a not uncommon practice. Correspondence with welfare workers has yielded the following information concerning practices which prevail or have recently prevailed in some communities.

In Spokane, Wash., single men transients asking for relief have been sent to the police department for fingerprinting before being referred to a relief agency. Norfolk, Va., has provided food and shelter for transient men at the city prison farm; and a welfare agency there reports that "they naturally do not relish this kind of care, and this probably discourages transiency in Norfolk." In Salt Lake City single men transients have been housed at the police station, while the police department has attempted to discourage transients from coming into the city. After 50 cents in cash is given to a single man transient in Hartford, Conn., three people look at him, and if he is seen again in the city he is arrested for vagrancy. In Akron, Ohio, the male, nonfamily transient who applies for assistance is given meals for the day, a night's lodging and breakfast, and instructed to move on.

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There is no doubt great danger in the apparent tendency to confuse the innocent transient with the criminal. In order to escape the financial burden and the responsibility for the care of transients, local authorities have, perhaps thoughtlessly, allowed themselves often to assume criminal or other undesirable qualities until otherwise proved by the victims. Such an attitude, of course, seriously jeopardizes the civil liberties of this large part of the population.

A responsible and friendly welfare agency equipped with funds and a constructive program should normally be the first port of call for a transient. The greater the lack of transient bureaus, the more likely will the police be allowed a free hand in dealing with all classes of migrants. Under pressure from local groups, many police departments may feel compelled to take advantage of such an opportunity to exclude innocent persons suspected of being agitators, with radical intentions in reference to politics or the organization of labor.

One of the most urgent reasons for adequate Federal aid is the necessity for eliminating this easy pretext for arbitrary action by the police, without interfering in any way with their proper law-enforcement efforts. As long as criminals and bona fide migrants are both subject to police treatment on first arriving in a community, there will be danger of interference with the legitimate movements and liberties of citizens.

METHODS OF TREATMENT AND CARE OF MIGRANTS

Prior to the establishment of the Federal transient program in 1933, homeless persons, when not turned away or forcibly "passed on," were cared for in flophouses, jails, police stations, or through the meager facilities of private agencies such as the Travelers Aid or the Salvation Army and various other religious missions. For the most part, they were not provided for. Since the abandonment of the Federal responsibility for transients in 1935, there has been no national program for the care of the homeless. Indeed, there has been little effort on the part of any governmental authorities to deal with the transient, except by a negative policy of exclusion or by means of temporary and inadequate measures of the sort that prevailed before 1933.

It is evident that, under this local discretion, whether unemployed transients are cared for depends upon the financial capacity or the whims of local authorities rather than upon a consideration of either the needs or the worth of the migrant people. People are uprooted from their home communities in many cases by forces over which they have no control; but, as one relief worker put it, the weakness of the present policy is that a man cannot cease wandering if he desires to do so.

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PUBLIC-HEALTH ASPECTS OF THE PROBLEM

One of the strongest reasons that could be urged for Federal aid and supervision of migration is the lack of medical care for the transient unemployed and the resulting menace to public health.

In Cincinnati one of the very few communities now conducting a medical service for transients, 20 cases of meningitis were diagnosed among the transients in the spring of 1935 and sent to the City Hospital. The physician in charge of the clinic draws attention to the gravity of the situation when he says: "Let us try to visualize what might have happened in this city had those cases not been examined, had they not been diagnosed and thus have been permitted, at least for another 12 to 24 hours, to be at large." It is also reported that "from January to August 1937, 32 cases of primary syphilis were observed among transients applying for aid. This does not include those infected with the disease who might have been diagnosed had routine Wassermans been possible" (E. B. Brandes, M. D., in The Transient, November 1937).

In referring to the health problem, the Mid-West Conference on Transciency and Settlement Laws in March 1937, declared in its resolutions that "the expense of an adequate transient program would be much less than the social costs of continued neglect."

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HISTORICAL PARALLELS

The foregoing information affords an outline of what is happening to the American migrant in the absence of a national policy or national aid. It would not, of course, be accurate to say that the policy of the Federal Government is to hinder the movements of American people or to make their movement as unpleasant as possible; but such has been the actual result of returning the treatment and care of migrants to local hands.

An English historian has remarked that "the energies of parish officers were consumed in the effort, not to maintain their poor, but to get rid of them." This statement might have been applied aptly to the circumstances which now prevail in the daily experience of American relief authorities and social workers. Yet it was intended to refer to the conditions resulting from the English settlement law of 1662. Indeed the history of the English poor laws affords striking parallels. Professor Lipson points out that the law of 1662 "caused the question of settlement to assume the proportions of a national problem, which set parish against parish, gave rise to endless litigation, hampered the free flow of labor and poisoned the fount of organized charity."

Our present "bum blockades" and, in general, the attitude and terminology current among our local authorities are reminiscent of the eighteenth century conditions described in the Annals of Agriculture: "Every parish * * * regards the poor of all other places as aliens." And some of our present forms of "treatment" appear to be faithfully copied from those of that same period in England when "the poor were sometimes given sums of money on condition that they transfer themselves elsewhere."

These "less desirable" forms of treatment do not induce or enable the workless to obtain honest work. Like the poor laws, they represent an escape by those who rule the community from the task of providing secure employment by such means as resettlement and useful public works. There is also no doubt that such forms of treatment will produce the same demoralizing results attributed by modern authorities to the working of the poor laws. Sydney and Beatrice Webb, writing of the "labor yard," declare "It fostered in men whom it was important to invigorate and to inspire with a zest for work, a habit of dull, lethargic loafing, and * * * a continuous overwhelming inertia." In devising modern American deterrents to migration, our local agencies are, perhaps unintentionally, creating a similar condition.

CONCLUSION

Let us remember that it will never be possible to persuade the responsible officials of any State, county, or city that the maintenance (much less the rehabilitation) of the workless migratory population is a proper charge upon local funds. The penalty for any positive or generous policy is painfully obvious to officials, legislators, and social workers; the unemployed will flow in impossible numbers into the least inhospitable communities. Absence of a national policy, therefore, means almost total neglect of the migratory population. Furthermore, as we have pointed out, it does not eliminate migration, which results from grave economic readjustments and deep-rooted popular traditions. It merely leaves the migrant in helpless suspension between his legal but uninhabitable residence and other communities from which he is likely to be excluded as a public charge.

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Unfortunately, most political discussion of this problem proceeds upon the unconsidered assumption that each local region can and should look after its own workless population by relief or by establishing new industrial or agricultural enterprises. Yet no serious student of economic development could defend this assumption. To anyone who has read the report entitled "Migration and Economic Opportunity," by Prof. Carter Goodrich and his coworkers, or the reports of the National Resources Committee, it must be abundantly clear that great movements of population must take place in the near future to obviate widespread poverty.

In Migration and Economic Opportunity there is the astounding but still popularly unknown estimate that the future minimum migration "to relieve rural poverty" from the Old South is two and five-tenths millions. The authors suggest that of the one and six-tenths million cotton farms in the entire South the loss of world cotton markets will remove at least half of them from production. On this basis four and four-tenths million people would be removed from agriculture.

The same report declared that in the States and portions of States comprising the Great Plains now devastated by drought and dust storms the necessary return to a pastoral economy would mean a reduction of nearly 900,000 population in that region. From the North Central States 20,000 people around the copper and iron mines were considered destined to move. In the cut-over areas in these three Lake States there are said to be 15,000 families, including squatters, in need of relocation. Because of the exhaustion and erosion of soil used in farming, the disappearance of lumbering, and the shutting down of coal mines in the southern Appalachian region there is estimated to be a surplus of people over what that district can support of a minimum of 340,000; and a migration of 640,000 is thought to be desirable.

In the light of these conditions no one could seriously propose to conduct either all relief or all reemployment without a great volume

of migration. For the relief burden is intolerable in the distressed areas themselves, and the planning of reemployment must be integrated with the planning of new enterprises which should be located wherever sound economic and geographic considerations dictate. Indeed, the migrant, because he is one of the victims of piecemeal and short-visioned private direction of economic enterprise, is one of our most insistent reminders of the need for rationally planned economy.

In summary, therefore, it must be said that a national policy for the guidance of migration is imperative. Under the prevailing policy of local exclusion the transient is doomed to little relief and still less rehabilitation. Concurrent action, as we have tried to show, can never be acceptable to the depressed communities, and even if subsidized liberally by Federal funds would not be suited to carry out an adequate national program of resettlement.

A Federal policy must provide, largely out of national funds, for (a) relief and care, including wherever possible temporary employment; (b) a long-range program of resettlement and reemployment for the displaced population.

One of the first steps in formulating a national plan for migration is to revise the misleading terminology which has prevailed in the "treatment" of the migratory people, a terminology that reflects the general misunderstanding of the nature of the problem. The term "transient" and the more abusive words commonly used as equivalents are the outcome of the restricted local viewpoint and the practical experience of harassed local authorities. Properly speaking, the so-called transient is usually an unguided and unaided migrant, involuntarily unemployed, moving under pressure of economic necessity, actuated by a laudable respect for the tradition of "rugged American individualism," and as worthy of public aid as many so-called pioneers of earlier days.

Nearly all migration in American history has been prompted by two principal factors: The spirit of adventure seeking opportunity in new regions and the desire to abandon depressed conditions.

While earlier pioneering called forth heroic effort in the settlement of new lands, that of the present demands the equally heroic but inevitably less-honored effort in facing inhospitable communities of fellow beings. The adventurers of early days sought and found an unrevolutionary escape from the misfortunes and exploitation of an inadequate economy. The adversity of today is prompting thousands to undertake migration as the traditional American remedy. It requires no gift of prophecy to foresee that, with the frustration of this spontaneous migratory movement in future years, the unrevolutionary, unpolitical attitude which it represents will give place to positive programs of mass action. Those whom the hardships do not demoralize or destroy will become the material of which radical movements, probably of the irrational kind, are made.

Some may see in this analysis the urgent necessity for the "charitable care" of all migrants as an expedient means to avoid unrest. All humanitarians, it is hoped, will see in it the need for the constructive resettlement of the pioneers who are produced in such large numbers by our modern economy.

The Spending Bill

EXTENSION OF REMARKS
OF
HON. ROBERT L. BACON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 17, 1938

EDITORIAL FROM THE NEW YORK TIMES OF MAY 17, 1938

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the Democratic New York Times of May 17. This editorial in effect endorses to a large degree the Republican minority report on the spending bill. It is as follows:

TIME TO STOP SPENDING

During the last 5 years the Roosevelt administration has spent $40,000,000,000, which is a larger sum of money than was spent by all the administrations that governed this country from the days of George Washington to the days of Woodrow Wilson. It is proposing now to spend still more money, on the theory that there is no other way to bring about a recovery of business. A $3,000,000,000 pump-priming bill has been passed by the House of Representatives. Yesterday a committee of the Senate began hearings on it.

If the Senate puts sound fiscal practice before politics and considerations of the national credit before vote-getting, it will send this measure to defeat. There are urgent reasons why a halt should be called on the reckless policy of sending good money after bad:

1. "Pump priming"—that is, the resort to public spending as an alternative to whole-hearted encouragement of private spending—is a demonstrated failure. For 5 years the Government has spent money on a scale hitherto unprecedented in the whole peacetime history of the country, and throughout this period the business of the country has been subnormal three-quarters of the time.

2. "Pump priming" is merely a device intended to get us out of a predicament caused by unsound economic policies without abandoning those policies; to the extent that it succeeds at all in this attempt it simply postpones the day of reckoning and complicates problems which must ultimately be faced.

3. "Pump priming," always brought forward as a temporary expedient designed to meet an immediate emergency, in fact imposes a permanent burden on productive enterprise; for experience, particularly under the present administration, has plainly shown that Government expenditures, once begun, continue of their own momentum.

4. "Pump priming" piles deficit on deficit, creates a steadily larger volume of expenditures over which Government has no real control and inevitably brings closer the day when fresh proposals to spend will involve the risk of loss of confidence in the national credit.

5. "Pump priming" is a poor substitute for a course of action which would go straight to the causes of our present difficulties, by correcting the governmental policies, the business policies, and the labor policies which now discourage an increase of production.

The relief sections of the present bill should be taken out of it and enacted separately in a measure which will take advantage of what experience has taught us in the handling of this particular problem. "Pump priming" itself should be abandoned. And the alternative policy should be pursued of removing obstacles which now block the road to an overdue recovery.

Appropriations for Relief

EXTENSION OF REMARKS
OF
HON. ALFRED F. BEITER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 17, 1938

TESTIMONY OF REPRESENTATIVE ALFRED F. BEITER, OF NEW YORK, BEFORE THE SENATE APPROPRIATIONS COMMITTEE, MAY 17, 1938

Mr. BEITER. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit my testimony before the Senate Appropriations Committee today:

Mr. Chairman and members of the committee, I am deeply grateful for the opportunity you have given me to appear before this committee and express my opinions and observations pertaining to the pending recovery legislation. In beginning, I will say that the necessity for the proposed relief and work-relief measures is too obvious to suggest elaboration. The country as a whole accepts it as unavoidable. It is the consequences of its continuation that prompts me to offer every suggestion I can conceive which may contribute something toward the final solution of the problem.

No unbiased person can deny that much good has been accomplished through the application of emergency and regulatory legislation and appropriations since the depression began. In fact, these measures have accomplished all that could reasonably have been expected under the prevailing circumstances and conditions. However, I do not believe that all who played a part in the framing and application of this legislation have given sufficient consideration to coordinating all of the recovery elements involved.

In my opinion, too much emphasis has been placed on industrial rehabilitation and not enough on general social and economic rehabilitation. This leads me to believe that we have been working without having constantly before us a thoroughly crystallized composite plan of the operations necessary to accomplish a complete readjustment within and between agriculture and industry. Industrial rehabilitation is only one phase of the problem. Production and consumption must be balanced throughout our entire economic structure. For the past few years our problem has been one of underconsumption, not overproduction. There may be overproduction, actual and potential, in both industry and agriculture, but for the present, at least, actual overproduction is the result of an economic stalemate between agriculture and industry. Idle industrial workers and those on relief cannot consume their normal share of agricultural commodities. This, in turn, so drastically reduces the purchasing power of those engaged in agriculture they cannot consume more than a small ratio of the industrial commodities they would consume under normal conditions. And so this vicious stalemate goes on dragging down consumption of both industrial and agricultural commodities. In the meantime we are pouring out the resources and reserves of the country to temporarily increase purchasing power.

Obviously, industry is equipped and prepared to produce more than can be consumed even under the most flourishing conditions. Likewise agriculture is prepared to do the same thing. Our problem is clearly one of a readjustment that will ultimately bring

about maximum consumption of both industrial and agricultural products. If we do have overproduction in either, it certainly should be on the side of agriculture. Overproduction in industry means wasted investments, wasted natural resources, wasted effort, and unemployment of the kind that necessitates public support of the unemployed. Agricultural overproduction also means wasted investment, resources, and effort, but it does involve one great saving feature which does not occur in the case of industrial overproduction—self-preservation. People can eat and wear agricultural commodities; in fact, they must have them. They cannot eat or wear automobiles, cement, brick, stone, and steel. These industrial products, although essential to comfort and convenience, are not indispensable to livelihood.

Unemployment and the actual necessities of life are the two basic elements to be considered first in our efforts to restore economic and social equilibrium. Unemployed industrial workers have no means of taking care of themselves. They must be provided with the necessities of life either by direct relief or through work relief. In creating work relief for them, we may simply be prolonging the agony and postponing final readjustment, while in the meantime we are exhausting the reserves and resources of the country. Work relief will provide useful and needed construction, expansion, and maintenance; it will keep the wheels of industry rolling for a time and temporarily restore industrial investments to an earning status, but it will not permanently solve the problem. We had better realize now than later the necessity for bringing industrial production within the limits of actual demand, instead of devoting so much effort and national resources to creating an artificial demand.

Personally I believe—and there are many who concur—that we should enact legislation and provide funds for initiating and vigorously carrying out a comprehensive Nation-wide rural-rehabilitation program concurrently with an industrial-rehabilitation program. Idle industrial workers and their families should be removed from congested industrial centers and resettled on fertile lands in a wholesome atmosphere, where they can at least produce the necessities of life for their own consumption. In the long run it will cost much less to resettle these families and provide them with facilities for cultivating the soil and growing livestock than it will to support them by direct relief or to create work relief which is not now imperative to livelihood and national stability. A rural-rehabilitation program, if properly planned and executed, will be largely self-liquidating; at least the Federal subsidy involved need be no greater than the Federal subsidies previously granted for industrial rehabilitation. The program can and should be set up so that it will encourage the cooperation of State and local governments and private enterprise.

I hope that all Members of Congress will give serious consideration to the feasibility, practicability, and desirability of such a rural rehabilitation program. I would like to see a joint resolution of both Houses of Congress directing the Secretary of Agriculture to make a Nation-wide survey of available lands suitable for resettlement purposes, giving particular attention to the probable cost of such lands and their locations with reference to transportation facilities, water supply, electric energy, and markets. Such a survey should also include a comprehensive analysis of climatic conditions and adaptability of the soil from the standpoint of food crops and livestock production for home consumption. This joint resolution, if adopted, should provide adequate funds for the survey and the Secretary of Agriculture should be directed to report his findings and conclusions to Congress at the beginning of the next regular session. I realize that the time is short for such a comprehensive survey, but if it is started immediately and vigorously conducted enough essential data can be accumulated to permit the initiation of a sound rural rehabilitation program early next year. Much of the essential data is already available in tangible form in the files and archives of Federal, State, and local agencies. It needs only to be abstracted, analyzed, and compiled in composite form.

There is another feature of rural rehabilitation which blends perfectly with industrial rehabilitation. The construction and equipping of rural settlements, together with the facilities, accessories, and appliances which will be required for an extensive rural-rehabilitation program, will provide work for the building trades and for private enterprise engaged in the mining, manufacture, and processing of building materials. It will also provide work for transportation and distributing agencies. Water supply and sanitary facilities must be provided, rural electrification must be extended, highways and roads must be constructed. Somewhere in the program of removing idle industrial workers and their families from congested centers and resettling them in rural areas we will find the balance we are searching for, provided that in the meantime industrial production is maintained at a previously established normal level.

If after an apparent normal balance has been attained between industrial production and consumption, we embark upon a period of increased demands for industrial commodities, it would be far better to import the required surplus than to again indulge in home production to meet the demand at the risk of a subsequent industrial depression. For the same reason that it is better to have overproduction in agriculture than in industry, it is better to import excess industrial commodities required for peak consumption than to import agricultural commodities which are at all times and under all conditions the essence of our existence. In other words, if we import anything it should be commodities which are not essential to livelihood, commodities which we do not produce, or commodities which are in excess of our normal consumption.

If at any time during the course of any rehabilitation program undertaken by government, private enterprise should become so active as to drive the total of private and Government enterprise above an established normal level, then Government enterprise should be promptly curtailed in proportion to the combined rise above normal. Likewise if at any time during the course of any rehabilitation program undertaken by government, private enterprise should be so inactive as to force the total of private and Government enterprise below a level which is accepted as necessary for national stability and for the general welfare of our people, then Government activities should be promptly intensified in proportion to the combined dip below that necessary level.

Clearly our first objective is to provide the necessities of life for all. This can be accomplished in two ways; a direct dole or by creating work which will permit everyone to earn at least necessary expenses. Obviously direct dole will bankrupt the country, and work at Government expense, which is not absolutely necessary, diminishes the scope of activities which might otherwise be undertaken by private enterprise in the future.

If I correctly understand our problem of relieving unemployment and providing the necessities of life for all, the objective can be most expeditiously and effectively reached by concentrating our efforts and resources in two major operations—rural rehabilitation and industrial rehabilitation. These rehabilitation programs cannot be expected to solve the problem without auxiliary support. Other programs must be conducted concurrently with the two major programs to provide social security or relief for unemployables and work relief for those who cannot find employment in private or public enterprise, or in either of the two rehabilitation programs.

Social security machinery has already been set in motion which, if properly operated, will go far to take care of unemployables and those who are temporarily unemployed. It cannot be expected to provide security for those who are unemployed for long periods of time. It is and will continue to be necessary to provide some form of employment for idle white collar workers and those whose training and experience, or lack of either, makes them unsuited for employment either in industrial or agricultural pursuits. Many of those in this category will be absorbed by commerce which is allied with or dependent upon agriculture or industry, or both, after the major readjustment has been accomplished. Many who are trained in literature and the fine arts will find remunerative employment as our economic and social activities approach normal. Even after normal conditions are restored, there always will be need for an organization such as the Works Progress Administration to absorb inevitable unemployment. With these basic facts and relations before us, it seems to me that we should formulate, as soon as possible, a permanent plan for absorbing future economic shocks and unavoidable unemployment. I strongly recommend that we give serious consideration to the creation of permanent agencies for these purposes at the same time we are considering ways and means of taking care of the present crisis.

I am particularly interested in the provisions of the pending recovery legislation pertaining to public works.

On April 25 of this year, I introduced a bill (H. R. 10389) which, among other things, proposed changing the name of the Federal Emergency Administration of Public Works to "United States Public Works Administration," and making it a permanent bureau of the Department of the Interior, with the Secretary of the Interior as the Administrator. There are several reasons for proposing such a conversion. The past record of achievement of the Federal Emergency Administration of Public Works stands for itself, and when we consider the many time restrictions which have been placed upon the various phases of its operations, it is little short of a miracle that it has accomplished so much and with so little adverse criticism. Repeatedly, it has been called upon to start new programs, almost without warning, and in the face of all kinds of "dead lines." Nothing tends to boost the prices of building materials faster, or to make the awarding of contracts more difficult than the kind of time restrictions which have been imposed upon that agency. I hoped to remove such obstacles by giving that organization a permanent status and by granting it broad discretionary powers.

The Federal Emergency Administration of Public Works has conclusively demonstrated its ability and willingness to carry out the mandates of Congress. It seems to me that it would suffice to direct the Administrator to proceed with the new program as expeditiously as possible and leave the time elements involved to his discretion.

If the "deadliness" for receiving applications, for beginning work and substantial completion, imposed in the House joint resolution stand in the legislation finally enacted by both Houses, we may be sure that many very desirable projects will be lost on account of the restriction placed on the time for filing applications, and we expect material and contract prices to be boosted to the sky as we near the time limit for beginning construction.

We can never hope to accomplish a perfect balance between industrial production and consumption for a long period of time. There will always be peaks and dips above and below normal. These fluctuations, although normal, seriously affect our security market and industrial employment. We need a Federal agency, flexibly constituted, vested with broad powers, endowed with a large revolving fund, and armed with a reservoir of applications for useful projects which have been examined and approved, so that this agency can go into immediate action without further

authorization or appropriations from Congress when industrial consumption declines below the danger level. If we stabilize consumption, production will take care of itself. Serious economic catastrophes may be easily averted by a "stitch in time."

Aside from the peaks and dips normally to be expected in industrial consumption, there will never be a time when at least one section of the country is not suffering from physical disaster beyond its control. We have fires, cyclones, earthquakes, floods, and droughts to deal with. Stricken communities often require aid from the State or the National Government, or both, in order to replace or repair damages caused by such disasters. The same Federal agency which is constituted and prepared to assist political subdivisions in cases of economic emergencies resulting from normal causes can also assist in emergencies created by abnormal causes.

I hope that the Senate will give favorable consideration to amending the joint resolution passed by the House, to the extent of converting the Federal Emergency Administration of Public Works into a permanent organization, and removing the time restrictions imposed by the House. The funds provided in the resolution seem to be adequate for the next fiscal year; therefore, I have no comment to offer in that connection, other than to express a hope that the Senate will make no reductions.

Personally, I can see no sound reason for continuing the Public Works Administration from year to year in an emergency status. Its plan of operation is one of the most popular and effective yet devised for restoring industrial consumption. We know now that such an agency will always be needed.

If this committee does not elect to recommend the conversion of the Public Works Administration into a permanent organization, I hope it will at least entirely remove the time restrictions imposed by the House joint resolution for receiving applications, starting and completing projects, or extend those "dead lines" to more reasonable limits.

There is one provision in the joint resolution passed by the House which is vitally important to many municipalities and other political subdivisions which have reached their debt limit. The resolution, as it passed the House, authorizes the Public Works Administration to construct, equip, expand, or repair needed public improvements and to lease them to political subdivisions, with or without the privilege of purchase. The intent of this provision is to make it possible for political subdivisions, which cannot participate in the financing of needed improvements, to avail themselves of such facilities on long and easy rental terms, or to eventually acquire such facilities by virtue of having made rental payments amounting to 55 percent of the total cost, including interest on the investment. It is also intended to provide unemployment relief for localities which could not otherwise enjoy such relief. There is no question about the intent of the provision, but I have heard interested Members of the House of Representatives express grave concern over the language adopted. I hope that this committee will give it serious consideration and make whatever changes are necessary to insure its applicability.

Labor, Wages, and Hours

EXTENSION OF REMARKS

OF

HON. JOHN F. DOCKWEILER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1938

Mr. DOCKWEILER. Mr. Speaker, before the close of this session of Congress the representatives of the people, like myself, will be expected to express their views on a wage and hour bill. Without fear or the expectation of favor, I again wish to place myself on record as being unreservedly in favor of this sort of legislation. I regard it as a step in the right direction.

As you know, I have supported every measure which had for its purpose the establishment, maintenance, and guaranteeing of the American standard of living for the workingman. Labor has risen to its dignified position today by its own efforts. Every man is worthy of his hire, and the workingman should not be taken advantage of during times of depression simply because there exists a large supply of labor on the market. For the Government to allow a practice of this sort to continue results in but one thing, the gradual tearing down of the high standards of living built up during better days.

I am a firm believer in the doctrine that every laboring man and industrial worker should receive enough pay to provide himself and his family with nourishing food, warm clothing, comfortable shelter, and enough beyond these needs to set aside something for the rainy day, and these good things can be had by the worker of America if minimum wages and maximum hours are fixed by Congress. The people of this country are in favor of having Congress set a limit below which industrial wages shall not fall and a limit above which hours of industrial labor shall not rise. I take pride in the fact that in the last session of Congress I was the author of the wage and hour bill which had the approval and support of the American Federation of Labor and other strong labor groups. The bill now before the House, I am pleased to state, is very similar to my own bill. The present bill proposes the establishment of a minimum wage of 40 cents an hour and a maximum workweek of 40 hours. At the beginning it would fix a minimum wage of 25 cents an hour to be automatically increased each year by 5 cents until a limit of 40 cents is reached. The maximum workweek under the present bill is to begin at 44 hours and be reduced by 2 hours each year until 40 hours is reached. A longer workweek is permitted if time and one-half is paid to the workingman. However, employment of children under 16 is prohibited and the employment of those under 18 would be permitted only insofar as such persons are not employed in hazardous occupations, and the employer who violates these provisions would be prosecuted in the United States courts in the usual way as one is prosecuted for a violation of any other Federal statute.

May I repeat that this bill really provides a 40-cent minimum wage and a 40-hour maximum week and that its enforcement shall be placed in the hands of the Department of Justice? The Congress has reduced the proposals of this bill down to their simplest form. It is estimated that if this bill becomes law more than 3,000,000 industrial workers would be immediately benefited. This would mean better living conditions for these workers and their families, comprising several more million persons.

Many States today, as California, have minimum-wage legislation and forbid the employment of children and women under conditions not conducive to good health. Even though we have these good and helpful laws in California and some other States, the enactment of a general wage and hour bill will assist in bringing back prosperity in this country, because the provisions of this bill, blanketing the country as a whole, covers all the industrial workers in interstate commerce. Roger Babson, American economist of note, recently said:

> The sharp drop in purchasing power is a danger signal. Depressions are nothing more than a continuous downward spiral in buying power. Prosperity is the opposite process.

As I see it, the greatest benefits to us on the coast by the enactment of this bill is the reduction of the hours of labor per week and the resultant spreading of labor, giving employment to greater numbers. I hope that the workingman will appreciate that while the Congress is striving for ideal working conditions and better wages and shorter hours, needless to say the present bill may not do everything that the Congressmen or the laboring man may wish for, but we agree it is a good start. On the other hand, all workers and employers genuinely interested in maintaining the American standard of living, and in sound economic recovery, and interested in the maintenance of our Democratic institutions and our present social structure, should support this legislation.

I assert that, aside from the humanitarian objectives of this bill, it should be enthusiastically supported as good business policy. As you know, in my almost 6 years' experience as a Representative in Congress from the Sixteenth Congressional District of California I have supported every measure that would benefit labor and improve working conditions. I voted "yes" on the National Labor Relations Act, which I regarded as labor's magna charta; I voted for the Guffey coal bill, the bill of rights for the coal miners; I voted for workmen's compensation on Federal projects; I voted to prohibit interstate transportation of prison-made goods; for

the Wagner housing bill and all other housing bills, including projects for slum clearance and the building of homes for the low-income groups. I voted to order a census of labor-saving devices. As a member of the Committee on the Post Office and Post Roads, I supported a bill establishing the 40-hour week for postal employees. I voted for many fine projects which will give employment to labor—the Central Valley project in California, the All-American Canal construction, the construction of Boulder Dam, the development of national defense on the Pacific coast, including the Sacramento and Alameda air bases. I supported the old-age-pension bill and Social Security Act, the Railway Labor Act, the institution of the Tennessee Valley Authority, and many other acts benefiting labor and the little men and the little women of this country, and I regard it a high privilege and a duty to support the wage and hour bill.

My point of view on human and social questions is summed up in President Roosevelt's inaugural statement:

> The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide much for those who have too little.

Unjustified Criticism

EXTENSION OF REMARKS
OF
HON. AIME J. FORAND
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 17, 1938

LETTER FROM A CONSTITUENT AND REPLY OF HON. AIME J. FORAND

Mr. FORAND. Mr. Speaker, under leave granted to me to extend my remarks in the RECORD I insert a letter I received from a constituent and my reply thereto:

PROVIDENCE, R. I., *April 26, 1938.*

HON. AIME J. FORAND,
Washington, D. C.

DEAR SIR: Until now I have resisted an increasing urge to write to you as my Representative in Congress to tell you that you have, in fact, been misrepresenting me in your recorded votes on various legislative matters.

You have been far too blindly partisan to suit me in your leaning to the administration in practically every case where the best interests of the majority of people were at stake. Going back to the days of Grover Cleveland, I have come to the conviction that Mr. Roosevelt is at once the most insincere man we have had in the White House and he is, I am minded to think, the world's champion exponent of the art of mass hypnotism. In 1932 he asserted convincingly that he had all the answers to all our national problems. During the past 5 years it has gradually dawned upon more and more of the voters that, in truth, he doesn't know what it is all about.

His solemn promises to reduce the cost of government by 25 percent, his wanton waste of borrowed money in respect of the administration of the F. E. R. A., the C. W. A., the W. P. A., and all of the other alphabeticals, his ravishing of our currency, his attempted rape of the Supreme Court, his reckless appeals to class hatred growing out of his bitter attacks on the "economic royalists," of whom by birth and tradition he is one, if I understand the term, have contributed more than everything else together to destroy the confidence of those who have accumulated some wealth, and thus to dry up the wellsprings of our national prosperity.

But enough for Mr. Roosevelt. We shall get rid of him in 1940. I write to tell you that an increasing number of independents like myself are absolutely opposed to further pump priming. We are insistent that the power of the President be curbed rather than broadened. We demand that if there is to be any further waste of taxpayers' money in congressional investigations, the investigation cover the whole phase of the matter and throw pitiless publicity upon the mistakes, the graft, the political machinations of the quasi-public organizations such as T. V. A., R. F. C., and the like. One of the most vicious evils of our present system is that recipients of public aid (and I am treasurer of a local welfare society and have nothing but sympathy for them all) should be allowed continuously to retain their franchise. Notwithstanding that they are for the most part blameless for their situation, they certainly should not be permitted to vote after, say, 2 years of feeding at the public crib. If I am to be continuously fed from taxes levied upon my neighbors, then most certainly I should not continue to have a voice in saying how much that tax should be and how it should be expended.

Legislation should be speedily passed which will hold labor organizations to strictest accountability and to change the L. R. B. into a nonpartisan body.

By all means, as long as we have income taxes, income from whatever source should be taxed, and I shall expect you to vote consistently to secure whatever legislation may be needed to bring State and municipal salaries under the income-tax laws, as well as Federal salaries under the income-tax laws of the several States. Please don't remind me that Mr. Roosevelt has just made this commendable recommendation. He deserves no credit therefor; he was put on the spot by Pegler and others.

A lot of men of my acquaintance are going to take more interest in politics from now on, and I would remind you that if you wish to retain your seat you will do well to listen to the voice of your constituents rather than to the instructions of the tottering machine that nominated you.

Please understand that in all that I say, I do not mean to be offensive or personal but merely to express bluntly and with some show of restraint the feelings of growing indignation that are caused by the threat to business that is found in men and moves in Washington.

Sincerely yours,

(Signed) T. M. HENDRICKS.

MAY 11, 1938.

MR. THOMAS M. HENDRICKS,
38 Hatfield Street, Pawtucket, R. I.

MY DEAR MR. HENDRICKS: This will acknowledge receipt of your letter of April 26, which I delayed answering until now so that I could have an opportunity to study and analyze it. The more I read your letter, the less I can believe the statement in its last paragraph that you "do not mean to be offensive or personal."

You say that I have been misrepresenting you in my recorded votes on various legislative matters. In that respect I must remind you that you are only one of more than 350,000 constituents from the First Congressional District of Rhode Island and that I do not attempt to represent any individual but that I cast my votes for what I consider the best interest of the greatest number of my constituents. If you do not believe in majority opinion, then, of course, all I can say is I'm sorry.

Your slurring remarks about President Roosevelt are, to my mind, very much out of place and surely do not reflect the views of a gentleman. The least one can do is to respect the man who has been elected by the overwhelming majority of the citizens of the United States to the office of President.

You class the President as an "economic royalist, of whom by birth and tradition he is one, if I understand the term." I cannot help but say that by that statement you confess that you do not understand the term. If all the so-called economic royalists were as liberal as is President Roosevelt and entertained the humanitarian point of view that he does, this country would long ago have been back to normalcy and the millions of unfortunates who have been deprived of employment, food, shelter, and clothing over a long period would have been spared many of the hardships they have endured.

You say you are opposed to "pump priming." I wish it were not necessary to appropriate more money for relief of the unemployed and to help business, but we are faced with a situation. We cannot sit idly by, as did the Hoover administration, and hope that this situation will take care of itself. The Federal Government must take steps to help the needy unemployed keep body and soul together and until the unemployment situation is at least partly solved we must provide the funds to keep the people from starving.

You refer to the F. E. R. A., C. W. A., and W. P. A. as "wanton waste of borrowed money." Have you lost sight of the fact that this money was spent to relieve distress among the needy of this country, and are you so hard-hearted that you would prefer to let people starve rather than borrow money to assist them? I cannot take that point of view. I would prefer to double the public debt if necessary than to knowingly let one single person starve.

Your reference, "One of the most vicious evils of our present system is that recipients of public aid (and I am treasurer of a local welfare society and have nothing but sympathy for them all) should be allowed continuously to retain their franchise," is contradictory on its face. If you would disfranchise a voter because he is poor, even though, as you say, "they are for the most part blameless for their situation," then I say God help those applicants for relief who have to come to you for assistance.

To deprive a voter of his right to vote because he is unfortunate enough to be poor is, to my mind, not only disgraceful but unfairness and injustice carried to the limit. Such a statement coming from a citizen of Rhode Island, the cradle of religious liberty and freedom of thought, expression, and action, is amazing, to say the least.

I am happy that we can agree on at least one point. That is the enactment of legislation providing for the taxing by both the Federal and State governments of incomes from salaries received from Federal, State, and municipal government.

Your threat that you and "a lot of men of your acquaintance are going to take more interest in politics from now on, and I would

remind you that if you wish to retain your seat you will do well to listen to the voice of your constituents rather than to the instructions of the tottering machine that nominated you" does not impress me in the least. I have been in public life for more than 15 years and have always done my duty as I saw it, always keeping in mind the fact that I should voice the sentiments of the majority of my constituents and should work for the welfare of the greatest number without injuring anyone. This I shall continue to do, and I shall be willing to go before the people of my district at any time to be judged, not by what I say but by my deeds while in public office—in other words, on my record.

This letter has been written to you in as dispassionate a manner and with as cool a mind as I am able to command, and I sincerely trust that you will consider it in the same spirit.

I am happy to have received your letter, because you have afforded me an opportunity to discuss at some length several matters which I believe should receive your serious reconsideration, and I trust that after you have done so you may be a little more tolerant of what is being done to assist the unfortunates who have to seek relief and who, as you say, "are for the most part blameless for their situation."

Sincerely yours,

AIME J. FORAND.

Un-American Activities

EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1938

RADIO ADDRESS OF HON. SAMUEL DICKSTEIN, OF NEW YORK, MAY 14, 1938

Mr. DICKSTEIN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address made by me recently over the radio:

The so-called national leader of all the German Nazis in the United States has issued this challenge to our democracy: away with the policy of this country for 150 years, away with the "melting pot," hence further this country is to be reorganized on racial lines. No longer shall we be Americans deriving our ideals of government from our Declaration of Independence, or from the Constitution of the United States. No; hence further this is to be a battleground for all the opposing philosophies of governments imported from Europe. Germans in this country will be exponents of nazi-ism, Italians will proclaim fascism, and Russians will be mouthpieces of communism. A merry life is in prospect for all our people. We shall find ourselves surrounded by foreign ideologies, and become the arena in which conflicting views will be fought out.

Instead of making this country what our Constitution contemplated, a place where human life will be protected, where government exists for the benefit of all the people, and where justice and democracy have prevailed for 150 years, we shall now be subject to totalitarian rule by fanatics, who can see only one solution of any question, and one virtue in every man, that is to become a slave to the state and lose his individuality completely.

This is the pattern which the Fascist and Communist countries have been seeking to impose on an unwilling world. This is the pattern to which our public will now be molded.

Shall the American public permit itself to be duped by this type of propaganda? Shall we sit by while foreign agitators are seeking to undermine the citizens of our Government and remake this commonwealth to suit themselves?

I wish to reiterate at this time that I have no quarrel with the people of the United States, be they of German, Italian, Russian, or any other extraction. The bulk of our immigrants coming from these countries are just as liberty loving as the rest of us, and came to America because they wished to escape the same spirit of intolerance which Europe has shown to its people. My quarrel is with those tyrants of Europe who are seeking to convert our liberty-loving country into the same intolerant attitude to others which they may have for their own people.

We are all grateful for the liberties which are ours under our beautiful flag. We are proud of our United States and of our citizenship in this great Nation; but we must remember, also, that those blessings and those liberties carry with them a duty. There is responsibility that comes with privilege, with liberty, with opportunity. That responsibility is to maintain that never-ceasing vigilance to preserve for ourselves and our children these liberties and these blessings which our forefathers have won for us at the cost of their blood and lives. Liberty is something which we win through worthiness and by resisting subversive forces which are always to be found seeking to undermine the pillars of free government.

I know it is difficult for you and for me here tonight to realize what manner of man could so love power that he would be willing to enslave his neighbor. But we find that sort of men among us, and it is such men who are the real enemies of this flag, this Republic, this free Government; they would endanger your liberties and my liberties; and they do not care whether or not by doing so free men will become slaves. That is why Thomas Jefferson spoke so truly when he said, "A single good government is a blessing to the whole earth. * * * A just and solid republican government maintained here will be a standing example for the imitation of the people of other countries. * * * The eyes of the virtuous all over the earth are turned with anxiety on us to preserve the sacred fire of liberty."

As I have said, those of the rest of the world who came to America brought to this country their common contribution of character and industry, and that love of liberty that moved them to tear up by the roots their associations in their homelands because dearer to them than home was liberty.

For the past few months the papers of this country were full of information about spies who were rounded up by our Department of Justice, all of whom had connections with the Government of Germany, or with their allies in this country.

I had predicted bloody riots at the meetings of the Nazi sympathizers in the United States, and my predictions have been more than realized. Only the other night, scores of war veterans were assailed by enemies of our democracy, and a gentleman, who is the editor of a Democratic magazine in this city, and a disabled war veteran, found himself the victim of a most malicious and brutal attack by agents of the German secret police.

It is this German secret police, the so-called Gestapo, who come to this country disguised as seamen and lose themselves in the city of New York when German ships enter our harbors, and who commit some of the vilest crimes, and before they can be detected and apprehended by our police, scurry back like rats for safety on German ships. Something very drastic must be done about this.

All such acts, which I could discuss with you for hours, had I the time at my disposal, make it so necessary that a thorough investigation be had by Congress. This investigation is directed against all subversive forces against our Government, be they Communist, Fascist, or Nazi; they are all equally obnoxious to us. None of them will be spared. Subversive movements must be eradicated no matter from whatever source they come. The American people are tired of the inactivity of our public bodies against this menace. My mail is bulging with correspondence from all sections of the country, and all parts of the world, urging me and urging our people to take the proper steps to suppress the vicious and poisonous propaganda, which is seeking to convert this country from one of liberty to one of tyranny.

We have no concern with other governments, and it does not make any difference to us whether other nations prefer slavery to liberty, but we cannot be indifferent when other nations seek to tell our people how to conduct our affairs. To quote the President of the United States in a recent speech, "When, alien influence seeks to undermine the foundations of our own institutions we become definitely concerned."

By power of subpena granted to the congressional investigating committee, it will be possible to examine the documentary materials of foreign agents, who are eagerly waiting for the day when a "showdown," as they claim, will come, but the vigilance of our people will never let that day arrive.

Taking a leaf out of the book of recent successes, which Hitler was able to obtain through the careless attitude of the people of Austria, they seek to create a condition of affairs where our own people will be indifferent to the blessings of liberty, and permit a tyrant to seize control of their government.

In the last few weeks we witnessed an attempt to stage Nazi parades through the cities and villages of Long Island, marching under the banner of Hitler, goose-stepping in storm trooper uniforms adorned with swastikas, which attempt was happily suppressed by the vigilance of the public officials of Long Island. You undoubtedly have seen in the newspapers how it was necessary to put a stop to this form of propaganda, by refusing permits to parade and by insistence on the part of the public authorities of the Long Island towns and villages to prevent foreign propaganda in this part of the country. Instances like this can be multiplied. You will find a similar situation prevailing everywhere in these United States, and particularly, must I warn you that only by extreme care can you prevent this outrage upon our democracy.

The enemy is always alert. Just like during the World War it was necessary to impose upon ourselves constant restrictions, lest we should give aid and comfort to the enemy, so now, 20 years later, we must again take the proper steps to protect ourselves against this enemy, and perhaps more so, because the enemy is now more insidious and subtle, and his work is in the dark, unless we throw the light of public opinion on his designs.

And so I wish to appeal to you, ladies and gentlemen, not to become careless and sit idly by while the enemy is building up its forces to destroy our form of government.

The Rules Committee of the House of Representatives performed a patriotic duty when it reported out favorably the resolution calling for a congressional investigation of these subversive forces. I wish to thank particularly the chairman of that committee, the

Honorable JOHN J. O'CONNOR, and the other members of the committee for their vote to report this resolution with a favorable recommendation for action by Congress.

I expect Congress to sustain the Rules Committee and vote for it when it reaches the floor of the House of Representatives. But as I said before, vigilance is necessary, and not only vigilance to protect our liberties, but also vigilance to see to it that our public bodies be given full power to examine into and ferret out all of these subversive activities, under whatever guise they may be conducted.

I therefore urge upon you, my friends, to communicate with the members of the House of Representatives from your district, and request them to vote for the resolution when it reaches the floor of the House.

Only by a united effort and close cooperation of every American and all of our patriotic bodies, can we expect to put an end to this poisonous activity of the enemies of our democracy.

An Un-American Proposition

EXTENSION OF REMARKS
OF
HON. AIME J. FORAND
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 17, 1938

Mr. FORAND. Mr. Speaker, I received a few days ago a letter that caused me great surprise. This letter was from a constituent who apparently desires to deprive citizens of these United States of their right to vote because they are unfortunate enough to be poor, either because of their inability to obtain employment or of some other reason beyond their control. I quote from his letter:

> One of the most vicious evils of our present system is that recipients of public aid should be allowed continuously to retain their franchise. Notwithstanding that they are for the most part blameless for their situation, they certainly should not be permitted to vote after, say, 2 years of feeding at the public crib.

Mr. Speaker, I cannot agree with these views. I believe, as I am sure most of my colleagues here in the House believe, that instead of seeking to deprive these unfortunate people of their right to vote we should endeavor to rehabilitate them by providing jobs at salaries that will permit them to live decently and restore them to their proper place in our economic life.

How a citizen of Rhode Island, the cradle of religious liberty and of freedom of thought, expression, and action, can entertain such a point of view is beyond my comprehension. However, I assure you, Mr. Speaker, that this constituent represents a very small school of such thought in Rhode Island.

The qualifications required of a voter are set out clearly in the Constitution of Rhode Island, and no mention is made therein which would exclude from the voting privilege anyone who is so unfortunate as to have to be on the relief rolls. He must, however, register during a given period, unless he owns real estate or pays a tax on personal property worth in excess of $134. In other words, as a registry voter, if you wish to vote in Rhode Island on November 8, 1938, you must register on or before June 30, 1938.

I am sure, Mr. Speaker, that the people of Rhode Island do not agree with my correspondent that it is a "vicious evil" to permit persons who receive public aid to exercise their franchise and to vote on election day. Both the Democratic and Republican Parties in my State are encouraging these voters to register so that next November they may express their choice of Government officials for the ensuing 2 years, and the registration bocks in every city and town in the State show that more citizens have registered to date than on any corresponding period in any previous election year.

I am happy to note, Mr. Speaker, that the people of my State are taking a more active interest in government, and I am sure that our country will be all the better because of the display of such interest.

Wage and Hour Bill

EXTENSION OF REMARKS
OF
HON. ROBERT RAMSPECK
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 17, 1938

EDITORIAL FROM THE NEW YORK TIMES OF MAY 16, 1938

Mr. RAMSPECK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the New York Times of May 16:

SCALPEL OR AX?

The next important piece of legislation which the House still has before it is the wage and hour bill. One principal question which must be asked regarding that measure is: Will it benefit on net balance the particular group that it is intended to benefit?

The House bill proposes that through a series of stages minimum wages finally be fixed at a flat level of 40 cents an hour throughout the country and maximum hours restricted to 40 a week. Disregarding at the moment the important question of hours, what effect is such a measure likely to have on the employment of the persons affected? So far the advocates of this law have persistently refused to face this problem with much realism. If no one is to be employed in industry for less than $16 for a 40-hour week, then no one whom employers do not deem worth that amount for such a week will be employed at all. We cannot make a man or a woman worth a certain wage by declaring that he or she shall not be offered or shall not accept any less. We deprive such persons of whatever they could have earned, and we deprive the country of whatever services or goods they could have produced. Doubtless a large number of the persons affected would be retained at the higher wage, but extensive unemployment might cause the group as a whole to be much worse off.

Half the States have adopted minimum-wage laws, principally for the protection of women and minors, but compared with the proposed Federal wage and hour bill, their procedure has been carefully safeguarded. In the New York State law, for example, which is typical of the best practice, administration is placed in the hands of the industrial commissioner. The commissioner has the power to investigate any particular occupation to learn whether it is paying a substantial number of women or minors less than enough "to provide adequate maintenance and to protect their health." If he finds this to be so, he is to appoint a wage board to recommend minimum wages in that occupation. This wage board is to consist of not more than three representatives of employers, an equal number of representatives of employees, and of not more than three disinterested persons representing the public. The wage board has the power to subpena witnesses, books, and records, and is to make its recommendations within 60 days.

The commissioner may accept or reject its report. If he accepts it he must give notice of a public hearing on the recommendations. After the hearing, he approves or disapproves the report. If he disapproves it he makes a "directory" order setting the minimum wages in that occupation. This order carries no penalties for nonobservance except that of publicity. If, however, after that order has been in effect 3 months, "persistent nonobservance" seems "a threat to the maintenance of the minimum-wage standards" fixed, the commissioner must give notice of his intention to make the order mandatory. Again he must hold a hearing before action. Finally, after a minimum-wage order has been in effect for 6 months, the commissioner may reconsider it or appoint a wage board to suggest modifications.

Following this series of prescribed steps, New York State has fixed minimum wages for women and minors in certain occupations. It has just established tentatively a minimum weekly wage of $16.50 and a maximum work week of 45 hours for the 16,000 women and minors employed in 8,000 beauty shops in the State. A few months ago it fixed minimum wages for women and minors in the laundry industry. A minimum weekly wage of $14 for a 40-hour week was fixed in laundries in New York City and Westchester and Nassau Counties. In cities outside this zone, with a population of more than 18,000, a minimum weekly wage for this year of $12.80 was fixed, and a minimum hourly rate of 32 cents. In places with less than 18,000 population no weekly minimum was fixed, but an hourly minimum of 30 cents.

It will be noticed that these wages were fixed after employees and employers had both been heard, and after representatives of the public had studied the particular situation. It will also be noticed that as a result of this study differentials were fixed between industries, and within the same industry, even for a single State. It will finally be noticed that wages below 40 cents an hour were fixed even in the richest State in the Union.

In contrast with this is the House wage and hour bill. This bill has been drawn without inquiry, without study, without an attempt to determine just how many persons will be affected by

it, in what industries, in what sections, and how they will be affected. It makes no provisions for special study of particular conditions in any industry or section, but blindly lays down its fixed minimum wages and maximum hours. The difference between the New York law and the House bill is the difference between legislating with a scalpel and legislating with an ax.

Thomas Scott Baldwin

EXTENSION OF REMARKS
OF
HON. LEWIS L. BOYER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 17, 1938

Mr. BOYER. Mr. Speaker, Thomas Scott Baldwin was born in Marion County, Mo., on June 30, 1855. He moved to Illinois while yet a child and located in the city of Quincy in the Fifteenth Congressional District, which I have the honor to represent. He died on May 17, 1923, having brought great honor to the great States of Missouri and Illinois by his world-famous achievements in the field of aeronautics.

From May 15 to the 21st we are celebrating Air Mail Week and it seems fitting and proper that we commemorate and acclaim the honor brought to the State of Illinois by the service rendered to the world by Captain Baldwin in the field of aeronautics.

Few men in the aeronautical field enjoyed greater popularity than did Captain Tom, as he was affectionately known to countless friends he had made in the 40 years entirely devoted to aeronautics. His earliest connections with aeronautics dates back to that now ancient period when free balloon ascents, coupled with parachute drops, were the star attraction of the country fairs all over the country. His first balloon ascent took place in 1875, and in the 25 years that followed, Captain Baldwin made several thousand balloon ascents all over the world.

On Sunday, January 30, 1887, Captain Baldwin startled the western part of the United States by being the first man in the world to successfully make a parachute jump. He made his jump from the balloon *Eclipse* at a height of 1,000 feet and glided to safety by means of his parachute, none the worse for his descent. Amid the cheers of thousands of people he picked up his parachute and marched off the field.

Captain Baldwin not only made parachute jumps in this country, but on July 29, 1898, at the Alexandria Palace, the home of the rulers of Great Britain at that time, he startled the British public when he made his successful parachute descent in the presence of nobility and many people of high renown. The Royal Balloon Society of Great Britain presented him with the first gold medal which had ever been awarded by that society, immediately following this feat.

At Oakland, Calif., on August 2, 1904, Captain Baldwin made the first successful dirigible flight in the United States in his now famous airship the *California Arrow*. He made this airship all himself and developed it to a point where he raced the fastest touring automobile on the Pacific coast from Shoot Park, Los Angeles, to Raymond Hotel in Pasadena and beat it with a fair margin of 10 minutes.

In 1907 the United States Army became impressed with the military possibilities of the airship and the Signal Corps ordered from Captain Baldwin a nonrigid airship of 20,000 cubic feet capacity. This craft, the *SC–1*, piloted by Captain Baldwin himself, the following summer passed the tests and was adopted for use by the Signal Corps. The ship was 96 feet long, 19½ feet in diameter, and was propelled by a 20 horsepower Curtiss water-cooled engine, which actuated through shaft transmission a tractor propeller and gave the ship a speed of 20 miles per hour. It was on this, the first American Army airship, that the early military aeronauts of the United States Army were trained.

For the next few years Captain Baldwin temporarily deserted the lighter-than-air craft in favor of the airplane, which was then bursting in upon the world with leaps and bounds, and which was beginning to overshadow the airship.

In 1913, or thereabouts, Captain Baldwin gathered a number of his flyers, most of whom he had personally trained, and conducted a highly successful exhibition tour of the Philippines, Japan, and China, where the "Baldwin Fliers" showed American wings for the first time and where in most cases no airplanes had ever been flown before. In 1914, shortly before the Great War, Captain Baldwin made a tour of Europe for the purpose of familiarizing himself of the latest form and developments in aeronautics, and particularly in airships, which once more attracted his attention.

When the United States entered the war against Germany Captain Baldwin, who was then 62 years old, immediately volunteered for active service and was commissioned a captain in the aviation section, Signal Corps, on April 25, 1917, and was assigned to be Chief of Army Balloon Inspection and Production, which post he held until October 1919, when he was honorably discharged from active service.

During his wartime service Captain Baldwin, who was promoted to major on June 18, 1918, not only personally inspected every type of lighter-than-air craft produced in the United States but also contributed much valuable knowledge with respect to construction and maintenance of balloons and airships.

After his discharge from active service Captain Baldwin was attached to the Army Air Service in civilian capacity as district manager of balloon inspection and production in the Procurement Division, Air Service, with the Goodyear Tire & Rubber Co. at Akron, Ohio. Captain Baldwin held three pilot certificates: Balloon pilot certificate No. 1, airship pilot certificate No. 9, and airplane pilot certificate No. 7, all issued by the Aero Club of America.

When Captain Baldwin passed to the happier flying grounds he left a great void in the aeronautical world, but his memory will live in the hearts of the innumerable friends he made during his well-filled life, and his name now takes its place among the other distinguished and honored pioneers of airship development.

Education—National Youth Administration

EXTENSION OF REMARKS
OF
HON. JOHN F. DOCKWEILER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 17, 1938

Mr. DOCKWEILER. Mr. Speaker, the House and Senate have just passed the appropriation bill for work relief and for loans and grants for public-works projects, but it is very interesting to many of us concerned with the youth of America that out of the sums appropriated, $75,000,000 was set aside for the National Youth Administration. This represents the largest sum so far given to this movement and for the protection of the young womanhood and the young manhood coming up to take their place in the affairs of the Nation. At the present time there are approximately 323,000 school and college youths receiving National Youth Administration aid, and 153,000 youths out of school are employed on the training and other work projects. The National Unemployment Census taken in November of last year indicated that approximately 3,500,000 youths were seeking work. While it is true the Civilian Conservation Corps has taken 350,000 young people and given them assistance, one can readily see that many times that number must be taken care of next year, so $75,000,000 has been set aside for the student-aid program for the fiscal year 1939, and the National Youth Administration works program will

be expanded to provide for a greater number of youths out of school. In all, we hope 600,000 will be taken care of.

In the year 1935 the President said he thought we ought to try to meet the situation with respect to high-school students, and so the Works Progress Administration established this program, which would include as many young people as possible, both in school and out of school, and the result was the establishment of the National Youth Administration. This really came about because a number of college presidents met here in Washington with the President to devise some means to help provide opportunities for young people, and these presidents pointed out how, during the depression years, their enrollments had dropped paralleling the industrial drop, and if this condition continued it would act in a most unfortunate manner against the low-income groups and actually deprive children of these families of the opportunity of higher education.

I am a firm believer in the doctrine that the entire structure of democracy rests upon the foundation of public education, and that in a democracy illiteracy and ignorance are the enemies of justice and progress. Public education, adequately supported and free from all politics, is the best guaranty of freedom and the surest hope of future advancement. Education, therefore, is and must continue to be the most important function of a democratic state. In my State of California the constitution recognizes this basic principle. It provides that money for public education shall be the first call upon the State treasury, and because of this enlightened constitutional provision not a single school in California was forced to close its doors during the depression. Adequate financial support for public education at all levels from kindergarten on through to the State institutions of higher learning, and including adult education, is essential to the welfare of our society, and no tax revision scheme or budget limitation should be permitted in any way to imperil the financial support of the schools.

Under the program of the National Youth Administration in many colleges we find that the payment of the maximum of $15 a month actually provides the necessary money for cost of college education. The student is not eligible to receive this aid unless he is a regular attendant and carries at least three-fourths of the normal schedule in such school. In colleges students receiving this aid do various kinds of work. They work on the campus, they do work in connection with the teachers such as clerical and stenographic work, and they assist the teachers with the grading of papers and they take off-campus work for public agencies. Often they do ground beautification or assist in school laboratories as laboratory assistants.

They do statistical and survey work in connection with research, and many other types of work, all of which is conducive to making a better man or woman of such boy or girl. At the present time there are more than twenty-five-thousand-three-hundred-and-odd schools and colleges participating in this program. This is divided up into 1,635 colleges and 23,584 schools. So far as our committee is able to ascertain none of this money is spent for overhead expenses, and it can be truthfully said that the colleges and schools have accepted the trust of administering this money and have discharged it in a manner that constitutes one of the fine things of modern public administration.

Under the Emergency Relief Appropriation Act of 1937 the National Youth Administration student-aid program allotted to California $1,075,230, school aid receiving $300,000 and college and graduate aid receiving $775,230. This represents the figures spent out of the present current-year appropriation. Before July 1 of this year this sum will be increased considerably. In California alone in the current year 13,254 school and college students are being assisted. This aid seems to be equally divided among the girl and boy pupils.

What a pity it would have been if during the economic dislocation of the past 8 years the youth of our country would have been denied the right to secure the education that their brothers and sisters have received during better times. How serious a scar this might have left upon the social structure in years to come we are really not in a position to estimate and of all the activities of the Works Progress Administration in which so much money has been spent, I do not know of any person who has been critical in the slightest degree of this particular activity. The opportunity of education can come only in the youthful years of every man and woman and if they miss this opportunity their future will be stunted, handicapped, and unhappy. I have been and will always be a vigorous supporter of free institutions and public education and I consider this almost a birthright.

Wings Across America

EXTENSION OF REMARKS
OF
HON. LAWRENCE J. CONNERY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 17, 1938

PRIZE ESSAY BY THOMAS J. OWENS, OF LYNN, MASS.

Mr. CONNERY. Mr. Speaker, under permission granted me to extend and revise my remarks, I am proud and happy to place herewith in the CONGRESSIONAL RECORD for posterity the admirable essay entitled "Wings Across America," by Thomas J. Owens, my constituent from Lynn, Mass.

This essay won first prize for Thomas J. Owens, 15 years of age, a student of St. Mary's Parochial School, Lynn, in competition with 15,000 school boys and girls of Massachusetts in connection with Air Mail Week, which is being celebrated from May 15 to May 21.

Massachusetts is very proud of Thomas J. Owens, and I am especially proud that he not only represents the State of Massachusetts but my congressional district and that he is a student of the school which I attended as a boy.

Searchlights poking their long yellow fingers try in vain to pierce the murky fog! Far above, a giant silver eagle carefully noses its way down, settling slowly on the soggy earth beneath. Waiting men, vague shadows in the swirling gray, skilfully shift mail bags, and again the queen of the skies is aloft on her flight. Although swallowed up in the smothering fog, the steady purr of her engines is like a challenge to the elements.

At fixed intervals such scenes are enacted with almost clockwork precision at nearly all airports in our Nation. Whether the atmospheric condition be rain, hail, sleet, or snow, the ever-faithful mail flies. Thus the oft-repeated motto, "The mail must go through!" is made an impressive reality.

Air mail joins city to city, State to State, ocean to ocean, with flying silver links, links that are as strong and lasting as the indomitable spirit of the men who pioneered early mail flying.

To this modern streamlined world, air mail offers a modern means of communication, a system which is fast, economical, easily accessible, founded and developed upon basic principles that are inherently sound and reliable.

Today more than ever before business is realizing that here is the answer to the all-important question of speedy, efficient communication. The volume of mail transported has doubled and even tripled in the last few years.

With the labor and the lives of countless men, air mail has carved in the hall of progress a niche that will ever remain a memorial of its contribution to twentieth century advancement.

The Recovery Bill

EXTENSION OF REMARKS
OF
HON. JOHN W. BOEHNE, JR.
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 17, 1938

LETTER FROM JOHN NAPIER DYER, OF VINCENNES, IND.

Mr. BOEHNE. Mr. Speaker, under the leave to extend my remarks in the RECORD I attach the following letter received recently from John Napier Dyer, of Vincennes, Ind.

The letter follows:

McKENNEY FARMS,
Vincennes, Ind., April 15, 1938.

Hon. JOHN W. BOEHNE, Jr.,
House of Representatives, Washington, D. C.

DEAR JOHN: In view of the demand of the President that Congress provide about $6,500,000,000 for a pump-priming program, it seems an opportune time to take stock of what has been accomplished through a similar money-spending program.

In his address last night the President spoke of the rehabilitation of agriculture as though it were an accomplished fact. Sound economists are agreed that the fundamental and basic spending power of the Nation is created out of the wealth produced annually by the agricultural group.

From 1920 to 1928, when the country was in its greatest era of prosperity, the agricultural group sustained losses of approximately $60,000,000,000 and this factor unquestionably contributed in large measure to the economic tragedy which came upon the Nation in the fall of 1929.

The Roosevelt administration came into power in 1933 pledged to aid agriculture. Up to the present time no practical economic betterment has been given to the farmers. Their share of the national income is and has been out of proportion to the total national income.

In the beginning of 1937 the business of the country was on the high road to prosperity. When the price of wheat slumped from $1.25 to 80 cents per bushel there was immediate recession in the Nation's buying power. The corn crop of 1937, which began to come onto the market in September, was being bought at 35 cents per bushel, with the result that a further stupendous decline in industrial and commercial activity was registered in the market places of the Nation. The automobile business, dependent very largely upon farm buying power, folded up. The price of corn today in this local market is 45 cents per bushel, which is approximately the same as 35 cents in view of the shrinkage of the stored grain.

We are facing the maturity of a new and bumper wheat crop, which is being sold by the speculators at constantly decreasing prices, and the probable price to be paid to the producer, based upon current speculative market and a yield of 800,000,000 bushels, with a carry-over of 200,000,000 bushels, will be 50 cents per bushel.

I would remind you that the parity price for wheat, based upon the price that the farmer must pay for the things he buys, is $1.26 per bushel, and it would be useless and fallacious to attempt to prime an economic pump with six and one-half billion dollars of borrowed money when at the same time we destroy the agricultural buying power of the wheat crop alone of approximately $5,000,000,000.

Sound economics and good judgment, it would seem to me, should be coupled with any plan for money spending, so that the basic economic wealth which comes out of the ground should have its values maintained by arbitrary price fixing, as is done with every other utility of public necessity.

No sound theory of economics should permit the destruction of the value of the products of agriculture through the influence and by the power of money in the hands of manipulators who profit out of the decline in prices registered on the commodity exchanges.

As a Member of Congress, you are in a position to exert a powerful influence in coupling with any program of money spending a plan to maintain a parity price for the products of the farm, and by so doing there will be created, in addition to the $6,500,000,000 proposed to be expended by the President, sixteen to twenty billion dollars of spending power re-created through the increased value of the products of agriculture.

The spending of money for pump-priming purposes without definite and adequate protection to the value of the products of our farms will achieve the same result as has been registered by the recession which followed the destruction of the Nation's basic spending power.

I urge upon you extreme caution in committing the Nation to a plan of money spending which at the same time does not protect the great basic wealth which is the very foundation of our economic progress and our prosperity.

Sincerely,

JOHN NAPIER DYER.

Agricultural Imports

EXTENSION OF REMARKS
OF
HON. STEPHEN PACE
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 9, 1938

LETTER FROM THE SECRETARY OF AGRICULTURE

Mr. PACE. Mr. Speaker, on March 24 the Honorable BERTRAND H. SNELL, of New York, inserted in the Appendix of the CONGRESSIONAL RECORD the following table with reference to the import of certain farm products in the years 1932 and 1937:

Item	Unit	1932 imports	1937 imports
Corn	Bushels	347,627	86,337,248
Wheat	Bushels	3,395	17,434,837
Barley, malt	Pounds	52,532,636	371,243,456
Rye	Bushels	87	206,860
Tapioca	Pounds	130,000,372	432,857,738
Hay	Tons	13,858	146,149
Soybeans	Pounds	36,568,700	109,418,304
Cottonseed oil	Pounds	1,058,945	41,952,052
Butter	Pounds	1,052,598	11,110,762
Cattle	Head	97,040	494,943
Hogs	Pounds	34,155	16,555,218
Fresh pork	Pounds	1,657,500	20,876,569
Hams, bacon, etc	Pounds	3,015,489	47,422,022
Fresh beef	Pounds	796,594	4,665,558
Canned meats	Pounds	24,793,497	86,087,133
Total meat products	Pounds	46,749,702	191,906,012
Eggs, in shell	Dozen	243,784	520,189
Dried yolks	Pounds	726,400	5,426,358
Frozen yolks	Pounds	422,060	1,482,862
Egg albumen	Pounds	1,275,790	2,844,073
Wool and mohair	Pounds	58,097,521	326,034,709
Dried milk	Pounds	59,620	2,924,157
Hides	Pounds	188,013,286	312,035,407
Inedible molasses	Gallons	155,888,307	301,449,599

In connection with said table Mr. SNELL had the following to say:

Just stop and consider for a minute how many acres of land it would have taken to have produced these imported farm products, and how much more the income of the American farmer would have been if we had raised these additional amounts at home, instead of importing them from the foreign farmer. This New Deal administration has sold the American farmer down the river.

As the welfare of the people of my district is largely dependent upon agriculture, I naturally have a very deep interest in every feature of the farm problem which confronts us today. The manufacturing industry is well protected under our present tariff schedule from the competition of foreign-made goods, but there are many agricultural products which are not given this protection and to which they are justly entitled. However, I do not feel that the comments of the gentleman from New York or the table which he placed in the record is an entirely fair presentation of the facts, or that the Department of Agriculture is as unmindful of the situation as his figures would indicate. For comparison with the year 1937 he picked a year, 1932, when unusual conditions existed and which was not at all representative of normal imports.

Due to my deep interest in the subject I solicited information of the Department of Agriculture and submit the following letter from the Acting Secretary of Agriculture and the two tables which he enclosed with his letter. These show a somewhat different situation when the year 1929 is brought into the picture.

DEPARTMENT OF AGRICULTURE,
Washington, April 14, 1938.

Hon. STEPHEN PACE,
House of Representatives.

DEAR MR. PACE: Reference is made to your letter of March 26 requesting general information about the imports mentioned by Mr. SNELL in the House of Representatives on March 24 and also particular information as to the imports of cottonseed oil.

The large imports of cottonseed oil in recent years can be explained in terms of low cotton crops, the unusual shortage of all oils and fats, and the increased United States consumption of these products. The large cotton crop of 1937, however, has resulted in a change in the supply situation; so that cottonseed-oil imports during recent months have been very small in quantity, as is shown in an attached table.

The figures given by Mr. SNELL, in the clipping from the CONGRESSIONAL RECORD of March 24 enclosed with your letter, are correct with a few exceptions. Under 1937 wheat imports there are included imports for milling in bond and reexport which do not enter into consumption channels in this country. The figures which he gives for soybeans and cottonseed oil actually apply to soybean-oil cake and meal and cottonseed-oil cake and meal. The official figures for cottonseed-oil imports are those shown in the table referred to above.

Even where Mr. SNELL's figures are correct, however, the comparison made is unfair and the charges that the large 1937 imports

were attributable to domestic production control and that American farmers would have raised additional crops and had additional income had these imports been prohibited are entirely erroneous.

It is unfair to use the year 1932 as a basis for comparison. Our imports of both agricultural and other products were then at the lowest point in recent years. The reason for these low imports was, of course, the very low prices and reduced purchasing power in this country at that time. By 1937 imports of practically all commodities, agricultural and other, were substantially larger. A second table attached contains a corrected copy of Mr. SNELL'S table, with a column added showing the volume of imports of the commodities in question during the year 1929. It will be noticed that in a number of cases, such as cottonseed-oil cake and meal, soybean-oil cake and meal, meat products, egg products, and dried milk, our imports were higher in 1929 than in 1937.

In the second place, it is irrelevant to speak of the program of domestic-production control in connection with most of the commodities in Mr. SNELL'S table. Of the 23 items there mentioned, only 7—namely, corn, wheat, hogs, fresh pork, hams and bacon, cottonseed cake and meal, and rye—could possibly have been affected by the program. Even in the case of these commodities (with the exception of cottonseed cake and meal) the effect of the adjustment programs on production was very small as compared with the effect of the droughts of 1934 and 1936.

For example, the corn crop of 1936 (marketed during the year ended September 30, 1937) amounted to one thousand five hundred and seven million bushels, 41 percent less than the average of two thousand five hundred and fifty-five million bushels for the 5 years 1928 to 1932. Figures for the exact number of acres removed from production during that year under the agricultural adjustment program are not available separately for corn. The number of acres actually planted, however, was about 11,000,000 less during 1936 than during the record post-war year—1932. Even if it be assumed that in the absence of an adjustment program another record acreage would have been planted, production for 1936 would have reached only one thousand six hundred and seventy-two million bushels. It would still have been 35 percent below the 5-year average.

In other words, farmers planted an ample acreage to all of these drought-affected crops. They obtained low yields because of the droughts so that total production was not adequate. Even had all imports been prohibited during the marketing season 1936–37, the farmers of the United States would not have raised a single additional bushel or pound; and, in view of the small percentage the actual imports formed of total production, it is extremely doubtful whether they would have received any additional income.

The most convincing evidence that the abnormally large farm imports of recent years have been due principally to the droughts of 1934 and 1936 lies in the fact that, with the marketing of the better-favored crops of 1937, imports have returned to normal proportions. There is enclosed a copy of the March 12, 1938, issue of Foreign Crops and Markets, in which the current situation is discussed. As you will notice, with the exception of some of the meat products, all of the commodities mentioned in the clipping show lower imports this year than last. In the case of meat products, imports may be expected to decline as soon as the abundant feed crops of 1937 have had time to be converted into increased animal numbers.

Sincerely yours,

M. L. WILSON, *Acting Secretary.*

Imports for consumption of specified commodities into the United States, 1929, 1932, and 1937

Commodity	Unit	1929	1932	1937[1]
Corn	Bushel	399,138	347,627	86,337,248
Wheat (42 cents and 10 per cent ad valorem)	Bushel	36,263	3,395	8,082,958
Barley malt	Pound	1,025,396	52,532,636	371,243,456
Rye	Bushel	275	87	206,879
Tapioca	Pound	173,317,504	130,009,372	432,857,738
Hay	Ton	[2] 30,787	13,858	146,149
Soybean oil cake and meal	Pound	171,854,858	36,568,700	109,418,304
Cottonseed oil cake and meal	Pound	43,770,008	1,038,945	41,952,022
Butter	Pound	2,650,223	1,052,598	11,110,762
Cattle (except for breeding)	Number	411,939	97,040	494,945
Hogs	Pound	626,437	34,155	16,555,218
Total meat products	Pound	192,800,680	48,749,702	191,906,012
Fresh pork	Pound	4,124,215	1,657,500	20,876,509
Hams, bacon, etc	Pound	2,084,377	3,015,489	47,422,022
Fresh beef (except veal)	Pound	36,224,854	796,504	4,665,558
Canned meats	Pound	81,091,759	24,793,497	88,087,133
Eggs, in shell	Dozen	307,912	243,784	520,189
Dried yolks	Pound	5,494,716	726,400	5,426,358
Frozen yolks	Pound	3,600,593	472,060	1,482,862
Egg albumen	Pound	4,806,370	1,275,790	2,844,073
Wool and mohair	Pound	276,094,556	58,097,521	326,034,700
Dried milk	Pound	3,621,804	59,620	2,924,157
Hides and skins, raw	Pound	514,672,738	188,013,286	312,035,407
Inedible molasses	Gallon	275,168,529	155,888,307	301,449,599

[1] Preliminary.
[2] 2,240-pound tons for 1929, 2,000-pound tons for 1932 and 1937.

Source: Bureau of Agricultural Economics. Compiled from Foreign Commerce and Navigation of the United States and official records of the Bureau of Foreign and Domestic Commerce.

Imports of cottonseed oil into the United States, by months, 1934–38

Month	1934	1935	1936	1937[1]	1938[1]
	1,000 lbs.	*1,000 lbs.*	*1,000 lbs.*	*1,000 lbs.*	*1,000 lbs.*
January	[2]	7,738	12,912	10,062	112
February	[2]	13,110	14,462	25,066	2,050
March	[2]	26,726	16,456	28,783	----------
April	[2]	8,932	12,318	19,534	----------
May	[2]	27,268	17,531	41,052	----------
June	[2]	20,393	9,740	32,460	----------
July	[2]	17,966	7,462	16,210	----------
August	1	9,917	14,484	11,494	----------
September	0	9,837	10,310	8,151	----------
October	[3]	8,989	3,747	973	----------
November	3,961	6,079	6,149	174	----------
December	5,195	9,111	2,216	49	----------
Year	9,157	166,687	127,787	194,008	----------

[1] Preliminary. [2] If any, included in "Other expressed oils." [3] Less than 500.

Source: Bureau of Agricultural Economics. Compiled from Monthly Summary of Foreign Commerce of the United States and official records of the Bureau of Foreign and Domestic Commerce.

But certainly the time has come when the duty on foreign oils must be very substantially increased. Some of them should be put on the prohibited list, and I hope the Members of Congress will give the subject serious study before we return here in January.

For illustration, the price of peanuts is not controlled or influenced in the least by the nut itself or its edible value, but is governed entirely by the rise and fall in the price of fats and oils; that is, peanuts have no market of their own and the peanut producer is entirely dependent on the oil market. If we would substantially reduce or prohibit the importation of foreign oils it would be immediately reflected in a better price for the peanut producers of this Nation.

The same is true of our cotton farmers. I see no hope for a material rise in the price of cotton for the next 3 or 4 years at least. The report on the cotton situation by the Department of Agriculture on April 26 shows that the domestic consumption of cotton during the current season will be from 1,750,000 to 2,125,000 bales less than the consumption of 1936–37; that the consumption in February of this year was 20 percent less than in February last year, and this March was 9 percent less than last March. About the same situation exists abroad. From August through March our exports of cotton to Japan were only about one-third as large as during the first 8 months of 1936–37. Consumption of all kinds of cotton in foreign countries is running about 8 percent less than a year ago. Yet we had the greatest production of cotton last year ever known, producing 18,746,000 bales in the United States and 20,054,000 bales in other countries, a total of nearly 40,000,000 bales.

The Department now estimates that on August 1, when we start gathering another cotton crop, we will then have on hand in this country at least 13,000,000 bales, or more than a year's supply for domestic consumption and export, and that the carry-over of foreign cotton will be at least 10,000,000 bales. This will be a total carry-over on August 1 of 23,000,000 bales, and will be 10,000,000 bales more than was on hand on August 1, 1937. These are not cheerful facts and figures and offer no hope for a rise in the price of cotton for several years to come.

But when the farmer produces a bale of cotton he also produces 1,000 pounds of cottonseed, which he sells to the mills to be processed into cottonseed oil and meal. During the past season the farmer has received about $10 per 1,000 pounds for these cottonseed, due to the enormous supply of domestic and foreign oils. While we have no control over the production of cotton in foreign countries, we can control and prohibit these foreign producers from shipping their cottonseed oil into this country in competition with our own farmers. If the tariff on these foreign oils is raised to where they cannot enter this country, it will mean a much better price to the cotton farmer for his cottonseed and in part help him bear the loss he must take on his cotton, as the present price of cotton does not pay the cost of production.

The following report from the Department of Commerce on April 30 shows the enormous quantities of foreign fats

and oils imported into this country during the first 3 months of this year and gives you some idea of what the American farmer is up against:

Fats and oils imported for consumption, quarter ending Mar. 31, 1938

[The quantities "entered for warehouse" and not yet withdrawn are not included]

KIND	Pounds
Animal oils and fats, edible	885,370
Tallow, inedible	350,841
Wool grease	565,333
Whale oil	3,100,425
Cod oil	5,655,990
Cod-liver oil	7,056,038
Other fish oil	130,898
Stearic acid	146,325
Cottonseed oil, crude	38,818
Cottonseed oil, refined	7,372,000
Corn oil	5,840,565
Peanut oil	183,166
Palm-kernel oil	60,603
Olive oil, edible	20,763,021
Olive oil, sulphured	1,372,738
Olive oil, other inedible	851,974
Tung oil	28,046,191
Coconut oil	92,208,124
Palm oil	75,376,103
Soybean oil	2,015,440
Rapeseed (colza) oil	2,390,115
Linseed oil	50,095
Perilla oil	8,421,173
Teaseed oil	291,728
Oiticica oil	306,720
Sesame oil	342,255
Other vegetable oils	5,019,683
Fatty acids, vegetable	1,074,610
Carnauba wax	4,983,405
Other vegetable wax	793,459
Vegetable tallow	67,200
Glycerin, crude	1,852,477
Glycerin, refined	666,243
Grease and oils, n. e. s	$574

There should be more to the farm program than just reduction in the number of acres which a farmer can plant. We would not need so much reduction in production if we gave the American farmer better protection from foreign competition. How can the American farmer improve his standard of living and increase his purchasing power when he must sell his products in an open and unprotected market and in competition with the cheap labor in the other parts of the world?

We all want to improve the living conditions of those who work in the shop and the factory, but the farmers of this Nation labor from daylight to dark and they, too, are entitled to the protection of their Government. They are as much entitled to protection against unfair and foreign competition as are the manufacturers and industrial wage earners. There should be no class and no favorites; the American standard of living should be guaranteed to the farmer the same as to anyone else.

Philippine Independence

EXTENSION OF REMARKS

OF

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1938

EDITORIAL FROM THE PHILIPPINE-AMERICAN ADVOCATE

Mr. LEMKE. Mr. Speaker, the American people are interested in the question of Philippine independence. Whether that independence should be complete or partial seems to be a question among the Philippine people. I feel that the American people are entitled to hear both sides of that question. I, therefore, wish to include in my extension of remarks an editorial from the Philippine-American Advocate, as follows:

QUEZON PROVES TO BE IRRESPONSIBLE!—I ACCUSE * * *!

"President Quezon, speak up now!" shouted Congressman O'MALLEY from the floor of the House in presenting his resolution calling for immediate and complete Philippine independence without preferential trade.

The whole agitation for Philippine freedom has been concocted by one man only. That man is no other than Manuel L. Quezon, famous for his temperamental tantrums.

It will be remembered that Señor Quezon was the one individual responsible for securing the Tydings-McDuffie Act, granting complete Philippine independence on July 4, 1946. As a result of this act, the Commonwealth of the Philippines has been established, and Señor Manuel L. Quezon was elected as first President of the Commonwealth.

A year ago Señor Quezon visited the United States and agitated for advancing the date of Philippine independence to 1938 or 1939. In his agitation he charged that too long a wait under the terms of the Tydings-McDuffie Act might prove irksome and disastrous, a situation which might lead to friction in Philippine-American relations. Congress did not pay much attention to Señor Quezon's ballyhoo for immediate independence.

Because of his failure to gain congressional attention and the recognition of the American public for his proposal to advance the date of Philippine independence, President Quezon immediately presented another issue for consideration, this time, a dominion status. As with his previous issue, his agitation for a dominion status was received coolly in Washington by Government officials and congressional leaders, who considered the Philippine question a closed chapter.

The recent visit of American High Commissioner Paul V. McNutt to Washington culminated in the reported White House sanction of his speech on Philippine-American relations over the radio in which he advocated for "an indefinite period, the preservation of American sovereignty over the Philippines."

As a result of High Commissioner McNutt's vigorous plea for a reconsideration and reexamination of the Philippine independence question, congressional leaders as well as administration spokesmen appeared to be willing to reopen the Philippine independence question provided the initiative emanates from the Filipino people.

Like a bolt from the blue, Señor Quezon went into one of his temperamental hysterics and revealed in his combination of nervous histrionics and staccato phrases his inconsistent, unpredictable stand and change-too-often views on the Philippine independence question.

For example, when he said, "I have listened with very close interest to the speech of High Commissioner McNutt. I think his presentation of the facts as related to the present Philippine-American relations, is unassailable, and I endorse High Commissioner Paul V. McNutt's advocacy for indefinite American retention of the Philippines."

President Quezon further stated, "While in America last year I made speeches referring to the relations between America and the Philippines during the last 40 years in substantially the same terms."

It was also reported that Señor Quezon was consulted, and that the view of High Commissioner McNutt was made known to him on the eve of the High Commissioner's departure for the United States.

What was the result? Señor Quezon's endorsement of High Commissioner McNutt's speech in Washington drew the attention of both congressional leaders and administration spokesmen, with the conviction that Quezon, as spokesman for the Filipino people, had entirely abandoned his independence cry, and, predicating upon that hypothesis, Congress would be willing to reopen the Philippine independence issue.

The gold market in the Philippines improved immediately, and Judge Guillermo Guevara, a prominent Filipino businessman, upon hearing Quezon's endorsement of Commissioner McNutt's speech, expressed he was 100 percent behind McNutt's idea.

The statement carrying the endorsement of Señor Quezon was released on March 15 by President Quezon himself to his press interviewers at the Malacanang Palace.

However, on the following day, March 16, Señor Quezon contradicted his statement of March 15, 1 day before, and said that he "positively could not agree to any postponement of Philippine independence or to permanent continuation of American sovereignty on the basis of the plan proposed by High Commissioner Paul V. McNutt."

Instead, Señor Quezon proposed another plan, namely, a dominion status similar to that of Canada, and begged forgiveness for endorsing High Commissioner McNutt's proposal, because "he heard only part of the High Commissioner's speech on the radio before he read the portion in which McNutt proposed the United States should control Philippine foreign affairs, currency, tariff, and public debts."

President Quezon attacked the High Commissioner's proposal and said "it would only be advantageous to the islands so long as President Roosevelt remained in the White House and McNutt in the Philippines," but, as soon as others would occupy these positions, "whose interpretation of a democratic government is not as

liberal as President Roosevelt's and McNutt's, serious conflict would be bound to arise."

This public repudiation of Señor Quezon's endorsement of the speech of Commissioner McNutt regarding Philippine-American affairs, irritated congressional leaders to the extent that a ranking member of the Insular Possessions and Territories Committee of the Senate commented, "let those Filipinos decide first what they want before they take up any more of our time; and as far as the present session of Congress this year is concerned, the Philippine issue is a very remote one."

With Señor Quezon's inconsistent, unpredictable stand, and change-too-often views on the Philippine independence question, what does Señor Quezon want, may we ask?

To understand President Quezon's flea-like acrobatics * * * his announcement one day that he would willingly abandon the independence idea altogether to welcome a suggestion of a dominion status * * * and then his new agitation the next day for independence now, right off the griddle, serve it hot and to hell with tomorrow * * * to understand these idiotic gyrations by the man who claims all the credit for what has been achieved so far, it is necessary only to look back over the many years of Señor Quezon's personal history.

The Filipinos are today facing urgent necessity for sincere and constructive leadership.

Dictator Quezon should and must adopt a few sound policies for the Philippines and for the Filipinos, first and last, and stick to them.

If Señor Quezon has anything to shoot at Philippine-American affairs, he can use a rifle and shoot what he is aiming at, instead of using "blunderbuss tactics" and scattering shot over anything and terrifying everybody.

The main trouble with this agitation for Philippine independence is that neither the people nor the Philippine National Assembly, which represents the people, are ever consulted or considered before any proposal is presented to Congress for consideration and action.

The incontrovertible proofs are Señor Quezon's demand to advance independence to 1939; then the suggestion of a dominion status; then the endorsement of Commissioner McNutt's speech to preserve indefinitely the American sovereignty over the Philippines; and last, his public withdrawal of the endorsement of McNutt's speech. Not one of these proposals has ever been submitted to the people or to the national assembly for consideration.

Of course, Señor Quezon can claim that an act goes into effect only after it has received the sanction or ratification of the people, but what good is ratification or sanction if it is imposed upon the people?

It is always good governmental policy to consult the people concerning every proposal to be submitted to Congress for consideration, especially such a grave issue as their freedom.

We always had a high regard for any lawmaking body. Indeed, we consider it as one of the highest gifts of the people to be a member of the Philippine National Assembly, especially when it maintains and safeguards its rights, its powers and its intellectual integrity, and refuses to surrender its dignity to the caprices of Señor Quezon, thereby becoming subservient to his lust for power.

Businessmen, Filipino youth, thoughtful future leaders and statesmen, stir yourselves. We are in the hands of the fates. Our Señor Quezon, who is supposed to be a leader and a statesman, sits above us carving out the destiny of what the Philippines may become.

We see! We hear! Oh, so clearly. Señor Quezon calls himself a superpatriot and a statesman with democratic ideals, but where is he leading our country and people?

For our people's sake, let us preserve what democracy is left in the Philippines under the leadership of American democracy.

Members of the Philippine National Assembly, we appeal to your sense of responsibility as representatives of the people. In the days of Rizal, Mabini, Bonifacio, Luna, and other Filipino martyrs, men risked their lives for freedom and for right.

Today we risk our offices only. Is there any member of the Philippine National Assembly who is so small as to be afraid to fight for his right, for fear of risking his political life and for fear of risking the office he holds?

This is the opportune time, my countrymen, to strike and strike hard. This is the time, my compatriots, to preserve the power of the Philippine National Assembly in its independence, its integrity, and its pristine purity.

A MAN WITHOUT A COUNTRY

A man, especially a leader, is known for his convictions. No matter how humble any man may be, he is entitled to his own honest convictions.

We do not want to see any man or leader surrender his convictions to us. God knows, we would not want them thrown into our lap. We have sins enough of our own, and do not want to have a lot of them thrown in our lap by any man or leader.

Again we say, we do not want anyone to surrender his convictions. Whether men or leaders agree with us or whether they do not, we have respect for a man, especially for a leader, who stands by his word and who stands by his convictions, no matter what they may be—either be it the end of a man's life or the downfall of one's leadership.

As in the case of a political leader purporting to represent the will of the majority of the people, a leader without any convictions of his own, who is afraid to stand by what he says, is equal to a man without a country.

Dr. Abba Hillel Silver

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, May 18 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. ROBERT J. BULKLEY AT TESTIMONIAL DINNER TO DR. ABBA HILLEL SILVER

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting address delivered by the Senator from Ohio [Mr. BULKLEY] at the dinner which was given in honor of Dr. Abba Hillel Silver at the Hotel Biltmore in New York City on May 3, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

One of the fundamental reasons for the survival of the Jewish people has been that in times of greatest distress and trial leaders of uncommon attributes have risen to strengthen Jewish morale and courage in the face of adversity. The man we are honoring tonight is such a leader, for he has come to the helm of the United Palestine Appeal at a moment of grave crisis for the Jews in so many lands. We in Ohio have known Dr. Silver well for many years. We have a deep affection for him as a man and we have a great admiration for him as a leader. Dr. Silver is a man of vision, energy, and direction. These three qualities have made him a dynamic force in the civic and communal life of Ohio and of the United States as a whole. If American Jews respond to the leadership of such men, they will carry out with honor and success the responsibilities and burdens which the present world situation has placed upon the Jewish community in America.

There is no other Jewish community of comparable size to share these responsibilities and burdens. All over the European Continent the whole moral and political structure has been torn from its moorings by a storm of hatred and fear. The triumph of force over justice has struck terror in the hearts of those who were only a short decade ago the champions and defenders of democracy. International agreements have been thrown to the scrap heap. Human rights have been trampled in the dust. Morality and justice have been sent into exile and human dignity has been made an outcast.

The Jews have been struck by the full impact of this torrent of totalitarianism. Their tragedy is great indeed. During the past 5 years the Jewish people have been engaged in a critical struggle for survival. It has been attacked on every front. To old religious prejudices has been added a complex of economic and political prejudices and the Jew has been identified with every class and group subject to violent criticism. The battlefield for this struggle has been central and eastern Europe, but its reverberations have been clearly heard around the world. The march of totalitarian aggression has threatened the survival of democracy everywhere. Wherever the Jew has been attacked, other minorities and liberal groups have also suffered.

The Jews are the most sensitive barometer of political and economic upheaval. For they are always the first to feel the effects of governmental change and particularly the restriction of civil and religious liberty. Democracy is an indispensable pillar of Jewish freedom and survival. But the Jews have defended and will continue to defend democracy not merely because it is essential for their protection and well-being, but because it has been a fundamental factor in their social and cultural development as a people, and a foundation stone of their structure of moral and social justice. They have learned to eschew reaction and narrow bigotry, they have learned in the hard school of experience to despise tyranny and dictatorship.

Throughout the present wave of oppression the Christian world has failed in its elementary responsibility to halt gross injustice and bitter race hatred. There can be no greater indictment of our civilization today than the fact that old men and women and children have been stripped of all their worldly goods and food and set adrift to perish of hunger and exposure. Such an incredible violation of human decency is without parallel in modern times. It implies a moral retrogression which must alarm the civilized world. Inaction and indifference to the plight of the Jewish people today will only serve to undermine our entire moral structure. Civilization and justice are not dead, and we must promptly take our stand against injustice and oppression.

Twenty years ago, at the end of the Great War, the nations of the world were faced with the problem of millions of Jews who were made homeless and destitute as a result of that conflict. The distress of the Jewish people at that time evoked such universal

sympathy that the conscience of the Christian world was moved to undertake a project that would restore Palestine as a Jewish national home and thereby open to many hundreds of thousands new opportunities for rehabilitation.

This great historic act was incorporated in the Covenant of the League of Nations and endorsed by 52 countries, including the United States. A mandate was granted to Great Britain as a sacred trust to carry out the Balfour declaration which England had published in 1917, pledging herself to promote the establishment of a Jewish national home in Palestine.

The Jewish situation today is in many respects infinitely worse than it was in 1918 because many hundreds of thousands of Jews are not merely faced with the problem of obtaining food or shelter but of surviving an environment that has been poisoned with a vicious anti-Semitism that denies the Jew even the most elementary human rights. Those who now have bread in their cupboards and a bed to sleep in may be in greater despair than those who went hungry and barefoot 20 years ago.

In view of the fact that the tragic position of the Jewish people is more critical than it was in 1918, the nations of the world must inaugurate a program of relief and redress commensurate with the urgency of the need. I believe that all of us may feel justly proud of the fact that an important step in this direction has been taken by President Roosevelt and Secretary Hull. The American Government's invitation to other nations to join in an international program of refugee emigration may be the basis of a historic action as far reaching as that of 1918 if the nations of the world unite in making possible larger immigration into Palestine and a more rapid economic development of the country.

In 1918, when the world powers decided to grant the Jews an opportunity to rebuild Palestine, that country was a desert waste. Neglected for many centuries Palestine was a barren, backward land offering meager inducements for large-scale settlement. At that time no one was very optimistic about the number of Jews that Palestine could absorb. The whole project was in the nature of an experiment and only the most ardent idealists expressed confidence in its success. But during the two decades that have intervened the Jewish people have worked a miracle of reclamation and reconstruction of unprecedented proportions. They drained the swamps. They irrigated the desert. They made fruit grow on land that had lain arid for centuries. They built cities on sand dunes. They built new industries and with the aid of scientific equipment they made the dry soil of Palestine fertile. American Jewry bore a major share of the burden of this upbuilding program through its support of the United Palestine Appeal and the Palestine Foundation Fund and the Jewish National Fund, which are combined in this drive. In the short span of 20 years the heroic pioneers and builders established a community of 430,000 and prepared the country economically and agriculturally for the absorption of many hundreds of thousands of others. Economic experts today estimate that Palestine can comfortably absorb more than 2,000,000 Jews within the next 20 years. That such a thing should be at all possible is perhaps the greatest tribute to the idealism, sacrifice, and energy of the Jews who went to Palestine to build and create a new life out of the wreckage which they salvaged from the countries of oppression.

What a rich opportunity Palestine offers to the nations of the world today for carrying out a program of mass resettlement for homeless and oppressed Jews. President Roosevelt's proposal for refugee emigration should be the springboard for renewed effort for maximum colonization and settlement in Palestine. It is, of course, a most welcome gesture of tolerance and sympathy for those countries which have accepted President Roosevelt's invitation to open their doors to as many refugees as their immigration quotas will permit. But the desperate position of many hundreds of thousands of Jews requires extraordinary measures. Homes for greater numbers than those that can be admitted by these countries must be found elsewhere. In 1918 it was said that Palestine might provide a home. In 1938 it has been said and proved that Palestine can provide a home for a larger number of Jews than can be admitted to all other countries in the world. Palestine has achieved this position during the past 5 years without any special aid or cooperation such as has been initiated by President Roosevelt and Secretary Hull. Since 1933 Palestine has absorbed more than 190,000 Jews from Germany, Austria, Poland, and Rumania, and other lands. Palestine has demonstrated beyond any doubt its capacity for mass Jewish immigration. Is there any question that Palestine could absorb far greater numbers in the future if the governments of the world would prevail upon Great Britain to open the doors of Palestine to an immigration based on the principle of economic absorptive capacity and not upon artificial restrictions? In 1917 the issuance of the Balfour declaration by Great Britain was justifiably hailed by Jews and the rest of the world as one of the outstanding acts of justice and magnanimity on the part of a great nation. Today it is within the power of Great Britain to perform another act of historic proportions and to give ringing testimony to the civilized world that the principles of humanity have not been banished from the chancelleries of our governments through permitting the homeless Jews of Austria and the homeless Jews of Poland and Germany and Rumania to go to Palestine and to rebuild their lives which have been shattered by forces that threaten the very existence of democracy and social justice.

Labor, Lawyers, and the New Day

EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Wednesday, May 18 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. JOSEPH B. KEENAN AT KANSAS CITY, MO., MAY 14, 1938

Mr. TRUMAN. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an able address delivered by Hon. Joseph B. Keenan before the Bar Association of Missouri at Kansas City, Mo., on May 14, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman and members of the Kansas City Bar, it is always a delight to address a gathering of lawyers. They may not always agree with you, but one is certain of three things in addressing them: First, a receptive, though critical audience; secondly, one that has definite ideas of its own which may or may not coincide with his; third, the very important fact that their minds are not usually closed to the opinions of others.

So you see in choosing the subject on which I am to address you tonight, one that is highly controversial in nature, I approach it with the confidence that whatever thoughts or convictions I may express are presented before a body of men that, for sincerity of purpose and in anxiety and determination to play its full part in solving the great problems of our times, is unsurpassed by any other group in this country.

I am going to talk to you on the subject of labor—labor which bulks so large upon our political and economic horizon and plays such a vital part in the affairs of the times. Not necessarily organized labor but the great masses of Americans engaged in industrial production.

I chose this subject primarily for the purpose of provoking thought and discussion amongst you, for, while lawyers themselves are not engaged in industry, through counsel and advice they have come more and more to influence, and even determine, the conduct of those who are and to direct and mold their policies and their programs as these relate to labor.

As a social phenomenon, we have always been concerned with labor, for fundamentally it antedates both ancient and modern forms of government and the state itself.

It was only, however, with the introduction of machinery and the beginning of the so-called industrial revolution in the last century that it began to take a prominent part not only in the economic order of things but in the political as well.

Today it occupies the very center of the world stage. It not only demands its rights but its more radical partisans proclaim that it is not only entitled to part of what it produces but all of it, and that private property is but a snare to keep the toiling masses in subjection, and that all forms of ownership and all profits not produced by labor, no matter what their nature or significance in human society, must be abolished. One of this philosophy sprang the soviet state.

While this experiment in the translation of its extreme economic and political doctrines from the realm of opinion to that of reality was taking place in another hemisphere, and while it was argued, and is still maintained by some in this country, that all of this is too far removed for us to form a reliable and accurate appraisal of it, all here, I am certain, will be unanimous in the conclusion that this form of political and economic existence is not only alien to but repulsive to Americans.

In still another part of Europe we witness what appears to be the other extreme in the so-called Fascist states. In these the right of private property is recognized, but merely by a nod, and is so circumscribed and so limited that actually the only real rights recognized in these states are not those of either capital, labor, or the individual but that of the superstate itself. This is something in those countries that is not subject to debate. In Great Britain alone, it seems, in Europe are the rights of private property and profit still enshrined.

To shut our eyes to these facts is to close them to reality and to ignore ideas which have not only been productive of change in the world of thought, but which have wrought vast transformations in the visible political world about us.

To adopt the attitude—because the wish is father to the thought—that such ideas can find no fertile ground in this country is to lull ourselves into a sense of false security, for I say to you that if the American political system should ever fall it will be as a result of enemies from within rather than from without, and who will regard themselves as just as good Americans as you and I.

We have been in the long view singularly free from so-called labor troubles in the United States. True, we have had strikes and serious ones in which property was destroyed and lives lost, but in the long haul and over the long pull the American people have been able to sense where the difficulties and abuses lay, and, due to the particular responsiveness of our form of government to the popular will, have resolved the former and corrected the latter.

So industrial workers, over the years and as a result of incessant struggle, have won the right to organize, to strike and picket, to collectively bargain, have been able to do away with the abuse of the injunctive process, and to win a host of minor but nonetheless important victories. Their march has been both forward and progressive.

The closing of our western frontier, however, the improvement in machinery, the speeding up of production, and the expansion of consumer credit or the effort to have the consuming mass keep up with what has been produced, and the failure of the process have presented problems which are still grave, but which were graver in 1933, despite what a lot of people would have us believe.

Up to that time we had simply gone forward on the theory that society must carry the burden of supporting, in times of depression, the surplus labor supply. Labor was hired on the open market when needed and discharged when no longer required. It had no social aspect. In some industries, during the boom days, thousands of families were induced to move from one State to another, given employment for a time, and when the demand for production ceased, were dismissed and left to shift for themselves. During these periods they lived on their savings, if any, or returned to the communities, if possible, from whence they came, to live a while on the generosity of friends or relatives, doing odd jobs for a pittance, and finally wound up dependent upon private or public charity.

The same situation prevailed when wage earners were discharged because of physical disability, old age, or technological improvement. It has been stated that before the depression organizations for private charity were spending $1,000,000,000 a year, with an estimated fifth of that amount—and this is significant—being contributed by industrial and business organizations. There was no expenditure of Federal funds and very little of State, the problem being regarded as a purely local responsibility, a service of charity, and the particular problem—and sad though it was—of the individual himself.

So that when the financial system of the country collapsed in 1929 and the industrial went with it, labor was not only down but out. Not only organized labor—but millions of others, who toiled with their hands—but who belonged to no unions and had no particular trade. Unemployment we had always had and the number was great, but the spread was wide. When the crash came, however, we were caught, with neither a plan nor a remedy because of the lack of attention to the problem over the years. Millions upon millions were suddenly added to what had been hitherto regarded as a sort of floating outerfringe of our working population. The accumulated neglect of this problem over the years was upon us—and this time we had to face it—or something infinitely more serious.

It was probably the most compelling problem faced by President Roosevelt when he took office in 1933, and one which we still have with us.

For we have seen that even with complete normality in business, there is still a tremendous number of persons in this country and their dependents who, either because of advanced age, machine improvement, physical disability or the loss of means of support at an advanced age, must of necessity, depend upon charity and become a permanent charge against society, and others too who could only be reabsorbed by a restoration of world trade and the recovery of foreign markets. So when the disaster came, Federal funds had to be used (and still have to be), because State and local funds were soon exhausted and health and decency, and the preservation of public order against the activities of radical groups could not be maintained unless not only a strong hand was placed upon the throttle but something done and done immediately. We got it in the form of work relief. Direct relief or the dole perhaps is cheaper if that is what we are looking for, but it carried with it a stigma that a democratic government dare not place on millions of its citizens. Neither would it be of economic value, since only a bare sustenance minimum would be paid and as a consequence, there would be no stimulation of buying and no consequent restoration of a consumers' market—two things that are imperative if we would achieve a permanent recovery.

The program of the President was opposed and is being opposed by people who forget how close to the end we were in 1933. They argue that our mounting governmental deficit is due in great measure, if not entirely, to the works program and they fear inflation. But they forget the fact that the thing we have to fear with millions of hungry men is not so much inflation but something more sinister still, and they do not stop to consider for a moment that if we were engaged in a conflict with a first-class power there would be no time to think of deficits, but that the war would have to be won, no matter what the cost, for we would be fighting for our national existence.

Again they oppose it because they said and say relief rolls are padded for political purposes. I am certain a less partisan view would reveal the fact that if some persons left the rolls because of securing employment, others were added who in the meantime had lost it and whose private resources had become exhausted, not to mention the addition to the rolls of several millions of young men and women who had reached that stage of life when they ordinarily would have become wage earners, but found no opportunity to work.

The administration of this program in the United States has been singularly free of scandal. In addition, it has not only rehabilitated millions of Americans, by giving them new courage and new hope, but as far as money expended for public works is concerned, a dollar's value has been given for every dollar spent.

Nevertheless, this program upon the part of the Government has been opposed and is being opposed by a great number of people and for reasons which they deem important and cogent. To be specific, they fear that the money thus spent is wasted and gone. They forget the war billions spent with abandon and the billions lost in closed banks and as a result of the dislocation and disruption of our economic life. They overlook the fact, however, that the money spent by the administration for the purposes I have outined was spent for the creation of capital assets which have provided employment for thousands, stimulated private business, and added to rather than diminished the public wealth. But it may be well said, When is this all going to end?

Must we constantly be compelled to maintain on the Government rolls millions of individuals, no matter if their activities result in the creation of public wealth?

My reply to that question is we shall, unless we realistically face the problem and work out its solution. But, you may say, is there a solution? I say there is. And it relates directly to the problem of labor and capital.

As I have said, the perfection of machinery in the United States over the years has thrown out of employment in mounting thousands, millions of men and women for whom the future holds nothing. The day of the carpenter, the first-class machinist, and other skilled craftsmen apparently has gone forever, for the machine today does the work of the trained hand, does it more effectively and more efficiently, and its output is that of thousands of such hands. All of these changes have taken place in our lifetime.

And yet we were unaware of it as a problem until it was dumped upon us with a host of others as a result of the financial and industrial collapse of 1929. We faced a social revolution in 1933, and it was turned aside by the relief measures of an administration, which I submit to you, was far more conservative than the temper of the people, and we faced it because we had failed to adjust ourselves to the social and economic realities of the times. We have that opportunity now, and it should be grasped to prevent a recurrence of what nearly had brought us to the brink of irretrievable disaster.

We as lawyers should not be afraid to manifest our sympathy with labor and the working people of this country.

Nor should we regard that class of men who feed the flaming furnaces of industry, operate our factories, run our railroads, build our roads, and fight our wars as a race apart which will never be satisfied unless it obtains not part but all. We are all part of the great democratic mass, and since when was it a disgrace to earn one's bread by the sweat of his brow?

Nor should we fear the fact that our problem today is to make men economically free. We must carry over into the industrial and business world some of the democratic principles and ethical concepts upon which our political system was constructed.

This opportunity can only mean one thing. It means living wages, social security, collective bargaining, and a realization of the fact that no longer can business and economic success be predicated on the old laissez-faire doctrine of the stabilization of prices at high levels and the bargaining for labor on the market at the cheapest possible price.

We must approach this problem with the same sort of ingenuity with which we faced the problem of production. We must face it with a realization that men and women in industry are not to be regarded as automata or machines, but are to be treated as human beings, and recognize the fact that there is an inherent dignity in human labor, and that where great masses of the population have no work and no hope of it, there is a serious danger not only to the economic order which permits that sort of thing to exist but to the political as well. For idle labor, like idle capital, produces nothing. Idle machinery may be swathed in lubricants, but idle and hungry men must be fed.

President Roosevelt has taken this view. He fully realized the danger that existed, and knowing full well that the capitalistic system was doomed unless a realinement on this front was effected, he set out to accomplish it.

Some still view, however, the changing scene about them with alarm. This is understandable, because change, especially when it seems to involve a reversal of former modes and the setting up in their place of newer and stranger ones, is always feared and challenged.

Do not misunderstand me. I have no quarrel with business as such, nor with the men who, by the utilization of our extraordinary material resources, gave us an extraordinary prosperity. But we know now, all of us will admit, that that prosperity was shot through with defects that brought it low, and that if we are to rebuild it it must be rebuilt upon a newer and a surer foundation. Such rehabilitation and rebuilding must take into consideration not only the fact of unemployment but the social aspects of labor as well.

That is the problem of all of us, and in solving it some fair and equitable method—for example, the computation of costs by which a cushion will be provided in the form of an annual wage or some similar arrangement to provide for slack periods—will have to be

devised. Its solution, undoubtedly, will envision a working arrangement between capital and labor for their mutual interest and benefit, a sort of partnership, if you will, in which such matters as control over working conditions, hours, collective bargaining, and some share in the profits has to be worked out, with Government in the background as a monitory and restraining influence on both.

Upon the part of labor, it will also necessitate a more articulate and responsive organization to the end that covenants made are kept; and that a contract made between two contracting parties be binding equally on both. In short, upon the part of both, the lesson will be driven home that the American people as a whole have a stake in the enterprise.

As lawyers, we should be in the forefront of what should be a nonpartisan effort made to work out these tremendous problems. For the profession is not as the public, it seems, generally believes, one of formalism and mere ritual. The services of the lawyer are not only necessary in the application of accepted processes of law as they relate to life and business, but as a public officer who should be in the foreground of all public endeavor. For the structure of modern society as we know it is one of law rather than custom, and there never was a time when the advice, the counsel, and the wisdom of lawyers was needed more than in the busy days in which we live. For such reforms as are necessary must be legal reforms.

We are on the threshold of a new era and a newer and a better day. As lawyers, let us take our place where we belong, in the foreground. For as Woodrow Wilson said over 30 years ago: "We are lawyers. This is the field of our knowledge. * * * Our duty is a much larger thing than the mere advice of private clients. In every deliberate struggle for law we ought to be the guides, not too critical and unwilling, not too tenacious of the familiar technicalities in which we have been schooled, * * * but ready to give expert and disinterested advice to those who purpose progress and the readjustment of the frontiers of justice. * * * We are upon the eve, gentlemen, of a great reconstruction. It calls for creative statesmanship as no age has done since that great age in which we set up the government under which we live, that government which was the admiration of the world until it suffered wrongs to grow up under it which have made many of our compatriots question the freedom of our institutions and preach revolution against them."

These words to me, and I submit, gentlemen, to you, are of more than passing interest, for as I have tried to point out, the forces and conditions of which Woodrow Wilson spoke have gathered momentum over the course of the years and what he indicated and saw was the coming problem, we stand face to face with today.

Address on Youth

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 13, 1938

SPEECH DELIVERED BY HON. EMANUEL CELLER AT BOYS HIGH SCHOOL ON APRIL 13, 1938

Mr. CELLER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address:

I have become struck with the vast numbers of young men and women who are impatient with what our Government is doing and who are straying from recognized political paths and are embracing foreign cults and doctrines.

The ranks of collectivism and communism are becoming augmented.

But I urge upon you patient and most careful evaluation of economic and political changes now confronting us. Avoid snap judgment and quick conclusions. Of course, the wisdom that usually comes with age cannot replace the impetuosity of youth. At least hesitate before casting aside age-worn forms. Do not precipitously cast into limbo Magna Carta, the Bill of Rights, our Constitution—our democracy is still worth preserving—the democracy of Washington, Jefferson, Jackson, Lincoln, Cleveland, Teddy and Franklin Roosevelt.

This school was wont to be a bulwark of our democracy. I hope it ever will be. I hope its students and graduates are impervious to insidious foreign doctrines such as communism and fascism.

I would want your new building to be most modern, your equipment unsurpassed, so that boys' high may become a greater shrine of democracy—a greater defense against fascism and communism.

Youth always seeks short cuts—even short cuts to political security and economic happiness. Those achievements, alas, are always dearly paid for in time and sacrifice.

Remember the ancient proverbs, "The farthest way around is the nearest way home" or "He that hasteth with his feet misseth the way."

Of course, much is amiss with the world. Much is askew in our country. We are at a critical stage. We in Washington are working mightily to ease economic pain and suffering to cure a diseased body politic. But the process takes time. Of this be assured, foreign "isms" will make the illness incurable.

Many demagogues and crackpots abound that would mislead and deceive. They take undue advantage of present troubles. They would use human misery and suffering for their selfish ends. Sift their opinions carefully. Do not hastily drink in and swallow their ill-advised doctrines. They would make the short cuts and entrap youth. Shun them like the plague.

Their attempt to secure by methods of force, or by legal chicanery and contrivances, social conditions which can only be reached by the slow processes of democratic growth, is a mistake which many young persons are making. To suppose that the social life of the Nation can be regenerated offhand, either by Communist insurrection or by revolutionary legislation, is error. The millennium will never be achieved by any such magical instantaneous change. The social reformer, with his one panacea for all social ills, imagines that if he could get the people to adopt his measure, poverty and wretchedness, vice and crime would at once be banished from the land. He thinks that if the legislature would only give him the legal permission, he could mount to the top of the statehouse dome and wave his wand, and instantly the want, the care, the misery in the land would fly away; that old shapes of foul disease would disappear; the troubles which beset the world, the thousand wars of old would vanish out of sight and the thousand years of peace would begin.

Some of us, most of us, I hope, have great faith in law. We fondly imagine, however, that if we can persuade the Congress or the legislature to say, "Be it enacted," so-and-so, the thing thus specified and required would surely come to pass. Law is of use only when it registers and confirms certain steps of moral progress that have already been taken. Law can never lead but must always follow moral reform and social reconstruction. Even the mouthings of the Communists cannot change this.

No, my young friends, it is not mainly by legislation, it is not by revolution, that we shall bring in the Utopia. These short cuts to the promised land will never conduct us thither. They are misleading and delusive.

I do not deny that something may be done by law to improve the condition of the laboring classes, e. g., nor do I deny that on their part compact organization and the firm assertion of rights are necessary. All I say is that it is not by the methods of destruction and violence, not by the methods of Stalin, Hitler, and Mussolini, but by discussion, by exchange of thought, by debate and peaceable combination and peaceful political action that lasting reforms and benefits can be achieved.

We cannot force the season by legislative enactments or by revolutionary outbreaks and more than we can compel the coming of the spring by putting on our summer clothes in February. Great social changes must needs be gradual. They are always the fruit of moral changes in the lives of the people—of better ideas, purified sentiments, elevated aims, regenerated characters. But that fruit is found only in the way of democracy.

The way of democracy may be long and arduous. It is, however, the only safe way. There is no short cut either by dictatorship, autocracy, fascism, communism.

The shrewd remark of President Finney to the youth who wanted to skip a year of his ministry course at Oberlin is worth remembering. "What's your hurry?" asked the president. "Oh, I am so anxious to get to work," said the youth; "I want to save souls." "Young man," said the doctor, "if the Lord had wanted you to go to saving souls a year sooner, he'd have made you a year sooner."

Thus, my friends, do not attempt too much until you are ripe and ready. Be patient. Do not hurry. Time will solve many problems in spite of you. "The old order changeth, giving place to new." In that change, the greater and bigger the boys' high school grows the happier and more secure will become our State and Nation.

I still have—ever will have—confidence in our democracy that makes a new and greater boys' high possible.

Rhode Island Independence

EXTENSION OF REMARKS
OF
HON. AIME J. FORAND
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 18, 1938

SPEECH ON RHODE ISLAND INDEPENDENCE DAY BY L. METCALFE WALLING, ADMINISTRATOR, DIVISION OF PUBLIC CONTRACTS, MAY 4, 1938

Mr. FORAND. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the address made by

L. Metcalfe Walling, Administrator, Division of Public Contracts, Department of Labor, in Statuary Hall, United States Capitol, on May 4, 1938, as part of the exercises held by the Rhode Island State Society in observance of Rhode Island Independence Day:

Distinguished Representatives of Rhode Island in the Congress of the United States and fellow Rhode Islanders, perhaps I should have referred to our Senators and Representatives as ambassadors from the sovereign State of Rhode Island and Providence Plantations to the Government of the satrapy of the United States, as I am sure that all of us being steeped in the instincts and traditions of Rhode Islanders are prone to regard the Government of the United States as that of a foreign power with which we are dealing on an equal basis but with some suspicion.

When you recall that our State was the very last to ratify the Constitution and that we had shown our lack of interest and even disapproval of the scheme for a Federal Government for the Thirteen Colonies following their successful rebellion from England by not even sending delegates to the constitutional Government which proposed the Constitution, you will agree with me that the term "ambassador" is the only accurate characterization befitting the dignity of the State and our Representatives in Congress. As a matter of fact, it was not until 1790 when the State was coerced into ratifying the Constitution by a threat of the Congress to remove Rhode Island from the revenue limits of the new United States of America that the State grudgingly gave its approval of the new Constitution.

May I express my deep appreciation of the honor which you have done me, as a relatively recent addition to the small band of expatriate Rhode Islanders living in the National Capital, in asking me to meet with you today and take part in these exercises commemorating the courageous and far-sighted action of our ancestors of the then colony in declaring their independence from British rule a full 2 months earlier than the Colonies collectively dared to declare their independence. This is all the more bold a step when we recognize that it was taken by the smallest colony at a time when there was no certainty that the others would follow suit and when the most that could be said for the colony was that it might be invaded by the armed force of the mother country to put down this upstart rebellion, and the least that could be said for those who participated in this illegal action—that they would be hanged as traitors.

But there is another reason why I am particularly glad to be here today, and that is because a resident of the northern part of the State where I was born, James Slater, of North Smithfield, campaigned for many years to obtain official recognition of this day, May 4, Rhode Island Independence Day.

It is customary on such occasions to swell with pride at the accomplishments of those who have preceded us and to commemorate the events of history which we are here to recall, but even at the risk of being charged with ancestor worship, I think that we can all feel a justified sense of pride in the originality and vigor of the very unique tradition which has been handed down by our ancestors and which has characterized the State from its very foundation.

As we stand here gathered about the statue of Roger Williams, who is our patron saint, our minds inevitably travel back to his time, when he in a very real sense of the word set the pace for the future development of our State. You will recall that he began life as court reporter for Sir Edward Coke, one of the leading judges of his time in England of Charles the First. It is interesting to note that he was not only a great religious and political leader but was a good court stenographer and that Sir Edward Coke lamented the fact that he had to lose his helpful services.

Young Williams became interested in the liberal theological doctrines which were beginning to raise their heads in the spirit of reform which pervaded England in the first part of the seventeenth century and which finally led to the deposing of Charles the First and the establishment of the Cromwellian government.

Williams decided that it would be more healthy to leave England, and so he came to Boston in 1630, where he refused a call to serve in the church there because its members still held communion with the Anglican Church, of which he disapproved. He acted, however, as an assistant in the Salem Church and spent the next 2 years in Plymouth, where he met the Indian chieftains Massasoit and Canonicus. He was regarded by the authorities of the Colonies as a trouble maker and he was not long coming into conflict with them. He denied the right of the courts to inflict punishment for breaches of religious discipline; he contended that the King could not give away land owned by the Indians; and refused to take the oath required of Massachusetts citizens. This apparently is the original precursor of the modern teacher's oath, of which we have heard so much in Massachusetts lately.

By the fall of 1635 he was in such bad odor that he was banished, but was allowed to remain until the following spring on condition that he cease to preach seditious doctrines; but Roger, being the independent thinker that he was, could not restrain himself, and so in the winter of 1635 he decided to leave the colony and establish a new one in the wilderness of what is now our State.

He first fled through the forest to what is now Warren, where he was cordially received by the Indian sachem, Massasoit, who had been and remained his friend. He then moved to what is now East Providence and later settled a little to the west and called his new community Providence in gratitude for the blessings of Divine Providence which had been vouchsafed to him thus far.

The early government of the Colonies was extremely simple, and there were no courts or constables at first, but by 1640 it became apparent that a board of governors, who were called "disposers," was necessary to conduct the affairs of the community. In the meantime Portsmouth was being founded by William Codington, among others, who left Massachusetts Bay Colony because of his support of the teachings of Ann Hutchinson, who herself later came to Portsmouth, and with whom Codington subsequently quarreled, so that he decided to move to Newport.

Warwick was founded by Samuel Gorton, and by 1637, when the first assembly met in Portsmouth for a period of 2 days, all four towns were represented.

After the restoration of King Charles II to the throne, the colonists decided that it would be wise to have a royal charter, and so largely as a result of Williams' efforts in England, King Charles gave the charter guaranteeing, among other things, full religious freedom and tolerance.

They lived under this royal charter until 1843, throughout the whole colonial period, the Revolutionary period, and through the commercial and trade development of the first half of the nineteenth century. Constitutional reform then, as now, was resisted, and it was only as the result of the armed rebellion of Thomas Dorr, who was imprisoned for his pains, that our present Constitution was adopted.

Since 1724 the right to vote had been limited to adult males owning property valued at £100 and their eldest sons, and this, of course, amounted to government by a small wealthy group instead of true democracy based on universal suffrage. By 1840, when agitation for constitutional reform became vigorous, about one-half of the population of the State was disqualified to vote. The situation finally became so inflamed that the adherents of Thomas Dorr held a constitutional convention, which submitted to all the citizens of the State the question of revising the constitution, which by overwhelming vote they approved. The regularly constituted authorities became alarmed and themselves held a second constitutional convention, which submitted only to those lawfully entitled to vote under the existing constitution the question of constitutional reform, and by a narrow margin the reform proposal was defeated.

We then were treated with the spectacle not only of two capitals which we were by this time long since accustomed to, but also of two State administrations. Governor Dorr, who was viewed as an illegal incumbent of the office of Governor by the regularly constituted administration, left the State shortly but returned to arouse his followers to armed rebellion. This insurrection led to the famous Battle of Acotes Mill in Chepachet, where after a pitched battle the only casualty reported was one cow hit by a stray bullet. Governor Dorr fled the State and there is a story in my family told by my great-great-grandmother that she recalls sitting in her home near the Rhode Island boundary line and watching the coach bearing Governor Dorr rush across the State line into Massachusetts narrowly averting capture by the pursuing State militia. In spite of the fact that technically Dorr lost the war, he gained his point and constitutional reform became a reality.

There had, however, been an earlier tradition of lawlessness which was ample precedent for the unlawful action of the Dorrites. In 1765 one of the very earliest actions against the British Government was the raid of a party of Newporters on a small boat attached to the British ship *Maidstone*. The crowd hauled the small boat through the streets of Newport and burned it in protest against the British policy of impressing American seamen into naval service.

This was followed closely in 1772 by the burning of the British ship *Gaspee* in Providence Harbor, an exploit high in the annals of Rhode Island history and preceding by several years the famous Boston Tea Party.

The ever-ready spirit of the Rhode Islanders to rebel is further illustrated by the fact that the day following the Battles of Lexington and Concord in 1775, 1,000 men declared themselves ready to march on the British, and 2 days later a special session of the assembly authorized the enlistment of 1,500 men and deposed Governor Wanton of Newport who, although sympathetic to the Colonial cause, felt it inadvisable to raise the issue at that time and so refused to sanction military measures. It was, therefore, entirely a logical outcome of these various demonstrations of patriotism on the part of Rhode Islanders for them to adopt the extraordinary and unprecedented Declaration of Independence on the 4th of May, 1776—a full 2 months before the general Declaration of Independence by the Colonies assembled in Philadelphia.

It was with a feeling of pride on my part, as I am sure it was on the part of Senator GREEN, that we were both privileged to participate 2 years ago during the tercentenary celebration in a pageant depicting the session of the Colonial Assembly which declared its independence from Britain. Senator GREEN impersonated his ancestor who moved the declaration, and I impersonated my ancestor, who happened at that time to be the presiding officer of the assembly, and who in spite of the protest of the Tory members put the measure to vote and declared it the sense of the assembly that the Colonies should be freed from the domination of Britain.

From the date of the State Declaration of Independence throughout the period of the Revolutionary War, the State played a prominent part. The first naval engagement of the war was fought off Jamestown, and Esek Hopkins was the first commander

in chief of the American Navy. General Greene won brilliant victories for the Colonies in the South and contributed in no small degree to their ultimate success. When the war was brought to a close, however, Rhode Island, as we might expect, did not participate in the deliberations of the Continental Congress, and as you know, did not finally ratify the Constitution until all the other States had done so.

Our standoffishness and independence of spirit were again shown during the War of 1812 when Rhode Islanders refused to serve outside the State—a resolution which it must be confessed did not help the prosecution of the war.

This sketchy recital of these important events in Rhode Island history clearly demonstrates our peculiar instinct and determination to go our own way and buck the tide if we feel that it is our essential interest to do so. Our spirit of independence of thought and action have perhaps been interpreted by our fellow States as a lack of cooperation in the common good; yet many times our isolated policy has proved to be right, and it has only been a matter of waiting for our sister States to come over to our side. Our entire history is a refutation of the doctrine that the majority is always right. From Roger Williams' time on we have been particularly zealous to preserve the rights of the minority. Our tradition is indeed a long one and a noble one, because it rests on the assurance that each individual is entitled to work out his own destiny as he sees fit, with the sure knowledge that his right to dissent will be respected by his fellow dissenters. In these days, when the right of the individual to his own opinion uncoerced by the collective force of his fellows so long as his opinion does not result in harm to his neighbors is being challenged in so many parts of the world and in our own country, the tradition is more precious than ever before.

The most important contribution that Rhode Island can make to the welfare of the Nation and the world is the contribution which she has always made in the past—the preservation of individual liberty—liberty of conscience, of thought, and of action, to the end that the individual, and thereby civilization, may be constantly refreshed from the spring of liberty.

W. P. A. and P. W. A. Programs

EXTENSION OF REMARKS

OF

HON. HENRY C. LUCKEY

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 18, 1938

LETTERS FROM LABOR ORGANIZATIONS RELATIVE TO W. P. A. AND P. W. A.

Mr. LUCKEY of Nebraska. Mr. Speaker, under leave to extend my remarks in the RECORD, I include two letters received by me from labor organizations, Lincoln, Nebr. These letters set forth the views of these labor organizations on certain aspects of the W. P. A. and P. W. A. programs.

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA,
LINCOLN LOCAL UNION, NO. 1005,
Lincoln, Nebr., May 16, 1938.

HON. HENRY C. LUCKEY,
House Office Building, Washington, D. C.

DEAR MR. LUCKEY: After a long and bitter experience of seeing our livelihood taken away by the unfair labor practices of the W. P. A. in this locality, the Carpenters Local of Lincoln joins wholeheartedly with the other unions in endorsing the following resolutions as adopted by Lincoln Central Labor Union on May 13:

"RESOLUTIONS

"To All Public Officials:

"As experience has shown that it is the practice of Works Progress Administration to promote public construction projects built with relief labor by day-labor methods at appalling costs to the great detriment of the construction industry and the general public, we call upon you as our Representative to support the $1,500,000,000 P. W. A. appropriation, and insist that W. P. A. regulations be enforced or amended to prohibit public construction work by W. P. A. day-labor methods which normally would be done by the local communities under the contract system and paid for by local taxpayers.

"We insist that the W. P. A.'s invasion of the construction industry cease, and that relief workers be put on projects which do not take the bread out of the mouths of self-supporting citizens, dependent on the construction industry for their livelihood."

Adopted at our regular meeting this date May 9, 1938.

Yours truly,

W. H. SMITH,
Secretary-Treasurer, Lincoln Carpenters Local No. 1055.

LINCOLN CENTRAL LABOR UNION,
Lincoln, Nebr., May 16, 1938.

HON. HENRY C. LUCKEY,
Representative, First Nebraska District,
House Office Building, Washington, D. C.

DEAR MR. LUCKEY: In compliance with instructions voted by our members, I am sending you a copy of resolutions adopted at our last regular meeting on Friday, May 13.

"RESOLUTIONS

"To All Public Officials:

"As experience has shown that it is the practice of Works Progress Administration to promote public construction projects, built with relief labor by day-labor methods at appalling costs to the great detriment of the construction industry and the general public, we call upon you, as our Representative, to support the $1,500,000,000 P. W. A. appropriation, and insist that W. P. A. regulations be enforced or amended to prohibit public construction work by W. P. A. day-labor methods, which normally would be done by the local communities under the contract system and paid for by local taxpayers.

"We insist that the W. P. A.'s invasion of the construction industry cease, and that relief workers be put on projects which do not take the bread out of the mouths of self-supporting citizens, dependent on the construction industry for their livelihood."

With kind regards, sir, I am,

Yours truly,

W. H. SMITH,
Secretary-Treasurer, Lincoln Central Labor Union.

Protect the Canning Industry

EXTENSION OF REMARKS

OF

HON. VIRGINIA E. JENCKES

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 18, 1938

Mrs. JENCKES of Indiana. Mr. Speaker, I desire to express my complete approval of the wage and hour bill which is now before this House of Representatives. However, in expressing my approval, I desire, at the same time, to invite the attention of my colleagues to a very serious situation which affects agriculture.

Ever since I came to Washington as the first woman the State of Indiana sent to the Nation's Congress, I have devoted my efforts to bettering the conditions of the unemployed, increasing the earning power of our workers, and to bettering the conditions under which they labor and toil.

I firmly believe that our Nation can be faced toward prosperity if we permanently protect our workers and toilers and provide them with steady annual incomes.

This means that the workers themselves have a great responsibility resting upon them. The unemployed have a responsibility resting on them, also.

If we are to provide our workers with continuous and permanent employment, at good wages, under good working conditions, our workers must give some thought and a great deal of effort toward protecting our American industries which, in turn, provide good jobs, at good pay, under good working conditions.

It should be of great importance to our workers and toilers and to our unemployed citizens that conditions be developed which will protect the industries which provide good jobs, at good wages, and under good working conditions.

Our workers are fast assuming the responsibility of protecting such industries in order that they might make good earnings in order that they will be able to pay good wages, under good working conditions, and at the same time provide legitimate dividends which will attract the surplus funds of our American people into investments in the securities of our good American industries.

And so we are faced with a situation today which should have the earnest consideration of those who toil and labor and of those who carry the responsibility of management and operation of our industries, as well as those who desire to invest their surplus funds and savings in the securities of our American industries.

I have given a great deal of thought to this situation starting from the viewpoint of the unemployed and the employed, and carrying the obligation right on up to the stockholder and investor in our industries in the Sixth Congressional District of Indiana, as well as the State of Indiana.

As the elected Representative of the people of the Sixth Congressional District of Indiana I am asking that there be placed in the wage and hour bill, which this House of Representatives will pass, a provision to the effect that the hour limitations do not apply to employment in the canning industry during the packing of perishable or seasonal products.

This is a matter of great importance in the State of Indiana. Our great Hoosier State is one of the largest producers of canned food. The State of Indiana ranks first among the States of our Nation in the canning of beans, tomato products, pumpkin, and hominy. The State of Indiana ranks third in the canning of sweet corn.

The State of Indiana has 183 canning establishments which give gainful employment to many of our citizens in the small agricultural communities.

The canning industry is one of the large industries in the State of Indiana.

A very large part of the agricultural income in the State of Indiana is derived from vegetables grown for canning purposes.

Any act of Congress which injures the canning industry necessarily injures the farmers of the State of Indiana as well as the Nation. I know that this is a fact because I am an Indiana farmer. I have farms in several of the counties in my congressional district. I know that at a time when the farmers' corn and wheat acreage is being reduced it is important that nothing be done to reduce the market for other crops. The canning industry is the Indiana farmers' largest market for unrestricted crops.

If hour limitations, and their penalty of time and one-half, are imposed on the canning of seasonal or perishable products, this market of the Indiana farmer will necessarily be restricted. This is a natural result of the pecularities of the canning industry. Nature and weather, not man, control the hours which must be worked in a canning plant. The nature of the product necessitates its processing without delay. Neither is there any way to predict in advance the amount of product to be canned in any given day.

Nearly all plants canning seasonal products are located in small communities, some being literally at country crossroads.

The seasonal labor required consists largely of residents of farms. These farm men and farm women, are not, and would not, engage regularly in industrial employment. They are not competitors in the industrial labor market of this country. The work they do in the canning factory is largely the same kind of work they do in their homes.

During the seasonal canning period the canner exhausts his available supply of this labor in obtaining one complete shift for his factory. He cannot supply a second shift without importing casual labor from metropolitan areas. Such imported casual labor is uneconomic, unreliable in a food industry, and is bitterly resented by any rural community.

On the other hand, the canner cannot and should not pay time and one-half as a penalty for a situation which he is helpless to control. Canned corn and tomatoes are selling at retail in Indiana today, May 18, 1938, for 5 cents for a No. 2 can, yet the empty can, box, and label actually cost the canner more than 3 cents a can.

Every American woman who buys canned vegetables for her family's use is vitally interested in this situation. Any additional cost will necessarily be reflected in lower prices to the grower, or the canner will have to go out of business. In either case, the farmer suffers and the consumer is forced to pay higher prices.

Our American women are vitally interested in what is going on here in the National Congress.

Since women are casting 50 percent of the votes in every municipal, State, and Federal election, they are vitally interested. They are not as politically partisan as men are when situations confront them which affect the welfare of our American homes.

Our American women are vitally interested in resisting legislation which will work a hardship on our American products or foodstuffs and which will increase the cost and lower the consumption of our American agricultural products. It would seem that in either case the farmer would suffer, and the American home has to pay the added price or go without essential and necessary foods.

The only other course open to the canner, if this penalty is imposed, is for him to reduce his contracts for fresh vegetables enough to insure that there is no overtime in his factory.

This will increase his overhead cost per can, thus increasing the cost of food, but not nearly as much as would result from the penalty.

And the farmers will suffer a corresponding restriction on acreage of canning crops. The total pay of the employees of the canning factory will suffer a like reduction.

Certainly the imposition of this overtime penalty on the canning of seasonal or perishable products will not tend to reduce unemployment or increase buying power. On the contrary it will reduce employment and buying power. It will injure agriculture, and will tend to increase the cost of canned food to the consumer.

As a woman, as a farmer, as well as a Member of this House of Representatives, I desire to remind you that canned vegetables are the food of the laboring people and the poor people.

For the reasons I have stated, the farmers, the canners, and the consumers of the Sixth Congressional District of Indiana, and I am sure that I am speaking for the farmer, the canner, and the consumers of the great State of Indiana, as well as the Nation, are asking for an exemption from the hour provision of any wage and hour law we pass and that an exemption be provided for the canning of seasonal or perishable products.

Our unemployed citizens, as well as those who are fortunate enough to have employment, are vitally interested in the philosophy that we must not kill the industrial goose that lays the golden eggs of employment at good wages under good working conditions in accordance with our American standards of living.

I know that I voice the sentiments of the citizens of the Sixth Congressional District of Indiana when I appeal to this House of Representatives to give heed to the law of diminishing returns.

The time has now come when we must make every effort to create profitable earnings for our industries in order that good wages under good working conditions may be provided for the benefit of our employed and unemployed citizens.

The unemployed citizens of the Sixth Congressional District of Indiana are weary of being recipients of relief. They do not want to be listed as paupers or recipients of charity from the municipal, the State, or the Federal Government. They want, and they are demanding, that our American industries be protected, so that they can be provided with ample opportunity for employment at good wages, under good working conditions, and at the same time let their industry earn good dividends, which will attract the investment of surplus funds which are being hoarded today, and are being prevented from being put to use for the development of American industries.

This is a most important subject, and I appeal to my colleagues to give it their careful consideration, by protecting the canning industries in the State of Indiana and the Nation.

I thank you.

Import Taxes on Petroleum Imports Have Little Effect on Exports

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1938

Mr. HOUSTON. Mr. Speaker, the excise tax on petroleum imports has had no effect upon the exports of petroleum products from this country. This is contrary to the forecasts which were made at the time these taxes were proposed and contrary also to public utterances of some of those who were interested in the continued tax-free importation of these products.

We are now exporting about 150 percent of what we were before the excise taxes went into effect, while we are importing approximately only one-half as much. This is just the reverse of what the representatives of the importers forecast during the hearings on the excise tax.

During the first 6 months of 1932 our imports of petroleum products amounted to 300,346 barrels daily. This was the period immediately preceding the adoption of the excise taxes. During those 6 months our exports of petroleum and its products amounted to 318,231 barrels daily or a very small amount, comparatively, in excess of our importations. During the year 1937, with the excise taxes in effect for a number of years, our importations of petroleum and its products amounted to 165,756 barrels daily. This was approximately one-half of the daily average importations before the excise taxes went into effect. During that same year of 1937 our exportations of petroleum products amounted to an average of 472,364 barrels daily or an increase of approximately 50 percent over the exports of the first 6 months of 1932.

The accompanying chart graphically illustrates the decrease in our importations and the increase in our exportations. It also suggests that there is little, if any, relation between the exports of petroleum products and our imports of these products, which also seems to be clearly demonstrated by all the available statistics.

IMPORTS LARGELY RAW MATERIALS

What we are importing today consists rather of raw materials than of finished petroleum products. The greater part of our imports consist of crude oil or fuel and gas oil. During 1937 we brought in 27,310,367 barrels of crude oil and 29,652,797 barrels of fuel oil. This made a total of 56,963,164 barrels out of a total of all imports of 60,500,770 barrels.

The reverse is true of our exportations. Our total exports during 1937 amounted to 172,413,000 barrels of which 67,286,000 barrels were crude petroleum, while 105,127,000 barrels were refined products. Our exports of motor fuel during 1937 amounted to 37,974,000 barrels. It might be noted that we do not import any motor fuel, although previous to the tax we imported a daily average of 41,923 barrels during the first 6 months of 1932. Our exports of kerosene during 1937 totaled 8,907,000 barrels. Our imports of kerosene are negligible. We exported 30,024,000 barrels of gas oil and distillate fuels and 15,304,000 barrels of residual fuel oil in 1937. Lubricants exported in 1937 amounted to 10,921,000 barrels, while last year, during the same period, we imported only 7,854 barrels of lubricants.

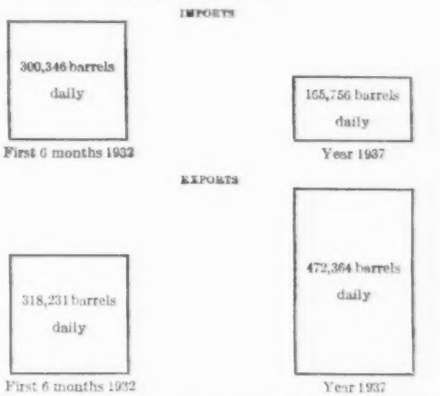
The theory upon which opponents of the excise tax based their claim that these duties would destroy our export market is the assumption that imports diverted from our ports by the tax would take our foreign markets. This theory ignored the fact that the markets for our gasoline and especially for our lubricants had been built up on a definite basis of quality. There was a steady demand for these products of the domestic petroleum industry.

IMPORTS REPRESENT $465,000 DAILY LOSS TO PRODUCERS

Imports still constitute a very serious problem for the domestic industry. Fuel oil is one of the largest elements among our imports. In 1937 the importers brought 29,652,797 barrels of fuel oil into our market. This, on the basis of a 26.21 percent yield, would be the equivalent of 113,135,433 barrels of crude. That means that the total of the crude imports and of the crude equivalent of the fuel oil imports amounted to 140,445,800 barrels of crude. If this quantity were produced in this country instead of in a foreign land, it would have a value of $169,939,418 at the average price prevailing for Oklahoma-Kansas crude of 36.9 gravity. At this rate the daily average imports of crude and of fuel oil represent a daily loss to the American producer of $465,000.

Imports and exports

[Daily average—all oils]



Based on data from U. S. Bureau of Mines and U. S. Tariff Commission. Prepared by the Independent Petroleum Association of America.

Ex-Senator Robert L. Owen

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1938

TRIBUTE TO EX-SENATOR ROBERT L. OWEN BY HON. T. ALAN GOLDSBOROUGH, OF MARYLAND

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to insert in the RECORD a statement made by Congressman GOLDSBOROUGH relative to ex-Senator Owen and his testimony in favor of the Patman bill (H. R. 7230), proposing to have Congress regulate the value of money. At the conclusion of the testimony Congressman GOLDSBOROUGH made the following beautiful statement relative to our beloved ex-Senator from Oklahoma:

Mr. GOLDSBOROUGH. Senator Owen, during a long period of years—for 40 years, at least—in and out of Congress, you have been enlightening the American people on a matter which involves the very lifeblood of the country on the monetary system, the most important economic question in the world. In doing this you have naturally incurred the displeasure of powerful interests. You have never wavered in the slightest degree.

No one appreciates that service more than I do, as also the service you are rendering during these hearings.

As acting chairman of the committee I wish to thank you on behalf of all the members of the committee for giving us the benefit of the great stock of information and knowledge you have.

After this statement made by Mr. GOLDSBOROUGH, Mr. FORD of California moved that a vote of thanks be extended to Senator Owen for his appearance before the committee. This motion was unanimously carried.

Rhode Island Celebrates

EXTENSION OF REMARKS
OF
HON. AIME J. FORAND
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 18, 1938

RADIO TALK PREPARED BY C. J MAISANO, AND PRESENTED ON MONDAY, MAY 2, 1938, BY MRS. HAROLD SHEFFERS, OF PROVIDENCE, R. I., AND ANNOUNCER GORDON HITTENMARK

Mr. FORAND. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include a brief radio skit prepared by my secretary for Rhode Island Independence Day, May 4, 1938:

ANNOUNCER. I understand Rhode Islanders in Washington are planning a gala time for May 3 and 4 in commemoration of Rhode Island Independence Day. Mrs. Harold Sheffers, a charming young woman and a native of Rhode Island, has consented to come here this morning to give us some idea of what Rhode Island Independence Day means. Now, Mrs. Sheffers, what is the real significance of the expression "Rhode Island Independence Day"?

Mrs. SHEFFERS. It is the day on which the general assembly of the Colony passed an act renouncing allegiance of the Colony to the British Crown, and by the provisions of the act declared itself sovereign and independent. Incidentally, Mr. Hittenmark, it marked the first official act of its kind by any of the Thirteen American Colonies; and that, you know, led up to the Revolutionary War and the subsequent birth of a new nation. This year Rhode Island is celebrating the one hundred and sixty-second anniversary of its independence.

ANNOUNCER. This is quite a history lesson to me, Mrs. Sheffers. Isn't it true, Mrs. Sheffers, that you could bury all of Rhode Island in one small section of Texas?

Mrs. SHEFFERS. That is true; but we have one distinction in Rhode Island—besides many others, of course—that Texas does not have. Rhode Island is the smallest State in the Union, but it has the longest name.

ANNOUNCER. What is its full name, Mrs. Sheffers?

Mrs. SHEFFERS. State of Rhode Island and Providence Plantations. However, the Providence Plantations part is only used on legal papers, and the accepted name of the State is Rhode Island. It is well to bear in mind, Mr. Hittenmark, that 162 years ago the intrepid fathers of our State, in declaring themselves free and independent of British sovereignty, were passing down to posterity those fine, ennobling principles later found immortally expressed in the Declaration of Independence of the Thirteen Original Colonies. Rhode Island is great in name and historic achievements, in wealth and in people, though small in area. Its climate is unexcelled, and its people are most hospitable. It is also known as the land of Roger Williams, where the spirit of freedom of thought in all things, religious and civil, has developed a proud sovereign State.

ANNOUNCER. What do Rhode Islanders here in Washington plan to do to commemorate such an occasion, Mrs. Sheffers?

Mrs. SHEFFERS. The Rhode Island State Society of Washington plans to conduct a dinner dance on the evening of May 3 at the Shoreham Hotel, and to hold commemorative exercises at 3:30 o'clock on the afternoon of May 4, the date of the anniversary, in Statuary Hall at the Capitol.

ANNOUNCER. But why didn't the society plan to conduct the dinner dance on May 4, if that is the anniversary date?

Mrs. SHEFFERS. There's poetic justice in the answer to that question, Mr. Hittenmark. The committee in charge of the celebration originally planned to hold the dinner dance on the night of May 4. When the committee went to the hotel to complete arrangements for the affair they found, of all things, that the British were there ahead of them, for a British organization had engaged the east dining room for that evening. However, the committee quickly offset this by engaging the dining room for the evening of May 3, thus assuring Rhode Islanders of dancing in the anniversary date, as the dance will last until 1 o'clock on the morning of May 4.

ANNOUNCER. They tell me that an all-Rhode Island group will comprise the list of speakers, Mrs. Sheffers. Is that true?

Mrs. SHEFFERS. That is true. The Honorable Joseph B. Keenan, the Assistant to the Attorney General of the United States, and a native Rhode Islander, will be the principal speaker. Other speakers will include Members of the Rhode Island congressional delegation, including United States Senators PETER G. GERRY and THEODORE FRANCIS GREEN and Congressmen JOHN M. O'CONNELL and AIME J. FORAND. L. Metcalfe Walling, Administrator of the Division of Public Contracts, United States Department of Labor and former director of labor in Rhode Island, will be the speaker at the anniversary exercises on May 4.

ANNOUNCER. Thank you, Mrs. Sheffers, for an enlightening talk about Rhode Island and Rhode Island Independence Day. I assure you that the talk was educational and interesting to many of us and that all our listeners will join me in paying tribute to Rhode Island on May 4.

Farm Tenancy

EXTENSION OF REMARKS
OF
HON. MILTON A. ROMJUE
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 14, 1938

Mr. ROMJUE. Mr. Speaker and Members of the House of Representatives, the provision of the bill relative to farm tenancy is one of the most important features of the proposed legislation. While there are many others of great benefit and necessity there are probably very few problems that should interest more the attention of those interested in the general welfare of our country at the present time than the maintenance of a sound policy of the agricultural situation.

During the last few years in different sections of the United States the tenancy problem has been one of increasing interest. Extreme droughts and floods and high rate of interest charged to agricultural interests a few years back have been the prime cause of the loss of many farm homes. A much lower rate of interest on loans has been established during the present administration, and that lower rate on farm loans which has been established should be maintained as a permanent policy in this country. I am in favor of an increased allotment for farm-tenancy purposes.

There perhaps has been no man quoted more often than has Thomas Jefferson on many vital public questions that have been before the country from his time down to the present day, and it was Jefferson who remarked that what America needed to do was to maintain a population largely agricultural, and he said as long as that was done in this country our country and Government would be safe and that balance of population that should be maintained in the rural section as compared with city population can only be sustained by the existence of conditions that will make it in every way reasonably profitable to the man who tills the soil and makes a living through agricultural pursuits.

It was Jefferson who said that the difficulty in Europe, even in his time, was the piling up of the people in large centers of population. He stated that when people gathered to the cities they were more apt to become corrupt and that Europe even in his day had approached that state; and he warned that our own country would grow less secure and safe in accordance with the excessive drift of the people from the farms into the cities. I think perhaps very few statements have ever been made by any public man more accurate and true than his statement in this particular.

So far as I am individually concerned I hope to see maintained in this country a rate of interest on farm loans that will help to make it possible for the farmer to remain on his farm and be able to hold his home, and I believe the extension and assistance of the Government of the Farm Tenancy Act will eventually prove of great importance to the less fortunate class of farmers; and with the adoption of the amendment proposed, looking toward this purpose, it will be valuable in helping to maintain a more successful agricultural situation.

For many years during the last half century the agricultural interests were placed at a great disadvantage on account of the high tariffs that were proposed and made effective for the benefit of the industries of our country, and only during the last few years has any material legislation of benefit to the agricultural interests been proposed and enacted into law. The purpose of most all this legislation has been to equalize and extend to the farmer and agricultural

interests in general an equivalent to the benefits that the industries have previously secured under the high tariff rates and in keeping with the wisdom of Jefferson on this point this legislation will help to maintain that balance and make it more certain that the agricultural interests will have a more fair opportunity to be successful. I am glad to give my support to this proposal.

Forty Million Acres Out of Production

EXTENSION OF REMARKS

OF

HON. BERT LORD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 18, 1938

Mr. LORD. Mr. Speaker, I want to speak to you on national legislation pertaining to agriculture.

On November 15, 1937, President Roosevelt called a special session of Congress to pass legislation to control agriculture.

The Committee on Agriculture, of which I am a member, was called together in Washington supposedly to draft legislation to benefit this great industry.

FARM BILL

When we met to consider the legislation, we had laid before us a bill already drafted by the Secretary of Agriculture, Mr. Henry A. Wallace, to carry out his scheme of controlling production on the farms. Many of the committee did not like the bill but were told the bill was what the President insisted on, and it was finally passed in February.

The bill as passed is aimed to control farmers who normally produce wheat, corn, cotton, tobacco, and rice. It provides for compulsory acreage and marketing control of our farmers.

FORTY MILLION ACRES TAKEN OUT OF PRODUCTION

It is estimated that farmers raising the five mentioned crops must reduce the total acreage 40,000,000 acres on the whole. This means 40,000,000 acres out of production. Each farmer will be told the number of acres he can plant, and if he complies he will receive a Government subsidy for complying.

SOIL CONSERVATION

The bill provides for the continuation of the Soil Conservation Act of 1936 with certain amendments.

The announced 1938 program was changed by Secretary Wallace without authority from Congress, and instead of paying substantial sums to farmers for planting soil-building crops they are paid for planting soil-depleting crops. In 1938 payments will be reduced to as low as 40 to 70 cents per acre—this rate of 70 cents per acre applies to tilled acres in New York State—and surplus pasture land is only 40 cents per acre.

COTTON, CORN, WHEAT, TOBACCO—POTATOES, NORTH AND SOUTH

The following sums to be paid for the production of soil-depleting crops on acreage allocated by the Secretary: Cotton, 2.4 cents per pound; wheat, 12 cents per bushel; corn, 10 cents per bushel; tobacco, $8 per acre; potatoes, 4 cents per bushel North, 6 cents per bushel South. The South gets 2 cents more than the Northern States because the Secretary of Agriculture promised it to them. For what reason?

The above benefit payments are made only to farmers who cooperate in the 1938 program. Crop control is divided into areas throughout our Nation.

CORN AREA

The following States are in whole or part included in the corn area: Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota, Wisconsin, Kansas, and Kentucky.

Farmers that come under the control must reduce acreage as dictated by Secretary Wallace.

This reduction in acreage runs from 25 to 70 percent of their normal production, while in the States outside the control area the farmers can raise all of the corn they want to.

FARMERS CANNOT RAISE ENOUGH CORN FOR OWN USE

Many of the farmers in the control area cannot raise enough corn for their own use on the farm and will be obliged to buy corn for their needs or sell their stock and hogs. The farmers have raised up en masse in this corn area and are demanding that the law be repealed. One farmer who was to raise 35 acres was allotted 7½ acres by the Secretary; another was reduced from 40 acres to 8.8 acres, and so on down the line.

NEW YORK STATE FARMERS PLANT CORN

Now, is the time for the New York State farmers to put in a good corn crop, for if the plan works and the corn crop is reduced, we will be buying our corn from foreign countries at a higher price. If it does not work—and I do not believe it will—we will have the corn and not have to buy it.

COTTON AND TOBACCO HAVE EDGE

Cotton and tobacco seem to have the edge on the other crops as to benefit payments.

Tobacco farmers will receive an average of $8 per acre for the allotted acres planted.

Cotton farmers will receive 2.4 cents per pound allotment, 3 cents per pound subsidy, a loan of 9 cents a pound, making a total of 14.4 per pound paid by the Government when cotton is selling for about 8½ cents per pound on the market. If the cotton sells for more than the 9 cents per pound, the farmer gets the increase. Should it sell for less than 9 cents, the Government gets the cotton.

At present the Government has stored some 7,000,000 bales of cotton, or about one-half our total supply. The total cost to the Government is somewhere around $350,000,000 and what are we going to do with it? We are raising much more than our needs every year and have lost more than one-half of our export trade by the control methods.

EGYPTIAN COTTON IN NORTH CAROLINA

To make it still worse, in North Carolina, a cotton-raising State, has just been purchased 24,000 bales of cotton from a foreign country—Egypt. I suppose on account of the price.

When the Secretary of Agriculture and his agents began doling out cotton acreage the small cotton farmers found that the acreage assigned to them was so small that the production from the cotton acres would not bring them sufficient income to live on.

REVOLT IN COTTON SOUTH

This started a revolt in the cotton South, and as a result 18 amendments to the control law that was not yet 2 months old were passed, and an additional 2,000,000 acres for cotton production was added in the cotton-raising States. Now the tobacco raisers are in revolt and demanding greater allotments.

CORN FARMERS REVOLT

A like revolt is now taking place in the corn area and I am wondering what the result will be. Will the corn-raising farmers be allowed to raise corn enough for their own use on the farms?

These farmers in the cotton-, corn-, and tobacco-raising States are honest and patriotic farmers, and they are standing up for their constitutional rights in demanding that they be allowed to raise enough crops for their own use. The wheat farmer will come next in the fall. I wonder how they are going to like this regimentation.

The Federal Government in the last 6 years, under the A. A. A. and Soil Conservation Acts, has paid out over $3,000,000,000 to take out of production about 35,000,000 acres of land. While the Secretary of Agriculture was doing that in order to bring about parity prices for the farmers, the Department of the Interior was reclaiming and bringing into production some 6,000,000 acres of land, at a cost of about one and a quarter billions of dollars.

RECIPROCAL-TRADE AGREEMENTS RUINING FARMERS

At the same time President Roosevelt and Secretary Hull were making reciprocal-trade agreements with foreign countries, bringing in as much or more farm products as may have been gained by Secretary Wallace taking land out of production. So here we have this merry-go-round of getting on,

getting off, and getting nowhere, and all the time ruining the farmers.

COMPEL FARMERS TO PRODUCE LESS SO FOREIGNERS CAN SHIP MORE

It would appear that the administration is trying to compel our farmers to produce less so that foreign farmers may ship more into this country. To prove my contention, I want to give a few quotations of competitive farm imports sold in the United States during the 5-year period from 1933 to 1937.

Products	1933	1937
Cattle.....head	74,658	494,945
Hogs.....pounds	6,470	16,555,218
Pork, hams, and bacon.....do	2,925,517	74,830,480
Total meat products.....do	62,474,911	191,906,012
Butter.....do	1,021,806	11,110,762
Cheese.....do	48,396,740	60,650,000
Corn.....bushels	160,288	86,337,248
Wheat.....do	10,286,236	17,423,837

HOW THIS LEGISLATION AFFECTS NEW YORK STATE FARMERS

Acres of land taken out of production of cotton, corn, wheat, tobacco, and rice must be planted to clover, alfalfa, or some other of the legumes. This can only be fed to livestock and dairy cattle; therefore, these millions of acres are taken out of production and paid for by all the taxpayers of our Nation, of which New York State pays about 30 percent of the total. It is not hard to see that we are paying our competitors to go into the livestock and dairy business, and the legislation that is supposed to assist farmers is throwing our whole system out of joint and is very liable to ruin our whole agricultural industry like it has already ruined the cotton farmer of the South.

It will require an army of Government G-men to administer the act, estimated to cost $45,000,000 for this year.

NO OVERPRODUCTION

What we need is better distribution, and while we have people going hungry and going without proper clothing to wear we should be endeavoring to properly feed and clothe them and there would not be any overproduction.

Peacemakers are being sent out by the A. A. A. to pour oil on the troubled waters, but it will take some "presto change" artists to convince the farmers they want this legislation.

What the farmers of the South and West are experiencing will come to the farmers of the North and East when this Fascist state is complete.

CONTROL FROM WASHINGTON NEVER CAN WORK

On the whole, as I see it, the control of production from one central office in Washington, by theorists and experimenters, never can work satisfactorily.

TRYING TO USURP POWER

They cannot control the rainfall, the snowfall, or the shining of the sun; and these elements, more than any other, determine production. Man never has, and to my mind never will, make a success of trying to usurp the power of the Almighty.

Air-Mail Week

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 18, 1938

Mr. MEAD. Mr. Speaker, this week has been set aside for the national observance of an industry which has grown so rapidly that it is difficult to realize it was but 20 years ago it tried its first wings.

On May 15, 1918, the first air-mail route in the United States was established between New York City and Washington, D. C., with a stop at Philadelphia, a distance of approximately 218 miles, the frequency of service to be one round trip daily, except Sunday. This service was inaugurated with the cooperation of the War Department, which furnished the planes and pilots, and I would like to mention here that our own Major Fleet, of Buffalo, N. Y., was one of the three intrepid flyers who took off that eventful day to inaugurate scheduled air-mail transportation. On August 12, 1918, the Post Office Department was able to take over the entire operation of the route by itself.

Then it began to lay plans for a transcontinental route. The first leg was established in 1919 between Cleveland, Ohio, and Chicago, Ill.; followed 2 months later by the second leg of the route, between New York City and Cleveland; and on May 15, 1920, by the third leg, from Chicago to Omaha; and on September 8, 1920, the last leg, from Omaha to San Francisco, became a reality.

With the development of night service in mind, on August 20, 1920, the Post Office Department issued orders for the installation of radio stations, and in cooperation with the Navy Department 10 of these stations were in operation by November 1.

The Air Mail Service was awarded the Collier trophy for the most important contributions to the development of aeronautics in the year 1922 on its outstanding record of safety established, and again in the year 1923 for demonstrating the practicability of night flying. The Harmon trophy of the United States, offered for the first time in the year 1926, was awarded by the International League of Aviators to an air-mail pilot because of his remarkable record of having flown during that year over 718 hours without accident in all kinds of weather on regularly assigned trips, 47 percent being flown at night.

During the spring and summer of 1923 work on a lighted airway between Cheyenne and Chicago was being pushed forward. In August 1923 a regular schedule was flown between New York and San Francisco, that part of the route between Chicago and Cheyenne being flown at night. It proved so successful after a trial that regular service on a similar schedule was decided upon, and by July 1, 1924, all plans were completed and the transcontinental through service was put into operation. The schedule required departure from the initial terminals in the morning and arrival at the end of the route late in the afternoon of the next day.

CONTRACT AIR-MAIL SERVICE

It had never been the intention of the Post Office Department to operate the Air Mail Service longer than necessary to demonstrate its practicability. In 1926 several contract air-mail routes were put into operation. By August 31, 1927, the Department was able to withdraw completely from the field, the entire Air Mail Service being turned over to contractors.

Today, our domestic air-mail system is essentially a system of transcontinental and coastal trunk lines, interspersed only with enough connecting routes to give service to all of the States. In most instances, the north and south connecting lines follow natural trade routes and may themselves be termed trunk lines.

We have extended the Air Mail Service in Alaska; we have established routes to South America; we have branched out across the Pacific Ocean to Hawaii, Manila, and China; we are stretching out to New Zealand and Australia; we are flying to Bermuda; all this is regular, scheduled service.

Dinner in New York and breakfast in Los Angeles has become a reality. Dinner in New York and lunch in Europe is almost a reality. The air service is fast wiping out all boundary barriers, and soon there will be no "far, distant places," but only "neighbors."

In all of this our Post Office Committee has played an important role. The Honorable Clyde Kelly, father of the Air Mail Service, was a member of our committee, and through his initiative and our support and cooperation his bills became law. From simple beginnings we have nurtured and developed the Service, revising and improving the laws as it became necessary, until today the Air Mail Service has grown from the modest route of 218 miles to

over 62,000 miles over which the planes flew a total of more than 70,000,000 miles last year.

Those are remarkable achievements, and make us wonder what the next 20 years hold in store; but whatever that may be, it will take much to match the daring of the pioneer age which we have been privileged to watch unfold.

Dedication of the Homer, N. Y., Post Office Building

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 18, 1938

ADDRESS OF HON. JAMES M. MEAD, OF NEW YORK, MAY 14, 1938

Mr. MEAD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me at the dedication of the post office at Homer, N. Y.:

Today in this beautiful community where David Harum lived we have come to dedicate a beautiful building, one of primary importance to everyone who lives in Homer. This is an important occasion; now that construction is completed we are by solemn rite turning over this building to you to contribute in beauty and usefulness to the progress of your city.

Post-office buildings as a rule have something of the aesthetic about them, achieved through simple, balanced structure. They appeal to the inner craving of man for beauty. They are more lasting in appearance than commercial structures. They hold their heads high. They present a distinguished appearance. Like our Nation's flag they symbolize the Republic's enduring qualities.

The Homer post office carries out this tradition in all respects—beautifully proportioned, an air of enduring stability, impressive, dignified, strong, permanent, graceful, inspiring patriotism and better citizenship.

A building such as this could not help but encourage pride in the community. It stands as an expression of your city and generation. It embodies the character and reflects the ideals of this country and of this century. A classical masterpiece may have been the basis for the design, but the finished product bears the stamp of today.

FOUNDATION

It is true that this building is laid on a strong, material foundation; but it goes deeper than that. It is founded in the hearts of you people of Homer. You made this building possible when you settled here, worked here, established your homes here, patronized the local industries and the local post office.

It is built on your efforts, your cooperation, your aspirations, your ideals. It goes down into the very soil of which you are a part. It rears its proud head into the same atmosphere you breathe.

This is your building, made possible by you, and waiting to open its doors to your needs, to give you a better postal service than you ever had before.

OFFICES AND WORKROOMS

The offices and workrooms are large and modern in design, to insure better handling of your mail, quicker waiting upon you, and improved working conditions for those who serve you.

This is the modern trend, the Postal Service's effort, as the main artery of our Nation's vast communication system, to keep abreast of the times. The Post Office Department takes advantage of every opportunity to increase its efficiency, to cut down the time necessary to deliver your mail, and to help people all over the country to carry on their business and social activities. Right-up-to-the-minute postal facilities have been found essential to the growth and development of our country from the earliest times, and are continuing to be found essential to the prosperity and progress in these modern days.

PUBLIC-BUILDING PROGRAM

All over the country the Post Office Department is setting up new buildings, to improve postal facilities, to save money formerly spent on rented or leased quarters, to improve the looks of the communities, to put men to work and bolster up morale.

At the recent hearings on this subject, the Department's representatives testified that $2,000,000 is being saved to the Government annually as a result of this Federal building program.

But putting men to work is the very finest medicine the Government could administer. It far outweighs any financial savings. What could be better than gladdening the hearts of our out-of-work citizens, erasing the worried frown from their foreheads with a pay check, restoring faith, creating hope?

This building is a part of the President's determined effort to serve the common good, to put the Nation back to work; and whenever you enter or pass this building I hope you will remember the bread it brought to hungry mouths, the courage it created in defeated souls throughout the length and breadth of this land, for the workmanship, the materials, the planning linked up with this building affected those far and wide as well as here at home.

This is your post office. A section of that vast postal network which handles some billion pieces of mail annually, it is here to serve you every minute of the day and into the night.

Here men are the important factor. Here democracy is enthroned.

I hope you are pleased with the building. I hope you will be pleased with the larger and better facilities. I hope that it will tend to stimulate trade and industry in this region. And above all, I earnestly hope it will contribute to the happiness and well-being of each one of you.

This is a splendid building. I congratulate the architects, the contractors, the workmen, and all who took part in this fine undertaking. They can well be proud of their work.

I congratulate, too, your loyal postmaster, Mrs. Katherine Newton, and her able assistants. The building will be a great satisfaction to them, and they have worked hard with you in realizing its attainment.

The Relief Load and Election Year

EXTENSION OF REMARKS

OF

HON. ROBERT L. BACON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 18, 1938

AN ARTICLE BY FRANK R. KENT ON RELIEF AND POLITICS

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following discussion of the relation of the relief load to election years by Mr. Frank R. Kent. This subject was also considered by the Republican minority report on the recent spending bill. That there is politics in relief and relief in politics few will deny. All decent Americans will agree that "there is nothing more degrading than the use of the W. P. A. relief organizations and money for partisan political purposes."

In the whole record of American politics there is nothing more degrading than the use of the W. P. A. relief organizations and money for partisan political purposes. Few things would seem more fully to justify popular indignation and resentment.

That these emotions are not more generally manifest is due to several things. Undoubtedly, one is the aloof attitude of the President and his chief aide, Mr. Harry Hopkins. They seem to think because they are not personally playing politics with relief that, therefore, it is not being done. There is not a practical politician in the country who does not know better. Neither the keeping of his head in the air, where he cannot see what is going on, by Mr. Roosevelt, nor the perfunctory, nonpolitical gestures made at intervals by Mr. Hopkins, alter the fact that relief is saturated with politics—and that under the system of appointments on the recommendation of the Democratic bosses and Senators, this is inevitable and continuous.

The simple truth is that the W. P. A. organizations in the different States have come to be recognized political assets of the politicians through whom they are manned; that there is overwhelming evidence of their use in such States as Pennsylvania; that there never has been any real investigation of the charges made; that more and more it is recognized that the present relief system affords the dominant party an unprecedented election advantage.

In a striking report made the other day by the minority members of the House Appropriations Committee, the connection of the relief rolls with elections was shown by Mr. Hopkins' own tabulation of the number of persons receiving Federal assistance, by months, since 1933. A direct relation is thus mathematically revealed between the increase in the relief load and the political campaign. It is shown that in nonelection years the relief roll normally declines between June and October, but that in the election years—1934 and 1936—this normal summer decline is reversed.

"In 1934," the report says, "there were 2,283,000 more people on relief in November than in June. In 1936, the increase between July and November was 1,213,000 persons." But in the nonelection

years, in this period, the figures show a sharp decrease, as follows:

1933—a decrease of 3,243,000.
1935—a decrease of 3,165,000.
1937—a decrease of 2,648,000.

"Nor," continues the report, "are these fluctuations related to industrial production. In 1933, the relief load declined 3,243,000 in 4 months and in the same 4 months the Federal Reserve Board's index also declined 20 points. But in 1934, an election year, the relief rolls expanded by 2,283,000 in the corresponding 4 months, although the Reserve Board's index of production was moving upward through September and October.

"In the next election year—1936—between July and November—the combined relief rolls increased by 1,213,000, despite the fact that the Reserve Board's index moved steadily upward from 104 percent of normal in June to 114 percent in November. The following year—1937—in which there was no national election, the rolls declined 2,648,000 from June to November, although there was then an exceedingly sharp decline in the production index.

"In the light of these facts," the report asserts, "it is impossible to avoid the conclusion that fluctuations in the relief rolls are determined not by actual need as reflected in general business conditions, but by political considerations related to the general elections."

It does seem, however aloof Mr. Hopkins may remain, that the deduction thus made is justified by the figures. There is another point made in the report which one would think Senators about to hand Mr. Hopkins another billion and a half dollars would like clarified. During his testimony before the committee, the report says Mr. Hopkins, four separate times, asserted that even if there should be a pick-up of 1,500,000 in private employment the next 6 months, he would still need the billion and a half to cope with the situation. That is an astounding statement. If a difference of 1,500,000 persons on the relief rolls makes no difference in the amount of money needed, what would make a difference? Mr. Hopkins has estimated that W. P. A. work costs an average of $63.50 per month per person. On this basis the absorption of 1,500,000 persons by private employment ought to mean a reduction in cost of $100,000,000 a month, or more than a billion a year. Yet, Mr. Hopkins says just as much money would be needed. This is the sort of thing that baffles those who try to follow New Deal reasoning and mathematics. It might suggest to even an administration Senator, not completely under the White House anesthetic, that perhaps some control over relief expenditures is essential.

Wage and Hour Bill

EXTENSION OF REMARKS
OF
HON. ROBERT RAMSPECK
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 18, 1938

EDITORIAL FROM THE WASHINGTON POST OF MAY 18, 1938

Mr. RAMSPECK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the Washington Post of May 18:

JOES AND MINIMUM WAGES

Reports that minimum wages recently established in Washington have resulted in the dismissal of a substantial number of employees should be of special interest on Capitol Hill, where the wage and hour bill is still under consideration.

The rates of pay for women employed in local retail establishments and in the public housekeeping industry were fixed after careful studies by groups representing employers, employees, and the public. Undoubtedly these minimum-wage conferences analyzed the conditions within each industry and made an earnest effort to protect the interests of female workers. The minimum wages they established are by no means exorbitant—ranging from $14.50 for hotel maids to $17 for retail clerks. Yet they appear to have resulted in the dismissal of a considerable number of women whose services are valued by employers at less than the minimum fixed.

Under the national wage and hour bill sponsored by the House Labor Committee there would be no careful adjustment of minimum wages to the conditions of each industry in each locality. On the contrary, a rigid minimum would be fixed for all industries affecting commerce throughout the country. And within 3 years that minimum would be considerably higher than the lowest rates established in Washington, despite the fact that in most of the States living costs are lower than they are here.

Congress ought not to ignore the very real implication in the District's experience that the wage and hour bill would cause a good deal of unemployment at a time when a staggering number of individuals are already without jobs. That measure was pressed in the House largely as a means of creating purchasing power. Insofar as it might raise wages this reasoning is correct. But sponsors of the bill entirely overlooked the counteracting effect of dismissals likely to result from the elevation of low-bracket wages above the ability of many employers to pay.

In some industries there are large numbers of employees who are kept at work only because their inefficiency can be offset by low wages. If minimum wages are fixed with no allowance for such conditions, Congress ought to prepare for a permanent expansion of relief rolls.

Side Lights of History—Books

EXTENSION OF REMARKS
OF
HON. CHARLES A. PLUMLEY
OF VERMONT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 18, 1938

ADDRESS BY HON. CHARLES A. PLUMLEY, OF VERMONT, BEFORE THE COLUMBIA HISTORICAL SOCIETY, ON MAY 17, 1938

Mr. PLUMLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me Tuesday evening at the Mayflower Hotel before the members and guests of the Columbia Historical Society:

SIDE LIGHTS OF HISTORY

I understand that while not absolutely essential, it is considered rather necessary, in view of the subject assigned, that upon such an occasion as this, and in this presence, one should, at least, make some allusion to some matter of historical importance. "I know not what the truth may be; I only tell that tale as it was told to me."

In order, therefore, to properly qualify, may I refer to the fact that my attention was attracted a year or two or more ago to the fact that all southern Maryland was celebrating the three hundredth anniversary of the landing of Leonard Calvert and his followers, who established at St. Marys City the first settlement of the free State and planted the first taste of religious freedom on American shores.

The men and women whose lives and deeds were being commemorated, who founded a State and gave to it those ideals and traditions of freedom of conscience and civil liberty which are its chief glory, have long since departed into eternal rest; the world which they knew is gone, but freedom of conscience prevails over the earth and political and civil liberty are firmly and, we hope, forever established. The services of those pioneers of 300 years ago and their gift to mankind are as immortal as their souls.

It was and is very right and fitting that we should take time to observe such occasions; show reverence and respect where each are due, and strengthen ourselves for our own struggles by reflecting upon the courage, fortitude, and achievements of these men and women of long ago.

It is especially well for us in these hectic days to take time to stop and think what sacrifices each and every one of us would be willing to make in order to preserve our priceless liberties, defend the principles in which we believe, or to establish a state.

So celebrations of centenaries and tercentenaries recall old days and times and renew in us a realization of the benefits, because of the sacrificial purchases made by our forebears which we do now enjoy. So may I pay my belated tribute to Lord Baltimore, and the cradle of civil liberty, and to all those brave souls who sailed into this new world aboard the *Ark* and *Dove* and made permanent the principles for which they were ready to die in order to preserve and to pass them on to their posterity.

Since we have been down here, and in the last few years, being historically minded, we have visited Jamestown, and Rhode Island, and the Plymouth Colony. Last year I was a member of the Presidential party which attended the Virginia Dare pageant in North Carolina.

Now I know it is a far cry to the days of Roger Williams and the Plymouth Colony and Jamestown and Virginia Dare and Lord Baltimore. But the fundamentals have not changed. Fads and fancies have danced their little day on the stage, and made their exit into oblivion, or are well on the way. But realities remain.

The early settlers of America bequeathed to their descendants certain institutions, customs, manners, and opinions which are essential to, and have contributed most successfully to, the permanency of our democratic form of government. If I may be permitted to say it, they fought for, talked about, and wrote about those principles of civil and religious liberty which are the foundations of, and were the starting point of, all free institutions, as well as of all that has been accomplished by those who followed them. Especially to you Vermonters present may I say that your forbears, as well as those of many others present, were not indulg-

ing in oratorical expressions when they insisted on inserting in their bill of rights the statement that—

"A frequent recurrence to fundamental principles and a firm adherence to justice, moderation, temperance, industry, and frugality are absolutely necessary to preserve the blessings of liberty and keep government free."

They meant exactly what they said, and they said exactly what they meant.

As John J. Ingalls once said, "Those who signed their names to the compact of government in the dingy cabin of the *Mayflower* released social and political ideas of inconceivable energy, self-government, liberty of conscience, universal education. The same spirit that penned that charter wrote the Declaration of Independence, the Constitution, the Proclamation of Emancipation, guided the pen of Lincoln, unsheathed the sword of Grant, trained the guns of Dewey at Manila, and created the splendor and opulence and power of the civilization of the century. * * * They resolved to build a state in which all men should be politically equal; for the divine right of kings they substituted the sovereignty of the people. In the place of prerogative and privilege for the few, they put equal opportunity for all. They determined to secure the universal diffusion of social and political rights among all citizens accompanied by sufficient guaranties for the protection of the rights, the security of property, the preservation of liberty. They projected that the means of education should be coextensive with the desire to know, and that the condition of happiness should be commensurate with the capacity to enjoy."

Speaking about my own State, it seems to me a unique circumstance that Vermont was not one of the Thirteen Colonies nor one of the Original Thirteen "free and independent States," which they declared themselves to be. It had no Delegate in the Continental Congress. It gave no signer to the Declaration of Independence. It had no part in the organization of the United States of America in Congress assembled under the Articles of Confederation, nor in the final establishment of a genuine republic under the Constitution. It was partly a ground of contention between two covetous States and partly an independent and, thus, technically alien Commonwealth. And when in the fullness of time it entered the Federal Union it did so, not as a Territory erected into statehood by the sovereign will of the Congress but, rather, as a foreign country annexed by mutual treaty.

As a State Vermont was the first to be added to the Original Thirteen, and it was for its representation that the first alteration was made in the national ensign by the placing of another star in the canton and another stripe in the field. Since then it has contributed to the public life of America an exceptionally large number of men of commanding rank, several of whom were protagonists in epochal achievements, and it has been consistently instinct with a spirit of aggressive loyalty and unfaltering devotion to the Union not exceeded by that of any other State, old or young, great or small.

It is interesting in passing to observe how fallible are the judgments that any generation places upon its contemporary men and events. This is nothing new. A prophet has always been "not without honor save in his own country." How little the world took note of that little ship which was slowly plowing its way westward across the drear and dark Atlantic, driven by winter blasts not half so relentless as the persecution which the Pilgrim passengers were fleeing from. What prophetic soul thought to name the little boat the *Mayflower*, unconsciously visioning the fact that the long winter of political tyranny was about to break and the springtime of civil and religious liberty was about to dawn for the human race. How little did James I, as he then thought to strangle the liberties of the English people, or Richelieu, as he then sought to build up kingly despotism, appreciate the fact that even then a little group of carders, weavers, and farmers of England were founding a colony in an unbroken wilderness from whose loins would spring a strong people and a mighty republic to dominate the world.

So I say to you that in these days of nervous stress and strain and business turmoil, societies and organizations such as this, with relatives and kindred, and principles and aims such as yours, cannot emphasize too strongly or too often the fundamental truths. Honoring the past, we cannot live in it, but must set our faces toward the future in an honest endeavor, so far as in us lies, wisely and loyally to help save these United States of ours its proper place in the sun among the nations of the world, to the end that we may hand down to posterity as our chief bequest a country that is the better for our having lived in it.

But I must be honest, whether I like it or not. And, if you must know it, history is a sideline with me—my hobby just now is books. And it is about books and concerning books that I wish to talk to you for a few minutes.

BOOKS

If I remember correctly, it was Annette Wynne who said:

"A little gate my book can be,
That leads to fields of minstrelsy;
And though you think I sit at home,
Afar in foreign fields I roam."

How true that is. As someone has said: "How suddenly and safely a book transposes you to foreign fields and strange and distant places. You have hardly turned a dozen pages before you find yourself listening perhaps to strains of weird music in some city of ancient India or hunting with the Eskimos over snow fields in the frozen north. You may be driving caravans of camels loaded with treasures across burning deserts; attending a cherry-blossom festival in Japan; or hurrying with a crowd of men, women, and children to see a puppet show on a street corner of far-away Peiping. You find yourself carried back to the days before the telephone, or modern transportation on land and sea and in the air, and help the Pilgrims celebrate their first Thanksgiving festival, or are transported far, far into the future along paths which only the most imaginative dare undertake to tread, and by trails which only the most adventurous have the courage to dare to travel, reaching heights to which no one has heretofore attained, and in dreams are looking toward horizons too distant to be visible, beyond which in certainty we feel we shall find the pot of gold."

"Happy, then, is he," said Rufus Choate, "who has laid up in youth and held fast in all fortune, a genuine and passionate love of reading. True balm of hurt minds; of surer and more healthful charm than 'poppy or mandragora, or all the drowsy sirups of the world,' by that single taste—by that single capacity, he may bound in a moment into the still region of delightful studies and be at rest. He recalls the annoyance that pursues him; reflects that he has done all that might become a man to avoid or bear it; he indulges in one good, long, human sigh, picks up the volume where the mark kept his place, and in about the same time that it takes the Mahometan in the Spectator to put his head in the bucket of water and raise it out, he finds himself exploring the arrow-marked ruins of Nineveh with Layard; or worshipping at the springhead of the stupendous Missouri with Clark and Lewis; or watching with Columbus for the sublime moment of the rising of the curtain from before the great mystery of the sea; or looking reverentially on while Socrates—the discourse on immortality ended—refuses the offer of escape, and takes in his hand the poison, to die in obedience to the unrighteous sentence of the law; or, perhaps, it is in the contemplation of some vast spectacle or phenomenon of nature that he has found his quick peace—the renewed exploration of one of her great laws—or some glimpse opened by the pencil of St. Pierre, or Humboldt, or Chateaubriand, or Wilson, of the 'blessedness and glory of her own deep, calm, and mighty existence.'"

He opens his book, and in the twinkling of an eye he is looking into the full "orb of Homeric or Miltonic song," or he stands in the crowd—breathless, yet swayed as the forests or the sea by winds—hearing and to judge the Pleadings of the Crown, or the philosophy which soothed Cicero or Boethus in their afflictions, in exile, prison, and the contemplation of death, breathes over his petty cares like the sweet south wind; or Pope and Horace laugh him into good humor; or he walks with Aeneas and the sibyl in the mild light of the world of the laureled dead.

In retrospection we undertake to make a mental computation of the books we have read. How small the list of those which we can recall, either by the title or name of the author. Certain it is that of the making of books there has been no end, and the reading of books is today too much of a diversion. Did you ever stop to make out a list of the books from or by the reading of which you could honestly say you had been distinctly benefited? You will be surprised, if you undertake the task, at the small number which will appear on your list.

As a lawyer, and in preparation for that profession, of necessity I had to read, and read, and study, and read. There was a time that I thought, having completed Blackstone, Chitty, and Kent and Pomeroy, that if I had my own way I never again would spend the necessary time to undertake to assimilate the contents of those or similar types of books. But, to be perfectly honest with you, the reading and the study of such a class of literature spoiled me so far as real enjoyment is concerned to be found or obtained in or from the reading of fiction.

I found myself buying historical novels, but always a critical reader, too ready and too willing to dispute the correctness of the motives ascribed to the characters, and always checking the historical accuracy and the geography and military maneuvers from a strategic standpoint.

I have read practically all of the so-called historical novels, but to save my soul the only ones I can remember are the Green Mountain Boys, the Rangers, and Winston Churchill's series. Of course, I should include Uncle Tom's Cabin and J. Fenimore Cooper's works.

I am honest when I say I think I have learned more about the history of my own country and other lands from the reading of historical novels than I ever did from the textbooks which I was compelled to use and study in college in attempting to acquire that culture, whatever it is, and which is so much talked about.

I have always been interested to read travel books. By constant rereading of that type of books I have acquired a general fund of information regarding the several countries I have visited, which makes it possible for me to know as I listen, whether or not statements made are or are not to be relied upon, which is some satisfaction, and is worth while.

Some years ago a good friend of mine said to me: "Do you read biography?" and I said, "No; my idea of biography is that it is about as dry as the dust of the Pharaohs." He handed me his set of Beveridge on the life of John Marshall, which I read from cover to cover with the most intense interest, and there has followed a continuation of the interest in all well-written biographies of those men who have contributed to the world, making life worth while for us all.

Somewhere I have read, but am unable to identify the statement, which is in effect that there is no heroic poem in the world but is at bottom a biography, the life of a man; and it may also be said that there is no life of a man faithfully recorded but is a heroic poem, rhymed or unrhymed. History is the essence of innumerable biographies.

Was it not Carlyle who said, "The history of the world is but the biography of great men"? "There is properly no history; only biography," said Emerson.

If I were to classify my interest and enjoyment, I would say that both are found in the reading of historical, geographical, and biographical books. You get the story of what transpired and your interest is aroused as to the country in which it happened and you want to know what the particular men mentioned had to do with respect to all these things, and in your historical, geographical, and biographical reading you get a pretty good picture of the whole story.

The word "culture" is overworked. Books are easier of access and possession at the present time than any other element involved in the attainment of so-called culture. And their influence on the world is greater than ever before.

I think it was William Ellery Channing who said: "Intellectual culture consists, not chiefly, as many are apt to think, in accumulating information, though this is important, but in building up a force of thought which may be turned at will on any subjects on which we are called to pass judgment. This force is manifested in the concentration of the attention, in accurate, penetrating observation, in reducing complex subjects to their elements, in diving beneath the effect to the cause, in detecting the more subtle differences and resemblances of things, in reading the future in the present, and especially in rising from particular facts to general laws or universal truths. This last exertion of the intellect, its rising to broad views and great principles, constitutes what is called the philosophical mind and is especially worthy of culture."

To make this means of culture effectual a man must select good books, such as have been written by right-minded and strong-minded men, real thinkers, who instead of diluting by repetition what others say, have something to say for themselves, and write to give relief to full, earnest souls; and those works must not be skimmed over for amusement, but read with fixed attention and a reverential love of truth.

The great law of culture is as Carlyle has so well said: "Let each become all that he was created capable of being; expand, if possible, to his full growth, resisting all impediments, casting off all foreign, especially all noxious adhesions, and show himself at length in his own shape and stature, be these what they may."

Nothing can supply the place of books. They are cheering or soothing companions in solitude, illness, affliction. The wealth of both continents would not compensate for the good they impart.

One of the very interesting features of our times is the multiplication of books, and their distribution through all conditions of society. At a small expense a man can now possess himself of the most precious treasures of English literature. Books, once confined to a few by their costliness, are now accessible to the multitude; and in this way a change of habits is going on in society, highly favorable to the culture of the people. The diffusion of these silent teachers, books, through the whole community, is to work greater effects than artillery, machinery, and legislation. Its peaceful agency is to supersede stormy revolutions. The culture, which it is to spread, whilst an unspeakable good to the individual, is also to become the stability of nations.

But what about poetry, as such, do you ask? Well, I am old-fashioned, and willing to admit it; in fact, I am proud of it. It is not a difficult thing for me to tell you that I like long poetical lines. All you would have to do to know what I like is to look at the books on the table at the head of my bed. This may be a confession, and I may not belong to the literati. Anyway, the poetical works you would find on that table at the head of my bed in Northfield, or here in Washington, are these: Whittier's poems, Longfellow's poems, Tennyson's poems, a copy of Shakespeare, the last number of Driftwind.

After a day's work I pick up any one of them that happens to meet and satisfy the poetic mood in which I happen to be at that particular moment. I have found some wonderful poems in Driftwind, according to my idea of what poetry ought to be, and I like the homeliness and perfect understanding of the New Englander as found in Longfellow and Whittier.

I should say read Emerson some. The essay on Compensation always intrigued me. When I want to cry I read David Harum. When I want to waste my time I read Edgar Wallace, Oppenheim, or Fletcher detective stories.

When I want to find wit, humor, pathos, and tragedy, I pick up my Shakespeare, who knew better than any man who has ever preceded, or better than any man who has followed him, that it is not enough to say fine things—great things, dramatic things must be done.

"He that works and does some poem, not he that merely says one, is worthy of the name 'poet,'" said Carlyle.

It goes without saying, although it has been well said, that Shakespeare was the greatest genius of our world. He left to us the richest legacy of all the dead—the treasures of the rarest soul that ever lived and loved and wrought of words the statues, pictures, robes, and gems of thought. He created characters that seemed to act in accordance with their own natures and independently of him. One thing which always impressed me with respect to Shakespeare is found in the fact that, in my judgment, when occasion required, he showed he cared nothing for the authority of man or of schools, showing that he knew that Nature cares neither for smiles nor tears, nor life nor death, and that the sun shines as gladly on coffins as on cradles.

I recall that Robert Ingersoll once said that Shakespeare was the greatest of philosophers. He knew the conditions of success, of happiness, the relations that men sustain to each other, and the duties of all. He knew the tides and currents of the heart, the cliffs and caverns of the brain. He knew the weakness of the will, the sophistry of desire, and that—

"'Pleasure and revenge
Have ears more deaf than adders to the voice
Of any true decision.'

"He knew that the soul lives in an invisible world, that flesh is but a mask, and that—

"'There's no art
To find the mind's construction in the face.'

"He know that courage should be the servant of judgment, and that—

"'When valor preys on reason
It eats the sword it fights with.'

"He knew that man is never master of the event, that he is to some extent the sport or prey of the blind forces of the world, and that—

"'In the reproof of chance
Lies the true proof of men.'"

Feeling that the past is unchangeable, and that that which must happen is as much beyond control as though it had happened, he says—

"Let determined things to destiny
Hold unbewail'd their way."

Shakespeare was great enough to know that every human being prefers happiness to misery, and that crimes are but mistakes. Looking in pity upon the human race, upon the pain and poverty, the crimes and cruelties, the limping travelers on the thorny paths, he was great and good enough to say—

"There is no darkness but ignorance."

In all the philosophies there is no greater line.

It has been well said that: "All that mankind has done, thought, gained, or been, is lying as in magic preservation in the pages of books."

The Wage and Hour Bill

EXTENSION OF REMARKS
OF
HON. MARTIN J. KENNEDY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 18, 1938

RADIO ADDRESS OF HON. MARTIN J. KENNEDY, OF NEW YORK, FRIDAY, MAY 13, 1938

Mr. KENNEDY of New York. Mr. Speaker, on Friday evening, May 13, I delivered the following address over radio station WINS from the studio in New York City:

Good evening, ladies and gentlemen, are you out of a job? Are you afraid of losing the job you have? If you live in the metropolitan area, you will realize that these questions apply to you, and for that reason I ask your indulgence to discuss a matter which affects each and every one of us—the wage and hour bill.

In speaking to you tonight, as a Member of the Congress of the United States I want to emphasize at the very outset that I am going to discuss this problem with you as one citizen to another. I want to talk to you simply and plainly as a friend making every effort to clarify the issue.

I am going to attempt to answer your questions about the wage and hour bill. What is this bill all about? What will this bill do? What is the need of this bill?

We are familiar with the relief problem and the enormous demands it has made upon our Government—Federal, State, and local. We know, too, that unless the wages of private industry reach a certain level and maintain themselves at that level, these relief demands upon our Government must continue and the tax rate must be raised accordingly. In order to correct this situation the House of Representatives will have before it the wage and hour bill on Monday, May 23.

On last Friday, May 6, a petition filed by the chairman of the House Labor Committee was promptly signed by 218 Members of the House of Representatives, constituting a majority. As a result of the signing of this petition the bill will become the preferred order of business in the House of Representatives on Monday, May 23.

The wage and hour bill affects only industries operating in interstate and foreign commerce. The purpose of this bill is to regulate the maximum hours of employment and to set up a minimum-wage schedule for employees in industry affecting interstate commerce.

The Federal Government must safeguard interstate commerce and insist upon the abolition of unfair competition, which is often due to the employment of child labor.

The wage and hour bill has the endorsement of Mr. William Green, of the American Federation of Labor; Mr. John L. Lewis, of the Committee for Industrial Organization; and the organizations which they represent.

In the wage and hour bill, the term "employer" includes any person acting directly or indirectly in the interest of an "employer" in relation to an "employee." An employee means any individual employed or suffered or permitted to work by an employer.

Let us take the case of an employee in a factory or a mill and see how he is going to be affected by this legislation. John Doe, an employee, must be paid at the rate of not less than 25 cents an hour for the first year. Each succeeding year the rate of his pay will be increased 5 cents an hour till it reaches the sum of 40 cents. At the end of the 3 years, his minimum-wage rate as an employee will be 40 cents an hour.

Let us now consider the maximum-hour regulation. For the first year, no employer shall employ his workers longer than 44 hours a week. The second year, the employer will reduce the hours so that an employee will not have to work any longer than 42 hours a week. Third year, the employer will reduce the hours so that an employee will not have to work longer than 40 hours a week. At the end of 3 years, the minimum wage will be $16 a week and the employee will only have to work 40 hours a week. Persons engaged in agriculture, fishing, seafaring men, and apprentices are exempt from these regulations as is anyone who acts in a purely local retailing capacity within a State whether as an executive or as an outside salesman.

There is great need for the wage and hour bill. Interstate commerce is harmed by the competition of manufacturing under various labor standards. Many States have substandard labor conditions and, hence, can compete with unfair advantage over other States. Since the States have not the power to stop the shipment of interstate goods, the employees and employers in a State like New York, having a high standard of labor laws, must suffer. Congress can remedy this appalling situation by the passage of the wage and hour bill. This bill will prohibit the shipment in interstate commerce of goods produced under substandard labor conditions and will protect the employer who is paying his employees a reasonable wage.

I know that a 25- to 40-cent minimum is not an adequate pay for a man. This minimum, especially for us in the North, is low and inadequate but it is at least a beginning. It would, nevertheless, guarantee a bare subsistence wage for many thousands of workers who are unable to protect themselves by collective bargaining. It would place a good volume of purchasing power back in the hands of the people and when that would be done we would have taken the first and most important step toward setting our economic house in order. Lest any of us is inclined to scoff at this proposal, let us remember that even the starting minimum wage of $11 a week is higher than the $5 or $6 which is the weekly wage of many workers in factories and mills in some parts of our country.

We in Congress, who are in favor of this bill, are not alone in our fight. The heart of this bill is something that is ingrained in the moral law and is dictated by nature and reason. The Holy Father, Pope Pius XI, in his encyclical said, "The wage paid to the workingman must be sufficient for the support of himself and his family." Again the Holy Father says, "The state must take every measure necessary to supply employment, particularly for the heads of families and for the young."

Chief Justice Hughes, in rendering the opinion on the Washington Minimum Wage Act, stated: "The exploitation of a class of workers is not only detrimental to their health and well-being but casts a direct burden for their support upon the community. What these workers lose in wages the taxpayers are called upon to pay. The bare cost of living must be met. The community is not bound to provide what is in effect a subsidy for unconscionable employers."

From these quotations you have a clear explanation of the problem that is facing us. Almost every edition of our newspapers brings new stories of wage cuts and lay-offs in many of our basic industries. The failure of Congress to pass this bill last year has not helped the recession, and there are many of our citizens who believe that this inaction by the representatives of the people intensified our trouble. There was a wave of wage cutting by employers to meet the competition of the sweatshop areas. Decent industry today has its back to the wall, and the workingman, faced with unethical competition and the mechanizing of industry, sees his chances of earning a livelihood and keeping his self-respect, rapidly slipping away.

We, the people, must put a ceiling on hours and a floor under wages in order to lift the standard of the wage earner and increase the purchasing power of the great mass of our workers. Government spending, which is alarming so many of us, cannot be ended until we are able to put people back to work in private industry. This cannot be done with safety until interstate commerce is cleared of that unfair employer who insists upon his men working long hours at miserable wages.

My active interest in the welfare of labor dates from my election to the Senate of the State of New York on January 7, 1924. As a New York State senator and as a Member of the House of Representatives, I have worked for the passage of practical, constructive, and progressive labor legislation. The wage and hour bill should be passed before the adjournment of Congress in June. The principles embodied in this bill are basically American. In the interest of both employee and employer, I, as a Congressman, will do all in my power to have the wage and hour bill become a law.

Shipment of Steel and Scrap Iron to Japan

EXTENSION OF REMARKS

OF

HON. BYRON N. SCOTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 18, 1938

ARTICLE, "AMERICA CAN HALT JAPAN," BY PAUL G. McMANUS

Mr. SCOTT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article by Paul G. McManus in the magazine New Masses:

The difficulties the Japanese have been encountering in their war against China spotlights what singularly few people seem aware of: That the United States is in the strategic position of being able to cripple Japan's war machine by suddenly cutting off the supply of scrap needed in steel production. This may be illustrated by citing figures for Japan. In 1937 she produced roughly 5,300,000 tons of steel. In the manufacture of this tonnage, over 2,000,000 tons of scrap were used, of which the United States supplied 1,900,000 tons. Thus one-third of the raw material used in Japan's steel industry in 1937 was derived from American scrap. It can readily be seen that sudden stoppage of this flow would adversely affect Japan's ability to produce steel.

The foregoing represents the opinion of no individual. The figures cited are based upon official export statistics compiled monthly by United States Government bodies. The paragraph as a whole is quoted almost literally from a recent speech by E. W. Pehrson, of the Metal Economics Division of the United States Bureau of Mines, before the trade organization of used-material dealers. It constitutes the most direct statement made, since Japan invaded China, of the vital role played in Japan's war economy by American industry.

As a matter of fact, Mr. Pehrson, who used Japan's crucial dependence upon American steel as an argument against the imposition of an embargo on further shipments of such strategic materials to Japan, considerably understated the importance of American steel to that country. A more accurate picture of the unique importance of American raw materials in Japanese steel and armament production is provided by the following facts:

During the last year exports of American pig iron to Japan have grown sensationally. The importance of pig iron, which is an alternative raw material to scrap in smelting steel, is that it is made to exact specifications and is of better quality than scrap. Most of the scrap which Japan has been buying in this country is derived from low grades of steel of the kind made many years ago: It is too high in carbon content to be reworked into steel durable enough to withstand the punishment to which military use subjects metals. Accordingly, the 400,000-odd tons of high-grade pig iron which Japan bought in the United States last year—almost entirely from subsidiaries of various Mellon holding companies—supplement the nearly 2,000,000 tons of scrap iron which she bought, in more than a quantitative sense: They were especially designed for use in military operations. And, illustrating the difference between these new grades of pig iron and the older types of metal available in scrap, Japan's 1938 purchases have thus far shown a strong partiality for pig iron. While her scrap buying is just about keeping pace with last year's record-breaking volume, she has sharply increased the rate at which she is ordering pig iron. And in the first 3 months of this year she has imported 172,500 tons of iron and steel (excluding scrap and machinery), compared with 88,000 tons in the same period in 1937 which already marked a sharp rise over previous years.

It is clear, therefore, that Japan's growing purchases of American pig iron not only increase her dependence upon American steel-making raw materials well above the 33-percent level specified by the Bureau of Mines official, but that they increase her dependence upon us for precisely the high-grade, armament-type steels which Japan needs most desperately.

It is noteworthy, finally, that apart from India (where native pig iron, however, is too badly needed for exports to be very large), Japan has been able to buy pig iron in any quantity only in the United States. The one other source of supply—Soviet Russia—discontinued shipments to her last March, when the war-provoking alliance with Germany warned the world what to expect

in China. Ironically, Germany has been too preoccupied with the iron shortage created by her own armament program to fill the breach made by the discontinued Soviet sales. This leaves the United States as Japan's chief pig-iron, as well as scrap, supplier, and it sharply increases Japan's wartime dependence upon the United States.

Nor is this the end of Japan's dependence upon the American steel industry. For the United States does more than supply Japan with strategic quantities and kinds of raw materials for her steel furnaces. She also supplies Japan with finished steel. Alongside the 5,300,000 tons of steel made in Japan, the million-odd tons of finished steel which she bought in this country in 1937 bulk large; especially since the American steels she buys are of a uniformly higher quality than her own low-grade production which is for the most part unfitted for the various engineering tasks required by armament work. As a recent article in the New York Times pointed out, these finished American steels are already alloyed with such metals as copper, aluminum, nickel, and molybdenum—which Japan lacks—and therefore her purchases of steel here relieve her of the necessity of buying these metals as well. It is a truism that steels not alloyed with these metals are inadequate for such military uses as aircraft and gun-making. Accordingly, the million tons of American steel alloys which she bought here in 1937 simultaneously relieve three desperate Japanese needs: They give her steel, they give her special steel for arms purposes, and they give her steel already processed with metals which she lacks.

Apart from the gruesome, merchants-of-death aspect involved in the sale of steel to Japan at this time—at a time when the United States, in lieu of collective economic measures to halt Fascist aggression, is arming against the menace of a Japan further enriched and emboldened with North China—at least one other aspect of this traffic is of public interest. This is the matter of steel prices. Now Eugene Grace, who is the former head of the American Iron and Steel Institute and whose Bethlehem Steel Corporation has, in characteristic fashion, been securing the lion's share of the Japanese war business, has frequently protested that the price of steel cannot be reduced a dime below its present level. It is, of course, admitted that the high cost of steel has been one of the most potent factors delaying the progress of building in this country, interfering with the recovery of the auto industry, and otherwise injuring the New Deal's chances of restoring prosperity. But one may now question Mr. Grace's dogmatic assertion that the industry cannot reduce the cost of steel—to the American people. For the cost has already been reduced to the Japanese militarists. Reductions of $7.50 to $10 a ton were recently made in securing 1938's first big export order of 100,000 tons of finished steel to be delivered at Japanese and Manchurian ports sometime during the first half of 1938. Steel is willing to cut its price to Japan, but not to American builders of New Deal underwritten houses.

Returning to the ramifications of Japan's strategic dependence upon the American steel industry for her basic armaments ingredient, and passing over the matter of Japan's large-scale purchases of uniquely American steel-making machinery (our famous continuous rolling mills), it is interesting to consider the rcle of the Philippines in the Japanese steel industry. Now pig iron, scrap steel, and finished steel imports are going to be necessary for Japan so long as her own facilities for the production of pig iron remain as meager as hers still are. But if ever she is to attain steel-making independence, as she must strive to do if she fears the consequences of the American public becoming aware of the importance of American steel to her armament industry, she must develop her own sources of iron ore.

To replenish her empire's scanty supplies of iron ore, Japan has turned to the wealth of the Philippines. In 1937 Philippine iron-ore shipments to Japan averaged 50,000 tons a month; and now Japan is applying a German method, perfected by Krupp, for extracting iron ore from sandy deposits bearing a very low percentage of iron. It is upon this new German technique that Japan is basing her hope of one day becoming independent of foreign raw materials for her growing steel capacity. But characteristically, Japan's plan for attaining self-sufficiency itself involves a new form of dependence for a new type of raw material—this time iron ore—upon a new country, the Philippines, which is also a part of the American customs union.

A peculiar circumstance attaches to this aspect of the problem. Last summer, a series of articles published in the Nation on Japanese arms expansion disclosed the fact that the American authorities were contemplating the creation of a west coast steel industry to feed projected shipyards and ordnance shops to be constructed there under our own Pacific armament program. This new steel project, it was further stated, would substitute Bonneville Dam's large supplies of electric power for coal—which is lacking on the coast—and its principal raw material would be iron ore, which could be transported cheaply enough from the Philippines. It is now known, moreover, that the Navy Department is finishing a very detailed study which has been in process for some time on the precise costs of production, technological problems, and so forth, which would be involved in the development of steel production on the coast; and announcement has already been made of the Navy's intention to construct shipyards there. Thus, it is clear that Japanese militarism, in feeding on Philippine iron ore, is interfering with the American program of national defense. It cannot be denied that deprivation of this iron ore would seriously interfere with the naval-expansion program which this country has undertaken as an alternative to a positive peace program through collective security. It is clearly not in the public interest for further sales of steel, and especially of Philippine iron ore, to be made to Japan.

In this connection, an interesting precedent has already been established in Australia. Early in 1937, Japan had arranged to secure large quantities of ore—eventually, she hoped, at the rate of a million tons a year, from the Australian island of Koolan. At great cost, running into six figures (in dollars), the Chicago engineering firm of Brassert's—which is now building the great Goering steel works in Germany as well as the Corby works in England, and which has intimate industrial connections in Japan—provided mining and conveying equipment able to load ore at the rapid rate of 1,000 tons an hour. Since then, however, Japan's depredations in China have caused Australia to increase her arms budget. And now Australia has given notice that she at least acknowledges the gravity of the menace which has compelled her to tax her people for purposes of war preparations. Over the protests of the Australian and foreign interests concerned in the exploitation of Japan's iron-ore concession, the Federal Government is forbidding further exports of iron ore "on the ground that a national issue is involved."

It is clear that this action creates a precedent with which no American advocate of peace can quarrel. But it does focus attention upon the basic issue which our Neutrality Act ignores; and it shows why our Neutrality Act has so signally failed to halt the aggressions of the fascist powers, and to prevent American materials from aiding such aggressions. For our Neutrality Act deals with munitions, with guns and bullets and the like. This is dramatic, and doubtless its purpose was originally to prevent American arms firms from profiteering from war. But the inescapable fact is that the powers which have been making war need no American munitions. They possess ample facilities for making their own ammunition and ordnance; it is the outraged defendants—China, Ethiopia, Spain—which are deficient in munitions plants. What the aggressors want are the basic ingredients of munitions making—steel, metals, machinery—and these they are able to obtain in abundance from the United States without violating our Neutrality Act. Witness Japan's purchases of steel with which to make munitions, while over China's head hangs our well-meant Neutrality Act which, if it were invoked, would penalize Japan not at all, while it would prevent China from buying the means of self-defense here.

Accordingly the Australian action of including basic natural resources, such as iron ore, in the list of war materials sets a valuable precedent for that growing body of American opinion which would like to see our Neutrality Act altered so that it would in fact prevent aggressor nations from using American industry and natural resources as their behind-the-lines means of offense.

Other facts lend additional weight to the argument for an embargo against Japan. Japan's upbuilding of her Navy for aggressive purposes is being facilitated by the enormous quantities of high-grade American steels which her arsenals consume; for example, Japan is now trying to buy 200–300 mm steel tubes in this country for special shipbuilding use, and tubes of the required size and quality are not made in Japan. On the other hand, every ton of steel we sell Japan multiplies the already enormous tax bill which is being imposed upon the American people to pay for our own arms program. It cannot be claimed that Japan is using American steels for commercial purposes; over 400 restrictions have been imposed, since the outbreak of the war, against the commercial use of steel. Therefore, a clear-cut case exists for putting an end to a trade which threatens to cost the American people dearly in dollars and, if the present trend is not halted, in life as well.

Nor can it be argued that Germany and England might singly or together provide Japan with the steel of which such a changed national policy on our part would deprive her. Both countries are suffering from an acute steel shortage. In Germany, even arms projects must register with the authorities and pass through a long waiting list before steel can be delivered. Only the lack of foreign exchange prevents Germany from making as heavy purchases in the United States as Japan is making. She can assist Japan, in this respect, by making available her own ersatz furnaces for smelting steel from low-grade ores. And even these ores, as we have seen, involve a new form of Japanese dependence upon American strategic resources—Philippine iron ore. Britain, too, cannot serve as a source of steel, for Britain has been vying with Japan for first place as a purchaser of the American steels which her own arms program requires.

Thus, the statement of the American official that Japan's arms industry would be crippled if she were deprived of American steel is actually conservative. The dependence of Japan upon every type and grade of American steel and steel raw material, as well as the inability of any other country to duplicate the service we are rendering her, leaves not the shadow of a doubt that Japan could continue neither to make war in China nor to arm in Manchuria for future wars if she could no longer count upon American steel to buttress her war-making plant. And if America alone could play so decisive a role in halting Japanese aggression, how much more effective would an embargo imposed jointly by the principal peace-

seeking powers be. If the United States would take the lead, other governments might very well be moved to adopt a similar policy.

The most eloquent admission that the United States, and principally the United States, is arming Japan has come from Y. Aikawa, the Japanese auto and mining magnate who is now industrial czar of Manchuria. Aikawa is coming to America soon to seek $300,000,000 in industrial credits from American steel and machinery companies. He has admitted on a number of occasions that it is only in the United States that Japan can hope to obtain the large quantities of capital goods that she needs, and that already Japan's new, modern plant is so completely oriented toward the use of American equipment that she has no choice save to come here for the rest of the materials she needs.

And, as it is with steel, so it is with other metals, with machinery and with oil. Fully 80 percent of Japan's oil imports last year (and almost all of her annual consumption is imported) came from California. This year shipments of California's crude oil are thus far three times greater than in 1937. And even if Japan succeeds in obtaining a few million gallons of crude oil in Mexico, her refineries are incapable of processing any great quantity of oil into the high-grade fuels needed by her aircraft and fleet. Altogether, therefore, as Government officials are beginning to admit and as Japanese officials have admitted for some time, American steel and other materials provide the crutch upon which Japan's sick and war-infested economy is limping. And as public knowledge spreads that America's own expensive armament program is the result of that policy which permits American industry to arm Japan—and because American industry is now being asked to provide the Japanese military machine with $300,000,000 worth of credits—insistent demand is bound to arise that this traffic in death cease. When it is stopped, the end of Japan's aggression will be in sight. Until it is stopped, the United States will stand convicted before the world of being the supplier of the Japanese war makers.

Edward A. Kenney

MEMORIAL ADDRESS
OF
HON. SAM RAYBURN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 20, 1938

On the life, character, and public service of Hon. EDWARD A. KENNEY, late a Representative from the State of New Jersey

Mr. RAYBURN. Mr. Speaker, under leave to extend my remarks, I cannot let the opportunity pass of saying a word with reference to my dear friend, EDWARD A. KENNEY, of New Jersey.

For 5 years I served with him in the Committee on Interstate and Foreign Commerce in the House. I found him industrious, honest, and fair. His life was such that his family and his friends will always be glad and proud of him and remember him as a sweet-souled, grand man.

In the prime of life, when for him the sun was still high in the heavens, with his mental and his physical powers unimpaired, he passed suddenly away from this earth through the shadows to the sunshine of the life which awaited him beyond the grave. He will be missed in the community where he lived. He will be missed as few men are missed in the great State he served here so long, so faithfully, and so well, and he will be missed by those of us who were associated with him in his work here during all the remaining years which are ours upon this earth.

I feel that I speak the sentiment of every Member of the House when I say that each of us feels a great personal loss in his passing, and that the memory of his loving traits, high ideals, and patriotism will ever be an inspiration and help to us as we try each day to do our part to carry on this great Government to which he gave so much devoted service and consecration.

He passed to his final reward where he will reap full measure of the many virtues which he possessed and for the love which he had for his fellow man.

Theodore A. Peyser

MEMORIAL ADDRESS
OF
HON. SAM RAYBURN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 20, 1938

On the life, character, and public service of Hon. THEODORE A. PEYSER, late a Representative from the State of New York

Mr. RAYBURN. Mr. Speaker, under leave to extend my remarks, I cannot let the opportunity pass of saying a word with reference to my devoted friend, THEODORE A. PEYSER, of New York.

Mr. PEYSER not only served his district and his State, but was profoundly interested in the affairs of the Nation. The Wagner-Peyser Act, creating a national employment system, and which bears his name as coauthor, will stand as a monument to his memory.

During two of his three terms in Congress, THEODORE PEYSER and I were both members of the Committee on Interstate and Foreign Commerce, where I found him honest, industrious, and capable. I shall miss always his good humor, his fine friendship, and his outstanding character.

It can truly be said that one of the greatest rewards for public service here is the personal attachments we form, the affection we have one for the other, and the fact that in our esteem and admiration there is no party line of separation.

Although death may come and take away from our midst a colleague and fellow laborer, blessed is the thought that still in our hearts there survives in cherished memory the love, the esteem, the fellowship, and the admiration which our fellowship, our service, and our work here begot in our friendships.

In the passing of such a man this body has lost one of its most useful and honored Members, his district has been deprived of an energetic champion of its people, and the country itself will be long in finding a man to match him in patriotism and devotion to its welfare.

Relief Appropriations

EXTENSION OF REMARKS
OF
HON. KENNETH McKELLAR
OF TENNESSEE
IN THE SENATE OF THE UNITED STATES
Thursday, May 19 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS BY HON. ALVA B. ADAMS, OF COLORADO, MAY 19, 1938

Mr. McKELLAR. Mr. President, this afternoon my colleague the senior Senator from Colorado [Mr. ADAMS], chairman of the subcommittee of the Committee on Appropriations considering the pending relief bill, will deliver an address on the pending bill over the Columbia Broadcasting System. I ask permission to have his speech inserted in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE PENDING RELIEF BILL

During the early part of 1937 it was not only the hope but the expectation of the people of the United States that our country had passed definitely out of the depression.

There had been a continued advance in the prices of stocks, with many of them selling at more than three times their

depression prices. Farm prices had advanced, steel mills and factories were running near to capacity, and railroads were busy. The number of unemployed had been greatly reduced. The number on the W. P. A. relief rolls had declined from a high point of nearly 3,000,000 to a little over 1,400,000, and it was earnestly hoped to see this list further reduced. A balanced budget seemed almost in reach. Some uneasiness was in fact felt lest the country was entering another speculative period and another boom era.

Then, with little warning, a severe financial and economic decline set in; stocks fell in value, farm prices declined, factories and mills closed or reduced operations. The number of unemployed rose rapidly, and from three to four million men were thrown out of work in a few weeks. The names on the relief lists grew from 1,400,000 to 2,600,000, with over a half million men certified as qualified for W. P. A. relief for whom provision could not be made.

The money provided by Congress at the preceding session for relief, and which the Relief Administration believed and stated would be adequate to meet all needs until July 1, 1938, proved entirely inadequate to meet the greatly increased burden. No decline in our financial history has ever been as drastic or precipitous as this.

We may and do argue as to the causes of this decline, but we cannot and do not argue the necessity of making reasonable provision to meet the needs of our citizens. The United States has taken the position that no citizen shall, without fault on his part, be without food, clothes, or shelter. From this position we must not and will not retreat.

In an effort to meet the situation which confronts the country, the President recommended to Congress in a recent message the making of very large appropriations for relief and for public-works construction. Substantially in accord with the President's recommendation, there has been introduced in Congress a bill appropriating vast sums of money for these purposes. This bill has passed the House of Representatives and has been referred to the Senate Committee on Appropriations.

As chairman of the subcommittee which has been holding hearings upon and is now considering the bill, I have been asked to explain the principal features and purposes of the bill.

Secretary Ickes, Secretary Wallace, and Mr. Harry Hopkins, head of the relief administration, and others have appeared before the appropriation committees of the House and the Senate and have given these committees the benefit of their information and views.

It is generally agreed that an emergency confronts our country and that immediate steps must be taken to prevent the development of a real crisis.

The best figures obtainable indicate that from ten to twelve million men are unemployed in the United States, and no substantial resumption of business and industrial activity is apparent. As I have stated, there are now 2,600,000 names on the W. P. A. relief rolls and an additional 500,000 have been certified by relief agencies throughout the country as needy and qualified to receive W. P. A. employment. In certain great cities, by reason of local conditions, most distressing conditions have developed. The funds with which these cities had hoped to care for their share of the relief burden have been exhausted. The W. P. A. has made strenuous efforts to aid in these centers but the situation is still deplorable.

Secretary of Agriculture Wallace advised our committee that there is strong reason to believe that acute distress will develop during the present year in large agricultural areas in the United States, especially those devoted to the production of cotton and wheat.

The pending bill proposes to appropriate for use by the W. P. A. $1,250,000,000. This great sum is appropriated not for a full year but for a period of only 7 months, ending February 1, 1939.

It is computed by Mr. Hopkins that this sum, with other funds available from past appropriations, will take care of an average of 2,800,000 during the 7 months. He anticipates a seasonable decline in relief cases during the summer and fall. With this anticipated decline, he estimates that the funds will be sufficient to care for the needs of the 500,000 persons heretofore certified as needy and for whom relief has not been available and also including some who may be forced on relief by the expiration of unemployment benefits which they are now receiving. The average cost per month to the Federal Government for each person on the W. P. A. relief rolls is $63.50. In addition to the amount contributed by the Federal Government for work relief, there is contributed from the States and their subdivisions an average of $18.50 per person per month, or about 22½ percent of the W. P. A. relief costs. It must be understood that these figures are averages, as the cost per person on the relief rolls and the local contribution varies in different States and localities.

As it is impossible to know with accuracy the relief needs of our country at any future time, this appropriation is only planned to cover the period of 7 months until Congress shall have reassembled and had time to give consideration to the conditions then existing.

A report submitted to the committee shows that far greater results in increased national wealth and well-being have been accomplished through Works Progress Administration projects than is generally understood.

Mr. Harry L. Hopkins, Administrator of Works Progress Administration, in a recent radio talk, said:

"* * * The W. P. A. recently took a complete inventory of all the work that had been completed on its 158,000 projects. It has completed 43,000 miles of new roads and improved 116,000 miles. It has built 19,000 new bridges, 185,000 culverts, 105 new airports, 12,000 new schools and other public buildings, 8,000 parks and playgrounds, 15,000 small dams, 10,000 miles of water and sewer lines. W. P. A. workers have planted 10,000 trees and improved millions of acres of land in manifold ways.

"Those are just a few of the accomplishments in the field of construction. * * *

"Women on the W. P. A. have produced 85,000,000 garments for men, women, and children who hadn't enough clothing. They have served 128,000,000 hot school lunches to hungry children and renovated 30,000,000 library and school books.

"These are only a few of the things the Nation got because it had the courage to give public works to its able-bodied unemployed. These things constitute national wealth and national assets. Any private business which builds improvements to its physical plant counts those improvements as assets and considers itself richer because it has them. * * *"

The Relief Act also appropriates to the Works Progress Administration the sum of $75,000,000 for the National Youth Administration. This appropriation is to provide part-time work to needy young persons to enable them to continue school or college work. In the past similar appropriations have enabled many thousands of young persons to continue their education who otherwise might have added to the unemployment in the country either by being unemployed themselves or by taking the places of others who were employed. The maximum monthly cost per student has been $15. Well-informed individuals insist that no part of the relief program of the United States has been more beneficial than that of the National Youth Administration.

The relief bill appropriates to the Secretary of Agriculture in addition to balances already available $175,000,000. With these funds, loans will be made to farmers who cannot secure loans elsewhere but who have farms and equipment to enable them to plant, cultivate, and raise crops. These loans will be small, but will be the means of giving to many distressed farmers the added help needed to enable them to continue to operate their farms and maintain themselves and their families. These small loans will be secured by mortgages. Similar loans, during the past few years, have produced excellent results. In addition, a very large percentage of these loans are being repaid as they fall due.

Other portions of this appropriation will be used for the direct relief of farmers whose situation is more desperate and who are not able to furnish security for a loan or to successfully operate their farms. These amounts are subsistence advances to provide the necessities of life. Such advances are most numerous in areas which have suffered from drought and other disaster. This is the only form in which direct relief is being given by the Federal Government. The average monthly amount of such relief does not exceed $20 per family.

In addition to the work relief program to be administered by the Works Progress Administration, there is included an appropriation for public works in the sum of $965,000,000, which is to be expended under the direction of Secretary Ickes as Federal Emergency Administrator of Public Works. Of this sum, $100,000,000 is to be used for the construction of Federal projects. These projects may include new hospitals for the Veterans' Administration, new penal institutions, and the enlargement or remodeling of existing Federal institutions. The remainder of this sum is to be used for the making of loans or grants, or both, to States or political subdivisions of the States to be expended on public projects. The State or other governmental subdivision must provide 55 percent of the cost of such projects and the Federal Government will donate the remaining 45 percent. When legal and other requirements are met the Federal Government may loan to the local authority its 55 percent or purchase its bonds to that amount.

It is estimated that from the use of this appropriation and the additional moneys to be contributed by the local bodies that projects of the aggregate cost of $1,500,000,000 will be constructed. That portion of the appropriation which is loaned will be repaid subject to normal losses from defaults, which, according to past experience, will be counterbalanced by interest received on the loans. Only such projects will be approved as can be commenced very promptly and completed within less than 2 years. For each man employed directly on these projects not less than two and one-half times that many will be employed indirectly. It is hoped that the prompt expenditure of this large amount of money in the industries providing construction materials will result in generally increased business activities.

With the same purpose in mind the bill also authorizes an increase of $60,000,000 in the appropriations authorized for the construction of public buildings throughout the United States.

If the course of the Nation is to be turned again upward and out of the regions of depression and discouragement, it is necessary that the Government should act promptly. Every person on the rolls of the unemployed lessens both national income and national wealth. Prosperity can only be restored by an absorption in private industry of millions of those now unemployed.

Every element needed to make a prosperous country is here in great abundance. We have natural resources, efficient and intelligent manpower beyond that of any nation on earth.

The difference between prosperity and adversity in a Nation is largely a matter of the mental attitude of the citizens. It is not the events of yesterday or of today which are the determining factor. It is the judgment of the people as to what will happen tomorrow which determines whether our country shall be prosperous or not. If the merchant believes that tomorrow prices will

advance and business improve, he orders goods and puts factories to work. If the owner of the factory believes that tomorrow he will be able to make a profit on the goods which he manufactures, he immediately proceeds to buy raw materials, to employ workmen, and to produce goods. When the man with idle funds is convinced that he will make a profit tomorrow by investing his funds, he makes the investment. On the other hand, if the merchant thinks that tomorrow prices will go down, he cuts his force, ceases to purchase, and crowds his merchandise on the market at reduced prices. If the owner of the factory thinks that tomorrow prices will be bad, he closes his factory and discharges his men. If the financier thinks an investment made tomorrow would prove unprofitable, and that his capital is threatened, he abandons ideas of profit and seeks to save what he has. Consequently, if the owners of the stores, factories, mills, and mines of America could be convinced that business conditions in America will be better tomorrow and that if they operate their respective industries, they could do so safely and profitably, business and industry in America tomorrow would revive and a great majority of those now unemployed would find employment. There is need for all that America, with its resources and facilities can produce. Every unemployed man in America can produce something which is needed by other men in America. Unemployment is waste and loss of national capital; so-called overproduction is but evidence that we have failed in working out the problem of distributing the products of our people.

Of course, no plan of Government relief and no governmental program of public works or public expenditure can, in and of itself, bring about prosperity. It is, however, the hope that by carrying out of the program provided for in the relief bill, by relieving distress, by providing employment—direct and indirect—to a substantial army of unemployed, by heavy purchases in the many lines of business which will be necessary, and by assurances given and to be given that the Government is not unfriendly to industry and wishes it to prosper—industry will be stimulated and the men and women of America will be encouraged to take the hopeful view of the future which is so essential to the return of prosperity in our country, and our country may soon emerge from the shadow of the depression.

Adoption of State Constitution of North Dakota

EXTENSION OF REMARKS

OF

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Thursday, May 19 (legislative day of Wednesday, April 20), 1938

ADDRESS OF CHARLES D. HAMEL AT VALLEY FORGE, PA., OCTOBER 17, 1937

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Charles D. Hamel at Valley Forge, Pa., October 17, 1937, the day designated as North Dakota Day, the subject being the adoption of the State Constitution of North Dakota. Mr. Hamel now resides in Washington, D. C., but formerly lived in North Dakota.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I desire first on behalf of Gov. William Langer, of the State of North Dakota, to express his appreciation of the opportunity to appear at one of this series of services which are held here in this beautiful memorial chapel. I regret that Governor Langer could not personally be here and express on his own behalf and the people of our State an adequate appreciation of the significance of these services.

I am advised that it is customary on these occasions to refer briefly to some phase of the history of the State. I know of no part of the history of the State of North Dakota that is more important, more significant, more interesting, or more timely than the history connected with the adoption of its State constitution. In order to appreciate some of the significant features of its constitutional convention and the constitution which that convention adopted, it may be well to refer briefly to a few significant features connected with the State.

The State of North Dakota was carved out of the Louisiana Purchase. It was far to the north, its northern boundary being the southern boundary of Canada. Its climatic conditions were such that it attracted peoples whose origin was very largely in the northern countries. A substantial part of its early settlers came from the nearby States of Minnesota, Wisconsin, and Iowa. A great many of its people came from the New England States. Many of its early settlers came from eastern Canada and a very substantial number from the Scandinavian countries. It has been estimated that its population almost from the beginning has been approximately one-third of Scandinavian origin. It is significant also to note that the people who became its first settlers came there primarily to follow agricultural pursuits. As time has gone on and the development of the State has become more and more intense, it has still remained agricultural.

It is, therefore, interesting to consider the composition of the Convention. Fifty-two of the seventy-five delegates were born in the United States, of which Wisconsin contributed 13; New York, 10; Iowa, 5; Ohio, 4; Maine, 3; Pennsylvania, 3; Illinois, Indiana, Connecticut, Minnesota, and Vermont each 2; Massachusetts, Michigan, New Hampshire, and New Jersey each 1. Ten were born in Canada, 5 in Norway and Sweden, 3 in England, 3 in Scotland, and 2 in Ireland. In ancestry they were: American, 22; English, 15; Irish, 12; Scandinavian, 10; Scotch, 6; Scotch-Irish, 3; Scotch-American, 2; Scotch-Danish, 1; German, 2; Dutch, 1; and Welsh, 1. It is also interesting to note that the farmers outnumbered those of any other group. There were 29 farmers, 25 lawyers, 9 merchants, 5 bankers, 3 real-estate dealers, 2 publishers, 1 doctor, and 1 railroad man. The proceedings show that while the lawyers were ever ready to lead the discussions some of the keenest debaters came from the ranks of the farmers. The Convention was composed of young men, 65 percent of the delegates being under 45 years of age.

I cannot, of course, go into a lengthy discussion as to the proceedings of the convention or as to the constitution as it was finally adopted by the convention on August 17, 1889. I want, however, to call attention to one or two circumstances and draw one or two conclusions. The proceedings of the convention show that the members of the convention were eager for the views of others who might be able to speak and advise and counsel with knowledge and authority. As a result the convention invited many well-known men in public life and others well known as deep students of government. The then territorial Governor was invited to address the delegates. One of the most significant invitations was extended to Judge Cooley, of Michigan, then the outstanding authority on constitutional law and whose work is still the outstanding authority. Judge Cooley's address to the convention contained much wise counsel and advice. He advised the convention to adopt a constitution which confined itself solely to fundamental principles and leave for the future those things which were primarily matters of legislation. I quote this paragraph from Judge Cooley's address:

"In your constitution making remember that times change, that men change, that new things are invented, new devices, new schemes, new plans, new uses of corporate power. * * * Don't, in your constitution making, legislate too much. In your constitution you are tying the hands of the people. Don't do that to any such extent as to prevent the legislature hereafter from meeting all evils that may be within the reach of proper legislation. Leave something for them. Take care to put proper restrictions upon them, but at the same time leave what properly belongs to the field of legislation to the legislature of the future. You have got to trust somebody in the future, and it is right and proper that each department of government should be trusted to perform its legitimate function."

The constitution as adopted shows that the advice and counsel of Judge Cooley was followed.

The proceedings of the convention show that there were before the convention numerous proposals for innovations of one kind or another. There has been some discussion in recent years of the advisability of adopting the unicameral legislature, and there has been the implication that such suggestions have perhaps not been fully considered in the past. The proceedings of the North Dakota Constitutional Convention show that such a proposal was made to it. The proceedings show that the suggestion was very vigorously opposed and there was a prolonged debate. The reading of the debate on that question shows a remarkable knowledge of the history of legislative bodies. The convention adopted a provision for a bicameral legislature.

Our constitution starts out with a recognition of the Almighty in this language: "We, the people of North Dakota, grateful to Almighty God for the blessings of civil and religious liberty, do ordain and establish this constitution." Article 1 of the constitution is a declaration of rights, containing 24 paragraphs. It contains such important and fundamental principles as follows: Paragraph 2 states that all political power is inherent in the people; paragraph 4 guarantees the free exercise and enjoyment of religious profession and worship; paragraph 9 guarantees freedom of the press and freedom of speech; and paragraph 23, one of the most interesting paragraphs, which reads as follows:

"Every citizen of this State shall be free to obtain employment wherever possible, and any person, corporation, or agent thereof, maliciously interfering or hindering in any way any citizen from obtaining or enjoying employment already obtained from any other corporation or person shall be deemed guilty of a misdemeanor."

The proceedings of the convention show that this paragraph received much consideration. The concluding paragraph, No. 24, contains this language: "To guard against transgressions of the high powers which we have delegated, we declare that everything in this article is excepted out of the general powers of government and shall forever remain inviolate."

A reading of the proceedings of the convention and the results of that convention as stated in the constitution shows that there was a full appreciation on the part of the delegates as to what a constitution should be. It shows that the delegates to that convention possessed a remarkable knowledge as to the provisions of the

Federal Constitution and the best of the State constitutions. The constitution as adopted by the convention contained all the provisions necessary to preserve a representative and democratic form of government as outlined in our Federal Constitution.

The North Dakota Constitution left no doubt as to the separation of the powers of government, and that the three departments of government were coordinate and independent. The constitution expressly granted to the supreme court the general superintending control over all inferior courts. The original jurisdiction of the supreme court was expressly reserved for determination of grave questions of public interest and affecting directly the interest of the State or the rights and liberties of the people. The proceedings of the convention show that those who framed and adopted the constitution of North Dakota had confidence in courts and the officers of the courts.

The records of the convention and the votes of the delegates show, that almost without exception, the farmers in that convention were among the most conservative and hard-headed of the delegates. Most of the more startling and unusual suggestions came from those of other callings.

The proposed constitution was submitted to the people on October 1, 1889, and by a vote of approximately 3½ to 1 was adopted.

The constitution as then adopted has continued practically the same. Such amendments as have been adopted relate largely to minor matters and do not alter the fundamental features of that document. The State has grown and prospered under its provisions and it has fully served the purpose of the delegates to establish the State of North Dakota as "an inseparable part of the American Union" under the Constitution of the United States as "the supreme law of the land."

Coal

EXTENSION OF REMARKS
OF
HON. RUSH D. HOLT
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Thursday, May 19 (legislative day of Wednesday, April 20), 1938

ARTICLE BY JESSE V. SULLIVAN AND J. HENRY KREPPS, OF WEST VIRGINIA

Mr. HOLT. Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD an article on coal, writen by Mr. Jesse V. Sullivan, secretary of the West Virginia Coal Association, and Mr. J. Henry Krepps, his assistant. Both these men are well-known students of coal problems in West Virginia.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

In the years that have elapsed since the pioneering John Peter Salley in 1742 discovered an outcrop of bituminous coal near what is now Racine, Boone County, the mining of that important basic mineral resource has advanced to such an extent that it is today West Virginia's primary and greatest single industry, providing, directly or indirectly, the daily bread for two out of every three persons in the State.

Old John Peter never knew how much coal underlay the hills and mountains of West Virginia, but competent geologists, using modern scientific methods, have estimated that two-thirds of the State's 24,000 square miles are underlain with 160,000,000,000 tons of reserve coal in more than 100 separate seams, of which more than half are considered minable.

The famous "smokeless" or low volatile coals are produced in the Greenbrier, New River, Winding Gulf, Pocahontas, and Tug River districts in southern West Virginia, and the widely popular high volatile coals are mined in the Logan, Kanawha, and Williamson districts of southern West Virginia and the Fairmont district of northern West Virginia.

Since 1863, the year of West Virginia's birth, when the annual output was but 444,648 tons, up to January 1, 1938, the State's coal production totaled 3,296,522,341 tons, the banner year being 1927, with 146,088,121 tons, as compared with the 1937 Nation-leading output of 118,965,066 tons.

In the 1937 calendar year 343 commercial coal companies, operating 530 mines, produced 118,348,597 tons; while truck mines in West Virginia in the same period reported 616,469 tons. These operations were carried on in 49 of the State's 55 counties.

Koppers Coal Co., operating 20 mines in 6 counties, produced 11,348,649 tons to achieve first rank in the State in 1937. Island Creek Coal Co., with eight mines in one county (Logan), ranked second with 4,258,947 tons; the Consolidation Coal Co., also with eight mines in two counties, produced 4,232,584 tons to rank third.

The average value of coal produced in West Virginia in 1936 (the last figures available) was $1.67 per net ton, which amounted to $196,820,123 on the year's production of 118,259,379 tons. This sum of money would have amounted to more than $100 for each person had it been divided evenly among the State's 1,800,000 citizens.

The 1936 coal output, according to the State mine department, furnished jobs directly for 114,259 men. Of this number 1,776 were employed in small, isolated truck mines (output 482,800 tons) and 2,634 were required in office and supervisory capacities.

Of the total realization of $196,820,123 from the production of coal in West Virginia in 1936, the employees received more than $152,000,000. With a working total of 216 days in 1936, the average West Virginia miner (employed under a 7-hour, 5-day contract) earned $1,325, as compared with wages in the same period of $1,521 for the steel worker, $1,438 for the chemical worker, and $1,351 for the oil and gas worker.

The relative safety of workers in West Virginia's coal industry is made apparent by figures from the State mine department covering the 5-year period 1932–36. In that time a total of 496,631,537 tons of coal was produced, and in the same period there were 1,438 fatalities, or a production of 345,363 tons per fatal accident. Nonfatal accidents during the period totaled 45,789.

Nationally, the railroads are the largest individual consumers of coal, but on the other hand they also depend upon coal tonnage for 20 percent of their total freight revenues, or more than twice that received from any other single commodity. The railroads that traverse West Virginia are directly dependent upon coal for 80 percent of their operating revenues. They are, due to their coal haulage, the most prosperous roads in America and furnish employment at high wages to many thousands of men.

West Virginia mine owners in 1936 purchased mine supplies worth $17,000,000, thereby expending approximately 17 cents for supplies on each ton of coal produced. New equipment for mines cost another $10,000,000 in 1936. All of the supplies and all of the equipment each year furnish work to untold thousands of workers who produce them.

Were it not for power sold to coal mines, according to statements of electric utility companies, they could not operate in West Virginia for the reason that their revenues from the sale of electricity to householders are not sufficient to pay the companies' tax bills to the State. In 1936 coal companies paid $6,250,000 for power, or a cost of 6.3 cents per ton of production.

In West Virginia the coal industry pays 15 percent of all property taxes, amounting to about $4,000,000 a year. Of the $13,000,000 collected in sales taxes in the 1936–37 fiscal year, coal paid $2,620,000, which was the largest single contribution in this bracket. The industry also (without a cent of cost to the State) in the last tax-year collected and turned over $1,014,000 in consumers' sales taxes or 12⅓ percent of the law's total yield of $8,222,000.

The well-known slogan that "Coal is King in West Virginia" is certaintly no idle boast.

Scandinavian Civilization

EXTENSION OF REMARKS
OF
HON. LISTER HILL
OF ALABAMA
IN THE SENATE OF THE UNITED STATES
Thursday, May 19 (legislative day of Wednesday, April 20), 1938

ARTICLE BY CARROLL KILPATRICK, MONTGOMERY, ALA., MAY 15, 1938

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the RECORD an exceedingly interesting article by Mr. Carroll Kilpatrick, associate editor of the Montgomery Advertiser, of Montgomery, Ala., and published in that newspaper of the issue of May 15, 1938.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Montgomery (Ala.) Advertiser of May 15, 1938]

One of the significant and happy phenomena of recent years has been the increasingly profound interest which Americans have taken in the northern democracies—Norway, Sweden, and Denmark. When the civilization of these Scandinavian countries is examined, the reason for the interest in them soon becomes apparent. In a world that is drifting chaotically, always fearful of war, Norway, Sweden, and Denmark continue to comparatively tranquil and free existence, laboring to strengthen and to develop their remarkable culture.

Norway is the Scandinavian country famous for three things: Its great natural beauty, Henrik Ibsen, the dramatist, and Eduard Grieg, the famous composer. Norway has made no major contribution to science, to military science, or even to industry. But in the art of living there are few peoples anywhere who have reached such heights. In at least one enormously important respect the Norwegians have achieved the greatest degree of civilization known to the modern world. They do not know what war is.

If you ask a Norwegian when was the last war in which his country engaged, the chances are that he will be unable to answer. In front of the royal palace in Oslo is a great equestrian statue of a former king; in the sovereign's hand is not a sword or a gun.

but a woolen cap. War memorials do not mar the landscape or fill the churches and public buildings, as they do in England, and in most of the continental countries. And armed soldiers are not to be found parading in front of every public building.

But one must not assume that Norway has not been affected by the conflicts of other nations. During the World War Norway's merchant marine suffered comparatively greater losses than that of any other country, and 2,000 Norwegian sailors died at sea. Nevertheless the majority of the people, despite this loss, realized what a greater loss would be theirs if they entered the war.

Almost 8 years ago there took place in Oslo, Norway's solid old capital, an event which even today is not regarded as of much real significance. Yet a beginning was made against a problem that is occupying all the world, and which is a serious threat to peace.

In December 1930 trade between the Scandinavian countries was feeling the effects of the world-wide depression; what trade there was was uncertain because of the sporadic raising of barriers against imports. The Norwegian Prime Minister, Mr. Johan Mowinkel, recognized that something had to be done to stabilize economic conditions lest the economic structure of the northern democracies be destroyed. It was at his suggestion that representatives from the Scandinavian countries met at Oslo to discuss their mutual problems. Not much was accomplished, because any agreement among these countries would affect the larger powers of Europe. The governments represented finally agreed not to raise their tariffs without first giving formal notice to the other country or countries affected. That was the beginning of the Oslo agreement.

The idea behind the conference did not die in the years that were to follow, and today eight nations are members of the Oslo group. Last year, in a meeting at The Hague, Belgium, Denmark, Finland, Sweden, Norway, the Netherlands, and Luxemburg were represented. Since then Switzerland has joined the group. A few real concessions have been granted within the group, and problems of trade and currency and tariffs have been simplified. The work of the Oslo group is particularly significant when studied in relation to the efforts of Secretary Hull to break down trade barriers by reciprocal agreements, and the two efforts augment each other in the battle against nationalism and high tariffs.

About Sweden much more is known to the average American because of the considerable attention given Marquis W. Child's Sweden, the Middle Way. Stockholm, the capital city, is a superb example of the modern city. The Venice of the North and the City Within the Bridges are the names that have been given to that glorious city on the Baltic.

Perhaps no community in the world has so many varied types of architecture, and each year hundreds of students from all parts of the globe go there to study the buildings and art treasures. The public buildings are of a stately design, unusually rich in color. Always in the background are the blue waters that cut the city into many parts, and at night, with the innumerable lights playing on the water, there is a scene rarely to be found anywhere. No wonder Stockholm has been called the most beautiful capital in the world.

Sweden is the largest and strongest of the Scandinavian countries. It has been referred to as the most civilized of nations. In recent years the United States has been told that it should emulate Sweden's example, and many Americans have been led to believe that Sweden is a modern Utopia. Comparatively, perhaps, it is; but the average Swede is quick to tell his American guest that much remains to be accomplished.

It is no exaggeration, however, to say that there are no slums in Stockholm. There are dismal-looking areas, to be sure, where people in possession of just the bare necessaries of life live in great congestion. But it is impossible to find anything that compares with the average English or American slum. The Swedes tackled the housing problem before it became an appalling one, and today they are particularly proud of their housing developments. The Government, moreover, has already announced that in the event of another depression its policy will be to use public-works money for additional housing construction.

Today Sweden economically is getting along handsomely. One reason is that it is supplying England and Germany with large orders of armaments; the other is that the Government has succeeded in keeping prices still below the 1929 level. In the United States one of the chief characteristics of the recent recovery was the rapid expansion of prices, which finally brought about the present recession.

Today in the United States, largely because of uncertain economic conditions, alien isms are greatly feared, and even England and France have their powerful Fascist movements. It is heartening, therefore, to discover in the Scandinavian countries no such fear. In Norway, Sweden, and Denmark no one seems to think for a moment that any violent or radical change of government is possible, unless, of course, a severe and prolonged war should destroy the present bases of civilization.

The chief reason for the Scandinavian's faith in democracy is that an overwhelming majority of the people cooperate to the end that democracy shall succeed. Nearly every individual takes an active interest in government; he has much at stake in the affairs of his nation. Then, too, besides his interest in government, is his interest in the cooperative enterprises that form an important part of the Scandinavian life. When one understands how thousands of persons work together to better their living conditions, it becomes apparent why a government that rules from above will never be tolerated. They are too used to a government with a broad and strong democratic base.

A century ago more than 80 percent of the people of Sweden were engaged in agriculture. Today less than 40 percent are found on the farms. Stockholm has doubled in size in less than 50 years, and today has more than a half million inhabitants. Such rapid growth naturally accentuates the housing problems and encourages the development of slums. In 1923 a group of citizens met and decided that a cooperative plan for building should be started. The people were already schooled in the workings of the consumer and producer cooperatives. They organized the Tenants' Saving Bank and Housing Society, and it is the cooperative society that has built houses and apartments for nearly 20,000 Swedish families.

At first the cooperative society found strong conservative opposition, but the strength of the movement was soon demonstrated and today the opposition is negligible. In addition to the activities of the Government and of the cooperative housing group, the cooperative factories have constructed houses for their workers. The most famous of these is the Tre Kronor Flour Mill, located on an island a mile or two from Stockholm. Rows and rows of small but clean and well-furnished houses afford a picturesque sight. In the cooperative factories, incidentally, the workers are paid somewhat higher wages than are workers in private industry, and the cooperative workers, though strongly unionized, have never called a strike in Sweden.

The cities as well as the housing societies exercise strict rules governing the architectural designs of houses and apartments. In a city like Stockholm, where so high a value is placed on art, it is but natural that even buildings for the very lowest income groups must be attractive. The chief distinguishing features of the cooperative apartments are the large windows, and balconies with many-colored flowers. When so many thousands of persons plan together to improve their housing conditions and to raise their common standard of living, it is no wonder that alien philosophies of government can gain no headway.

Cooperation is also the key to an understanding of Denmark, the smallest of the Scandinavian countries. It is largely agricultural. The Dane on the farm is a hard-working, happy person. He has, as the Danes say, "his legs under his own table." Often the land has been his family's for generations, and on many farms are stone markers with the dates on which the land passed from fathers to sons. In relation to population, Denmark is one of the richest countries in the world, yet the land is poor and demands constant and scrupulous attention.

To a greater extent than any other country Denmark has fought farm tenancy. But it did not conquer the problem overnight; in fact, not even in a century. A hundred and fifty years ago the Danish peasant lived in an oppressed condition of feudal bondage. In 1788 the Government took the first step to remedy this condition by making it unlawful for a landlord to bind a peasant to a particular estate and by preventing a landlord from increasing his holdings at the expense of a peasant who owned a few acres. Seventy-five percent of the land in 1788 was worked by tenants; by 1850, 42.5 percent; today only about 5 percent of the land is worked by tenants. Nearly 95 percent of the land is freehold, owned by the man who lives and works upon it.

The average Danish farm is not large, ranging from 15 to 45 acres. The man and wife both work and work hard. Their income is not great, but they have all the vegetables they need, all the dairy products. Usually on a farm of this size there are two or three cows, one horse, some pigs, and 50 to 100 chickens. All available space is utilized, and the farmers are usually well trained. Every one of them belongs to the farmers' cooperative, and all their produce is sold by the cooperative. The country is perhaps the most highly socialized in the world.

A tiny country, made up largely of islands, Denmark is a nation with one language, one heritage, one race. These are significant factors in explaining the degree of civilization that has been achieved, and they apply to the other two Scandinavian countries as well. Because of this compactness and unity the Scandinavian peoples, perhaps more than any other people, have, in the words of Justice Brandeis, learned how to be rather than merely how to do. And their civilization is the ideal of many nations far richer in physical resources.

Nature of the Amending Process

EXTENSION OF REMARKS

OF

HON. WILLIAM GIBBS McADOO

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Thursday, May 19 (legislative day of Wednesday, April 20), 1938

ARTICLE BY HON. HOMER CUMMINGS, ATTORNEY GENERAL OF THE UNITED STATES

Mr. McADOO. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an article

entitled "Nature of the Amending Process," by Hon. Homer Cummings, Attorney General of the United States, published in the George Washington Law Review for March 1938.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Those who have followed the trend of recent constitutional decisions are fully aware of a marked change in the judicial attitude with reference to the powers of the Congress. The Supreme Court, by a sharp reversal of viewpoint, has demonstrated anew the resiliency of the Constitution and its adaptability to new conditions as they arise. It is not presently necessary to assess the causes that wrought this change and permitted the yeast of liberalism to leaven the whole loaf. It is interesting, however, to recall the fact that when the Supreme Court controversy was at its height, suggestions were frequently made that the purposes sought to be achieved should be brought about by constitutional amendment and by that method alone. The theory was advanced that by the amending process a virtual referendum by the people could be obtained and their will thereby ascertained.

Repeatedly, men much in the public eye demanded that "the matter be submitted to the people." It was evidently assumed that the President, the House, and the Senate could less authoritatively speak for the Nation than could the people themselves if only they were afforded an opportunity to pass upon a proposed constitutional amendment. These considerations give rise to questions as to the nature of the amending process and the extent to which it may be regarded as a means of testing or recording public opinion.

The framers of the Constitution fully realized that modifications would, of necessity, be required from time to time, and that, therefore, a suitable and appropriate mode for securing amendments should be made a part of the instrument itself. One of the resolutions adopted by the Constitutional Convention was to the effect that provision should be made for the amendment of the articles of union whensoever it should seem necessary.[1] During the ensuing discussion George Mason, of Virginia, urged its passage and remarked that "the plan now to be formed will certainly be defective, as the Confederation has been found on trial to be. Amendments, therefore, will be necessary, and it will be better to provide for them in an easy, regular, and constitutional way than to trust to chance and violence."[2]

Hamilton suggested "that an easy mode should be established for supplying defects which will probably appear in the new system."[3] Madison elaborated upon this subject in the Federalist (No. 43) in the following manner:

"That useful alterations will be suggested by experience, could not but be foreseen. It was requisite, therefore, that a mode for introducing them should be provided. The mode preferred by the convention seems to be stamped with every mark of propriety. It guards equally against that extreme facility, which would render the Constitution too mutable; and that extreme difficulty, which might perpetuate its discovered faults. It, moreover, equally enables the General and the State Governments to originate the amendment of errors, as they may be pointed out by the experience on one side, or on the other."

The founding fathers contemplated a representative republic. As a body they distrusted direct democratic processes. For example, Edmund Randolph, of Virginia, who may be said to have been responsible for the basic framework of the Constitution, expressed the view on the floor of the Convention that the evils under which the United States labored were found "in the turbulence and follies of democracy."[4] Roger Sherman suggested that the people immediately should have as little to do as may be about the Government. "They want information and are constantly liable to be misled."[5] Elbridge Gerry observed that "the evils we experience flow from the excess of democracy."[6]

James Wilson, of Pennsylvania, had a greater faith in democracy than most of his colleagues, but even he advanced his ideas with a certain degree of timidity. In discussing the method by which the Executive should be chosen, Wilson remarked that "he was almost unwilling to declare the mode which he wished to take place, being apprehensive that it might appear chimerical." He would say, however, that in theory, at least, he was for an election by the people.[7]

Wilson's views were shared by Daniel Carroll, of Maryland. On August 24, 1787, when the Convention was considering a proposal that the President should be elected "by the legislature," Carroll moved to strike out "by the legislature" and insert "by the people." His motion was seconded by Wilson. A vote was taken immediately, and Mr. Carroll's motion was defeated, nine States voting "no" and only Pennsylvania and Delaware voting "aye."[8]

It was natural, therefore, for the framers of the Constitution so to fetter and circumscribe the amending process as to prevent it from being readily responsive to the popular will or to the wishes of the majority. The members of the Convention feared that serious dangers to the safety of the Republic would be found lurking in a provision according to the people an untrammeled right readily to effectuate the views of the majority. This is apparent in the mode originally provided for the election of Senators. It is likewise evident in the method devised for the selection of the President, for the framers of the Constitution contemplated that the real choice should be made by the Presidential electors. In the same way the amending process was surrounded with safeguards and restrictions which, it must be confessed, turned out in practice to be a much greater hindrance to amending the Constitution than even the founding fathers apparently contemplated. The amending process is defined in article V of the Constitution, the pertinent portions of which read as follows:

"The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or, on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments, which, in either case, shall be valid to all intents and purposes, as part of this Constitution, when ratified by the legislatures of three-fourths of the several States, or by conventions in three-fourths thereof, as the one or the other mode of ratification may be proposed by the Congress."

It will be observed that there are two methods by which amendments may be originated. They may be proposed by the Congress by a two-thirds vote of both Houses. They may also be proposed by a convention called by the Congress on the application of the legislatures of two-thirds of the States. The second method was far too cumbersome for practical service and has never been utilized. Likewise, the Constitution provides two methods for ratification—either by the legislatures of three-fourths of the States or by conventions in three-fourths of the States. The choice of mode of ratification is left with the Congress. Whichever of the two courses is selected, however, the significant fact remains that ratification by three-fourths of the States is requisite for adoption.

Strict and precise adherence to the procedure provided by the Constitution without any deviation or modification is required. Thus in 1918 an amendment to the State Constitution of Ohio provided for a popular referendum on the action of the legislature ratifying any proposed amendment to the Constitution. The Supreme Court of the United States, in *Hawke* v. *Smith*,[9] held this provision unconstitutional. The Court pointed out that the State legislature, in acting on the proposed amendment to the Federal Constitution, derives its power not from the State but from the Constitution of the United States. The decision in *Hawke* v. *Smith* was followed by a number of State courts.[10]

A similar question was raised in connection with the ratification of the nineteenth amendment in respect of States which provided that no legislature should act upon a proposed amendment to the Constitution except one which was elected subsequently to its submission. These limitations were held invalid. Mr. Justice Brandeis stated in *Leser* v. *Garnett:*[11]

"The second contention is that in the constitutions of several of the 36 States named in the proclamation of the Secretary of State there are provisions which render inoperative the alleged ratifications by their legislatures.

"The argument is that by reason of these specific provisions the legislatures were without power to ratify. But the function of a State legislature in ratifying a proposed amendment to the Federal Constitution, like the function of Congress in proposing the amendment, is a Federal function derived from the Federal Constitution; and it transcends any limitations sought to be imposed by the people of a State."

Thus, all efforts that have been made by State legislatures to convert the amending process, in part at least, into a popular referendum have been frustrated by the limitations and inhibitions contained in the fundamental document.

As early as 1833 Chief Justice Marshall alluded to the requirement of a recommendation from two-thirds of the Congress and the assent of three-fourths of the States as an "unwieldly and cumbrous machinery."[12]

James Bryce, the great English commentator on the American Constitution, observed:

"If, therefore, comparatively little use has been made of the provisions for amendment, this has been due not solely to the excellence of the original instrument but also to the difficulties which surround the process of change."[13]

H. V. Ames, a profound student of the amending process, remarked:

"It is difficult to avoid the conclusion that it was the expectation of the members of the Federal Convention that a frequent use of the amending power would be made."[14]

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[1] James Madison—the Debates in the Federal Convention, 1787, p. 304.
[2] Id., p. 89.
[3] Id., p. 539.
[4] Id., p. 34
[5] Id., p. 32.
[6] Id., p. 32.
[7] Id., p. 40.
[8] James Madison—The Debates in the Federal Convention, 1787, p. 461.

[9] 253 U. S. 221, 40 Sup. Ct. 455, 64 L. ed. 871 (1920).
[10] State ex rel. *Tate* v. *Sevier*, 333 Mo. 662, 62 S. W. (2d) 895 (1933); Opinion of Justices, 132 Maine 491, 498, 167 Atl. 176 (1933); Opinion of Justices, 262 Mass. 603, 160 N. E. 439 (1928); State ex rel. *Donnelly* v. *Myers*, 127 Ohio State 104, 186 N. E. 918 (1933); Opinion of Justices, 226 Ala. 565, 148 South. 107 (1933), however, upheld a State statute pledging delegates to a convention to abide by the result of a popular referendum.
[11] 250 U. S. 130, 136–137, 39 Sup. Ct. 412, 63 L. ed. 893 (1919).
[12] *Barron* v. *Baltimore*, 7 Peters 242, 250, 8 L. ed. 672 (U. S. 1833).
[13] 1 Bryce, American Commonwealth (3d ed.), 368, 369.
[14] H. V. Ames, Amendments to the Constitution of the United States, Papers of the American Historical Association, vol. 5, p. 353.

He concludes his discussion of the subject as follows:

"In the light of the history of the different movements to secure amendments during the past century, we cannot believe that the expectation of the framers of the Constitution has been fulfilled. * * * Certainly the facts plainly show that the method is not sufficiently facile to meet our wants."

J. W. Burgess, an outstanding commentator on the Constitution, analyzed this question as follows:

"* * * To my mind the error lies in the artificially excessive majorities required in the production of constitutional changes. According to the census of 1830, it was possible for less than 3,000,000 of the people to successfully resist more than 45,000,000 in any attempt to amend the Constitution under the present process. The argument in favor of these artificial majorities is that innovation is too strong an impulse in democratic States, and must be regulated; that the organic law should be changed only after patience, experience, and deliberation shall have demonstrated the necessity of the change; and that too great fixedness of the law is better than too great fluctuation. This is all true enough; but, on the other hand, it is equally true that development is as much a law of state life as existence. Prohibit the former and the latter is the existence of the body after the spirit has departed. When, in a democratic political society, the well-matured, long, and deliberately formed will of the undoubted majority can be persistently and successfully thwarted, in the amendment of its organic law, by the will of the minority, there is just as much danger to the state from revolution and violence as there is from the caprice of the majority, whether the sovereignty of the bare majority is acknowledged. The safeguards against too radical change must not be exaggerated to the point of dethroning the real sovereign." [15]

The figures shown by the 1930 census are even more startling than those analyzed by Burgess as of 1880. In 1930 the 13 smallest States had a total population of 5,790,473, out of over 122,000,000 for the entire country. These 13 States, constituting one-fourth of the 48 Commonwealths, had it in their power to block the ratification of any proposed amendment. Yet, their population aggregated 4.6 percent of the total population of the United States.[16]

The total number of inhabitants of these States was smaller than that of New York City and less than that of any one of a number of the States—New York, Ohio, Pennsylvania, Illinois, and Texas.

The requirement that the initial proposal shall be approved by a two-thirds majority in each House of the Congress is equally onerous and has proved exceedingly difficult of attainment. Democratic processes are, therefore, gravely hampered and fettered both in the initial stage and in the matter of ratification. This becomes evident from a consideration of the history of individual amendments.

Although over 2,600 Constitutional amendments have been introduced from time to time,[17] the Constitution has been amended on only 10 different occasions during the 150 years of its existence—for the first 10 amendments may be considered as one, while the thirteenth, fourteenth, and fifteenth amendments may likewise properly be dealt with as a single group. The first 10 amendments, constituting the Bill of Rights, were proposed by the first Congress on September 25, 1789, pursuant to a general understanding existing at the time of the ratification of the Constitution. Their ratification was completed by the action of Rhode Island on June 15, 1790, which was the ninth State to approve them. To all intents and purposes these amendments may be considered as an essential part of the original document, since the latter would hardly have been ratified if the amendments had not been in contemplation.

The eleventh amendment was adopted to satisfy the pride of the States, which had received a severe blow in the decision of the Supreme Court in *Chisholm* v. *Georgia*,[18] holding that the judicial power of the United States extended to suits brought against a State of the Union by a citizen of another State. The decision was rendered on February 18, 1793. On September 5, 1794, the Congress proposed an amendment to the Constitution to the effect that the judicial power of the United States shall not be construed to extend to any suit against one of the United States by citizens of another State or by citizens or subjects of any foreign state. Although it was submitted in response to the demand of the States against what they considered to be an encroachment of Federal authority, the ratifying process consumed considerably over 3 years, for the eleventh amendment did not become a part of the Constitution until January 8, 1798.

The twelfth amendment corrected an obvious defect in the manner prescribed for counting the votes for President and Vice President. The difficulty became manifest in the election of Thomas Jefferson. The amendment was proposed by the Congress on December 12, 1803, and was ratified in the course of about 10 months.

Over 60 years elapsed before the Constitution was amended again. Then came the thirteenth, fourteenth, and fifteenth amendments as a result of the agony and travail of an internecine war. The first of these amendments was proposed by the Congress on February 1, 1865, and ratified by December 18, 1865; the second was proposed on June 16, 1866, and became a part of the Constitution on July 21, 1868; while the third was proposed on February 27, 1869, and was ratified by March 30, 1870. Each of them was adopted as the result of the upheaval and under the stress and strain of emotion created by the war. They, consequently, do not constitute an adequate test of the efficiency of the amending process.

Nearly half a century passed before another change was introduced into the Constitution. In April 1895 the Supreme Court held that the Congress was without power to levy an income tax,[19] thereby reversing prior rulings and overturning a practice that had been followed by the legislative branch of the Government from time to time over a period of many years. The decision encountered Nation-wide criticism. In December 1895 a proposed amendment was introduced in the Congress to confer upon it the power which the Court had denied. It was reintroduced in every Congress until in July 1909, by a two-thirds vote in each House, the proposal was at last submitted to the States. In spite of public demand for the adoption of the amendment, the process of ratification consumed almost 4 years, and it was not until February 1913 that ratification was effectuated. It may fairly be said that it was the opposition of the moneyed interests of the country that blocked the adoption of the sixteenth amendment from 1895 to 1913.

The seventeenth amendment, which provides for the popular election of Senators, had a similar history. It was first proposed as early as 1826 but received little attention. Similar amendments were introduced from time to time. Beginning with 1872, an amendment on this subject was introduced in every Congress. In 1894 it passed the House of Representatives by a vote of 141 to 50. No action was taken by the Senate. In 1898 it was again passed by the House by an overwhelming majority, 185 Members voting in its favor and only 11 against it. Again no action was taken by the Senate. In 1900 it was passed by the House of Representatives by a vote of 242 to 15. Still the Senate remained adamant. In 1902 the amendment passed the House without a recorded vote. The Senate refused to yield. In 1911 it again was adopted by the House by a vote of 296 to 16, and the Senate at last concurred. The submission to the States took place on May 12, 1912, and by May 31, 1913—a year later—the amendment became effective.

The eighteenth amendment was proposed by the Congress in December 1917 and became a part of the Constitution in January 1919. The unusual circumstances which led to its adoption render it more than doubtful whether this experience affords any fair test of the habitual operation of the amending process.

The women-suffrage amendment—the nineteenth—had an interesting and significant history. It was originally proposed in the Congress in 1868, and thereafter reintroduced from time to time. Beginning with 1878, it was introduced in every Congress. No favorable action was taken in either House until 1914, when it received a majority of one vote in the Senate, but was deemed rejected as not being carried by the requisite two-thirds majority. On January 10, 1918, it passed the House of Representatives by a vote of 274 to 136. In October of that year it was acted on in the Senate, receiving 53 votes in its favor with only 31 opposed. Two-thirds not having voted in its favor, it was deemed rejected. It met a similar fate in the Senate in February 1919. On May 21, 1919, it again passed the House by an overwhelming vote of 304 to 90, and about 2 weeks later—June 4—it finally received the requisite two-thirds majority in the Senate. By August 26, 1920, the required three-fourths of the States ratified the amendment. It took 52 years to bring this proposal to its final fruition.

The twentieth amendment, better known as the "lame duck" amendment, likewise encountered many trials and tribulations in the course of its passage. It was first offered in the Senate by Senator NORRIS on December 5, 1922. It was adopted by that body in February 1923. As no action was taken by the House, the Senate again adopted it in March 1924, in February 1926, and in January 1928. The matter was then brought to a vote on the floor of the House of Representatives on March 9, 1928. The vote was 209 in favor and 157 opposed. As this majority did not constitute two-thirds, the proposal failed of approval. The Senate again adopted it in June 1929, and finally on February 24, 1931, practically 8 years after it was first introduced, the House, by the required majority, voted in its favor. Failure to agree on the phraseology of the amendment postponed its final submission until March 2, 1932. Within 11 months the requisite number of States ratified the amendment and it became a part of the Constitution on February 6, 1933.

The story of the twenty-first amendment, which repealed the prohibition amendment, is too well known to justify detailed recounting. Introduced first in 1924, it finally passed both Houses by the required majority in February 1933, and became a part of the Constitution the following December.

The difficulties encountered in connection with the proposed child-labor amendment are illustrative of the fetters that surround the amending process in both of its phases. On June 3, 1918, the

[15] 1 J. W. Burgess, Political Science and Comparative Constitutional Law, 151.

[16] The 13 States in question are New Hampshire, Vermont, Delaware, Wyoming, Nevada, Idaho, New Mexico, Arizona, Utah, Montana, North Dakota, Rhode Island, and South Dakota.

[17] M. H. Mussmano, Difficulty of Amending Our Federal Constitution (1929), 15 A. B. A. J. 505.

[18] 2 Dall. 419, 1 L. ed. 440 (U. S. 1793).

[19] *Pollock* v. *Farmers' Loan & Trust Co.* (157 U. S. 429, 15 Sup. Ct. 673, 39 L. ed. 759 (1895)).

Supreme Court, in *Hammer* v. *Dagenhart* (247 U. S. 251, 38 Sup. Ct. 529, 62 L. ed. 1101 (1918)), held that the Congress was without power to enact legislation prohibiting the interstate transportation of the products of child labor. One week later a constitutional amendment to confer this authority on the Congress was introduced in the House of Representatives. It was reintroduced in each succeeding Congress, until 6 years later, in June 1924, it had secured favorable two-thirds vote in each House. Since then the amendment has been ratified by 28 States—a majority by no means slender. In spite of the fact, however, that public opinion is overwhelmingly in favor of such an amendment, inability to secure the adherence of three-fourths of the States bars the amendment from becoming a part of the Constitution.

With but a few exceptions, on each of the 10 occasions on which the Constitution has been amended, the result was attributable to war or to a serious convulsion of public opinion. In the great majority of the cases the process was not only laborious but exceedingly slow, and the demands of the people came to fruition many years after public opinion had clearly manifested itself.

In the light of this history it is obvious that those who urge the amending process as a means of testing public opinion or talk lightly of it as a method of "referring the matter to the people" are speaking without knowledge and certainly without thought.

Our Constitution provides no method whatever for an expression of a majority view as to what should or should not be in the Constitution. At best it provides for a reference of such questions to a pitiful minority of the people. However else this situation may be described, it cannot be depicted as a democratic process—rather is it a drastic means for preventing majority action. To what extent this constitutional device should be liberalized is a question separate and distinct, but in its discussion we may well lay aside the fatuous assumption that the present method is consistent with democratic processes.

Electrify the Rural Districts

EXTENSION OF REMARKS

OF

HON. JOHN LUECKE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 19, 1938

Mr. LUECKE of Michigan. Mr. Speaker, electric power has been slow in coming to the farmer because of his isolated position in the rural districts. Any rural district which can boast of more than three farmers to the mile on the average might be considered a densely populated farm area. For that reason one of the greatest blessings of modern times has not been extended to the farmer. Private interests could not afford to make the long-time, huge investment necessary for such undertaking, and it was for that reason that the present administration undertook to give electric power to the rural districts through the medium of the Rural Electrification Administration.

In Michigan at the present time approximately 1,590 miles of new line are under construction at a cost of $1,730,000, while $4,655,000 has been allotted to Michigan on all projects. When all projects are finished, approximately 4,000 miles of electric lines will have been added to the rural districts, which will service 12,000 farms.

In addition other projects are developing in various counties which, when completed, will boost allotments $2,000,000, with which about 1,800 miles of line will be built to connect 5,400 customers. So that by this time next year 17,000 farms will be receiving electric power through R. E. A. loans.

On January 1, 1935, Michigan had but 22 percent of her farms electrified. Today, more than 44 percent have electric power, a doubling in 3 years of R. E. A. stimulation.

In justice to the private utilities let it be said that they have greatly expanded their lines during the past 2 years. One company increased its rural lines 52.4 percent in the last 2 years, while another increased its rural lines 34.5 percent in the last 2 years, and if the present activity of rural electrification continues, 80 percent of Michigan's farms will have electric power in a few years.

The Rural Electrification Administration is not a profit-making organization. The rates are set so that the cost of construction, the cost of maintenance, and the interest on the loan and principal are included, so that at the end of 20 years the line will have paid for itself and become the property of the cooperative. After that the R. E. A. has no further interest in the matter, and should not have. It is then the property of the co-op and the members are at liberty to do with it as they please.

Now, the farmers want that service. As they become better acquainted with the proposition, they demand it. Applications are coming in so fast that the R. E. A. cannot keep up with the work. The Administration is further hampered by the fact that the $40,000,000 which it receives for that purpose is far too small.

Congress has long known that; and when the 1938 relief bill was before the House, it was amended to provide another $100,000,000 for rural electrification.

I felt that the amount should have been doubled. Here is a project which pays for itself. We have heard a lot about self-liquidating projects. It is not necessary to look any further. The R. E. A. does just that. At the end of 20 years' time the Government will have been paid back the loan and the farmers will have had the use of the power during that time.

In these days of relief projects I fail to see where a more desirable project could be found than rural electrification.

There is no attempt on the part of the R. E. A. to compete with private power companies. The fact is the R. E. A. has been a boon to them. Wherever possible, the cooperative buys its power wholesale from the most convenient source and then distributes it to the farmer over their own line.

Only in very rare cases have generating plants been set up for the purpose of the cooperatives supplying their own power. In Michigan three generating plants have been set up for R. E. A. purposes. But only because the immediate companies did not have the power to spare. And with that being true it may have been years before the farmers in those communities would have received electric power. And so again the R. E. A. has done a great service to the people of those districts where no power was available.

Electricity is the blessing of the age. No one will dispute that. I think John Carmody, R. E. A. Administrator, stated it very clearly when he said in a speech sometime ago:

> Electricity means a great deal more on the farm than in the city home. It means running water for one thing, an emancipation from the centuries-old drudgery of pumping and carrying water. Electricity means as much on the farm as it does in industry, where it has accomplished a revolution in methods and practices. Already in many types of farming, the agriculturist without electric service is at a very distinct competitive disadvantage. Electricity brings to the farm the little luxuries and comforts by which we measure our civilization. And yet electric service was denied to millions of our people through no wish or fault of theirs. * * *
>
> This program developed such promise and potentialities during its first year that Congress enacted the Norris-Rayburn Act, or the Rural Electrification Act of 1936. That act provides a 10-year program for lending Federal funds for rural electrification to serve persons not receiving service. During the first year of that 10-year program, the act authorized the lending of $50,000,000 to projects by R. E. A., which in turn should borrow from the Reconstruction Finance Corporation. For each of the succeeding 9 years the act authorized an appropriation for loans amounting to $40,000,000 a year.
>
> Under the terms of the act the R. E. A. lends money to finance the entire cost of rural electrification facilities in rural areas. Those loans are made at the same rate of interest as is paid by the Government on its long-term obligation—about 3 percent—and are amortized over a period of 20 years. Allotments so far total $87,000,000. More than $70,000,000 worth of construction is under way or completed. This money is being used to build nearly 80,000 miles of rural lines which will bring electric service for the first time to about a quarter of a million farms and rural churches, schools, and small-business places.

The above paragraphs state the whole picture very clearly. The farm is a business, and what business is there which could operate without electric power? There is none.

Rural electrification is now an assured development. There is no reason why the rural districts should be without it. The farmers want electricity, and the R. E. A. can supply it. Let us make the rural districts a better place in which to live.

Liberty Dead in Over Half the World—American Teacher Is on the Spot—Democracy, Honest History, War, Conservation, Monopoly, Science

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 18, 1938

ADDRESS OF HON. MAURY MAVERICK BEFORE THE CHENANGO COUNTY TEACHERS' ASSOCIATION, NORWICH, N. Y., MAY 13, 1938

Mr. MAVERICK. Mr. Speaker, exercising the right granted me to extend and revise my remarks, I am including a speech which I delivered before the County Teachers' Association of Chenango County, N. Y., at the high school in Norwich, Friday, May 13, 1938.

It is as follows:

Mr. Chairman and ladies and gentlemen, I'll tell you, I appreciate the very kind introduction given me by Dr. Van Kleeck. But speaking of doctors—and you all know a teacher is now generally always called a doctor—well, anyhow, when I came here this morning, I went to the Chenango Hotel.

I asked the clerk where I could find Dr. Quinn, that I needed him [laughter]. So he got me in connection with the doctor. I said, "This is Congressman MAVERICK of Texas, I have come to make a speech." I got no answer—it was the cold shoulder, believe me—so, getting no response whatever, I dropped the receiver.

Then I turned to the clerk, for surely I thought I must be in the wrong town; maybe I should have gone to Norwich, Conn., or something. I asked the clerk what was the matter, that I was here to talk to teachers.

"Oh," said the clerk, "that was Dr. Quinn, our veterinarian." I would not refer to your fellow citizen as a horse doctor, but I don't know whether the clerk thought I needed such. Anyhow, your high president, Dr. Quinn, has suffered from mistaken identity; and although I understand he's not quite a Ph. D., you can't blame the clerk. [Laughter.] We need both horse doctors and teachers, even if both are named Quinn.

Now, my friends, I am glad to be here—I never was in this part of New York before. As we sit here it seems peaceful and quiet—there is nothing in particular that disturbs us. In this small city we cannot realize, at least by our surroundings, the condition of the world.

But the condition of the world as we sit here in peace is a horrifying one. Blood, death, destruction of property, war, misery, international gangsterism is the order of the day. Human beings by the millions goose-step like abject slaves before strutting, arrogant, exhibitionist dictators.

Hitler visits Italy where entire railroad stations are built just to receive him and where blocks upon blocks of expensive carpets are laid for his feet, which apparently he has forgotten are made of clay. The Jews are put in jail during his visit. It was the visit of one psychopath to another; then Hitler returns to a land where the bloody swastika is high in the sky. This swastika is above an enslaved people; liberty is dead, there is persecution of defenseless minorities, there is brutality and violence, and the common decencies of civilization are forgotten.

LIBERTY DEAD IN OVER HALF THE WORLD

But we need not put all the stigma on Hitler and Mussolini. In Russia liberty is not even in chains, for it was never born. The purge works fast there, and trials are a mockery of justice. And however strong of heart we are, we cannot look upon the horrible slaughter of humanity and the destruction of civilization in Spain and China without weeping.

Indeed, my fellow Americans, in much over half the world liberty is either dead or horribly mutilated. Liberty still breathes, but sometimes, I think, gasps a little, in France; there is liberty in Switzerland, the Scandinavian countries, in the self-governing and white portions of the British Empire, and to a limited extent, in the Latin-American countries.

We who are here want to preserve what liberty we have, and being born of American tradition, we want more! Not only that, we want a better standard of living.

Moreover, we know there are many in this country who use the name of liberty in vain, in order to grab it away from others. Many who bellow that they want to uphold the Constitution would gladly break it down if it served their selfish purposes. Others who say reorganization of the Government might mean dictatorship, would prefer the disorganization of the Government in order that they may enjoy a dictatorship of our economic and national life. Others who claim to league themselves for liberty are in league against liberty.

THE AMERICAN TEACHER IS ON THE SPOT

In this highly complicated and disturbed picture the American teacher is on the spot. He or she is between two forces, that of telling the truth and of conforming to a conservative school board, board of regents, or controlling economic forces.

Still, I would not have you here build any emotion of self-pity and self-satisfaction of your intellectual superiority. All progressives, whatever their vocation in life, are always on the spot. The businessmen, the politicians, the doctors, the lawyers, who can see far ahead and have the courage to speak out are as much on the spot as the teachers.

Then there are many self-styled liberals and progressives who are as narrow-minded as are the reactionaries; I have people write me and tell me that if I do not vote thus and so, I am not a liberal or a progressive. That is no argument at all, and is on a par of telling a man he will not get to heaven, if he does not agree. And though I have frequently denounced school boards and regents, they are not personally evil or bad, for indeed they have beliefs, too.

TEACHER SHOULD TEACH THE TRUTH—AND HAVE NO SELF-PITY

What, then, should the teacher do? The answer is he should teach facts and truth, veering away from personal opinion and bias as much as possible. The teacher is then in the clear and the student is given the opportunity of making his own conclusions.

So do not pity yourself, for others are suffering, being criticized, fired, and having a fairly hard time of life.

Regard yourself as a responsible citizen, and let you both as a citizen and teacher teach, think, and take part in your government, and by government I mean that which is parliamentary, free, and democratic.

YOU CANNOT EAT A NOBLE PHILOSOPHY

I would have you know, and let's don't forget it anywhere as we go along, besides liberty and free government, people must eat and live, too. You cannot eat a noble philosophy; what you eat is bread and meat. Besides having always in your mind teaching of democracy, let us also have in our minds to teach honest economics, which is as essential as democracy itself.

Now, for a while I am going to discuss a little of the constitutional history of our Government. Let's go a long way back to the Magna Carta; at the same time let's leave off the romance, nonsense, and falsehoods, and look at it realistically.

THE JEALOUS, IGNORANT BARONS OF RUNNYMEDE

Since I was a little boy I can remember the beautiful picture in colors of free men under a big spreading oak tree, near that immortal creek, Runnymede, wresting their liberties from the wicked King John, who had been a traitor to his most worthy brother, gallant Richard the Lion Hearted. But the free men of England did not wrest their liberties from the wicked King John.

What happened was that a horde of jealous, ignorant, avaricious barons took power from the King for themselves. In the Magna Carta some very high-flown language was used about not purchasing justice nor selling it; but the barons didn't know for sure, for, so far as is known, none of them could read Latin. What they got was power to be little dictators in their own baronies.

HOWEVER, MAGNA CARTA IS BASIS OF CONSTITUTIONAL LIBERTIES

Nevertheless, the result was the extension of human rights. Gradually interpretations based on that document began to form the basis of liberty. It became the foundation of free government, right of trial by "peers of the vicinage," then jury trial—freedom of speech, press, religion.

Even now these are violated—you see them violated in such places as Jersey City and others—but the ideal of liberty persists everywhere in the Anglo-Saxon world, with the Magna Carta as a basis. Therefore we can reasonably say the Magna Carta is a beginning of the constitutional stream still flowing and pulsing through American life.

ACCUMULATED RIGHTS FORMED OUR CONSTITUTION

Before the American Revolution, we had the accumulated rights of Englishmen starting with the Magna Carta and flowing like a stream through petitions and bills of rights, statutes, customs, and decisions. All these together were considered the Constitution—not of itself written, but the spirit of all these symbols of justice.

So, when we adopted the Declaration of Independence, we already had a Constitution. This Constitution was then and now, the spirit of fair play which rises above mere pieces of paper—and that a man may express himself, make a living, and not be kept in jail without trial.

DECLARATION ESSENTIALLY A PART OF CONSTITUTIONAL STREAM

Our Declaration of Independence is essentially a part of our constitutional stream. Some say the Declaration is not in effect; but if that is so, we are still a part of England. The whole philosophy, the whole meaning of the Declaration of Independence, is contained in just 110 words.

ONE HUNDRED AND TEN MOST IMPORTANT WORDS OF DECLARATION

I want you to get these words in your own system, appreciate them, think them over, and then teach them to others. They are:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed. That whenever any form of

government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their safety and happiness."

What do these 110 words mean? Among other things, that every child should begin life with equal opportunity, that we are entitled to be safe, to have liberty, and to have a government that only governs us with our consent.

ARTICLES OF CONFEDERATION FIRST WRITTEN CONSTITUTION

Later, in 1777, there came the Articles of Confederation, which, I ask you to bear in mind, was our first written constitution. This was a continuation of the constitutional stream.

Then came our second written constitution, signed in Philadelphia in 1787.

In all of these instruments written on paper were important words, but they were not liberty themselves any more than the paper of the Bible is religion.

PREAMBLE TO THE PRESENT CONSTITUTION

It is worth while to read the preamble to our second written Constitution, now called the Constitution. It is as follows:

"We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

These words are the gist of our written Constitution; it is the philosophy of the general welfare, the common defense—and the duty of the people to maintain liberty for ourselves and our children. You must feel, you must teach, and demand this yourself.

Leave out the rhetoric—such as that the Constitution was "the greatest document ever struck off in the history of man." For it was not "struck off." What happened was that our forefathers, young, prosperous businessmen and lawyers, conservative to the core, tried to put on paper accumulated experience in government. After long wrangling, horse trading, and intrigues, they finally got their thoughts on paper. The job they did was an exceedingly good one.

BILL OF RIGHTS OMITTED IN WRITING CONSTITUTION

For some reason they left out a bill of rights, and it caused great bitterness and fear over the Thirteen States. The people demanded and got a bill of rights finally adopted 4 years after the Constitution was signed.

Every school in the land should give a course on the Bill of Rights. It can be read in 5 minutes. Above all else, it must be borne in mind that it is for Nordic blondes, Russian Jews, Negroes, narrow-minded school-board members, teachers, bricklayers, millionaires, up-State Republicans like people around these parts, down-South Democrats like me [laughter], and for whatever color one happens to be, red, white, or blue.

AMENDMENTS I AND IV—BILL OF RIGHTS

As you know the Bill of Rights is the first 10 amendments to the Constitution. The most important is the very first. Here is what it says:

"AMENDMENT I—FREEDOM OF SPEECH, PRESS, RELIGION, RIGHT OF ASSEMBLY AND PETITION

"Congress shall make no laws respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

Remember, these rights are for those who tell the truth, like you and me, and those who spread wicked and false propaganda—I mean people with whom we disagree. There is another article which is quite as important, the fourth amendment, and it concerns search and seizure. It is as follows:

"AMENDMENT IV—RIGHT AGAINST UNREASONABLE SEARCH AND SEIZURE

"The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized."

Besides all these rights that I have discussed there is the right to bear arms, the prevention of quartering of soldiers on people, not to be twice in jeopardy for the same offense, not to be a witness against one's self, the right to have due process of law and trial by jury, the right not to be required to furnish excessive bail.

Here it is important to repeat that the teacher is entitled to neither more nor less liberties than any other citizen. There is no separate right of "academic liberty." Academic liberty is nothing at all but just plain liberty; that of everyone else. So if there is anything such as "academic liberty," it comes under the Bill of Rights.

TEACHER'S OATH LAWS—THE "RED RIDER"

That is the reason that I resent requirements upon teachers which are in addition to other citizens. The flood of teacher's oath laws, and of forcing youngsters to salute the flag, are usually passed in times of hysteria, are usually productive of no good whatever, and generally of harm. Oaths do not change an individual; no person is made patriotic by signing an oath. A crook is not made honest by being forced to swear he is honest. If a person is honest and patriotic, he will be so without the oath.

That is the reason I fought the law enacted for the District of Columbia, known as the "red rider." It was a law which required a teacher to take an oath of allegiance and to make an affidavit that he or she had not taught communism since getting the last pay check. Some had to sign once a month, others every 2 weeks; some by the day, since the substitutes got paid that way. A "red" scare had started and such a law as this made it worse.

TEACHERS' OATHS IN BALES, LIKE COTTON IN WAREHOUSES

Teachers got hounded around for even mentioning there was a country named Russia. The "red baiters" talked much of subversive tactics, and some swore that communism was ownership of women by the state. It was all a big circus, but being an obscene show, it hurt the schools and the school children. There were so many affidavits that they had to be put up in bales and set out in warehouses like bales of cotton.

The hounding of teachers, the suspicion of their patriotism and their moral character continued for 2 years, for it took that long to get the law repealed. So you should demand the constant observation of your ordinary rights in order that you may teach honestly and freely the truth.

When people begin to rumble and ramble about communism, or something they want to hang on a teacher, they generally speak of "indoctrination." There is a lot of humbug in that. However, as I said in the beginning, let everyone confine himself to fact and truth. If one does that, he is safe, and moreover, no one can really teach anything except by the use of fact and truth.

PREJUDICES OF TEACHER SHOULD NOT BE THRUST ON STUDENT

Suppose one teaches comparative European governments. It would be absolutely necessary to teach what one knew of Russia, Germany, and Italy. None of these nations could be omitted.

But if some teacher would drop the facts, and praise some European dictator—or fascism or communism, it would naturally be improper. No teacher should thrust upon the student any of his own prejudices. Certainly, however, the teacher should give full and correct information and inform the student of what is going on in the world.

DEMOCRACY, HISTORY, WAR, CONSERVATION, MONOPOLY, AND SCIENCE

Now I have urged students and teachers to make a study in government, and to take part in government. As a public official, I can see how gravely necessary that is. And since I know nothing of the technique of education, upon that subject I can give you no advice. After all, government is simply life; and I offer you these suggestions of the things worth your application.

They are: (1) The fundamental basis of knowledge and democracy; (2) honest history; (3) the truth about war and peace; (4) the story of our land and waters, that is, our natural resources; (5) monopoly in its relation to modern life; and (6) the results of scientific study which bear on the future.

Let me discuss these points in as brief a scope as possible. I only hope to bring out certain points I believe essential, upon which you can enlarge.

My first point is that we must teach and believe in democracy, and that it is the basis of knowledge. I have that covered in the first part of my speech.

Now, someone is liable to tell you that here in our democracy we ought not to let "alien doctrines", whatever they are, be preached here; that we must not let anyone preach fascism or communism. This is placed on the basis that over in Germany and Russia you'd get shot for doing the same thing.

DICTATORSHIP CANNOT BE DEFEATED BY DICTATOR METHODS

The only answer to this is that if we adopt the policies of the dictator countries, then we are like them and democracy ceases. Democracy is the right to preach, pray, think as you best see fit, even if it is against democracy. If we stick to that we can save democracy in America, and probably in the end, for the whole world.

Now, history is my second point—sometimes we cannot tell whether we are learning propaganda or learning history. What is worse, we cannot tell sometime whether we are teaching propaganda or history. I am just now beginning to find out some of the things I thought I learned and have believed all my life are wrong.

MISCONCEPTION OF HISTORY—THE CIVIL WAR

Take the Civil War, for instance. When I was young I believed the South fought for State's rights, and you people up here in New York thought you fought to preserve the Union and free the slaves.

That may be remotely true, but that was only superficial. The real cause was economic, starting back when the northerners sold the slaves to the southerners. It involves cotton, the cotton gin, the industrial revolution, and many questions of the deepest economic and racial importance. A train of economic events led us into the Civil War just as we were led into the World War.

Moreover, the mass of the white people of the South and the North opposed going into the Civil War. Five-sixths of the southerners did not own slaves, and overwhelmingly opposed going into the war. But the slave owners were in control in the South, the industrialists and financial group in the North, so when the drums began to beat people forgot to think and used bullets and bayonets instead of their minds.

Ever since, the Civil War has been studied from a viewpoint of our prejudices and sectional viewpoints.

Here, particularly, I have a word to say. For today our economic, social, and political problems are probably much greater than at

the time of the Civil War. Therefore, if we are going to solve our problems, we must drop our sectional, racial, or religious, or just personal prejudices.

HOW DID WE GET INTO WAR? NOT TO SAVE DEMOCRACY

The third thing I mentioned is war and peace. This concerns every living human being in this world. Since we have just discussed the historical aspects of the Civil War, we can just take another war, and let it be the World War. First of all, we did not enter the war to save the world for democracy in any way whatsoever; and, moreover, we did not save it for democracy. Neither did we enter it just because of the evil munitions manufacturers.

What, then, got us into that war? It was first based on our economic connection—that is, we sold munitions, foodstuffs, clothing, and commodities of all kinds, we extended credit, and became involved in the war thicker and thicker and deeper and deeper through financial channels. Finally we found out that the only way to get the money was to go to war for it. So we got together some 5,000,000 men and made bill collectors of them, of which I was one, and put them in uniforms and gave them guns.

What is the result?

We have suffered economically ever since; dictatorships have increased in number and have become worse and more absolute. There are trade barriers, great armies, and today a great armament and naval race.

Obviously, then, we can gain nothing by going to war. If we do so to save the world either from communism or fascism, we will get one or the other; certainly, if we go to war we will impose espionage and sedition laws, destroy our liberties, and impose military dictatorship upon ourselves. Possibly, we may have occasion to go to war, but I cannot conceive the occasion. When you think of war, think of the futility of which I have spoken.

If we consider methods by which we hope to maintain peace, we think in terms of neutrality and collective security.

For my part, I think we should adhere to neutrality; collective security is an ideal we may some day achieve. But upon one thing we must agree; that is, we have enough problems at home to engage us for a generation or so.

Let us then, in thinking of war and peace, think from the inside out, and let us not get too anxious to save the world until we have at least started to save ourselves. We should also think more of national defense of our land and shores, rather than of battleships over the seas and far away.

When we do think of world problems, let us do it with an open mind. I despise the dictatorships of the world, but even they should have economic justice. Germany is the result of the injustice since the World War; she has now become unjust herself.

CONSERVATION OF RESOURCES MOST IMPORTANT OF ALL

The fourth that I mentioned is the question of land and waters, the conservation of our natural resources. This, I believe, is the most important subject of all, because it is from the land and our waters that we live. Indeed, the condition of our natural resources is as important to the family that lives on the thirty-fifth story in New York as the fellow who lives 35 miles from a railroad.

In our country, around 200,000,000 acres of land are either destroyed or in the process of destruction. Forests and billions of feet of lumber have been ravaged. Great mineral wealth, including oil and gas, has been lost and is still being wasted. And in our thinking, whoever may have title to it, natural resources are fundamentally the people's resources.

THE T. V. A. IS A GOVERNMENT MONOPOLY LIKE THE POST OFFICE

A good example of the conservation of national resources is the Tennessee Valley Authority. So far I have tried to refrain from paeans of praise and my own prejudices; I admit that I think this the greatest job on natural resources in the world. But whatever my opinion, or that of a Power Trust speculator, the T. V. A. in all its phases—social, governmental, and otherwise—must be studied. For there one sees all our problems, plus all the questions of natural resources and their preservation.

Now, what is this T. V. A.? Well, it is a Government monopoly. Just as we passed from private armies to public armies and navies, from toll roads and toll bridges to public and free roads and bridges, so have we, in this case, passed from speculative power companies to a public company, which is a Government monopoly. Therefore, we pass naturally to our fifth point, and that is the relation of monopolies in general to modern life and government. Connected with this is the expanding power of the Government, based on the necessities of modern national life.

HUGE MONOPOLIES AFFECT COMPETITIVE ENTERPRISE AND CAPITALISM

We have huge monopolies of all kinds in this country. Practically speaking, from the viewpoint of price fixing, we have electric, gas, oil, steel, aluminum, and other monopolies. Why is it important?

The answer is that private, competitive enterprise cannot exist when cut down by unfair or unregulated monopoly. That is because monopoly can raise prices at will, and hog the money in the markets, finally weakening and destroying the competitive operations of the business world.

All of which brings to my mind the question of whether we really have capitalism, that is, free enterprise, or not. Certainly, for a long time capitalism, as we historically understand it, is either greatly changed or gone altogether. Remember, if in the business world today there exist a few monopolies and cartels that control everything, then we no longer have competitive capitalism. That is a question we must all study, and study frankly.

Your job, mine, the job of every citizen in the world, our happiness, probably depends on that big question of monopoly in its relation to other phases of government, life, and business.

INVENTIONS AFFECT SOCIAL INSTITUTIONS, FAMILY, CHURCH, AND STATE

The sixth point which I offered is the study of science and its relations to the future. One of the greatest works on this subject is a publication of the National Resources Committee of the United States Government, known as Technological Trends and National Policy, and can be obtained for $1 from the Superintendent of Documents. This report shows that there can be no limit to the work which can be done by modern machinery. It shows that new inventions directly affect social institutions, the family, the church, local community, and then the State, industry, business, professional life, and every phase of labor.

The authors say that had a study been made of the automobile, radio, and other inventions, that great changes in our life, resulting in millions of unemployed, and displacements which involve suffering and misery on enormous scales, could have been averted.

There are hundreds of inventions now being withheld from the market. That is because the owners do not desire to lose the benefit from the patents they already have.

They have others, and some they list are as follows:

The mechanical cotton picker, air-conditioning equipment, plastics, the photoelectric cell, artificial cotton- and woolen-like fibers made from cellulose, synthetic rubber, prefabricated houses, television, facsimile transmission, the automobile trailer, gasoline produced from coal, steep-flight aircraft planes, and tray agriculture.

Then the report said:

"A special case of the influence of invention is technological unemployment."

SOAP-BOX ORATORS, AND THE GREAT DISTURBER—INVENTION

Therefore, the study of science must be made in order that we may prepare for the future, and to make adjustments before it is too late. There have been bloody revolutions in the past, and whether such revolutions continue it is certain revolutions of the future will also be industrial, scientific, and by machinery.

There have been radicals, agitators, and disturbers in the past, but there is a new and more powerful disturber, a real agitator, and one which may overthrow our governments. Concerning this, the National Resources Committee says:

"Invention is a great disturber, and it is fair to say that the greatest general cause of change in our modern civilization is invention; although it is recognized that social forces in turn encourage or discourage invention."

All must remember that invention is no mere soap-box orator, who can be battered over the head by a policeman. He is a man of steel, of force, of rapid action. He is streamlined, smooth, noiseless, and powerful. If we are intelligent, we will put this new force to work for us, instead of our being slaves to him.

LET US MAINTAIN OUR LIBERTIES AND ECONOMIC JUSTICE

Now, my friends, I have covered a very wide field, and have done so purposely. But, boiled down, the great problem today is to retain the liberties which we really and conscientiously hold dear—the liberty of expression, freedom of action, and the right to think and worship as one pleases. And, of course, as I said before, besides our liberties, we must also eat.

In this picture must come the bright and shining star known as science. Science can be used for noble and beautiful ends. Science can be used for war and murder and pillage and the destruction of liberties, too. That is our great problem.

As Americans, let us then try to preserve both—liberty on the one hand and science and progress on the other. Frequently the trend of events, or teaching the trend of events, has nothing to do with a person's viewpoint anyhow. If you were a Red Russian Communist, you nevertheless could not get the American people to accept communism, because they don't want it. On the other hand, if you are a reactionary of the first water, you cannot stop the expanding powers of the Government.

Civil Aeronautic Authority

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 18, 1938

Mr. COCHRAN. Mr. Speaker, I have always tried to be consistent and for that reason I feel I should briefly explain my vote on the bill to create a civil aeronautic authority, which also provided for the regulation of civil aeronautics. The necessity for this legislation cannot be questioned, but one of the outstanding features of the bill which concerned me was the creation of a new independent establishment. As

chairman of the Select Committee on Government Organization, in advocating the reorganization bill we stated that the purpose of the bill was to consolidate and coordinate the activities of Government agencies. As we all know, that bill failed in passage, but here we find the Congress setting up one more independent agency.

I would have been more pleased if the bill provided for the Interstate Commerce Commission to administer the law rather than a civil aeronautic authority. I fully realize that due to new laws that the Congress has passed, including the Motor Carrier Act, the Interstate Commerce Commission is probably at the moment overburdened with work, but there was nothing to prevent the Congress from adding, say, three additional members to the Interstate Commerce Commission and setting up a division therein to administer the civil aeronautics act.

I further feel that all transportation facilities should be under the Interstate Commerce Commission. The Interstate Commerce Commission is required to administer various laws which in my opinion should be transferred to some other Government agency or department but I cannot conceive that the purpose of this bill could not have been properly administered by the Commission if we had set up a separate division therein.

It is only proper that when I entertain such views that someone might ask why I did not vote for the motion to recommit the bill which was offered by the ranking member of the committee, Mr. MAPES, of Michigan. My answer to that is that if Mr. MAPES had properly worded his motion to recommit the bill so that the committee would have been required to report the bill back to the House forthwith, I would have then supported it, but as worded the motion would have probably killed the legislation entirely. This view is supported by the answer of the Speaker to the parliamentary inquiry submitted by the gentleman from Wisconsin [Mr. BOILEAU], where the Speaker admitted that the motion was in a rather unusual form and that he would be forced to construe the motion as it was presented. "The Chair was of the opinion," he said, "that if the bill was recommitted it would not in the future have a privileged status." The meaning of that ruling is that the bill would have been returned to the committee and after the committee had followed out the instructions in the motion to recommit it would have been required to report it, appeal to the Commitee on Rules for a special rule to bring the bill back into the House and reconsider it in its entirety.

Under such a condition, Mr. Speaker, I could not see my way clear to vote for the motion to recommit much as I would like to have seen its objective reached.

I sincerely hope that in the near future the Congress will see the wisdom of placing all transportation facilities of the Government under one head, the Interstate Commerce Commission, where they properly belong.

The Recovery Bill

EXTENSION OF REMARKS

OF

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 1938

Mr. KITCHENS. Mr. Speaker, the bill before us has for its designated object work relief, nonwork relief, and to increase employment by providing loans and grants for public works. I am not convinced this is the best way to permanently solve the economic troubles we now have and periodically experience.

It appears to me an expenditure of four or five billion dollars, when considered in connection with the business in the United States amounting to several hundred million dollars, is and can be only a very temporary expedient. This amount of money and its distribution and expenditure will give temporary relief and some impetus to business. The conditions in certain sections of the country are pathetic. It is difficult for one to appreciate such a condition existing in this great country where we have more than we can eat, more than we can wear, and more than we can use in the way of factory products. We make and produce so much that we are poor, and suffer for the lack of the very things we make and produce in such abundance. This situation to me indicates very strongly, if not conclusively, that our troubles are purely monetary.

We speak of fear and lack of confidence. It is clear to me that such fear and lack of confidence are mostly due to inefficient control of credit and currency. There is always a possibility and probability of further limitation, contraction and expansion of currency and credit. Who cares to branch out in business, go forward, invest money, or borrow money under such conditions? The slightest lowering or raising of the discount rate acts as a most powerful lever, and vitally affects $250,000,000,000 of debts. When such rate is lowered there is an expansion, but not in proportion to the contraction when the rate is raised. Debtors owing $250,000,000,000, when credit or currency is contracted, begin to scramble for credit or currency, and neither is available. The inexorable result is that businessmen are frightened, debtors are pressed, crippled, and ruined, industry is stilled, labor unemployed, and fear reigns in the hearts of the people. Those who have control of money, its contraction and expansion, it seems, are unable to appreciate the far-reaching effect on business, debtors, and creditors of a very slight raise of discount rate or contraction of currency or credit. So, we may continue to expect disastrous depressions periodically, about every 7 years, regularly as 7-year locusts and former plagues of Egypt. We are taught that we know nothing of money, and most of us content ourselves by admitting we do not know anything about it, and ignoring the question.

I am pleased the money involved in this bill will be used for useful public works such as highways, roads, streets, public buildings, parks, recreational facilities, utilities for the people, electric transmission, and distribution lines to rural areas, sewer systems, water supply, flood control, conservation, eradication of pests, production materials for fertilizing soil to distribute to needy farmers, educational, professional, cultural, and other services. This use of the money for useful public works is contrary to the English theory, at least the former theory, that such money should be spent in unproductive work so as not to compete with private industry.

We have just defeated the amendment offered to reduce the $75,000,000 for National Youth Administration to $20,000,000. Such an amendment was properly defeated. That amount of money is needed and can be well used to give part-time work and training to needy persons who are not in regular attendance at school and who are out of regular employment. Likewise, the same will furnish part-time employment on projects for needy young persons so they may continue their education at schools, colleges, and universities. This Nation is going to have to depend upon its youth to support it in the future, and youth should be trained and given every opportunity to be educated.

Further, Mr. Speaker, I am pleased that $175,000,000, together with other unexpended balances, are granted to the Secretary of Agriculture for the Farm Security Administration. These sums are made available for loans, relief, and rural rehabilitation for needy persons. My support also is gladly given to the amendment to this act permitting needy farmers to be given relief work in their areas. The farmer, so far as relief work is concerned, has been subject to discrimination heretofore.

I also favored and supported the amendment to increase the allowance from $60,000,000 to $100,000,000 for the Rural Electrification Administration in order to bring to the people electricity and all the advantages of electricity and to those now unable to enjoy the same.

The bill eliminates aliens from employment on any project unless they have filed, prior to date of this law, a declaration of intention to become citizens of the United States. So far as I am concerned, such aliens on relief in this country, who have no intention to become citizens, should be returned to their own country without delay. Those aliens who, prior to the enactment of this bill, have declared their intention to become American citizens by filing a bona fide declaration in court, should be given consideration. I note the bill gives preference to veterans of the World War, Spanish-American War, and of any campaign or expedition in which the United States has been engaged, and who are in need and are American citizens. Such has been the policy of our Government since its foundation, and this bill recognizes that policy.

The law further provides that a person employed on a project, and who refuses a bona fide offer of private employment, under reasonable working conditions, and at a compensation equal to the amount he would receive from one of these projects, and who is capable of working, shall not be retained in employment. Certainly this is a fair provision. Really, some showing of an effort to obtain private work should be required.

Another provision of the bill which appeals to me is that all appointments of persons to the Federal service for employment in the District of Columbia under provisions of this resolution shall be apportioned among the several States and the District of Columbia upon the basis of population according to last census, except in such cases as may not be consistent with efficient administration. Such apportionment of these jobs to the States on a basis of population is just and equitable and for which I have contended. I trust the exception clause will not be abused or be used to avoid the intent of Congress.

There are other provisions of the bill which are desirable, and one is an increase from $70,000,000 to $130,000,000 for the construction of public buildings outside of the District of Columbia. This will enable construction of post-office buildings urgently needed in many places. In my district there are five cities now qualified and needing buildings that are mentioned in the hearings.

This spending and lending program was instituted before I came to Congress. It is known as the recovery program, an effort to get from under the depression which originated in 1929. There are those more able than I who advocate this spending and lending in order to bring about a recovery from the debacle, of such disastrous proportions, suffered by this country prior to this administration. Business of all kinds on March 4, 1933, had totally collapsed. Most of our banks had failed, became insolvent, and a country so wrecked cannot be lifted and put on its feet in a day. A patient may apparently recover, but still be weak, still reel on his feet, and must be carefully nurtured and supported until his complete recovery.

There are those who condemn the program, but, for one, I am not willing to stop it or obstruct it in the middle of the stream, in the middle of the effort. I am not in a position to assume the responsibility of failure, if any. Do not believe a failure possible, because we will work out of it. But there are some who would end the program and let Nature take its course. I feel sure they are not informed of the extent of the utter collapse we suffered, nor of present conditions in some sections of the country. If they do, their partisanship causes them to seek an avoidance of responsibility or their lack of information unbalances their better judgment.

Believing as I do, that our troubles are solely monetary, I feel we are still depressed and suffer by failure to give adequate value in dollars to the gold upon which our economy and trade is based, and particularly so when we contemplate the disorganized, disarranged, and lowered currency values of other nations with whom we have to deal. Every possible dollar of value of our gold should be put to work and not be limited or restricted. Under our monetary system we no sooner get out of one depression until we are forced to enter another. This is most destructive to the savings and morale of the great mass of our people. If our monetary situation were corrected, there would be no need, in my opinion, for this enormous borrowing, spending, and increase of public debt. Our property, products, and commodities are measured by an ounce of gold. This ounce is now arbitrarily worth, under the law and by Executive fiat, $35 per ounce.

This is a mere fiction, however. People cannot buy gold. They do not care to use gold as a medium of exchange. Still, their labor, products, and commodities are measured by the gold ounce, of the fixed value of $35; whereas England and her colonies and other countries with whom we trade do not arbitrarily fix the price of gold, but same varies from day to day, and the price of gold now is fixed each day in those countries, particularly in England, whose monetary system we formerly tried to follow. The result is our working and producing people lose from 20 to 40 percent of real value of their labor, products, and commodities. In other words, where a farmer or laborer now gets $35 for his labor or commodities, he loses because he should receive from $42 to $48 for the same labor or commodities.

However, I am pleased to support any program that is believed by competent authority, such as we have, to relieve distress and bring about confidence and recovery in this country. Still, no program will work if people do not work. The time has not come and never will come when people can live without work. So far, the idea of a utopia is a dream, and the millennium is not just around the corner. If there is to be a chicken in the pot, the surest way to have it there is to work and save to that end and not depend on the other fellow.

Fred M. Vinson, of Kentucky

EXTENSION OF REMARKS

OF

HON. MORGAN G. SANDERS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 11, 1938

Mr. SANDERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I want to pay tribute to my friend and colleague the Honorable FRED M. VINSON, of Kentucky. It was my privilege and pleasure to serve with him for several years in Congress, and I have never served with a more able, conscientious, and faithful Member. He was always at his post of duty, whether in the House or in committee, and he enjoyed the respect and friendship of all who knew him.

His recent retirement from the House of Representatives was a distinct loss to his district, his State, and to our Nation. It was my pleasure to be present when he took the oath as a judge on the court of appeals. His ability as an able lawyer will be felt and recognized there as it was during the years of his faithful service in the House, and his splendid qualities of mind and heart will be appreciated there as they were here.

Crime and Your Home

EXTENSION OF REMARKS

OF

HON. VIRGINIA E. JENCKES

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 19, 1938

ADDRESS BY J. EDGAR HOOVER AT KANSAS CITY, MO., MAY 17, 1938

Mrs. JENCKES of Indiana. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following

address delivered by J. Edgar Hoover, Director, Federal Bureau of Investigation, United States Department of Justice, before the Triennial Convention of the General Federation of Women's Clubs, at Kansas City, Mo., May 17, 1938:

The privilege and honor of having been invited to address the General Federation of Women's Clubs is one which I profoundly appreciate. The importance to law enforcement of an increasingly vital interest on the part of women and women's organizations in the crime problem has become more and more manifest in recent years. In various sections of the country the dynamically constructive concern of these public-spirited women has been manifested in vastly improved law-enforcement conditions, as well as in cleaner civic government. That this has not been universally true simply means that we may not expect the millennium to come too soon or without desperate effort to attain it.

The motivation of this address is my sincere desire to express to the women of the country my gratitude for their great aid and cooperation with law enforcement in the past, and my earnest appeal to them to accord this fundamental phase of Americanism their increasing support in the emergency which confronts us.

The women of the world, and particularly the women of America, have always reflected a zealous desire to live upon a higher plane than has currently existed. The spirit of motherhood is the motivating factor behind this desire. It has been truly said that "the hand that rocks the cradle rules the world." Where the women of a community inculcate by precept and example the highest ideals of ethical living, these communities have progressed and life within their borders has brought peace and happiness. In those communities where the women have been indifferent to the high duty of inspiring their children, sweethearts, brothers, and husbands to better things, conditions have rapidly deteriorated and ultimate moral chaos has been the result. It is for this reason, and because I recognize the transcendent importance of enlisting the influence of civic-spirited, idealistic women in behalf of law enforcement, in behalf of Americanism, that I appeal to you for your continued and enthusiastic support and assistance.

Nothing can exceed in influence upon mankind the vitalizing and idealizing effect of uplifting home life. All other civilized institutions remain of minor importance. This applies to the church, the school, and any and every community endeavor, since they are but the reflections of the homes they serve. When the moral force that emanates from the home loses its efficacy, there is little for which we may hope.

It is also true that the home suffers most and worst from the evils that follow in the wake of crime. The subversive forces of lawlessness strike first and hardest at the home. I am not referring to monetary losses, although these are sufficiently serious to warrant some attention. Each man, woman, and child in America pays an annual crime bill of nearly $120. Each home is threatened by an army of lawlessness numbering over 4,500,000 criminals. Let us endeavor to conceive, approximately at least, the meaning of this vast horde of antisocial beings.

Think for a moment, if you will, of the homes that send forth criminals that prey on society; think of the millions of mothers whose lives were saddened and crushed by over 4,500,000 sons and daughters who prove recreant to the high hopes, to the ambitions, and the idealistic longings that greeted their entry upon their earthly careers—shattered hopes, broken hearts, grief, and sorrow for the mothers of these individuals, and suffering and terror for the mothers of those who became their victims. They carried grief and sorrow every 22 seconds into some home last year by the commission of nearly 1,500,000 major crimes, such as murder, manslaughter, robbery, burglary, and aggravated assault. A serious crime eventually will strike three out of every four homes in our Nation, unless something is done to curb its onward march. I am eliminating the lesser infractions, such as frauds, forgeries, embezzlements, vice, and other assaults, which amounted last year to over 14,000,000 depredations in addition to the 1,500,000 more serious crimes.

No home in this broad land of ours is free from the hourly menace of the racketeer, from the constant threat of the overlords of debauchery, from the ceaseless guerrilla warfare waged by the cohorts of crime against the law-abiding men, women, and children of our communities. The real sufferers are the mothers of the land, and at the same time they must accept the formidable responsibility. We of law enforcement look to them as our allies in this ceaseless campaign for law and order. We are fighting for them and for the protection of their homes, and without their constant aid and cooperation our efforts will be in vain. Theirs is the constructive, energizing, vitalizing, idealizing force which will permit this Nation to remain free; without them, we must face the loss of all the liberties that were purchased by our forefathers with their sacrificial blood.

The home is the natural abode of the family. Communities are simply groups of families. Cities and countries are groups of communities, all resting upon the home as the common base. From the homes come presidents, judges, governors, leaders, teachers, ministers, and, tragically, from the home come criminals. Criminals are developed in our homes through errors of commission or omission. The responsibility is primarily that of the mothers. From the doorstep of the American home must come the ultimate solution of the crime problem, which today is one of our Nation's heaviest headaches as well as heartaches.

Let us leave our consideration of the individual American home for a moment and consider the aggregation of homes which we call the community. What do we find there? We find in many instances conditions which tend to break down the character building that has been successfully applied in the home. We find that the youth who has been reared with a full knowledge of ethical values and the distinctive, eternal difference between right and wrong meets companions who have adopted lawlessness as a vocation. The facts are both convincing and saddening. We know that crime is on an upward trend and that it is increasing among the youth of the land. Crime is basically a youth problem, and our young people are being arrested in far greater proportions than would seem to be possible. During the past year 18 percent of the persons arrested were under 21 years of age. They, however, accounted for 13 percent of the murderers, 28 percent of robbers, 42 percent of burglars, 30 percent of thieves, 51 percent of car thieves, and 24 percent of the rapists arrested in our United States. These youths are the living examples of neglected home training, and the failure of society to properly meet its obligations to the younger generation.

We find further that instead of an intensive and extensive spirit of law observance, supplementing the work of our officers everywhere, society in many of its manifestations seems to have entered into a conspiracy to handicap and shackle the officers of law enforcement engaged in attempting to enforce the laws of our country and properly protect peaceful, law-abiding citizens in the pursuit of that life, liberty, and happiness which the founders of our country thought of sufficient importance to risk their lives in obtaining for us. The case files of any law-enforcement agency are so replete with instances of this kind that it would take hours to reflect upon them. How can youth be taught to respect law and order when the very symbols of constituted authority are openly violated? A specific case is that of a chief of police who was relegated to the patroling of a beat on the outskirts of a city simply because he did his duty and would not follow the dictates of a venal political boss. Another chief of police received orders to desist from his endeavors to close dens of vice and debauchery. He was forced to resign. Another case has come to my attention of a district attorney who was permitted to remain in office even though he had been disbarred and indicted. The history of many of our local city governments is a succession of various forms of corruption and venal political protection given to law violators for the financial benefit of individual criminals and the aggrandizement of corrupt machine politics. You will even find instances where underpaid police officers have been forced to pay back a certain percentage of their totally inadequate and niggardly salaries for political slush and corruption funds. What type of law enforcement can be expected under these conditions?

There is hardly a jurist in this country of any experience who has not heard of attempts, some of them successful, to "fix" cases, so that criminals and their venal political backers might benefit from plunder and depredation. Bail-bond rackets are extensive throughout the country. The amount of perjury which is committed in the courts of our land every day and practically every hour of every day is an amazing and shocking commentary upon the ethical standards of our people, upon the willingness of some courts to accept obviously perjured testimony without sweeping investigation, upon the seeming lack of ability of certain law-enforcement agencies to bring some element of danger to the functionaries of perjury.

We are altogether too indifferent to individual law-enforcement failures. A small leak will sink a ship as surely as will a condition which obviously requires immediate correction. We read accounts of crime in the daily papers and barely understand their significance. Suppose, for instance, any one of my audience should find on his or her doorstep in the morning a man, lying in a pool of blood, with his head practically blown off by racketeering shotguns of gangdom. This horrible sight would probably remain with the ordinary, peaceful, law-abiding citizen for a lifetime. Suppose each and every one of you came in personal contact with an intimate friend whose child had been kidnaped or whose wife or husband had been taken away by brutal and heartless thugs to a fate which could only be horribly surmised. You would remember the incident and the suffering involved during the remainder of your future careers.

Yet, every newspaper that comes to your attention portrays more or less graphically similar incidents, and they are read in the same superficial, somewhat apathetic manner with which we view an unexciting movie. The indifference with which many of our people view the crime situation is the greatest possible obstacle to the attainment of law-enforcement ideals. America must be awakened to the full realization of the horrible significance of lawlessness, and once America is aroused, crime will meet its Waterloo. When the people of our country are fully aroused to specific danger and fully understand the meaning of corrupting developments, they will bring about immediate and sweeping ameliorations. It is extremely difficult to awaken our people from their peacefully placid belief that all is well, or almost well, and that law enforcement is a matter of professional interest to law-enforcement officers only and not to individual citizens. Without the full, complete, enthusiastic and continuing support of the individual citizen, law enforcement is doomed to failure now and always. A sinister menace in America today is toleration of crime.

One of the strange anomalies of present-day life is that the people are apparently perfectly willing to spend billions of dollars in suffering from the ravages and depredations of crime, and yet they will be crudely parsimonious in providing protective measures. As an illustration I submit the record of the Federal Bureau of

Investigation. It cost the taxpayers of this Nation a little over $5,800,000 to maintain the F. B. I. last year. During that year 95 of every 100 persons taken into court in cases coming under the investigative jurisdiction of the F. B. I. were convicted. However, it is not the actual results in convictions that I would emphasize at the present time, or the value of the fingerprint division, crime laboratory, national police academy, and other services rendered to American law enforcement by our Bureau. It is the fact that the total value of recoveries of property, fines, and savings to the Government in cases handled by the Federal Bureau of Investigation during last year was over $41,000,000, or over seven times as much as the Bureau's cost of operations.

In these days, when the attention of the taxpayers of our country is being directed to the mounting burden of taxation, it would seem to be a matter of considerable significance to point out ways and means by which the people of our various communities may secure truly effective, economical law enforcement. Concrete results upon the part of law-enforcement organizations against the forces of the underworld can be obtained in any community, provided an enlightened public opinion and public interest will afford these organizations the money to properly cope with existent law-enforcement problems and insist that their law-enforcement organizations be, first, efficient; second, honest, and most of all, free from corrupt political influence.

The evils of greedy political influence are well known and in many communities shameless and shocking conditions exist. Corrupt politicians make venal politics, and right-thinking citizens know the answer and the remedy. If any one of you were dangerously ill or if any person near and dear to any one of you became desperately ill and it became necessary for an immediate operation in order to avert the approaching climax of death, you would insist that the operating surgeon and his assistants be not only competent, but as skilled as possible in every phase of surgery. Is it within the realm of possibility that you would at the same time consider the political views and opinions of the surgeon in whose hands you were to entrust your lives or the lives of those dear to you? Would you permit any political organization or any self-seeking corrupt politicians to select, for political reasons, those who you hoped would bring you or your loved ones through the valley of the shadow of death? Obviously this is absurd, and yet at the same time not only the property but the very lives of the citizens of all too many communities of the Nation are in the hands of the appointees of that reptilian crew whose primary, if not sole, consideration has been the building up of their own political prestige and the development of corrupt political machines at the expense of decent and honest local government.

The American people have endured this condition for decades. How long they will continue to endure it neither I nor anyone else can be certain. Of this fact, however, I am certain: So long as the wrong type of political influence is permitted to play an important part in matters which directly affect the security of our homes, and so long as the women of our country fail to play the part which might well be expected of them, the American home will continue to be menaced by all the diabolical forces arising from uncontrolled racketeering gangster elements.

The crime problem could be solved overnight if the women of the country resolved that it should and must be solved. Criminals fear only a power greater than theirs. There is no power greater than the aroused public consciousness of the country's women. Once this consciousness is aroused the basic elements of law enforcement would be swiftly achieved. These elements are sure detection, swift apprehension, and certain punishment. Sure detection and speedy apprehension are functions of law-enforcement agencies similar to the Federal Bureau of Investigation. That they can be successful has been demonstrated by the record of the Federal Bureau of Investigation.

Certain punishment means more than punishment that will involve only incarceration. It presupposes reformation, rehabilitation, and the protection of society, but this cannot become a reality when criminals are prematurely released by parole which, in all too many jurisdictions, is not parole. In far too many instances it has been nothing short of scandalous abuse and renders ineffective and abortive the splendid underlying principle of parole.

I have been viciously attacked because of my attitude toward the present-day maladministration of the humanitarian principles of parole. I have been denounced by certain swivel-chair criminologists because I have been unable to conform to their feather-pillow ideas of controlling habitual criminals. Of course, parole is necessary; of course, I believe in it. But does it make me an "obstacle to penal justice"—as one of these alleged humanitarians and pseudocriminologists termed me—that I protest and oppose the abuses of parole? In spite of my condemnation of the parole abuses, which are so prevalent in so many localities, I am a friend of parole. If to be a friend of parole means that we must close our eyes to its obvious abuses; that we must actively associate with those who, because parole affords them a daily livelihood, feel that they must extend it in cases in which it has no valid excuse for being; or if we must work shoulder to should with silly, sentimental theorists whose only knowledge of parole problems is evolved from their academic inner consciousness and from experience in dealing with classroom subjects—why, then, of course, I cannot be considered as a friend of parole. If, on the other hand, to be a friend of parole means that I enthusiatically subscribe to the truth that in some cases it would be of real benefit to society, as well as to the individual involved, to afford training and a legitimate outlet for activities that have been prematurely applied to criminal functions—then, I am a friend of parole and an active, ardent proponent.

If to be a friend of parole means that a man must spend years of active, energetic battling against vicious, desperate, confirmed criminals, and, because of a real, first-hand knowledge of facts is firmly convinced that in many cases there is no hope for reform and that the granting of clemency tends to destroy the efficacy of the parole system—then I am a friend of parole.

The guiding principle, the basic requirement, the sole consideration in judging each and every individual case in which parole may be administered, should be the protection of the public. Whenever possible, no convicted criminal should be turned loose before the expiration of his sentence who may be considered in any manner to constitute a menace to you, to your children, to your families, and to your associates. First and foremost the protection of society should be considered. This has not been true in many instances. Apparently the parole principle has too frequently fallen into the hands of those who believe that it could and should be extended by the indiscriminate granting of freedom from punishment to everyone who seeks it. Apparently there has joined to these professional panderers an occasional academic soothsayer who, yearning for more actual connection with reality than that gained in classrooms, has felt that an outlet might be obtained by applying his lack of knowledge of criminals and crime conditions to a problem which should be left to men of practical experience and sound judgment.

It is easy to indulge one's natural pity for unfortunate human beings and permit those in penitentiaries to go free, but penitentiary bars not only confine inmates—they protect the helpless, law-abiding men, women, and children of the country from the ravages of confirmed, desperate criminals, and it is for this reason that I strongly favor penitentiary bars in all cases where the elemental interests of society are involved. It is not because I desire to punish the criminals unduly but because I desire to protect the law-abiding. Some are often too jealous of the life of the killer and not thoughtful enough of the life that has been ended.

I believe in the ideal of parole. I do not believe in, nor can I discontinue my protests against, the numerous abuses of parole. I believe that as a result of a frank discussion of the shortcomings of parole as it exists today in too many of our States, parole will emerge stronger and more effective than ever before. Because to hide dirt is no way to clean it up; it festers and spreads in darkness. "Give light and the people will find a way."

One must have years of understanding of crime problems to be in a position to properly consider the entire problem of the punitive or reformative treatment of actual criminals. There must be punishment, and adequate punishment, for crimes committed. This should serve not only as a deterrent to potential criminals, but should be a means of rehabilitation. Every attempt should be made to rehabilitate by education within our prisons those possible to reform, but always and everywhere the interests of society should be considered first.

It is not necessary to coddle our prisoners, as is too often done, to reform them. Penitentiaries need not be social clubs in order to fulfill their real purpose. Penitentiaries also need not be the sieves that they are in some sections of our country in order to serve the purpose for which they were created. The entire problem of punishment and the possible reformation of criminals deserves intensive, realistic study and treatment, free from the Scylla of sentimentalism on one side and the Charybdis of hypercriticism on the other.

It would seem obvious that there must be something wrong with correctional measures when we see the same faces so many times in the marching armies of the underworld. Of the 520,153 persons whose case histories were studied in the Federal Bureau of Investigation during the past year following the receipt of their fingerprint records, 149,091 possessed previous criminal histories, totaling 356,675 previous convictions. Of the 13,602 desperate, confirmed criminals listed in the public-enemy file of the Federal Bureau of Investigation, 30 percent have been the recipients of clemency, not only once but in many cases 6, 7, 8, 9, and 10 times. These figures, which are conservative, reveal that there is truly something wrong with the administration of criminal justice, and as a friend of society and an advocate of law and order, I insist on voicing my dissatisfaction and resentment at its ineffectiveness.

The women of the country are, of course, particularly interested in crime prevention. Splendid work is being done in various sections of the country at the present time along these lines. Boys' clubs, under the immediate supervision of law-enforcement organizations and civic-minded men and women, have performed a wonderful work. There are no greater crime-prevention organizations than those of the Young Men's Christian Association, Young Women's Christian Association, and Boy and Girl Scouts, and other groups with similar objectives. What the children of the various communities need is a legitimate outlet for their superabundant energy, and those organizations which afford them opportunities for properly supervised development of their physical, mental, and moral qualifications are doing a greater and better work than we can possibly realize at the moment. The need for the existence and the development of these organizations is obvious when we consider that there are at the present time in this civilized Nation over three and one-half times more criminals than there are students in our colleges and universities. For every school teacher in America there are over four criminals. Yet, when attempts are made to secure proper appropriations in various communities for law-enforcement activities and for schools, the taxpayers object.

They will pay the price in a break-down of law and order, and because of their unwillingness to provide adequate educational facilities for their children they will pay the price in the mounting cost of crime.

On two battle fronts we need the active assistance of the women of the country—in the home and in civic life. The more important of these is still the home. In the home can be instilled those ideals of conduct, primarily imparted by example, that will make our future citizens law-abiding, law-respecting, law-venerating—a credit to themselves, an honor to their families, and a glory to their country. In civic life there can be developed a definitely higher form of civic responsibility so that the laws of our country may be efficiently enforced.

The field of the home preeminently belongs to the women. There can be enunciated those lessons in constructive discipline which seem so sadly lacking in these modern times in which the exotic flower of expressionism has run riot. We are told that our children must express themselves, but it means only too often that they must express the viler phases of their individual natures which should be definitely and eternally repressed. We can have no future expression of our higher qualifications unless the lower conflicting elements are repressed by discipline.

Discipline, in my opinion, is more and more the need of the modern home. Either you will teach your children discipline or the world will teach them discipline in ways that will be destructive of their individual happiness. You have no choice; either they will learn discipline at home or they will learn it from an antagonistic environment. Not only they and you will suffer in the latter event, but society at large will incur a grievous loss.

Discipline is something that was definitely inculcated in other days, and there were ideals and principles taught in other days that we may well teach again before America and the world forget the qualities that created and sustained it. The fathers who founded our country evolved certain phases of thought and action that may be called distinctively American. They existed in other parts of the globe, but not so preeminently as in this fortunate country. Among these elements of native, distinctive Americanism was a respect for law and order, for orderly processes of government, and for ethical forms of behavior. Obedience to the law of God signified obedience to the established laws of our democracy in those days, and we are sadly in need of a revival of this basic spirit of America. The founders of the country fought and bled and died in order that the world might know that here existed a free people, a people dedicated to the perpetuation of democratic forms of government, a people who, though free, were law-abiding. They needed no tyrants, no dictators, no despots to govern them. They were able to govern themselves, and they were only able to govern themselves because they respected and obeyed the laws which they created.

We need that spirit now probably more than we ever needed it before. We need a revival of the principles upon which our country was founded and in the exemplification of which it grew to its present greatness. We need less stress upon methods and more stress on truth, character, wisdom, honesty, and faith. We can then create great men and women and great nations, too. We do not need new, novel, specious nostrums in order that the problems which confront us may be solved. There should be an insurmountable barrier against certain alien ideas, alien forms of thought, alien forms of government. We have received at the hands of those who have gone before us the principles of liberty, the doctrines that created America and made it great. If we remember these and, primarily, if we exemplify these principles and rules in our daily lives, we need not fear the subversive and destructive effect of forces which today, either subtly or obviously, menace democratic principles and democratic forms of government.

It is the women of the country who must hold the ship of state to a course which will lead to preeminent success. It is the women of the country who must preserve the country's institutions and forms of government which mean so much to a world that looks to us for inspirational guidance. It is the women of the country upon whom we must depend for a revival of that patriotic devotion, that real Americanism that typifies all that is best in human achievement and in human attainment. May we all dedicate outselves to the suppression of lawlessness and the preservation of cherished American tradition and liberty.

Address at Dedication of the Northwest Arkansas Land-Use Project

EXTENSION OF REMARKS

OF

HON. CLAUDE A. FULLER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 19, 1938

SPEECH OF HON. CLAUDE A. FULLER, DELIVERED SATURDAY, APRIL 30, 1938

Mr. FULLER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me at Wedington Lake, Ark., on April 30, 1938, at the dedication of the land-utilization project, Wedington Lake, Washington County, Ark.:

We have assembled here today to dedicate our land and ourselves to fashioning a better life for all our citizens. That is the deeper meaning of the ceremonies that are being conducted here at Wedington Lake, in the northwest Arkansas land-use project. It is not simply that we welcome this project for the acres of pasture it has reclaimed from barren soil, or the beautiful playground upon which we are standing, or for the rich forest we have already seen returning. We welcome these benefits and all of us have found pleasure in cooperating in bringing them here. But more than that, we know that this project has a deeper significance, that it is a guidepost to be followed in attainment of that more abundant life that our great President has given as the goal of his administration for all Americans.

For that reason, I deem it proper on this occasion to review briefly some of the ways in which a better life has been made possible for us in the Third Arkansas Congressional District in the past 5 years, and how the foundation has been laid for an increasingly better life in the future. It is the more appropriate that we review many of the activities that have been undertaken to improve farm life in this district because this land-use project symbolizes the all-around improvement that is going forward.

We cannot fail to recognize the tremendous strides that have been made since those dark days of 1933 when Franklin D. Roosevelt was being inaugurated as President. More than a million farm families were on relief rolls, and many of them were right here in this district. Hogs and cattle were selling for 3 cents per pound, corn 9 cents per bushel, and wheat at 25 cents and cotton 4 cents. Fruits and dairy products and other farm commodities were scarcely worth the cost of harvesting.

The cash income for each person living on a farm in 1932 was only $48 for the whole year. Just think what that means to the living standards of our people. The results of this stagnancy in agriculture were widespread and disastrous. The tremendous drop in farmers' purchasing power further dislocated industry. The Nation's production and real wealth were sharply curtailed. Worst of all, in many ways, the most fundamental of our resources, the land, was further wasted and ravaged because there were more than a million farm families too poor even to think about conserving the land and 600,000 were living on land so worn out that they could never hope to make a livelihood from it.

We've come a long way since then. There is much to be done but a big start has been made toward that better life we hope to make possible for everyone. Let us consider some of the things this administration has done right here in this congressional district in changing that dismal picture of 1932. It is safe to say that not less than $25,000,000 has been spent in this district to raise farm income, keep people from starving, provide useful work for the jobless, save our land and build up our resources, natural, human, and economic.

Let's consider the A. A. A., short for the Agricultural Adjustment Administration. The A. A. A. is trying to raise farm income, stabilize farming as a business, encourage conservation of the soil, and we have only to look about us to see the results of that program. In Washington County 3,200 farms have signed for participation in the 1938 program. This is 1,200 more than received benefits totaling $114,000 in 1937. Benefit payments to farmers in the 10 counties in our congressional district have amounted to nearly $2,500,000 in the A. A. A.'s 5 years of life. But it is not simply the addition of that much money to farm income that is involved in these payments. For, as a result of the program of which these payments were a part, farm income in the United States more than doubled from the low point of 1932. The $48 each person on a farm had to spend in 1932 has trebled. You all know that this district has shared in that increase in income, an increase that is not just figures, but that means better homes, better food, better clothing, and more pleasure.

Suppose we turn to the work of the Soil Conservation Service in teaching us how to take better care of our farms and to increase our yields. In this part of the State alone the Service is operating the Boone and Benton Counties demonstration projects, covering, respectively, 49,300 and 25,000 acres, is forwarding soil improvement on 50,000 more acres through camps jointly conducted with the Civilian Conservation Corps in Carroll, Van Buren, and Boone Counties, and has helped set up the Crooked Creek and Central Valley State soil-conservation districts, covering 1,685,000 acres. All in all, Soil Conservation Service expenditures in building up our soil and promoting better soil practices have amounted to a half a million dollars.

Another great agency of the Federal Government that has benefited our people in the last few years is the Forest Service, which has cooperated with the Arkansas Forestry Commission in planting 6,000,000 trees in the last 3 years, has spent $55,000 in cooperative efforts to protect State and private forest lands, and has developed two national forests, the Ozark and the Ouachita, both familiar to us here, covering nearly 1,000,000 acres. Last year alone the Government spent $656,000 to acquire 312,000 acres for these forests.

The work both of the Soil Conservation Service and of the Forest Service has been greatly assisted here and throughout Arkansas by the C. C. C. camps, which have given useful work to so many thousand of our young men; in fact, to more than 28,392 Arkansans alone. We now have six C. C. C. camps in this dis-

trict, with headquarters in the Ozark National Forest, Devil's Den State Park, and Buffalo State Park, in Marion County and at Jasper, Damascus, and Berryville. Formerly we had many more. Our Federal Government has spent $5,610,000 for operation of the C. C. C. in this district since that great undertaking was begun in April of 1933. In addition to the splendid work these boys have done in a material way, we should remember the inestimable boon the C. C. C. has been to the boys themselves in keeping their morale high and in training them during a depression when they would otherwise have been simply a dead loss to the country. In addition thereto, they relieved the heartaches, hunger, and cold for fathers and mothers, brothers and sisters. I can think of no more happy earthly gathering than a widow, surrounded by her little children, offering thanks to Him from whom all blessings flow upon receipt of a monthly check from son Willie, thus furnishing the necessities of life for those unable to help themselves.

Some of the material work they have done consists of 3,700 miles of telephone line in Arkansas, nearly 297,000 rods of fences and 3,700 miles of truck trails, and more than 6,000,000 square yards have been improved by seeding, sodding, tree planting, bank sloping, and so forth. Then, too, they have built nearly 49,000 check dams. They have built not only material monuments, but characters and wonderful manhood.

Similarly, the Works Progress Administration has contributed much to the physical improvement of our district, including thousands of miles of farm-to-market roads, as well as in improvement of our mental and spiritual state. In the 10 counties of this district the W. P. A. has spent $2,690,000 in useful works projects, part of it visible on this project.

Suppose we turn to the work of the Farm Security Administration in our district, commonly known as Resettlement, an agency that has loaned more than $690,000 to nearly 5,500 farmers in these 10 northwest Arkansas counties, to enable them to make a fresh start on better farms, and has made direct grants of $270,000 to those farm families requiring such relief. It will still put more money into this district this year in loans to a score of tenants who will use the money to buy farms as part of the new farm-tenant program under the Bankhead-Jones Act. These loans will be at the rate of 3 percent over a 40-year period, and the new farmers will have the benefit of expert guidance in planning their operations. They mark a long forward step in dealing with one of Arkansas' greatest problems. More than $150,000 has been brought into this area in helping 44 families move from poorer farms in Washington and northern Crawford Counties, on this very project area, to better farms in Washington and Benton Counties. Furthermore, through volunteer committees of local citizens, the F. S. A. has helped more than 600 farmers in the third district to reduce debts, amounting to a savings of $150,000. This refinancing aided both farmers and businessmen and resulted in collection of $15,200 by local governments in back taxes. This same administration has furnished the money and saved over 1,000,000 farm owners from foreclosure and reduced the rate of interest on all Federal land-bank loans about half.

In another way, that of cooperative action for community betterment, we have found the Federal Government assisting us in many instances, and this is particularly significant today, because we must regard this northwest Arkansas land-use project itself as a venture in cooperation. Prominent among the agencies that have stimulated a partnership between local people and the Federal Government in attacking their problems is the Rural Electrification Administration. The R. E. A. has already loaned $200,000 to the Carroll County Electric Cooperative Association at Berryville, which now has under construction 200 miles of transmission lines, bringing man's greatest servant, electricity, to 625 farm families whose lives will be brightened and burdens eased every day as a result. Ultimately these lines will cover 286 miles and serve 1,000 farm families.

Similar associations are at work in Boone, Marion, and Newton Counties. Some counties reap certain benefits, while others are slower or seek different projects. The Congress furnishes the ways and means, but it is always up to the home people to initiate the desired project. While Washington, Benton, and Madison Counties have been slow to take advantage of rural electrification, I am confident their efforts will soon be rewarded. Just before leaving, Washington approval was given the Washington County R. E. A. project.

Electric rates in northwest Arkansas are too high, and I fear for the success of this program unless we obtain cheaper rates. With this in mind, I am hopeful of passing my bill at this session to build at least one dam on White River to develop cheap electrical energy. This one dam at Wild Cat Shoals on White River between Marion and Baxter Counties will develop more power than is now consumed in the entire State, sell for about 3 mills per kilowatt-hour, and pay for its entire cost in less than 15 years. We are not only on the road to prosperity but we are going places.

All of these activities of the Federal Government remind us, in one way or another, of our ultimate dependence upon the land for all we have and are. Indeed, the very necessity for the Government engaging in many of these activities traces back to misuse of the earth, our basic resource. When our forefathers were fighting their way westward from the narrow strip the colonies occupied on the Atlantic coast, it was a wilderness of magnificent forests, fertile prairies, clear and numerous streams. The timber and the land appeared inexhaustible. And so generation after generation the pioneers moved ever westward to new land, spending what they had in spendthrift fashion until at last there was no more new land to move to. The final frontier was closed. And now we have to think in opposite terms. We must learn to conserve what we have, to construct instead of destroy, following the example of older races, some of which have farmed the same farms for a thousand years and yet now have these same farms in such a condition that they appear ready for another thousand years of farming. If we can do that, then the need for W. P. A. and the C. C. C. and the F. S. A. and these other admirable agencies may vanish, and we can go forward to a secure national future.

I have outlined some of the ways in which your Government, in the last 5 years has tried to make your lives more full, more satisfying, and more secure. It is especially fitting that we mention them at the dedication of this land-use project, because the project itself is a demonstration, not simply of better methods of farming or of forestry, but of how our land can be adapted to those productive uses which will serve us for all time. It is not too much to say that we must follow the paths marked out by this project if we are to survive as a great nation, for everything that we have comes from our land. History is studded with warning examples of us, of those peoples who wasted this fundamental birthright and perished from the earth.

Let us look into some of the ways in which the northwest Arkansas project has shown us the way toward a use of our land that will stabilize living conditions in our State and district. Many of you know that hard times had become the rule, rather than the exception, for many of our people living in this area at the time this project was started. But perhaps you do not realize how desperate were the circumstances of many of these citizens or what caused that desperation. At bottom the trouble was that the land was no longer able to yield them a living, even a bare subsistence. Much of it had been used for farming when it should have been used for pasture. Other parts of it had been farmed continuously because income had been reduced to a point where a cash crop was needed, even for the barest necessities, and to where it was impossible for the farmer even to think about undertaking the expense of the improved farming methods the land required. Much land had been abandoned when it lost its fertility and was being washed or blown away. The once beautiful forests of this section had been badly burned and cut over, all our wild birds and animals were gone or going, and recreation sites that could be an attraction for people from all over the State and even from other States were lying neglected.

What was needed was a broad plan for attacking all of these problems of land misuse, and that is what the northwest Arkansas project has given us. We all know how important it is for the South, for the State, and for our district that we have a greater cattle and dairy industry. It is needed to improve the diet of rural families, to bring in a monthly income, to conserve the soil through pasture grasses and stop erosion and preserve the content of the soil, and to give us a more diversified agriculture. Hence we can all rejoice that the project has turned 4,000 acres of submarginal land into an improved pasture, that these flint hills have been proved to be valuable grazing areas, that the project has developed in bluestem grass a native pasture grass of the greatest value, that the project and the University of Arkansas have worked together in their experiments to add to our knowledge of improved pasture management.

Then, too, we cannot but be happy that here 14,000 acres of woodland is being built up into a productive forest that will be a great economic asset as well as a delight to the eye. The great steel tower that stands yonder on Wedington Mountain as a sentinel to guard against destructive forest fires is a symbol of the new care for our timber resources that this project is introducing in our district. Likewise, the great stands of young trees that are growing here now—I am told that as many as 350,000 seedlings have been set out—the miles of telephone lines that enable rangers to put out fires quickly, and the splendid tree nursery that has been established—all of these developments point to a future that will be a different story from the disastrous ravaging of our woodlands that is the sad history of much of the past. I have said that such forests as this one being developed here can be a valuable economic asset. By that I mean both that the forests can help to stop the fearful erosion that costs our country $400,000,000 a year and that such woods are a source of income that will become increasingly important as time goes on. Forests that are cropped carefully are one of the best permanent means of supplementing farm income, of giving the average farm family a backlog of cash, that can be relied upon from year to year. Hence, we have the most fundamental of all motives, self-interest, for hailing the project's demonstration of how land that is worthless for other purposes can be put into this productive use.

Another thing about forests. They are one of the most important means of protecting our dwindling wildlife. This project is providing the food and cover that must be furnished if the wild ducks, the turkey, the quail, the rabbits, and the other life that used to swarm in this section are to be brought back. A thousand acres have been planted here to furnish food for bird and game. This food and the new watering places and growing forests already are returning these birds and animals, once so plentiful for food and sport.

We have only to look about us to find tangible evidence that northwest Arkansas is a natural playground for all, one that needs only care and development to become a source of pleasure to all our people, and an attraction to people the country over. This lake, which spreads over 100 acres, is a creation that seems almost magical to some of us who remember that there was not a vestige of it here before the project was established. In these buildings

that dot the shores of Wedington Lake and in the cabins on the slopes above us there we may find another important lesson, for all of these are the work of our people and all of them are built of stone that was quarried by them and timber cut by them right here. All of this splendid recreational development is, so to speak, home grown, an undertaking of our own people that was accomplished because we had a Government in Washington that was willing to back us in making northwest Arkansas a better place in which to live.

Throughout this country projects of this sort are scattered, each differing from the others as the character of the land-use problem in its area demands. This improvement and these others, taken together, mark a turning point in national policy that should be emphasized. We are a very young Nation and have the virtues and faults of youth. The very energy and drive that have enabled us in the short 150 years of our national life to make unparalleled strides also are linked with the thoughtlessness that has led to our present problems of land use. Unequalled in constructive material achievement, we are also unequalled in ruthless exploitation of our land resources.

Now, we have turned into a new path, one that leads toward conservation and careful use of our land. We have taken that path, in large part because we have in the White House now, a man who not only is a great conservationist but a great humanitarian, one who realizes that when we save our land we are also saving human beings, that the land is the basic tool that we must use in trying to make possible for every American that good life, genuine economic liberty, and unfettered pursuit of happiness proposed for our country in the great document that marked its birth, the Declaration of Independence.

I believe that the farmers of America should doff their hats in admiration and respect for their true friend, a man who, by his untiring efforts, sympathy, and honesty has made a success of the various farm programs, a great leader, the present Secretary of Agriculture, the Honorable Henry A. Wallace.

In the interest of the cattle industry, this administration purchased and cleaned our herds 3 years ago, during the drought, at an expense of $2,000,000 in this district. It came into our district, at my request, last fall and purchased 180 carloads of apples for relief, thus increasing the price from 25 to 65 cents per bushel. It is always anxious and never misses an opportunity to advance the farmers' welfare. It follows the policy of our great President who has declared and who lives up to his belief that Agriculture should be placed on an equality with industry. Of course, the public debt has greatly increased, a great portion because of farm relief, but what would this district and the Nation have done without the expenditure of this money? For 60 years industry reaped all the benefits. It comes in poor grace for those who have been the beneficiaries to complain. When good times return, as they are certain to, the public debt need not worry us but will be paid in regular order by those who are able to bear the burden.

This is not the land that Congress forgot; it has received more substantial improvements, more benefits, more of everything at the hands of the Government in proportion to any other district in the Nation. I have only called your attention to the projects undertaken by the Department of Agriculture, which Department sponsored this project. I could stand here for hours and tell you of the various post-office buildings, water and sewer plants, schoolhouses, gymnasiums, lakes, public buildings, roads, and many other projects too numerous to mention that have been built in northwest Arkansas as a result of diligence and at the expense of multiplied millions, to say nothing of approximately two and a half million dollars spent for buildings and various projects at the State university in Fayetteville.

This country is too great to be ruined by one man or by any set of men. Our future welfare is in no way threatened. We are well on the road, which has been hard to travel, to a prosperous and happy nation. No nation can prosper where wealth accumulates and men decay from hunger and neglect.

We have been and are pursuing a course of building on a firmer foundation and are leaving monuments to add to the Nation's wealth. All of this great program is due to the foresight, the courage, the leadership, the sympathy for the forgotten man, the greatest statesman of the world, our leader, our great President, Franklin Delano Roosevelt.

Florida Ship Canal

EXTENSION OF REMARKS

OF

HON. ALFRED F. BEITER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 19, 1938

CORRESPONDENCE CONCERNING THE CONSTRUCTION OF THE FLORIDA SHIP CANAL

Mr. BEITER. Mr. Speaker, as a member of the Rivers and Harbors Committee of the House I am being deluged with telegrams and letters from alarmed citizens of the State of Florida concerning the proposed construction of the Florida ship canal.

Since this project is authorized in a bill reported favorably by the Rivers and Harbors Committee on May 21, 1937, and proponents of the project are endeavoring to have our committee seek a rule to insure its early consideration by the House, I feel it is incumbent upon me to call to the attention of the Members the protests I am receiving daily.

When the bill was reported from committee last year the vote to take that action was 12 to 5, although some of the Members voting to report the measure reserved the right to oppose it on the floor. Therefore, it is safe to assume that all of the 12 Members voting to favorably report the bill will not support it when it comes up for action on the floor.

The proposed construction of the Florida ship canal will not in any way affect me but, since it calls for a large expenditure on the part of the Federal Government, which apparently many citizens and organizations of the State do not want, I feel that the matter should not be acted upon at this time without further study. Certainly the protests of those citizens and organizations of Florida who oppose the measure should be considered before the Federal Government goes down there to spend a large amount of money which they have not asked for and do not welcome.

Recent reports from Florida describe the drought conditions there as being worse than they have been for years. It is reported that this prolonged dry spell is causing considerable damage to the fruit and much concern for the trees. Wells have ceased flowing and artificial irrigation is being used where possible. The construction of a cross-State canal will not help this situation any—in fact, scientists claim that depletion of the underground water supply will further aggravate the situation.

In view of these drought conditions and adverse reports of the Florida Water Conservation League, the Florida Public Service Commission, the Vero Beach Chamber of Commerce, and other organizations, it would appear that the House would be justified in sending the entire matter to the United States Board of Army Engineers for further investigation and report.

It might be mentioned here that the Army engineers have already reported to our committee that the present and prospective benefits of such a canal are not reasonably assured and do not establish an economic justification for the large expenditures necessary on the part of the Government for its construction. I believe a further study and report by these engineers would be advisable.

Letters and telegrams received from organizations and citizens in Florida on this subject are submitted herewith for the information of the House:

FLORIDA WATER CONSERVATION LEAGUE,
Bradenton, Fla., May 13, 1938.

Hon. ALFRED F. BEITER,
Member of Congress, House Office Building, Washington, D. C.

DEAR MR. BEITER: Confirming my telegram to you dated May 11:

"News report states Rivers and Harbors Committee meets tomorrow to consider asking rule on Florida ship canal. For 5 months Florida has been experiencing its worst drought, which can be readily verified. We have had but two or three light showers here since early December. Drought has been general through recharge areas, and effect upon underground water plainly apparent. Many wells ceased flowing and pumps are being used to save citrus and vegetable crops. Irrigation used wherever possible. It must be apparent to members of the Rivers and Harbors Committee that depletion of our underground water supply by waste through canal may be mortal blow to our many industries and municipal supplies. There is no conclusive evidence before the committee that it will not have this effect. Preponderance of expert opinion is that it will. Would urge that General Schley, new Chief of Engineers, be requested to review the entire matter in light of the present drought, and that action by the Rivers and Harbors Committee be deferred pending result of his investigation and report."

And to thank you for your wire in reply, dated May 12:

"House met at 11. Parliamentarian ruled Rivers and Harbors Committee had no authority to meet for consideration of rule on Florida ship canal. Committee meets next Wednesday. Will offer motion to refer entire matter back to Board of Army Engineers."

And again I want to thank you for your many well-directed efforts on behalf of our people of Florida.

I am writing you quite hurriedly, but I should be glad if any suggestions I could make would be at all helpful in support of

your motion on Wednesday to refer this entire canal matter back to the Board of Army Engineers.

The drought we have had here for the past 5 months has been, and still is, very serious, and it seems to me it would be a fine thing if the United States Geological Survey could send Mr. Stringfield to make a reexamination of the wells formerly tested by him and check the water levels during this dry period. It might bring out some new information that would have an important bearing on this whole question.

I enclose copy of Timely Topics for May, which contains reports from agents of the Gulf Fertilizer Co. in various counties, giving a brief review of conditions; also clipping from the Tampa Tribune of May 11, giving interview with J. H. Logan, Pinellas County agricultural agent.

Hoping that your motion on Wednesday will mark the end of this canal menace for this session at least, and with kind regards,

Very truly yours,

E. S. MACDONALD.

[From Timely Topics, Tampa, Fla., May

UPPER EAST COAST

Our continued dry spell is causing considerable droppage of fruit. Some of the groves in the lower soils, particularly where it's impossible to irrigate, have not only shed the fruit but a goodly portion of the leaves; and we are fearful that if we do not receive rain soon, we will lose some trees.

Our spring program of fertilizer applications is well under way, and we hope to finish up around the 20th of May.

The majority of the growers have had to call a halt on the spray programs on account of dry weather. On those groves where it is safe to spray, they are using dry-lime sulphur plus Kolobrite.

Martin, St. Lucie, and Indian River Counties are in the midst of their spring tomato harvest, reporting favorable market conditions.

HOMER A. WILSON, *Fort Pierce, Fla.*

ORANGE, SEMINOLE, AND OSCEOLA COUNTIES

Continued dry weather is seriously affecting next year's fruit crop, and in some cases trees are beginning to lose foliage. The summer application of fertilizer will be delayed until the amount of fruit set can be determined.

Shipments of celery from the muck districts of Oviedo are getting well under way, with an improved market and quality generally good. Celery growers in the Sanford section experienced one of the worst seasons from a price standpoint in their history. Other vegetables are moving fairly heavy.

J. R. HENDERSON, *Orlando, Fla.*

SOUTH FOLK, HARDEE, DE SOTO, CHARLOTTE, LEE, HENDRY, GLADES, AND HIGHLANDS COUNTIES

Dry weather is causing a lot of concern in this section. Most budded trees are standing the drought very well, but seedlings are beginning to wilt badly.

Cucumbers are still coming in plentifully, with prices very unsatisfactory. Unless we get rain within the next few days the tomato crop will be cut short.

S. A. CARLTON, *Wauchula, Fla.*

LAKE, CITRUS, SUMTER, MARION, AND ALACHUA COUNTIES

Citrus in this section is bearing up remarkably well, considering the dry weather. There are some groves showing effects worse than others, particularly where proper fertilizer has not been applied and where cultivation has not been done. Much moisture is conserved by discing in cover crops and maintaining the dust mulch.

Six-spotted mite have dropped much foliage and added to the damage already done by drought.

W. V. BUCKELS, *Leesburg, Fla.*

DADE AND COLLIER COUNTIES

The truck season here has nearly ended. Although yields in general have been exceptionally good, prices have been so low that the majority of growers have either broken even or lost money.

The entire area is badly in need of rain. Our grapefruit bloom has been sporadic. Some trees are blooming now; and due to lack of moisture, fruit already set is dropping.

R. R. KINARD, *Homestead, Fla.*

MANATEE AND SARASOTA COUNTIES

The heaviest week of our spring tomato movement was from April 18 to 23. The quality of the crop is excellent, but prices are very low. The unseasonable spring has brought about the maturity of the crop fully 2 weeks earlier than normal seasons.

Growers are much concerned over the shortage of water from artesian wells. The limited supply of water has made it necessary to pump many wells that have always supplied sufficient water for irrigation.

The prospective large citrus crop for 1938–39 has already been greatly reduced because of the shortage of moisture. A spraying and dusting program for melanose and rust-mite control has been carried out by most growers during the last 6 weeks.

W. R. POLLARD, *Bradenton, Fla.*

HILLSBOROUGH COUNTY

Growers are busily engaged applying the summer fertilizer where moisture conditions are satisfactory.

Pepper shipments are increasing, with good prospects for a heavy yield. However, prices so far have not been satisfactory.

Rust mite are showing up on the young fruit and control measures should be taken promptly in groves which have not already been sprayed or dusted.

W. M. MCSWEENEY, *Tampa, Fla.*

WINTER HAVEN SECTION

Lack of rainfall during April may materially reduce an evident good setting of fruit. Growers are busy applying their summer application of fertilizer and well-balanced mixtures are the rule rather than the exception as most growers are making every effort toward growing fine-quality citrus fruit.

FRANK K. CHASE, *Winter Haven, Fla.*

VOLUSIA, PUTNAM, AND ST. JOHNS COUNTIES

From present indications, growers will apply their summer application of fertilizer in May, especially if we can get the much-needed rain. Considerable damage is being done by six-spotted mite and some growers are spraying to control the unwelcome pest.

WADE W. WOOD, *DeLand, Fla.*

BRADENTON, FLA., *May 16, 1938.*

Mr. E. S. MACDONALD,
Bradenton, Fla.

DEAR MR. MACDONALD: With the limited time in which to make the inquiry as to the condition of the numerous wells in Manatee County and the great drop in water supply and pressure, due to the continuing drought, it has been impossible to make this list anywhere near complete, but I am giving you the results of the inquiry, so far as the work has proceeded, viz:

Atwood Grapefruit Co., four wells; normally flow; water supply very much reduced; using the electric pump; getting only half of normal output even under pump.

M. H. Ahrendt, three wells; not pumping, but natural flow decreased by more than 50 percent.

D. R. Peacock, three wells; flow decreased more than one-third.

Manatee Fruit Co., 15 wells; supply of water far below normal; 5 wells already had pumps; put pumps on 2 others because of the reduced supply of water.

Palmer Farms Growers' Association, 118 wells; 30 to 50 percent off in flow.

W. R. Pollard, nine wells; all low; three stopped flowing and pumps applied to them.

Inslee Grove, five wells; normally good flow, now weak, and pumps applied to all but one, and that very weak.

Crescent Poultry Farms, four wells; normally two flowing; customary to apply pumps to two; flow retarded at least 50 percent on the other two.

J. Pope Harllee, 14 wells; normally all flowing; 4 quit flowing altogether and necessary to apply pumps; 10 others very weak.

Very truly yours,

ED L. AYERS.
County Agricultural Agent.

P. S.—Please add to the above list:

Country Club Dairy, one 6-inch well; normally good flow, has now ceased flowing; hauling water in barrels.

Clarence Edwards, two wells; normally good flow, both stopped flowing and have to be pumped.

Leo H. Wilson, one well; ceased flowing; now pumping.
Robert Prine, three wells; weak; pumping.
Lee S. Vanderipe, three wells; weak; pumping.
Sam Tyler, three wells; weak; pumping.
Maryville College, one well; weak.
E. L. Saulsbury, one well; weak.
Underwood & Moore, one well; weak.
J. K. Singletary, two wells; weak.
Ralph Reeder, one well; weak.
W. W. Hubbell, five wells; weak.
The Waite Groves, four wells; weak.
Ralph Higgins, one well; weak.
Lewis & Oliphant, one well; weak.
Alderman & Burnett, two wells; weak.

L. P. Thomas, two wells; practically ceased flowing; will require pumps to get any useful amount of water.

[Telegrams]

SANFORD, FLA., *May 18, 1938.*

HON. ALFRED F. BEITER,
Member of Congress, House Building:

Present Florida drought now reducing artesian well flow and flow from springs. Ship canal matter should be further studied in the light of present drought conditions. Later geological survey reports by Thompson, Meinzer & Stringfield, dated July 2, 1937, and reprinted in Economics Geology, issue January-February 1938, refutes statements made by Sidney Page, geologist for Army engineers, that there will be no damage to the underground water supply. Matter of such importance that further study most necessary.

J. C. CHASE,
Florida Water Conservation League.

ORLANDO, FLA., *May 17, 1938.*

ALFRED F. BEITER,
Member of Congress, Rivers and Harbors Committee, House Office Building:

Believe careful consideration should be given all factors relative to water supply central and south Florida before any action taken on cross-State canal. We are now suffering severe drought and municipal water systems in number of central towns now taxed to the limit to supply water, Saint Johns River near our Sanford power plant now at lowest point in years.

H. R. CLOUD,
Florida Public Service Co.

BRADENTON, FLA., *May 18, 1938.*

HON. ALFRED F. BEITER,
Member of Congress, House Office Building:

Still without rain. Rev. Derrick, president Lakeland Ministerial Association, yesterday asked Lakeland pastors pray for rain tonight, and wired Governor Cone requesting proclamation asking church members throughout the State assemble tonight and pray for end of drought. Seems like divine visitation warning to spare God-given underground reservoir.

E. S. MACDONALD,
President, Florida Water Conservation League.

VERO BEACH, FLA., *May 16, 1938.*

HON. ALFRED F. BEITER,
House of Representatives, Washington, D. C.:

Your efforts in opposition to Florida canal are appreciated by growers of citrus fruit, producing about $2,000,000 worth annually in Indian River County. All possible advantages cannot offset the tremendous potential damage from the impairment of underground water supply. We are right now having period of drought, which would ruin thousands of acres of grove with millions of dollars loss were it not for our ability to draw on artesian water supply. Canal proponents have not yet given conclusive evidence this supply would not be impaired.

E. G. THATCHER,
Secretary, Vero Beach Chamber of Commerce.

VERO BEACH, FLA., *May 16, 1398.*

Congressman ALFRED F. BEITER,
House of Representatives, Washington, D. C.:

Please oppose revival of Florida canal project. Drought conditions here serious. Wells only flowing about 35 percent. Fruit dropping. Trees look bad.

ALFRED E. CONWAY.

FLORIDA WATER CONSERVATION LEAGUE,
Bradenton, Fla., May 15, 1938.

HON. ALFRED F. BEITER, M. C.,
House Office Building, Washington, D. C.

DEAR MR. BEITER: The findings of the Board of Army Engineers, in its decision dated February 24, 1937, contained a provision to the effect that if the work were authorized—

"Authority should be granted to the Secretary of War, on the recommendation of the Chief of Engineers, to modify the plans to provide for the construction of a suitable lock canal, if at any time during the progress of the work such a modification should be found warranted in the interest of protecting the ground-water supply."

That wise provision by the Board of Army Engineers was completely ignored by General Markham; and the question now is, What view would be taken as to that provision by the present Chief of Army Engineers, if in the progress of the work "such a modification should be found warranted in the interest of protecting the ground-water supply"?

If it should develop that such alternative construction may be necessary to protect the ground-water supply, is the work, nevertheless, to proceed as a sea-level canal, regardless of certainty of damage to the ground-water supply that may be shown by early excavation work?

It was contemplated by the Board of Army Engineers that such change in the plans would entail greater expense, greater length of time for construction, and resultant higher interests costs.

This is a matter calling for a reconsideration and review of the entire subject matter by the Board of Army Engineers, as well as the present Chief of Engineers, General Schley, and a ruling as to whether that provision for a modification of the plans to protect the ground-water supply shall stand, and how much additional that change would add to the cost of the canal.

We have had various estimates of the cost of a seal-level canal. Now, is it not proper that we should have an estimate of the cost with the suggested change to a lock canal? And a ruling as to whether the canal and added cost would be justified upon any ground whatsoever?

The alternative type as proposed by the Board of Army Engineers shows the wisdom and foresightedness of the Board, whereas General Markham preferred to force the canal through as a sea-level proposition without regard to unforeseen developments in what may be found to be a subterranean maze of water channels at present of unknown depth, size, or number, and regardless of damage to the ground-water supply, since, on the advice of his personally selected experts, he believes there will be none, except within 10 to 15 miles each side of the canal. But, as was disclosed at the hearing, that advice was based upon opinion only, although Sidney Paige tried so painfully hard to stretch his "opinion" into "fact."

The continued safety of the ground water of Florida—upon which depend the livelihood and employment of the majority of the people of Florida, as well as practically all of the municipal supplies of the cities and towns—calls for a careful review of this entire canal matter by the Board of Army Engineers and the present Chief of Engineers, and especially in the light of the general drought that has prevailed in the State of Florida for a period of more than 5 months.

Very truly yours,

FLORIDA WATER CONSERVATION LEAGUE,
E. S. MACDONALD, *President.*

STATEMENT OF HOMER L. HUGHES (ENGINEER), BRADENTON, FLA.

During the fall of 1937 I spent some 5 weeks in Ohio and Pennsylvania in an extensive study of water problems. The men I consulted were the directing engineers of large municipal water systems. Systems capable of producing millions of gallons of water per day; serving private and industrial usage in one of the principal population areas in the United States. This study was supplemented by a similar survey in the coastal areas of the southeastern United States.

I have consulted some of the best hydraulic engineers in the country. I have carefully read the symposiums conducted by the American Society of Civil Engineers dealing with certain aspects of the national water and sewage problems.

This work was done in order that I might have the opinion of impartial experts as to the effect that the Florida Ship Canal would have on the underground water resources of the State of Florida. It was done to check the opinion I have arrived at, after 3 years of intensive work here in Florida.

These men have had to face the facts in the practice of their profession. The successful practice of engineering is not based upon fancy. The water problem in the United States is too grave in many parts of the country to permit these hard-headed technicians to approve any project that promises any impairment of any part of our water resources.

It is not necessary to dwell at length upon the value of water as a national asset. The water usage of a country is a fair gage of its degree of civilization. Our water usage in the United States is the highest, per capita, in the world. Agriculture and industry will shrivel and die without an adequate water supply. Disease and death will stalk the land unless there be water for sanitative purposes.

All water comes from rain that falls from the clouds. If it stops raining, the entire country will become a desert. The Dust-Bowl area of the Midwest is an example of what may happen if precipitation is limited or stops entirely. The Southwestern States have spent hundreds of millions of dollars on man-made devices, dams, conduits, and flumes, to offset the effects of a limited rainfall. The pioneers in Utah and Colorado early realized that water was the governing factor in the conquest of man over Nature. The Ohio River Basin, comprising parts of the States of Pennsylvania, Ohio, West Virginia, Kentucky, Indiana, and Illinois, with a population of 5,000,000 people dependent directly on this river system for water, are faced with a serious condition. It is becoming almost impossible to longer supply the necessary water for domestic, industrial, and sanitative purposes. Several hundred million dollars are necessary to build supplemental facilities for storing pure upland water; water that is desperately needed now.

The old saying about a flood or a famine of water every day becomes more true. Literally billions of dollars have been spent by man in impounding the floods to serve in time of famine. Rightfully, the Federal Government has joined with the other governmental subdivisions in appropriating funds for water conservation. The National Resources Board has considered the water problem to be one of vital moment to the future development of the United States.

It therefore becomes more and more fantastic to those of us who realize the part that the underground water of Florida plays in the development of agriculture and industry, to see a revival of activity in behalf of the Florida Ship Canal.

The artesian water of Florida may very easily be made a confusing and complicated problem. Anything that is hidden beneath the surface, covered with rock and sand and vegetation is subject to perplexities. Anything that has taken God Almighty, in His infinite wisdom and grace, millions of years to fashion is perplexing to a finite mind.

Therefore, for the sake of simplicity, let us consider the following points:

First. That the underground water reservoir is a series of interconnected catchment basins or lakes that store the excess summer rainfall of Florida for usage during the other 8 months of the year.

Second. That these catchment basins are fashioned out of a porous limestone overlain with a porous sand through which rain water percolates. There are two main lakes. One called the Putnam High, near Palatka; the other called the Polk High, near Lakeland. The Polk High is supplemented by a smaller lake called the Pasco High, near Tampa. The Polk High and the Putnam High are interconnected in the Marion saddle area, near Ocala. Leading out from these two main lakes, in all directions, are the water supplies of the State, confined beneath comparatively impervious strata of rock. I quote from the December 18, 1935, Report of the War Department, issued from the Engineers' office

at Ocala, Fla., and signed, among others by Sidney Paige, senior geologist, and Malcom Pirnie, consulting engineer: "The greater part of the State of Florida is underlain by an immense body of fresh water. Bordering certain portions of the coast on both sides of the peninsula, where confined beneath relatively impervious strata (of limestone), extends offshore as an artesian reservoir beneath the bottom of the sea. This body of fresh water should be regarded as a single great reservoir. * * *"

Third. The average height of these interconnected lakes is over 40 feet above sea level. In the vicinity of Ocala, where the limestone outcrops some 40 feet above sea level, two drainage systems lead out ffom breaks in the reservoir. Rainbow Springs through the Withlacoochee River system into the Gulf of Mexico; Silver Springs through the Ocklawaha-St. Johns River system into the Atlantic Ocean. Rainbow Springs on the west side; Silver Springs on the east.

Fourth. The Florida ship canal is proposed to be cut across the Marion saddle area, between Rainbow Springs on the west and Silver Springs on the east. It is to be cut 35 feet below sea level and 75 feet below the level of these springs.

The Florida water reservoir system may be compared to the Great Lakes. Each is a system of interconnected storage basins that impound rain water for future use. The Florida reservoir is filled by percolation; the Great Lakes by surface run-off.

The storage capacity is practically the same in acre-feet; the Great Lakes system is uncomplicated by the presence of a salt base, such as is under the Florida reservoir. The efficiency of the Florida system is entirely dependent upon the head of fresh water above sea level; when the head of water above sea level is reduced to zero the fresh-water reservoir becomes zero; salt water being heavier has risen and replaced the fresh water.

In both cases there are drainage rivers—the Illinois, comparing with the Withlacoochee to the west; the Niagara-St. Lawrence comparing with the Oklawaha-St. Johns to the east.

In the Great Lakes system, uncomplicated and in plain view, the greatest pains have been taken to protect the water levels. Millions of dollars have been expended in locks and dams. Water withdrawals, such as the diversion of 5,000 cubic feet of water per second for the Illinois River have been protested by the State of New York in a recent hearing before the House Rivers and Harbors Committee. Lake Michigan is at a higher level than Lake Erie and is locked at Detroit.

What would the people of Illinois, Wisconsin, Michigan, Minnesota, Ohio, Pennsylvania, and New York say to a proposal that would eliminate all locks on the Great Lakes and cut the Illinois and Niagara Rivers 75 feet below their present levels? Would they supinely acquiesce to such a proposal if national defense were given as a reason?

Comprehensive surveys have been carried on in the Great Lakes area for nearly a hundred years. Since the change was made to a sea-level canal in Florida, tests have covered only a few months. Sidney Paige has said in testimony that there will be no facts bearing on the Florida situation "until the canal is dug." Malcolm Pirnie has advised caution in the water situation in Jacksonville since he signed reports and testified to the contrary.

HOMER L. HUGHES.

The Discouraging History of War—Imperialism—The May Bill—Let Us Be Realistic—Beware of False Prosperity

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 18, 1938

RADIO ADDRESS BY HON. PAUL J. KVALE, OF MINNESOTA, ON ANTIWAR LEGISLATION

Mr. MAVERICK. Mr. Speaker, by unanimous consent, I include herewith an address by my distinguished colleague, Hon. PAUL J. KVALE, of Minnesota, delivered over the Columbia Broadcasting System, Tuesday, May 17, 1938, from Washington, D. C.:

Good afternoon, ladies and gentlemen. It is with regret that I open my remarks with the blunt and discouraging admission that all efforts to outlaw war have proven dismal failures up to this very minute. The reasons for these failures are, of course, due largely to the greed and lust for power of individuals and minority groups.

Until comparatively recent times the fighting of a war was carried on exclusively by mercenaries. In other words, on a much larger scale, it might be compared to our fire departments and police departments—men trained for the purpose and peculiarly well fitted to engage in mortal combat. Such were the methods employed by the Greeks and the Romans and later, in the Middle Ages, by the feudal lords and kings of that era.

This was indeed true until our War of the Revolution, and even in that war the battles which failed to hold this country of ours in the grip of England were largely fought by hired men from Germany and the low countries of western Europe. These men were professional men at arms, who thought no more of a summons to battle than the individual men in your community think of a call to extinguish a fire which threatens your dwelling or place of business, or to apprehend a thief or dangerous criminal.

MAN OF WEALTH ESCAPED IN CIVIL WAR

Actually it was not until our Civil War that something approaching a universal draft was resorted to, and on that occasion it was far from an equitable arrangement, for the man of wealth was permitted to hire a substitute to take his place in the ranks. Indeed, there are men of great wealth and influence in this country who are the sons of those draft dodgers who through their snide and cunning practices in trade had accumulated sufficient wealth to buy their way out of the armed forces that they might remain safely at home to exploit their less fortunate fellows who followed the colors. As a matter of fact, until a few years ago some of the actual malefactors of great wealth who dodged that draft were still active and exercising the influence and power which great wealth commands.

However, in the Spanish-American War there were more than enough volunteers to bring the enemy to book. The merchants of death, and other selfish and cruel men who remained at home, raked in vast profits on war contracts and putrid foods delivered to the troops, killing off many a promising youth and leaving even more crippled and diseased for life. These enemies behind the lines pointed with pride to the splendid example of patriotism which these volunteers had set for the Nation. The imperialists were happy indeed.

THE UNIVERSAL DRAFT OF THE WORLD WAR; PLANTED PROPAGANDA

Now we come to the World War, which, through carefully planted propaganda from foreign powers and by traitors within our own country, stirred the people to a pitch of hysteria which knew no bounds and which prompted them literally to stone all thoughtful and peace-loving citizens who dared advise cautious procedure. Young men, the flower of our manhood in fact, were in many cases literally dragged from their communities, from their useful occupations, and from the institutions of learning in which they were being prepared for their duties as useful citizens. But saddest of all to recall is that they were taken from their firesides and their loved ones. It was then the sorrowful mothers of this country learned that it could and can happen here.

Of course, in many European countries long before this time there had been compulsory military service, but in England and France men were in the ranks who had long passed the age at which they were equipped physically for mortal combat, and mere striplings among the youth of those lands were ruthlessly thrown into the breach when the slaughter had wiped out the men of military age.

The realists among us were cynical, but all were hopeful, when President Wilson sought to prevent future wars by establishing a League of Nations. I shall not flog the obvious at this time by relating the shabby and discouraging details of the gradual collapse of that organization because of the greed, avarice, and barbaric tendencies of the men who now direct the destinies of nations which were part of the nucleus around which that ill-fated international body was builded.

TODAY NONCOMBATANTS RUTHLESSLY SLAIN

It is shocking and distressing to observe that instead of bringing about peace, the horrors of war have increased tenfold while it has been in existence. Previous to and up until the World War, international law was observed by civilized nations, at least to the extent of formally declaring that a state of war existed before actual hostilities were begun.

But today our horror-stricken eyes observe reports of the brutal and ruthless slaying of innocent noncombatants—yea, even innocent women and children—in Asia and Europe, as well as in Africa, with no declaration of war, by men whose tactics make Attila appear to have been a gentleman.

The moral fabric of the leaders in these countries seems to have been rent beyond repair. The bombing of open towns, in most instances purely for terroristic purposes, with no regard to military necessity, leaves us shocked and literally speechless.

I am inherently opposed to war, probably because of the home influence during my childhood in which the head of the house was a clergyman. I am proud to state that in that Lutheran household there was inborne in me the finest traditions that came across the ocean with the early settlers who today are celebrating with their homeland their day of national independence. Bespeaking as it does the best traditions of liberty-loving and peace-seeking citizens who have for over 1,000 years fought for freedom and virtual democracy, to Norwegian Americans on this day I can only say: "All hail to the power that comes from generations long forgotten which have given them strength to survive the present trials."

At this time the neutrality law is being attacked and there are seemingly sound arguments on both sides of the question. Obviously, a law which would place one nation at a disadvantage because of its lack of ships can hardly be considered equitable.

It is all well and good to establish a cash and carry system and feel that you have washed your hands of all the responsibility but rational men and women know that we have not shaken off the responsibility and that the merchants of death still prevail. And to their everlasting shame repeated exposés have revealed that these men are entirely free from any of the finer instincts which are necessary in the make-up of a patriot and a gentleman.

It has been revealed repeatedly that these greedy and vicious fellows are not above providing bullets for the enemy for gain which may eventually kill or maim their fellow citizens. They, on a larger scale, are the same breed that maintains powerful lobbies in the State houses of the Nation and in the very Capitol of the Nation to thwart attempts to make it illegal to garner blood money from the sale of firearms to the potential criminals among our youth.

THE SHAMELESS LOBBIES OF THE MERCHANTS OF DEATH

The vast program of naval expansion which, in the opinion of experts, cannot be carried to completion with our limited dock and yard facilities for many years, is aimed at establishing a dependable defense of our shores. Let us hope that it will never be used to protect the investments of imperialistic international bankers and oil monopolies whose activities are prompted purely by selfish acquisitive motives.

It is common knowledge that the heavy industries, so-called, which always profit in war shamelessly maintain powerful lobbies whose efforts are directed at defeat of all proposed legislation which would in any way prevent war. This same group is on record as having actively fought for the maintaining of compulsory military training in land-grant schools which would be placed on a purely volunteer basis under a joint bill introduced by Senator NYE, of North Dakota, and myself. These same industries are in cahoots with the merchants of death who specialize in the terrifying weapons of chemical warfare.

THE LUDLOW RESOLUTION TO VOTE ON WAR

The most recent attempt to legislate against war was fathered by my colleague, Mr. LUDLOW, of Indiana. It would have required that the citizens of this country be given an opportunity to vote on the question before the Congress would be permitted to vote a declaration of war, unless it were purely a defensive war. Many of my colleagues and myself voted for this resolution, which was lost, with the feeling of men who, while skeptical of its workability, felt that it was a step in the right direction and that if it served no other purpose it might arouse the people of the country to a realization that it is imperative that something be done to check armed strife among the nations if we are to hold the ground in cultural advancement and civilization generally that has been so dearly won. The more realistic among us were well aware that an unscrupulous Commander in Chief could easily precipitate a state of war which it would be possible to interpret as a defensive war before resort could be had to the machinery which would have been provided by the Ludlow measure.

I proceed to a theoretical case in point: Let us assume that an unscrupulous man occupied the White House during those nerve-wracking days in the harbor at Shanghai and on the river, which reached their shocking climax in the inadvertent bombing of the *Panay*. Would there be anything to prevent such a Commander in Chief to indicate to his subordinate in charge of operations in such a ticklish spot, that perhaps it would be just as well not to take too much from those fellows. In other words, in the vernacular of the underworld, it is entirely within the realm of imagination to picture him passing the word to the man in command: "Let 'em have it."

MAY BILL UNNECESSARY AND TAKES NO PROFITS OUT OF WAR

The May bill aimed to take the profits out of war was reported favorably by the House Military Affairs Committee, but in a minority report jointly signed by Representatives ANDERSON of Missouri, MAVERICK, of Texas, and myself—all three of us war veterans and the two first named both in combat divisions, we say in part: "This bill is unnecessary, full of pretense, a draft of human beings, and a serious danger to democracy. It does none of the things it pretends to do. It takes absolutely no 'profits out of war'; it 'equalizes burdens of war' in no manner whatsoever; it does not 'promote peace.' Yet in its title it claims to do all these things."

I have taxed your patience to this point with gruesome pictures of man's greatest scourge for the purpose of establishing a background upon which I shall now briefly sketch my idea of the only practical method and plan for the prevention of future wars of aggression. I assure you that it is not a hastily contrived notion but is the result of a careful study of the problem and, briefly, here it is: The destiny of the world rests directly upon the broad and brawny shoulders of the farmers and workers of this and every other country. I can hear you say, "But what can the workers do under dictatorships such as exist in certain countries?" In reply to that question I would say that dictatorships invariably have proven a transitory phenomenon. In other words, they rarely last very long.

We all recall our disappointment when the World War began and that branch of organized labor which was affiliated with the Socialist Party failed to keep its pledge to lay down its tools in protest against any war of aggression. It must be remembered, however, that as at the present time, only an insignificant number of farmers and laborers were affiliated with the party of Marx and Engles.

I believe that a League of Peace, embracing the workers and the farmers, organized by the women of this country, and possibly in other countries, free from dues and all obligations other than that of refraining from productive occupation in the event of any war other than one of defense, would come nearer to solving the problem than any movement now under consideration. I can hear some of you observing that human nature does not change, and I quite agree. But I believe that through a campaign of education the workers both in the field and factory can be convinced that in the long run it is they who lose in any war, not only their own lives but those of their loved ones. And the temporary false prosperity which war inevitably brings will be dearly paid for in the subsequent tax burden which falls upon their already overburdened shoulders and those of their children.

The farmers and workers of today are the most enlightened group of men and women who have ever tilled the soil or manned the wheels of industry. The wider circulation of truthful publications, the rapid advances in the field of newspaper art, not forgetting the amazing advances of science which make it possible for me to speak to you from the Capitol in Washington—all of these mediums carry to the man on the farm and the man home from the factory for his supper the truth about war with all its horrors. He is no longer a person susceptible to clever and vicious propaganda.

THE THUMPING OF DRUMS AND SOUNDING OF BUGLE

In closing I venture to make this prediction. That if such an organization could be achieved and when it is achieved a peaceful general strike of perhaps 2 days were declared with all service including transportation, communication, and public service generally, except for emergency and mercy withheld, it would do more to convince the statesmen, the merchants of death, and the industrialists, who served fearlessly as dollar-a-year men during the last war in order that they might be heard by the Treasury during the conflict, that the thumping of a drum and sounding of a bugle no longer will start the men, who are the backbone of the Nation, marching for the glory and the profit of a few rogues.

Hon. Fred M. Vinson

EXTENSION OF REMARKS
OF
HON. MARVIN JONES
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 11, 1938

Mr. JONES. Mr. Speaker, I want to join his numerous friends and admirers in paying a simple word of honest tribute to FRED M. VINSON, of Kentucky, whom I regard as one of the most skillful legislators that I have known during my period of service in the House of Representatives.

There are three prime essentials to success in the workshop that is known as the popular branch of the Congress—integrity, ability, industry.

The House soon gets the measure of a man when he becomes a Member of that body. It is a most generous group in its attitude toward any man who is earnestly trying and who will be fair with his fellow members. It soon discards from serious consideration the man who cannot be depended upon.

Then, too, the second quality is essential. The business fabric of this country is vast and complicated. Necessarily the legislation regulating and affecting these various activities must be intricate and complicated, as well as accurate. No man without ability can fully grasp the mechanics of the machinery, nor its method of operation.

Even with integrity and ability, great industry is also necessary. This is no place for a drone. Regardless of a Member's ability, there can be no thorough work in the House of Representatives without great industry. It requires long hours of tedious labor to master the problems of legislation and to make the phraseology of a bill fit the needs of the country.

I believe that everyone who has had the privilege of serving with FRED VINSON will agree that he possesses all three of these essential qualities to an unusual degree. The Members of the House have complete confidence in him as a man. They know his ability; they trust his judgment; they fully appreciate his industry.

No encomium is necessary. The record speaks for itself. Without flattery and in simply justice, it can be said that he has met the test of an ideal legislator.

It is the belief and the hope of all his fellow Members that he will be as great an ornament to the bench as he has been to the legislative branch of the Government.

God, Not Man, Supreme

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 19, 1938

Mr. CRAWFORD. Mr. Speaker, it was Christianity that planted the seed of American democracy at Plymouth Rock, and I have previously stated here that if our cherished American freedom is to be preserved and the Republic perpetuated it will be due to a spiritual awakening spreading across the land.

The laborer at the bench, the farmer at the plow, the housewife in her kitchen, and the mother rocking the little babe are all now giving serious thought to the plight of our shaken faith today.

Efforts of mere man to right the wrongs of a sick world continue to be miserable failures. In the world's greed, lust for power, clamor for trade, and chase for amusements, it has detoured Christianity and we have forgotten that man is not a supreme being. This sentiment has been very ably expressed in an editorial in the Saginaw Daily News, published in my home town. That writer says:

GOD, NOT MAN, SUPREME

It was particularly appropriate that former Governor Landon's warnings against absolute governments should be made to a church convention. The surest antidote to the arrogant pretensions of human dictators is a realization of the fatherhood of God and brotherhood of man as preached by Christ and taught by His Church. Hence what Mr. Landon said to the United Methodist Council in Chicago is of great importance.

"The absolute government that has taken hold of a number of nations would * * * take away freedom of worship, freedom of expression and even free will," he said. "Where this absolute government would not actually destroy the church, it would undermine the very foundation of religion.

"Thus Christianity has a great stake in the preservation of democracy. Only by a vigorous and prophetic church may we retain democracy."

The claims of the dictators can be supported only among people who have forgotten that only God is supreme. Nor can they be tolerated by people who remember the injunction to love thy neighbor. These autocrats claim an authority which Christian people know belongs only to God. They insolently attempt to seize divine powers.

These pretensions can be properly rebuked only by a people who understand that because God is supreme, no man can be. It is upon the Christian church that we must rely to teach this to mankind. Hence it is that the church has a heavier responsibility than any other human organization to preach the truth that eventually will destroy such brazen effrontery.

Postmaster General Farley's Visit to Georgia

EXTENSION OF REMARKS

OF

HON. HUGH PETERSON

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 20, 1938

ADDRESSES OF HON. JAMES A. FARLEY WHILE ON HIS TRIP THROUGH GEORGIA

Mr. PETERSON of Georgia. Mr. Speaker, on Wednesday, April 27, 1938, Postmaster General James A. Farley visited the State of Georgia on a history-making trip that shall long be remembered by our people.

Our Postmaster General, known also to Georgia's loyal Democrats as chairman of their Democratic National Committee, arrived in the city of Savannah on the morning of April 27. Accompanying Mr. Farley were Hon. Harllee Branch, Second Assistant Postmaster General and a native Georgian; Hon. Ambrose O'Connell, Executive Assistant to the Postmaster General; Hon. L. W. Robert, secretary of the Democratic National Committee and also a Georgian; Hon. Oliver A. Quayle, treasurer of the Democratic National Committee; and Hon. George E. Allen, Commissioner of the District of Columbia.

The city of Savannah, at the time of his arrival, was in the midst of Fleet Week festivities in celebration of the new United States battle cruiser *Savannah*, which had just been commissioned and was at the time paying a call during its initial cruise at the port of Georgia's mother city, Savannah, for which it was named.

There were present with us to greet Mr. Farley and his party the Governor of Georgia, Hon. E. D. Rivers, both of Georgia's United States Senators, Hon. Walter F. George and Hon. Richard B. Russell, Jr., and numerous other of Georgia's well-known State leaders, as well as a large group of distinguished citizens of the city of Savannah and Chatham County. As he stepped from his train he was welcomed by the firing of an official salute, and his arrival was heralded throughout the city by booming cannon of the famous One Hundred and Eighteenth Field Artillery of the Georgia National Guard, under command of Col. Sheftal B. Coleman.

At a breakfast given by the city of Savannah, honoring Mr. Farley, he was presented by the mayor of the city, Hon. Robert M. Hitch, to the 300 Georgians present. Included among the invited guests, in addition to Mr. Farley's party, the Governor of Georgia, both Georgia Senators, and the Congressman from the First District, were the president of the Georgia State Senate, chairman, and vice chairman, and many members of the State Democratic executive committee, members of the First Congressional District Democratic executive committee, members of the Chatham County Democratic executive committee, and many other outstanding leaders representing not only the city of Savannah and Chatham County but every section of our great First Congressional District, as well as the entire State.

In an appropriate and convincing address during the breakfast hour, Mr. Farley appealed for a strong navy as this Nation's first line of defense. He described an adequate navy as the one most effective means of preserving peace.

I am inserting at the close of these remarks, with the permission of this House, copy of the address delivered by him on this occasion.

At 9 o'clock our party began a motor trip to Millen, Jenkins County, Ga., where the Postmaster General had accepted an invitation to dedicate that city's handsome new post-office building, which had just been completed.

We visited each post office along the route and were warmly greeted at Pooler, Bloomingdale, Eden, Stilson, Brooklet, and Statesboro by the postmaster, post-office employees, and large groups of our fine citizens, as well as hundreds of eager school children who were anxious to see their Postmaster General and party leader. And it was my pleasure to present Mr. Farley at each place to the enthusiastic crowds awaiting our arrival. At Pooler attractive boutonnieres were presented to each member of our party by the ladies of the Pooler Garden Club.

It was a new experience in rural Georgia to have the Postmaster General of the United States visit us in person, inspect the post offices, meet the post-office employees, and mix with the folks at each post office. And our people appreciated the visit.

It was also a new experience for Postmaster General Farley to visit rural Georgia and to socialize with our people, but he made it evident that he enjoyed his visit with us and that he feels at home in the country. He knows how to speak the language of our good Georgia people, and we were happy to have him with us. Mr. Farley later told me that he has lived most of his life in a small village of less than 500 population.

We arrived in Millen at 12 o'clock and were greeted by a brilliant assemblage of people from Jenkins and surrounding

counties. Impressive exercises were held, with Hon. W. C. Durden as master of ceremonies. After an invocation by Rev. T. R. Harvill, pastor of the Millen Baptist Church, addresses were made by Hon. Walter Harrison, mayor of Millen, Governor Rivers, Senators George and Russell, and it was my honor to introduce Mr. Farley. He delivered a most interesting and appealing address, which, Mr. Speaker, I am inserting in the RECORD at the close of my remarks. The dedicatory exercises were closed with a benediction by Rev. W. E. Scott, pastor of the Millen Methodist Church. Music for the occasion was furnished by the Twenty-second Infantry Band, of Fort McPherson, Ga.

After the exercises we were entertained at a beautiful luncheon at the Millen Community House, with local civic groups and women's clubs as joint hosts. Hon. Milton Carlton presided at the luncheon.

After the luncheon we continued our 185-mile journey through my district, with Mr. Farley stopping at each post office along the route, meeting the local citizens and addressing the large crowds assembled to greet him. We visited the offices at Garfield, Summit, Graymont, Swainsboro, Oak Park, Lyon, and on to Vidalia, where Mr. Farley, in brief exercises, dedicated the new post-office building only recently completed.

At Swainsboro he was impressed with the new post-office building, which was dedicated last year, and which is a replica of the post-office building in Mr. Farley's home town of Haverstraw, N. Y.

In a commanding address at Vidalia the Postmaster General made a strong impression upon the thousands of loyal Democrats, many of whom had come from miles around to see and hear the man who is recognized not only as one of the Nation's greatest Postmasters General but also one of the most brilliant and successful political leaders in this country's history. Hon. B. P. Jackson was master of ceremonies during the exercises at Vidalia, and Hon. D. C. Harris, mayor of the city, delivered an address of welcome. Music was furnished by the Montgomery County High School Band, of Kibbe, Montgomery County, Ga., and invocations were delivered by pastors of the local churches.

With permission of the House, Mr. Speaker, I am inserting in the RECORD the address made by Mr. Farley during the dedicatory exercises at Vidalia.

After leaving Vidalia we next visited my own home town of Ailey, Montgomery County, Ga., and I was proud of the wholehearted manner in which we were welcomed by hundreds of my neighbors and friends. It was the first time in the history of our town that we had been honored with a visit by a member of a President's Cabinet, and although pressed for time, the Postmaster General tarried with us long enough to chat with the folks, relate in a most interesting talk the philosophy of village life, and speak a word of advice and encouragement to the large group of children assembled around him. Almost 1,000 of my homefolks had turned out to join with me in welcoming Mr. Farley and his party. Each member of Mr. Farley's party was introduced and short talks were made by Hon. George E. Allen, Commissioner of the District of Columbia, Governor Rivers, and Senator Russell.

After leaving Ailey we visited the offices at Mount Vernon, Glenwood, and Alamo, and at each place large groups awaited his arrival.

The day's visit was crowded with many interesting incidents and permitted our distinguished visitors a wonderful opportunity to greet many thousands of Georgians, and experience the warm, congenial hospitality of a great people which on this occasion was wonderfully displayed, and which made a deep and lasting impression upon Mr. Farley and our other visitors.

It was impossible to have extended exercises at every stop. Time would not permit. However, in each instance I did present our Postmaster General, who always timed his remarks in a most appropriate manner, and in each instance his address was cordially and sincerely received by his listeners.

All along the route the school children were grouped together and sang appropriate songs, lustily yelled choruses of welcome, or swarmed about the genial Postmaster General, indicating their happiness at his visit.

At Statesboro, Swainsboro, Oak Park, and Lyons brief special exercises were held.

At Statesboro Mayor J. L. Renfroe was master of ceremonies, and a timely and impressive talk was made by Hon. Harllee Branch, Second Assistant Postmaster General. The Statesboro National Guard unit, under command of Capt. T. J. Morris, escorted the motorcade through the city and conducted the occasion in a most efficient manner. During the Statesboro exercises and at all points where we stopped, both the Governor of Georgia and our United States Senators were presented.

Mayor Frank Mitchell presided at Swainsboro and introduced Hon. John B. Spivey, president of the Georgia State Senate, who made a brief address.

Hon. Ben H. Boatwright, mayor of Oak Park, had charge of the gathering at that fine little city and led the large throng of citizens and school children in greeting the party. A special and unique feature of the visit to Oak Park and one that impressed the Postmaster General was that in which the beautiful little daughter of Postmaster and Mrs. G. C. Williamson presented the Postmaster General with a bouquet of roses.

A motorcade composed of Lyons citizens met the party at Oak Park and escorted us to Lyons where Mayor George M. Lankford made an address of welcome. During the exercises here a bouquet of roses was also presented to Mr. Farley by Miss Jean Rountree, the attractive daughter of Postmistress Ruth C. Rountree.

The enthusiasm with which Postmaster General Farley and the distinguished array of State and National figures accompanying him were received by thousands of my friends and constituents; the cordial and congenial expressions of friendship and esteem with which he was greeted by his admirers all along the route; and the spontaneous ovation accorded him by such large crowds gathered at each of the 19 cities and communities in my district visited by him during the day, made this one of the most colorful and unique occasions in the entire history of the First District of Georgia.

After leaving Alamo, Wheeler County, Ga., our party rushed on to McRae in the Eighth Congressional District, where, even though late in the afternoon, there awaited thousands of Georgians who had assembled to participate in the exercises dedicating McRae's new post-office building. From McRae Mr. Farley continued his journey by automobile through Milan, Rhine, Abbeville, Forest Glen to Fitzgerald in the Third Congressional District of Georgia, where he addressed a gathering of South Georgia Postal Employees in convention. In Fitzgerald he boarded a train and bid our fair State adieu.

During the day he had traveled by automobile over 250 miles, shook hands with thousands of people, and made 29 speeches, a record day's activities for the Postmaster General of the United States and the chairman of the Democratic National Committee. He had made many Georgians happy and sealed the friendship of thousands of loyal Georgia Democrats.

THE NAVY BUILDS FOR PEACE

ADDRESS OF HON. JAMES A. FARLEY, CHAIRMAN OF THE DEMOCRATIC NATIONAL COMMITTEE, AT A BREAKFAST GIVEN BY THE CITIZENS OF SAVANNAH, GA., AT THE SAVANNAH HOTEL, WEDNESDAY MORNING, APRIL 27, 1938

Mayor Hitch, ladies, and gentlemen, for a long time I have wanted to visit Savannah again. It therefore afforded me much pleasure to receive and accept your cordial invitation to visit with you today.

I only regret that I cannot make my stay here a more extended one.

On this particular occasion it would seem most appropriate to talk to you about our first line of national defense, the United States Navy. It is, however, with some reluctance that I address myself to you on this subject. In doing so, I am getting somewhat "off my reservation" and onto that of my dear friend and Cabinet colleague, the Honorable Claude Swanson, of Virginia, the Secretary of the Navy, whose compliments I am glad to present to you and to the officers and men of the U. S. S. *Savannah* today. In

addressing this Georgia audience, I am also quite mindful of the fact that I am addressing the friends and neighbors of that splendid gentleman of the South, the Honorable CARL VINSON, who has served the Navy so faithfully and well, over a long number of years, as the chairman of the Naval Affairs Committee of the House of Representatives.

I am happy to join with the mayor and the citizens of Savannah in welcoming the U. S. S. *Savannah* to this port, from which she derived her name. Tradition and custom influence many of the present phases of the seafaring life. The United States Navy is no exception to this rule. This is well, particularly because the Navy enjoys such a splendid background of glorious tradition and achievement. In the naming of naval vessels it is customary to name battleships after States and cruisers after cities. This is a fine custom, because large groups of our citizens in our States and in our cities in this manner of designation have a personal interest in individual units of our fleet.

It is altogether fitting and proper that the schedule of the shakedown cruise of the U. S. S. *Savannah* was so arranged that this splendid new 10,000-ton cruiser could visit this port. This visit will give the people of this city and vicinity an opportunity to see and inspect this modern addition to the United States Fleet which bears the name of this historical city. This visit has also provided an opportunity for the commanding officer and the ship's company to enjoy the hospitality for which the Southland is so justly famous.

When President Roosevelt, our Commander in Chief, said, "I hate war," I believe he accurately voiced the opinion of the American people. It is because of that hatred for war that the American people, through their representatives in Congress, have appropriated and are considering authorization for the expansion of our first line of national defense. If I have read my history correctly, I can truthfully say that the United States Navy has never started a war and never failed to do its full share in bringing to a quick and successful conclusion the wars in which we may have been involved.

I also believe that history clearly indicates that the lack of adequate sea defense was at least a contributing factor in the United States becoming involved in at least two major wars. I refer to the War of 1812 and the recent World War. In both of these instances we were not prepared to back up our diplomatic representations. Had we had a well prepared, strong Navy war might have been avoided. Let us be guided, therefore, by the lessons of the past. Let us be practical pacifists.

In connection with the naval building program the question naturally arises in the minds of a good many people, Why is it necessary to build so many ships now? Why haven't we replaced in a gradual orderly manner over-aged vessels? In answering these perfectly logical questions permit me to briefly review some recent history.

Under the leadership of the United States, the principal naval powers—Great Britain, France, Italy, and Japan—attended the Limitation of Armament Conference here in Washington in 1922. This conference established the 5–5–3 ratio between the powers and limited the total tonnage and the size of guns on capital ships. In accordance with the terms of this treaty, the United States scrapped 19 predreadnaughts, 7 new battleships building, and 4 battle cruisers, or a total of 30 ships. The vessels which were on the building ways were from 11 percent to 76 percent completed. These capital ships totaled over 750,000 tons, which is about three times the tonnage of combatant vessels provided for in the present bill.

From the foregoing it is apparent that the United States certainly showed good faith in this "noble experiment" in disarmament. These facts also demonstrate the truthfulness of the remark once made by that great American humorist, the late Will Rogers, who very aptly said, "The United States never lost a war or never won a conference."

In the years between the Washington Conference in 1922 and the year 1933, continuing efforts were made to further the idea of limitation of armament to other categories of naval vessels. During this period, also, in order to show further evidence of good faith, the United States did not even keep the fleet up to the limits of the tonnages allowed by treaty for the various categories of vessels, nor make provisions for allowed replacements of overaged vessels. In December 1936 the treaties expired and were not renewed because of the unwillingness of one of the powers to continue the agreement. This fact, coupled with world conditions today, is evidence enough that civilization apparently has not advanced far enough yet to make disarmament or arms limitation a safe and practical possibility.

In spite of the foregoing the United States, in diplomatic representations, continues to indicate a willingness to again give further consideration to limitation of armament when the other world powers are ready to make such an arrangement effective. The conditions mentioned above are the reason why we are faced today with a large and expensive program of naval expansion.

Under the terms of the Vinson-Trammell Act, passed in 1934, authorization was given by Congress to build the United States Navy up to the allowed treaty strength. Each year this is being done in annual increments, as fast as funds and facilities will permit. Under the regular 1939 appropriation bill and previous appropriation measures, we will have either authorized or are now building 90 combatant vessels and 6 auxiliary vessels. The so-called Vinson bill, which has recently passed the House of Representatives and is now under consideration in the Senate, will authorize this Government to exceed by 20 percent the tonnage limits by categories of vessels as set by the Washington and London Treaties. This 20-percent tonnage increase, converted into numbers of vessels, will permit the construction of 46 additional combatant vessels and 26 auxiliaries.

This large building program will tax the private and public shipbuilding facilities of this country to a great extent. Insofar as naval ship construction is concerned, it will be comparable to the World War effort. It will also tax to the full capacity the Navy Department organization.

Amidst the tremendous uncertainties of the world today we must not fail to be strong. We can no longer be bound by ratios set by defunct treaties. To increase the strength of the Navy is to take the one most effective means of preserving peace. Your Navy is the best and most economical form of insurance against aggression that the American people could possibly buy. It is reassuring to note that some of this insurance which was allowed to lapse after the World War is now being reinstated.

UNITED STATES POSTAL SERVICE—THE WORLD'S BIGGEST BUSINESS

ADDRESS, IN PART, OF THE HONORABLE JAMES A. FARLEY, POSTMASTER GENERAL, AT THE DEDICATION OF THE NEW POST-OFFICE BUILDING, MILLEN, GA., WEDNESDAY, APRIL 27, 1938

It is a real pleasure to be in Millen today to join with you in the dedication of your new post office. As you probably know, this is one of hundreds of similar buildings that have been constructed under the program carried on jointly by the Post Office and the Treasury Departments. The funds for the construction of this unit were provided under authority of the Emergency Construction Program Act approved June 22, 1936. The allotment for Millen and the selection of the site were approved by the joint committee representing the two Departments. The plans and specifications were prepared in the office of the Supervising Architect of the Treasury Department, and the building was constructed by the Batson-Cook Co., of West Point, Ga.

I am sure that you join with me in expressions of deep appreciation to all those who have been connected with the project. May I offer also my congratulations to Postmaster W. Brantley Daniel and to his efficient staff of employees.

In this building you have a permanent reminder of the fact that this community has taken its proper place in the roster of cities and towns of the Nation, and that the Federal Government, particularly the Post Office Department, has been mindful of its obligation to you.

It is a long step from the conditions that existed in 1840 when the post office at Millen was established to the conditions that exist today in the Postal Service here, as well as throughout the country. The Postal Service is the most friendly of all Government agencies. It offers its facilities without discrimination to the entire citizenship. As a means of communication it is unexcelled, and the story of its development from the early colonial days to the present time reflects to a large degree the development of the Nation itself.

Without the post office there would have been little progress in business, and without the support that the post office gives to transportation facilities of all kinds, modern methods of transportation would not have been developed so rapidly. But few citizens realize that the expenditures made by the Post Office Department in payments to transportation agencies of all characters are an important part of the income of those agencies. Likewise the desire of the people for quick communication has been a strong influence in the development of highways and even in the improvement of streets in the cities and villages. People everywhere want good postal service. They require to the fullest extent possible that their mail be delivered frequently and on fixed schedules. To enable the Department to maintain such service they have provided good roads, good streets, and other facilities which help the carriers in their daily rounds.

Unquestionably the Post Office Department laid the groundwork for the establishment of our present air-transportation system. It pioneered in the work of establishing transcontinental air lines. As a matter of fact, the Postal Service operated in its entirety the original transcontinental system and its experiments in shortening the time for the handling of letters across the country resulted in attracting private capital and private business organizations to the aviation field. The airplane lines operated at this time are all privately owned and their development has been most rapid. This private operation brought about the carrying of passengers and express, in addition to the transportation of mail, which provides much-needed income for the operators and enables them to carry on a program of expansion which is of great value to the entire country.

I am happy indeed to pay tribute to the business ingenuity of the air-line operators and to the indomitable courage of their fine corps of pilots. Every American should be proud of the accomplishments of this industry and every American should know of the great advantages that are offered to them in the far-flung operations of the Air Mail Service. It appears to me that you people in Georgia should be especially proud of this branch of the Postal Service, for, as you know, the Second Assistant Postmaster General, my good friend Harllee Branch, is at the head of the bureau of the Department which has charge of the air mail. Harllee is a native of George, a fine gentleman, a credit to your

State, a most capable public official, and a most valuable assistant to me in the conduct of the affairs of the Postal Service.

At this time Mr. Branch is supervising the celebration of National Air Mail Week, to commemorate the twentieth anniversary of the establishment of air-mail service. I know that he would appreciate your cooperation in this celebration, and I shall be most grateful to you if during the week May 15 to 21 you will take the trouble to inquire at the post office about the air-mail facilities and determine for yourself how your letters may be expedited, particularly to distant points both within the United States and in many foreign countries. You will find this service surprisingly fast and surprisingly economical. I should like for every citizen to be fully informed concerning this amazing service which carries letters back and forth across the continent on practically overnight schedules.

While the handling of mail matter is the primary function of the Postal Service, many other features have been added for the accommodation of business, such as the postal money-order system, which provides for the safe and sure transfer of money at fees that are most reasonable. Postal savings banks were established and the popularity of this branch of the Service is attested to by the fact that at the close of the fiscal year 1937 there were 8,068 such depositories, with more than 2,700,000 depositors, and the amount to the credit of depositors was more than $1,299,000,000. The registry, insured, and c. o. d. features of the Service, established in 1855 for letters only, extended to the insurance of parcels in January 1913, with c. o. d. service provided in July 1913. This part of the Service has grown to such proportions that during the fiscal year 1937 the Department handled more than 176,000,000 pieces of such matter.

This is truly a great service to the people, and its benefits are being enlarged and extended to more adequately meet your requirements. Here in Millen you have City Delivery Service. There are 3,172 other cities and towns in America that also have City Delivery Service. There are approximately 55,000 city letter carriers employed to deliver the mail to the homes of the people in the cities, and the cost of that service during the fiscal year ended June 30, 1937, was almost $150,000,000. You also have Rural Delivery Service, delivering mail to the rural sections adjacent to Millen. There are more than 33,000 rural routes in the country now serving the greatest amount of mileage in the history of the Service, or more than 1,377,000 miles daily. The patronage of the Rural Delivery Service has grown to more than 7,000,000 families, or approximately 26,000,000 individuals. The cost of the Rural Delivery Service during the last fiscal year exceeded $91,000,000.

There is no other postal establishment in the world and no other business organization, public or private, that compares with the United States Postal Service. We are constantly surveying the Department's operations and carrying on research work affecting all of its branches with the view to making the Service better wherever and whenever it is possible. The postmasters and postal employees are doing a fine job. They are eager to serve you and are responsive to your needs if your needs are made known. In a similar manner all of the agencies of the Federal Government are eager to serve you and to carry out the policies of our courageous President, Franklin D. Roosevelt.

Generally speaking, the objective of the President, upon which administration policies are based, is to make the Government of the United States properly responsive to the needs of all our people. Much has been accomplished toward the attainment of this objective since that fateful day in March 1933, when he took over a collapsing economic and social structure and a helpless, jittery Government.

His task has not been an easy one. Well-entrenched selfish interests were not inclined to surrender their privileged positions without a struggle to maintain them, but, undeterred by powerful pressure and subtle propaganda, our gallant leader has gone forward.

Every progressive step has met with bitter opposition, and in their efforts to break down his popular support his opponents proclaim that he is an enemy of business, that he is grasping for dictatorial powers, and that his purpose is to destroy our democratic institutions and make this a Fascist nation. These charges are silly and ridiculous.

If we are to solve our problems we must develop a spirit of tolerance and cooperation on the part of all of our people. This spirit of tolerance and cooperation must obtain not only in government but in business, in industry, in labor, and in agriculture. We must be willing to put the welfare of our country and the whole people ahead of our own personal and selfish interests.

Instead of some of our business groups assuming a martyr-like attitude and retiring into their tents to sulk, let them join in patriotic cooperation with the Government. I am sure if they do this they will not have reason to complain that the Government on its part fails to properly cooperate with business.

It is my opinion, and this opinion is shared by many able economists and business leaders, that the present business recession is temporary, and that by all of our people and the Government pulling together, we will soon be out of it. It is not to be compared to the disastrous depression which this country faced 5 years ago.

Georgians, generally, have been among the most loyal and consistent of the President's supporters, and I know that they can be counted upon to continue to back him up in his valiant effort to make this country a better place in which to live.

APPENDIX TO THE SPEECH OF POSTMASTER GENERAL JAMES A. FARLEY DELIVERED AT THE DEDICATION OF THE NEW MILLEN (GA.) POST OFFICE

List of postmasters and date appointed

Martin Marsh, July 3, 1840 (established).
Robert H. Gray, December 22, 1842.
Juoy S. Lane, March 8, 1847.
Name changed to Millen, October 5, 1848.
Robert H. Gray, October 5, 1848.
Thomas Y. Johnson, June 2, 1858.
James H. Daniel, November 15, 1865.
Changed into Screven County.
David Parker, June 21, 1882.
Herschel V. Lester, November 22, 1883.
Walter S. Godbee, February 12, 1896.
Ransom A. Brinson, January 23, 1900.
Changed into Jenkins County.
Albert S. Anderson, March 10, 1908.
Miss Edith A. Herrington (acting), February 12, 1914.
George C. Brinson, October 1, 1914.
Miss Edith A. Herrington (acting), August 1, 1923.
Miss Edith A. Herrington, December 17, 1924.
W. Brantley Daniel (acting), May 31, 1933.
W. Brantley Daniel, January 30, 1934.

Postal receipts

Year	Population	Receipts
1910	1,050	$5,013
1920	2,405	8,548
1930	2,522	9,843
1937	----------	13,642

Under authority of the Emergency Construction Program Act, approved June 22, 1936, $65,000 was allotted to include cost of site, building, and administration.

Sites were advertised for and, after investigation, selection was made of the property submitted by Mrs. M. Parker, situated at the southeast corner of Daniel and Winthrop Avenues, purchased at a cost of $6,500. Announcement of this selection was made on September 5, 1936, and title was vested with the Government on March 11, 1937.

The plans and specifications for this project were prepared in the Office of the Supervising Architect, Procurement Division, Public Buildings Branch, Treasury Department.

On July 10, 1937, the Treasury Department awarded construction contract to the Batson-Cook Co., of West Point, Ga., in the amount of $37,280, the building to be completed within 210 calendar days from date of notice to proceed.

The building itself is 60 feet across the front and has a depth of 56 feet. It has a basement and one story. The ground area is 3,430 square feet and the content 75,355 cubic feet.

The building is of colonial design, with brick exterior walls, marble trim, marble cornice, and wood windows. Marble steps and platform, with railings and lamp standards, mark the front entrance.

At the rear are the usual vestibule and platform for the reception of mail and a mailing drive with space for parking postal automobiles.

A flat composition roof enclosed by a parapet wall covers the entire building. Generally the structure is fireproof.

On the first floor there is a 12-foot wide public lobby having 5 service windows and 220 lock boxes. The postmaster's office adjoins this. The workroom contains 1,500 square feet, and the financial section 248 square feet. In addition to windows, the work space will be lighted by a large skylight.

In the basement are located the boiler room, fuel room, and two postal storage rooms.

SERVICE TO HUMANITY, THE IDEAL OF AMERICA'S POSTAL SYSTEM

ADDRESS IN PART OF THE HONORABLE JAMES A. FARLEY, POSTMASTER GENERAL, AT THE CEREMONIES AT THE VIDALIA (GA.) POST-OFFICE BUILDING, APRIL 27, 1938

I always look forward with a great deal of pleasure to a visit to Georgia, and I was particularly pleased when I received an invitation to join with the citizens of Vidalia in these ceremonies incident to the recent completion of your new post-office building.

The erection of this modern postal structure has resulted in the residents of this typically American community receiving better mail service than they have at any time in the past. At the same time it marks another chapter in the history of the mail service here in Vidalia, which had its inception on August 15, 1890, when the first post office in this community was established with Warren T. Jenkins as the first postmaster.

At the time of its establishment the Vidalia post office was listed in Montgomery County, and it was not until 1905 that it was changed to Toombs County. Since 1890 Vidalia has been served by five postmasters, including your present efficient postmaster, Emmett Monroe Davis, who was appointed acting postmaster on October 15, 1936, and received his regular commission on February 3 of the following year. Postmaster Davis' predecessors, in the order of their terms, were Warren T. Jenkins, Julius Peacock, Sanford Darby, and Nathaniel Carter.

This new Federal building which has been erected and placed in operation here in Vidalia is but one of several hundred post-office buildings that have been constructed throughout the country under the public-building program of the Roosevelt administration.

This particular project was authorized under the act of Congress of June 19, 1934, at which time an allotment of $55,000 was made to include the cost of the site and building. On October 12, 1935, this amount was increased by $2,600, making a total of $57,600 available for the consummation of this project.

The plans and specifications for this project were prepared in the Office of the Supervising Architect of the Treasury Department, and on October 21, 1935, the Treasury Department awarded the construction contract to the John T. Ragan Co., of Vidalia, in the amount of $35,371.

The architect, the consulting engineers, and the contractors deserve the compliments of all on the successful completion of this building, and I want to take this opportunity of conveying my congratulations to them and also the craftsmen, mechanics, laborers, and all others who assisted in the erection of this splendid edifice.

The present administration's post-office building program has resulted in putting to work thousands of men in all sections of the country, thereby contributing greatly to increased employment. It likewise has proved a stimulus to the building and allied trades through the purchase of building materials and supplies of all kinds for these new buildings. Many thousands of jobs have been created indirectly in the heavy industries through the carrying out of these building programs, which have at the same time been advantageous from a Government standpoint, resulting in increased efficiency through the provision of improved and enlarged facilities for handling the mails.

Georgia is among the long list of States that have shared in and benefited by this program, both in the actual erection of new post-office buildings and also in the supplying of numerous raw materials. I need not inform you of the tremendous impetus that this far-reaching building program has given to the return of better times in every corner of the Nation.

This Federal building will stand as a reminder of our great President and leader, Franklin D. Roosevelt, who, in carrying out his far-seeing plans for the restoration and recovery of our national prosperity, seized the opportunity to provide employment for the masses and to turn the wheels of business with a building program. In so doing he served both the post-office needs and the greater need for work.

While here in Vidalia on an occasion of this kind, it is only appropriate that I talk to you briefly on the subject of the United States Postal Service.

When I came to the Department in March 1933, I had no preconceived notions with respect to the postal establishment. Neither did I have a desire to inaugurate revolutionary policies. I did, however, want to maintain a businesslike administration of this tremendous Department of the Government. Having come from business I naturally felt that an institution which sold its services in the main for hire should receive in revenue a sufficient amount of money to pay its expenses. The people do not expect the post office to be a money-making institution, but I am convinced that the average citizen agrees with me that it should pay its own way.

I have not lost sight of the fact that the money which supports the Post Office Department comes from the public in two ways—through fees and, when there is a postal deficit, through taxation. When we fail to operate within our revenue we increase the tax burden upon the people to the extent of whatever deficit is incurred.

I am happy to say that after the deduction of nonpostal items there has been in 3 of the past 4 years of the Roosevelt administration a net postal surplus. No doubt it will be a source of satisfaction to everyone here when I tell you I was able to show the President in my annual report for the past fiscal year ended June 30, 1937, that after taking out the nonpostal items we had a net surplus for the Post Office Department of over $12,000,000.

To some it may seem that if the management of the Department can show a net surplus of several million dollars it is time to consider reduction in the first-class rate for out-of-town mail. However, I would advise against such action. We have done much to improve the service and have made its facilities more effective. But in view of the drastic changes that are being made in transportation throughout the Nation, and the need for greater speed in the handling of the mails all along the line, the Department could properly spend many more millions in service improvements, and will probably be faced with the necessity of making such expenditures in the near future. We have done much to better the condition of the employees, but we have not yet done everything for them that we can and should do when the funds are available from the revenues.

I am of the opinion that the 3-cent rate on first-class matter for out-of-town delivery is reasonable. There is no communication service in America that offers the unlimited possibilities of the United States mail. Most citizens appreciate that fact. Careful observation and full consideration of all phases of the situation lead me to the definite conclusion that the 3-cent letter rate should stand until such time as we have accomplished all service improvements that are necessary and until such time as we have established the Postal Service as the ideal employer of labor in America.

I have derived a great deal of personal pleasure from my duties as Postmaster General. I want you to know that I have liked the men and the women whom I have found in the Department, and I want to compliment the postal workers here today and the postal employees throughout the Nation in a public manner for their unwavering loyalty and for their constant devotion to duty. There would be no need for our Service if it were not for the universal desire of people to mingle with one another, to share with one another their joys and sorrows and to work together for their mutual advantage. This ideal of helpful human relationship, which through all the years has been the underlying motive of the Postal Service, is now the ideal which distinguishes our entire Federal program.

This is perhaps not the place for a discussion of the general aims of the administration at Washington, but surely it will be fitting for me to say that the sole purpose of the President is to bring about a more practical realization of the fundamental American objectives. The principles which were enunciated in the Declaration of Independence and repeated in the preamble of the Constitution of the United States, in which it was announced that the Union was formed to "promote the general welfare and secure the blessings of liberty to ourselves and our posterity" are the principles of the Roosevelt administration.

The economic collapse of 1929 bringing as it did misery and suffering and unemployment to millions of our people also brought a determination on the part of the President to effect such an improvement in our economic, social, and political life as to guarantee the full restoration of the high standard of living which in the past we have been proud to think distinguished the United States from every other nation.

APPENDIX TO THE SPEECH OF POSTMASTER GENERAL JAMES A. FARLEY, DELIVERED AT THE CEREMONIES HELD AT THE NEW VIDALIA (GA.) POST OFFICE

List of postmasters and date appointed

This office was established in Montgomery County.
Warren T. Jenkins, August 15, 1890 (established).
Julius Peacock, September 24, 1898.
This office was changed into Toombs County in 1905.
Sanford P. Darby, August 15, 1913.
Julius Peacock, May 24, 1922.
Nathaniel O. Carter, July 6, 1926.
Emmett Monroe Davis (acting), October 15, 1936.
Emmett Monroe Davis, February 3, 1937.

Postal receipts

Year	Population	Receipts
1910	1,550	$5,472
1920	2,860	12,161
1930	3,585	12,686
1937		16,929

Under authority of the Emergency Construction Program Act, approved June 19, 1934, an allotment of $55,000 was made to include cost of site, building, and administration. On October 12, 1935, this amount was increased $2,600, making the total limit of cost $57,600.

Sites were advertised for, and after investigation selection was made of the property submitted by Alice Herring and Jennie D. Poe, situated on the east side of Jackson Street, between South Railroad Avenue and First Street, purchased at a cost of $3,100. Announcement of this selection was made on August 20, 1934, and title was vested with the Government on July 22, 1935.

The building was designed by the Office of the Supervising Architect, Procurement Division, Public Buildings Branch, Treasury Department.

On October 21, 1935, the Treasury Department awarded construction contract to John T. Ragan Co., of Vidalia, in the amount of $35,371, the work to be completed within 250 calendar days.

The building itself is 55 feet across the front and has a depth of 56 feet. It has a basement, mezzanine, and one story. The ground area is 3,760 square feet, and the content 103,800 cubic feet.

The building is of Georgian design, with exterior walls of stucco on brick, stone and wood trim, wood cornice, and wood windows. Granite steps and platform with free standing columns mark the front entrance.

At the rear are the usual vestibule and platform for the reception of mail and a mailing drive with space for parking postal automobiles.

A hipped slate roof covers the building. Concrete footings and floor slab were used. Generally the structure is fireproof.

On the first floor there is a 12-foot-wide public lobby having 5 service windows and 312 lock boxes. The postmaster's office adjoins this. The workroom contains 1,677 square feet and the financial section 180 square feet. In addition to windows the work space is lighted by large skylights.

This building was occupied September 5, 1936.

The Vidalia post office was established August 15, 1890, with Warren T. Jenkins as the first postmaster.

The earliest compensation of Postmaster Jenkins is not available; the records indicate, however, that for the fiscal year 1895 he received $306.19.

Domestic money-order business was established at Vidalia on October 17, 1892, and international money-order business on January 2, 1907.

Rural Delivery Service was established at Vidalia on September 15, 1903, with one carrier at $600 per annum. City Delivery Service was established there on June 1, 1921.

The Official Register of July 1, 1909, lists Julius Peacock as postmaster at Vidalia; W. F. Haskins as assistant postmaster, and Willie A. Hart as rural carrier.

Parity Payments to Farmers

EXTENSION OF REMARKS

OF

HON. CHESTER THOMPSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 20, 1938

LETTER FROM EDWARD A. O'NEAL, PRESIDENT OF THE AMERICAN FARM BUREAU FEDERATION

Mr. THOMPSON of Illinois. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter addressed to Senator ADAMS by Edward A. O'Neal, president of the American Farm Bureau Federation:

MAY 19, 1938.

Senator ALVA B. ADAMS,
Chairman, Senate Appropriations
Subcommittee on Emergency Works Relief Measure,
United States Senate, Washington, D. C.

MY DEAR SENATOR ADAMS: Failure of Congress to provide funds for parity payments to cooperating farmers as contemplated under the Agricultural Adjustment Act of 1938 will prove a tragic mistake and will precipitate a serious situation of national proportions next fall and winter unless this situation is remedied.

The inadequacy of the soil-conservation program to balance supplies with demand made necessary the enactment of the new Agricultural Adjustment Act to supplement the soil-conservation program, so as to assure effective control of supplies and protect the price returns of cooperating farm producers at or near parity levels.

The new Agricultural Adjustment Act of 1938 continues the soil-conservation payments and in addition promises parity payments if Congress provides funds for this purpose. This pledge is contained in section 303 of the act, which reads as follows:

"SEC. 303. If and when appropriations are made therefor, the Secretary is authorized and directed to make payments to producers of corn, wheat, cotton, rice, or tobacco on their normal production of such commodities in amounts which, together with the proceeds thereof, will provide a return to such producers which is as nearly equal to parity price as the funds so made available will permit. All funds available for such payments with respect to these commodities shall, unless otherwise provided by law, be apportioned to these commodities in proportion to the amount by which each fails to reach the parity income. Such payments shall be in addition to and not in substitution for any other payments authorized by law."

This payment has two purposes: (1) to compensate for the difference between the prevailing farm prices of the commodity and the parity price of the commodity, and (2) to protect cooperators in the Agricultural Adjustment Act farm program and give them an offset to the tariff handicap which is responsible for much of the maladjustment in American agriculture.

Thus far Congress has failed to provide any funds for making parity payments. The total appropriation of $500,000,000 for the soil-conservation program, when added to the probable returns of farm producers this year, will leave their total returns far below parity levels.

Based upon April 15 prices, cotton was 7.9 cents per pound below parity; wheat, 40 cents per bushel below parity; corn, 30.8 cents per bushel below parity; rice, 47.5 cents per pound below parity.

The average of all farm prices dropped from an index of 128 to 94 from April 1937 to April 1938. Due to the failure of prices of commodities bought by farmers to decline in proportion, the index of farm purchasing power dropped from 97 to 76 during the same period.

Farm cash income from marketings including benefit payments was $250,000,000 less during the first 3 months of this year as compared to the same period last year. It is conservatively estimated by statistical experts that farm income in 1938 will be at least $1,000,000,000 less than it was in 1937.

When these facts are coupled with the drastic reductions in acreage allotments that are imperative if we are to get supplies back into balance, it is obvious that parity payments are absolutely essential in order to give even a measure of protection to the income of cooperating farmers who contribute their part toward this national adjustment in supplies.

These acreage adjustments must be made since the alternative would be demoralization of markets. Consequently, we must protect the farmers who are cooperating in this adjustment, both from the standpoint of the success of the programs and of simple fairness.

The adjustment of these enormous supplies is in the public interest as well as the farm interest. Let us not forget that a 2-year supply of cotton and a 400,000,000-bushel carry-over of wheat, and a two-and-three-quarter-billion-bushel corn supply brought farmers 5-cent cotton, 30-cent wheat, and 10-cent corn in 1932 and early 1933. These ruinous prices of wheat, cotton, corn, and other farm products, brought bread lines and unemployment, bank failures, and business deficits in the cities.

Let us have the wisdom and foresight to avoid another such vicious cycle. The great majority of wheat, corn, cotton, tobacco, and rice producers are ready to do their part in adjusting their supplies in line with demand and at the same time provide adequate supplies of food and fiber. We must not allow their income and purchasing power to be shattered in the process.

Present indications are for a total supply of more than 1,000,000,000 bushels of wheat next fall. The winter-wheat crop, according to the May 1 estimate, will be approximately 754,000,000, the second largest in our history. The spring wheat crop, based on March 1 prospective plantings report and assuming average yields, would add about 200,000,000 bushels, which coupled with a 200,000,000 carry-over, would give a total supply of 1,154,000,000 bushels. Our normal domestic consumption and exports total approximately 700,000,000 bushels, giving a surplus above normal requirements of 454,000,000 bushels. This is approximately the amount of carry-over we had in 1932 when the farm price dropped to an average of 32 cents and as low as 15 to 20 cents in the Wheat Belt.

The situation confronting us with respect to cotton is summarized in the following report published in the Agricultural Situation, May 1938, United States Department of Agriculture.

"The outlook with respect to world consumption and the present estimates of supplies indicates that world carry-over of American cotton may approach 13,000,000 bales on August 1, 1938; this would be nearly 7,000,000 bales more than on August 1, 1937; it would about equal the peak of 1932.

"World carry-over of all cotton on August 1, 1938, may be close to 10,000,000 bales more than a year earlier, and nearly five million more than the previous high reached in 1932."

Let us not forget that a carry-over of about 13,000,000 bales in 1932 brought us 5-cent cotton.

With respect to corn, the current supply on hand is in excess of 1,000,000,000 bushels, which is about double what it was a year ago and about 30 percent more than normal—about 300,000,000 bushels in excess of a normal supply, with a very favorable planting season this year.

The tragic consequences of such supplies in 1932 must not be repeated in 1938. The full benefits of the adjustments under the new A. A. A. will not be reached until 1939. We are now reaping the painful results of an unfortunate 1 year's delay by Congress in providing for an effective measure to control crop surpluses. Farmers ought not to be penalized because of this delay.

It is sound public policy for Congress to provide funds for parity payments. We are ready to support soundly conceived tax measures to raise the necessary revenue for this purpose. We recently urged the approval of the tariff equalization fees proposed in the amendment offered by Senator POPE to the revenue bill, which would have made available a very reasonable sum for parity payments. Unfortunately Congress did not see fit to approve this amendment.

Meanwhile, as farm prices and farm purchasing power have spiraled downward, business has stagnated in the cities and unemployment has mounted. To meet this situation the proposed emergency work relief measure proposes expenditures in the form of relief, loans, etc., exceeding more than $3,000,000,000.

There can be no permanent remedy for business depression and unemployment in the cities until farm prices and farm income are restored to parity levels with industry and labor. Farm incomes and factory pay rolls rise and fall together. Farm incomes and factory profits likewise rise and fall together. These relationships are strikingly shown in the attached charts.

The reduction in farm purchasing power in 1930 was responsible for one-third of all the factory employees who lost their jobs. Two out of every five who were added to factory pay rolls in 1933 owed their jobs to the increase in farm purchasing power. (See Agricultural Situation, December 1, 1937, p. 17, U. S. Department of Agriculture.)

The restoration of agriculture to parity with industry and labor through reestablishing a fair balance in our price and wage structure will do more to restore prosperity, put an end to unemployment, and promote national security than any other single thing which can be done.

Nothing will "prime the pump" to restore business activity and provide additional employment more than making available parity payments to farmers under the A. A. A. program. Surveys made in the past show that such payments are put right into circulation by expenditures for all kinds of supplies and services. These purchases are multiplied over and over and in the channels of trade, providing demand for industrial goods and services. From a relief standpoint alone, the expenditure of this money for agriculture is more than justified. From the standpoint of recovery,

it is the best investment the Government can make. From 1933 through 1937 the Government spent $1,955,000,000 to help restore the purchasing power of the farmer. This was but a small recompense for the cost of the tariff to farmers. And look at the results. Farm income increased $13,500,000,000 during this period. This increase in farm income was reflected many, many times in the increase in national income. Everyone recognizes that agriculture is our basic industry. Therefore, Congress is amply justified and necessity demands the allocation of funds authorized under the proposed works relief bill for parity payments out of the proposed appropriations for works relief. Such funds will directly benefit millions of farmers, millions of working people, and hundreds of thousands of business and industrial employers.

The assurance of parity—which means simple equality for agriculture with other groups—has been the essential feature of every soundly conceived national plan for agriculture since the World War. The Congress now has an opportunity to help the farmers in their struggle to reach that goal and to redeem their pledge made when the act was passed.

In conclusion, let me say that the proposal to provide funds from the pending work-relief bill for parity payments to farmers is justified, in this current emergency, from every standpoint. It is justified from the standpoint of farm income and farmer needs; it is justified as an emergency relief and recovery step; it is justified from the standpoint of the successful operation of current farm programs; it is justified as a move to relieve unemployment in the cities and towns; it is justified as a common-sense business investment; and it is justified from the standpoint of the prosperity of the entire Nation.

With this letter I am enclosing additional factual material bearing on agricultural income and the agricultural situation.

We, therefore, respectfully ask that Congress provide funds in the pending work-relief bill for the purpose of making parity payments under the Agricultural Adjustment Act of 1938.

Sincerely yours,

EDWARD A. O'NEAL,
President, American Farm Bureau Federation.

The Drug Pirates

EXTENSION OF REMARKS
OF
HON. JOHN M. COFFEE
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Friday, May 20, 1938

EDITORIAL IN THE EMPORIA GAZETTE OF APRIL 21, 1938, BY WILLIAM ALLEN WHITE

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD I include herein an inspiring and trenchant editorial written by that redoubtable progressive editor, William Allen White, and printed in the Emporia Gazette in its issue of April 21, 1938. Journalist White pays his respects in no uncertain terms to the failure of the House Interstate and Foreign Commerce Committee to report out a genuine pure food and drug bill containing enforcement teeth. He likewise eloquently inveighs against the subserviency of Congress for, lo, these many years to the drug pirates and racketeers. How long will this body of the people's chosen representatives continue to refuse to adopt legislation designed to safeguard the people from the menace of false and fraudulent advertising?

I recommend the passage of H. R. 5286, introduced by myself. As the Survey Graphic recently said, "This is one bill which will accomplish the objectives sought by all progressive thinkers." This will exterminate fraud and deception in the sale and advertising of foods, drugs, and cosmetics and devices. This measure is sponsored and supported by the Consumers' Union of the United States, Inc., an organization of 70,000 citizens resident in every State in the Union, in addition to which the measure has the hearty backing of more than 40 national, political, social, and welfare organizations.

The editorial is as follows:

Hope deferred maketh the heart sick. Here we are about to lose the honest right of the American citizen to have control of the purity of the food and drugs he buys. After holding it up for over a year, the House Interstate and Foreign Commerce Committee has now reported the food and drug bill with its advertising sections torn out by the roots. It is a pity the good things in the bill have no chance of being put into operation. Administered at their face value, they would probably remedy most of the evils of which the public complains. Unfortunately, some smart lawyer has been tampering with the bill to prevent the enforcement of the decent parts of it.

Of course, certain questions relating to adulteration and misbranding of foods and drugs are so complex that Congress cannot cope with the details, which therefore have to be taken care of by regulations. The committee, and especially its chairman, CLARENCE LEA, of California, understand perfectly that this procedure has been followed successfully in many other laws—notably the Interstate Commerce Act—and upheld by the courts. But apparently the lawyers for the drug pirates know too well that adequate relief from injustice is available through injunction proceedings and declaratory judgments.

For in the guise of still further redress, LEA's committee has provided racketeers with means to frustrate the law altogether.

For instance, the bill now pending provides that any time within 90 days after a regulation has been issued, an aggrieved individual may apply in any Federal court for an injunction which would restrain enforcement of the order everywhere in the United States, no matter if every other court in the country has turned down the application. That is awful. If the drug pirate is upheld and the Government is obliged to hold further hearings and issue another regulation, the new order can be sidetracked in the same way. Even if the Government should appeal the injunction successfully, a substantial portion of the industry, by proposing that the regulation be amended or repealed, could force the holding of more hearings. Hearings would go on interminably. Then, when a new ruling, or merely the continuance of the old, was announced, the same merry-go-round would start up again. Enforcement could be blocked indefinitely. It is this futility of democracy which turns honest men into the vain short cuts of autocracy.

The multiplicity of hearings, injunctions, and appeals on each and every regulation would serve to nullify some of the most important prohibitions in the proposed act. The public would be worse off than it is now under an antiquated statute universally condemned as inadequate.

Maybe it is too much to expect that a decent act, free of all jokers controlling the sale of food and drugs—one like that introduced by ED REES—could ever pass. But before enacting the fraud now under consideration, Mr. Congressman LEA and his friends would do well to remember that an outraged public can avenge itself at the polls.

If the right to sell poison unbranded is a vested right—since when?

People Want Peace

EXTENSION OF REMARKS
OF
HON. HAROLD KNUTSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, May 20, 1938

Mr. KNUTSON. Mr. Speaker, under leave to extend, so graciously granted me by the House, I desire to insert an article treating on the horrors of war, the danger of mad dictatorships, and the desire of people of all nations for peace. The article follows:

BETWEEN THE HEADLINES
(By Harold Schoelkopf)

To 1,000,000,000 men, women, and children in North America, Europe, and Asia, the horrors of warfare are appearing as grim specters upon tomorrow's borizons. In far-off China and in bullet-riddled Spain these hideous specters of brief yesterdays have advanced apace to become tragic realities today.

In a world shaken by the ambitions of mad dictatorships and untried political experiments, uneasiness is growing, so that even today something akin to real fear is gripping our hearts. It is something we are prone to consider in silence, lest in conversations about it our neighbor might agree with us.

One billion men, women, and children who earnestly wish to avoid war may be called upon to bear arms against each other. Why?

We are told that that is the way of governments, and that national integrity and international relations can be strained only to a certain point beyond which there can no longer be peace. If that be true, and it is today, it is time that we took an accounting of our status to determine when and how we have so far surrendered individual sovereign rights as to be forced into a contract of war for which we have no desire.

These 1,000,000,000 persons we speak of, including ourselves, are governed by less than 20,000 men of high rank, who are in control of our various governments, formulate our policies, and define our international relations. In most instances these officers wield their power because we have willed it so. In America, for example, we

choose our rulers by ballot. If we approve of their policies, we retain them; if we object thereto, we remove them at the next election.

Not so, perhaps, in dictatorships or monarchies, but the inescapable fact remains that every ruler today holds power either because the people of that nation have granted that power to him or because they tolerate his possession of it.

With our tacit approval these 20,000 administrators for 1,000,000,000 persons have set up governmental relationships with each other. Today they are at swords points, and trigger-edged men haggle hostilely across conference tables. They contend and probably believe that they are thus giving a measure of protection to the billion persons who put them there.

Under that system, immature judgment or trivial blunders may overnight cause nations of peaceful people to fly at each other's throats.

Do you suppose, for example, that the humble Japanese mill worker in Fujiyama has any real desire to bear arms against and perhaps kill an equally humble rice grower in Tientsin, China? Do you think that Pietro Cassandre in Teruel, Spain, willingly seeks out and destroys a fellow countryman in Barcelona?

Do you believe that John Brown, who helps build automobiles in Detroit, has any ambition to plunge a bayonet into the body of Enrico Amati, who fashions music boxes in far-off Naples? The answer, of course, is "No." The question that follows is, Why do these things happen?

That they do occur or are likely to occur is not a blanket indictment against government as such. If there is blame to be placed, it is rather upon the billion people who, by their stolid indifference, allow the course of government to run counter to their private ideas.

Such things may be, to a degree, excusable in some countries less representative than our own. In this Nation there are 125,000,000 persons whose future welfare rests in their own hands—rests there because we exercise a free man's privilege and incur a free man's obligation through the franchise of the ballot.

Wage and Hour Bill and Its Constitutionality

EXTENSION OF REMARKS
OF
HON. EDWARD W. CURLEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, May 20, 1938

DECISION OF A CHIEF JUSTICE OF THE SUPREME COURT

Mr. CURLEY. Mr. Speaker, under leave to extend my remarks on the question of the constitutionality of the pending wage and hour bill, I beg to state that many critics of the Norton amendment seem to believe it will interfere with State rights; so I feel that it might provide light on this subject if they would read the decision rendered by the Chief Justice of the United States Supreme Court on the commerce clause of the United States Constitution.

The following decision of the Supreme Court of the United States in the earlier days evidently was the guiding star which finally led to the recent decision of the Court with respect to labor relations of employer, employee, and intrastate and interstate commerce. These important decisions rendered by the highest legal tribunal in the Nation command the profound respect of our people for the institutions of our American system of democratic government. So that in my humble opinion the constitutionality of the wage and hour bill to provide a decent minimum wage and establish a reasonable number of working hours per week is clearly proven. In order to strengthen this belief it might be interesting to the critics to read the decision of the Court declaring the Wagner Labor Relations Act constitutional.

THE COMMERCE CLAUSE OF THE CONSTITUTION

In the year 1824 the Supreme Court of the United States defined the meaning of the commerce clause of the United States in the celebrated case of *Gibbons* v. *Ogden* in the steamboat monopoly litigation. The case had its origin in Robert Fulton's development of the steamboat. In anticipation of the perfection of that invention, the State of New York created and granted monopolies for use of steam in its rivers. Such a monopolistic grant was given to Robert Fulton and Chancelor Robert Livingston. In order to navigate the Hudson River or any other New York waterways in vessels propelled by steam it was necessary to obtain a license, on payment of a fee, from the holders of the monopoly. Daniel Webster, William Wirt, and David B. Ogden represented Gibbons, and Thomas Addis Emmet and Thomas Oakley represented Ogden and the monopoly. It seemed Gibbons operated boats from New Jersey and attempted to carry passengers to and from New York. Ogden, who held a license from Fulton and Livingston, sued to enjoin Gibbons. The New York courts granted the injunction and Gibbons sought refuge in the Supreme Court of the United States, contending that Congress had jurisdiction over commerce among States and that the New York monopoly was an obstacle and burden on interstate commerce.

JOHN MARSHALL RENDERS LIBERAL INTERPRETATION

In the decision rendered and read by Judge Marshall, the Court undertook for the first time to define the meaning of the term "commerce" as used in the Constitution. Thus Judge Marshall asserted that "commerce undoubtedly is traffic, but it is something more—it is intercourse."

COMMERCIAL INTERCOURSE BETWEEN THE NATIONS

Judge Marshall continued:

"It has, we believe, been universally admitted that these words comprehend every species of commercial intercourse between the United States and foreign nations. No sort of trade can be carried on between this country and any other, to which this power does not extend. It has been truly said 'that commerce, as the word is used in the Constitution, is a unit, every part of which is indicated by the term. If this be the admitted meaning of the word, in its application to foreign nations, it must carry the same meaning throughout the sentence, and remains a unit, unless there be some plain intelligible cause which alters it. The subject which the power is next applied is to commerce 'among the several States.' The word 'among' means intermingled with. A thing which is among others, is intermingled with them. Commerce among the States cannot stop at the external boundary line of each State, but may be introduced into the interior. It is not intended to say that these words comprehend that commerce, which is completely internal, which is carried on between man and man in a State, or between different parts of the same State, and which does not extend to or affect other States. Such a power would be inconvenient and is certainly unnecessary. Comprehensive as the word 'among' is, it may very properly be restricted to that commerce which concerns more States than one. The phrase is not one which would probably have been selected to indicate the completely interior traffic of a State, because it is not an apt phrase for that purpose; and the enumeration of the particular classes of commerce to which the power was extended would not have been made had the intention been to extend the power to every description. The enumeration presupposes something not enumerated, and that something, if we regard the language or the subject of the sentence, must be the exclusively internal commerce of a State. The genius and character of the whole Government seem to be that its action is to be applied to all external concerns of the Nation, and to those internal concerns which affect States generally; but not to those which are completely within a particular State which do not affect other States, and with which it is not necessary to interfere for the purpose of executing some of the general powers of the Government. The completely internal commerce of the State, then, may be considered as reserved for the State itself. What is this power?

JUDGE MARSHALL DEFINES POWER

"It is the power to regulate; that is, to prescribe the rule by which commerce is to be governed. This power, like all others vested in Congress, is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations, other than are prescribed in the Constitution. These are expressed in plain terms, and do not affect the questions which arise in this case, or which have been discussed at the bar. If, as has always been understood, the sovereignty of Congress, though limited to specified objects, is plenary as to those objects, the power over commerce with foreign nations, and among the several States, is vested in Congress as absolutely as it would be in a single government, having in its constitution the same restrictions on the exercise of power as are found in the Constitution of the United States. The wisdom and the discretion of Congress, their identity with the people, and the influence which their constituents possess at elections are, in this as in many other instances, as that, for example, of declaring war, the sole restraints on which they have relied, to secure them from its abuse. They are the restraints on which the people must often rely solely, in all representative governments." Judge Marshall also held that "under the clause of the Constitution providing for national supremacy, any State law which conflicts with an otherwise constitutional act of Congress must yield to it."

Post Office Building at Rodessa, La.

EXTENSION OF REMARKS
OF
HON. OVERTON BROOKS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, May 20, 1938

Mr. BROOKS. Mr. Speaker, I appreciate very much this opportunity of appearing here this morning and saying a

word on behalf of the project for the building of a post office at Rodessa, La.

This city is situated in the very northwest corner of the State of Louisiana, within just a mile or two of the Texas State line and within a few miles of the Arkansas State line. The well-known Rodessa oil field, which extends from southwest Arkansas through northwest Louisiana and into east Texas, takes its name from the city of Rodessa, La. This great oil field is now some 45 miles in length and is still in the development stage, indicating that production of oil will probably continue to increase for a number of years to come. With proration methods being used at this time, the Rodessa oil field should last a lifetime, and the future of this community is thus fully assured.

In 1927 the post-office receipts of the Rodessa post office totaled $325.48. In 1935 they had risen to $1,858.18. In 1936, with the further development of the Rodessa oil field in progress, the postal receipts increased to $12,866.34; and in 1937 they showed an additional rise to $14,935.73. That these receipts will continue to rise within the next 10 or 15 years is very probable, and no one entertains any serious doubt regarding the continued growth of the volume of postal business.

The facilities of the post office at Rodessa have not kept pace with the progress of the town. The original post office was located in a little mercantile establishment. The volume of the present-day mail, due to the phenomenal growth and development of this community, is beyond the capacity of the present facilities of the post office to handle. The need for a larger, more adequate, more commodious building with greater facilities is very urgent and real, and I trust that funds will soon be available to take care of this urgent need of a great and rapidly growing community.

I want to say in conclusion that not long ago a great tornado struck this portion of northwest Louisiana and demolished one-half of the town of Rodessa. Since that unfortunate tragedy, in which many people were killed and injured, the brave and indomitable people of Rodessa have gone to work to rebuild this town which was so largely demolished by this great storm. New buildings and dwellings have been erected on all sides, and the people of Rodessa are again pushing onward to a greater and more enterprising community. At this time, when they need moral help and assistance to aid in recovering from the shock of that terrible tragedy, the knowledge that a new Federal building will be erected will be most welcome.

Keynote Address

EXTENSION OF REMARKS

OF

HON. SAM RAYBURN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 20, 1938

ADDRESS OF HON. LINDSAY C. WARREN AT RALEIGH, N. C., MAY 19, 1938

Mr. RAYBURN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following keynote address before the Democratic State convention of North Carolina, Thursday, May 19, 1938, at Raleigh, by the Honorable LINDSAY C. WARREN:

We Democrats of North Carolina have once more come together, according to custom to take council with one another, to review the record of the past, to plan for the future, and to formulate a declaration of principles.

"We Democrats"; * * * "North Carolina"—need I say here how nearly synonymous these two names are? "We Democrats" and "North Carolina" have been and are so essentially interwoven that one can hardly draw the line between the two. Emerson truly said that an institution is but the lengthened shadow of a man. I declare to you that North Carolina today is but the lengthened shadow of the Democratic Party. For 40 years North Carolina and we Democrats have marched under the same banner, have fought together for social and economic betterment of our civilization, have been through the shadows of a great war for the preservation of the Democratic principle in the civilization of the world, have ridden the top of a boom prosperity, have been through the shadows of a great depression, and have had the courage, the stamina, and the determination to emerge to build a better commonwealth, and to take our place among the leaders of the other States in a greater nation.

Today we have come from the sand dunes of Kitty Hawk and from the Tennessee line of Cherokee. We are all here—the elder statesmen, the baldish gray veterans, the young Democrats, the women—God bless them.

I am delighted to be permitted to welcome you all. It is good to be here. Your presence, your voice, your judgment, are welcome in the council chamber of our party.

Under any circumstances this is a wholesome proceeding. A democratic form of government cannot thrive except where there is free assembly and free discussion at frequent intervals. In times of adversity or doubt, when the way out of difficulties is not clear, a full and frank exchange of views brings enlightenment and leads to solution. In periods of prosperity and contentment, discussion and criticism are no less desirable in order to save us from the sins of self-satisfaction and overconfidence.

Just now we are at a point where there is neither great adversity nor unbounded prosperity. It represents a pause between two onward marches. We, therefore, have the opportunity to appraise our achievements, to outline plans for the next advance, and to forecast what will be undertaken.

And make no mistake, we are not going to hesitate or to fall back. We are going forward. There will be no retreat.

Is it necessary, my friends, in a great democratic gathering to recall again the conditions that made the people of this Nation 5½ years ago turn to our party? Have we become so complacent that we are willing to overlook the causes of Democratic victory and what that victory has since meant to the rank and file of the American people? Would that I had the time to review it all.

We came into power to face the most menacing and disheartening conditions that perhaps ever confronted the Nation. The economic structure of the country, undermined by the corrupt, reckless, and stupid activities of three successive Republican administrations, was near collapse. Banks were crashing everywhere and making millions penniless. Security values had melted like snow in a spring thaw. For nearly 2 years factories had been shutting down and filling the streets with tramping armies of unemployed. Farmers had become desperate from their neglect by the National Government. Tobacco was selling in eastern North Carolina at 8 cents a pound; cotton for 5 cents. Farms were being sold by the thousands under foreclosure, and to retain any vestige of their property, they were resisting legal processes by force. Hunger, destitution, and despair prevailed throughout the Nation. Conditions were ripe for riots—perhaps revolution.

In this dangerous situation the great personages of finance and industry, who had previously cut such a tremendous figure in our national life, had taken refuge, panic stricken, in the cyclone cellars. The Hoover administration had virtually abdicated before its term expired. The President stood helpless, bewildered, and whimpering, not knowing which way to turn or what to do. A sadder or more desperate state of affairs could hardly be imagined.

But it was changed. It was changed in the twinkling of an eye. On March 4, 1933, the cry for leadership came from millions of throats. They got it. Action was demanded. They got that, too. A new leader, his heart attuned to the suffering and distress of his people, appeared upon the field with a new deal and a new hope for the American people in the person of Franklin D. Roosevelt.

By bold strokes he halted the economic debacle and by inspiring example of encouragement and action he reanimated a dejected and despondent nation. Action succeeded inaction. The sun of hope dispelled the encircling gloom.

There was a revolution. Not, thank heaven, the bloody, devastating kind of uprising which the word ordinarily brings to our minds, but a revolution nevertheless. It was a bloodless revolution—a peaceful revolution of political thought and attitude and determination.

Till this administration appeared, the National Government had been regarded as an abstract, impersonal agency, having no concern whatever with the economic distress and the heartaches of individual citizens. If a man's home was being taken from him because he had no work, if he was old and destitute, if a farmer had every year to market his produce at a loss, if people were swindled by offerings of fake and worthless stocks, if labor was denied its inherent rights—it was all just too bad, but the Government could do nothing about it. It was all a part of the unchangeable laws of nature and business, of supply and demand; and any attempt to modify the consequences would be unwarranted interference with the "rugged individualism" and "spirit of free enterprise" which the leaders of political and big-business life claimed had made our country great.

There is plenty of ruggedness in the individualism which makes terrified people fight and trample one another for places in the lifeboats in a shipwreck and for the exits in a theater fire. But Franklin D. Roosevelt thought different. In this disaster which had overtaken the country as the result of Republican misrule he decided that the cumulative misfortunes of individuals and groups of individuals were emphatically the deep concern of their Government. He declared a policy that no citizen of this country

should be allowed to starve. He declared that the people had a right to expect from those in authority that they "would be protected, insofar as was humanly possible, from the physical and mental and spiritual ravages of economic and social maladjustment."

You and I know that relief was provided by the Government for the unemployed and the destitute; that permanent agencies were set up to protect the people from existing injustices inherent under the old system. We know, further, that vigorous measures were taken to get the business machine going again, that into the anemic bloodstream of business and industry there was pumped a host of red corpuscles of new purchasing power, of increased industrial production, of stepped-up business turn-over.

I have not the time to enumerate or describe all the measures adopted, but their effectiveness is shown clearly in the figures for aggregate national income. The income of the Nation rose steadily year by year from $39,000,000,000 in 1932 to $69,000,000,000 in 1937. Agricultural net income during the same period rose from $2,500,000,000 to $6,000,000,000. Manufacturing income rose from $5,500,000,000 to $16,000,000,000. In these increases I am happy to say that North Carolina generously shared.

The value of agricultural products of North Carolina in 1933 was $98,000,000. In 1937 it had risen to $259,000,000. In 1932 the North Carolina tobacco crop sold for $36,000,000, in 1936 for $105,000,000, and in 1937 for $143,000,000—the highest price for this crop, on which so many of our people depend for their livelihood, in the entire history of our State.

Without any shadow of doubt these economic advances and also the great social advances that we have made were due in large measure to the reversed policy of the National Government in the economic, industrial, and business fields and in our social life.

In all of this, of course, we have made some mistakes. No one with intelligence has ever claimed that any legislation was perfect. Nor has the President ever paraded himself as a superman. The country was confronted with a desperate economic and social situation. It required heroic treatment. Action had to be positive and prompt. But mark me when I say that long after Roosevelt is gone, no Congress will ever have the temerity or stupidity to reverse the processes of the last 5 years. Some of the legislation in the light of experience will be tempered, some of it modified and amended; but the basic principles will remain the common law of the Nation in the future, regardless of what party is in control.

For more than 4 years the economic and social recovery of our country proceeded apace. The country made marked and generally steady economic improvement. There were ebbs and surges, but the trend was insistently and increasingly up. Recovery came to employment, to agriculture, to industry, to business, and banking. It was general with respect both to occupations and to geographic regions. It brought hope and prosperity alike to little business and to big business.

For the past 8 months recovery has met a visible set-back. There has been a definite recession in production and distribution of manufactured goods, in prices of commodities, and in security values throughout the Nation. Along with this drop there came about a feeling of uncertainty which accentuated the recession and, perhaps as much as the recession itself, raised the question of confidence as to the future.

The Republicans began to scream against the Government and call down curses upon the administration. They held it responsible for the recession. They charged that the administration was trying to throttle and destroy business.

Well, how do they get that way? Our present situation is not, and has not been, related by blood or marriage to the disaster and the suffering under which the country was sunk at the beginning of 1933. Your money in the bank is safe, and you have got money in the bank. Farmers are not being sold out. They have got real purchasing power. We do not have the same old dangers of security speculation. Our national income is still well above $60,000,000,000.

The specific causes of the recession grew out of the increasing difficulty of matching production of goods with the ability of consumers to purchase goods. The very vigor of the 4 years of recovery brought with it certain inherently harmful practices. They are all related to overproduction above consumer purchasing power.

This administration has done more constructive work to balance employment and production with the ability to consume and has done more to increase the total consuming capacity of the Nation than any other administration in our history.

But, my friends, the very complexity of our present industrialized, machine civilization stands out in striking contrast with the simple, not-too-closely-related civilization of 50 years ago. The multifold increased efficiency of man-invented modern machines makes for greater material prosperity for the average man over a period of years. For the moment, these same machines destroy the patterns of livelihood of great groups of our people. They force the skilled and the unskilled into an everlasting search for higher, more ingenious forms of employment. In 1926 Henry Ford built 1,000,000 model T Fords; in 1936 he built 1,000,000 infinitely superior automobiles. But he built them with 50,000 fewer workmen than he employed in 1926. What became of these 50,000? But for the social policy of this administration, they, and hundreds of thousands of others like them, would have become derelicts washed up on the sands of our industrial civilization.

Ask a Republican to give up the gains we have today and go back to the dark days under Herbert Hoover, and see what he answers. Herbert Hoover did nothing. He was not equipped to do anything. Franklin Roosevelt has acted. He has acted fearlessly and with courage. And he has had to work in a period when fear stalks throughout the countries of the earth—fear of war, fear of invasion, fear of dictatorship.

So much for the recession—its causes and its extent. Now let us see what is being done. What is being done by the Government, by business, by our people generally. Mark me, the United States is fundamentally sound. Don't let anybody tell you different. Don't bet on a depression. Don't let the pessimists influence you with their dire predictions of disaster to our governmental institutions and to our economic system. The situation evidently was one that called for faith, confidence, tolerant cooperation. It evidently has got and is getting just this. Let me recall to you the thrilling sentences of our President spoken to the Congress and to the American people during the past 7 months: "We shall not permit nature to take its course," and again, "I will not let the people down," and still again, "If private enterprise does not provide jobs this spring, Government will take up the slack."

The President here was speaking for recovery. In spite of the Republicans, in spite of the Liberty Leaguers, you and I know that the issue in this country is the issue of recovery. Our goal is to advance the national income to a point where employment and prosperity can be widespread. This can be attained. It can be attained on a basis that will carry us all forward together. The President spoke what is in the hearts and minds of the American people when he said to the Nation on April 14 that the process of recovery is ready to start; that neither Government nor business should act alone; that Government and business will act together; that we have the national resources, the money, the skill of heart and head; that our capacity is limited only by our ability to work together.

For the past 6 months the administration and the Congress have been at work earnestly for recovery from the recession. The plan has been laid out. Provision has been made for most of it; within a month Congress will have completed the major program. Listed in order, the following steps have been completed or are about to be taken:

1. The Agriculture Act: Completed. It is the law. It makes provision for an abundance of production as a whole, with orderly limitations upon individual units. It is not a program of scarcity but a program of balanced production.

2. Amendment to the Federal Housing Act: Completed. To stimulate new building, to employ more people in construction, to release capital for this great basic industry which has stagnated too long.

3. The 1938 Revenue Act: Completed. Designed to improve our tax structure, to encourage business to go ahead, to open the door of investment to private capital, to restore confidence, and to quicken our economic life.

4. Immediate aid to the railroads: Under way. The railroads are the biggest single industry in the country, employing more people and affecting more other industries than any other single industry.

5. The $5,000,000,000 lending-spending program: Substantially completed. To stimulate now the machinery of recovery to begin to turn again.

This program of your Government is sound. It will put the engine of recovery back on the tracks. It will overcome the deflationary forces that have been destroying values and income. It will redden again the stream of our economic life with the red blood of production, employment, capital flow. It will bring that confidence that is essential to permanent, enduring recovery.

We do not maintain that Government can do the job alone. The President has so stated. We do maintain that positive Government action is the essential initial step. But, say the Republicans, "the pessimists," how do you know that business will step into the picture and cooperate? How do you know that business will put its shoulder to the wheel to keep the recovery going? Business itself has already provided the answer. On all sides there are indications of the inherent patriotism of business. I could refer you to the dynamic statement of 16 important businessmen who, under the leadership of that brilliant North Carolinian, John W. Hanes, drafted by the President to the public service, pledged themselves to cooperate with the President in his effort to lead the Nation back on the highroad of recovery. I could refer you to the statement in the press a week ago by the heads of 14 big public-utility companies who pledged themselves and their companies to cooperate "to bring about sound and constructive solution of our problems."

Make no mistake, my friends, the President is not, and has not been, hostile to business. The President has been a friend to business in the time of its greatest trouble in 50 years. The President is earnestly seeking the national good by preserving the balance between all groups and all sections of our Nation, between big business and little business, between agriculture and industry, between employer and employee.

With this spirit of tolerant cooperation, there is no need for doubt. There is no need to abandon our purpose of building a greater, a more stable, and a more tolerant America. I tell you we have the green light. I suggest to our friendly enemies, the Republicans, that they can join cooperatively with this recovery movement or they can watch our dust.

I hope that I may be permitted to inject here without embarrassment that the North Carolina delegation in Congress, without surrender of personal conviction, has constantly contributed to

the making of the legislative record of Congress, and that it has been active and alert to the problems of this Nation and to the welfare of our beloved State.

And now, ladies and gentlemen, let's leave Washington and come back home to Raleigh. There is, of course, no class among Democrats. But we in North Carolina should be forgiven by our out-of-State friends if at times we reveal our feeling that, insofar as State government is concerned, our State is in a class by itself. Why? Because no other State can boast of such a prolonged record of good government as that we have had—under the leadership of the Democratic Party—for the past 38 years.

Naturally we are proud of that record—very proud. And we are proud of the men and women, standard bearers of our own party, who have made it. Today we are especially proud of the record made by the present State administration during the past 16 months. Not only have our leaders of today carried forward the great parade of progress which began in 1900 but also, and at the same time, they have brought the government of North Carolina closer to the people of the State than many of us have ever known before.

On every side we see evidence of the mutual friendship which today exists between our government and ourselves. This friendship of the citizen for the government and of the government for the citizen, is unique. For that happy state of affairs, ladies and gentlemen of the convention, the most credit must go to one man—to our trusted friend as well as our Governor, Clyde Roark Hoey.

The tangible accomplishments of this administration are manifold and can be described in terms of proven facts and irrefutable figures. But facts and figures do not tell the whole story. To my mind, one of the greatest contributions Clyde Hoey has made is something that can be felt far better than it can be described or tabulated. By his everyday acts, from his morning stroll to the drug store soda fountain to the more than 300 speeches he has made in every section of the State; by his sympathetic understanding of all our people; by his unique and gracious personality; by his humane and common sense approach to the daily problems of government; by just being his own, friendly self, Clyde Hoey has created an affection for himself and his administration which permeates the people of North Carolina from the Atlantic coast to the Tennessee line.

I want to tell you a story. It concerns not only the Governor but also an old peanut vendor who makes his living out of a battered peanut stand located at the upper end of Fayetteville Street. Now, Governor Hoey passes this old man's stand three or four times every day, when the irresistible temptation of the coca-cola habit gets the best of him. Well, not long ago this old man stopped the Governor and offered his hand.

"Governor, I jes' wanted to shake hands," he said, "and I 'lowed as how you wouldn't mind. I seen you passin' by here two, three times every day, and I sez to myself 'I want to know that fellow—he's as common as any man I ever seen.'"

And that, I contend, is the way all of us—peanut vendors and bankers, children and convicts, Democrats and Republicans—feel about our Governor and the administration he heads.

Yes, fellow Democrats, we not only are proud of the government of North Carolina, but also we like it. Why shouldn't we? In North Carolina a citizen gets more for his tax money than anywhere else on the face of the globe. Let's review for a moment the service it renders us.

Far be it from any good Democrat to contend that fiscal affairs are the most important of the State. But equally far it should be to deny the fact that the proper collection and expenditure of tax money and the payment of honest debts are among the most important responsibilities of government. The revenue records of the State of North Carolina are especially gratifying.

During a period in which many governments have staggered toward bankruptcy, North Carolina has paid every debt on the day it was due and kept its budget balanced. But that is less than half the story. This balance has been maintained even after the State shouldered the greatest responsibility for public service ever undertaken by an American Commonwealth. No other State pays from its treasury every dollar of necessary operating expense for a State-wide 8-month school term. No other State pays every dollar of the cost of maintaining every mile of public road within its borders without the levy of a cent of tax on homes, farms, and other real property.

But still we haven't got the whole story. The last general assembly added substantially to the scope and to the cost of the public service.

First, it assumed its share of the cost of supplementing Federal appropriations for old-age assistance and for the benefits for widows and indigent children and for the blind. Today the democratic Federal, State, and county Governments are providing monthly relief payments for approximately 27,500 old men and women, 19,000 needy children, and 1,830 people who are blind. That means that today there are approximately 48,000 North Carolina men, women, and children receiving relief who less than 12 months ago never got a cent. That means approximately $7,750,000 a year for those of our people who need it most.

Nor did the last legislature stop there. Following the recommendations of the Governor, it provided free textbooks for all the children in the elementary schools of the State. It increased appropriations for schools, institutions, and other State agencies. It restored a substantial part of the depression-reduced salaries paid teachers and other servants of the people. It provided for the creation of a modern, State-wide probation system, for the continued modernization of our prison plants, and for the intensification of the war on disease. A new service undertaken was to advertise to the world the industrial, agricultural, and recreational advantages of North Carolina.

Now, of course, in carrying out this sort of a program it became necessary for the last legislature to enact the largest appropriation bill in the State's history. More money had to be spent. But were taxes increased? They were not. On the contrary, there was a material reduction in taxes, particularly in the exemption of 10 primary articles of food from the sales tax and in the reduction in the cost of motor-vehicle license plates.

In other words, ladies and gentlemen, after assuming a State obligation to perform services matched nowhere in this land, after increasing appropriations, after reducing taxes, after meeting in full every dollar of principal and interest due on our steadily decreasing State debt, North Carolina still has a balanced budget and a well-earned reputation for financial integrity and for social responsibility that should be the pride of every honest-minded citizen of our State.

We North Carolina Democrats seldom brag about the honesty of our State government. We expect nothing else, nor have we had anything else for these last 38 years. But honesty is not the only great characteristic of this government of ours. Its efficiency and economy are second to none in the country—a statement the record proves.

It was during the depth of the depression when farmers and home owners were losing their life's savings, due to their inability to pay taxes, that the State took over the full operation of its schools. Violent objections were raised at that time because the total school expenditures in the State were drastically reduced. Everybody realized that we were not spending as much as we should like on schools, but those who studied the situation also realized that we were spending all we could. Now let's see how much progress has been made in increasing those expenditures toward an adequate level.

Five years ago our total school budget was approximately $24,295,000, of which the State paid $15,940,000. For this school year that total will be $31,500,000, of which the State will expend $24,396,000. Of every dollar of taxes that go into the State's general fund, 68 cents is spent for schools. Next year the total will go higher and, I predict, will continue to increase in years to come.

In other words, ladies and gentlemen, North Carolina is not only offering an equal educational opportunity to every child in the State, whether he lives in a city, a town, or the most sparsely inhabited rural section, but also it is improving the quality of this opportunity.

Our State is the pioneer in the operation of a State-wide school system. It is also the pioneer in the maintenance of all the public roads without resort to a tax on property. The magnitude of the job the State assumed when it took over the construction and maintenance of all the public roads is appreciated by very few people. Perhaps you will realize what a big job this is if you take into consideration the fact that the 58,000 miles of roadway under State maintenance is enough to go twice around the world and to reach from Raleigh to China on the third lap.

The administration is giving special attention to secondary highways. During the last fiscal year a total of more than $10,890,000 was spent on the secondary system alone.

Our State is in a class by itself in its care of prisoners. Since the time it assumed responsibility for all prisoners sentenced to as much as 30 days the number of convicts in its custody has grown to more than 9,000. More than 1,700 new prisoners are turned over to the State each month, while approximately as many are released. The State handles more than 20,000 individual prisoners in the course of a year. That also is a big job. Yet today every penologist in the country will tell you that North Carolina not only treats its prisoners humanely but also gets more efficient work out of them than ever before.

When present plans are completed every prisoner in North Carolina will be housed in a modern, clean, fireproof building. Already every prisoner is being fed clean, wholesome, and well-cooked food. During recent years we have developed a parole system which is generally considered one of the best in the country, and under an act of the last legislature we have coupled with it a system of probation which the United States Department of Justice has described as a model for the Nation.

Let me tell you a story I recently heard. It is about a boy convicted of theft. He was not a first offender. Although less than 21 years old he had "done time" twice before. On his third conviction the judge gave him a sentence that ran into years. But there was a difference in his third trip to prison. Instead of being carted off to the nearest prison camp and put on a road gang with an indiscriminate collection of men of every age and character the boy was brought to Raleigh and examined by a practical penologist, by a doctor, by the prison chaplain, by the prison disciplinarian, and by an agent from the parole office. The results are these: He has been cured of a venereal infection, he has been confined at a camp for young prisoners, he has been given work for which he is suited, and he has been given the opportunity to add to his limited education.

"This boy is a hard worker. He probably will be paroled in the course of a year," said one of the parole officers, "and if I have learned anything from several years in this work, this time he is going straight. We've already got a man who is going to give him a job he can do."

Can that be described only as rank sentimentality? No. With 1,700 former prisoners leaving the walls every month, it is nothing but good common sense to do everything we can to make them decent citizens rather than leave them criminals who will be back in the walls in time to come. The maintenance of prisoners, however efficient, is not a profitable business, nor can any State help but suffer when a breadwinner is taken away from his family. Few investments this State has ever made are paying a greater return than its investment in sane and humane treatment of its prisoners.

Let's leave the schools and highways and prisons and go into our homes for another illustration of the service our State is rendering us. Let's take something in which the women are especially interested—our light bills.

Over a period of the last 5 years the reduction in North Carolina electric energy rates has saved customers a total of $23,341,611. Last year alone the saving to electric consumers amounted to $9,487,403, and I understand we reasonably can expect further reductions in the future.

In the matter of rural electrification, another agency of State government has adopted a constructive, common-sense policy. You have read a lot about rows between the governments of other States and the power companies in regard to the extension of power lines into the rural sections, but you have not seen much of that in North Carolina. Nevertheless, the record shows that since the State entered this field there are only five other States in the Union—New York, Pennsylvania, Ohio, Michigan, and Wisconsin—which have seen an increase of rural electric customers equal to that in North Carolina. Thirty-eight percent of all the rural customers added last year in the South Atlantic States were in our own.

In the field of agriculture North Carolina is continuing its efforts to give the taxpayers more for their money. An illustration is the recognition of the importance of pure seed and the increased activity in the matter of seed testing. Another is the effort to decrease the cost of fertilizer to our farmers. For years we have held the dubious honor of being the greatest fertilizer-using State in the Union. Recently the administration has undertaken to cut this annual bill by at least $2,000,000.

You who have kept in touch with conditions in other sections of the country, realize how fortunate North Carolina has been in the matter of labor trouble and labor problems. Certainly you must realize that this has not been due merely to luck. Perhaps the simplest explanation came from the United States Department of Labor when, last October, the Secretary presented the State of North Carolina a certificate recognizing the State for its outstanding progress in labor legislation. I might add that ours was the only Southern State to receive such recognition. Only last February the Department of the Industrial Division of the Children's Bureau of the United States Department of Labor said: "We are very proud of North Carolina's child-labor law."

Turning to the field of health, I am tempted to review a long record of progress that began many years ago. But I shall touch only on the most recent and one of the greatest developments. Today North Carolina is regarded as a pioneer throughout the Union in its fight against syphillis, the great exterminator of the race, whose tentacles fasten themselves into the children unto the third and fourth generation. Through the $7,000,000 Smith Reynolds benefaction, supplemented by Federal, State, and municipal funds, the State board of health has launched a determined drive against this public enemy No. 1. Of course, this has been made possible only by the far-seeing generosity of the trustees of this fortune, and to the foundation is due the credit and the thanks of all the State. May I point out, however, that the trustees would not have entrusted the expenditure of this great sum to a department of the State government unless they knew it best could handle the job.

Last year the State board of health reported further marked decreases in the North Carolina death rate, in the infant-mortality rate, and in the maternity death rate. Eighty percent of our population today enjoys the benefits of organized health control, and school children in all parts of the State receive free dental examination. Throughout the State there are clinics for crippled children, expectant mothers, and children.

These things I have been telling you about the services rendered by our State are not news. Most of them were known to most of you before. But when everything is running smoothly, as it is now, the tendency is to take them for granted. For that reason I think it well worth while for us to do a little biennial blowing of our government's horn.

And speaking of horn blowing, the administration has begun to blow the State's horn into the ears of the world. The last legislature launched an advertising and publicity program which, judging by results already achieved, will mean many, many millions of dollars to North Carolina in every year to come. This advertising program has a threefold objective—the attraction of tourists, the attraction of home seekers, and the attraction of new capital and industry. A total of $250,000 was appropriated for the campaign during the present biennium, and less than half the total has been expended to date.

What have we got for that money? So far more than 10,000 inquiries have been received from the readers of the advertisements appearing in various magazines and newspapers. Approximately 1,200 of these came from those who are contemplating investing in North Carolina. Already enough new industries have been located in the State to assure a profit on the investment, and we have just touched the surface in this regard.

Yes; it is a great State we have, ladies and gentlemen. Nature has been kind to us, and we are fortunate in the character and intelligence of the citizenship we have. I can think of no better proof of the fine character and intelligence of our people than is afforded by the Government they have built for themselves through this great Democratic Party of yours and mine.

In appraising the achievements of men in a representative democracy we may safely rely upon the fairness and intelligence of the verdict of the electorate. The masses, some how, some way, are able to lift the veil and penetrate the purposes and policies of political parties. The average man does not expect governments to be free from error and mistake. They know that in the last analysis progress is the residuum of error and mistake. But, my friends, the people of this country look beyond the effects of this law or that law and reach for the motive that generates the advance or that prompts the retreat. Measured by this principle and dominated by my faith in the fundamental intentions of our party and its leadership, I declare to you that our State and Nation have never been blessed with two men in high office who have exhibited a deeper or more sincere devotion to the welfare and happiness of struggling men and women everywhere than Clyde R. Hoey and Franklin D. Roosevelt.

The Administration's Pursuit of Peace

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 19, 1938

Mr. WOODRUFF. Mr. Speaker, the Nation has for several months been witnessing a strange pursuit on the part of the New Deal administration for world peace.

At Chicago on October 5, 1937, President Roosevelt inaugurated this strange "pursuit for peace" with his now famous pronouncement in favor of the "quarantining of aggressor nations." On that occasion he said:

> It is my determination to pursue a policy of peace and to adopt every practicable measure to avoid involvement in war. * * *
> America hates war. America hopes for peace. Therefore, America actively engages in the search for peace.

Since that time there has been an unbroken program of assault on the part of authoritative spokesmen of the Roosevelt administration against other nations. Even before the President's Chicago speech there was under way a definite policy of interference by American governmental officials with the affairs in Europe. On July 9, 1937, Under Secretary of State Sumner Welles, at Charlottesville, Va., timed a speech to precede by 4 days the important meeting of the London Nonintervention Committee by announcing the abandonment of Washington's traditional policy of "aloofness in world affairs."

On July 16, 1937, also preceding the President's Chicago speech, Secretary of State Cordell Hull took the position that we must necessarily interest ourselves in the question of peace or war throughout the rest of the world.

Again, on October 22, 1937, shortly after the President's Chicago "quarantine" speech, Secretary Hull at Toronto, Canada, assailed the aggressor nations; hinted at "police action"; and said that "the outraged conscience of mankind" would sooner or later overwhelm dictators and enforce international peace "by unshakable order." Mr. Hull's speech was at that time treated in the press as "a fighting speech," and he was further quoted as hinting broadly at "police action" in which America would participate to enforce peace.

Although the administration is constantly voicing beautiful platitudes about its "pursuit of peace," we had on February 22, 1938, a remarkable international broadcast by Secretary of Interior Ickes to which I have heretofore referred. In this broadcast he undertook to read a lecture to the British people under what was to have been a planned program of a

series of talks entitled "America Speaks." In this speech Mr. Ickes took occasion to criticize in the harshest terms the Governments of Italy, Germany, Japan, and Russia, and attempted to lecture the world at large on its necessity for following the Rooseveltian formula and the New Deal schemes for a "planned peace" to go along with "a planned economy."

The effects of the Ickes talk were so sour that they curdled our international relations to a great degree, with the result that apparently the rest of the series of "America Speaks" was unceremoniously abandoned without eulogy or funeral rites.

This did not, however, end what seems to be a studied plan of assault on other governments by the spokesmen of the New Deal, because again on May 6, before the United States Chamber of Commerce at Washington, we find our Secretary of War loudly rattling the sword and bravely waving the pistol in his condemnation of the sword rattlers and pistol wavers in other countries. Democracies are pacific, Secretary of War Woodring said, but, "if pressed too far, a wave of indignation might sweep over them that would make it extremely difficult to keep the peace * * *. It is essential that continued aggression stop before things get out of hand," Mr. Woodring continued. Again, as in these previous instances, Mr. Woodring was driving at Italy, Germany, Russia, and Japan.

The latest development in this strange pursuit for world peace by the New Deal administration was carried in the newspapers on May 11, in a scarehead article telling how—

This Nation moved swiftly yesterday to avoid war if possible and to protect itself to the utmost if attacked.

At the White House President Roosevelt announced that he had directed experts to work out plans to make sure that New York, Washington, and other great cities of the Nation, can secure emergency electric power in event local plants are destroyed in warfare.

Secretary of War Woodring began a strengthening of the air defense of the Pacific coast.

The article went on at length to describe the details of this feverish preparation for an attack from some nation or combination of nations.

This series of events constitutes the weirdest "pursuit of peace" ever witnessed in this country. It almost compels the conclusion that this pursuit of peace is designed not to persuade peace to hover over this Nation, but to chase it as far away from our shores as possible.

There is grave concern in the Congress and throughout this Nation over these contradictory and exceedingly dangerous maneuvers on the part of the administration and its authoritative spokesmen. Inquiries are coming in from citizens by the hundreds asking to be informed as to the real meaning of this significant series of developments.

What is the meaning? What can be the purpose of these continued assaults on the internal conduct of other governments, which Mr. Roosevelt says are none of our concern? We complain in this country that dictators in other countries hold their power by persuading their people that America and other nations are unfriendly to those nations. All the while we are doing this, administration spokesmen are giving foreign dictators every excuse in the world for telling their peoples just that.

The fact is that a campaign is coming on. Every time the New Deal administration has wanted something in the way of more money and more power, it has trotted out to impress and terrify the people a new "emergency," or a new "crisis," a new "war spy" scare, or a new invasion threat. Just as soon as the administration got what it wanted these emergencies disappeared, these crises faded, and the scarehead lines of "Spy plot uncovered," "Network of foreign spies revealed," and similar intelligences, disappeared from the press.

This attitude on the part of the administration, and these speeches and actions by authoritative spokesmen for the administration constitute an exceedingly grave danger of embroiling this country in misunderstandings with other countries and other peoples which may lead to war. In the case of war, the President, of course, becomes, to all intents and purposes, a dictator.

The American people do not want war with other nations. We want to leave other nations and other peoples alone and we want them to leave us alone. We do not want our responsible officials gratuitously meddling in the affairs of other nations. We do not want other nations meddling in ours. It behooves the American people to be vigilant and to express their disapproval of those tactics of the administration in interfering and meddling in the affairs of other nations. Indulging in these activities does not constitute a "pursuit of peace." It does constitute an invitation to, and excuse for, war.

Mr. Speaker, the above comments were given to the press on May 12. The conclusions reached in those comments were confirmed the following day by the speech of Mussolini aimed directly as an answer to these outbursts of New Deal spokesmen.

Mussolini bluntly warned that if we want either an argument or a war with the totalitarian states, we will find them standing shoulder to shoulder in one bloc.

The effect of these gratuitous criticisms and insults by New Deal spokesmen and some Members of the Congress is simply to draw closer together the ruling officials of the totalitarian countries, such as Italy, Germany, and Japan, and to strengthen the bonds of sympathy between them. These loose, saber-rattling, spur-jingling outbursts of criticism and invective provide the very sort of argument the dictators need to persuade their respectve peoples that the United States is hostile to them and that only the solidarity of the respective dictatorships can prevent those countries from being assailed by a bloc of democracies.

This sort of thing is just plain bad business, wholly unnecessary and uncalled for, and highly dangerous in its explosive potentialities. The American people do not want war with the German people, or with the Japanese people, or with the Italian people, or with the Russian people, or with any other people. The very essence of American philosophy is that we consider that all peoples have a right to determine their own form of government without any interference or criticism by us, just as we reserve the right to determine our own form of government without any interference or criticism by them.

Although it seems at times difficult to ferret out the reason for these outbreaks of provocative speeches by New Deal spokesmen from time to time, one possible reason was voiced by a very prominent citizen in an open letter to the President on May 17, in which that citizen said:

Mr. President, when a nation gets into deep waters, and the people grow cold to its political leadership, there are two standard methods which, all through history, leaders have used to restore their prestige and make the people forget their troubles. One is to produce war, or a war scare—as was done by Caesar, Mussolini, and many other resourceful rulers. The other is to spend huge sums and make the electorate dependent on and beholden to the government. Sometimes both methods are used at once.

In this same letter to the President this same citizen brought out a fact that is startling in its implications. He said:

In January, as has been noted too briefly in the press, a secret meeting of about 50 persons took place in New York City. At this meeting were represented the General Staff, the War Department, the State and Navy Departments, the press, business, and public relations. And a discussion took place covering the disposition of the American and British Navies in a war with Japan, the methods to be used, and the time it would take to inflame war spirit in this country, and the way to silence the opponents of war and to take critics of war, like Mr. Boake Carter, off the air.

The American people are not going to be propagandized into a war spirit for political purposes if they know the truth about these conditions.

Administrative Justice

EXTENSION OF REMARKS
OF
HON. FRANK E. HOOK
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, May 20, 1938

STATEMENT BY HENRY A. WALLACE, WASHINGTON, D. C., MAY 18, 1938

Mr. HOOK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement by the Secretary of Agriculture:

One year ago a great battle was fought to decide whether the courts could take over the function of determining legislative policy for the Nation. That battle was suspended when the courts retreated from the legislative field.

This year another battle seems to be opening. An attempt is being made to have the courts invade the administrative field by taking over the rate-making and regulatory functions of administrative agencies.

A prominent corporation attorney, whose opinions in the past have carried great weight in the highest courts in the land, has suggested that Congress transfer to the courts the power of decision which during the past 50 years the people through Congress have increasingly given to Government regulatory agencies.

It is vital that the people understand what is involved in this issue. For farmers it involves protection of their prices and incomes through measures to regulate the marketing of their products; for labor protection of wages and working conditions; for consumers protection against exorbitant rates and prices; and for business protection of honest competitive enterprise against unfair, monopolistic, and destructive trade practices.

The people have willed that effective action be taken to carry out these essential public purposes. Repeatedly and unmistakably the people have directed that these purposes be accomplished through agencies capable of meeting day-to-day problems with appropriate decision and action. Social responsibilities of this kind must be met promptly and efficiently if democracy is to endure.

I would be the last to deny that impartial courts have an indispensable place in our civilized society. If our judicial system should break down, the only substitute would be armed force. Therefore, it is imperative that we cherish and protect the integrity of our courts.

But in their very nature, modes, and tempo courts are not equipped to perform the operating tasks which the people are insistently demanding of government. To burden the courts with such duties would go a long way to unfit them to fill their intended role in our Republic.

Over many years some judges, forgetful of their coordinate place in the Government, have tried to dominate rate making and regulation. Because they have not been equipped to operate in this way, they have not and cannot give the people the effective action that is needed. Whatever their motive may have been, their interference has too often nullified, for all practical purposes, statutes that were well conceived and that could have been enormously useful.

Four decades of utility rate making by the courts have tied up State and Federal commissions in a maze of conflicting rules. Almost insuperable difficulties have been placed in the way of the enforcement of the Sherman and Clayton antitrust laws. The Federal Trade Commission, which was established by Congress after enforcement of the antitrust laws by the courts broke down, has had its powers whittled away.

Even the operation of the Packers and Stockyards Act, which for a time was of considerable value to farmers and consumers, is now impaired when 5 years of litigation result only in handing over to commission men and lawyers $700,000 of money which rightfully belongs to farmers.

The dairy producers of New England have been injured by the tactics of obstruction and never-ending litigation employed by Boston milk distributors who are unwilling to comply with the law. The attorneys for these distributors have consumed week after week, month after month, and year after year in tortuous legal maneuvers. More than $1,000,000 of money paid by consumers and rightfully owing to the dairy farmers of New England is now impounded.

When the will of the people is thwarted and nullified by such tactics as these, surely one cannot say that the "rudimentary requirements of fair play" have been served. Corporation attorneys, zealous for their clients, lay much stress on what they consider the rights of the individual. But Government, in its rate-making and regulatory function, while mindful of the individual, is, or should be, concerned most of all with the vital interests of the community. If the people are to retain confidence in their Government, there must be both kinds of fair play.

While a few businessmen in the cases I have cited have gone along with their lawyers in these long-drawn-out legal proceedings, I have found that oftentimes the initiative comes from the lawyers rather than the businessmen they represent. Business, quite as much as the executive branch of the Government, is interested in efficient operation. Businessmen want speedy, clear-cut, just action in order that they can go ahead with their useful work of producing and selling goods.

Many public-spirited lawyers, too, are seriously concerned with the problem I have described. They realize the force of Mr. Justice Stone's observation that "courts are not the only agency of government that must be assumed to have capacity to govern," nor, as has been said, are they the only agency moved by the desire for justice. These public-spirited lawyers do not think of the problem as involving a head-on clash between the executive and judicial branches of the Government. Rather they are doing their best to help define the relation of the courts to the administrative process in such a way as to assure the efficient functioning of our democracy.

I am in entire agreement with what Chief Justice Hughes said in addressing the Federal Bar Association in 1931: "Experience, expertness, and continuity of supervision, which could only be had by administrative agencies in a particular field, have come to be imperatively needed. But these new methods put us to new tests, and the serious question of the future is whether we have enough of the old spirit which gave us our institutions to save them from being overwhelmed."

But administrative agencies, as they strive to render efficient public service and to dispense administrative justice, must be careful not to take on the rigid and slow-moving processes of the courts. The Government must be able to help the people meet their most pressing problems, upon the solution of which the survival of our social and economic system seems to depend.

Alaskan Highway

EXTENSION OF REMARKS
OF
HON. WARREN G. MAGNUSON
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Friday, May 20, 1938

Mr. MAGNUSON. Mr. Speaker, the Senate yesterday passed my bill creating the Alaskan International Highway Commission. The legislation now goes to the President for his signature. No difficulty is expected in obtaining Presidential approval of the bill. Considerable work has been done to obtain legislation dealing with this worth-while project, so vital to our section of the country. Of course, there are still numerous details to be worked out, and obstacles to be overcome before the Alaskan Highway becomes an actuality. I do feel, however, that in establishing this commission we have started the ball rolling and that from this beginning steady progress will be made toward our objective.

I have received hundreds of letters from people all over the United States and Canada, expressing their interest in the movement to build the highway and their intense desire that it be accomplished. Canadian officialdom have not only publicly evidenced interest, but they have further told me personally they would cooperate in every way. If and when the commission is appointed, they will find continental support of their efforts.

All of these communications observe that it seems strange that such a feasible Public Works project has not been started long ago. With such almost universal approval of the feasibility and merits of the project, and with definite assurance of Canadian cooperation, both financial and otherwise, the obstacle of adjustments between the two nations should be readily overcome, the details worked out, and something definite started.

The bill provides for the appointment of a five-man commission, one to be a Member of Congress, one a citizen of the Territory of Alaska, and three citizens of the United States. I am to see the President within 10 days to discuss the matter of appointments. It is my hope that I can prevail upon him to have the majority of the commission come from Pacific coast regions. There live the people who are the most vitally affected and interested, and therefore their energies toward the building of the highway would be the more vigorous. I

want to make it known that members of this commission will serve without pay. The job will be no political plum, nor will it contain any financial remuneration for anyone. Those who serve will in all probability even have to meet some of their own expenses. The service will require a great amount of work. I feel, however, that there exists sufficient public-spirited and interested citizens to make up an excellent, hard-working body.

The Canadian Parliament, in view of the passage of this legislation, has intimated through some of its members that it will act quickly to create a like commission. All the members from our sister Province of British Columbia are urgently pressing the matter. I have no doubt but that when these two bodies get together around a table the superficial objections and obstacles, because of the fact that two nations are involved, will be quickly ironed out. From there on, of course, further work will be necessary. I know that the people of my community will back up their every effort, so that the near future will see Seattle the terminus of a great highway running north into the vast untouched territory of British Columbia, the Yukon, and Alaska.

Relegating the G-Men

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 20, 1938

RADIO ADDRESS OF HON. FRED L. CRAWFORD, MAY 19, 1938

Mr. CRAWFORD. Mr. Speaker, it has been 3 weeks now since 50 percent of the agents of the Federal Bureau of Investigation were ordered away from their posts of duty and a number of regional F. B. I. offices closed because there is not sufficient funds available for their continued operation until the end of the fiscal year on June 30.

Various law-enforcement agencies, civic and patriotic organizations, and heads of innumerable State and local police departments are becoming very concerned about this emergency which comes at a time when the police of the land were making some headway against crime. They have every reason to be disturbed.

Under the unanimous consent granted me I desire to include in my remarks a radio address delivered by me last night over station WOL and the associated stations of the Mutual Broadcasting Co. It concerns the Federal Bureau of Investigation deficit and follows:

A true detective mystery is being enacted in the United States today.

Every man, woman, and child, the Congress, the G-men, and the underworld are involved in it. Through the Nation-wide facilities of the Mutual Broadcasting Co., I desire to place before the citizens of the Nation certain salient facts concerning the handicapping of the efforts of the Federal Bureau of Investigation of the Department of Justice and the impending possibility of curtailing or eliminating the fearless functioning of that most vital agency.

It is time for the law-abiding citizens to turn the searchlight of publicity on the snipers, antagonists, and hostile politicians and to demand to know why this law-enforcement agency should not be permitted to wage its campaign against crime—and without interference.

During the past 3 weeks the number of G-men on duty in the United States has been reduced exactly 50 percent because Congress failed to appropriate sufficient money for the operation of the Bureau until the end of the fiscal year on June 30.

It is proposed by the Bureau of the Budget to partially relieve the situation under the second deficiency bill. This requires time. While law enforcement takes a holiday, crime marches on. The amount recommended by the Budget Bureau is not sufficient to meet the needs, and as the result the Department of Justice will be forced to withdraw an advance payment out of its next year's appropriation to meet an existing deficit. This manipulation will send the F. B. I. into its next fiscal year on July 1 with approximately $200,000 less to its credit than its actual financial needs for the current fiscal year. This is unsound and unfair.

CHASING CRIMINALS IN A ONE-HORSE SHAY

Under such a penny-wise scheme of financing this agency, we might as well go back to 1908 when Congress appropriated $250 for streetcar tickets for the agents of the Bureau of Investigation. By repeatedly ignoring the proven needs of the F. B. I., Congress is virtually furnishing the G-men a one-horse shay in which to chase the accelerated, streamlined vehicle of crime.

In the face of these recent developments, impetus is given the rumor that the activities of the Federal Bureau of Investigation are to be curtailed and that if the President's reorganization bill is revived and enacted that the G-men will be relegated to an isolated corner of some other Government police agency.

Pharisaical, palavering politicians, who are unable to whisper into the ears of the G-men or to slip filthy lucre into the pockets of these agents, hate the present set-up of the F. B. I. Likewise the patronage dispensers of the spoils system eye with envy the positions in that division around which the Department of Justice has for several decades maintained a barbed-wire entanglement against political encroachment.

A cardinal principle upon which the F. B. I., as presently operated, was established nearly a quarter of a century ago was that it should be completely and entirely divorced from the ramifications of politics. Yet at the foundation of this policy we find venal politicians pounding away with their chisels on the one side while on the other their henchmen blast away at the F. B. I. with the same vigor as that with which they impose an annual crime bill of $120 upon every man, woman, and child in America, to say nothing of the toll in bloodshed, misery, and sorrow which crime leaves in its wake.

Let us go back for a moment to the founding of the Bureau of Investigation within the Department of Justice. Although the first Attorney General was appointed by George Washington, it was not until 1870 that the Department of Justice officially came into being. For four decades the Attorneys General struggled along enforcing Federal laws with borrowed policemen to make investigations and arrests. The Secret Service agents of the Treasury were at that time loaned to the Attorney General. Finally Congress prohibited Secret Service agents from working in other departments, and this hastened the establishment of the Bureau of Investigation under the Attorney General in 1908.

The situation was well put in the words of Attorney General Bonaparte in his message to Congress in 1907, when he said:

"It seems obvious that the Department on which not only President but the courts of the United States must call first to secure enforcement of the laws ought to have means of such enforcement subject to its own call; a Department of Justice with no force of permanent police in any form under its control is assuredly not fully equipped for its work."

Two years after the Bureau of Investigation was established, another Attorney General, Mr. Wickersham, said:

"The experience of the past year has demonstrated the wisdom of having in this Department a force of skilled investigators who are available at all times for the collection of evidence necessary in order to properly enforce the various laws of the United States."

And each succeeding Attorney General down to and including the Honorable Homer Cummings, the present Attorney General, has expressed words of praise for this efficient and fearless agency which has thus far been isolated from political contamination.

Congress has continually placed additional burdens upon the Department of Justice. This has meant broadening the field of operations for the Federal Bureau of Investigation. More than 50 types of violations are now under the jurisdiction of the F. B. I. and listed alphabetically they begin with admiralty law violations and end with white slavery.

F. B. I. IS SPEARHEAD UNIT

Official documents, reports, and utterances at the time of the founding of the Bureau of Investigation clearly indicate the intent to make that agency the spearhead of the Nation's efforts to combat crime. Although crime is essentially a local problem, it has in recent years grown into a national menace, because modern transportation now carries the criminal across State boundaries within a short time after his crime. Powerless to invade other States, local authorities have been barricaded within their own boundaries, and Congress has been compelled to make certain offenses a violation of Federal laws. As this has taken place, the need for greater cooperation and closer relationship between local, State, and Federal agencies has grown, and the Federal Bureau of Investigation has come to be looked upon by State and local agencies as the nucleus for this consolidation of activity.

The F. B. I. has already made rapid strides in its cooperation with State and local law-enforcement agencies in unifying and coordinating police units against criminal activities. It has made available to these agencies such facilities as the scientific and technical laboratories, ballistics and fire-arms identification equipment, and the fingerprint identification files of the Department of Justice in Washington.

It has gone still further than that. It has established the National Police Academy, to which local law-enforcement agencies may send an officer for training under the supervision of the Federal Bureau of Investigation. An intensive 12 weeks' course is offered here in Washington by the F. B. I. experts to these carefully selected officers of local police units. In exchange for this training it is agreed that the officer completing the course return and establish a local training school within his own police unit and impart to his officers the benefit of his advanced training. To date 223

men have graduated, and as the result 70,000 police officers have been afforded a broader knowledge of criminal apprehension. Eventually this system will weave a web around the underworld and ensnarl its fiendish population.

UNSCRUPULOUS BELLWETHERS INSPIRE HATE

The principal reason for certain elements in America to wage a campaign in an effort to envenom the minds of the citizens against the Federal Bureau of Investigation is J. Edgar Hoover, the Director of G-men.

Mr. Hoover is a career man in Government service. Because of policies he inaugurated when he began his fight to raise police standards to new levels, unscrupulous, partisan bellwethers have been unable to make the Federal Bureau of Investigation the political portico of ward heelers and wirepullers.

Director Hoover entered the Department of Justice in 1919 as one of the assistants to the Attorney General. He was made Assistant Director of the Bureau of Investigation in 1921, and became Director in 1924. Since that time he has built up a national law-enforcement unit that is the envy of every nation in the world.

At the very outset Mr. Hoover stressed the needs of highly qualified agents. He knew that if the underworld evils were to be crushed, men trained in criminal apprehension would be needed for the job. Mere vote-getters could not qualify. He made education (not political recommendation) a standard qualification. Today 83 percent of the agents of the F. B. I. have either had legal training or are expert accountants. Many hold two university degrees and some three and a few four degrees.

No one has ever successfully pointed an accusing finger at Director Hoover's administration of the Federal Bureau of Investigation. He has not only raised the qualifications of those working in the Bureau, but he has conducted it in an efficient and economical manner. Among his first annual reports, which are public documents, we find record of economies which resulted in savings for the Federal Government—which is the taxpayer. This practice has been carried down to the present time, when we find his testimony before the House Appropriations Committee that he turned back into the Federal Treasury $100,000 because he did not find among the applicants men sufficiently trained and qualified to meet the requirements for the positions for which the money had been appropriated.

CRIME DOES NOT TAKE A HOLIDAY

Confronted with such a record as this, I am at a loss to understand the logic of the Bureau of the Budget and Congress in materially reducing the F. B. I. budgetary requests year after year. The Budget reduced the request last year. It slashed the request for next year, and now in this emergency situation it has failed to recommend the full amount needed. It proposes to send the F. B. I. into the next fiscal year with considerably less money than was needed for the current year.

I have discussed F. B. I. finances with an official of the Budget Bureau and he advised me they proposed to let next year take care of itself. Are we letting the next war take care of itself? No. Congress appropriates over a billion dollars for participation in a naval building race for a war that is not in immediate prospect. Yet we cannot, for mysterious reasons, get approval on a mere $200,000 to be used in a war on crime in which shots have already been fired and blood has been shed.

Martyrs among the G-men did not let law enforcement take care of itself next year. Neither did the Indiana ex-convict who shot Agent Ramsey while resisting arrest a few days ago.

Crime does not wait. Every 22 seconds the grimy trail of the underworld breaks the peace and happiness of American homes in spreading its annual toll of nearly a million and a half major crimes, such as murder, manslaughter, robbery, burglary, and aggravated assault.

America is already invaded. Subversive elements stalk the land breaking into National Guard armories and arsenals, stealing hundreds upon hundreds of guns and thousands of rounds of ammunition, all to be used in an attempt to overthrow law and order. The G-men have been concentrating every possible effort toward apprehending and convicting those who have burglarized these Government buildings. Shall we stop these agents in this activity?

A GUFFAW FROM DILLINGER'S GHOST

Shall the ghost of Dillinger and the shadow of Baby Face Nelson return to haunt us with their snarls and surly laughs because financial handcuffs have been placed on the Federal Bureau of Investigation? Instead of curtailing crime, shall we curtail G-men? Let us hope not. Yet the unbelievable events of the last 3 weeks cause us to shudder as we realize that the number of agents of the F. B. I. has been greatly diminished because of failure to appropriate sufficient funds.

Public opinion can change this situation. Patriotic citizens who appreciate, admire, and realize the value of such an efficient agency can tell their representatives in Washington that they want sufficient funds appropriated for the continued operation of the F. B. I. at full man power—not half.

Congress, as a whole, I believe, is sympathetic with the record and work of the Federal Bureau of Investigation. With its other many problems perhaps it has overlooked this function of government which keeps the wolves of the underworld away from the doors of America. Congress needs to have impressed upon it the fact that the Nation is wholeheartedly back of the G-men and that if economies are to be made, they should not be started in this agency engaged in stamping out lawlessness.

Last year 95 out of every 100 persons taken into court as the result of F. B. I. investigations were convicted. Last year the total value of property recovered, fines, and savings to the Government in cases handled by the F. B. I. amounted to $41,000,000. Seven dollars saved or recovered for every dollar spent. Show me any other Government agency operating on such a basis today, and at the same time throwing an arm of protection around men, women, and children.

But there are other even greater accomplishments than those of monetary value. The G-men definitely broke the backbone of the wave of kidnaping that swept the country. In the G-men the underworld has met its match.

Another immeasurable profit accruing to the Nation is the enormously great effect the F. B. I. has had upon the lives of the youth. Boys are hero worshippers, and justly so. When the wave of underworld activity swept the Nation, the youth played bandit. Since the G-men entered the picture all of that has changed and now every boy wants to be a junior G-man. The F. B. I. has proven conclusively to the youth that crime does not pay. We must not let these youngsters down now by listening to some jealous Judas who at heart wants to see the G-men shackled and then relegated.

Crime is un-American. The Nation must unite as one for the suppression of lawlessness and for the preservation of honest, efficient law-enforcement agencies.

The Federal Bureau of Investigation

EXTENSION OF REMARKS

OF

HON. BERT LORD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 20, 1938

GENERAL FEDERATION OF WOMEN'S CLUBS URGES ACTION BY CONGRESS FOR G-MEN

Mr. LORD. Mr. Speaker, it has been 400 years since Sir Edward Coke coined the phrase "A man's house is his castle." Yet it is repeatedly referred to today.

That the home was the cornerstone of the Nation was realized by those brave and devoted men who framed the Constitution of the United States. In the fourth amendment to that document they provided that "the right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated * * *."

They had witnessed the forceful entry and the search of homes during those preceding days and vowed in their Constitution to vigorously oppose it. They were indignant at having armed men force their way into their homes and make ruthless searches. Unreasonable search and seizure became an issue, and the people revolted against it.

Today, 150 years after the drafting of that Constitution, we find another and more vicious wave of unreasonable search and seizure and likewise another revolt against it.

I refer to the atrocious, and naturally unreasonable, searches made by gun-toting burglars in the United States at the rate of 802 per day. I further refer to the seizures of property through larceny at the rate of 2,137 offenses per day, through auto thefts at the rate of 591 per day, and robbery at the rate of 164 per day.

Man may provide a home for his wife and children, but statistics of the last year prove that even there they are not safe from seizure. During the last calendar year 1 woman or child was attacked every 62 minutes by some depraved demon from the hell-born underworld.

The brave law-enforcement officers of America are our sentinels against this new wave of unreasonable searches and seizure. If we can convince greedy politicians to keep their hands off of our police, we will see some headway made in law and order. The Nation has already realized the importance of weeding out the betrayers from among this group, and law-abiding citizens are evidencing a growing determination that corruption and underworld alliances of public officials shall be obliterated.

From the smallest police unit to the national law-enforcement agencies there is a movemont toward coordination of the movements against crime, all looking toward the day the octopus, the gorilla, and the jackal of the underworld will be corralled and banished to an Alcatraz from which they shall never return to molest our citizens. At the spearhead of this unification we find the G-men of the Federal Bureau of Investigation, which at the moment is seriously crippled for lack of funds.

Woman is essentially the full-time guardian of the home. It is largely her responsibility. Consequently she is greatly concerned about forces which might invade her home, and she is concerned about sufficient protection for her home, and for the safety of those God has entrusted to her care. Such vigilance on the part of woman has attached that great degree of sacredness associated with motherhood.

Already pledged to the support of honest and fearless law enforcement, the General Federation of Women's Clubs, meeting in triennial session in Kansas City this week, has become so concerned about the drastic 50-percent reduction in the number of G-men on duty in the Nation that they have adopted an emergency resolution urging Congress to action and for appropriation of sufficient funds.

Under unanimous consent, I desire to include the following resolution which the General Federation of Women's Clubs adopted a few days ago:

EMERGENCY RESOLUTION NO. 2—THE FEDERAL BUREAU OF INVESTIGATION

Whereas the Federal Bureau of Investigation has, through progressive development of scientific law enforcement, contributed to the safety and welfare of our people; and

Whereas the Federal Bureau of Investigation is now obliged to meet a deficit of $173,000, due to increased demands for crime investigation: Therefore be it

Resolved, That the General Federation of Women's Clubs in convention assembled, May 1938, urge that congressional appropriations be made sufficient to maintain the present standards of efficiency and personnel in the Federal Bureau of Investigation.

Presented by—

MRS. WILLIAM B. SNYDER,
Chairman, Division of Correction.

Endorsed by—

Mrs. WILLIAM DICK SPORBORG,
Chairman, Department of Legislation.

Approved by executive committee.

In Aid of National Defense

EXTENSION OF REMARKS

OF

HON. RICHARD J. WELCH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 20, 1938

ENCOURAGEMENT FOR COASTWISE SHIPPING

Mr. WELCH. Mr. Speaker, I wish to discuss with the Members of the House a bill—H. R. 10573—heretofore introduced by me, which authorizes financial aid for vessels engaged in the intercoastal commerce of the United States. This measure, in its purpose, is not in aid of the Pacific coast situation alone, but is a national proposition involving, as it does, important phases of the protection of our Pacific and Atlantic coasts in the event of international trouble. The bill is entirely permissive in character and turns upon the need of the American Navy. It vests in the President, the Secretary of the Navy, and the Maritime Commission the power to fix the number of vessels, their type, size, speed, and the amount of aid to be provided.

The bill further provides that the President, the Secretary of the Navy, and the Commission shall, in order to prevent the operation of an undesirable excess of tonnage in such commerce, take into consideration, first, the national-defense program and requirements of the Navy Department; second, the economic desirability and necessity for the transportation services to be performed by such vessel or vessels; third, the use which the Government may make of such vessels in transporting troops and supplies for the Government, and so forth.

NATIONAL-DEFENSE MEASURE

This is strictly a national naval defense measure based on the following communication addressed to me by Admiral R. E. Ingersoll, Chief of the War Plans Division, United States Navy:

Confirming the testimony which I gave before the House committee on February 4 and my further telephone conversation with you this morning, the number of fast passenger ships we should like to use on very short notice in the event of an emergency is about 16, such vessels to be employed as hospital ships, transports, etc., with little or no conversion.

If such vessels were employed in foreign trade to the Orient, Australia, South America, or in the Atlantic, the indications are that only 40 percent of the vessels would be available on short notice at Pacific coast ports. Therefore, in order to have about 16 vessels available at Pacific coast ports, there should be a minimum of about 40 vessels of this class in our merchant marine. I referred to this feature when I stated before the committee that it would be prudent policy to build about 50 vessels of this class.

After careful and mature consideration, the Committee on Merchant Marine and Fisheries included a provision similar but much broader in scope—section 30 in H. R. 10315, a bill to amend the Merchant Marine Act, 1936, to further promote the merchant marine policy therein declared, and for other purposes. When this bill was under consideration by the House recently, section 30 was stricken from the bill, due largely, I believe, to an eleventh-hour barrage which was laid down against it by selfish sectional groups consisting of railroad and other interests in the Mississippi Valley. Section 30 of the maritime bill did not require the approval of the President and the Secretary of the Navy, and it did not contain the other limitations provided for in the bill which I have introduced.

It has been stated that this bill, which is limited strictly to national defense, will meet with opposition from the same selfish sectional interests which were responsible for the elimination of section 30.

JAPANESE COMPETITION

Mr. Speaker, Japan has practically captured all of the passenger and freight traffic between the Pacific coast and that country. Japan's ships have been built as naval auxiliaries under the plans of Japanese naval authorities. As a result, she has eliminated practically all of our fast merchant vessels from the Pacific trade. Misled sectional interests of the Mississippi Valley who have for years been laboring under what seems to be an obsession with reference to our intercoastal trade have succeeded in driving fast American-flag ships out of the intercoastal trade, leaving in that trade a class of ships that could not accompany our Naval Fleet across Chesapeake or San Francisco Bay, let alone the Pacific Ocean or any other ocean.

Mr. Speaker, the opposition of the interests referred to, and with the consent of the Maritime Commission, have forced the withdrawal of the fast 19- or 20-knot Grace Line ships, consisting of the *Santa Paula, Santa Elena, Santa Rosa, Antiqua, Chiriqui*, and the *Talamanca*, and the Panama Pacific Line 18-knot ships, including the *California, Pennsylvania*, and *Virginia*, from the intercoastal trade. The Panama Pacific ships, the last to leave the intercoastal service, are today lying at anchor deteriorating in New York harbor. Those who are responsible for the withdrawal of these vessels which could be used as excellent auxiliaries for the Navy from intercoastal traffic have predicated their fight upon the assumption that the cargoes carried on these ships would be added to the business of the railroads. No greater mistake could be made. It simply transfers the cargo from the fast fleet to the slow-moving freight ships of a type and class which I have already stated would be of absolutely no service to the Government as auxiliary naval ships. It should be remembered that the Middle West interests who deny a limited subsidy to a limited number of fast ships of the type recommended by Admiral Ingersoll, have succeeded in raiding the United States Treasury for a subsidy of millions of dollars for barges on the Mississippi and Missouri Rivers.

MISTAKEN OPPOSITION

When the amendments to the Merchant Marine Act were before the House it appeared that certain representatives of the railroads were in opposition to this legislation. I think the position of the railroad group was thoroughly mistaken and unjustified. As I have said before, the freight in question will go by water in any event, and the railroads will not get it. I repeat, it will not materially affect their earnings, and I regret that they have injected themselves into the picture.

I have no quarrel with the railroads. Rail transportation is vital to the economic life of this country. I have demonstrated this in the past and am fully aware of their current financial troubles and will not hesitate in giving them reasonable and justifiable relief. On the other hand, Congress, in granting to the railroads the help and assistance to which they are entitled, should not tolerate their unjust and unwarranted interference with legislation vesting authority in the President, the Secretary of the Navy, and the Maritime Commission, giving them the right to determine the number of vessels to be aided, size and speed, and the amount of aid to be provided for in the intercoastal trade in the interest of national defense.

We of California, Mr. Speaker, feel that the opposition of certain parts of the Middle West to this legislation was likewise unfair and without justification. I am unable to see how this legislation, if passed, will have the slightest effect on the economic situation in the Middle West or in the Mississippi Valley.

During the more than 13 years that I have been a Member of the House of Representatives I have represented a strictly urban population, entirely confined within the city limits of San Francisco. During this entire time I have, as the RECORD will show, consistently supported all farm legislation, because I have recognized the national significance and importance of this legislation. My vote will compare favorably with that of any Member of Congress representing the farm areas of the great Mississippi Valley. But I also recognize the necessity for an adequate Navy and naval auxiliaries to provide national naval defense. As Congressman CULKIN pointed out in connection with section 30 of the maritime bill, when it was under consideration, nothing will be taken from the Treasury by the passage of legislation as provided in this measure. The removal of these vessels from our intercoastal traffic stops the payment of Panama Canal tolls amounting to $26,000 for each round trip. I sincerely hope the day will never come when it will be too late for this misled sectional group to regret their error in thus denying to the west coast of the United States the adequate national defense to which it is entitled.

The farmer and fruit grower of California, as well as all the residents of the west coast, feel that they are justly entitled to this legislation. The patriotic residents of the west coast, from Mexico to the Canadian line, are all for it. In the hearings before the Merchant Marine and Fisheries Committee on this bill, representatives of the American Legion, who are vitally concerned with problems of national defense, pictured in clear language the plight which the American Navy would be in in the event of damage or destruction to the Panama Canal. I trust the Members of the House who are in doubt on this question will read these hearings and make themselves fully acquainted with the issues involved. The measure received a unanimous report by the Merchant Marine Committee, and a reading of the report, I am sure, will clear up any doubts any Member may have as to the advisability of this legislation.

May I say in conclusion that this bill is not a selfish bill, or a bill for the benefit of a locality. It is, in fact, legislation which will make for a better and stronger America. On that ground, and that ground alone, I ask the Members of the House to support this bill when it comes before them for consideration.

Flood Control in New England

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Friday, May 20, 1938

EDITORIAL FROM THE BOSTON GLOBE OF MAY 18, 1938

Mr. McCORMACK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the Boston Globe of May 18:

FLOOD CONTROL, LATEST PHASE

The status of the flood-control compacts, originated by the New England States, is not reassuring. Once more the original dispute about control of potential power developments has deadlocked their viewpoint with that of the Federal Government. Originally, under the law of 1936, the Federal Government was to pay 75 percent of the costs; now the United States offers 70 percent of the land damage costs, but agreement on power control remains afar off.

It is highly important to keep in mind that floods wreak enormous damage to properties in Vermont, Massachusetts, New Hampshire, and Connecticut. The outstanding need is to curb them, and the sooner the job is undertaken the better. Wrangles about power control may suit particularists, but what New England wants is flood control, with a minimum of further talk.

The Economic Outlook

EXTENSION OF REMARKS
OF
HON. WILLIAM GIBBS McADOO
OF CALIFORNIA
IN THE SENATE OF THE UNITED STATES
Monday, May 23 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. JAMES E. MURRAY AT LOS ANGELES, CALIF., APRIL 13, 1938

Mr. McADOO. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the distinguished Senator from Montana [Mr. MURRAY] at the Shrine Auditorium, Los Angeles, Calif., on April 13, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Throughout the world today, it may truly be said, people are worried about the future, and are searching for some measure of security. Underneath the shattering and nerve-racking events in our highly industrialized life the great masses of the people have been making a gallant struggle to readjust themselves and escape the threatened destitution and misery with which they have been confronted. In many countries people have given up every vestige of political, religious, and individual freedom, in the hope that an all-powerful government might furnish such security.

I hope and firmly believe that in this country we shall never have to pay so high a price for security. With faith and intelligence, and a reasonable degree of cooperation amongst our people I believe we can accomplish all our aspirations under our present democratic forms, and yet it is a difficult problem due to the inherent perversities of the human heart and mind.

This problem of unemployment stands out as the most important problem our country has ever been called upon to solve. Upon the rational consideration and solution of this perplexing question depends the future transquillity and happiness of the whole Nation.

Dangers to peace do not all spring from the aggression of foreign armies, nor are they confined to domestic insurrections. A new peril has arisen to plague and disturb industry, born of the very prosperity which it creates. Unemployment is a direct result of the inequitable distribution of profits under our industrial system. The division of the products of the earth among the producers and workers who create them has universally provoked conflicts more bitter and more dangerous than any that ever arose

over the division of the earth's surface among the aggressive and warlike nations which inhabit it.

The solution of these troubles is not to be found in supernavies or great armies, but is to be found in bringing employment, contentment, and security to the confused and discouraged citizens of the country. The great threat to the prosperity and happiness of America today rests in the battalions of unemployed in the streets of every city, town, and hamlet of the Nation. It rests in the millions of men, women, and children living in constant dread of poverty, ill-clad, ill-fed, and ill-housed. No powerful combination of warlike nations could threaten America half so seriously as these conditions which are of our own making.

Unemployment and destitution always results from Nation-wide economic causes and abuses. The closing down of mines in the West or textile mills in the East is the result of some failure to obey true principles of economics. Whenever we look into unbalanced economic conditions in industry or agriculture, we always find some failure to adhere to sound principles and honest conduct in the administration of our American economy. It is the result of the greed and avarice of a few and the failure of cooperation among those responsible for the smooth and successful operation of our economic system.

Thus, the collapse of 1929 was due to a whole train of violations of economic rules, which industry and finance in a mad and greedy rush for profits had failed to adhere to. It is not necessary to detail the causes of that depression, which followed the Wall Street crash of 1929. No one will now dare deny that the evils which infested our industrial life in that period constituted the clear and obvious cause of its downfall, bringing in its train widespread unemployment, destitution, and bankruptcy.

Our Government, under President Roosevelt, has been seeking to correct these evils and bring about certain fundamental economic and social reforms. When the President took over the reins of government in 1933 the Nation was on the verge of bankruptcy and collapse. Fifteen million jobless Americans challenged his imagination, his wisdom, and his conscience. They were the victims of a soulless and profit-greedy financial boom permitted to run riot by three reactionary administrations unresponsive to the American people. Our banking system had broken down completely, and business and industry was in a state of utter bewilderment and chaos. Immediately following the inauguration of President Roosevelt a program of economic and social reform was started.

He remedied the evils in our banking system and today it is recognized as the soundest and safest in all the world. Bank failures are taking place no longer. He gave the people a deposit-insurance system so that now the savings of workers in the banks of the country are secure. In case of a bank failure depositors are repaid without delay.

He regulated the stock exchanges of the country and blocked the periodical looting of the Nation of billions of dollars through dishonest and fraudulent manipulations and practices. But the recent Whitney case indicates that regulation is not yet complete.

He exposed and remedied the evils in the utility holding-company field. As a result we have materially reduced the cost of electric power to the Nation and have greatly widened its distribution and use.

In a marked degree he has rehabilitated agriculture, the victim of the reactionary policies and practices of those in control of our Government for the past 50 years, and through which the purchasing powers of the farmers of the country had been almost completely destroyed.

He saved millions of Americans from the loss of their homes and their farms through mortgage foreclosures, and has furnished the Nation with a social-security program which now renders financial assistance to the blind, the aged, and dependent children. We now have old-age benefits and unemployment insurance. This will be expanded, perfected, and improved. It will be an integral part of our Federal economic security program and will offset in a great degree a major weakness of our American economic system.

Under the Roosevelt administration we have placed labor on an equal footing with industry and through the National Labor Relations Act have declared by law the inherent right of workers to organize and bargain collectively for decent wages and working conditions through representatives of their own choosing free from any control or coercion. This measure honestly administered will eventually result in removing all strife from the field of industry.

The Roosevelt administration has given the country numerous other reforms and improvements which I will not take the time to mention. By a system of public works we have stimulated activity in the great basic industries of the Nation and restored employment in private enterprise immeasurably. By a national work-relief program we have put millions of starving Americans to work, restoring in a tremendous degree the purchasing power of the people, and saving the businessmen of the country from bankruptcy. No honest critic can deny that every step taken by the administration under the leadership of President Roosevelt has been in the genuine interest and welfare of the Nation and the the people.

Each year following 1933, until recently, showed steady business improvement, gradual reduction of unemployment, and mitigation of the widespread destitution and misery which had blanketed the country. Economic reform and social progress was being achieved in a real degree. Reemployment was steadily taking place. In 1936 a rapid upturn in industry commenced, followed in the spring of 1937 by what threatened to be a real boom. Business expanded and securities on the exchanges mounted enormously in value. All the conditions necessary for complete and sustained recovery were at hand. In fact, the fear of too rapid a recovery caused monetary and other measures to be employed to slow it down and thus avoid a runaway boom. Our country, the most productive in all the world, had food and raw materials in the greatest abundance. Prosperity was returning on every hand. All that was required to foster it was honest and unselfish cooperation among the various groups making up our American system. The gloomy theory of the famous economist Malthus, that the tendency of population was to grow more rapidly than the supply of food, and that therefore war, pestilence, famine, and vice, as checks to population, were inevitable conditions of economic life, has been refuted and exploded by the experiences of this country. It has been established beyond all doubt that the food supply of the earth is not a limited quantity but is capable of measureless increase—that the earth is not an unnatural mother, producing creatures beyond her capacity to support, but a generous one, ready to yield abundant sustenance to every human being engendered upon her bosom, if man will but approach that fountain of sustenance in peace and industrial cooperation.

If there be any limit on the power of the soil to support human beings, it is imposed by the wickedness and folly of men and not by the parsimony of Nature. To support a population, however large, growing in prosperity as it grows in numbers, it is only necessary that all men shall be allowed to approach the earth in peace, and to exercise all their faculties in its cultivation, without wasting any of their energy in mutual conflict. It is clear, therefore, that no natural impediment existed to interfere with returning prosperity in the country and only by the folly of man could it be prevented.

As I have already pointed out, in 1936 and early 1937, business conditions and reemployment were rapidly advancing. All that was necessary for continued recovery was honest and unselfish cooperation. But, unfortunately, there was a lack of that necessary spirit of cooperation. Industry in its interminable quest for profits made unreasonable advances in prices, and otherwise failed to observe sound economic principles. This is exactly what caused the recession in the recovery we were experiencing. It follows the classic analysis of the 1929 depression made by the Brookings Institution in Washington which said: "Inadequate buying power among the masses of the people appears to be fundamentally responsible for the persistent failure to call forth their productive powers."

Testimony produced before a Senate committee, now sitting in Washington, fairly establishes this conclusion. The monopoly fixation of prices is shown by undisputed facts to be a major cause in the present recession, as well as in the 1929 depression. While the Government was seeking to create purchasing power and stimulate industrial activity, the leading industrial and business enterprises of the country moved in to take advantage of the Government spending and enrich their own treasuries. All the leading industries began to raise prices shortly after the public-works program began. Wild excitement and speculation on the stock exchanges soon followed and the new boom began to develop.

This urge to raise prices is nothing new. It may be well to recall the shrewd remark of Adam Smith some 160 years ago when he wrote, "People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices." A statement issued a short time ago by the National City Bank shows that the corporations of the country during 1936 and 1937 rapidly increased earnings and dividends. This is now corroborated by recent income-tax returns showing the enormous profits of corporations in 1937. Records of these earnings have been published establishing the fact that practically all the American industrial corporations made enormous profits in 1936 and in 1937, and finished in 1937 with the highest earnings since 1929 and some greatly in excess thereof. Scores of corporations broke all previous records for earnings. The April 4, 1938, issue of Barrons, the national financial weekly of Wall Street, shows that 130 listed corporations had profits in 1937 which were ahead of all the previous high records of 1929. The metals had a record year in earnings as did steel, oil, aluminum, machinery, chemicals, and the automobile industry. In fact, all the heavy industries show high records for earnings for 1937. While the Government was engaged in priming the pump with a national public-works and work-relief program, involving the expenditure of billions of dollars, they were all engaged in skimming the cream off the Government spending.

About the middle of 1936 they began this move to run up their prices as the Federal Government poured millions into public works and in 1937 they jacked up their prices to inordinate heights. A terrific race followed to fill consumer inventories engendered by fear of a continued rise in prices. At first, industry could not execute its orders, but as inventories filled up, business slacked off and unemployment began. By the boosting of unit prices, the sum of the prices of mass-production goods became greater than the total monetary purchasing power available in the pockets of the consumers. The result was that when these prices were so boosted and maintained, and the monetary income, or purchasing power, of the consumers was not increased, there was not enough purchasing power in the country to buy the output of American industry, and agriculture at the prices charged.

Now, they simply can't get away with the charge that business fell off because of any alleged unreasonable attitude of the Government or alleged attacks being made by representatives of the Government on business or industry. A desperate and despicable effort is being made by the reactionary interests of the country to confuse and befuddle the minds of the people in connection with this recession. Millions of dollars are being expended in flooding the country with this malicious lying propaganda. It is asserted that business interests had become alarmed and frightened by the interference of the Government in business and that capital investment ceased. These charges are based chiefly on the Utility Holding Company Act, the Security Exchange Act, the Labor Relations Act, and the proposed wage and hour bill now in Congress. Certain reactionary interests of course have been hurt by these necessary measures of regulation and reform, and as a result, these interests are seeking to discredit the entire administration program. It is inferred that we are now witnessing a sit-down strike in capital against the administration. I challenge any representative of business or industry to point to a single provision of these measures which have been enacted, that is not justified from every standpoint of economic wisdom and social necessity.

These charges regarding fear and uncertainty of business have been manufactured by expert propagandists and they cannot be sustained in any degree. We have been conducting hearings in Washington before a special Senate committee, which I have mentioned, on unemployment and relief. We have had witnesses from all over the country discussing unemployment and the causes of the present recession. Some of the leading industrialists of the country have appeared and testified. Their testimony completely explodes that fictitious theory of fear on the part of business and, in general, demonstrates that the unbalanced prices of 1936 and 1937 were the principal factors in creating the decline. To attempt to place any blame on the Government, on the basis that industry was frightened by its policies, is simply vicious propaganda.

I have here some of the testimony of leading men in business and finance taken at our hearings. Here is what one of the witnesses had to say.

The testimony hereinafter quoted was given by Mr. Winthrop W. Aldrich in testifying before the Unemployment Committee in Washington.

"Senator MURRAY. You feel that it is of the utmost importance that there should be a reestablishment of confidence and cooperation between business and the Government?

"Mr. ALDRICH. It seems to me it is vital.

"Senator MURRAY. Of courfse, you understand that under the campaign of 1932, through which the Roosevelt administration came into office, the platform pledge on power was one of the important issues in the campaign—that there should be some regulation of public utilities and utility holding companies.

"Mr. ALDRICH. Oh, I wouldn't be in the slightest degree myself opposed to the regulation of utilities. The thing that I think is disturbing to the investment public is the threat of competition as distinguished from regulation.

"Senator MURRAY. Of course, you understand that under the camment was justified in its policy of regulating the stock exchanges?

"Mr. ALDRICH. Definitely.

"Senator MURRAY. And you have had no objection to the measures that have been put in force for the purpose of regulating the stock exchanges of the country?

"Mr. ALDRICH. Not in the least.

"Senator MURRAY. You realize, of course, that it was the evils in the investment field, the evils that obtained in the stock exchanges of the country, that contributed largely to the great depression that came upon the country?

"Mr. ALDRICH. I do not think there is any question about that.

"Senator MURRAY. And you realize, therefore, that the present administration was absolutely justified in following out all those policies that were advocated during the campaign, and under which President Roosevelt was elected?

"Mr. ALDRICH. Well, that is a little bit broader than I would be willing to say 'yes' to at the moment.

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"Senator MURRAY. One of the very first acts of the present administration was to show its desire to cooperate with business, was it not?

"Mr. ALDRICH. That is perfectly true.

"Senator MURRAY. For instance, the very first act that was established by the present administration was the act bringing relief to the banking and financial interests of the country.

"Mr. ALDRICH. That is correct.

"Senator MURRAY. That was Public Act No. 1.

"Mr. ALDRICH. That is correct.

"Senator MURRAY. And that had a tremendous effect in reestablishing confidence in the country.

"Mr. ALDRICH. Absolutely.

"Senator MURRAY. The Guaranteed Deposit Insurance Act has had a tremendous influence in establishing confidence on the part of the people of the country in banks.

"Mr. ALDRICH. Well, I am not so sure about that. I personally am opposed to the theory of guaranteed bank deposits, but a great many people would say 'yes' to that.

"Senator MURRAY. Well, prior to the enactment of that act we had thousands of banks failing in the country practically every year, did we not?

"Mr. ALDRICH. Yes; that is true.

"Senator MURRAY. Just prior to the advent of the present administration.

"Mr. ALDRICH. That is correct.

"Senator MURRAY. And since the enactment of that act that situation has been cleared up and we do not have bank failures any more.

"Mr. ALDRICH. Well, I don't know whether that is brought about by the provisions of the Guaranteed Deposits Insurance Act. I would be inclined to think that the situation has been such that industry and business has advanced and conditions have not arisen in which those banks would be liable to fail. I do not say that the Federal Deposit Insurance Act has not been a contributing factor to the confidence of the public in those banks. I personally do not happen to agree with the economic theory of that act, but I would not want to say either that it prevented banks from failing, because I don't know whether that is true or not; I doubt it.

"Senator MURRAY. But it has been given general credit in the country for that?

"Mr. ALDRICH. That is correct.

"Senator MURRAY. Not only by deposits but by bankers.

"Mr. ALDRICH. That is correct.

"Senator MURRAY. All of those evils that existed in Wall Street prior to 1929 were under the control of the stock exchange and under the control of the banking interests of the country, and they could have regulated those banks and exchanges themselves if they had seen fit to do so; isn't that true?

"Mr. ALDRICH. Yes; I should think that was true, if they had appreciated the fact that they might exist. Of course, some of them were not anticipated by anybody, I do not believe.

"Senator MURRAY. They made no effort whatever to investigate and regulate the evils of the stock exchange, and permitted the country to drift?

"Mr. ALDRICH. Oh, I don't think that is true. I think the stock exchange made great efforts to regulate the practices on the exchange. I am not an expert on the stock exchange, but just from general knowledge I should say that.

"Senator MURRAY. Well, as a result of the way the stock exchange was operated, it was possible for investors of this country to have been looted out of billions of dollars prior to 1929; isn't that true?

"Mr. ALDRICH. Well, I wouldn't think that was so. I think that there were a good many abuses both in finance and on the stock exchange, and I think there was a very great deal of tragic failure of judgment and in some cases personal integrity, but I wouldn't want to see the statement made as broadly as that.

"Senator MURRAY. And, of course, that resulted in creating a feeling in the minds of the public generally that it was dangerous for them to have anything to do with the investment business in New York?

"Mr. ALDRICH. Well, my feeling about that is that it is the best thing for the country that the exchanges and markets should be so regulated by the Government. I am not against Government regulation. But the public should have full confidence in dealing on these exchanges; at the same time, I do not think that the regulation should go so far as to in any way hamper the usefulness of the exchange.

"Senator MURRAY. But it should go far enough to prevent the general public from being defrauded by the manipulations of the stock exchanges?

"Mr. ALDRICH. Senator, I do not think there is any responsible person who does not think that.

"Senator MURRAY. Now, the big banking institutions of the country contributed to those conditions just as much as the stock exchange itself, did they not? They were all engaged in the wild gamble that was going on at that time, and they had all helped in floating and passing out to the unsuspecting people of this country securities that were absolutely unjustified.

"Mr. ALDRICH. Well, there again I wouldn't put it quite that way. I think certain individual bankers, under a system which cannot be approved, and which has since been corrected, did things which resulted in securities being sold through their affiliates which were unsound and which created a very serious and unfortunate situation.

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"Senator MURRAY. You feel, of course, also, don't you, that inflammatory statements which come from the banking and business fraternity of the country should be discontinued?

"Mr. ALDRICH. Why, absolutely. The thing that should happen now, it seems to me, is that both sides should assume that the people they are dealing with are acting in good faith.

"Senator MURRAY. But there has not been any tendency on the part of business to discontinue that hostility.

"Mr. ALDRICH. Well, Senator, if I may say so, I don't think you can ever state that finance or big business—or refer to any one of those things and make a blanket statement. After all, government is a congregation of individuals and so is business, and if we all of us act with sincerity and good will we can soon differentiate the people that have not got it.

"Senator MURRAY. But it is a fact, though, that there has been a constant flow of propaganda in the country undertaken to discredit the present administration. I don't know where it comes from, but you can hardly take up a paper in the country but what you can read that propaganda almost daily.

"Mr. ALDRICH. Well, there, again, I think that is one of the things, if it is propaganda it should be discontinued, but I don't think the Government should accuse business of spreading propaganda or that business should accuse the Government of spreading propa-

ganda. Actually I think the whole situation would be better off without any of it.

"Senator MURRAY. You say that you know of no economic conditions existing in the country today that work against the possibility of a return of prosperity in the country?

"Mr. ALDRICH. I have already stated publicly, Senator, that I agree with the statement that President Roosevelt made a short time ago, that—he went into some detail about the banking situation, differentiating it from 1929. I have gone into it in detail and the answer generally is that I know of no condition * * *."

It seems clear from the record that the present recession can be chargeable directly to a failure of industry to exercise restraint in its greedy quest for profits. That is the simple unvarnished truth.

A recession thus started has cumulative effects. Men thrown out of work buy less, and hence cause trade and industry to produce and sell still less, and this in turn throws more men out of work, and so on. The undisputed fact is that industry had been overanxious for profit and simply priced itself out of business and the country into a recession. It failed to cooperate in the national program of recovery and thereby contributed to its own distress and injury, as well as bringing renewed misery to the country in the way of increased unemployment.

There seems to be general agreement by economists that lack of purchasing power among the masses of the people is due to excessive prices to consumers and low earnings of workers and producers. Our system of mass production can only be maintained by balancing it with mass purchasing power in the hands of the people. When prices of commodities get out of balance with the earning power of the people, we have depressions.

An independent study of the question has been made by the Brookings Institution of Washington, which points to this conclusion. When Dr. Harold G. Molten, president of the Brookings Institution, was asked whether he agreed with President Roosevelt's demand that industry cut prices, without cutting wages, he said that in the long run it was the "royal road to progress."

And so we find that as a result of the folly of men, and not by the parsimony of Nature, we are in the throes of another serious unemployment crisis. Never before in our national history have we had to face unemployment conditions of such duration and magnitude as we have been experiencing since 1929. The misery and the destitution of unemployment, once the concern of a few, now worries the Nation. Concerns that were once relegated to a few philanthropists are now bedeviling every public servant, every taxpayer, and every sober-minded citizen of the country.

This is no time for name calling. Bitter attacks on either side of the controversy serve no purpose and settle none of our serious national problems. They have become tiresome and irritating to intelligent citizens who have regard for the seriousness of this situation confronting the country. Confidence in the Government, in Congress, and in American institutions is not ecouraged by this vulgar competition in rough phrases. I have no patience with people who bitterly assail President Roosevelt and attempt to deceive and befuddle the minds of the people. The truth of the matter is that President Roosevelt and his program of economic reform has saved our capitalistic system thus far and in saving capitalism it has saved democracy.

It is my judgment that its future safety depends on the correct solution of these problems. There is nothing new in all this welter of libel and slander which has been directed at President Roosevelt. History is simply repeating itself. In every crucial stage of our history we have had similar manifestations. In Jefferson's time he was attacked by bitter opponents and fiery partisan publications. His character, his integrity, and his reputation were sought to be destroyed. In that early period Jefferson was charged with being a hypocrite in public life. Criticisms were hurled at him from all sides by financial, idiotic, and yet frantically sincere, partisan political opponents. Similar abuse has been heaped on other Presidents all down through our history. Similar abuse has been heaped on every political leader who has sought to enforce the principle of "equal rights to all and special privilege to none." In Jefferson's case time has erased all such unkind allusions to his character and rectitude—"Like the ever-changing tempest of the deep, they lashed, they raged, they subsided, then shifted, and, departing, left behind them only a calm and tranquil sea."

There is a hidden motive behind all this bitterness. There is a reason for all this commotion and excitement. I think it is all very simple. Every piece of constructive legislation that deprives special interests of unjust privileges or advantages is always denounced as socialistic, communistic, or unconstitutional. And so, as we were advised in another critical period in our history, "Let us not be frightened by threats of danger to our country or dungeons for ourselves, but let us have faith that right makes might and in that faith let us go forward and do our duty as God gives us to see it."

This problem of unemployment which confronts the Nation today, and which results from the evils I have discussed, must be intelligently considered and solved if our economic system is to continue. There are no new frontiers in the Nation to open up. There is no new land for the homeless and the unemployed. The new frontier today is at the door of every home in the Nation. The problem is: Can the ordinary American rediscover opportunity in our new pattern of life? That is the problem which must be solved, and I believe it must be solved by the business leaders of the country. The people, as workers and consumers, cannot solve it unaided. If we are to maintain our capitalistic system, the business and industrial leaders of the Nation must end this dishonest and indefensible attitude and go to work with the administration before it is too late.

Many of our most intelligent businessmen have already recognized these self-evident truths. A number of them appeared before our committee and candidly acknowledged the lack of reason and justice in these assaults on the administration. In previous hard times industry expected the less fortunate to tighten their belts and go through the wringer, but now they have found that men will no longer starve quietly, and that the old leadership means both colossal taxes and possible social upheaval. It is now clearly dawning on the people of this country that markets for goods must be created by raising the living standards and the consuming power of the population, by raising up the submerged portion of our population—the ill-fed, ill-housed, and ill-clothed. Industry must come to realize that it can be saved only by benefiting and improving the condition of the workers and not by exploiting them. There is no profit in production if there is no market in which to sell. Thus a fair division of the profits of industry is not merely a humanitarian proposition but is a practical one of assuring any profits at all.

What we need now is cooperation of all the groups that make up our economic system. It is to be hoped that businessmen, as a class, will use their best brains in the interest of society as a whole. Unless they can provide the people of the country with increased means to buy the things they need, our mass-production system must fail.

Unemployment is a problem and an obligation of industry and can only be controlled and cured by industry. Industry must undertake the solution of this question, with the cooperation of Government, and work out a system of overcoming the peaks and valleys of unemployment. It will be a long-drawn-out effort and the National Government meanwhile must assume its proper burden of providing for the millions of unemployed and destitute who are periodically caught in the jam.

Ever since 1933 we have recognized this national obligation and have undertaken our burden with characteristic faith and hope. However imperfect it may be, our relief program has nevertheless performed a tremendous service, considering the funds available, lack of previous experience to guide it, as well as the natural difficulties of such a gigantic undertaking. It saved the country in a critical period; it provided employment; it created the orderly processes of government and forestalled the anarchy and chaos that threatened the Nation. It has now come to the point where it can no longer be considered as an emergency problem. It is both in truth and in fact a permanent and inescapable task of the National Government.

As I have already said, and as has been corroborated by some of our outstanding industrialists, all the conditions for sustained recovery exist today in this country. We have the resources; we have the labor; we have the skill and the genius to provide in the greatest abundance for every human need of our population. It is all a question of distribution All we need is a recognition of simple Christian ethics, a little charity, a little cooperation, a little justice, and we can surmount all our difficulties and ultimately realize a higher plane of prosperity than we have ever before achieved.

It is only necessary to take advantage of the existing conditions. It only needs the genuine cooperation of capital and labor, of business and agriculture. It only requires national honesty and integrity, and our country would soon find itself on a wave of prosperity that would startle the world. What astonishes the average man on the street is the fact that these reckless spokesmen for reactionary interests who are so active today do not realize the danger they are creating by spreading this gospel of fear over the country and encouraging this psychology to withhold cooperation at this juncture. Apparently these reactionary interests do not want prosperity now. They would seek to first recover control of the Government, so that they may again fatten on special privilege.

The Democratic Party of California was in the front ranks of the Nation in striving to end the evils which threatened our country in 1929 and led in the fight to inaugurate a new era of economic justice. The Democratic Party in California will rise again to the occasion and uphold democracy against those who would today drive us into fascism. This State is fortunate in having men of the highest ability and integrity offering themselves and their services in this fight to maintain democratic government. I find this same spirit surging throughout the country.

I am sure that in this great emergency the people's conscience, the people's judgment, and the people's wisdom will reinforce our great President and defeat this attempt to betray. Our country is at the parting of the ways. Either it must take, through the support of Roosevelt and the sane, progressive policies of his administration, the path leading upward to a prosperity of the whole people which will be immeasurable, or else, through efforts to reestablish an unsound, antiquated system of special privilege, it must sink through confusion and disaster to a ruin which will be irretrievable.

Systems of Accounting

EXTENSION OF REMARKS

OF

HON. JOSH LEE

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Monday, May 23 (legislative day of Wednesday, April 20), 1938

ADDRESS BY E. F. BARTELT

Mr. LEE. Mr. President, I ask unanimous consent to extend in the RECORD a speech delivered by the Honorable E. F. Bartelt, Commissioner of Accounts and Deposits, United States Treasury Department, before the conference on municipal accounting and finance of the American Institute of Accountants, in their meeting at the Stevens Hotel, Chicago, on March 28, 1938, together with four letters which pertain to the address.

There being no objection, the address and letters were ordered to be printed in the RECORD, as follows:

PART I

EMERGENCY ACCOUNTING ORGANIZATION

I have been requested to talk to you tonight about the system of accounting established by the Treasury Department to take care of the eight and one-half billions of dollars appropriated by the Congress in the acts of 1935, 1936, and 1937 for work relief. I am glad to have this opportunity because, in my opinion, it has conclusively demonstrated that it is possible to maintain a system of accounting in the Federal Government which would compare favorably with those maintained by our largest and most progressive industrial corporations.

If you are sincerely interested in the development of a modernized system of accounting in the Federal Government, I commend to your most earnest consideration a study of the Treasury's emergency accounting organization.

GENERAL OUTLINE OF GOVERNMENT ACCOUNTING SYSTEM

In order that you might more clearly understand the procedure set up to handle the emergency work-relief appropriations it may be advisable first to give you a general outline of the accounting system of the Government.

ORIGINAL SYSTEM

It is frequently remarked that the Treasury is still operating under the accounting system installed by Alexander Hamilton. I do not know whether such remarks are intended as a reflection on Hamilton or the system. But I do know that the principles laid down by the First Congress in the original law are sound.

This law provided that no acknowledgment of the receipt of money into the Public Treasury shall be valid unless it is endorsed on a warrant of the Secretary of the Treasury. Likewise no money may be withdrawn from the Treasury except on authority of warrants issued by the Secretary of the Treasury in pursuance of appropriations made by the Congress.

The truth about the accounting system of the Government is that it is not nearly so bad as a great many people outside the service believe it to be, nor quite so good as many people long in the service consider it to be.

The cardinal principle upon which it is based is article I, paragraph 7, section 9, of the Constitution, which provides that "No money shall be drawn from the Treasury, but in consequence of appropriations made by law and a regular statement of accounts of the receipts and expenditures of all public money shall be published from time to time."

The laws which have been made to carry this provision of the Constitution into effect, so far as accounting for receipts and expenditures is concerned, are the basis of the accounting system. The accounts must conform to the appropriations and such other laws as affect the disposition of the money authorized to be expended. Above all, the accounting must disclose whether the expenditures have been made in conformity with the law.

In the beginning, of course, the business of the Government was relatively small and the accounting problems were comparatively simple. In 1792 total receipts of the Government, including postal revenues and receipts from the sale of public-debt obligations, amounted to less than $9,000,000. In 1915, just before the war, the total receipts from all sources was less than a billion dollars. In 1937, including public-debt issues and exchanges, they had jumped to almost $16,000,000,000.

Not only has the volume of money transactions increased many times, but the character of the financial transactions and the methods of doing business have become considerably more intricate.

DIFFICULTIES

We know through all history that there has been a division of thought concerning the character of control which the Treasury Department should exercise over the public moneys.

On the one side are those who believe that all financial transactions of the Government should be controlled through the Federal Treasury, and that the accounting should center in the Treasury.

On the other side are those who believe that the Treasury should be more in the nature of a cashier—to collect and disburse the public moneys and to borrow funds when necessary. They believe that once an appropriation is made to an executive department the matter should be of no concern to the Treasury other than to turn the money over to the department upon its requisition, and that the accounts of the Treasury should reflect only total receipts and expenditures.

Then, too, there are wide differences of opinion with regard to the manner in which the financial transactions of the Government should be publicly reported, particularly with reference to the operations of revenue-producing enterprises, governmental corporations, and so-called revolving funds.

Some believe that the gross receipts and expenditures of all agencies should go into the financial statements to swell both sides of the Federal Budget.

Others contend that the operations of revenue-producing enterprises and revolving funds should be treated in the nature of annexed budgets, and only the net result carried into the principal financial statements.

It is impossible, of course, to please both sides.

OPPORTUNITIES FOR IMPROVEMENT

That there are great possibilities for improving the accounting system of the Federal Government, no one can deny.

There is no such thing in the Federal Government as a complete system of accounts in the sense that a single set of books reflects all the financial transactions of the Government. Furthermore, the accounts kept in the different agencies are on entirely different bases, as I will presently point out.

CENTRAL ACCOUNTS KEPT ONLY ON WARRANT BASIS

The central accounts of the Government relating to receipts, appropriations, and expenditures are, by law, maintained upon the books of the Division of Bookkeeping and Warrants of the Treasury Department. These accounts, however, are based only upon warrants issued by the Secretary of the Treasury and countersigned by the Comptroller General.

A warrant is a formal document issued by the Secretary of the Treasury authorizing the setting up of appropriation accounts; the advance of money to disbursing officers; the payment of direct settlements of the General Accounting Office; and the covering of money into the Treasury. They represent the so-called control of Treasury receipts and issues, but do not reflect the current financial transactions of the Government.

Let me give you an illustration:

In the accounting for Government receipts there are involved at least 4 basic transactions.

First, the assessment of taxes;

Second, the collection of taxes;

Third, the deposit of the collections into a Federal Reserve bank or designated depository for account of the Treasurer of the United States; and

Finally, the formal acknowledgment of the deposit into the Treasury on a covering warrant.

Of these four transactions only the last is reflected in the central accounts of the Treasury Division of Bookkeeping and Warrants.

Now let us take the expenditure side. The expenditure of money involves eight basic transactions:

First, the setting up of the appropriation account;

Second, the apportionment of the appropriation according to the months in which the funds are to be obligated;

Third, the allotment of money to operating units or field agencies;

Fourth, the incurring of obligations of various kinds and descriptions;

Fifth, the approval of vouchers for payment;

Sixth, the advance of funds for credit to checking accounts of disbursing officers;

Seventh, the drawing of checks by disbursing officers; and

Finally, the payment of the checks by the Treasurer of the United States.

Of all these transactions only two appear in the central accounts of the Treasury Division of Bookkeeping and Warrants. One of these is the warrant setting up the appropriation account, and the other is the warrant advancing funds to disbursing officers. (This is subject to the qualification that under the Executive order of July 27, 1933, certain budgetary data must be reported to the Treasury by the executive departments and establishments.)

TREASURER'S ACCOUNTS

The second and entirely different set of accounts are those maintained in the office of the Treasurer of the United States. These accounts are based upon moneys received and disbursed by the Treasurer. They also include the checking accounts of disbursing officers.

When funds are advanced by the Secretary of the Treasury to a disbursing officer, the warrant is reflected as a charge against the appropriation account on the books of the Division of Bookkeeping and Warrants and a corresponding credit in the checking account of the disbursing officer on the books of the Treasurer. The Treasurer does not keep a separate account for each appropriation, nor does the Secretary keep a separate account for each disbursing officer.

DISBURSING OFFICERS' ACCOUNTS

The third set or class of accounts are the accounts maintained in the various disbursing offices of the Government. These accounts are on a different basis from either set of accounts previously mentioned. They are based primarily on advances of funds to disbursing officers through warrants of the Secretary of the Treasury, and upon checks issued in payment of Government obligations. To some extent disbursing officers also account for collections received from miscellaneous sources through the various operating agencies of the Government.

COLLECTING OFFICERS' ACCOUNTS

The fourth and fifth sets or classes of accounts maintained in the Government are the accounts of collectors of customs and collectors of internal revenue. There are 48 collectors of customs and 64 collectors of internal revenue. The bulk of the Government's revenue is received through these officers. Their accounts are based principally on assessments, collections, and Treasury deposits.

ADMINISTRATIVE APPROPRIATION AND FUND ACCOUNTS

The sixth set or class of accounts are what are called administrative appropriation and fund accounts of the several Departments and establishments of the Government. Except in the case of the emergency-relief program, these accounts are scattered throughout the Departments, bureaus, offices, and field services of the Government. They are based essentially on congressional appropriations, Budget apportionments, administrative allotments, contractual and other obligations, and approved vouchers; and in some cases include collections from miscellaneous sources. It is this class of accounts which presents the most difficult problem in the development of the Government's accounting system. It is also in this field that the emergency Treasury accounts organization has made notable progress during the past 2½ years.

COST, SECURITY, AND PROPERTY ACCOUNTS

Finally, there are cost accounts, mint accounts, security accounts, supply accounts, and property accounts—all operated, more or less, as separate systems.

SUMMATION

These various systems have never been brought together and correlated into a single system.

I mention these different systems—operated on different bases and under different directing heads—in order that you might more fully understand not only the difficulties but also the opportunities which lie ahead in the development of the Government's accounting system. It would not be extremely difficult to devise a plan which would bring all of these different systems together. But the human factor is something different and considerably more difficult to deal with because of the many divergent views and interests.

PART II

Having outlined the various systems of accounts maintained by the Government, I will now proceed to outline briefly how money gets into and out of the Treasury.

DEPOSITARIES

The moneys of the United States are kept in the Treasury at Washington, in Federal Reserve banks, in the mints and assay offices, and in designated bank depositaries. The working balance of the Treasury, however, consists principally of deposits with the Federal Reserve banks and special bank depositaries, the latter holding money on call from the Treasury in connection with the sale on credit of public debt obligations.

FEDERAL RESERVE BANKS

The Treasury's operations are carried on principally through the Federal Reserve banks, each of which maintains an account with the Treasurer of the United States.

The bulk of the Government's revenue is deposited by collecting officers in Federal Reserve banks for credit of the Treasurer of the United States. Likewise, checks, coupons, and public-debt obligations of the United States are paid by the banks and are charged to the Treasurer's account.

The work of financial administration does not cease when appropriations for support of the Government are made. Appropriations are only congressional authorizations to spend money within specified limitations and for specified purposes.

Although the Congress makes appropriations "from any moneys in the Treasury not otherwise appropriated," it must be remembered that actually appropriations are not made from money in the Treasury at the time the appropriations are made, but rather in anticipation of the collection of revenues. To the extent that revenues do not synchronize with expenditures, or are insufficient to meet expenditures made pursuant to appropriations, it is the Treasury's responsibility to raise the necessary funds through borrowing on the public credit.

DAILY TRANSFERS OF FUNDS BETWEEN FEDERAL RESERVE BANKS

In the forenoon of each business day the Treasury receives telegraphic advice from each Reserve bank concerning the amount on deposit for account of the Treasurer of the United States at the close of business on the previous day. Upon the basis of such balances and estimates of the receipts and expenditures for the day, the Treasury determines whether there is enough money in each bank to meet the Government's obligations for that day. In case one bank's balance runs low, a sufficient amount is transferred by wire from another bank through the medium of the gold-certificate fund.

SPECIAL DEPOSITARIES

While the Treasury maintains a large working balance with Federal Reserve banks, the bulk of the Government's money is on deposit with special depositary banks throughout the country, representing, as I have already indicated, the proceeds from the sale on credit of public debt obligations. This money is subject to call by the Treasury. Although the money represented by subscriptions to public debt obligations on credit is left with the banks, certificates of deposit are issued in favor of the Treasurer of the United States and the amount is included in the Treasurer's cash balance.

SEMIWEEKLY CALLS

When expenditures exceed receipts, the balances in the Federal Reserve banks are replenished through the transfer of money from the special depositaries. This transfer is reflected in the Treasury's assets as a reduction in the deposits with special depositaries and a corresponding increase in the deposits with Federal Reserve banks.

At about 1 o'clock on Monday and Thursday of each week, the Treasury estimates the receipts and expenditures of the Government for the ensuing week. For instance, on Monday, we estimate how much money will be reecived and paid out by the Federal Reserve banks through Saturday. If we find that the banks' balances at the end of the week will be too low, we send out instructions to the Reserve banks to call in a specified percentage of the amount remaining on deposit with special depositaries on account of the oldest public debt issue.

On Thursday we repeat the operation, estimating the amount, if any, which will be required up to the close of business on the following Wednesday.

In this way and through arrangement of debt maturities and interest payments so as to fall in heavy quarterly tax periods, the Treasury is able to keep the flow of money in and out of the Federal Reserve banks and the money market on an even keel in spite of the uneven flow of revenues and expenditures. Although call sheets are made up twice each week, frequently it is not necessary to call money in from the depositary banks.

DAILY TRANSCRIPTS OF ACCOUNTS

At the close of each day's business each Federal Reserve bank transmits to the Treaurer of the United States a transcript of his account showing the debits and credits of the day's business. This transcript is supported by certificates of deposit, paid checks, coupons, etc.

CERTIFICATES OF DEPOSIT

Under the law a certificate of deposit must be issued by the depositary bank for each deposit. The original certificate must be sent to the Treasury, and a duplicate to the depositing officer.

After the certificates of deposit have been cleared through the Treasurer's accounts at Washington, they are sent to the Secretary of the Treasury who issues a covering warrant formally covering the money into the Treasury.

COVERING-IN PROCESS

In the covering of money into the Treasury, the Department uses bookkeeping machines. At the time the warrant is written there are posted by carbon process several records:

First, a depositors' register on which is accumulated all deposits relating to a particular depositor. This register is made in triplicate, and at the end of the month two copies are sent to the General Accounting Office for auditing purposes. The other remains in the permanent files of the Treasury.

The next record (prepared in the same process) is a revenue or appropriation register (as the case may be) upon which is accumulated all of the deposits relating to a particular revenue or appropriation account. This record is prepared in duplicate and at the end of the month one copy is sent to the General Accounting Office for auditing purposes and the other is retained in the permanent files of the Treasury.

The third record is what is known as a departmental deposit list, which is sent currently to the operating agency concerned in order that it may be immediately informed concerning the deposits covered into the Treasury relating to such activity.

The depositors' register furnished to the General Accounting Office is checked against the accounts current of collecting and disbursing officers, and the departmental deposit list is checked by the executive department or operating agency against triplicate copies of certificates of deposits. This procedure provides a double check upon the covering of money into the Treasury. So much for the receipts.

APPROPRIATIONS MADE BY CONGRESS

Under article 1 of the Constitution no money may be withdrawn from the Treasury except pursuant to appropriation made by the Congress.

Accordingly, every appropriation made by the Congress is set up on the books of the Division of Bookkeeping and Warrants of the Treasury Department. The warrants setting up appropriation accounts are based upon appropriation acts which are certified by the Department of State. Before the appropriation warrant is posted to the Treasury's books it is sent to the General Accounting Office for countersignature.

After the appropriation warrant has been returned by the General Accounting Office, the Treasury sends to the executive department or operating agency concerned a certified copy of the warrant which is used as a basis for making the entries in the administrative appropriation accounts to which I have already referred.

APPORTIONMENTS OF APPROPRIATIONS APPROVED BY BUDGET BUREAU

The next step in the operation involves what is known as the apportionment of the appropriations.

Under the so-called antideficiency act, the heads of the various Departments and establishments were required to so apportion their appropriations at the beginning of the fiscal year in monthly or other periodic allotments as to avoid the expenditure of money in one part of the fiscal year which would result in a deficiency in the latter part of the year. An important change was made in budgetary procedure when the function of making such apportionments of appropriations was transferred to the Director of the Budget under the Executive order of June 10, 1933. This order was followed by the Executive order of July 27, 1933, which provided for a system of budgetary accounts in the Treasury Department, based upon reports from operating agencies.

Under these orders the operating agencies prepare their apportionments showing the months in which they propose to spend their money. These apportionments are submitted to the Bureau of the Budget for approval. After they have been approved by the Budget Director they may not be waived or modified except upon the Budget Director's written approval. Within the amounts of these monthly apportionments the operating agencies are authorized to make administrative allotments and to incur obligations.

Apportionments of appropriations are made only with respect to the total amount which may be expended during a certain month or period under an appropriation. They are not subdivided either with respect to particular projects, types of work, or objects of expenditure.

ALLOTMENTS MADE HEADS OF BUREAUS AND OFFICES

Subject to limitations of law, such matters are left to the discretion of the heads of bureaus and offices in Washington, who make "allotments" to field offices for specified objects of expenditure.

Allotments are in the nature of authorizations to incur obligations, and, of course, must be kept within the monthly apportionments approved by the Director of the Budget.

OBLIGATIONS

Within the amounts of allotments, and subject to legal and administrative restrictions or limitations, project managers and other authorized operating officials are authorized to employ personnel, make purchases, enter into contracts, and make such other commitments as may be necessary and proper. In the Government these transactions are frequently called "encumbrances." To a large extent they are necessarily estimated, adjustments being made to the actual amount when the vouchers are approved for payment.

APPROVAL OF VOUCHERS

Government obligations are paid only upon forms approved by the Comptroller General of the United States. The voucher must be executed by the Government creditor and delivered to an authorized official for certification to the effect that the goods have been delivered or the services performed. Under the Executive order of June 10, 1933, certifying officers are personally accountable for the proper certification of vouchers. The voucher is then approved by a higher Government official and scheduled to a bonded disbursing officer for payment.

ADVANCE OF FUNDS TO DISBURSING OFFICERS

But before a disbursing officer may pay the voucher he must have to his official credit an available balance under the particular appropriation involved.

In order to procure such credit the head of the Department, bureau, or establishment in Washington must submit a requisition on the Secretary of the Treasury for an advance of funds under the particular appropriation involved. This requisition is sent to the General Accounting Office for approval before coming to the Treasury.

ACCOUNTABLE WARRANT

On the basis of the requisition the Secretary of the Treasury issues an accountable warrant—so called because the disbursing officer is accountable for the proper expenditure or legal disposition of the money contained therein. As stated earlier, this warrant is reflected as a charge in the appropriation account on the books of the Treasury Division of Bookkeeping and Warrants and as a credit in the disbursing officer's checking account on the books of the Treasurer.

DISBURSEMENT

On the basis of the approved pay rolls and vouchers and within the total amount standing to his credit on the Treasurer's books, the disbursing officer is authorized to draw checks in the payment of Government obligations.

This briefly explains the general procedure in the handling of the Government's business.

PART III

I now come to the third part of my discussion, which relates to the accounting organization set up by the Treasury Department to handle the emergency work-relief appropriations.

On April 8, 1935, the Congress enacted the Emergency Relief Appropriation Act, appropriating over $4,000,000,000 for relief and work relief. This law and the Executive order of May 6, 1935, issued pursuant thereto, marked an important milestone in the field of Government accounting.

The customary practice of the Congress is to appropriate funds directly to over 200 different departments, establishments, bureaus, boards, and commissions of the Government. However, in this case, the Congress placed upon the President of the United States the responsibility of administering and expending this huge sum of money, which, in subsequent acts, was increased to approximately eight and one-half billions of dollars.

On May 6, 1935, the President issued and Executive order creating the Works Progress Administration which was made responsible to the President for the coordinated execution of the work-relief program as a whole, and for the execution of the program in such manner as to remove from the relief rolls to work on projects, or in private employment, the maximum number of persons in the shortest time possible.

In the same order the President directed the Secretary of the Treasury:

"1. Through the disbursing and accounting facilities under the Commissioner of Accounts and Deposits of the Treasury Department, to make provision for all disbursements from the funds appropriated by the Emergency Relief Appropriation Act of 1935, subject only to such exceptions as the Secretary may authorize, and to maintain a system of accounts necessary to enable the President:

"(a) To exercise executive control over such funds.

"(b) To provide current financial and accounting information for governmental agencies concerned.

"(c) To make a complete report to the Congress concerning expenditures made and obligations incurred, by classes and amounts.

"2. Through the director of procurement to purchase or to provide a system for the purchase of all materials, supplies and equipment to be procured with the said funds."

The procedure established for the purpose of handling the emergency relief appropriations is designed to throw every protection around the allocation and use of the funds.

Proposed projects are reviewed by the Bureau of the Budget prior to being considered by the President, and before any funds are made available for any project, the allocation therefor is independently reviewed by the Comptroller General of the United States.

Allocations of funds for the Works Progress Administration, the regular executive departments, and other Federal agencies have been made by the President in considerable detail generally for specific projects, many in comparatively small individual amounts. Each approved project is assigned an official project number and set up on the books of the emergency Treasury accounts organization. The expenditures on account of the various projects are formally accounted for every 10 days to the Comptroller General of the United States, and are supported by detailed vouchers, contracts, and other documentary evidence.

In order to facilitate the work-relief program the Treasury Department established separate accounting, disbursing, and procurement offices in each State. Funds are made available by the Treasury for projects in the several States, Territories, and insular possessions through telegraphic facilities almost simultaneously with the approval of the Treasury warrant. In this manner the Treasury makes funds available promptly upon the fulfillment of all legislative and executive requirements involving the allocation of money under the act.

In setting up the accounting and disbursing procedure under the Executive order of May 6, 1935, the Treasury recognized the following as fundamental requirements:

1. The necessity for making payments promptly.

2. The necessity for maintaining effective accounting control over all allocations made by the President and determining that funds are used only for authorized purposes.

3. The necessity for administratively determining in advance of payment the legality of vouchers and pay rolls.

4. The necessity for providing an internal accounting check upon the operations of disbursing officers.

5. The necessity for rendering to the General Accounting Office at frequent periodic intervals detailed accounts for independent audit.

6. The necessity for keeping administrative agencies currently informed concerning the financial status of funds allocated to each official project.

7. The necessity for compiling frequent periodic reports showing the financial status of all funds.

8. The necessity for making a complete annual accounting by the Executive to the Congress, as required by the emergency relief appropriation acts.

REGULATION NO. 1

On June 18, 1935, the Secretary of the Treasury issued Regulation No. 1, governing the administrative procedure for the maintenance of a system of accounts and disbursements under the Emergency Relief Appropriation Act. This regulation was approved by the President. In it were laid down the basic principles upon which the accounting system would be based.

ORGANIZATION

The regulation authorized the Commissioner of Accounts and Deposits of the Treasury Department to establish and maintain a Treasury Central Accounts Office in the District of Columbia and such accounting and disbursing offices in the several States as, in his judgment, were necessary. The Commissioner was also authorized to prescribe such administrative procedures and to take such other action as might be necessary.

Pursuant to this authorization there were established a Central Treasury Accounts Office in Washington, D. C., and, as I have already indicated, separate accounts and disburing offices were established in each State, the District of Columbia, and in the

Territorial possessions. In New York State offices were set up in Albany and in New York City. In California offices were set up in San Francisco and Los Angeles.

CENTRAL TREASURY ACCOUNTS OFFICE

The Central Treasury Accounts Office consists of five major divisions—an Accounting Control Division, a Voucher Procedure and Review Division, a Financial Reports Division, an Administrative Division, and a Field Supervision Division. The Commissioner's emergency staff consists of the chiefs of these divisions, two special assistants, an executive assistant, and a general assistant. One of the special assistants is responsible for the study and development of improved accounting procedures. The other is an expert on mechanical operations and is directly responsible to the Commissioner for seeing that the mechanical equipment in all offices is producing results—not only maximum results, but the results for which the equipment was acquired.

ACCOUNTING CONTROL DIVISION

The Accounting Control Division has two major functions, the first being the maintenance of the control accounts and the second being the administrative examination of the disbursing officers' accounts before they are sent to the General Accounting Office for audit and settlement.

VOUCHER PROCEDURE AND REVIEW DIVISION

The duties of the Voucher Procedure and Review Division relate to the propriety of payments. Its main function is to see that the examination of vouchers and pay rolls in State offices is properly conducted; to advise State offices with respect to examination problems; to see that suspensions made by the General Accounting Office in disbursing officers' accounts are properly attended to; to review vouchers sent to Washington for preaudit; and, generally, to keep the Commissioner of Accounts and Deposits informed concerning the status of this work.

FINANCIAL REPORTS DIVISION

The function of the Financial Reports Division is to compile a complete financial report every 10 days showing the financial status of the program, and a more detailed report for transmission to the Congress at the end of each calendar year. This Division is also responsible for furnishing administrative agencies in Washington with such information as they require.

ADMINISTRATIVE DIVISION

The Administrative Division is responsible for matters relating to personnel, supplies, office furniture, space, files, etc.

FIELD SUPERVISION DIVISION

The Field Supervision Division was created for the purpose of assisting the Commissioner in the supervision of field offices; to see that the prescribed procedures are followed; to conduct internal audits; and to make recommendations in the interest of economy and efficiency.

ACCOUNTANTS IN CHARGE

Accountants in charge of State offices are directly responsible to the Commissioner of Accounts and Deposits. They are held strictly responsible for results and the efficient management of their respective offices.

TREASURY STATE ACCOUNTS OFFICES

The State offices are set up along the same general lines as the central office, so that the work of each division will definitely tie into the related division of the central office. In this way the Commissioner of Accounts and Deposits can look to one executive official in the central office for information and results in a certain field. The heads of the divisions, both in Washington and the States, were selected upon the basis of their particular qualifications and ability in chosen fields.

MAJOR PROBLEMS

The prompt payment of workers and public creditors; the control of funds within executive limitations; the legality of payments; and the preparation of adequate financial statements within prescribed time limits are the four major problems of the Treasury's State offices. The State offices are so organized as to accomplish these purposes in the most efficient and economical manner.

PROMPT PAYMENTS

The first problem, namely, the necessity for making prompt payment to workers and public creditors, depends upon the smooth working of the whole organization, particularly the Accounts Division and the Examination Division.

Early in the program a procedure was devised so that the central office in Washington could tell within a fractional part of a day the time required in the various stages of handling and paying a pay roll from the end of the pay period to the time the check was delivered to the worker. This information was tabulated both geographically and by organization units, so that delays could be localized with respect to both States and the administrative organizations within the States. In this manner the Treasury accounts organization is of assistance not only in the field of accounting but also administration.

CONTROL OF FUNDS

The accounting control of funds is handled through the Accounts Divisions of the several State offices. Such divisions maintain general ledgers and detailed project ledgers containing about 220,000 accounts in all States combined. Among other things, the general ledgers control the project ledgers and also the financial transactions of disbursing officers. It is the duty of the Accounts Division to see that obligations and disbursements are kept within the limits of funds available in the State, and also within the limitation fixed by the President with respect to each project. The Accounts Division has two further functions, namely, to produce the 10-day and annual financial statements relating to the State, which are transmitted to the Financial Reports Division in Washington; and a trial balance of the general ledger, which is transmitted to the Accounting Control Division every 10 days for the purpose of enabling that Division to check the disbursing officer's account in making the administrative examination.

LEGALITY OF PAYMENT

The Division of Examination is charged with the responsibility of examining all documents before transmission to the Division of Accounts. The Division of Examination is organized into four sections, namely, the project section, which examines all documents for the purpose of setting up the project; a pay-roll section, which examines all pay rolls; a miscellaneous voucher section, which examines all vouchers other than pay rolls; and a check-verification section, which examines copies of all checks issued by the disbursing officer.

PAY ROLL TROUBLE UNIT

In some of the larger offices, in order to avoid delays in making payments to workers because of questions arising in the examination, the Treasury set up what is called a "pay roll trouble unit," to which all questioned pay rolls are promptly referred. The Treasury arranged to have stationed in the pay roll trouble units representatives of the operating agencies in order that the necessary administrative action might be expedited. These pay roll trouble units were undoubtedly instrumental in avoiding serious situations which inevitably would have arisen through delays in making payments to workers.

SUSPENSIONS BY GENERAL ACCOUNTING OFFICE

Later there was established in the Division of Examination what is known as a "suspension reply unit," the duty of which is to see that all questions raised by the General Accounting Office in the audit are properly and promptly attended to.

Suspensions, or "exceptions" as they are sometimes called, made by the General Accounting Office are classified in the Voucher Procedure and Review Division of the Central Accounts Office according to organization units, types of vouchers, and reasons for the suspensions. Since many suspensions are based upon legal or procedural technicalities, State offices are constantly reminded to study the types and reasons for suspensions made by the General Accounting Office in order to avoid repetitions.

The Voucher Procedure and Review Division in Washington also compiles every 10 days a summary report showing, with respect to each State, the total number and amount of suspensions taken by the General Accounting Office; the number and amount cleared; and the outstanding suspensions classified as to those under consideration in the field, those being reviewed in the central office, and those in the General Accounting Office pending further consideration. In this manner the Commissioner of Accounts and Deposits is always in possesion of current information concerning the status and condition of disbursing officers' accounts.

STOCK OF BLANK CHECKS

The Division of Examination is also charged with the responsibility of maintaining a control over the stock of blank disbursing officers' checks and to make a periodic audit of such stock.

FINANCIAL REPORTS

The fourth problem, as I have already indicated, involves the prompt dispatch of financial reports to the central office in Washington every 10 days. Since this is one of the major objectives, there was provided in the organization of the larger State accounts offices an official whose title was special assistant on financial reports.

The principal responsibility of this officer is to see that effect is given to all instructions issued by central office in connection with the preparation of financial reports, and to see that they are complete, accurate, and dispatched within prescribed time limits. The smoothness and efficiency with which this function is performed is indicated by the fact that the annual reports consisting of approximately 500 pages were transmitted to the Congress within 9 days after the close of the year to which they pertain. The State reports, coming from all over the United States and the territorial possessions, are tabulated and consolidated in the Financial Reports Division of the central office according to act limitations, organization units, States, types of work, and objects of expenditure. They show the amounts allocated by the President, the amount obligated, the amount disbursed, the unobligated balances, and the unliquidated obligations. From these reports it is possible to ascertain the amount allocated and expended and the status of the funds of any organization in any State.

FARM SECURITY (FORMERLY RESETTLEMENT) LOAN ACCOUNTS

There is another phase of the work to which I have not heretofore made reference. This work relates to the accounting for loans and collections in connection with the farm security program. The Treasury Accounts Offices maintain approximately 640,000 borrowers' accounts. From these accounts the Department compiles periodically a statement showing the status of loans, including the amount loaned, the maturities, the collections with respect to both principal and interest, the delinquencies, and the

unmatured loans. In the month of December 1937, collections on these accounts amounted to almost $5,000,000.

Thus far I have given a general outline of the organization and functions. We will now proceed to a brief discussion of procedure.

FLOW CHART

I have brought with me this evening a flow chart for the purpose of showing you graphically how the centralization of accounting in the Treasury Department affords the President the means of exercising executive control over the work-relief funds; and how it enables him to make to the Congress a full accounting for the funds.

You will observe that the chart is divided at the center horizontally with a double line to separate the operations in the "Field" from the administrative or control functions in the District of Columbia.

Attention is called to the large numerals, beginning with the numeral 1 in the upper right-hand corner of the chart. The flow of authority begins with the Congress at numeral 1 and ends with the accounting by the Executive to the Congress at numeral 22.

APPROPRIATIONS

After an appropriation act is passed by the Congress, at numeral 1, it is sent to the President for approval, at numeral 2. The original act is filed in the State Department and a certified copy is delivered by the State Department to the Treasury Department, at numeral 3.

The initial appropriation of $4,000,000,000 in the Emergency Relief Appropriation Act of 1935 was set up in a master appropriation account on the general books of the Government in the Division of Bookkeeping and Warrants of the Treasury Department. Into this master account were later deposited the proceeds of a $500,000,000 check from the Reconstruction Finance Corporation.

There were also transferred to this account from other appropriations certain unobligated balances, as authorized by the act. Subsequent appropriations increased the total to about $8,500,000,000.

Upon the basis of allocations made by the President, to which I will later refer, funds are transferred by warrants from this master appropriation account to other appropriation accounts identified with limitations contained in the act.

The balance in the master appropriation account represents the amount available to the President for further allocation to operating agencies.

A copy of every appropriation act is sent to the Bureau of the Budget at numeral 4. At the same time a copy of every act also is sent to the Comptroller General, although for the purpose of clarity this step is omitted from the chart.

ALLOCATIONS OF FUNDS BY THE PRESIDENT

The first step in the Executive control of work-relief expenditures is what is known as the "Presidential allocation of funds." While it is customary for the Congress to appropriate funds directly to executive departments and establishments of the Government, the emergency work-relief funds were appropriated to the President for expenditure, in his discretion, subject to certain general limitations on the total amounts which may be used for various classes of projects.

Requests for allocations of funds and approval of projects to be undertaken are submitted to the Bureau of the Budget for review at numeral 4 before submission to the President, at numeral 5. Presidential letters of allocation and lists of approved projects are sent to the Treasury Department, at numeral 6.

Upon receipt in the Treasury Department of an order of the President making an allocation of funds, the Division of Bookkeeping and Warrants of the Treasury Department issues an appropriation transfer warrant for the purpose of transferring the amounts allocated from the master appropriation account on its books to separate controlling accounts under the applicable general limitations of the appropriation acts. Such warrants, together with the supporting documents, are sent to the Comptroller General for countersignature. Meanwhile, an advance copy of the President's order containing a detailed listing of the projects and the limitations, is sent by the Central Treasury Accounts Office to the appropriate State Treasury Accounts Office for its advance information, but with instructions not to make the funds available until the receipt of telegraphic advice that the warrant has been countersigned by the Comptroller General. This procedure enables the Treasury to make funds available in the States almost simultaneously with the approval of the warrant in Washington. At the beginning of the program this practice was of great importance in the commencement of projects and the putting of men to work.

After an appropriation transfer warrant is countersigned, a certified copy is sent to the Treasury Central Accounts Office and is used as a basis for charging the applicable limitations of the act and establishing the necessary controlling accounts.

PROJECT LIMITATIONS

In order to provide maximum flexibility in the selection of projects on which work was to be commenced, the President authorized projects containing limitations which, in the aggregate, are considerably in excess of the amount of money available. It, therefore, became necessary for the Treasury to adopt a procedure whereby necessary controls would be maintained, not only with respect to individual projects but also with respect to the total amount of cash available in any one State. This also created the further problem of avoiding a situation where more projects might be commenced than could be completed within the total amount appropriated by the Congress.

Upon the basis of the Presidential allocations and countersigned warrants, advices of allocation are prepared in the Treasury Central Accounts Office and sent to the administrators of the agencies to whom the allocations are made, as shown at numeral 7 in the chart. At the same time, the allocations are set up on the books of the Treasury Central Accounts Office to control the administrative allotment of funds under each allocation.

ADMINISTRATIVE ALLOTMENTS

Upon receipt of the Advices of Allocation at numeral 7, Federal administrators in Washington who have jurisdiction over a program issue advices of project authorization through which the allocated funds are distributed to State or other field administrators.

In order to maintain centralized accounting control in the Treasury, the advices of project authorization, after issuance, are sent to the Treasury Central Accounts Office, at numeral 8, where they are set up on the books and charged to the allocations to which they pertain.

After posting to the books of the Treasury Central Accounts Office they are forwarded to the appropriate State Treasury Accounts Offices, at numeral 9. The advices of project authorization are then set up on the books of the State Treasury Accounts Offices, after which they are transmitted to the State administrators at numeral 10.

ALLOTMENTS

The next step in the operation is the allotment of money by State administrators for the operation of specified projects. This is accomplished through an advice of allotment.

In regulation No. 1 the term "allotment" is defined as follows:

"(j) The word 'allotment' means the amount of an authorization on a prescribed form issued by an administrator or other authorized person to a project manager, authorizing the latter to enter into contracts, to make purchases or pay-roll commitments or to incur other obligations, for a work project."

On September 28, 1935, Accounts and Deposits Field Office memorandum No. 74 was issued requiring State administrators to certify in each case where an allotment was made in an amount less than the Presidential limitation to the effect that the amount so allotted was sufficient to complete the project or a useful unit of a project. As the allotments are made the funds are set aside on the books of the Treasury State Accounts Office for the purpose of the projects indicated in the allotment. It is the duty of the Treasury State Accounts Offices to see that obligations incurred are kept within the limitations of such allotments.

The advices of allotment, after issuance by the State administrators, are sent to the Treasury State Accounts Office, at numeral 11, for the purpose of establishing an accounting control over the expenditures to be made under the allotments. After the allotment accounts have been posted in the Treasury accounts offices against the project authorizations to which they pertain, the advices of allotment are forwarded to the project managers to whom the allotments are made, at numeral 12.

Thus far it will be seen that the Congress exercises legislative control through appropriations at numeral 1; that the Bureau of the Budget exercises certain control through the review of proposed projects before approval by the President at numeral 4; that the President exercises executive control through the approval of individual projects and allocations of funds for the work to be undertaken on such projects at numeral 5; that the administrators of the agencies receiving the allocations exercise administrative control through the apportionment of allocations by means of project authorizations at numeral 7; that the State administrators exercise operating control by making allotments under the project authorizations for specific projects and purposes at numeral 10; and that the Treasury Department exercises accounting control through the recording of appropriations, allocations, project authorizations, and allotments at numerals 3, 6, 8, 9, and 11.

ENCUMBRANCES FOR PAY ROLLS, CONTRACTS, PURCHASE ORDERS, ETC.

We next come to the obligation of funds.

A provision in the regulations upon which the Treasury accounts offices placed particular emphasis is paragraph 12 (a), which reads:

"The records of the Treasury accounts offices shall reflect as currently as practicable the accruing liability of the Government on account of each project. To this end administrators and other designated officers shall furnish the appropriate Treasury Accounts Office such information as it may require."

Copies of all contracts, purchase requisitions or orders, and copies of papers, advices, and documents covering encumbrances or obligations incurred are required to be furnished to the appropriate State treasury accounts office promptly after issuance. Each pay roll submitted for payment is accompanied by an encumbrance document covering the ensuing pay period.

In order that the limitations fixed by the President with respect to the amounts of allocations and also with respect to approved projects may be observed, it is necessary that the obligations incurred, such as pay-roll commitments, contracts, purchases, etc., be kept within the bounds of administrative allotments and project limitations. The numerals 12 and 13 in the chart show the transmission of obligating documents from the various project managers to the State treasury accounts offices where such obligations are posted to the allotment and project accounts previously mentioned in connection with numeral 11.

PROCUREMENT

It will be recalled that under the Executive order of May 6, 1935, the President vested in the Procurement Division of the Treasury Department the responsibility for making purchases under the work-relief program. As I previously stated, the Procurement Division maintains State offices in the same cities in which the Treasury accounts and disbursing offices are located.

Whenever materials, supplies, equipment, or contractual services are needed, it is necessary for the operating agency concerned to make requisition on the State treasury procurement officer. However, before the procurement officer will enter into a contract or execute a purchase order, the requisition must clear through the Treasury State accounts office for posting and certification as to availability of funds.

It will be observed by reference to numeral 13 that the requisitions are forwarded to the State treasury procurement offices, through the State treasury accounts offices at numeral 14–A. This is done in order that the estimated amounts of the purchases may be posted in the allotment and project accounts and a determination made as to the sufficiency of unobligated funds and project limitations before the actual obligations are entered into.

Promptly upon issuance, copies of purchase orders are sent by the State treasury procurement office to the State treasury accounts office at numeral 13, in order that accounting adjustments, if necessary, may be made for differences between amounts contained in the requisitions and the purchase orders. Copies of all obligating documents are returned, after entry, by the State treasury accounts offices to the project managers for their information as indicated at numerals 13 and 14.

It would be impracticable to issue for the Government as a whole reasonably current financial statements on an accrual basis, unless the accounts are maintained under centralized supervision. Different officers of the Government have different ideas about the manner in which accrued expenses should be reflected in the accounts, and our experience in the handling of this program has demonstrated that many administrative officers do not appreciate or attach proper importance to the necessity for promptly reporting the obligations they incur, or for executing the necessary accounting documents for that purpose.

It is not sufficient that accounts be kept on standard forms and according to uniform rules. They must be actively supervised by an organization of trained accountants, who will see that the rules are uniformly applied in a manner consistent with economy, efficiency, and proper understanding of administrative needs and sound accounting practice. This is an important phase of the control of work-relief expenditures that has been developed and put into effect by the Treasury Department through its emergency accounts offices.

CONTRACTS

A step which has been omitted from the chart, in the interest of simplicity, involves the transmission of original contracts, together with such supporting documents as are required for audit, to the General Accounting Office, Washington, D. C.

DISBURSEMENTS

We now come to the disbursements.

Under Federal procedure no payments may be made except upon a properly executed voucher or pay roll. All vouchers and pay rolls must be certified by project managers or by such other persons as are authorized to do so.

The next step, indicated by the numerals 14 and 15, shows the transmission to the State treasury accounts offices of approved vouchers and pay rolls by project managers. Approved procurement vouchers are transmitted to the State treasury accounts office by State treasury procurement offices, as shown by numerals 14–A and 15.

Before vouchers and pay rolls are transmitted to the State treasury disbursing offices for payment they are given a treasury preaudit in the State treasury accounts offices. The principal objects of this Treasury preaudit are to see that the voucher is in liquidation of an obligation legally incurred, that sufficient funds are available for payment, that the voucher has been approved by a duly authorized administrative officer, and that necessary supporting documents are present. In this connection it should be mentioned that under the Treasury's system illegal expenditures to some extent can be prevented through the examination of encumbrance documents prior to the actual incurring of obligations.

After the vouchers and pay rolls have been examined in the Treasury Accounts Office they are transmitted to the Treasury disbursing office for payment. This is indicated by the numerals 15 and 16. It is the responsibility of the disbursing officers to draw the checks and make the payments to the identical persons named in the vouchers and pay rolls and for the amounts approved therein.

The chart shows checks going from disbursing officers to payees. They are paid through Federal Reserve banks.

ANALYSIS OF UNLIQUIDATED BALANCES

An important feature of the Treasury's emergency accounting procedure involves the preparation of a monthly detailed listing of unliquidated obligations and the transmission of such lists to the administrative agencies for examination and follow-up. This is in the nature of a weeding out" process. By that I mean that in this manner the Treasury is constantly "weeding out" of its accounts accruals which for one reason or another do not represent liabilities.

The necessity for this is apparent when it is realized that the accuracy of the accounts depends in a large measure upon the proper reporting of obligations incurred by thousands of different individuals connected with administrative agencies. Another purpose which is served by this practice is that it calls to the attention of responsible administrative officers delays in the settlement of amounts due public creditors. Here again the Treasury Accounts Offices are of service, not only in the accounting field but also in the field of administration.

CHECK VERIFICATION

Another feature of the system is the immediate verification of checks issued by disbursing officers. It will be noted that carbon copies of checks are immediately transmitted to the State treasury accounts offices, where they are examined to see that the checks have been issued in the proper amounts to the persons specified in the vouchers and pay rolls. To a considerable extent it has been possible to accomplish this examination before the checks are released by the State treasury disbursing offices to the payees. After examination in the State treasury accounts offices, check copies are transmitted to the General Accounting Office. The State treasury accounts offices also make periodic audits of the stocks of blank checks for which the disbursing offices are accountable.

While not shown in the chart, the treasury accounts offices maintain controlling accounts with respect to the accountability of the disbursing officers for funds advanced to them and collected by them. Subsidiary accounts are also maintained by the State treasury acccunts offices relating to all transactions of the disbursing officers, regardless of whether such transactions involve changes in the cash balances for which the disbursing officers are accountable.

It will be seen that the State treasury accounts offices act as a dual check, first, upon administrative officers who, on the one hand, incur obligations, and, second, upon the disbursing officers who, on the other hand, pay the obligations.

INDEPENDENT AUDIT BY GENERAL ACCOUNTING OFFICE ON 10-DAY BASIS

Numerals 16 and 17 show the transmission of paid vouchers and pay rolls, and accounts current which they support, from the State treasury disbursing offices to the Treasury Central Accounts Office.

Disbursing officers are bonded for the faithful performance of their duties, and under the law are required to account to the General Accounting Office for all Treasury advances, receipts, and expenditures. This is accomplished through the periodic rendition to the General Accounting Office of an account current in which the disbursing officer charges himself with all Treasury advances, and receipts and takes credit for all expenditures. These accounts must be supported by certified vouchers, pay rolls, and other original papers. It is the general practice for disbursing officers to render their accounts monthly or quarterly; but, recognizing the value of a prompt accounting and audit of the vast sums of money to be expended for work relief, the Treasury arranged with the General Accounting Office for audit of those accounts on a 10-day basis.

ADMINISTRATIVE EXAMINATION OF DISBURSING OFFICERS' ACCOUNTS

Under the law, before accounts are rendered to the General Accounting Office for audit and final settlement there must be made in Washington what is called an administrative examination. This is usually done by or under the head of the operating service in Washington, but with respect to the disbursements made by Treasury disbursing officers for emergency work relief the President vested this responsibility in the Commissioner of Accounts and Deposits.

After administrative examination in the Treasury Central Accounts Office, the accounts current and paid vouchers, together with any exceptions noted in such examination, are sent to the General Accounting Office for post-audit of the vouchers and settlement of the accounts as indicated by the numeral 18.

FINANCIAL REPORTS

We now come to the financial reports.

The compilation of the financial reports is one of the most interesting as well as one of the most important functions which the Treasury accounting organization performs. The dispatch with which these reports are compiled is evidence of the smoothness with which the whole accounting organization operates.

From the beginning of the program a complete financial report, in summary form, has been made available every 10 days for the information of the President and others concerned, and a detailed annual report has been transmitted to the Congress at the beginning of each regular session, as required by law.

The usefulness of any financial report for purposes of administration is in direct proportion to the promptness with which such report is furnished after the close of the period for which the report is made. The 10-day summary reports are placed in the hands of the President within a few days after the close of each 10-day period. The annual reports are compiled on the basis of the calendar year and are available to the Congress within 9 days after the close of the year.

These financial reports show the status of the appropriated funds as to Presidential allocations, administrative allotments, obligations, expenditures, unobligated balances, and unliquidated obligations, and are classified according to congressional limitations, organization units, States and regions, types of work, and objects of expenditure. The reports also contain tables showing comparative data according to 10-day, monthly, and yearly periods.

Numerals 19 and 20 show the transmission of the State reports to Washington for consolidation. These reports are submitted to the Central Accounts Office in Washington within 72 hours after the close of each accounting period.

Before the State reports are consolidated in Central Office they are checked against the central accounting controls.

Numerals 20 and 21 show the transmission of financial reports by the Secretary of the Treasury, numeral 20, to the President at numeral 21. This is done every 10 days. And numerals 21 and 22 show the accounting by the President to the Congress, annually.

Although not shown in the chart, the State treasury accounts offices also provide State administrators (at numeral 10) and project managers (at numeral 12) with accounting reports for operating purposes.

EXTRACTS FROM PRESIDENT'S REPORT—EXHIBITS

It is difficult to give an adequate word picture of the financial reports which are submitted to the President every 10 days and to the Congress once a year, and in the limited time available I will not be able to cover all phases of the report. However, to give you a general picture I have had lantern slides made of several of the tables which might be of interest.

DESCRIPTION OF THE STATEMENTS AND TABLES REFERRED TO IN LANTERN SLIDES OMITTED FROM THIS RELEASE

My talk this evening is already too long and I appreciate your attentiveness. You realize, as I do, that there are many matters relating to the Government's accounting system which I have not touched. My principal difficulty in preparing my address was one of selection and elimination. I could not close this discussion, however, without answering to the best of my ability a question which must be uppermost in your minds, and which is more important than anything that I have said. The question is:

What is wrong with the present accounting system and what can be done to improve it?

Of course it would require some time to explain in detail what might be done to improve the present accounting system; but the whole problem can be reduced to organization, personnel, procedure, and the law. When proper principles have been adopted with respect to all these matters improvement of details will follow in due course.

In the first place, there should be prescribed, either by law or Executive order, if possible, the basic principles upon which the whole accounting system and fiscal procedure shall rest.

In making appropriations, distinction should be made between operating expenses, grants and subsidies, loans, and capital expenditures.

I will give you just one illustration in order that you might appreciate the difficulties under which the Treasury's accounting organization must operate. First bear in mind that the accounts must be kept strictly in accordance with the law, and the Secretary of the Treasury is required to render an annual report to the Congress showing the expenditures under "each separate head of appropriation."

Under the act of June 16, 1933, the Governor of the Farm Credit Administration purchased $144,500,000 of stock in the banks for cooperatives. Payment for the stock was made from the agricultural marketing fund created in 1929. The official accounts of the Treasury Division of Bookkeeping and Warrants therefore do not adequately reflect this transaction. Under a proper accounting system the Secretary of the Treasury would have been authorized to set up a separate account, the title of which would properly describe the nature of the transaction.

The situation with respect to the purchase of $120,000,000 of stock in Production Credit Corporations is even worse. This stock was purchased from three different funds, viz: $35,000,000 from seed and feed loan funds relating to the years 1921 to 1932; $45,000,000 from funds allocated by the Reconstruction Finance Corporation for crop loans; and $40,000,000 from a special appropriation.

Under a proper accounting system the Treasury should have been authorized to set up on its books a separate account under a title, "Subscriptions to stock in Production Credit Corporations," transferring to such account funds from the accounts indicated, if, as a matter of policy, it was determined that the latter funds should be used for purposes other than those for which originally appropriated.

Moreover, since the accounting should square with the appropriations, the appropriations should be made in such manner as will facilitate functional classification. There should be a requirement that all recoverable assets and all liabilities be reflected in central control accounts. There should be brought together in such accounts all essential data relating to the financial operations of the Government. This should be done in such manner as will provide for the needs of all officers concerned without unnecessary duplication of expense and effort. Finally, there should be a proper classification of personnel engaged on accounting work and proper standards should be set for their selection.

PUBLIC ADMINISTRATION CLEARING HOUSE,
Chicago, Ill., March 29, 1938.

Mr. WILLIAM H. MCREYNOLDS,
Administrative Assistant to the Secretary,
Treasury Department, Washington, D. C.

DEAR MAC: Last night at the Hotel Stevens, before the embattled Conference on Municipal Accounting and Finance of the American Institute of Accountants, Eddie Bartelt distinguished himself and the Treasury. A very representative group of highly qualified men in the field of public accounting were present and they were fascinated by his presentation, particularly of the marvelous system that has been worked out by the Treasury for control of the emergency relief appropriations.

After the talk the men stayed for over an hour, gathering around Bartelt and asking for more information. His appearance here was eminently worth while and will have influence throughout the accounting profession, which has had so little information apparently with regard to the work of the Treasury in the accounting field or with regard to the difficult problems with which it has to contend.

Several of the leaders in the field said to me later that the Treasury had been too modest and that they should make an effort to send men like Bartelt and his assistants to go before the State groups of the American Institute of Accountants, giving them facts on the technical problems and the solutions that the Treasury has developed to cope with them. Among other things with which the men were impressed were the ramifications and complexities as well as the astronomical magnitude of the transactions that characterize the Federal Government's fiscal policies. They literally gasped when Bartelt showed the slide of the Secretary's letter to the President, transmitting the report for the period ending December 31, 1937, 8 days after the close of the period.

Chatters, Brownlow, and I want to thank you and, through you, the Treasury Department, for making possible this fine presentation. Even though the Chicago papers chose to refer only to the parts of the address which might be interpreted as critical of the accounting situation, this was more than compensated for, as a matter of public relations, by the deep impression made by Bartelt on the leaders in the accounting profession.

May I take the liberty of suggesting to you, Herbert Gaston, and the Secretary, that efforts should be made for more of this type of presentation before professional groups. This office, in cooperation with Mr. Chatters, of the Municipal Finance Officers Association of the United States and Canada, would be pleased to do all in its power to facilitate such contacts if the Treasury felt in a position to furnish qualified speakers from time to time.

Cordially yours,

HERBERT EMMERICH.

MUNICIPAL FINANCE OFFICERS ASSOCIATION,
Chicago, Ill., April 1, 1938.

Mr. E. F. BARTELT,
Commissioner of Accounts and Deposits,
United States Treasury Department, Washington, D. C.

DEAR MR. BARTELT: We owe you a debt of gratitude for your talk before the American Institute of Accountants here in Chicago on Monday night. No talk in many months has aroused so much interest among those who heard it. It was a revelation to everyone who heard you speak. It was indeed significant that so many of the people were willing to stay for an indefinite time afterward to hear you elaborate on the proceedures you are carrying out.

It is dangerous to be a prophet. Nevertheless, I think it is safe to assume that the talk which you gave in Chicago will mark a new era of understanding of what the Federal Government should accomplish and is trying to accomplish through its accounting plan. The work you have done has been pioneering in many respects and ought to point the way to better accounting with respect to the general agencies of Government as well as the special agencies.

Several officers of the National Association of State Auditors, Comptrollers and Treasurers were in the audience when you spoke and I am quite certain that they will be very much interested in having you attend their meeting which will take place some time later this year. You may be assured of the hearty cooperation of this association and its members in offering to you any of its facilities at any time.

Sincerely yours,

CARL H. CHATTERS,
Executive Director.

MUNICIPAL FINANCE OFFICERS ASSOCIATION,
Chicago, Ill., April 1, 1938.

Mr. WILLIAM H. MCREYNOLDS,
Administrative Assistant to the Secretary,
Treasury Department, Washington, D. C.

DEAR MR. MCREYNOLDS: The straightforward talk of Mr. E. F. Bartelt before the conference on municipal accounting and finance here in Chicago on Monday night of this week made a distinct impression on his listeners. As a matter of fact, they were rather dumbfounded to learn that the Federal Government was doing such good work in the accounting for the emergency funds.

It seems to me that the talk here marks the beginning of a new understanding of what the Federal Government can accomplish and is actually doing. We hope that in succeeding months we may have the opportunity of hearing Mr. Bartelt again before other groups of public officials where his appearance will do much to create a better understanding between the Federal Government, the State government and the local government. We appreciate very much having his services made available.

Sincerely yours,

CARL H. CHATTERS,
Executive Director.

NORTHWESTERN UNIVERSITY,
COLLEGE OF LIBERAL ARTS,
Evanston, Ill., May 19, 1938.

Mr. E. A. BARTELT,
Commissioner of Accounts and Deposits,
United States Treasury, Washington, D. C.

MY DEAR MR. BARTELT: Through Mr. Carl H. Chatters, executive director of the Municipal Finance Office Association, my attention has been called to the remarkable report to the President and Congress on emergency funds as of December 31 1937. We desire to secure two copies of this report for use in connection with the course in public administration at Northwestern University.

My cursory examination of this report has left me amazed and jubilant. It justifies beyond my most ardent hopes the claim that I have long made that the largest scale government accounting and financial reporting could be set up and administered in such manner as to make the essential facts available within a reasonable time after the close of any stated period. I have been able to prove my contention again and again in connection with procedures set up for municipalities. You have demonstrated through this report that the thing can be done in connection with one of the most extensive and intricate phases of national financial operation. You have now demonstrated that in this difficult field of national governmental operation it is possible to issue a financial statement so promptly after the close of the fiscal year that knowledge of what has happened can be available in time to shape the policy for the next succeeding fiscal year. There is now obviously no reason why we should not have similar reports as promptly issued in connection with all other phases of national governmental operations. Frankly I regard the demonstration which you have made as a epochal event and am letting no opportunity pass to call attention to your achievement.

I do not know whether the Treasury Department is in a position to furnish the two copies which I have requested gratis. If not, I shall be glad to remit the amount necessary to cover any expense of securing them.

Sincerely yours,

A. R. HATTON,
Chairman, Department of Political Science.

Government Spending

EXTENSION OF REMARKS
OF
HON. JAMES H. HUGHES
OF DELAWARE
IN THE SENATE OF THE UNITED STATES
Monday, May 23 (legislative day of Wednesday, April 20), 1938

RADIO INTERVIEW BETWEEN SENATOR GREEN AND JAY FRANKLIN

Mr. HUGHES. Mr. President, I ask unanimous consent to have printed in the RECORD a radio interview broadcast from Washington, D. C., on May 19, 1938, between the junior Senator from Rhode Island [Mr. GREEN] and Mr. Jay Franklin on the subject A Government Spending Program.

There being no objection, the radio interview was ordered to be printed in the RECORD, as follows:

Mr. FRANKLIN. Good evening ladies and gentlemen, this has been another week of ups and downs, when events fail to follow any clear trend and when men and measures eddy around in circles. Many things have been happening which will call for future comment as they come to affect future events. But, taking things by and large, as your contact man in Washington, the man you send to White House press conferences and around and about the town, to find out for you what the New Deal is all about these days, I am of the belief that the President's spending and lending program is still the most important thing up for political action, and we all hope for its speedy passage.

Those of you who listened to my talk last week with Senator O'MAHONEY, of Wyoming, may remember that I pointed out that the spending program, as such, would be useless, except as an emergency measure to tide us over the present crisis, without other and lasting measures of reform. I am still of that opinion. I feel that it would be foolish for anyone to assume that a spending program as such can end in anything but more debt, unless there is a real and honest attempt to deal with the deep-seated evils which are sending millions of self-respecting Americans onto relief and are encouraging certain powerful and short-sighted individuals to imagine that by a propaganda of fear and a Nation-wide policy of hoarding they can impose their will upon your Government.

So tonight you are going to have a chance to listen to a talk between me and a man who has been thinking, talking, and acting along these lines for years—a man considerably older than myself, who thinks young thoughts, a man of ample means who does not begrudge paying his share of the freight under the New Deal, a man from a more conservative New England background than my own who has been active in liberal politics for many years—not only active but effective—Senator THEODORE FRANCIS GREEN, of Rhode Island.

A little less than 2 years ago, I was sweltering in the press box at the National Democratic Convention in Philadelphia. All day I had been noticing little bunches of gaily colored balloons distributed around the floor of the convention hall. I had wondered what they were for. Then, as it was announced that Governor Green, of Rhode Island, would make a speech to second your President's nomination, all the balloons started for the roof and there was a tremendous ovation. That was the first time I had set eyes on Mr. Green. After I heard his speech, I wanted to meet him. He not only spoke well; he spoke honestly and he made sense. In the course of last winter, I met him at the house of former Governor Pinchot, of Pennsylvania, of all places, and found that Senator GREEN was a vigorous and disinterested progressive, a man who holds to the old New England spirit of doing his duty, speaking his mind, and serving his neighbors. Tonight, he has agreed to join me on this program. You may have gathered that I admire Governor—or rather Senator GREEN, for he was, of course, elected Senator from Rhode Island in 1936. I do.

Senator, I was born in Fall River, just over the line from your State. I haven't been back since I was 3 years old and I have often wondered at the extent of the economic depression in those New England mill towns, a depression which seems to have made reform politics good politics in what I have always regarded as the stronghold of the tories. Just now I notice that some of our fellow New Englanders are arguing that we should not adopt a pump-priming program, because they say that we tried it once and it failed. Do you think there is merit in their argument?

Mr. GREEN. None at all, Mr. Franklin. May I use an illustration. Suppose a doctor is called in to tend a serious case. Other doctors have already given the patient up. The patient himself has lost confidence and feels he cannot recover. The doctor diagnoses the case, and knows that the patient's habits have brought the illness on, and that a change of habits will be necessary before complete recovery. He cannot, however, except to pull the patient through by a slow change of habits. He must first get the patient over the crisis, and orders stimulants. Under the influence of the stimulants the patient gets to feeling far better, his courage is restored, he feels he is cured and becomes unwilling to change his habits. There is in consequence a relapse and the doctor is called in again, and again prescribes a stimulant for immediate relief. Is it reasonable to say that this having failed to effect a cure once, it should not be tried again? No! until the fundamental trouble is removed, stimulants will have to be prescribed as often as there is a relapse.

The spending-lending program of the administration, this so-called "pump priming," is like the stimulant. It has a good temporary effect on the economic condition of the Nation. It is no cure. It cannot be a cure. The trouble is that when the patient has an attack the cure cannot be effected, and when he is recovering from an attack he is unwilling to undertake the cure.

Mr. FRANKLIN. Your sick-room parable is a suggestive one. As I understand it you would agree that in time of crisis such as this with millions without work and without money to buy food and other necessities, we have to do something promptly to prevent actual starvation?

Mr. GREEN. Surely, and almost all thinking people, even opponents of the administration in general, agree on that. An extreme example is one of the ablest representatives of big business from the Middle West, Mr. Tom Girdler.

Mr. FRANKLIN. Do you mean that Mr. Tom Girdler, of Republic Steel, is in favor of the administration's national relief policy?

Mr. GREEN. That is exactly what I mean. This fact was brought out at a hearing of a senatorial committee here in Washington last June. Toward the close of my cross-examination of Mr. Girdler, I asked him whether his arguments did not lead to the conclusion that when men were out of work, willing to work, and could not obtain work, it was the duty of the Government to provide them with the opportunity to work, and he finally admitted that the Government should do so and, to use his own words, "to the best of its ability to do so." This must mean to the limit of its financial resources.

Mr. FRANKLIN. Well, then, Mr. Girdler would not be in agreement with Senator BAILEY, of North Carolina, who recently stated in a newspaper interview that the unbalanced Budget was a menace to all business recovery. Senator BAILEY argued that the real cause of this depression was what he termed the "failure of the American people to invest their savings in enterprise——"

Mr. GREEN. If I may interrupt you, please, the expression "failure of the American people to invest their savings" appeals to my sense of humor. The small minority of the people who have savings to invest are refusing to invest them until they can be assured that they are going to get returns which they regard as satisfactory. This is well called "a sit-down strike on the part of capital." On the other hand, a great majority of the American people do not invest their savings because they have not any to invest.

Mr. FRANKLIN. To complain that the people are not investing their savings is like complaining that they are not wagging their long bushy tails. The answer is that they have no long bushy tails to wag and no savings to invest.

Mr. GREEN. The reason the great majority of them have no savings to invest is the same reason that millions of them are absolutely destitute. It is because throughout the machine age we

have concentrated our attention on the production of wealth and have given very little attention to its proper distribution. So the men and women were not freed by a machine to unprecedented opportunities for better living. Not at all. A comparatively small class was freed to complete absorption in the profit-making genius of regimented manufacturing. The vast mass of mankind, by virtue of the machine, became itself a machine. Nowhere in the history of the world, outside of India possibly, do we find such tremendous contrasts between the enormous wealth of a few private persons and the absolute destitution of millions of their fellow citizens. The continual reinvestment of surplus capital funds in additional means of production has reached its limit under our present economic system because the limit of consumption has been reached. It has been reached, not because the masses of the people do not want to consume more but because the masses of the people have no money to buy more. So, as a permanent cure for a sick nation, we must reorder our economic life so that a greater proportion of the profits of labor and capital combined shall go to labor. This means that labor must get more, though it does not necessarily mean that capital will get less in the aggregate.

Mr. FRANKLIN. That is all very true, Senator, but what has that to do with the spending program?

Mr. GREEN. It is true that the spending program is no permanent cure. The permanent cure must take other forms, such as reducing the hours of labor so that more men and women can work; such as providing old-age pensions so that the aged can quit work; such as beating down the high prices arbitrarily fixed by private monopolies; such as preventing the hoarding of capital; and other similar measures. These, however, do not meet your point. The justification for the lending-spending program is, as I said before, something different. It is to tide the Nation over until it can undertake these permanent reforms. It seeks to provide money for temporary relief of the submerged one-third of our population. It is doing in part what Mr. Girdler's statement implied. If private industry cannot or will not provide work, the Government can and will provide it. This costs a huge sum and unbalances the budget unless it is raised by taxation, but there seems no alternative.

Mr. FRANKLIN. Why do you speak of providing work? Many people argue that it would be simpler and more economical just to give the unemployed the money.

Mr. GREEN. It would be more economical in dollars and cents. I mean the Government would spend less; yet it is far less economical from another standpoint, because a pure gift of money is demoralizing to the recipient. Most of the unemployed want work and not charity. When I was Governor of Rhode Island, I insisted that, beginning with the first dollar the State spent for relief, every recipient must work for it.

There is another reason why the Government should not give the money. As a matter of fact, it gets a great deal in return when the recipients have to work for it. Critics talk about the inefficiency of the W. P. A. workers. There are doubtless illustrations at hand to serve their purpose, but the vast majority of these workers have accomplished a great deal not only for the temporary but also for the permanent improvement of the communities where they have worked. These assets, which do not appear on our books, go a long way toward balancing the expenditures to which alone the critics point. This balance is the only true measure of the cost of relief.

Mr. FRANKLIN. The same is true in P. W. A., is it not? The P. W. A. expenditures are almost entirely for works of lasting benefit which should be provided anyway in those communities. Your suggestion of balancing these projects as assets against the expenditures as liabilities points the way, it seems to me, to a proper estimate of the net cost.

Thank you very much, Senator GREEN. You have not only clarified my own thought on this subject but you have confirmed the impression, which I find to be quite general, that the spending-lending program is vitally necessary at this time, but must also be considered as a prelude to a program of most lasting and deeply considered changes in our national, economic, and social program.

The National Bituminous Coal Commission and Unemployment

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, May 23 (legislative day of Wednesday, April 20), 1938

LETTER TO AN UNEMPLOYED MINER IN WEST VIRGINIA

Mr. HOLT. Mr. President, I ask unanimous consent to have inserted in the RECORD a letter I have written to an unemployed miner in West Virginia.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR JOE: This is another letter to try to help you find a job. I advised you last week to get a job as messenger in the National Bituminous Coal Commission. They spend approximately $40,000 a year to pay the wages of the messengers of the Coal Commission.

You should be able to get a job from the Senator who in high-sounding language and beautiful poetry told you how he loved the miners and how no night was too long nor no day too stormy for him to work to give you high wages and steady employment. There are plenty of jobs you could get if you could receive the O. K. This will depend on whether or not you have political influence. If you have, you will be employed. If you have not, you will get a flowery excuse. That is like the W. P. A. If you have political influence, you do not have to be needy. If you are just an ordinary miner, your letter will be sent to the officials of the State office and from there to the district office, and then you will get a letter "regretting" the fact that there isn't a job.

Many are employed by the Coal Commission who know nothing about coal. They were employed because they were supposed to control votes. I am writing to tell you of the different jobs in the Coal Commission created by the Guffey Coal Act. There are 151 different jobs classified; this means there are 151 different types of jobs filled by approximately 1,200. These employees, hundreds and hundreds of them, get their checks every 2 weeks; the average wage being approximately $100 each pay day. You, who were supposed to benefit from the bill, get paid when you work, although you haven't worked much since the bill went into effect. I know you were told that the bill meant high wages and the salvation of the coal miners, but that was a political trick.

You should find at least one job in the enclosed list of positions of the National Bituminous Coal Commission.

Sincerely,

RUSH D. HOLT.

TITLES OF POSITIONS IN THE NATIONAL BITUMINOUS COAL COMMISSION

Acting chief, marketing division.
Acting head messenger.
Assistant general counsel.
Acting general counsel.
Attorney.
Attorney examiner.
Associate price examiner.
Assistant to the secretary.
Analyst.
Associate engineer economist.
Assistant auditor.
Assistant file clerk.
Assistant fiscal accounting clerk.
Assistant clerk.
Assistant clerk-stenographer.
Assistant clerk-typist.
Assistant record clerk.
Addressograph operator.
Assistant messenger.
Acting director of statistics.
Assistant statistical analyst.
Assistant junior statistical analyst.
Accountant, chief clerk.
Administrative assistant.
Administrative clerk.
Accounting clerk.
Acting manager of statistical bureau.
Acting manager, statistical office.
Acting manager.
Assisting hearing clerk.
Budget and finance officer.
Bookkeeper machine operator.
Commerce attorney.
Chief of special agents.
Confidential secretary to Commissioner.
Confidential assistant to Commissioner.
Chief of mails and files.
Chief printing and supply section.
Clerk.
Clerk-stenographer.
Clerk-secretary.
Comptometer operator.
Compiling clerk.
Correspondence clerk.
Calculating machine operator.
Card punch operator.
Computing clerk.
Chief clerk.
Compiling clerk and junior machine operator.
Clerk-typist.
Confidential clerk.
Chief of machine tabulation units.
Clerk-messenger.
Chief clerk.
Comptometer clerk and machine operator.
Card-punch file clerk.
Clerk receptionist.

Combination general statistical clerk and typist.
Confidential record clerk.
Combination statistical clerk.
Confidence clerk.
Comptometer clerk.
Draftsman.
Director of statistics.
Examiner.
Engineer economist.
Finance examiner.
File clerk.
Field supervisor.
File clerk and telephone operator.
Field statistical superintendent.
Graphic analyst.
Graduate nurse.
General clerk.
General statistical clerk.
General statistical or compilation clerk.
General clerk-typist.
Investigator.
Inspector.
Information clerk and telephone operator.
Junior attorney.
Junior price examiner.
Junior statistical examiner.
Junior administrative officer.
Junior administrative assistant.
Junior statistical clerk.
Junior stenographer.
Junior clerk-stenographer.
Junior clerk-typist.
Junior voucher clerk.
Junior calculating-machine operator.
Junior field auditor.
Junior statistical analyst.
Junior machine operator and comptometer clerk.
Junior investigator.
Junior assistant statistical analyst.
Junior machine operator.
Legal stenographer.
Laborer.
Mimeograph operator.
Messenger.
Manager.
Machine operator and typist.
Machine operator.
Manager statistical bureau.
Mechanic.
Principal price examiner.
Public relations adviser.
Price examiner.
Personnel assistant.
Principal accounting clerk.
Principal clerk-secretary.
Property and order clerk.
Receptionist.
Record clerk.
Reception and general clerk.
Reception clerk and general operator.
Reception and telephone operator.
Secretary.
Special agent.
Senior price examiner.
Special assistant to general counsel.
Senior attorney.
Senior tariff rate examiner.
Senior attorney examiner.
Senior economist analyst.
Senior clerk.
Senior statistical clerk.
Senior typist.
Statistical analyst.
Stenographer.
Senior stenographer.
Stock clerk.
Secretary to manager.
Sorting machine operator.
Stenographer-clerk.
Secretary to director of statistics.
Senior stenographer-clerk.
Traffic rate supervisor.
Technical adviser.
Transportation examiner.
Telephone operator.
Typist.
Typist and file clerk.
Tabulating clerk.
Unskilled laborer.
Under clerk.
Under file clerk.
Under clerk-typist.
Under statistical clerk.
Watchman.

The Securities and Exchange Commission and the Stock Exchange

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Monday, May 23 (legislative day of Wednesday, April 20), 1938

ADDRESS OF WILLIAM O. DOUGLAS, OF THE SECURITIES AND EXCHANGE COMMISSION

Mr. MALONEY. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD an address delivered by Chairman William O. Douglas, of the Securities and Exchange Commission, on May 20 before a meeting of the Association of Stock Exchange Firms, at the Commodore Hotel, New York City.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Representatives of business and government meet tonight to hail a joint achievement and to launch a joint program. We are proud of what we have done working together. We are confident of what we can accomplish by pooling our resources and combining our energies. What we can do other groups can do. Working together, we can overcome any problem which besets capitalism and democracy. Working together, we can make this profit system work and at the same time sacrifice no whit or tittle of our Government's objectives.

Greed and fraud beset all walks of life. They are immortal. You and we are not going to harness them. But you and we can deal with them effectively when we meet them. But they are not our chief problems because most people are honest. Our main efforts lie along the lines of making as certain as possible that honest business has opportunity to make honest and substantial profits. Freedom of opportunity is as essential to healthy capitalism as it is to healthy democracy. By our joint efforts we can preserve that freedom of opportunity. By doing so we will preserve capitalism and democracy. Let us not be diverted from that effort by indulging in the pastime of looking for motes in each other's eyes or in the calling of names. Only by a joint and united front can we keep from these shores the plagues that have descended elsewhere.

Fair play and simple honesty are a part of our inheritance. Individualism is our pole star. A united front on current problems has been one of our great assets. We know how to pool our energies in attacking a common enemy, whether it be an army, a depression, or a burning issue. We need not offer each other olive branches. Unless we will it, our enemy is not ourselves, but deep economic problems. This Government needs you and you need this Government in attacking those problems. Let us not be deluded into mistaking personalities for issues. The issues live on, though personalities change. The answer to those problems cannot be found by reliance upon dogma or smugness. They cannot all be found in the laboratories. They can be found at conference tables and at forums.

The value of this approach is demonstrated by the joint achievement of your exchange and my commission. We were and are in the same boat. We knew that all of the brains and character did not rest with one group. We knew that if we joined forces we could lick our common problem. In this manner can other groups work together, irrespective of creed or politics. We live in perilous times. We can ill afford anything but joint action. If there is failure here, we all fail. When the hearts of Americans are bound together in a common purpose there can be no such thing as defeat. That time has come, for the common enemy of economic forces has invaded us.

But I want to speak tonight more particularly about this joint achievement and this joint program of ours.

You and we have come a long way together since last autumn. The road which we chose to travel was not the easiest. Some said it was impassable. Others said it was dead end. But you and we knew that we chose wisely. We were bent on a complete reorganization of the New York Stock Exchange. We insisted that it be a truly public institution, managed and operated so that the interest of the public be served first. Our joint acceptance of that basic principle made possible our joint achievement.

Many of you have been clamoring for these changes over a period of two decades. In your ranks there have been many who have been rebels against the smugness of those who stand resolute against any change. Out of the daily contact with exchange problems came the realization to many of you that the public's interest was not always being well served. As early as 1914 some of you went on the line for a full-time, independent, paid president of the exchange. You felt then what subsequent events have clearly demonstrated—that the private club form of government was not

suited to the operation of the exchange as a servant of the public. Some of you clamored, too long in vain, for the plan to have all stock-exchange houses file with the exchange periodic statements of their financial condition so that the public would be better protected against the risk of insolvency. Recent events have showed beyond doubt the tragic error of the long delay in accepting your proposal. Still others in your membership have been champions of similar reforms. Your capacity to agitate has been productive of many constructive changes. Dare I say that, for that reason, a goodly number of you would qualify for admission into the ranks of the new dealers? Tonight I salute those who have been endeavoring with heart and soul to preserve this ancient institution by remodeling and modernizing it.

A large part of your success has come as a result of the work of the Conway committee whom we honor tonight. That committee gave implicit recognition to the public interest as a prime motivating factor for future administration of the exchange. It properly recognized that "the integrity of the stock exchange is of first importance even with a program of governmental regulation." It also set forth as basic the proposition that a huge business enterprise such as the exchange should be run in a modern, efficient way rather than in the manner of a private club. But it talked in no vague generalities. It laid down a concrete plan of action—a new constitution, a paid president, a trained personnel, a reduction, nearly in half, of the size of the board of governors—in short, a businesslike administration of one of the most important businesses in the country; a streamlined administrative machine geared for high-speed action in the interests not only of the members but of the general investing public.

Intervening events have proved the wisdom of the principles which the Conway committee laid down for you. And the speed and dispatch with which you adopted these propcsals for reorganization are a sign of a new spirit in the Street. For that reason I congratulate you and the Conway committee. As a result of your acceptance of its platform, you can face the future with the hope and belief that you can reclaim the public confidence in the integrity of your business.

So tonight we turn our eyes from the past to the future. And the question on all of your lips is "What next?" Last winter I told a committee of the Congress my views as to the proper relationship of an agency of the Government like the S. E. C. to a stock exchange. I said:

"My philisophy was and is that the national securities exchanges should be so organized as to be able to take on the job of policing their members so that it would be unnecessary for the Government to interfere with that business, and that they should demonstrate by action that they were so organized. Now, that is something more than cooperation. That is letting the exchanges take the leadership with Government playing a residual role. Government would keep the shotgun, so to speak, behind the door, loaded, well oiled, cleaned, ready for use but with the hope it would never have to be used."

That is still my view of the matter. I do not relish governmental intrusion into your business any more than you do. And you know, as the public knows, that I am as sincere in that statement, as I am in saying that we will faithfully endeavor to do the job which is ours under the law.

We are first and last the investors' advocate. But we are also your advocate. A proprietor of a business such as yours can render a high service to his customers and to the Nation. With full sincerity I can say that if we can help you render that service we will have helped you help our whole national economy. For it must be remembered that your vitality and strength are symptomatic of the health and vitality of all of our financial processes.

That is why it must not be forgotten that the way your exchange is run is a matter of national concern and of national importance. Your exchange is one of the greatest market places in the world, a place where buyers and sellers throughout the world meet and do business together. It is important to those buyers and sellers (whether they be big or small) that this market place be above suspicion. To satisfy the demands of investors there must be in this great market place not only efficient service but also fair play and simple honesty. For none of us can afford to forget that this great market place can survive and flourish only by grace of investors. A man who wishes to buy or sell stocks or bonds must be convinced that this is his exchange, not an insider's exchange. He cannot be convinced by mere words. But I am sure he can be convinced by action. You have made a splendid beginning. It clears the decks for action. And if I am any judge of the attitude which prevails among the men who have been chosen to your new board, we shall have convincing action.

The course which that action should take seems clear. As I have said on other occasions, those intricate matters cannot be solved in the manner of debating societies. They are hard practical problems which can be answered only by dint of hard work and study and by an exchange of ideas between you and us. No one has a corner on truth in these matters. We must expect change and flexibility as conditions change. Our standard is and can be only the welfare of investors. Your self-interest also lies in that direction, for the welfare of investors is on the long pull your welfare.

In the first place, it should be clear to all that neither you nor we can or should endeavor to fix it so markets go up or down. And, of course, neither you nor we can be held responsible for rising or falling prices so long as those movements are not artificially generated. These markets should mirror and reflect what the world of business is doing. He who tries to interfere with those natural movements is not a true advocate of this investor. Out in the far West we used to have annually a county fair. The side shows at those fairs used to be more popular with the younger ones than the exhibits of cattle, sheep, and apples. One of the most intriguing was the tent containing the magic mirrors which would make fat men out of thin ones and dwarfs out of tall ones.

Too often have our exchange markets been magic mirrors, not reflecting real conditions but distorting true facts. You and we must by action eliminate so far as possible those magic-mirror effects. That means, among other things, a joint attack on manipulative trading. Hitherto we in Washington have carried the brunt of such policing. We have had to exercise the greatest vigilance to see to it that the law was enforced. Detection of pools is one thing; legal proof of the existence of pools is another. We operate under the law. That means full opportunity for a hearing by the accused. It also means a fair trial and a careful weighing of the evidence by us. All of that takes time. Furthermore, the doing of our job in a legal way has required collection of facts from hundreds of brokerage offices and from customers. Brokerage offices and customers naturally find us somewhat of a nuisance when we are bent on such a mission. But to enforce the law we have to have facts. We cannot manufacture them out of thin air. The only way we can get them is to go to original sources. This may be called gathering of evidence or snooping, depending on your point of view. But on that issue, here is where we stand. Congress has outlawed pools and manipulation. We intend to carry out the congressional mandate, though some may say it took a snoop to do it. But I am convinced that through united action by the exchanges and by us we can do the job much more effectively. An exchange properly policed should seldom create such onerous tasks for the S. E. C. policeman. I am confident that through your activities you can make manipulation and the manipulator as unpopular here as they are in the country at large. Hence I look forward to the day when policing of the exchange by you is so effective that there remains little for us to do on that score.

Secondly, there is the troublesome question of the insider on the exchange as contrasted to the outsider. I would not be frank if I did not mention it. Some of you members and member partners have yourselves in the past complained as vigorously as members of the public about the undue advantage which the inside trader has had over others. You have also let it be known in no uncertain terms that this trading advantage has too often been used not alone for the insider's profit but to the detriment of the cutsider. Due to this foment and discussion both within and without the exchange, the popular impression has been clear and strong that someone on the inside has a mirror—not a magic mirror this time but a clear, sharply focused old-fashioned mirror—behind the backs of the investors who enter this market. The feeling that one member at the table has a mirror strategically located behind the other players is not conducive to confidence here, any more than it would be in case of a game of poker or bridge. It does not create an eager desire on the part of others to become participants. It is repellent to the American sense of fair play. It adds a casino element to what should be an old-fashioned, open auction. This is the most difficult problem confronting you and us. I do not come here this evening with a ready answer.

The mechanism of the exchange is as intricate as a Swiss watch. All of its parts properly synchronized are essential for effective operation. In a real sense, members on the floor (the so-called insiders) and the commission houses who do business with the public are dependent one on the other. There is no good reason why they should not pull together. What is good for one part is bound in the long run to be good for the other. So this problem is a joint one for solution by all of you and by us. I face this problem with confidence that working together we can solve it in a way which will be sane and sensible and at the same time protective of the best interests of the man or woman who enters this market place to buy or sell. We must soon get on with that problem, for it is a constant source of irritation. If we neglect it now, it will come back to haunt us all on less favorable occasions. But over and above all else it is not fair to the investors of this country for us to neglect that problem longer, no matter how difficult its solution may be.

In the third place, there is the problem of affording the person who buys or sells securities protection against the risk of loss of the securities or cash which he has left with or delivered to his broker. Occasionally a broker has become insolvent. Still less frequently there have been misappropriations by him of his customers securities. On these scores the record of exchange members has been exceptionally good. But these occasional cases have raised in the minds of some customers fear and suspicion. We might as well be frank about that. This condition recalls the story of the Indian out in the far West who wanted to borrow $1,000 from the local bank. The banker wanted some collateral for the loan. The Indian could not understand. The banker finally made the Indian understand that he could not have the money unless he left with the banker the Indian's 20 ponies. So the Indian brought in his ponies and got the loan. Later the Indian struck it rich. He came in with his huge bank roll, peeled off a $1,000 bill, paid the loan, and retrieved his ponies. The banker, seeing the large bank roll, suggested that the Indian deposit the money in his bank.

"How many ponies you got?" asked the Indian.

Some of that Indian's blunt skepticism and simplicity crops up when one out of a thousand honest businessmen comes a cropper. The problem has been accentuated in periods of business recession.

In the simplest form of cash transactions, a broker often holds for his customer either cash or fully paid securities. The length of time during which cash or securities is held will vary with the details of the transaction or with the wishes of the customer. The risks inherent in this holding of cash or fully paid securities depend upon the care with which a broker's business is handled. In a situation where a broker holds cash for his customer, the customer has what is known as a "free credit balance." In effect, it is like a deposit of money in a bank. It is apparent that many customers make a practice of having cash balances with their broker for we know that those few brokerage houses alone which reported to the New York Stock Exchange by questionnaire as of March 31, 1938, had free credit balances belonging to their customers aggregating $245,000,000.

Now a broker has his own cash funds as well as those that he holds for his customer. He may commingle his customer's funds and his own funds, or he may set the customer's funds aside in a separate account. Better-run brokerage houses have taken appropriate measures to hold apart, or segregate assets approximating the amount of the total credit balances carried by them. Just as money balances belonging to customers may be commingled by the broker with other customer's balances or with his own, similarly securities belonging to customers which are carried on margin may be in the course of the brokerage business so commingled.

In the past there has been general regard on the part of brokers for high standards in the conduct of their business and this has given protection to customers. By and large there have not been many losses to customers resulting from causes of the brokers' own making. The record of your exchange is exceptionally good on this score. But there have been some cases where these high standard have not been followed. Overspeculation and other forms of excessive commitments in securities by a brokerage firm or its partners have involved unjustifiable risks to the customers and in some cases actual losses. The shades of a recent example of such disregard of the customer's property still haunt financial districts. And other cases of insolvency or peculation have from time to time revealed potential weaknesses in the present system. Thus, there still remains a problem of the utmost importance to the public as a whole and we feel, as we know you do, that an attempt must be made to find the answer.

How desirable it would be to achieve a greater measure of security for the customer's property. How simple, from the brokers point of view, it would be if brokers were relieved of worry over the mechanical operations of handling securities or funds; over performing these banking functions; or over the difficulties and responsibilities of custodianship. I should like to offer a suggestion, and it is no more than that, for reaching at least a partial solution to these problems.

I may say that this suggestion is not an original one with us. It emanates from the brokerage business itself. It was suggested at least as long ago as 1932 by some of your own members. It comes down to this—the establishment of an institution in the nature of a trust company to be formed for the purpose of taking over the functions of banking, clearing of securities, and the custodial duties of all members of the exchange. As I recall, this was originally suggested by some of you as an economy measure. Changing events indicate that today it has acquired additional merit by reason of the real assurance and protection which it would appear to afford customers.

The suggestion contemplates the formation of a trust institution under State law whose functions would be confined solely to acting in a fiduciary relationship as agent for both brokers and customers. It would not operate for its own account, nor would it engage in a commercial banking business. The usual functions with respect to purchases and sales of securities would be carried on by brokers just as is the case today. But brokers who had the benefit of the services of this institution would be relieved of many of their present functions. For instance, the trust company would act as cashier for brokers, receive from and make payments to customers for securities bought or sold; transfer, receive, and deliver customers' securities upon instruction of the brokers; and as respects margin transactions, act for brokers not only in relation to their customers but in relation to the banks as well. Clearances could be readily and conveniently handled.

An institution along these lines would of course reduce the number of operations involved in the securities business, and should effect substantial economies for the brokers. But more important should be its service to investors and to the public generally in reducing or eliminating the risks at present involved in the performance by brokers of the quasi banking and custodial functions which I have mentioned before—the holding and commingling of the funds and securities of their customers.

From another viewpoint such a measure should also answer many of the administrative problems of the Commission as well as of the exchange. It would simplify the task of making inspections of the margin accounts of our far-flung brokerage community and also from many of the other details which are the necessary incidents either of enforcement or self-regulation. Certainly, when considered in this connection, this suggestion has great appeal for us.

The suggestion is, of course, only tentative and the details of the functioning of such an institution have not been thoroughly explored. We hope to explore them with you to see if practicable ways cannot be found for effecting such a measure within the near future. If, as a result, you and we agree that the idea has merit, we will be happy to cooperate in the establishment of such an institution in a form which can best serve the interests of all.

These then may be regarded as cardinal problems worthy of our joint endeavors. Their solution holds out great promise of entrenching the exchange in public confidence and of building it up as an integral and vital cog in the financial machinery of the Nation. In no sense do they constitute what might be called an official agenda. And they can be called a program only by virtue of the fact that they are a part of the unfinished business which is before you and us. Tonight we face them together and I firmly believe that we can solve them together in the near future. There are other parts of that unfinished business, though there are not many. There is the persistent question of bond trading. How can the quality and quantity of bond trading on the exchange be improved? There is the question of the amount of commissions and other service charges which members of the exchange should receive. There is the question of whether or not the odd-lot business and procedure can be improved in the interest of the public and in the interest of the exchange. These in main constitute our immediate unfinished business. Other problems will doubtless arise in the future. But we have in this list our chief problems. Our solution of them will switch on the green light which will open the broad and open highway which lies ahead. Let you and us see to it that that green light functions. We need not long delay. We need not await endless study. Much spadework has been done. Common sense and informed judgments will point the way. The conference table rather than the laboratory is the place for us to do most of our joint work. We may make mistakes, as is human. But let us not permit fear of error or realization of complexity to promote inaction.

Some will always look with longing beckward glances to the gay days of 1929. But you and we know that as a nation we cannot and should not turn back. You and we know if we work together rather than apart, if we expend our energies on the problem rather than on each other, that we can make this segment of capitalism work. That will mean profits for your business. That will mean health for our national economy. That will mean a vivid demonstration that the aims of this Government and the objectives of business are wholly compatible. So as the green light flashes, I bid you safe riding down this broad and open highway that lies ahead. I do more than that—I offer you a police escort.

Freedom of the Press

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, May 23 (legislative day of Wednesday, April 20), 1938

ADDRESS BY OLIVER B. LERCH BEFORE THE LIONS CLUB OF POTTSVILLE, PA.

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an inspiring address on freedom of the press delivered before the Lions Club, Pottsville, Pa., May 16, 1938, by Mr. Oliver B. Lerch, an honored citizen of Mount Carmel, Pa., for many years a member of the congressional press gallery, and now a member of the bar of the District of Columbia and of the bar of the Supreme Court of the United States. I recommend this message to my colleagues and all others who are interested in the preservation of American ideals.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Appreciating as I do that one of the key principles which the International Association of Lion Clubs stands for is Americanism, I am going to speak to you today on freedom of the press as it relates to American ideals and the Americanism embodied in the Constitution of the United States.

A free press is the cornerstone of freedom and the guardian of the traditional liberties of American freemen. Attack upon the freedom of the press, however made, strikes at inalienable rights of American citizens and jeopardizes our democratic institutions. Any attempt to intimidate or muzzle the press, whether direct or indirect, is but a prelude to the subsequent deprivation of cardinal human liberties guaranteed to the people by the personal-liberty amendments of the Constitution of the United States.

It is well and timely that we review this point today in the light of the swarm of alien isms which infest our body politic. We are hearing entirely too much of these alien isms and, regrettably, too little of that greatest ism of them all, Americanism.

These alien isms often are dignified and magnified beyond their true proportions by the credence and voicing they receive in high quarters. Regardless of these mouthy effusions, make no mistake about it that the Americanism lying dormant in the minds and the hearts of the American people is an all-consuming fury.

Once aroused this slumbering giant will destroy all who dare shackle a free people.

The Constitution of the United States is a people's charter of freedom, predicated upon that supreme sovereignty of government, the will of the people. The provision therein for freedom of religion, free speech, free press, right of petition, due process of law guarantees, search and seizure protection, trial by jury, and other privileges and protections were wrung from tyrants by the people in their ancient struggle for freedom. Encroachment, however slight, upon any of these fundamental rights, must not be lightly regarded but promptly and effectively resisted by the people. The lessons of history teach us that such deprivations outrage the people's innate sense of human freedom and that liberty inevitably triumphs over oppression.

A free press is synonymous with a free nation. The first recourse of tyrants and dictators alike is to abolish the freedom of the press. Present-day dictators in their formulas of oppression list suppression of the press as among the first actions to be taken to accomplish dictatorial designs.

It involves no risk of prophesy to foretell that a free press will be the greatest ally of the people in the exposure of the fallaciousness of these alien isms. In keeping with the present abandonment by many of tried and proven principles of morals and economics, contemporary political Messiahs of these multiple isms would foist upon us political principles equally as unsound and un-American as the synthetic moral and economic principles they would have us accept. These isms invariably would practice one or another form of politico-economic vivisection upon the body politic. Just as inexorable as the retribution of the gods of the copybook headings who "with terror and slaughter return," so the latent Americanism of our people will reject these false gods of alien isms.

In the trenchant words of that great patriot and statesman, Patrick Henry, "A free press is the palladium of our liberties."

At no time since those pregnant words were uttered has the force of their content been more clearly apparent than in this day of dictators, demagogues, and political nondescripts. We have but to compare the star-spangled freedom of the press of these United States with the sycophantic press of libertyless Germany, Italy, Japan, and Russia. We have but to observe the two-fisted, hard-hitting journalism of these United States in contrast with the pusillanimous government-subsidized news agencies of England and France.

Reduced to everyday application, freedom of the press in this country makes would-be demagogic dictators quake in their boots "when the country is heard from," as the saying goes in Washington. This comes through editorial reaction reflecting informed public opinion upon public questions. Contrariwise, suppression, and prostitution of the press under the European system, leaves journalists shaking in their boots. Thus the people are uninformed and inarticulate upon issues of vital concern to their political and economic welfare. The opiate of government propaganda imposed upon a suppressed and servile press drugs the masses into a glamorous but inevitably disastrous delusion with deprivation of liberty, property, and life itself its inevitable reward. "Give light and the people will find their own way."

Why is this freedom part of the American heritage? Are we not as a Nation also experiencing the palsy of economic depression, the travail of new social and political horizons, and the disillusionment of false prophets?

Not even so priceless a heritage is sacred to the parasitical horde of bureaucrats which demagoguery and dictatorships spawn. Whence our sheet anchor in this typhoon of life?

This heritage, this safeguard of the liberties of the people comes to us as the quintessence of man's wisdom and experience of the ages. Nurtured in the age-old struggle of man for security and liberty, it was in recognition and appreciation of this pedigree that our founding fathers wisely included the freedom of the press among the personal-liberty amendments to the fundamental law of the land, the Constitution of the United States.

Those who would obstruct, minimize, or abolish this ancient blood-wrung right must take all this into their reckonings before they infringe upon the free press of this Nation.

The greatest need of our country today is a reaffirmation of faith in the American way of life. We need "to hit the sawdust trail" of true Americanism. We need a revival of faith in the things that were, faith in those that are, and faith in the things that are to be. A growing appreciation of the shackles and shambles derivative of allegiance to false gods, the false principles of morality, politics, and economics, appears to be astir among our people. Men and women are holding serious counsel among themselves in their fireside discussions. Does this point to a swing toward or away from cherished American ideals? As I see it, it represents the first glints of the vanguard of a great moral and patriotic awakening, the soul stirrings of a nation.

Stick to the devil you know, is my answer to the beckoning calls of the siren "isms" alien to our land, just as Kipling reasoned in his Gods of the Copybook Headings. Rudyard Kipling's words there afford a parallel on the surrender of our constitutional rights when he wrote:

"When the Cambrian measures were forming
They promised perpetual peace.
They swore, if we gave them our weapons,
That the wars of the tribes would cease.
And when we disarmed,
They sold us and delivered us bound to our foe.
And the Gods of the Copybook Headings said:
'Stick to the devil you know.'"

In my opinion, the liberty of the people cannot be secure except the traditional American freedom of the press be maintained in its fullest, untrampled vigor.

Speaking in the terminology of the anthracite miner, the torch of liberty will not burn long if the blackdamp of a servile or suppressed press is achieved here. The current prattle of demagogues advocating an invasion of this sacred precinct should serve as a relief and a warning for us to make certain that the timbers of our constitutional safeguards are kept intact despite the "squeeze" of hard times.

Lest you question my appraisal of these alien "isms," I refer you to that great statesman, constitutional authority, and student of government, the Honorable WILLIAM E. BORAH, Senator from Idaho, who in a speech on May 28, 1936, said:

"I venture to say that there is a political creed lying about in the hearts and minds of the American people which some political party will yet gather up and adopt. And when it does it will sweep the country. It is the creed of simple, sincere, loyal Americanism—the Americanism which covets the friendship of all nations, eager for advancement and progress in all things, capable of grasping and applying the highest conception of the human mind, and gathering the richest fruits of civilization, but always acting upon and within true and sound American principles.

"Saddened and tormented by a war that was none of their own, disheartened and impoverished by years of economic distress through no fault of theirs, baffled and confused by the constant narrowing of their rights and privileges, resentful as they see the opportunities of life more and more controlled by great economic power, there is, in my opinion, a rekindling of the old-fashioned faith in American principles and an increasing belief in the American way and in the whole scheme of American life." In other words, as the Mississippi spiritual goes: "It's the old-time religion; it's the old-time religion; it's the old-time religion, and it's good enough for me."

Ironic Economy

EXTENSION OF REMARKS
OF
HON. ROYAL S. COPELAND
OF NEW YORK
IN THE SENATE OF THE UNITED STATES

Monday, May 23 (legislative day of Wednesday, April 20), 1938

EDITORIAL FROM THE WASHINGTON POST OF MAY 20, 1938

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "Ironic Economy," published in the Washington Post of Friday, May 20, 1938.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From The Washington Post of May 20, 1938]

IRONIC ECONOMY

There is bitter irony in the fact that Congress, while pushing through the administration spending program, is simultaneously acting to cut to the bone the already small appropriation of that Government agency which has done most to make possible an efficient and economical operation of this program.

For nearly 5 years now the present National Resources Committee has been working on the preparation of socially desirable and economically useful public-works projects. This it has done not by arbitrary direction from Washington but by careful cooperation with the regional, State, county, and city planning agencies which have developed locally as an entirely spontaneous growth. The natural character of these local planning boards is illustrated by their present establishment in 45 States, in over 400 counties, and in more than 1,200 cities and towns throughout the Nation.

The National Resources Committee serves these local agencies in an advisory and coordinating capacity. In any form of public-works program, be it a county irrigation project or a municipal zoning proposal, the central organization in Washington is ready to give technical advice, to transmit the experience of other localities, to link a purely local undertaking into a broader regional development. The theoretical utility of such a central advisory agency is obvious. And the character of its services to date inspire the fullest confidence in its helpfulness for the future.

The N. R. C. has already rendered many forms of useful service. But that of most importance at the present juncture is its advance planning of public works which, while clearly desirable from a community standpoint, are not immediately essential. In cooperation with the various local planning agencies the N. R. C. has worked hard to answer the questions put to Congress by President Roosevelt on February 3, 1937. Saying then that past experience indicated an expenditure of over $30,000,000,000 on public construction enterprises in the next decade Mr. Roosevelt asked: "How can we safeguard the wise investment of this large sum?

How can we be sure that projects * * * fit together into a comprehensive picture or program?"

Since then much effort has been expended by the N. R. C. to prevent overlapping and provide objective technical assistance in the development of local public-works projects. Many of these assisted projects are today ready for the application of such funds as Congress may appropriate to public-works construction as part of an emergency spending program. It is true that not much more than a good start has been made in this advance planning of public works. But full reliance may be placed on the real utility of these projects which are now in blue-print stage.

Common sense would indicate that the actual launching of the spending program is the psychological moment to intensify this work of the National Resources Committee. In that way there would be assurance that emergency appropriations will, so far as possible, be diverted into channels productive of unquestionable local and national advantage. But the actual development is that while the Budget Bureau recommended an appropriation of $825,000 for the N. R. C., this has been cut by the House to the starvation figure of $250,000. And there is as yet no certainty that the Senate will take a more constructive position on the issue.

Here is an almost unrivaled instance of false economy. The drastic curtailment proposed for the N. R. C. would have the effect of cutting off practically all of the coordinating assistance which the committee has been giving to local planning agencies. And this action would be taken at the very moment when such coordination has been rendered doubly essential by the initiation of a lavish spending program.

The technical assistance of the N. R. C. would probably save the country many times the actually trivial but relatively enormous cut in its appropriation which the House proposes. Fortunately, the Senate is showing much less disposition to sponsor so arbitrary an action. A more deliberate attitude on the part of the upper Chamber will avert a painful verification of "penny wise, pound foolish."

Government Spending and Credit Expansion

EXTENSION OF REMARKS
OF
HON. FRANCIS T. MALONEY
OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Monday, May 23 (legislative day of Wednesday, April 20), 1938

STATEMENT BY JAMES HARVEY ROGERS, PROFESSOR OF POLITICAL ECONOMY AT YALE UNIVERSITY

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very interesting statement on the new program of Government spending and credit expansion of the Roosevelt administration, made by James Harvey Rogers, Sterling professor of political economy at Yale.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The new program of Government spending, of credit expansion, and of cooperation among all the elements in our economic system is the soundest yet proposed by the Roosevelt administration. Those who oppose it for sentimental or traditional reasons because it regrettably further increases our national debt should pause a moment to consider the alternatives.

It is, of course, axiomatic that the money income of the American public is the same thing as the expenses of production (together with normal profits) of American business—if we include in that term agriculture and all other economic activities. The only important exception arises in the case of direct inflationary Government expenditures for relief. If business is severely contracted, therefore, as at present, there is no alternative to the Government's undertaking the spending, and therefore the income-providing, load. To allow large sections of the public to go without income is not only unthinkable from the humane point of view, but is completely untenable for anyone desiring to maintain our present economic order of free enterprise based on private profit.

It should be continually borne in mind that the function of any economic system is to provide a livelihood for the public, and once it fails in this function for large numbers over any long period of time, it cannot but be replaced by some other system. Hence, under present circumstances, for our Government to do otherwise than to step in and make our present economic system work by temporarily providing incomes for those unprovided for by business and thereby to increase the incentive of business to spend would be for it to pursue a highly radical and very dangerous policy.

The person who opposes such expenditures is today the dangerous radical.

Regrettable as have been many governmental policies that in the past few years have led to a reduction of the incentives (1) of business to expand and to spend, (2) of investors to purchase new securities, and (3) of our investment-banking machinery to perform its all-important function of getting money from the savers to the business firms which would spend them; regrettable as all of this has been, it is being rapidly corrected by legislation now before Congress. Meanwhile, it is the part of the conservative to back the administration program of holding things together through Government expenditures and through extremely easy and plentiful credit conditions while the necessary revisions of too drastic reform measures are accomplished.

To proceed otherwise and to refuse to cooperate in such a program can give comfort to no others than to the European dictators who regard our free economic system as outmoded and degenerate.

The President's Relief and Recovery Program

EXTENSION OF REMARKS
OF
HON. LEWIS B. SCHWELLENBACH
OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Monday, May 23 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS BY HON. ROBERT F. WAGNER, OF NEW YORK, MAY 22, 1938

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address by the junior Senator from New York [Mr. WAGNER], delivered on May 22, 1938, on the subject of The President's Relief and Recovery Program.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Friends of the radio audience, in early 1933, the American people faced the gravest economic emergency in their history. Despair was beginning to settle upon millions of families in every walk of life. The fortunate few who lived by ownership were fearful of the future of private property, and the countless many who lived by the sweat of their brow were losing faith in a system which denied them bread.

In that crisis, the American people placed full faith in the program of economic action sponsored by President Roosevelt. While the philosophy of this program was as old as our Nation, as deeply rooted as the traditions of democracy, the practical application of this philosophy to the industrial problems of the twentieth century was new and untried. But our confidence in the President and his program was justified by events—a sustained 4-year recovery during which business rallied vigorously, profits multiplied, and 8,000,000 workers returned to jobs in private industry.

In the fall of 1937 the march of recovery was severely checked. But no responsible person would contend that we are presented with anything like the menace of early 1933. Several million more people have jobs now than were employed when Roosevelt became President. Our annual national income is $15,000,000,000 higher. Our banks are sound where they had been in collapse. The Government's credit is better than at any time in history. Our workers and business people in the city and on the farm are not panic stricken as they were 5½ years ago.

But while our troubles are smaller than they were in March 1933, our knowledge and power to remedy them are infinitely greater. For today we can draw on the rich storehouse of a decade packed full of experience. If we learned anything in the bitter years between 1929 and 1933, it was the danger of sitting idly by and allowing the downward spiral to go unchecked. If we learned anything in the increasingly prosperous years between 1933 and 1937, it was the high value of a bold and intelligent offensive against hard times.

What are the basic facts which must guide this bold and intelligent drive to resume our recovery?

Today we know from experience that men and women will not stay on relief if they can get jobs elsewhere. Between 1933 and 1937, a large proportion of those who had been on relief went back into private industry. The only reason why more did not go back was because there was nowhere for them to go. Therefore, we insist that the maintenance of relief for those who cannot find employment is an absolute obligation of civilized government.

Today we know that any vigorous policy of economic reconstruction must combine relief with a sound public-works program to add to the country's permanent wealth. In every county in the United States, for the benefit of our generation and future generations, there are schools and hospitals, roadways and bridges, that could never have been built with the dole. There are families whose morale and health and spirits have been preserved through useful public employment. We therefore must reject any proposal

to wreck the public-works program and to substitute the philosophy of charity.

Today we know that the Budget can never be balanced by a penny-wise and pound-foolish policy. Our public expenditures, wisely directed, have been like necessary replacements in a factory. They so largely increased business profits and boosted national income between 1933 and 1937, that by the beginning of last year there was every prospect of balancing the Budget. It was only when the Federal Government abruptly cut down its contributions to purchasing power by $250,000,000 a month last year, that there promptly began the sharp decline of business. We now propose to correct the too sudden reduction of public expenditures, and to substitue a program which will permit gradual reduction as business revives.

The program of President Roosevelt now before Congress embodies the methods which were so successful when vigorously utilized before. It includes relief, public works, and the direct stimulation of credit facilities available to private industry. It represents a practical combination of good business, common sense, and the Golden Rule.

Hardly anyone today questions the need for prompt action. But there are some proposals which would detour the course of action and lead it into a futile blind alley. Among these is the proposition for a larger amount of compulsory financing by the States and a relatively smaller assumption of national responsibility. For example, there is now before the Senate a proposal to require a minimum 25 percent contribution from each State toward the relief of unemployment within its borders.

Whenever I hear this proposal to turn the relief load back to the States, I cannot help thinking back to the tragic times of 1932 and early 1933. In that period of peril, the unemployed and helpless worker in San Francisco did not say to the unemployed and helpless worker in Pittsburgh:

"I am from California and you are from Pennsylvania and, therefore, our problems are different and must be handled in different ways."

On the contrary. The hungry and destitute all over the country made this appeal:

"We are all members of one great Nation with unlimited resources. Let us solve our common problems by united action on the whole American front."

And because we forgot the lines on the map and answered the overwhelming logic of this human appeal, we were able to preserve the American Nation.

The fact is that today the localities play an important part both in financing and in administering relief. Under the new program, they will continue to do so. In addition, a very large portion of the Federal outlays will be in the form of sound, self-liquidating loans, returning yearly to the Federal Treasury.

But any proposal to transform a great national duty into the separate responsibility of 48 States would not bring economical or equitable relief. It would extend Federal aid first to those rich localities which need it least, and last to those stricken communities which need it most. It would return us to the devastating combination of "do nothingism" on the one hand, and the bread line, the soup kitchen, and the dole, on the other.

There is one part of this great national program which is above the realm of controversy. I am sponsoring a bill to increase from $500,000,000 to $1,000,000,000 the slum-clearance program commenced last year. The stimulation of residential construction, through slum clearance and through the private-home building program launched a few months ago, will be a powerful factor in complete economic recovery.

In conclusion, let us remember that it is the way of folly to cut down public activity faster than private industry can assume the load. We cannot say to fair-minded and intelligent business that we will no longer create purchasing power and a market for goods through the wise use of public credit. We cannot say to millions of men and women that they shall have neither a job in private industry nor the help of their Government in earning their livelihood in a self-respecting way.

The program now before Congress carries forward the progressive economic and social ideals developed during the past 5 years. It represents policies tested by experience and found wholly necessary to the assurance of business recovery and the satisfaction of human rights.

Automobile Finance Companies

EXTENSION OF REMARKS

OF

HON. WILLIAM E. BORAH

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Monday, May 23 (legislative day of Wednesday, April 20), 1938

LETTER AND NEWSPAPER CLIPPING RELATIVE TO ACTION OF THE DEPARTMENT OF JUSTICE

Mr. BORAH. Mr. President, I ask unanimous consent to insert in the RECORD a letter and a newspaper clipping relative to the action of the Department of Justice with regard to certain automobile finance companies.

I know nothing about the basis for the reference made in the letter to the Department of Justice, and the letter is not inserted in the RECORD as approval of its correctness. It is inserted in the RECORD for the purpose of disclosing how these large corporations deal with small corporations.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

WRIGHT MOTOR CO.,
Yorkville, Ill., May 17, 1938.

Senator WILLIAM E. BORAH.

DEAR SIR: I am enclosing herewith clipping from the Chicago Tribune relative to Federal case against automobile manufacturers and finance companies.

I was a witness before the grand jury in the case at Milwaukee, Wis., and after this case was dismissed our firm was pushed around by the finance company in an effort by them to break us. Failing to do this, Ford Motor Co. finally canceled us out.

For being a Federal witness cost us at least $1,000 in the loss we were obliged to take through forced liquidation by the finance company, and in addition cost us our business.

Now, the Justice Department, through the press, are giving these firms who penalized a witness for testifying ample notice that a suit is to be filed, and you can bet every dealer called to testify will be recorded; and for the sake of his business he will not dare to give evidence.

In a grand jury investigation I cannot understand why the Justice Department should give advance notice to the big fellows so as to put every dealer on the spot who is required to testify.

FRED L. WRIGHT.

[From the Chicago Tribune]

HINT NEW AUTO FINANCE POLICY INVESTIGATION

WASHINGTON, D. C., May 17.—The Justice Department, a spokesman said today, will propose "in the very near future" a second grand-jury investigation of the Nation's three largest automobile manufacturers and their associated finance companies.

The Department spokesman said the manufacturers and associated firms had failed to revise certain trade practices to the satisfaction of Attorney General Cummings. The matter is to be presented to a Federal grand jury at South Bend, Ind., he said.

The companies involved are the Ford Motor Co., Commercial Investment Trust and its subsidiary, Universal Credit Co., both affiliated with the Ford Co.; General Motors Corporation and its subsidiary, General Motors Acceptance Co., and the Chrysler Corporation, and the Commercial Credit Co.

Misstatements of Facts by Newspapers

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, May 23 (legislative day of Wednesday, April 20), 1938

AN OPEN LETTER TO SENATOR MINTON

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an open letter addressed to me and published in the Guild Reporter of New York City of today.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR SENATOR MINTON: We read with interest of the bill you introduced which would make it a felony for any newspaper or periodical to publish as fact news known to be false. Your proposal served a good purpose in calling attention to a policy of news distortion so widespread and palpable that twice recently it has been rebuked by the national electorate. We are glad you made that proposal. It brings to mind one of the aims of the guild.

We are also glad you withdrew it. You probably agree with us that such a law would be extremely difficult to administer and that a situation is conceivable in which it might be used to defeat the very cause you have in mind—freedom of the press from the misleading propaganda of the special interests.

Like you, we wish there were some way to show up the canny misstatements of the journalistic Uriah Heeps. We also load the bear gun for the publisher who glories in the subtle trick of omission or interment on page 23, whenever a big story breaks which is favorable to organized labor. When a newspaper creates anti-

labor news by prompting the local chowder and marching club to pass resolutions against the C. I. O. we wish the world could know about it. And there ought to be some understanding about how many crimes it takes to make a "crime wave," especially when a newspaper is out to get the district attorney.

All these things deserve attention, and we have a suggestion which we believe is up your alley. We can't make a paper play up a bank scandal on page 1, but if by any chance the bank owns the paper we may be able to fix things so that people know about it and can at least draw their own conclusions. As things stand now newspapers have to publish a statement of ownership once a year, but the real facts as to the individuals and corporations in the saddle are often difficult to run down.

At two conventions the A. N. G. has adopted a resolution favoring an amendment to the postal statutes requiring publishers to print periodically along with their ownership statistics a description of their holdings outside of newspaper publishing. Then if a major stockholder of a newspaper owned an interest in a struck factory the readers of the paper might better understand the paper's handling of labor news; and if perhaps a director of a newspaper corporation owned a piece in a race track readers could interpret more clearly the paper's attitude toward legislation on gambling. Knowledge that a publisher owns a huge property in a foreign country would help readers to evaluate his foreign policy.

It is true that such a law would exact from publishers information which other firms are not required to furnish. But newspapers, as their owners frequently remind us, are organs of public opinion and custodians of the common weal. Surely few of them would object to such a reasonable request.

Senator MINTON, we invite your cooperation.

Yours respectfully,

THE GUILD REPORTER.

The Federal Debt

EXTENSION OF REMARKS
OF
HON. JOSEPH W. MARTIN, JR.
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, May 23, 1938

Mr. MARTIN of Massachusetts. Mr. Speaker, the latest figures indicate a Federal debt of $37,484,714.455. The population in 1930 was 122,775,046. This means there is a Federal indebtedness of $291.87 for every man, woman, and child in the country. This, of course, does not include the vast indebtedness embraced in States, counties, and municipalities.

Distributed per capita, by States, the amount due from each State would be as follows:

Alabama	$772,360,403.96
Arizona	126,233,681.51
Arkansas	541,267,661.34
California	1,657,019,249.37
Colorado	302,316,319.17
Connecticut	339,406,778.61
Delaware	69,575,970.60
Florida	$428,526,744.57
Georgia	848,905,635.22
Idaho	129,891,489.84
Illinois	2,227,156,982.98
Indiana	945,221,870.61
Iowa	721,192,965.93
Kansas	549,007,278.13
Kentucky	763,120,091.43
Louisiana	613,391,948.91
Maine	232,743,851.01
Maryland	476,193,493.62
Massachusetts	1,240,334,838.18
Michigan	1,413,189,397.75
Minnesota	748,340,961.11
Mississippi	586,606,455.27
Missouri	1,059,303,346.29
Montana	156,901,063.22
Nebraska	402,183,060.81
Nevada	26,577,098.46
New Hampshire	135,705,067.91
New Jersey	1,179,544,124.58
New Mexico	121,553,632.79
New York	3,674,078,823.42
North Carolina	925,308,456.12
North Dakota	198,518,230.15
Ohio	1,939,971,453.39
Oklahoma	699,332,194.80
Oregon	168,381,519.82
Pennsylvania	2,811,102,124.50
Rhode Island	200,659,749.39
South Carolina	507,494,640.55
South Dakota	202,221,837.63
Tennessee	753,694,199.72
Texas	1,700,059,567.05
Utah	148,225,303.89
Vermont	104,959,662.57
Virginia	706,865,650.37
Washington	456,306,390.52
West Virginia	504,703,063.35
Wisconsin	857,807,681.22
Wyoming	65,815,656.55

Import Duties

EXTENSION OF REMARKS
OF
HON. DUDLEY A. WHITE
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, May 23, 1938

CHANGES IN IMPORT DUTIES SINCE THE PASSAGE OF THE TARIFF ACT OF 1930

Mr. WHITE of Ohio. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following information:

SCHEDULE 7.—*Agricultural products and provisions*

Articles	Rate changed	Effective proclaimed duty	Effective date and basis of change
Cattle, weighing less than 175 pounds each	2½ cents per pound	1½ cents per pound	Jan. 1, 1936; Canadian agreement.
Cattle, weighing 700 pounds or more each and not specially provided for.	3 cents per pound	2 cents per pound	Do.
Cream, fresh or sour *Provided*, That fresh or sour cream entered for consumption in excess of 1,500,000 gallons in any calendar year after 1935 shall not be subject to this provision.	56.6 cents per gallon	35 cents per gallon	Do.
Cheddar cheese in original loaves	7 cents per pound, but not less than 35 percent ad valorem.	5 cents per pound, but not less than 25 percent ad valorem.	Do.
Edam and Gouda cheese	do	do	Feb. 1, 1936; Netherlands agreement.
Roquefort cheese in original loaves	do	do	June 15, 1936; French agreement.
Blue-mold cheese in original loaves	do	do	Do.
Cheese having the eye formation characteristic of the Swiss or Emmenthaler type; and Gruyere process cheese.	do	7 cents per pound, but not less than 20 percent ad valorem.	Feb. 15, 1936; Swiss agreement.
	7 cents per pound, but not less than 20 percent ad valorem.	5 cents per pound, but not less than 20 percent ad valorem.	Nov. 2, 1936; Finnish agreement.
Birds, live: Chickens, ducks, geese, turkeys, and guineas	8 cents per pound	4 cents per pound	Jan. 1, 1936; Canadian agreement.
Birds, dead, dressed or undressed, fresh, chilled, or frozen: Chickens and guineas.	10 cents per pound	6 cents per pound	Do.
Dried whole eggs, dried egg yolk, and dried egg albumen, whether or not sugar or other material is added.	18 cents per pound	27 cents per pound	July 24, 1931; sec. 336 (increase through legislative action—not by treaty).
Honey	$0.03 per pound	$0.02 per pound	June 15, 1936; Guatemalan agreement.
Corn or maize, including cracked corn	$0.20 per bushel of 56 pounds (from Cuba).	$0.10 per bushel of 56 pounds (from Cuba).	Sept. 3, 1934; Cuban agreement.

SCHEDULE 7.—*Agricultural products and provisions*—Continued

Articles	Rate changed	Effective proclaimed duty	Effective date and basis of change
Hulled oats, unfit for human consumption	16 cents per bushel of 32 pounds	8 cents per bushel of 32 pounds	Jan. 1, 1936; Canadian agreement.
Apples, green or ripe	25 cents per bushel of 50 pounds	15 cents per bushel of 50 pounds	Do.
Cherries in their natural state	2 cents per pound	1 cent per pound	Do.
Cherries: Maraschino, candied, crystallized, or glace, or prepared or preserved in any manner.	9½ cents per pound and 40 percent ad valorem.	9½ cents per pound and 20 percent ad valorem.	June 15, 1936; French agreement.
Limes in their natural state	$0.016 per pound (from Cuba)	$0.008 per pound (from Cuba)	Sept. 3, 1934; Cuban agreement.
Grapefruit, when imported and entered for consumption during the period from Aug. 1 to Sept. 30, inclusive, in any year.	$0.012 per pound (from Cuba)	$0.006 per pound (from Cuba)	Do.
Peas, green or unripe	3 cents per pound	3.9 cents per pound	Jan. 1, 1932; sec. 336 (increase through legislative action—not by treaty).
When imported and entered for consumption during the period from July 1 to Sept. 30, inclusive, in any year.	3.9 cents per pound	2 cents per pound	Jan. 1, 1936; Canadian agreement.
Split peas	2½ cents per pound	1¼ cents per pound	Feb. 1, 1936; Netherlands agreement.
White or Irish potatoes, when imported and entered for consumption during the period from Dec. 1 to the last day of the following February, inclusive, in any years.	$0.60 per 100 pounds (from Cuba)	$0.30 per 100 pounds (from Cuba)	Sept. 3, 1934; Cuban agreement.
White or Irish seed potatoes, certified by a responsible officer or agency of a foreign government in accordance with the official rules and regulations of that government to have been grown and approved especially for use as seed, in containers marked with the foreign government's official certified seed potato tags, when entered for consumption during the period:			
From Dec. 1 to the last day of the following February, inclusive, in any years.	75 cents per 100 pounds	60 cents per 100 pounds	Jan. 1, 1936: Canadian agreement.
From Mar. 1 to Nov. 30, inclusive, in any years	do	45 cents per 100 pounds	Do.
Provided, That such potatoes entered for consumption in excess of an aggregate quantity of 750,000 bushels of 60 pounds each in the 12-month period beginning on Dec. 1 in any year shall not be subject to this provision.			
Tomatoes in their natural state, when imported and entered for consumption during the period from Dec. 1 to the last day of the following February, inclusive, in any years.	$0.024 per pound (from Cuba)	$0.018 per pound (from Cuba)	Sept. 3, 1934; Cuban agreement
Turnips and rutabagas	25 cents per 100 pounds	12½ cents per 100 pounds	Jan. 1, 1936; Canadian agreement
Hay [1]	$5 per ton of 2,000 pounds	$3 per ton of 2,000 pounds	Do.

[1] From Aug. 30, 1934, until June 30, 1935, hay and straw for livestock feed were permitted free entry under a Presidential proclamation, authorized by sec. 318 of the Tariff Act of 1930, that an emergency existed by virtue of drought (Treasury Decision 47236).

Source: Changes in Import Duties Since the Passage of the Tariff Act of 1930, U. S. Tariff Commission, third edition, Jan. 21, 1937, pp. 19–25.

The Wage and Hour Bill

EXTENSION OF REMARKS
OF
HON. GLENN GRISWOLD
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 23, 1938

Mr. GRISWOLD. Mr. Speaker, I regret that illness and confinement in bed by doctor's orders prevents me from appearing on the floor and defending the constitutionality of this bill, as I had agreed with the chairman of the Labor Committee to do. I must take this method as the only one left to present such facts as I have prepared to the membership of the House in the hope that my argument will be read before the final vote.

It is a fundamental principle of law that before it may delegate any power, either directly or indirectly, the delegating authority must itself possess the power which it attempts to delegate. This is so true that it may be considered an axiom of the law, and this being true it must necessarily follow as equally axiomatic that an authority which has power to delegate to another to exercise has power in itself and of itself to exercise such authority. Therefore, reason being the life of the law, to argue that in a wage and hour bill it is necessary to set up a board or agency, as argued by the gentleman from Georgia [Mr. RAMSPECK], to which the power of Congress must be delegated, is to argue against the most simple, easily understood, and obvious of legal propositions, and is to insult the intelligence of those who listen. The only question that arises is the question as to whether or not Congress itself has the authority to fix minimum wages and maximum hours under the power granted to it under the Constitution. The power of Congress to enact minimum-wage and maximum-hour legislation emanates from the commerce clause of the Constitution.

Congress has the authority to stop practices which threaten to obstruct and unduly burden the flow of interstate commerce. It may exercise or control such legislation over the individual relation of employers and employees as is necessary to avoid disputes and strife which burden the flow of commerce. This was held by the Supreme Court in the case of the *National Labor Relations Board* v. *Jones & Laughlin Steel Corporation* (301 U. S. 1); *National Labor Relations Board* v. *Fruhauf & Co.* (301 U. S. 49); *Virginian Railways* v. *System Federation No. 40* (300 U. S. 515); *Second Employees' Liability case* (223 U. S. 1); and in the very recent case of the *Santa Cruz Fruit Packing Co.* v. *The National Labor Relations Board*, decided March 28, 1938.

In the minority report of Mr. RAMSPECK he holds that this legislation is invalid because it does not constitute a reasonable and valid exercise of Congress' power. That it prescribes a rigid minimum-wage and maximum-hour standard for the entire United States and therefore "is not a reasonable exertion of governmental authority, but, on the contrary, is arbitrary and discriminatory." It has been held that the fixation of a reasonable minimum-wage and maximum-work period by the Congress for the protection of health, safety, morals, and welfare of workers does not constitute a deprivation of liberty to contract forbidden by the due-process clause of the fifth amendment. This was held by the Supreme Court in the case of the *West Coast Hotel Co.* v. *Parrish* (300 U. S. 379), in which case the Supreme Court overruled the case of *Adkins* v. *Childrens Hospital* (261 U. S. 525), and distinguished it from the case of *Moorehead* v. *New York ex rel. Tipaldo* (298 U. S. 587). In the case of the *West Coast Hotel Co.* v. *Parrish* the Washington State statute authorized a board to fix a minimum wage for women based on the cost of living necessary to health and decency. Chief Justice Hughes, in his opinion rendered for the Court in the Parrish case, at page 399 stated:

> The legislature was entitled to adopt measures to reduce the evils of the "sweating system," the exploiting of workers at wages so low as to be insufficient to meet the bare cost of living, thus making their very helplessness the occasion of a most injurious competition. The legislature had the right to consider that its minimum-wage requirements would be an important aid of carrying out the policy of protection * * * what these workers lose in wages the taxpayers are called upon to pay, the bare cost of living must be met.

There are numerous decisions upholding wage and hour legislation where no differentials were included.

In view of the words of the Chief Justice in this most recent decision, it must be concluded that any minimum-wage requirement reasonably related to the cost of living,

either prescribed by statute or fixed by a board, should have a fair chance of being sustained. Admittedly the Congress can fix a minimum wage in accordance with the cost of living rather than delegating the task to an executive board or agency if Congress has facts showing what wage the cost of living warrants.

Under the doctrine of the Parrish case it should only be necessary to show that the wage established in the statute is not in excess of what is required by costs of living for the region of the United States where living is the cheapest. If the cost of living for industrial workers engaged in interstate industry is cheaper in Alabama than in any other State in the Union, and the cost of living in that State requires a wage rate of not less than 40 cents per hour to provide the necessities of life, such a wage rate for the entire United States would appear to be reasonable and valid. No employer could show that he was aggrieved and required to pay too much.

In an elaborate official study entitled "Intercity Differences in Cost of Living in 1935, 59 Cities," made by the Works Progress Administration in cooperation with the Bureau of Labor Statistics, it is stated that—

> The cost of a specified standard of living does not differ widely among most cities; differences in living costs are to be explained to a considerable extent by the differences in the standard of living.

I quote from that study:

> The cost of living in the maintenance level ranged from a high of $1,415 in Washington, D. C., to a low of $1,130 in Mobile, Ala., at March 1935 prices. The average in the 59 cities combined was $1,261. The cost of the emergency level was also highest in Washington, $1,014, but was lowest in Wichita, Kans., $810. The average was $903. At both levels the necessary outlay in the most expensive city averaged about 25 percent above that in the least expensive; in more than one-half the cities living costs were within a range of $100 per year.

The maintenance level in the study is explained as providing only for the cost of living necessary for material needs and some psychological needs. The emergency level provided almost exclusively for physical needs and the study adds "but it might be considered on the ground of health hazards if families had to live in this level for a considerable period of time." In this study the cost-of-living figures were based on the living requirements of industrial workers for a family of four—husband, wife, and two children. The lowest cost of living in any of the 59 cities on the emergency level basis was found at Wichita, Kans.—$810 for a family of four.

Now the greatest annual wage which employees could receive under the present bill if the 40-cent rate became operative is $832. This would require him to work 52 weeks per year, 40 hours per week. However, this act prescribes a minimum wage of only 25 cents per hour for the first year which would produce an annual income of $520 for employees working full time at 40 hours per week.

On the basis of this official survey can even the gentleman from Georgia [Mr. RAMSPECK] contend reasonably that $520 or even $832 is more than enough to provide the cost of living necessary to health and decency, when $810 is the lowest cost of living for the United States on an emergency-level basis?

The National Industrial Conference Board is composed of manufacturers, banks, insurance companies, oil companies, public utilities, and railroads. Its statistical service is probably as accurate in the field in which it serves as any nongovernmental organization in the country. A recent survey on wage and hour differentials and the cost of living published by the Board this year in book form demonstrates the acute need for a Federal wage and hour law. This survey shows little difference between the cost of living in the smaller communities and in the larger communities. The difference between the cost of living between the cities of 10,000 population and those of a quarter of a million is only 1.1 percent, and the cost of living between the smallest community and the largest amounts to only 5.7 percent, while the greatest differential in living costs between regions of the United States is only 7.4 percent.

Moreover, using 100 as the average cost of living for the United States the cost of living for the South is shown to be 96.5 or only 3.5 less than the average for the country; 3.5 percent of 40 cents is 1.4 or less than a cent and one-half.

So based on cost of living, not on standard of living, the South cannot show that it is entitled to a favorable wage differential of from 1 cent to a cent and a half. Based on these studies the South is entitled to less than 1½-cents wage differential per hour but the average hourly factory wage rates in cents by States are as follows: My own State of Indiana 50 cents per hour, Illinois 58 cents, Pennsylvania 51 cents, New York 60 cents, Minnesota 54 cents, Montana and Wyoming 61 cents, California 57 cents; while we find the rates south of the Mason and Dixon's line as follows: Kentucky 42 cents, Virginia 36 cents, North Carolina 27 cents, South Carolina 23 cents, Georgia 25 cents, Alabama 30 cents, and Mississippi 28 cents.

This is on the basis of a survey by the Machinery and Allied Products Institute, a survey that even the most conservative and reactionary cannot protest because it comes from their own.

On the basis of living costs cited and on the basis of entitlement to 1½ cents per hour as wage differential, what can account for this vast difference in the actual wage differential? Can it be that those gentlemen who oppose minimum-wage legislation, representing in the National Congress those in the low-paid areas, are honestly of the opinion that the people whom they represent are physically and mentally so far beneath the people of other areas that they are not entitled to a standard of living and a wage equal to that of the people north of the Mason and Dixon's line? Can it be that they desire the people south of the Mason and Dixon's line to live on a wage beneath, and a standard below, those people in other sections of the Nation? A system that provides for a difference of 25 cents per hour for the same labor between Georgia and Indiana can succeed in luring from the State of Indiana industries to the State of Georgia to prevent bankruptcy of the owners in the State of Indiana but such a system cannot be conducive to the general welfare of the individual citizen in either Indiana or the State of Georgia. I have heard the cry that this bill is based on sectionalism; that this bill has as its object an attempt to work an injustice on the South. This bill has as its object the elimination of sectionalism. This bill has as its object the destroying of sectional lines and making of the Nation a vast cohesive whole by giving to all citizens the equal opportunity to life, liberty, and the pursuit of happiness as guaranteed to them in the Declaration of Independence.

Forgetting the technical propositions of the law, the majority opinions of the Court, and the recorded minutes of dissent, the supreme function of the law is "to protect the weak and restrain the strong." Under that function of the law it becomes the duty of Congress to find and set the wage below which American labor cannot live in decency and restrain the privileged, who through their economic status are in a position to oppress, from exercising unduly and unreasonably their economic power upon those so weak that they cannot protect themselves.

There are in the State of Georgia canning factories working white women 10 hours a day for $4.50 per week. Can the canning factories of Indiana and Connecticut or New York continue to exist and meet such competitive labor costs?

Just a few years ago my own district in Indiana contained numerous paper mills. Today one cannot purchase one pound of paper from a mill within 100 miles of my home city. They have moved South.

One of the lowest-paid industries in my State is the garment industry and yet I have in my files a petition signed by hundreds of garment workers of the city of Kokomo, Ind., begging that a wage and hour law be enacted even though it establishes a differential of $2 per week between the North and the South because even with the low wages paid them their employer cannot compete with the still lower wages

paid in the South and even though the differential in living costs between the city of Kokomo and these cities in the South is but 1.1 percent.

Colliers Weekly for November 13, 1937, contained an article under the title "All Work and No Pay." This is a story of the company store, of payment in scrip, of a charge of 10 cents on the dollar for transferring the scrip into cash. Of pay envelopes that contained absolutely nothing after a week's work of 40 hours. If one is to believe this article, and I have seen no printed contradiction of it, then one must reach the conclusion that the factory employee in some regions of the United States is as firmly chained to the job in the factory by the bonds of the company store and the starvation wages as was ever the black bound to the soil in the days before the Civil War.

When Congress considers all the facts the evidence is ample on which to base a minimum-wage and maximum-hour law. To use the words of Chief Justice Hughes in the majority opinion in West Coast Hotel Co. against Parrish: "Legislative response to that conviction cannot be regarded as arbitrary or capricious, and that is all we have to decide."

The Wage and Hour Bill

EXTENSION OF REMARKS
OF
HON. JOHN LESINSKI
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, May 23, 1938

Mr. LESINSKI. Mr. Speaker, no more important bill has come before the Congress of the United States in my time than the wage and hour bill. Despite the opposition that this humanitarian piece of legislation appears to have, I do not doubt for a minute that it will be passed by the Congress of the United States. I have always stood four-square behind labor, and I am particularly interested in this important piece of legislation from the viewpoint of my constituents, because I represent the largest industrial district in the entire United States. For my part, I cannot see why there should be any opposition to such a measure, based as it is upon the principles of fair play, of simple justice.

Think of it, Mr. Speaker, this bill aims merely to give to the laborer—the backbone of America—that which rightfully belongs to him but which has so long been denied him—a square deal in the scheme of industrial life. What does the bill propose? It proposes merely to establish for the workingman a maximum number of hours that his employer may ask him to work, a minimum wage that may be paid him for that labor. Is this not just? Under the terms of the bill as it has been reported only those industries operating in interstate commerce will be affected. It is not difficult to understand the principle that lies back of this. It means just this, abolition of the unfair competition that comes from paying workers less than their labor justifies. That is and has been one of the principal causes of controversy between labor and capital. It is at the bottom of most of the dissatisfaction and dissension among workingmen.

What do I mean by unfair competition? Just this: That no employer should be permitted to manufacture and circulate in the channels of interstate commerce goods that are made by underpaid workingmen or goods that are made by child labor. It is only by the adoption of such a measure as will bring about fair labor standards that we can hope in this great country of ours—richer in natural resources than any nation in the world—to root out the unfair practices that have been adopted by many large employers.

I do not have to picture to you the evils of sweatshops. I do not have to tell you of the thousands of young lives that are blighted in the very bloom of their youth by the unholy methods of some employers. There is the picture; it is painted in broad and glaring colors.

Let me just for a moment recite what this measure proposes to do. It aims to establish for labor a minimum wage and a maximum hour week. It provides that for the first year of its operation no employee shall be paid at a rate of not less than 25 cents an hour. Each year thereafter the rate of wage is increased 5 cents an hour until it reaches 40 cents. It provides also that no person shall be compelled to work longer than 44 hours in any one week during the first year of its operation; the second year the maximum hours of labor shall be 42 hours, and the third year 40 hours. This will mean that at the end of these years no laborer shall receiver less than $16 for a 40-hour week.

Can any reasonable, fair-minded person insist that this is exorbitant? The Good Book says that "the laborer is worthy of his hire." To my mind this bill does not go far enough. If I could write the terms of the bill I should make it unlawful for any person to be paid less than $25 a week for—yes, 35 hours a week, and I should make the workweek 5 days.

But this bill is a good beginning. We have to make a start, and this bill will send us on our way. I do not believe that any fair-minded student of the economic life of America can dispute that the adoption of this bill will go far toward the solution of our distressing unemployment problem. It will result in more jobs and greater purchasing power—it will help the producer—it will help the small-business man—it will help the farmer—it will help the manufacturer; and it will help the consumer.

Now, just a word about the forces that are opposing this bill, as they have opposed all New Deal legislation. Who and what are back of the opposition? They are the great monopolistic organizations who are seeking to create a caste system, who are seeking to make slaves of the workingmen, and peasants of the farmers in order that they may live in palaces and sail the seas in golden ships. They are the ones who have dominated the industrial life of America for lo, these many years, going to the polls on election days under the banner of the Republican Party, spending countless millions to control elections. They are the ones who at the beginning of this New Deal administration set about to destroy the President of the United States by any means, fair or foul. They have spent millions of dollars in a gigantic program of propaganda in an effort to influence the voters against any and all legislation proposed by the President. Do you doubt this? Read the testimony given at the hearings before the Senate Civil Liberties Committee and the Special Committee of the Senate to Investigate Lobbying Activities. Just glance through the list of names of those aristocrats of industry who have contributed of their millions to finance such organizations as the American Liberty League, the Crusaders, the Sentinels of America, and the Farmers' Independence Council. Mr. Speaker, I am amazed at the confessions of these captains of industry, yet they are there in the record, and neither time nor disclaimers can erase them.

I thank you.

Our College

EXTENSION OF REMARKS
OF
HON. JOHN R. MURDOCK
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 23, 1938

ADDRESS OF HON. JOHN R. MURDOCK AT KIRKSVILLE, MO., MAY 19, 1938

Mr. MURDOCK of Arizona. Mr. Speaker, under leave to extend my remarks, I am including this address delivered at a college celebration at Kirksville, Mo., on May 19, 1938:

Mr. Toastmaster, let me say how glad I am to return to my educational home, my alma mater, at any time, and particularly on this auspicious occasion when we are inaugurating a new president. No doubt I am expected to congratulate our teachers college on being thus fortunate in getting so splendid a man for president. That I am glad to do, and also, I want to congratulate him upon being called to head such a remarkable teachers college.

I ought to know something about this teachers college for I lingered here for many years before my mother pushed me out into the great world. The start of an education, and the visible evidence of it in a degree, are not the only blessings I have derived from this institution, however, for it was here that I found my wife. If time permitted I could do a lot of reminiscing. Perhaps I ought not to indulge in that. However, with your permission, I will turn back the pages for some of us who left here a quarter of a century ago, even if it is only for a little personal satisfaction.

Do you remember the lake that used to lie immediately in front of Baldwin Hall, the lake in which only the Lord and dear old Professor Gentry were permitted to fish in the summertime? In winter the monopoly was even more complete, because the dear old Latin professor was not permitted to skate on the ice, so I guess the Lord must have exercised that privilege alone. The reason I know so much about fishing and skating at that lake is that I know of one clandestine fisherman who was himself fished off the banks of that lake before he had even gotten a nibble one summer evening just as the gas lights of the campus were illuminated. The little girl who afterward became my wife was chased off the ice early one wintry morning by a Frankenstein known as "Mister Jack," before she had a chance to "cut the figure eight."

MEMORY SIFTS PLEASANT THINGS

There is one happy thing about memory, and that is that the unpleasant things fade quickly and the pleasant things become more pleasant with every passing year. As I look back upon it now, even "Mister Jack" was a benevolent and kindly friend. I bear no resentment toward Professor Gentry and his exclusive fishing monopoly on the lake, nor toward dear Miss Parrish for her monopolistic privileges in the library.

At this moment I am in such a frame of mind as was Thomas Bailey Aldrich in the opening chapter of his autobiographical sketch, "The Story of a Bad Boy." You will remember that Thomas Bailey Aldrich, in the mellow afterglow of later life, took his pen in hand to write the story of a certain bad boy at Riversmouth, and he had considerable trouble drumming up enough ill feeling to have a fight, even with his red-headed boyhood foe. He did remember how those comrades of his youth had scattered to all parts of the world, one a merchant in China, another a judge of a high court, some in legislative halls, and one sleeping in Arlington Cemetery.

The point is that all had scattered, and it was impossible for Thomas Bailey Aldrich to call them together again. Such is my predicament. Only a few days ago, I was an invited guest of a great educational organization in the National Capital. The president, being an outstanding figure now in American education, said, "I know some of your early college friends and count them my personal friends." Then she named a Dr. Ida Jewett and a Dr. Tom Alexander at Teachers College. She said, "When I go to New York City I make it a point to see each of them."

Just think of that, to be thus reminded of those two. Ida Jewett, austere and queenly, a combination of Venus, Athena, and Minerva. I haven't seen Ida Jewett since the days when I, a freshman, was awed by her severe and queenly dignity. What must she be with all that academic addition. And Tom Alexander. I haven't seen Tom since he came back from the Orient, after the Young Turk Revolution. All these years I've worried about him. He was a rather decent sort of a Christian until he went over to Turkey and joined the staff of Roberts College, and there, so I learned, the young Turks made a Mohammedan out of him. Wonder if he still "tramps it" through Germany stealing cherries from the kindly countryside?

There was an intellectual freak meandering through these classic halls when I was here, and his name was Allen Berger. He spent most of his time, as I recall it, figuring out how to make life miserable for me. He was really a great mathematician. Berger was one who could pass Professor Ziegel's higher mathematics. The presence of Harry Beckner here this evening—and he was Berger's equal in math.—causes me to hope I may get the two of them to come to Washington and figure out how to pay the national debt.

Physics was another of my troubles around this campus, even with such a splendid instructor as Professor Stokes. Well do I remember one time in a physics lecture room how that man Stokes came charging the length of a long room, demonstrating the concept of momentum, which several sleepy students, tilted back in chairs, had failed to define properly. Morris Vaughn and I were the last two to go sprawling from the impact of Stokes' momentum. It was an impressive demonstration, and even M. T. Vaughn got the idea. It was only with such students that this scientific man had to resort to such instruction.

ENGLISH COMPOSITION NOT SO BAD

It has been 28 years since I last compared English papers with Archie Threlkeld. I need not remind you how that promising youth has gone up the educational ladder, not only in your State but in the State of his adoption. After serving you so well here in Missouri, he has made the best superintendent of schools the city of Denver ever had, before going into New Jersey to make a name for himself in national educational circles. The passage of the years causes me to remember pleasantly the freshman composition class I had with Prof. A. P. Settle. One of my classmates at that time is a gentleman of some renown today, formerly editor of the Century Magazine, later president of the University of Wisconsin, and now the prophet of anti-New Dealism, Glenn Frank. I'll wager that the records of this college will bear me out in this statement that Glenn Frank got as many blue and red pencil marks on his freshman composition as I myself received at the hands of A. P. Settle.

Many of you recall dear old Professor Settle, and when you forget what he did to your freshman compositions, you hold him in pleasant memory, but you can't forget what a stickler he was for punctuation. One time I went to speak to him and found his desk covered with composition papers written mostly in illegible penmanship. As I approached he said, not altogether kindly, "Just look at that!" handing me a 10-page document written in longhand. On the first nine pages of the manuscript I couldn't find a punctuation mark anywhere, but on the tenth page the last dozen lines were filled up with periods, commas, question marks, exclamation points, etc., with this note: "Here they are, Professor; put them in where you need them." It wasn't my paper; however, Glenn Frank was a member of that class.

IN MORE SERIOUS VEIN

Please, Mr. Toastmaster, and friends, pardon this digression and let me turn to other matters. As I said in the beginning, my congratulation is twofold. I want to congratulate our new president on being called to the leadership of such a school. His is no small task or limited responsibility. He is a successor of great men, who have presided over the destinies of this teachers college. Able as he undoubtedly is, all of his resourses will be taxed to the uttermost to measure up to his responsibility. Your predecessors, sir, have set high standards, and we who love this school look to you to maintain and advance them. What is this school over which you have been called to preside?

This training institution for the education of teachers has, throughout its history, exemplified the definition of a "normal school" as given by Horace Mann nearly a century ago. The great New England educator spoke of such a school as "A coiled spring, the uncoiling of which will move the spheres." To my mind, that is an apt expression, conveying an idea of the potential power residing in such a strategic place as a main spring for action leading to unmeasured results. Has not that been the history of this school?

Chief among its outstanding presidents have been such men as Baldwin, Kirk, and Fair. More than a third of a century ago President Baldwin had made this teacher-training institution the envy of all other such schools. Within the memory of those gathered here this evening, John R. Kirk, the grand old man of Missouri, gave our alma mater national recognition, not for size but for the force of its influence and the quality of its output. Upon that same high plateau it continued under the leadership of Eugene Fair.

Do you remember how that great champion of public education, John R. Kirk, fought misdirected educational influences, fought antisocial forces—"fought with beasts at Ephesus"—that public education might come into its own in the State of Missouri? By such efforts he furnished an example worthy for other Commonwealths to pattern. Do you remember that John R. Kirk insisted on having modern sanitary school buildings, even for one-teacher rural schools? Do you remember that he insisted that kindergarten teachers should have the minimum requirement of an A. B. degree and that kindergarten and primary teachers should receive as high a salary as was paid to high school teachers? Do you recall that he advocated the teaching of music, both vocal and instrumental, throughout the grammar school and high school, to the end that music should not be the monopoly of the few who could afford to enter musical conservatories? Do you recall that he condemned the old-fashioned finishing school for young ladies, maintaining that coeducation was the proper procedure and that all desirable culture could be and should be imparted by the public schools? Yet, with all this, do you remember that his ideal of utilitarian education was as fully cultural as the cultural education offered by the most exclusive schools?

John R. Kirk was indeed an educational pioneer whose influence ultimately extended far beyond the confines of Missouri, even as far as his admiring students have gone, and that is to the ends of the earth. Although a pioneer who might justly rest his claims to leadership upon his early founding of movements and causes, he was not content to avail himself of "pioneer credit" alone. Do you recall how he insisted that school principals and superintendents, no matter what their age, how long their former service, nor the quality of their pioneer leadership, should justify their continuing leadership by continuing growth? He himself in his old age, "broke new ground", considered it not beneath his dignity to enroll with undergraduates in order to develop further his ever alert and improving mind as he worked toward a higher college degree.

It has been well said that "Institutions are but the lengthening shadows of great men." While this institution is a composite of several "lengthening shadows," that of John R. Kirk stands out preeminently. He has left an indelible imprint upon the character of this teachers' college, and has given direction to its effectiveness.

NORMAL SCHOOLS BECOME TEACHERS' COLLEGES

Although this was originally started as a normal school, it was Kirk more than any other man who brought our alma mater to the added dignity of a teachers' college. Not that he wished for a more high-sounding name, but he wished for the more substantial merit and substance which the new name implied. When I was a student here, there were, in the entire country, only four so-called normal schools that had become in fact teachers' colleges, giving a 4-year course of professional training leading to a Bachelor of Arts Degree in education. One of these was Kirksville. Naturally, I think it was the leader of the quartette.

It was John R. Kirk who dared face university authorities and declare that 2-year normal schools should grow into 4-year teachers colleges, or even extend their work beyond the bachelor of arts degree, and that they should be recognized as colleges by the law, and that they should merit such standing in fact as well as in name. What has happened? All over this country in practically every State during the last quarter of a century normal schools have been converted into teachers colleges, being recognized not only by law but by academic standards to be such. This has been largely the result of the example and pattern of the Kirksville (Mo.) Teachers College. This has not been an easy fight, for it met the jealous opposition of the liberal arts colleges and universities everywhere.

As a portion of that "legthening shadow" the stalwart figure of Eugene Fair is a part of our composite. Arising to the presidency out of the ranks of the teaching staff, he brought to the administration of this college a keen knowledge of government and of practical politics. Even as an instructor he led his students out of the realm of the theoretical into the actual; he both taught and practiced participation in the affairs of government. I feel that my own move from the college classroom into actual political life today was stimulated largely by the teachings and examples of Eugene Fair. Certainly he connected the college with the world of reality, thereby increasing its effectiveness. Naturally, President Fair sought to have students become leaders in civic matters just as President Kirk sought to have students become leaders in educational matters. Both of these presidents and great teachers were eminently successful.

Of course, I would not have you hold Eugene Fair responsible for my political mistakes any more than you would hold John R. Kirk responsible for the views of Glenn Frank or Socrates for the conduct of Alcibiades or Jesus for the action of Peter, 1 of the 12 in the garden.

That many of the students who have gone out from these halls have made their mark in the world is plainly evident. I have not seen a recent roster of our graduates, but I could name a dozen who were my classmates out of one student generation who have achieved State-wide and Nation-wide recognition. Note in what walks of life these graduates have gained standing. Glenn Frank, leading columnist and editorial writer in our newspaper world today; A. L. Threlkeld, an outstanding city superintendent of schools; Virgil E. Dickson and Clarence R. Stone, authors of educational textbooks of various kinds and widely used; E. O. Jones, learned in the law; Ida Jewett and Tom Alexander, advancing the cause of education at Columbia University. The list is not complete.

This institution has been effective as a professional training school. Training is a short-cut on the part of learners by which they acquire the skill and capability of leaders in any given field. The field of teaching ranks along with the other noble professions. To my mind, it requires as complicated an assortment of abilities as are called for in law, medicine, or the gospel ministry. Of course, each profession looks upon itself as the highest and noblest, the most exacting in its requirements, and the most effective in its achievement. This quotation from Boston is Dr. Edward H. Bradford's splendid summation of the traits and abilities of a doctor of medicine:

AN IDEAL DOCTOR

"The doctor should be broadly human. He must deal with the vagaries of age, and the fancies of youth, the sports of boys and the appetites of men. In his profession he tests the aviator and rations the soldier, estimates the endurance of the laborer, cares for the worried mother, and relieves the desk-ridden financier. His thought must reach to the ideals of the clergyman and interpret the flesh-prompted dreams of the man of the world. And in this service, neither the precision of science nor the efficiency of business methods will suffice, for above all else the practitioner must preserve and exercise the kindly indulgence of a considerate friend. In what academy can these lessons be taught?"

Permit me to draw a parallel, making it apply to the teacher.

AN IDEAL TEACHER

"The teacher must be broadly human; he deals with the pessimism of age and the long, long thoughts of youth; he enters into the sports of boys and into the make-believe realm of little girls; in his profession he leads the halting and timid learner along the hard path of knowledge with appropriate spur of criticism or approval, and at the same time teaches the parents tactfully as though he taught them not; in religion he must match knowledge and spirit with the pastor that he may encourage all and offend none; in business he must know as much of the intricacies of finance and of the laws governing human society as does the banker or the lawyer; in the community he must be a social leader, lacking none of the graces of polite society; his profession demands of him a confidential relationship between him and his pupils, as sacred, as significant and as binding as that between lawyer and client, doctor and patient, priest and penitent sinner. In what school may these requisites be acquired?"

Both of these summations seem to disparage schools as preparatory agents, seem to imply that the most desirable characteristics cannot be acquired through formal education. Nevertheless, good doctors, good lawyers, good teachers have been trained in training schools, as the roster of graduates of this institution will amply testify.

And now, Mr. President, I commend to you the example of your predecessors; I express a hope that you may be equally successful in steering the course of this institution amid the troubled waters of local and State politics; that you may receive ample appropriations for adequate support; that you may have the loyal backing of a united faculty, and the full confidence of an earnest student body to that end. As for the teachers' college itself, may what it has already accomplished for the Commonwealth under their guidance be but the prologue of a great epic of service under your direction and control. This is the charge I lay upon you and also my prayer for its successful accomplishment.

Wage and Hour Bill

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 23, 1938

EDITORIAL FROM THE ST. LOUIS POST-DISPATCH OF MAY 22, 1938

Mr. COCHRAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the St. Louis Post-Dispatch of Sunday, May 22, 1938:

FOR A FEDERAL WAGE AND HOUR LAW

Congress has the opportunity at this session to pass a measure—a simple wage and hour law—that should prove of direct and tangible benefit to the underprivileged.

The measure would not be a panacea; it would go only a short way toward curing the inequities in our distribution of wealth in the United States; but it would help.

With unemployment ravaging the country like a plague, with wages falling despite the efforts of the great majority of employers to keep them up, it is the right of the Federal Government to do what it can to prevent a spiral of deflation that might, as a committee of Congress has recently stated, "threaten the foundations of the Government itself." That is not only the right of the Federal Government; it is the plain duty of the Government.

The economic slump which began last fall has widened and deepened. No longer can it be called a recession. It is a new depression of the most virulent kind. It confronts the President and Congress with a new emergency.

New needs demand new courses of action. This fact has been recognized by the Supreme Court of the United States. In the decision a year ago in which the court reversed itself on the subject of State minimum-wage laws for women and children, Chief Justice Hughes said:

"We may take judicial notice of the unparalleled demands for relief which arose during the recent period of depression and still continue to an alarming extent. * * * It is unnecessary to cite official statistics to establish what is of common knowledge through the length and breadth of the land. * * * The community is not bound to provide what is in effect a subsidy for unconscionable employers. The community may direct its law-making power to correct the abuse which springs from their selfish disregard of the public interest."

Chief Justice Hughes was speaking of a State law. We quote his words only to support our thesis that changed conditions demand new forms of governmental action; that neither the law nor our social thinking can be static; that a democratic government, as is ours, must move with the times, or be overwhelmed. It will remain for the Supreme Court to say whether national minimum-wage and maximum-hour standards can be established immediately by simple legislative enactment, or only after amendment of the Constitution.

Recent decisions of the Court, notably those in the Wagner Act cases, raise the strong presumption that a well-thought-out law along these lines, with the area of administrative discretion properly defined, would be upheld.

We believe that such a law should be passed, and passed at this session of Congress.

The minimum-wage and maximum-hour issue has been sharpened and simplified since the original bill—the Black-Connery bill—sought to bring virtually the whole wage structure of the country under bureaucratic control. That was a dangerous bill, and the

Post-Dispatch so stated. Administrative discretion under it was such that the principle of minimum wages and maximum hours would have been constantly exposed to political manipulation in favor of special industries and special sections.

The issue centers now around the Norton bill, which the House, in response to a petition signed by a majority of its Members, will take up tomorrow. The Norton bill represents the simplest possible form of attack on the problem of ending starvation wages and the unfair competition which they breed. It proposes, for one thing, to forbid child labor in industries entering into interstate commerce—and certainly these child-labor provisions, in any case, ought to be adopted.

As to wages, it proposes in such industries a floor of 25 cents an hour the first year, rising by 5-cent increases to 40 cents at the start of the fourth year. It proposes to limit the hours of work in the affected industries to 44 a week the first year, 42 the second year, and 40 thereafter. Thus the minimum wage the first year would be $11 a week, the second year $12.60, the third year $14, and the fourth year and thereafter $16. In terms of an annual wage, the pay would rise from a minimum of only $572 for the first year—assuming a full 52 weeks' employment—to $832 for the fourth. Administration would rest not with a five-man board, as provided in the Black-Connery bill, but with the Secretary of Labor.

What is proposed, in essence, is that Congress shall declare it to be the public policy of the Nation that workers in industries affecting interstate commerce shall not be required to work for less than a subsistence wage. Only the levels of employment at the very bottom would be affected. The Department of Labor estimates that the Norton bill would eventually shorten the hours of about 2,500,000 workers and increase the pay of about 850,000. At the beginning the wages of only about 600,000 would be increased.

The issue in Congress—for there is clearly a large majority in favor of the minimum-wage principle—boils down to the question of whether there should be differentials in favor of southern industry. The Post-Dispatch strongly favors a flat national wage and hour standard, as contemplated by the Norton bill. We take this position after a sympathetic consideration of the arguments on which the South bases its case for differentials.

The southern case against wage-hour regulation in general and against a flat-rate wage minimum in particular rests chiefly on these contentions:

(1) The proposal violates the historic political philosophy of the South.

(2) It seeks to achieve a national economic parity for which the South, being a region of relatively recent industrial development, is not yet ready. A sounder policy would be to permit this parity to be approached through natural development.

(3) It does not take into account the fact that there are climatic and other differences within the Nation which are reflected in living and construction costs and the relative efficiency of labor.

(4) It does not make due allowance for the freight-rate differential which puts the South at a disadvantage when it comes with its products into the populous market of the "official freight territory"—roughly the area north of the Ohio and the Potomac, and east of the Mississippi.

(5) Instead of raising the purchasing power of the South, it would increase unemployment through the closing of industries which would not be able to pay their employees the minimum wage.

To take up the arguments in order: It must be recognized that the first one—that of States' rights—is an ideal which is conditioned by the increasingly complex world in which we live. There are overwhelming national problems which cannot be solved by State action alone. It has become increasingly clear that the States, competing for industries as they are, cannot be counted upon to cope effectively with the wage-hour problem.

That natural development has raised the level of living in the South is not to be denied. But there is good reason to believe that this upward movement would be accelerated by Federal minimum wage and maximum hour legislation—good reason to believe it because many persons in the South, including a number of important industrialists, themselves believe it. In any case, the textile manufacturing industry of the South goes back a half-century and more, and yet the Southern States have been extremely slow in the enactment of laws regulating working conditions.

Arkansas and Kentucky are the only Southern States with minimum-wage laws, and these apply only to women and minors. South Carolina recently blazed a trail with the establishment of a 40-hour week for all textile workers, but as a protection against other States which may be less socially inclined, it has provided that this statute shall cease to operate in 1939 if Congress has not by then enacted similar legislation. The only hope for general minimum-wage maximum-hour legislation in the South in the near future—or, for that matter, in the North—is through Federal action.

Of course there are climatic differences between the North and the South. Houses do not need to be built to withstand winter cold in the South; northerners require heavier clothing than southerners, and so on. But these differences in living costs have been exaggerated by those who argue for a wage differential. The Bureau of Labor Statistics has shown that the cost of food for a four-person manual worker's family at maintenance level last December was more in some southern cities than in some northern cities. The cost of food for such a family in Jacksonville, Fla., was $492; this was second only to New York City's $506. This same table shows that food costs more in Baltimore than in Chicago, more in Birmingham than in Cleveland, more in Richmond than in Seattle. If the efficiency of some southern labor is lower than that of northern labor in general, southern labor in some industries is now regarded as highly efficient, as for example in the manufacture of coarse textiles such as bagging.

The South's complaint that it is discriminated against by freight-rate differentials is wholly justified. With freight density as heavy as it is in the South today, the old argument for what is in effect a northern tariff against the products of the South no longer holds good. It is about as far from the textile mills of North Carolina to Chicago as it is from the textile mills of Rhode Island. Yet transportation from the North Carolina mills costs $1.39 for every $1 from the Rhode Island mills.

Freight-rate differentials, however, ought to be dealt with on their own merits. They ought not to be offset with wage differentials at the expense of the lowest-paid workers. Fortunately, correction of the rate injustice is now a possibility. The South has recently stated its case with a wealth of persuasive statistics to a member of the Interstate Commerce Commission at a hearing in Birmingham.

The freight-rate discrimination against the South should be wiped out at the earliest possible moment.

To the argument that a flat minimum wage would close many Southern industries and thereby add more unemployment to the troubles of the South, the Post-Dispatch has given special attention. Investigation has shown that the textile and steel industries generally are paying minimums between 25 and 40 cents; that businesses paying below 25 cents are those which rely on substandard labor conditions—long hours and low wages—to offset obsolete methods and machinery. Seemingly, the industry that would suffer most severely at the outset is the cutting and finishing of the lower grades of lumber.

What the South needs above all else is a larger share in the profits of its industry. The return on northern capital invested in the South leaves the South in the form of dividends. As wages are raised, more and more of this money stays in the South to contribute to local wealth—to the development of business, education, and the public services. Wage and hour legislation will keep more of this wealth in the South, will tend to protect industrial wages in the South from the pressure of an impoverished agriculture, will build up the purchasing power of the South, will make it more of a market for its own products. The South has nothing to gain in the long run from a freezing of present conditions through wage differentials.

The precise details of the legislation are for Congress to write. It may be that in the congressional discussion the 40-cent minimum will be found to come too quickly under the House bill—that some compromise on that point will prove desirable. But the necessity for this general form of attack on a serious economic malady is plain.

Finally, a blunt question suggests itself in reply to the argument that legislation of this character would deny to industry the fair profit to which it is entitled. The question is: Can any profit be deemed fair which is dependent on the payment of a starvation wage? Or, to put it another way, does that industry deserve to survive which can only survive by the payment of a starvation wage?

We quote again from Chief Justice Hughes:

"The exploitation of a class of workers who are in an unequal position with respect to bargaining power and are thus relatively defenseless against the denial of a living wage is not only detrimental to their health and well-being but casts a direct burden for their support upon the community. What these workers lose in wages the taxpayers are called upon to pay. The bare cost of living must be met."

The duty of Congress is plain.

It owes a duty to the fair employer.

It owes a duty to the worker at the bottom of the economic scale who is outside the fold of the protection given more fortunate workers by their labor unions.

It owes a duty to the political and economic system under which we live, for only by vigilance and boldness in correcting manifest evils can that system be made secure.

Frank Crawford Sites

EXTENSION OF REMARKS

OF

HON. GUY J. SWOPE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 23, 1938

Mr. SWOPE. Mr. Speaker, on this day I rise to record in the proceedings of the Congress the third anniversary of the death of a former Member from the district which I have the honor to represent and one who was also a fellow townsman, Hon. Frank C. Sites, of Harrisburg, Pa.

Frank Crawford Sites was born in Shippensburg, Cumberland County, Pa., on December 24, 1864. When he was 11 years old he moved with his parents to Harrisburg, Pa., where he attended the public schools. Later he qualified as a watchmaker and jeweler, in which business he was engaged in Harrisburg for a number of years. He was married early in life, and two children, Boas and Emily, blessed the union.

Mr. Sites always took a very active and helpful interest in civic affairs and in the Democratic Party. He served as a director on the Harrisburg school board from 1903 to 1912. Upon the advent of the Wilson administration in 1913 he was appointed postmaster of the city of Harrisburg and served until after the expiration of his second term in June of 1922. During his entire period as postmaster he also served as secretary-treasurer of the National Association of Postmasters, and was known and loved by postmasters all over the country in that capacity. The Post Office Department leaned heavily upon this unassuming but charming gentleman as the intermediary in its relations with the National Association of Postmasters.

After leaving the postmastership, Mr. Sites ran for the United States House of Representatives in the election of 1922 and was the first Democrat to be elected in our district since before the Civil War. It was a remarkable tribute to his capacity for making friends. His service in Congress was marked, among other things, by his strong, continuing interest in the Postal Service and the welfare of its employees. He was a member of the Post Office Committee at the time that the fight was on for the first real measure for the reclassification of the salaries of the different classes of postal employees. I understand that he was a tower of strength in the committee in preparing the bill and spoke several times most effectively in behalf of the legislation when it was considered on the floor of the House.

Mr. Sites was a candidate for reelection in 1924, but went down to defeat in the overwhelming landslide for Calvin Coolidge in Pennsylvania which defeated every Democratic candidate for Congress in our State.

During all the years in which I have been in Harrisburg I knew Frank Sites personally. While it must be admitted that in the welter of political strife many differences of opinion arise, it can be truthfully said that he had no enemies. Those who agreed with him politically and those who disagreed with him politically all did agree that whatever position he took was taken with a sincere regard for the public interest according to the best dictates of his own judgment.

Frank Sites remained a resident of the city of Harrisburg, which he loved, until the time of his death on May 23, 1935. His wife and beloved helpmate over the entire period of his manhood, Mary E. Sites, survived him a little more than 2 years and died on August 30, 1937. They sleep, side by side, in the East Harrisburg Cemetery:

They say life is a highway and its milestones are the years;
And now and then there's a tollgate where you pay your way with tears;
It's a rough and a steep road and it stretches broad and far;
But it leads at last to a golden town where golden houses are.
—Joyce Kilmer.

Relations Between the United States and the Philippine Islands

EXTENSION OF REMARKS

OF

HON. QUINTIN PAREDES

RESIDENT COMMISSIONER FROM THE PHILIPPINE ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 23, 1938

Mr. PAREDES. Mr. Speaker, engrossed as the House is with matters of vital interest to the people of the United States, I am both honored and grateful to be permitted to address you today.

I deplore that it has not been possible for me to attend our sessions as frequently as I desired, but the many and urgent requirements of my work in the Joint Preparatory Committee on Philippine Affairs, and the adverse circumstance that, unlike in previous years, there is presently only one Philippine Resident Commissioner, have forced me to be away, from time to time, from the highly instructive and most enlightening deliberations of this House. Thus, I have been deprived of the opportunity of discussing Philippine-American affairs and answering some of the matters inserted in the CONGRESSIONAL RECORD which emanate from discredited Filipinos resident in the United States.

Mr. Speaker, you will recall that on November 15, 1935, a new nation was born across the Pacific. On that historic day, the world witnessed the auspicious birth of the Commonwealth of the Philippines. Since then, our Government has been completely in Filipino hands. And since then, under the inspired and dynamic leadership of President Manuel L. Quezon, that gifted and acknowledged leader of our people, the Philippines has continued to progress by leaps and bounds. There, and nowhere else in the Orient, Christianity and democracy go hand in hand; law and order are completely under control; commerce, industry, and agriculture are booming; the balance of foreign trade is easily in our favor; education, health, and sanitation are progressing in great strides; the finances of the Government are on the soundest basis; "the budget is balanced, taxes are the lowest in the world, the reserve behind the currency is 100 percent; the per capita national debt is less than $2.00"; public morality has been enhanced; social justice to improve the lot of the masses is being pursued, and the people are happy and prosperous. In this great enterprise of national building, President Quezon has the sympathetic understanding and collaboration of Hon. Paul V. McNutt, America's able and distinguished High Commissioner of the Philippines. For them I bespeak the continued and unfailing cooperation of the Congress.

With the passage of the independence law, the political aspect of the Philippine question has been settled, for the act has set a fixed date when the Philippines shall stand as an absolutely independent nation. But the independence law did not solve the economic aspects of the Philippine question. The law bristles with imperfections and inequalities. Your great President, speaking on this subject in his message sponsoring the approval of the Tydings-McDuffie law, says:

> Where imperfections or inequalities exist [in the law], I am confident that they can be corrected after proper hearing and in fairness to both peoples.

To study these imperfections and inequalities, which have become increasingly apparent and more realistic since the inauguration of the commonwealth, the Joint Preparatory Committee on Philippine Affairs was created. This committee, consisting of six Americans and six Filipinos, who are experts in their respective lines, has just finished its work and submitted its report embodying its findings, conclusions and recommendations, which have been arrived at only after a careful and painstaking study of the subject. In this report the committee has endeavored to indicate the remedies which in its best judgment would help to correct these imperfections and inequalities, with the single objective of serving alike the interests of both the American people and the Filipino people. I express the earnest hope that this report, upon its submission to the Congress by the President, will be accorded a generous reception and a favorable consideration, to which, I believe, it is entitled. All that the Philippine people ask for today is fair play and an opportunity to live in a manner calculated to inure to their future as a nation. We have set a standard of living much higher and better than that of other countries in the Orient. We have adopted a standard in life as well as a standard of our ambitions. These standards have been high; the ideals have been great; and we still keep our eyes and our hearts fixed upon the future, believing that your present tutelage, your friendship, your cooperation will for all time be an inspira-

tion not alone for the Filipino people but for the nations of the earth. I have the thought that the world is watching the fruition of what might be termed "the American plan." We must work together to reach the ultimate goal.

At this juncture it is my pleasant duty to make public expression of the profound gratitude of the Filipino people to the President of the United States for having promptly created this committee, and to record our appreciation of the splendid work done, particularly by the American members under the able chairmanship, first of Assistant Secretary Francis B. Sayre and later on, of Ambassador John V. A. MacMurray. Every member of the committee has proceeded with utmost patience, forbearance, and diligence, each one having for his sole guide the interest alike of the American people and the Filipino people. The mutual tolerance and open-mindedness which prevailed constantly during the deliberations of the committee in the face of conflicting views and interests could not have been more encouraging.

It is extremely regrettable that some misguided Filipinos have taken occasion to disparage the Filipino members of the committee, all of whom are respected by my people for their integrity and sterling character, in an unexplainable but evident effort to minimize the weight to be given to the committee's report. Even the President of the Philippines, upon whom the hopes of our people are centered and who stands greatly high above his envious critics, has not been spared.

Mr. Speaker, ordinarily I would not dignify such scurrilous attacks from irresponsible persons, but in view of the prominence that was given to them, I am constrained as the official spokesman of my people to voice here the vehement and indignant condemnation of my government and my people against such groundless and abject attacks, emanating as they are from scandalmongers whose record is not all enviable. These self-appointed spokesmen some way have succeeded in having distinguished Members of Congress to honor some of their writings with insertion in the CONGRESSIONAL RECORD.

For a better appraisal of the weight, if any, to be given their opinions, it is my duty to inform Congress that the executive editor of the Philippine-American Advocate, the paper from which the insertions were taken, is an ex-service man, dishonorably discharged from the Navy after two convictions, the last of which carried 2 years of hard labor, and after his dishonorable discharge he had to do with the officers of the law in the Nation's Capital. And the publisher of said magazine, who signs one of the inserted articles, also has to his credit a sentence of from 4 months to 2 years in the penitentiary on a plea of guilty to a charge of violation of the act to prevent purchase or sale of public office, for having obtained divers small amounts from different persons in consideration of promises to support and use influence in their favor. None of the two is given any political or social recognition in the Philippines. I have in my possession certified copies of the records of the Supreme Court of the District of Columbia, case No. 54023, October term, 1933, where the charges and conviction of Porfirio U. Sevilla, the publisher and editor, appear; also authentic copies of the records of the Navy about the convictions and dishonorable discharge of Teddy de Nolasco, the executive editor of the Philippine-American Advocate, as well as his District of Columbia police records. They are ready for inspection by anyone.

Our consolation, Mr. Speaker, is that these two Filipinos constitute a rare exception. Approximately 50,000 others reside in the United States, and they have nothing but respect and high regard for our constituted authorities and officers. These 50,000 Filipinos are industrious and useful citizens, mechanics, artisans, businessmen, students, and professional men. They began to come and settle in this country at the very inception of American regime in the Philippines. Having heard tales projecting America as the land of promise and opportunities, they emigrated into the United States, in the hope that this land would always be one of equal opportunities to all; they sought their fortunes here and bravely cast their lot in the vast expanse of this great land. They were not disappointed. Their hopes were justified, their faith strengthened. Of late, however, there have been attempts to pass discriminatory legislation against them in the erroneous belief that the Filipinos had been converted into aliens with the operation of the independence law.

Mr. Speaker, we are not American citizens, but neither are we aliens. We are still nationals of the United States, owing allegiance to the American flag, which like in the past we would gladly defend in case of need, the same as any American citizen would do. It is only for the application of existing immigration laws that we are to be regarded as if we were aliens. In any other respect, and until complete political independence is achieved, we claim to be, and we are in fact, your nationals. Our officials, from the highest to the humblest, in taking their oath of office, promise to recognize and accept the supreme authority and the sovereignty of the United States, whose flag still waves sovereign in the Philippines. I take advantage of this opportunity to plead for my countrymen in the United States, that they may be given continued treatment as nationals as long as we remain under your protective flag. I hope that as this Congress was receptive to our pleas when the danger appeared of the Filipino employees in the Federal service being legislated out, Congress will continue showing the same spirit of fair deal to these countrymen of mine, whose only fault, if it may be so called, has been to prefer residence in the United States to that in their own native land.

Mr. Speaker, by the terms of the independence law, the Philippines will have its independence on July 4, 1946. As the day for our complete political separation becomes nearer of fulfillment, a feeling of sadness overpowers us. It is because we have learned to love and venerate America for the monumental and enduring work she has done in my country in a true spirit of self-consecration. To give and not to take, has been the cornerstone of America's Philippine policy. The tainting hand of selfishness and mercenary designs has never reached her truly magnanimous heart. She has served as only she could serve; she has given us the best and the finest in her, all for the joy and the glory of giving.

As I take my leave of you on the eve of my departure for my native land, I leave with you the expressions of the love and lasting gratitude of my people, and our hopes that America will not give up her splendid work in the Orient half done. I carry with me, as I go away, the grateful memories of the many courtesies and considerations which I have received from you, and I shall treasure the friendships I have made here as my most valuable gain in the United States. May the fullest measure of success, individually and as a body, become your reward for duty well done.

I thank you.

The Wage and Hour Bill

EXTENSION OF REMARKS

OF

HON. E. E. COX

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 23, 1938

RADIO ADDRESS OF FRED BRENCKMAN, MAY 21, 1938

Mr. COX. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address by Fred Brenckman, Washington representative of the National Grange, over stations of the National Broadcasting Co., on the Grange Hour, from Washington, D. C., Saturday, May 11, 1938:

Last December when the House of Representatives, after a titanic struggle, recommitted the hour and wage bill to the Committee on Labor, most people who believe in the application of common sense in the solution of our social, economic, and

industrial problems, hoped that we had seen the last of this measure during the life of the present Congress. But these hopes were illusory and were not destined to be fulfilled.

Some time ago a new wage and hour bill emerged from the Committee on Labor and was placed upon the calendar of the House. As was the case last fall, the Committee on Rules, composed of 10 Democrats and 4 Republicans, considered the measure so objectionable that it refused to grant a special rule to bring it up for immediate consideration. Thereupon, after the lapse of the required 30 days, a petition was placed upon the Speaker's desk to discharge the Rules Committee from further consideration of the bill. On May 6, during the course of a few hours, 218 Members, constituting a majority of the House, signed the petition, and next Monday a formal motion will be made to take the bill away from the Rules Committee and bring it before the House for final action.

NEW BILL WORSE THAN THE OLD

In some respects, the new bill is more unworkable and objectionable than the one that was killed by the House last December. In comparing the two bills one is reminded of a story that was told by the late Champ Clark, who was Speaker of the House during the Wilson administration. The story was about a bad man out in Missouri who was considered so objectionable by his neighbors that they finally dragged him from his home and lynched him. As his body dangled from the limb of a tree, they placed a placard upon his chest which read: "In some respects this was a very bad man." Upon his back they placed another placard bearing this inscription: "And in other respects he was a whole lot worse." I have taken the liberty of changing a word or two that Mr. Clark used, for emphasis, but the meaning is still the same.

The administration of the present bill would devolve upon the Secretary of Labor. Under the bill, minimum wages during the first year would be 25 cents per hour, with a step-up of 5 cents per hour each year until the goal of 40 cents per hour is attained.

During the first year no employer engaged in commerce as defined in the act could employ his help for a workday of more than 8 hours nor for more than 44 hours per week. After the second year the workweek would be reduced to 40 hours. No employer could be compelled to maintain a workweek shorter than 40 hours. It would not be deemed a violation of the act for an employer to exceed the maximum number of hours, provided he paid his help time and half time for overtime.

While the supporters of the bill in the House are boastfully proclaiming that they will not agree to any modifying amendments whatever, Congressman COFFEE of Nebraska has announced that he will propose an amendment for the protection of industries engaged in producing, processing, or distributing dairy products, poultry products, livestock, and seasonal or perishable agricultural commodities in general.

Under this proposed amendment, such industries as have been named would not be required to pay their workers time and half time for overtime. In response to a request made by various organized farm groups, Congressman BIERMANN, of Iowa, will propose an amendment clarifying and broadening the definition of the term "employees engaged in agriculture," which occurs in the bill. If adopted, this would give farmers complete exemption in rural areas and would lessen the impact of the wage-hour bill on the farm income of the United States.

Those who favor these proposals should without delay wire their respective Members of Congress, urging them to support the amendments.

If the enactment of the new wage and hour bill could reasonably be expected to do the country any good, the Grange would naturally be in favor of it. Since we harbor the conviction that its net results would be harmful and demoralizing, we are against it.

SOME OBJECTIONS ENUMERATED

Among the numerous objections which may legitimately be made against this measure, there is justification for saying that it would increase the price of commodities the farmers must buy and would decrease the net return from commodities they sell.

It contains no provision for placing farm commodities on the same price level with wages, thereby destroying any possibility of achieving price parity as between agriculture and industry. When the new crop-control bill was pending in Congress, farmers were urged to give it their support on the ground that it would give agriculture price parity with industry. The enactment of the hour and wage bill could not fail to make the existing disparity between agriculture and industry greater than before.

Notwithstanding the exemption of farm labor under the bill, its enactment would create conditions that would make it virtually impossible for the farmer to secure hired help at wages within his reach.

It would encourage, if not compel, employers to install more and more labor-saving machinery in their efforts to keep down costs of production, thereby throwing more people out of employment.

It would manifestly be useless to fix a minimum wage of 40 cents an hour and a maximum of 40 hours a week, which is the goal envisioned by this bill, while permitting imports from countries with a going wage which in some cases is as low as from 3 to 5 cents an hour. The bill that was referred back to committee last December contained at least a weak provision which was intended to protect American workers and producers from being swamped by imports from countries where substandard labor conditions prevail. The present bill contains no safeguards whatever in this connection.

WOULD SWELL RELIEF ROLLS

Another serious objection to the pending measure is that those who would be thrown out of employment when any particular industry could not meet the requirements imposed by the bill would become a burden upon the public relief rolls. With tens of millions of unfortunate already on the relief rolls, we should shun an experiment that could scarcely fail to increase these staggering totals.

The bill contains no provision for differentials in wages and hours as between urban and rural communities, or between different sections of the country. It imposes an ironclad uniformity that would prove utterly unworkable in practice. As has already been indicated, it contains no exemption for those engaged in the processing of seasonal or perishable agricultural commodities.

It would vest autocratic powers in the Secretary of Labor, powers that Congress should never delegate to the executive branch of the Government. It would create just one more meddling and oppressive bureaucracy that would send a horde of regulators, inspectors, and field administrators into every State, who would devour the substance of the people like a swarm of locusts.

But someone may ask, "If the present bill is so objectionable, what would you propose to take the place of it?" In answer to that question, I would say that if we must have Federal legislation, regulation, and regimentation on every conceivable subject, regardless of the rights of the State and of local communities, the Government should not go further than to fix the maximum hours of workers, besides taking reasonable and proper steps to prevent the exploitation of child labor.

AS VIEWED BY LABOR GROUP

In stating its objections to the hour and wage bill that was rejected by the House last fall, the California Federation of Labor wisely said that the enactment of such legislation would establish the principle in this country that the fixing of wages was a natural and proper task of politicians and lawmakers and that it would deprive labor organizations of their normal functions, which is to promote better working conditions and to secure higher wages for their members.

The California Federation of Labor declared itself as being unalterably opposed to giving over to the Government the power of fixing wages.

Congress should not lose sight of the fact that the small marginal industries of the country would be the first to experience the evil effects of this proposed legislation, as was the case under the workings of the N. R. A. codes.

It is safe to predict that the passage and enforcement of this bill would result in the bankruptcy of thousands of these small industries.

The urgent need of America today is intelligent and helpful cooperation between the Government and the various groups engaged in business, industrial, and agricultural pursuits. Arbitrary and dictatorial regimentation of any phase of our national life will certainly do more harm than good.

This Nation, with its wide domain, its diversified interests, and its teeming population, is too great to be either wisely or democratically governed: down to the most minute detail affecting the States or the individual citizen, from the seat of government at Washington.

Hon. Fred M. Vinson

EXTENSION OF REMARKS

OF

HON. BRENT SPENCE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 11, 1938

Mr. SPENCE. Mr. Speaker, we, his colleagues from Kentucky, rejoice in the fine compliment and the great honor that has come to FRED M. VINSON in his appointment to the United States Court of Appeals for the District of Columbia.

His great attainments, his splendid ability, and his excellent qualifications for the important position to which he has been appointed is generally recognized.

Someone has said that genius is unlimited capacity to labor. A lazy judge is a reproach to his profession and to the bench. Justice delayed is often justice denied. FRED VINSON is industrious. He has the capacity to labor. He will administer the law without delay. Speedy justice may be obtained in his court.

The law is a great profession, and the man who exercises the functions of a judge exercises an attribute of the Deity. The Bible tells us—

The Lord is our judge; the Lord is our lawgiver.

It is unusual for a young man—and FRED VINSON is a young man as the ages of judges are contemplated—to have his future course marked out and to be enabled to pursue his profession along a definite line and in the field wherein he must develop and grow strong. His future course will be removed from the tumult and the contention of the House of Representatives, where he has served so long and with great distinction. He will be removed from the noise and acrimony of the trial court. His paths will lie along the mountain ranges of the law. In the future his work will be in the laboratory. It will be research work in the quiet of his study, wherein he will do justice between man and man according to the practice, precedents, and principles of the law.

We know that he will do the work well and he will gain in prestige and influence. As time goes on, his decision will acquire that weight and importance that is always given to the decisions of the just, able, and studious judge.

We all realize that in the appointment of FRED VINSON to the United States Court of Appeals for the District of Columbia, the House of Representatives has lost a most able, sound, and influential Member, but the loss sustained by the legislative branch has been compensated by the gain of the judiciary.

As he goes into his new field he has the sincere good wishes of his colleagues from Kentucky, in which I am sure all his colleagues earnestly join.

"Is Roosevelt a Menace to Business?" Asked a Saturday Evening Post Article in 1907

EXTENSION OF REMARKS

OF

HON. H. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 23, 1938

ARTICLE BY H. L. RADWAY, DECEMBER 21, 1907

Mr. VOORHIS. Mr. Speaker, the following article written by one H. L. Radway, of Chicago, which appeared in the Saturday Evening Post for December 21, 1907, came to my attention in the column of Mr. Manchester Boddy in the Los Angeles Daily News. It speaks for itself.

I appeal, however, to all who read it to remember that the "Roosevelt" referred to was a Republican President whose first name was Theodore and to reflect that there is nothing new under the sun. For this article analyzed the situation in the year 1907. Nevertheless it seems we can detect a note here and there that has been struck with vigor only recently.

The article follows:

The immediate causes of the financial depression, through which we are passing, were the discovery that a set of speculators had obtained control of certain New York banks, and following this discovery, the failure of the Knickerbocker Trust Co.

Under ordinary circumstances this discovery and failure would have been seen in proper perspective, and would have had little or no influence on the financial condition of the country outside of New York, but for months the sensational newspapers, the words of political demagogues, and most of all, the acts and utterances of President Roosevelt, had been creating a general distrust among the people. They had provoked and inflamed that "state of mind" which is always found at the bottom of a panic. The fall of the Knickerbocker Trust Co.—in itself of small significance—precipitated a crisis, and the structure of confidence shivered to its foundation.

That the guilty financiers are much to blame no one can dispute. But had there been a different man in the Presidential chair—a safe and conservative statesman—and had the public mind been calm and unalarmed, the crisis would have passed without disaster.

Mr. Roosevelt, during all of his second term, has identified himself with policies whose aim is to embarrass and harass capital and corporations. Among the "Roosevelt policies" we find Federal control of corporations, the railway-rate bill, meat inspection, a tax on fortunes, and the prosecution of trusts.

Most of these policies, in themselves, are not open to censure, but as much cannot be said of Roosevelt's advocacy of them. In the furtherance of these policies he has not hesitated to use methods highly injurious to various industries, nor has he scrupled in destroying public confidence. No one has forgotten that attack upon the packers which preceded the meat-inspection bill, and which, for months, almost paralyzed the meat industry. To secure the passage of the railway-rate bill he again attacked a great industry and in such a manner as to create a distrust of all railroads.

His example has influenced hundreds of imitators throughout the various States, while the yellow journals, with their muck-raking and exaggerated or wholly false attacks on the financial leaders of the country, have helped to destroy confidence and to create suspicion.

Mr. Roosevelt has talked too much and he has threatened too much. Dozens of quotations from his messages and speeches might be given to support this statement, but those that follow are typical and prove the assertion. In his last message he says: "We must exercise * * * a far more complete control that will prevent * * * the evils of overcapitalization, and that will compel the disclosure by each big corporation of its profits and business." In response to an appeal to ease the situation in Wall Street he says in his Provincetown speech: "Once and for all, let me say * * * there will be no change in the policy we have pursued." And, as a capstone to the pyramid of distrust, in his Nashville address, amid the mutterings of the rapidly rising financial storm, he says: "I doubt if my policies have had any material effect in bringing about the present trouble, but, if they have, it will not alter my determination that, for the remaining 16 months of my term, these policies shall be persevered in unswervingly."

The constant fulminations of Mr. Roosevelt, aided by sinister, but isolated examples of dishonest financiering, have taught the people to question the honesty of our most upright citizens and to doubt the safety and integrity of our most reliable business enterprises. This suspicion and doubt has extended to our financial institutions, resulting in the recent senseless runs on banks and ending in a money stringency. The present distress is undoubtedly due to Mr. Roosevelt's prolonged and ill-advised attack on capital and corporations.

The Proposed Federal Bureau of Fine Arts

EXTENSION OF REMARKS

OF

HON. JAMES L. QUINN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 23, 1938

LETTER FROM WILL EARHART, DIRECTOR OF MUSIC OF PITTSBURGH, PA.

Mr. QUINN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter received by me from Will Earhart, director of music of the Pittsburgh public schools:

PITTSBURGH PUBLIC SCHOOLS,
Pittsburgh, Pa., May 19, 1938.

Hon. JAMES L. QUINN,
House of Representatives, Washington, D. C.

DEAR SIR: Late in March of this year a copy of House bill 9102, Senate bill 3296, generally known as the Coffee-Pepper bill, came into my hands. I read it carefully then, with, I must say, growing amazement and disfavor. Repeated readings since have served only to confirm my first judgment. I am strongly opposed to this bill and cannot escape the conviction that it is pernicious.

The general purpose of the bill, namely, to establish a Federal Bureau of Fine Arts, is deserving of sympathetic study, if not of support. Personally I should prefer to see our Federal Office of Education expanded and made to include a Division of Fine Arts, but that very statement merely raises a question of means, while it yet endorses the end. For there is no doubt in my mind that our Government should give some measure of support to those vast operations in our civilization that take place in other areas than agriculture and business. Their economic weight alone is colossal, and their cultural and spiritual values are basic needs in the development of any but a drab civilization, and should rightly, therefore, receive the attention and support of our Government.

But when I have wanted Federal support of the fine arts I have wanted only that kind and measure of support that our Government gives, for instance, to agriculture. Specifically, that support consists in employing experts in agriculture who study its problems, collect and distribute valuable information, and give helpful service to the agriculturists who are on the ground. Our Government does not organize and employ on Federal pay an army of tillers to go forth in every corner of the land and till any and every foot of ground, productive or not, that it can find. Analogously, however, that is precisely what this Coffee-Pepper bill

proposes to do. I read (sec. 6a) that those to be employed are "all persons presently employed upon Federal arts projects of the Works Progress Administration and artists employed on other projects under Works Progress Administration who are competent to carry out the objectives of this act"; and, further, "The Bureau shall employ as many more artists as possible in order to carry out the purposes of this act." ("As many more artists as possible." What extraordinary meaningless language for a legal document. What determines the boundary of the "possible"?) Moreover, the manner of selecting these wards of the Government who are to bring the treasures of the various fine arts to a people is not to my liking. Section 8 specifically provides: "Persons employed under the Bureau shall not be subject to civil-service laws." Why? Is the cultural enlightenment and elevation of a people so easy a task that the artistic abilities of those specifically employed for the task need not be scrutinized? According to the bill (sec. 5), the work these employees of the Government are to do is stipulated thus: "The Bureau shall establish subdivisions which shall include the creative, interpretive, research, and teaching aspects of (a) the theater and its allied arts; (b) the dance and its allied arts; (c) music and its allied arts; (d) literature and its allied arts; (e) the graphic and plastic arts and their allied arts; (f) architecture and decoration and their allied arts"; and again (sec. 10b), "The regional committees shall undertake the education and instruction of the public in the knowledge and appreciation of art. They shall undertake the teaching, training, development, and encouragement of talented persons as artists." Yet these teachers and developers of art are employed without civil-service examinations or other specified requirements according to the judgment of regional committees, as stated in section 6b: "The regional committee shall have sole authority to determine all questions of eligibility, competence, and assignment of artists to employment under the Bureau"; and the only criterion seems to be a loose judgment as to whether they belong in the ranks of those "who are competent," who are at present engaged in W. P. A. or Federal arts projects. Is there a sufficient guaranty of ability under such methods of appointment?

I can answer that question positively so far as the "teaching aspects" are concerned. I have been a teacher of music in public schools during my entire working life, and I know what is required of a teacher. In Pittsburgh and almost universally throughout the State of Pennsylvania today—and similar requirements are established in many other States—a person must have 4 years of education beyond high school in an approved institution, and must pass severe examinations in his subject and in education before he can obtain a certificate to teach. No teacher would be accepted in any State on such loose methods of appraisal. But by the terms of this bill a musician who was playing in a Federal music project orchestra, if his associates (sec. 4 (b)) in "the organizations in the region representing the greatest number of artists employed in each of the arts" were willing to adjudge him "competent," could become one of the educational-cultural body although it might be that he could only play a trumpet so poorly that no symphony orchestra would have him, and would not be a desirable teacher of anyone. Moreover, that phrase "the organizations in the region representing the greatest number of artists employed" is a way of naming, by circumlocution, the unions in the particular arts. No other "organization" would have equally large membership. And why the circumlocution?

I do not wish to be misunderstood. I believe in unions and the right to unionize, but I do not believe Government employees—and that term includes teachers—should unionize. Again, for 2 years I served here in Pittsburgh, without pay and at the cost of very considerable time and energy, as C. W. A. and then R. W. D. project head, for a musical project that employed 150 musicians the first year, and 180 the second. My record gives ample evidence that I have been distressed by the fearful plight into which musicians have been thrown through the development of recorded and transmitted music and the further tragedy of the economic collapse, and that I am whole-heartedly in favor of relief work for musicians. I know, too, that many admirable, competent musicians are engaged in these relief-work organizations. But I know, too, that, taking them all together, they do not possess powers of artistic leadership equal to those engaged in professional symphony orchestras, opera houses, music schools and conservatories, and concert and recital work. In short, selection of musicians on the basis of relief needs obviously does not call forth the same musicians who would or should be selected for purposes of artistic leadership. To appoint them, therefore, as a body, as Government representatives, to carry on the task of elevating the musical culture of our people seems to me a wildly fantastic idea.

The bill, moreover, specifies wages, and these, since as many more "as possible" are to be employed, would surely become staggering and, I believe, out of all proportion to the needs and to the cultural work performed. The wages provision (sec. 7) reads as follows: "Wages and working conditions under the Bureau shall be the same as those established by trade-unions for similar work in private industries. In no event shall the artists employed under the Bureau receive less than $30 in any week." I feel sure that many who would be given place in the ranks never earned before, and could not earn now, even under conditions of general business prosperity, such a wage in professional artistic activities alone. Many of those in the music project, at least, are persons who earned their livelihood in some business employment and are musicians only "on the side."

So, while I should welcome the establishment of a guiding, encouraging governmental service for the fine arts, I am opposed to the establishment of such a Bureau of Fine Arts as is purposed in this bill. The members would not be the most competent that could be found for that high service; they would be responsible to nobody but organization chiefs appointed from Washington from a restricted special organization list; they would therefore constitute a sort of Fascist body, comparable to nothing in our country but the Army; they would be exempt from civil-service rules, and no proper eligibility requirements would guard their selection; they would duplicate, on a lower level, the efforts to bring the arts to the people that are now being made by countless other agencies. If it be urged, as it is urged in the declaration of policy at the beginning of the bill, that these already established agencies do not penetrate the more remote places, that they are unavailable to many people even in the large cities because admission fees are charged (whereas the service of the Federal organizations would be gratis), and that the shining result of W. P. A. projects has been that "for the first time millions of our people have begun to receive benefits of cultural enlightenment beyond an elementary education"—well, I can only say that most of this is sheer exaggeration and misrepresentation.

At least in the case of music few persons are out of reach of a radio receiving set, wherever they dwell, and through it they can hear the most glorious music that the world produces; and school orchestras and choruses abound now in even the smallest and most remote hamlets that make music so good and pure that it surpasses in actual cultural value much professional music and all but the music of a few of the very finest W. P. A. music organizations. I cannot speak so confidently of the other arts, to be sure, because I am not so well informed, but I am pretty confident that much the same condition exists with respect to them.

This same letter was written first to Dr. Nikolai Sokoloff, director, Federal Music Project, Washington, D. C., prompted primarily by the feeling that he was the first person to whom I should explicitly declare my position with respect to this bill. I am, however, addressing the same letter to the Federal Music Project head for the State of Pennsylvania and to the head of our local music project and to certain Senators and Representatives. I wish to state, also, that the Music Educators National Conference, representing 11,000 teachers and supervisors of music in public schools and colleges, passed a resolution in their meetings in St. Louis, March 27 to April 1, 1938, disapproving this bill.

Sincerely yours,

WILL EARHART, *Director of Music.*

Shall Federal Relief Funds Be Used for Governmental Competition With Private Enterprise

EXTENSION OF REMARKS

OF

HON. ROBERT L. BACON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 23, 1938

AN ARTICLE BY MR. ARTHUR KROCK, OF THE NEW YORK TIMES

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article by Mr. Arthur Krock, of the New York Times, in which he discusses an amendment which I offered to the spending bill. This amendment was designed to prevent the use of relief money for projects which would result in Federal and public competition with private business and enterprise.

PUBLIC APPARENTLY IGNORES A VITAL ISSUE

WASHINGTON, May 19.—The story of the successful public protest against the Byrnes reorganization bill was read so recently and by so bright and hot a candle that it can scarcely have been forgotten. Certainly the President remembers it well and resentfully. Recalling that popular excitement on that occasion over a measure innocent in itself, and progressive in many provisions, it seems doubly surprising that no public pressure is being felt on a far more vital matter. This is the proposal that none of the new Federal funds shall be used to duplicate existing private industrial facilities, as provided in section 201 of the spending bill.

When Representative BACON urged this restriction of section 201 in the House, he was silenced by a thunderous chorus of "noes." The indications are that the Senate committee which is considering the spending bill will not attach the limitation either, though Senator ADAMS, the committee's pilot, is a banker and, by contrast with some of his New Deal colleagues, a conservative. There is a probability that the Bacon amendment will be offered on the Senate floor if the committee fails to include it. But inquiries bring the assertion from Senators that the public which became incandescent over the reorganization bill has not taken its pen in hand about the Bacon amendment.

This is strange. This is one of the disappointing things about public opinion. Unless an issue is dramatized—which means, as in the instance of the Byrnes bill, the distortion of fact and the injection of personalities—the American people generally refuse to bother about it. Yet the stagnation in the capital and heavy goods markets can be traced in large part to the New Deal's competitive power policy. Until that stagnation is dispelled, substantial recovery cannot arrive. And the stagnation will remain as long as the Government continues to loan and give money to municipalities to duplicate existing private power and light facilities.

A BAR TO RECOVERY

It is perfectly plain why this is so. Before investors will consider furnishing equity money to the utilities, the companies cannot refinance. Unless they can refinance, they cannot enter upon the expansion program which long has been in blueprint. Even if the Groesbeck committee and the S. E. C. work out section 11 of the Holding Company Act without litigation, even if T. V. A. and the utilities it directly affects come to an understanding, the authority and disposition of P. W. A. to give or loan money to duplicate power plants will continue to serve as a firm check on investments in junior utility securities.

The Bacon amendment or some similar Senate provision could remove this check instantly. As a third point in a new government utility policy it would be as effective as it is essential. And investors in power securities are numbered by the millions and live throughout the United States.

The issue affects them directly and it affects indirectly the general recovery for which they and many others are hoping. Yet Senators and Representatives, who were bombarded with telegrams and letters opposing the Byrnes bill, report no appreciable pressure to restrict P. W. A. from grants and loans to municipalities for power-plant purposes. Obviously an almost technical plan to increase Presidential power over the executive branch of the Government—which was all that was left of the Byrnes bill when the House rejected it—had dramatic qualities of public appeal not possessed by this infinitely more important matter.

A PUZZLE FOR HISTORIANS

It is one of the curiosities of the democratic process, and one of the discouragements, too. If a popular uprising against the P. W. A. power loans and grants could eventuate over the week-end, the Senate would heed it as the House did some weeks ago. But it seems as hopeless to arouse the people on this major obstacle to recovery as it is to persuade the Government to level the barrier. How responsible officials can be encouraging the T. V. A. and section 11 settlements, and at the same time encouraging Mr. Ickes to extend Federal competition with the utilities, will doubtless one day be a puzzle to historians.

According to the Supreme Court, the loans and grants for this purpose are entirely legal, regardless of their effect on legitimate business. According to a Federal circuit court, the law also is not concerned with the fact that Government competition may destroy industry and investment. But the Byrnes bill was legal, too, even in the form the President wanted it, the form which gave him complete control of the quasi-judicial and quasi-legislative agencies. Yet the public rose against it, and, while some of the protest was forced and some was misinformed and some was fraudulent, it was powerful enough to change the administration's House majority to a minority.

No doubt it was a salutary thing to inform the world, by defeating the Byrnes bill, the American people are unwilling to extend Executive powers when dictatorships are growing in numbers and authority elsewhere. But that was psychology. This is a plain matter of business, a matter of recovery, a domestic matter of supreme practical importance. Nevertheless the public does not seem concerned.

Two Causes for Depressions

EXTENSION OF REMARKS

OF

HON. CHARLES G. BINDERUP

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 12, 1938

Mr. BINDERUP. Mr. Speaker, Thomas Jefferson said:

If the American people ever allow private banks to control the issue of their money, first by inflation and then by deflation, the banks and the corporations that will grow up around them will deprive the people of their property until their children will wake up homeless on the continent their fathers conquered.

I have always said there are just two reasons for unemployment: The first reason is because we do not understand our monetary and banking system; and the other reason is because the money monopoly does understand. And there is that infallible law that knowlege is light and wisdom is power, and those that know and understand have ever made slaves and serfs out of those who do not understand.

Do you remember one bright spring morning when we were kids and our teacher said to us:

Come up here on the front bench this morning, Johnnie and Willie and Mary. We are going to take up a new subject in arithmetic. We are going to take up a most important subject, the subject of measurement.

Do you remember she explained to us how important these tables of measure were, and she made us commit them to memory? She told us the history of how United States Ambassador to Great Britain, Albert Gallatin, had sent over to the United States a weight that constituted a troy pound, which had been decided upon as an international measure of weight, and this was so important that John Quincy Adams, at that time President of the United States, went to Philadelphia, together with other men of great importance, to receive this troy pound, how they carried it back to Washington, and there in the presence of officials broke the seal and placed the troy pound in the vault of the United States Bureau of Standards, Weights, and Measures. And then she told us of an international convention where the length of a foot and a yard was determined by the kilometer. How we drilled in these tables of measurements. And then to frighten us she told us of how our State and Nation kept a whole army of inspectors watching us, and if we were caught using any of these measurements wrongfully we would be fined or imprisoned. She showed us a foot rule and explained that it was for measuring lumber and land for building homes, and so forth, a yard, how it measured cloth for clothing, and a pound measuring foods, and a gallon measuring liquid; showed us in detail how all these were used. And then she stopped. She forgot to show us the measurement most important. She did not hold up a dollar and say to us, "Here is a dollar; I will show you how this is used, how it measures value." She did not explain that this measurement is all important, more important than all the rest, for all labor and every article produced is measured by this measure, after being measured by its own individual measure; that every commodity, labor included, must first be exchanged into this commodity known as money before it can be redistributed. She forgot to tell us that the price of money, like any other commodity, is governed by four factors, by supply and demand of money as compared with the supply and demand of the article for which it is exchanged. How sad that she should forget to tell us of this most important measure, that measures the sweat of the brow of man; that measures the very life span of a laboring man who sells his life in little pieces to his employer by the day or the month or the year. The measure you used for the first time when you bought your first stick of candy and then you used it thenceforth every day of your life, from morning until night, no matter what business you were in, or whether you were in any business at all, until the doctor and the undertaker were paid at the other end of life. She forgot to show and teach us this important measure, the dollar. And so we have blundered along in life, like children in darkness, suffering and enduring because we did not understand the dollar measure of price or exchange value determined by its own abundance and demand.

Slum Clearance

EXTENSION OF REMARKS

OF

HON. CHARLES KRAMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 23, 1938

ARTICLE IN THE JOURNAL OF HOME ECONOMICS

Mr. KRAMER. Mr. Speaker, the President of the United States recently commented on the need for supplying the

United States Housing Authority with additional funds for slum clearance and the construction of low-rent housing in urban areas.

This body recognizes the distressing fact that one-third of the population in the various States live in substandard homes. Improper housing of this large group affects the health, morals, and well-being of the entire population. Housing, good or ill, bears a direct relation to health, crime, and other social problems.

A series of articles dealing with the effects of bad housing, and written by Florence D. Shreve, of California, appeared recently in the Journal of Home Economics, published in New York City. The material contained in these articles is very pertinent to the studies which this Congress must make while considering further legislation on low-rent housing. I ask unanimous consent that a copy of the final article of the series, The Relation Between Housing and Crime, be inserted in the RECORD. The publisher's consent for such reprinting has been obtained.

THE RELATION BETWEEN HOUSING AND CRIME

Crime does not spring full fledged into being. Back of every crime there is a criminal and back of every criminal there is a series of events governed by social conditions which have made the crime possible. By far the greater number of crimes are committed by habitual criminals—those men and women who began at a very tender age of their childhood to play the role of delinquents, and, through various stages of delinquency, have evolved into the criminal ranks. Therefore, by studying the causes of delinquency, one is able to trace the contributing factors which lead to crime.

No one item can be singled out as the sole cause of delinquency and therefore of crime. There are so many factors interwoven in our social structure that it is not sufficient to remedy any one defect and expect extraordinary improvement in social conditions. However, recognition of all the factors which contribute to the delinquency of youth, and the gradual elimination of each of these factors will, after a period of years, yield a marked improvement in the moral tone of any community.

It has long been acknowledged by students of social problems that poor housing is one of the causes of delinquency among children. It cannot be segregated from the other causes of delinquency to the point where definite figures can be quoted to represent the number of cases of boys and girls whose antisocial attitudes sprang from the conditions of life endured in substandard homes. But there are such positive evidences of antisocial trends in areas where bad housing prevails that it is impossible to deny the results of slum habitation upon the youth exposed to its conditions.

Many factors in bad housing lead to the lowering of the moral standards of youth, thereby contributing to the delinquency of boys and girls. Among the principal ones are: household congestion, structural defects and deficiencies (see Minimum Standards for Low-Rent Housing, Practical Home Economics, January 1938), lack of recreation space, land crowding, and neighborhood inadequacies. Congestion in the household causes family discord and group instability, as well as loss of parental control of the actions of the children in the home. Insufficient room space drives children into the streets and destroys family unity. Overcrowding in sleeping quarters, with concomitant lack of privacy and emotional freedom, develops a low standard of morals. Lack of recreation space forces an unwholesome association of children of all ages, sexes, and characters. Land crowding fosters the use of hiding places and secret meeting places, such as dark corners and alleyways. Because of land crowding there is no opportunity for the segregation of adolescents from the children of more tender years. A recklessness emboldened by a natural bravado of the stronger over the weaker leads to unwholesome domination of younger children by the brute strength of the adolescent group. Children are led into wrongdoing by the fear engendered by others and stronger than themselves.

In these crowded districts there is no place for active games and the wholesome exercise which children need. In their places are substituted gambling, sex play, commercialized games, and other pastimes of an unwholesome nature. They are indulged in secretly in the many available out-of-the-way places which decrepit old buildings afford.

Examples of conditions engendered by such factors are shown in the photographs reproduced on this page, photographs taken in some of our large well-to-do cities. (Photographs omitted in the RECORD.) Such conditions are, however, by no means restricted to large population centers. They should be good evidence in any campaign for better housing.

Lack of adequate supervision of younger children at play, because of the necessity for mothers to be at work, and the lack of local school and playground facilities, lead to the formation of street gangs who indulge in neighborhood terrorism.

The results of such conditions are only too apparent, and there is little need to argue in support of the assertion that poor housing is one of the major causes of delinquency, vice, and crime. The evidence clearly places the responsibility upon bad housing for its share in the causation of offenses against society.

Throughout the United States, from time to time, there have been conducted extensive surveys of the slums and blighted areas of cities. These surveys agree in showing that truancy and delinquency among children is in direct proportion to the amount of substandard housing in a given community. In blighted areas there is always overcrowding. This forces young children into the streets to play. The economic stress of the average tenement family permits very young children to be left for many hours of the day without a mother's protecting care. She may be occupied with the manifold duties of an extremely large family, or she may be compelled to leave her children for a large portion of the time in order to act as breadwinner.

Under such circumstances, children of tender ages, especially those of preschool age, are left to their own devices and drift into the street for companionship with other children. Without supervised play facilities of any kind, the younger ones are easily led by the older, stronger children, whose leadership is for the most part of the bully type.

Children whose leisure time is not directed into healthier activities fall naturally into small groups that organize for neighborhood mischief. From the group of petty offenders who pilfer and destroy in their own immediate localities to the district gang, which makes a business of larceny and other crimes against property, is but a step, easily bridged, once the antisocial tendency has been created. In the street gangs are born society's outlaws, the men whose names and deeds strike terror into the hearts of law-abiding citizens. In all the social surveys of urban communities, the origin of gangs is easily traced to the conditions which accompany substandard housing.

A study of truancy in the city of Chicago revealed that of the 5,000 cases studied, 50 percent lived in 9.8 percent of the total city area. And this small area contained 20.4 percent of the city's male population between the ages of 10 and 16. Other cities show similar percentages, and in all cases areas of greatest delinquency are close to the central business portion. These are always the districts of poorest housing. Owners of property close to the main business section of a city, confident of an eventual expansion of the business district, which will absorb their holdings, await the speculative profit to be derived from this expansion, and refrain from improvements or alterations that would involve an expenditure of their own funds. The constant depreciation of the property renders it unfit for habitation, but this does not prevent its rental to those who are in the lowest scale of earning power.

In these obsolete buildings, the plumbing, if any, is old and dilapidated; roofs and walls leak; basements are damp and musty, hallways are dark; rooms are dreary; and vermin and rats usually abound. Many families who live in these houses are compelled to be near the source of their meager incomes which do not allow for any transportation expense. All are victims of an economic condition which makes them huddle together in the most revolting surroundings.

Wherever there is overcrowding there is a lack of privacy which leads easily to immorality among very young boys and girls. The early break-down of the moral sensibility makes an easy pathway for sex vices and degeneracy. In the poorer areas of cities where overcrowding prevails, sex crimes and the vices of degeneracy occur in much greater proportion than in less-crowded areas and where standards of housing are better. Social studies of Europe and America agree in their reports that areas of bad housing are high-delinquency areas also.

Some illuminating data on the parallel that exists between bad housing and high-delinquency areas may be found in Dr. Clifford R. Shaw's Delinquency Areas, published by the University of Chicago Press (1929) and in volume II, Causes and Cure of Crime, Wickersham Report (1931).

In this connection it may be noted that the eminent sociologist, Edwin H. Sutherland, in a chapter on Culture Areas and Crime mentions "a finding that the delinquency rate remained practically constant over a 20-year period in spite of an almost complete change in the national composition of the population. This indicates that the delinquency rate is a function of the area rather than of the type of people who reside there."

In the city of Cleveland, a blighted area inhabited by 2½ percent of the total city population showed that it was the locale of 21 percent of the city's murders, 26 percent of the houses of prostitution, and 6.8 percent of the origin of delinquent boys' cases.

A recent report from the city of Los Angeles disclosed that in areas of substandard homes, juvenile delinquency rates are as high as 100 out of every 1,000 young people. The ratio of 1 out of every 10 young persons gives a potential criminal population that is appalling. Students of social welfare everywhere produce astounding figures on the large proportion of delinquents in areas where housing conditions are substandard.

Philadelphia, Chicago, Denver, Baltimore, and many other American cities, have been the subjects of special studies, all supplying the same evidence—that deliquency is heaviest in the areas of dilapidated, overcrowded houses.

From the delinquencies of early childhood to the vices and crimes of more mature years is a natural transition, almost unavoidable when once the tendencies have been formed. Boys between the ages of 8 and 11, who are truants from school and engage in petty theft and neighborhood nuisances in their idle time, become the youths of 16 to 25 who constitute the criminal class.

And for the support of this criminal group society at large pays a heavy toll. It pays in taxes to support policing agencies for the protection of lives and property in all communities; to maintain courts of justice for the trial and conviction of offenders; and for

the maintenance of penal institutions in an effort to protect society from repetitions by known offenders. In addition to this, the toll paid in lives sacrificed through the pursuit of crime is immeasurable.

According to J. Edgar Hoover, Director of the Federal Bureau of Investigation, crime costs the people of the United States $15,000,000,000 a year, and most of it can be traced back to conditions surrounding those who have lived in substandard homes.

The files of the Department of Justice are filled with case histories of notorious criminals that illustrate this fact. "Red" Crowley, one of New York State's foremost outlaws, was a product of New York City's lower East Side. At the age of 9 or 10 years he was arrested for a minor offense and had his first ride to the police station in a "Black Maria." This episode left a bad taste in his mouth, according to his own admission, and turned him against society. He determined on a career of crime, and in a few short years ran the whole gamut of sensational outlawry. At 20 he was wanted for bank robbery, and 3 years ago, when he was only 21 years of age, he was killed in a raid in New York State.

Al Capone, now an involuntary guest of Uncle Sam at Alcatraz, the island prison for desperate Federal offenders, was a product of New York City's slums. The famous "purple gang" of Detroit, now broken up, was composed entirely of boys from the slums of that city. Al Karpis, another slum boy, started to break the law by stealing train rides. In his gang of 13 desperate outlaws were 9 who had grown up together. They did not come from the slums of a big city, but from one where housing conditions are the equal of any urban tenement. The Karpis boys lived in Tulsa, Okla., in the wild days of the oil boom, when vice and crime were bred, side by side with disease and filth in unspeakably dreadful habitations.

Even as this article is being written, the newspaper headlines are proclaiming another sensational murder case, featuring a Philadelphia slum boy who became a lawyer and arch racketeer. These are but a few outstanding cases. The records are full of similar histories showing the inglorious end of those who began as delinquents in areas where housing conditions were substandard.

Nor is all bad housing confined to the tenement or slum districts of large cities. Small cities, some rural districts, and many mining centers also suffer from wretched housing conditions. Mining and manufacturing districts often have especially poor housing facilities for the workers and in these districts crime and delinquency rates are exceedingly high. There is a lack of interest in the conditions of the workers' homes and the low wages paid in many localities. In addition, the quick development of certain industries and the influx of large numbers of working families overcrowd existing housing facilities, creating areas of bad housing in communities that do not lack space for adequate housing

The American public realizes that it has been paying dearly for its neglect of the lower-income groups. It realizes, too, that so long as any American families are improperly housed there will be an important factor left to contribute to the downfall of underprivileged youth. The cost has been found too dear, and at last concentrated efforts are being directed toward a Nation-wide program of housing, which will permit those of low incomes to maintain standards of decency in support of wholesome and normal living.

Newspaper Propaganda

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Tuesday, May 24 (legislative day of Wednesday, April 20), 1938

ARTICLE FROM MADISON (WIS.) CAPITAL TIMES

Mr. MINTON. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an article by William T. Evjue, editor of the Capital Times, of Madison, Wis.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Madison (Wis.) Capital Times of May 17, 1938]

REPLY TO MR. GANNETT

MADISON, May 16. To Frank E. Gannett, the Gannett Newspapers, Rochester, N. Y.—I have your letter of May 3 which is in the nature of a reply to an editorial in the Capital Times under the caption, Here's a Way to Show 'Em Up. The editorial stated that the members of your committee to uphold constitutional government could attest their sincerity on the issue of dictatorship by opposing the May preparedness bill, which contains a real threat of dictatorship, with the same vigor with which you opposed the President's reorganization bill.

You now maintain that your organization has been "waging a vigorous campaign against this alarming measure." That is news to me. Upon the receipt of your letter, I examined the voluminous file of literature received from your organization in the court reform and reorganization campaigns.

In fairness, I will say that I found a fugitive paragraph in one of your releases which expressed opposition to the May bill.

But the paragraph seemed to have been inserted as an afterthought and as an alibi to be brought forward on the receipt of letters like mine.

Has your opposition to the May bill been given an infinitesimal part of the attention given the court reform and reorganization bills?

Of the 65,000 telegrams that you admit were sent out in your telegraphic bombardments of Congress, how many were sent in opposition to the May bill?

Of the 20,000,000 pieces of literature sent out by your organization, how much of the literature was devoted to the May bill?

You will agree, I think, that the defeat of the May bill has not been one of your major objectives and that your belated statement on this measure was a bit of expediency dictated by the necessity of keeping your record straight on the question of dictatorship.

And now to return to the request that I have made to you on several occasions—that you make public the names of those who have contributed $100 or more to your organization.

This information has been asked of you by a lawfully constituted committee of Congress that has the power under the law to ask for information of this kind. These requests have been met with refusals on the part of your organization. Your reply is: "We have come to a sorry pass when anyone who doesn't agree with the fallacies and absurdities of the New Deal must be subjected to intimidation, terrorism, and punishment by the administration."

It is a sorry pass, too, when Members of Congress are "subjected to intimidation, terrorism, and punishment" by a powerful group that unleashes a terrific, telegraphic bombardment of Congress and uses huge sums of money to defeat legislation.

You ask: "Why do you want a list of those who gave more than $100 to our organization?" I will be frank with you. I am confident that if these names were to be made public that your committee to uphold constitutional government would wither and die as did the notorious Liberty League when the source of its funds was revealed.

Perhaps here in Wisconsin we look at things a bit differently than you do in New York. Here we have a Corrupt Practices Act which requires that the fullest publicity shall be given to all money used in elections or to influence legislation.

We have a law which requires that all campaign contributions in excess of $50 must be made public. Lobbyists appearing before our legislature are required to file statements showing their receipts and expenditures while lobbying.

I believe these laws represent sound public policy; they are safeguards against the use of money in controlling elections and in influencing legislation. From that standpoint I challenge your statement: "I believe that any citizen has a right, under our Constitution, to contribute to any fund that he may wish to support, without having his name dragged out in the public as you propose."

I maintain that Congress has a full and complete right to ask about the source of funds being used to influence legislation on which Congress is acting. I believe further that Congress should vigorously exercise this right.

Of course, Mr. Gannett, I can readily understand your hatred of the "snooping" agencies in Washington. You were pretty badly singed some years ago by the revelations brought out by the Federal Trade Commission in its famous exposé showing how the Power Trust made loans to and bought stock in a number of American newspapers, yours included.

You then controlled the Brooklyn Daily Eagle. The Federal Trade Commission brought out that the Eagle got $1,954,500 from the International Paper & Power Co. Your Albany papers in the Gannett chain—the Knickerbocker Press and the Albany Evening News—got $450,000, while the Ithaca Journal-News got $300,000. Gannet newspapers got $2,700,000 from this source.

Other newspapers throughout the country got millions of dollars in the same way. These transactions were all intended to be sub rosa. But the Federal Trade Commission brought out the facts, facts to which the American people were entitled. And the newspapers that were nailed have hated Government "snooping" agencies ever since.

I make the charge that you are refusing to make the source of these funds public because you don't dare to. No one knows better than you that your Committee to Uphold Constitutional Government would be discredited and would meet the fate of the Liberty League if these facts were brought out.

I still insist that no man has a right to use money to influence or defeat legislation by stealthy means and then to plead that the Constitution clothes him with that right.

The last paragraphs in your letter sound like the typical whine of the American businessman who thinks, because he has made money, that he is entitled to a preferred position in the American scene.

This writer has also had a measure of success and gives employment to scores of people. We do not feel, however, that we are entitled to special privileges not accorded to other citizens.

It is because President Roosevelt is deteremined not to give business special privileges that organized wealth carries on its campaign to defeat President Roosevelt through the use of large sums of money.

WILLIAM T. EVJUE, *Editor*.

Interview With Senator Key Pittman

EXTENSION OF REMARKS
OF
HON. KEY PITTMAN
OF NEVADA
IN THE SENATE OF THE UNITED STATES
Tuesday, May 24 (legislative day of Wednesday, April 20), 1938

INTERVIEW WITH HON. KEY PITTMAN AND EDITORIAL FROM THE NEW YORK HERALD TRIBUNE OF MAY 24, 1938

Mr. PITTMAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a newspaper interview published in the Washington Post of May 23, 1938, and an editorial from the New York Herald Tribune of May 24, 1938.

There being no objection, the interview and editorial were ordered to be printed in the RECORD, as follows:

JAPANESE WAR BARS UNITED STATES PACT, PITTMAN HOLDS—TREATY VIOLATIONS MAKE NEW AGREEMENTS UNJUSTIFIED, HE SAYS

Senator PITTMAN (Democrat), Nevada, chairman of the Senate Foreign Relations Committee, contends Japan must "remedy the wrong" done in treaty violations against China before the United States would be justified in signing a new nonaggression pact with her.

HOLDS PACT UNNECESSARY

He took this position in an interview when asked for comment on a recent statement by Koki Hirota, the Janese Foreign Minister. Hirota had raised the question of this Government's willingness to enter into a nonaggression agreement with Japan.

PITTMAN said he was satisfied the Foreign Relations Committee would not look with favor on such a treaty, nor would the Senate be willing to ratify it at the present time.

"Our Government does not have to be bound by treaty to prevent it from engaging in acts of aggression against Japan," he said in response to further questions. "Japan's contempt for and violation of treaties would be no assurance to the United States.

"SPEAKS FOR SELF ONLY

"Until Japan remedies the wrong done in her violation of the Covenant of the League of Nations and the Nine Power Treaty in her aggressions against China, no government, in my opinion, is justified in entering into a political treaty with her.

"Our Government holds that Japan has violated and now is violating a treaty of nonaggression with the United States—namely, the Nine Power Treaty—through her willful invasion and attempted conquest of China. Why enter any other nonaggression treaties with Japan? I do not believe in entering into political treaties with willful violators of such treaties."

PITTMAN made it plain he was not speaking for the State Department, which has been silent regarding the Hirota overture.

He predicted this country would not recognize the Japanese-dominated government set up in China.

"Our Government has not recognized the conquest of Manchuria," he pointed out. "Nor will it, in my opinion, recognize the conquest of any other part of China until the Chinese Government recognizes by treaty such a conquest."

"As far as I am personally concerned," the Nevada Senator continued, "if the Chinese Government is driven back to a cave in the mountains 3,000 miles from the coast and the Government consists only of Chiang Kai-shek (China's generalissimo), I would continue to recognize that government as the Government of all China.

"It will be a long time, in my opinion, if ever, when the Chinese Government will be driven back so far and will be reduced to so small a staff."

Prospects are increasing for a stalemate in the conflict between China and Japan, said a report made public yesterday by the Foreign Policy Association.

David H. Popper, preparing the report for the association, concluded that the economic strain probably would prevent Japan from achieving a complete military conquest.

"Even if the Chinese Government should be driven back from the coast and from Hankow, it may conceivably succeed in organizing an almost self-sufficient semimilitary state in the unconquered interior which would be an important source of resistance to Japan," he said.

"And whatever the fate of the Chiang Kai-shek regime, Japan's civilian and military leaders openly state it will be years before Chinese opposition can be completely eradicated from the areas now held by its armies."

[From the New York Herald Tribune, Tuesday, May 24, 1938]

MR. HIROTA'S SUGGESTION

Senator KEY PITTMAN, chairman of the upper House's Foreign Relations Committee, major champion of the administration's silver policy and a consistent New Deal supporter, so frequently expresses opinions with which this newspaper cannot agree that it is a pleasure to echo one of his public utterances with unqualified approval. Commenting upon Foreign Minister Hirota's suggestion of a Japanese-American nonaggression pact, he has expressed the opinion that the United States Government should not be party to any new political treaty with Japan while that Nation shows no inclination to make amends for past treaty violations, but even now follows a course in China which is in contempt of various nonaggression pacts.

This is the only attitude toward Mr. Hirota's suggestion which the American Government can take that would not condone the Japanese breaches of faith with which this administration and the previous one have formally charged her. It is also an application to foreign relations of such common sense as governs all business relations. If a businessman frequently and flagrantly violated a written contract and had no more to say in explanation of his conduct than that the agreement he had signed was obsolete and inapplicable because it stood in the way of his expanding ambitions, no party to his broken bargain would think any new pledge from him worth the room it took up in the files. No party to one of his broken contracts would sign a new one with him until he had made amends for his breaches of faith, because the acceptance of his signature would be sufficient evidence to every one concerned that bygones were bygones. So Senator PITTMAN says that: "Until Japan remedies the wrong done in her violations of the Covenant of the League of Nations and the Nine-Power Treaty in her aggressions against China, no government in my opinion is justified in entering into a political treaty with her."

Japan's treaty violations were, of course, initiated by the Army, which is incapable of understanding why mere statements of principle agreed upon by mere diplomatic popinjays should stand in the way of Japan's divinely appointed destiny as opportunities for forwarding it crop up. So long as the Japanese armed forces occupy a place in the Japanese scheme of things from which they can order the recognized civil government to champion whatever treaty violations suit their purposes, it would, therefore, be fatuous to expect Japan to make real amends for past breaches of faith or to respect the treaty which the armed forces might later find an obstacle to some new pursuit of destiny. No further understanding with Japan can be negotiated with any confidence that it will be respected until Japan's armed forces have lost the power to dictate national policy to their Government, and this power they will not lose until their plans for extending Japan's influence with the sword have been completely discredited at home by their defeat and collapse in the field or by the Nation's economic prostration. Even those who believe that one of these developments or the other is not very remote must agree that neither is to be expected in the immediate future, and that there is no present need, therefore, of considering the kind of treaty that we shall want to sign with Japan when she has had her change of heart.

Pennsylvania Primary Election

EXTENSION OF REMARKS
OF
HON. SHERMAN MINTON
OF INDIANA
IN THE SENATE OF THE UNITED STATES
Tuesday, May 24 (legislative day of Wednesday, April 20), 1938

EDITORIAL FROM PHILADELPHIA RECORD, MAY 20, 1938

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Philadelphia Record of May 20, 1938, relative to the recent primary election in Pennsylvania.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHISTLE WHILE YOU WISH

"Pennsylvania has 'disowned Roosevelt,'" says Alf Landon.

"Pennsylvania has repudiated the New Deal," says the Inquirer.

"Republicans are done with the New Deal," notes the Evening Ledger.

"A splendid day's work," cries the New York Herald Tribune.

All of which goes to show how little it takes these days to make a Republican happy.

Even the most casual analysis of Tuesday's returns offers no basis whatever for the notion that the vote was a repudiation of Roosevelt or a slap at his policies. If anything, the indications are the other way around.

We are told that a G. O. P. victory—and New Deal defeat—is sure next November because the Republican candidates together polled a little over a hundred thousand votes more than the Democratic candidates.

Is this cause for cheer?

Well, if the Democrats had polled as many votes in the last gubernatorial primary, in 1934, as they polled in this one, the Republicans then, instead of being gleeful, would have been scared out of their wits.

Let's look at the figures for that primary. For Governor, the Republican total primary vote was 1,209,500. The Democratic total was 609,834.

That is, the G. O. P. primary vote was about double the Democratic vote—with a margin of about 600,000 votes.

In spite of that, Earle won the general election in November 1934, polling almost a million and a half votes for a majority of about 66,000.

Yet the Republicans—whose primary majority was over half a million 4 years ago—now see victory and a "blow at the New Deal" in a primary majority which barely touches the 100,000 mark.

If the 1934 elections are any criterion, this year's sharply reduced G. O. P. primary majority betokens an even greater Democratic victory in November.

Of course, in the intervening 4 years there has been a steady influx of voters from the Republican to the Democratic primaries, as the registration figures show. But we have only to go to last year's city elections to show how the Republicans polled only 73 percent of their registration, while the Democrats polled 94 percent of theirs.

Neither is there basis for anti-Rocseveltian glee in the Democratic primary. For while National Chairman Farley, for the sake of party harmony, had endorsed Kennedy and Earle, it remains that both Kennedy and Jones were pledged to support the New Deal—and that Jones has reiterated that pledge with increased vigor since his nomination.

There was a bit of satisfaction for the G. O. P. Old Guarders in the very complete trimming which Judge James administered to Pinchot. But that had nothing to do with the New Deal.

Still, if anti-New Deal Republicans can find a bit o' joy in whistling while they wish, we would be mean indeed to deprive them of it, even though it may be our private opinion that it would be more profitable politically to be thinking than wishing—thinking, perhaps, of at least an intelligent alternative to the New Deal.

After the New Deal's 1936 landslide, it would seem to be obvious that you can't beat something with nothing.

Wage and Hour Bill

EXTENSION OF REMARKS

OF

HON. JAMES C. OLIVER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 24, 1938

Mr. OLIVER. Mr. Speaker, although I signed the petition to discharge the Rules Committee from further consideration of S. 2475, the wage-hour bill, I shall vote against the final passage of this legislation which, in my opinion, is ill-advised and, to say the least, most untimely.

This action on my part will not be politically popular nor expedient in my area, but I feel so strongly that the basic principle upon which this bill is predicated is fallacious that I am influenced to follow this course. From a sectional standpoint a Member of Congress from New England is expected to vote for support of the bill on the basis that protection against southern raids on our industry is given. But even if this is true, that lower wage schedules in the South have lured industry away from the North, I feel that the national effects which are certain to follow the passage and operation of this bill will be so far-reaching and so detrimental to all that I am compelled as a national legislator to vote in opposition.

To me the legislation means further restriction on production. It is a continuance of the N. R. A. policy and is intended to be, I suppose, a companion measure for the farm bill enacted during the second session of this Congress. The basic Rooseveltian philosophy is aimed at an increase in the price level through the legislative curtailment and control of production. In other words, make things scarce and prices will rise. This policy, together with the continuing deficit and debt-financing procedure, cannot fail to ruin America morally, physically, and financially.

Specifically, I am opposed to the pending bill for the following reasons:

First. It is intended to spread employment by legislative fiat. This will not improve economic conditions for all but, on the contrary, will tend to drag all down to the present level of those whom this legislation seeks to raise. Spreading poverty will not help but will injure every single individual of America.

Second. It will cause more unemployment because: (a) Less efficient workers will be dropped from pay rolls; (b) increased mechanization of industry will be forced.

Third. It will increase centralization and concentration of industry because small concerns now in rural areas will be forced to "fold up."

Fourth. It will tend to develop Federal control of production with price fixing as the inevitable result.

Fifth. It will hurry along the day when increasing political pressure will require further wage regulating until all wage schedules will be fixed.

Sixth. It will tend to spell the doom of unions, because Government will take over their functions through more extensive legislation regarding labor conditions.

Seventh. It will increase all production costs in this country and will further expose our industry to the disastrous reciprocal-trade policy of the administration.

Eighth. It will tend to pull all wages down to the minimum as established. This bill contains no prohibition against such a tendency.

Ninth. It will throw out of balance even further the income of industrial and agricultural labor to the consequent detriment of all our citizens.

Tenth. As a result of establishing minimum hourly wage rates and a maximum work week real wages, that is, labor's purchasing power, will decrease.

In conclusion, Mr. Speaker, it is my contention that the primary purpose of national legislation is to protect the small and weak against the large and strong, but the effect of this pending bill will be just the opposite and will penalize the small and weak in competition with the large and strong. The large masses of workers in this Nation will not be benefited by maximum hourly rates for some but rather will find their best welfare in maximum annual incomes and jobs for all.

There are, in my opinion, feasible legislative methods whereby these results may be obtained but certainly the type of legislation found in S. 2475 is only a political expedient which spells further confusion and damage for industry and labor alike. Labor will find that this bill is a wolf beautifully camouflaged in sheep's clothing.

A Million-Dollar Propaganda

EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Tuesday, May 24 (legislative day of Wednesday, April 20), 1938

ARTICLE FROM JEFFERSON (MO.) CAPITAL NEWS, MAY 10, 1938

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Jefferson (Mo.) Capital News of May, 10, 1938, entitled "A Million-Dollar Propaganda."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Up at Chicago there is a farm magazine published called the Rural Progress. Glenn Frank, the man who is preparing the Republican menu for the coming campaign, is the editor at $25,000 per year. The magazine has no subscription list but is distributed free to 2,000,000 farm families in seven Midwestern States. In the past few years it has gone into the red to the tune of nearly $1,000,000. It poses as a nonpolitical magazine in order that it may better serve the purpose of its promoters. And evidently that purpose is to discredit the New Deal and the Roosevelt administration.

Now, who do you suppose is putting up the money to keep this propaganda magazine going? The farmers to whom it is mailed? They do not contribute a red cent. The laboring man? He neither gets it nor gives it a copper. The average businessman? He does not make a contribution. The money that is poured into the hopper of this propaganda magazine comes from the rich.

And why do they put up a million dollars to furnish the farmers with a free magazine? Is it because they want to lure them into a Republican corral where they can shear them of their fleece? For that reason are they paying Glenn Frank $25,000 per year and sending the magazine free to 2,000,000 farm families in the Central West at a cost to them of a million dollars?

Of course, in a set-up of this kind you would expect to find Dr. Edward A. Rumely, formerly editor of the New York Mail, convicted after the World War of conspiring to defraud the United States Government by concealing the fact that the funds used by him in buying the Mail came from the Imperial German Government. He is also secretary of Frank Gannett's committee, that promoted the telegraph lobby. This bird received $18,500 worth of stock for financial advice. We suppose the advice he gave was how to get the capitalists to kick in with the dough for the magazine propaganda.

The testimony before the Senate committee also brought out the fact that after Dr. Glenn Frank became editor at $25,000 a year he raised several large sums for the publication among wealthy Wisconsin industrialists and bankers. Though Dr. Frank was chairman of the select committee to draft a Republican creed, he was chosen editor in order to show, we suppose, that the magazine was nonpolitical and nonpartisan. No sooner did the Senate committee expose the propaganda scheme than Dr. Frank rushed into print to say that an effort was made to intimidate the free press of the country. Like Frank Gannett, he objects to the light of day being let in upon "ways that are dark and tricks that are vain" in the propaganda campaign against the New Deal. Alas, "No man ever felt the halter draw with a good opinion of the law." Write your own verdict.

Wage and Hour Bill

EXTENSION OF REMARKS
OF
HON. WILLIAM J. DRIVER
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 24, 1938

Mr. DRIVER. Mr. Speaker, in the early part of the first session of the Seventy-fifth Congress there was transmitted to the Congress a recommendation for the enactment of legislation dealing with maximum hours and minimum wages in industry. Immediately following the receipt of the message similar bills were introduced in the Senate by Black, of Alabama, and in the House by Representative Connery, of Massachusetts. The bills so introduced sought to provide:

First. Minimum wages not to exceed 40 cents an hour, except for overtime.

Second. Maximum hours not be less than 40 hours a week.

Third. Application by a Federal board of such minimum wages and maximum hours to enterprises producing, handling, or transporting goods that enter into interstate commerce, or are sold intrastate in substantial competition with goods moving in interstate commerce.

Fourth. Exercise of discretion by board, subject to conditions set forth.

(a) In determining the specific minimum wages and maximum hours to be applicable to particular occupations, industries, or subdivisions thereof, and to particular groups of enterprises and employments classified according to localities, size of community, number of employees, nature and volume of goods produced, and other circumstances considered by the board as differentiating; and to special classes of workers, such as learners, apprentices, physically or mentally handicapped persons, and others justifying special treatment.

(b) In determining conditions under which overtime would be permitted with or without payment of higher wage rates for hours worked in excess of applicable maximum.

Fifth. Prohibition of shipment in interstate commerce of goods on which work has been performed by employees receiving lower wages or being utilized for longer hours than those prescribed by the board.

Sixth. Prohibition against employment of any person in violation of applicable wage and hour standards prescribed by the board.

The measures were immediately referred to appropriate committees and after perfunctory hearings reported to the respective bodies. The Senate bill received first consideration and an inspection of the record discloses that it was hurriedly disposed of without that careful analysis and scrutiny which should be accorded to every major legislative proposal. The measure was transmitted to the House and immediately referred to its Labor Committee, where less than a perfunctory examination was made. It was reported out of committee on the 7th day of August into an atmosphere created by many months of controversy wholly unsuited for the careful consideration required of a measure of such widespread influence. In this setting, a resolution was offered to the Rules Committee providing for the immediate consideration of the bill and a majority of such committee, thoroughly familiar with the dangers in the existing environment as well as the apparent ill-considered proposal, reached the conclusion that the business interests, including that of labor and industry, were entitled to know its provisions and to inform themselves of its effect upon their concerns, which caused no action on the resolution, and the session adjourned without considering the measure.

A special session of the Congress was convened on the 15th of November, and it again received an urge for such legislation. The members of the Rules Committee responsible for the withholding action in the regular session, convinced that under the definition of their duties and responsibility that only measures of interest to the public welfare should be offered special consideration and be entitled to that preferential treatment which the endorsement of a rule would provide, continued to oppose such rule. The chairman of the Labor Committee placed on the desk of the Clerk under the rules of the House a petition to discharge the committee from further consideration of the resolution and thus bring the bill to the floor for consideration. This petition was sufficiently supported and the measure was considered by the House for a week and by a majority vote recommitteed to the Labor Committee. William Green, president of the American Federation of Labor, condemned it and only John L. Lewis, chairman of the Committee for Industrial Organization, commended it.

Following the convening of the present session of the Congress the chairman of the Committee on Labor appointed a subcommittee to prepare and submit to the full committee a wage and hour bill. Such committee was headed by Representative RAMSPECK, of Georgia, and with his comembers prepared and submitted a measure recognizing the essential differences existing in the various areas and recommended substantial differentials based on disparity in the cost of living, freight-rate discriminations, and the per unit cost of production and submitted the same to the full committee, but it was refused and the pending measure was reported out carrying a floor of 25 cents per hour with an automatic increase of 5 cents for the next 3 years to reach a minimum of 40 cents and a ceiling of 44 hours to be reduced for 2 years until 40 hours was reached as a permanent figure. A resolution was presented to the Rules Committee seeking preferential consideration and the same was again refused, resulting in the filing of a discharge petition which was sufficiently signed to bring the measure now before the House for consideration. The measure continues with the support of the Committee for Industrial Organization, the manufacturing monopolists of the East and North and the President of the American Federation of Labor, who in the last hour gives his approval. Opposed to the bill is the small manufacturing industry consisting of about 200,000 units and the farm organization representing the 40,000,000 inhabitants dependent upon agricultural production for a livelihood. I am in receipt of a message from the rice growers as follows:

Rice producers strictly opposed to wage and hour bill now before Congress. It would mean bankruptcy for agriculture.

The Milk Producers Federation state:

The bill will be ruinous, not only to dairy farmers, but agriculture as a whole. Agriculture and labor are the two basic keystones of our whole economic structure. To help one at the expense of ruination of the other is obviously inconsistent.

The National Grange says:

The bill would increase the price of commodities that farmers must buy without provision for placing farm commodities on the same price level, thereby destroying any possibility of attaining price parity between agriculture and industry. It would encourage employers to install more labor-saving machinery in their efforts to keep down cost of production, thereby throwing more people out of employment.

The National Cooperative Counsel—

We oppose it because of the large increase in farm production and distribution cost that must inevitably result if it becomes a law. We protest these additional burdens placed upon farmers.

I have received hundreds of protests from farmers, farm organizations, and small industrial plants, but not one expression against from the 20,000 large industrial operations centered in the East and North. They permit the labor organizations to bear the brunt of the battle and refuse to get into the open and become the targets for those opposing their selfish greed. Their silence can be accounted for for this reason. The wage scale prevailing in their highly efficient organization in the use of most modern labor-saving equipment which provides a man-power unit of production so high that the scale in comparison is but a small influence which will, when the smaller plants are driven to the wall, be called upon to take over their production and thus increase the strength of control in the manufacturing field. The labor organizations view the situation as an opportunity of concentrating the business in such interests, where a perfect organization exists, and thereby obviating the necessity of spending time and money in organizing the smaller units with the ultimate in the nature of a complete domination and control of the industrial life by such organizations and the monopolistic industrialists. This measure will create an industrial monopoly in America which will enslave this and future generations unborn.

Small industry is expressing great apprehension of its effect on their business future. In fact from the general expression we receive from the country it is apparent that it carries not only a destructive threat, but the uncertainty of the extent to which it may burden industry is in the opinion of many reflected in the prevailing business currents and to an extent responsible for the check in the upflow of the economic stream. The subsidence in the volume of business should cause no surprise, for from the moment the provisions of the measure became known with the suggestion of political control of the business structure of the Nation, the country could but view the future with grave misgivings. Our national industry is not the product of theorists. It was constructed by practical men who fashioned the structure from the foundation through careful study of every detail and expanded it in accordance with the cold rule of reason and experience. Labor progressed in the same manner. Through energetic service and expert training in preparation for the production of maximum values as industry expanded and organization was perfected, labor organized for its protection and thus instituted the system of bargaining and contract in the approved American fashion. That we have obtained in both respects a dominance in the economic affairs of the world no one disputes, and this was achieved without the necessity of regimentation or governmental control. Can we afford to experiment in a manner so threatening to the welfare of the Nation? Can we believe that the profit system has failed and that only political control of labor and industry can insure the maintenance of values. I fully realize that in the race of business life the larger operations possess the advantage. I believe it well within the range of possibility for the larger and better financially fortified organizations to survive the experimental period and to continue existence until the lamentable failure in the administration of the law is made manifest, bringing a sentiment which will demand its repeal if passed, but in the meanwhile we will witness the absolute destruction of the smaller entities in our industrial life and leave an army of unemployed in the wake of ruin.

The reason advanced for the legislation is to secure a living wage for workers in industry, and no one can take issue with the virtue of the purpose. The method employed to attain the objective creates the schism. The manufacturing industry was established in the East and North, and through its long period of operation an army of employees have been trained for expert service and an ample supply of such labor is available on which to draw for its turn-over and expansion. The industry in the Midwest, West, and Southern areas is comparatively new with but a limited supply of expert labor, and only a field of crude material to draw from for replacement and expansion and it is under the handicap of competing with the experts. In addition, it is also true that the same sections are cursed with a differential in freight rates amounting to 40 percent as favoring transportation from the East and North. Therefore in order to live, fair judgment demands that substantial differentials must be provided. Unless the Secretary of Labor has materially modified her opinion the shift of administrative authority from a board to the Labor Department offers no encouragement to the manufacturers of the areas mentioned. Appearing as a witness before the Judiciary Committee of the House 2 years ago when the Walsh-Healey bill was under consideration, Secretary Perkins stated that all studies made on cost of living indicated that the same basic standard costs were only slightly different, relatively little difference. I point to the fact that data used in the disparity in cost of living in the various areas which justified substantial differentials were secured from the Federal Bureau of Labor Statistics, and in view of its relationship to the Secretary I challenge the manufacturers of the West and South to find the least crumb of comfort in the proposed administration of the act by the Labor Department of your Government.

The bill strikes at 40,000,000 on the farms of the Nation now dependent upon the production of raw material to be fashioned into finished product by labor and through the machinery of the manufacturing plants. They are now producing in excess of consumptive demand, and as employment diminishes further reductions must ensue for their products; the smaller manufacturers who through force of circumstances are unable to provide for their operations the modern labor-saving devices or the skilled labor required to compete with their more fortunate competitors will be on his way out; the inexperienced laborer employed in such enterprise is faced with the prospect of separation from his place of wage security; the mercantile and other business interests which have located in the areas of small business operations and are now dependent upon the product of such small factories and the labor employed therein to sustain life are met with the threat of bankruptcy or immediate change of habitation.

Reasonable and necessary regulation of business practices should continue but government control of business should be resisted and defeated. We have advanced rapidly to the centralization of power in the Federal Government. It is a matter of concern in the mind of every thoughtful citizen. In the hours of extreme economic distress through which we have passed, with the economic life of the Nation at a low ebb and great distress existing, local governments were unable to bear the financial demands imposed upon them. We resorted to many expedients to alleviate the distress and to supplement local effort launched the Federal Government more extensively into the life and affairs of the States and local communities. But we were dealing with an emergency and were justified in making the invasion. There was not an underlying purpose in the act of Congress of remaining in the invaded territory and there was no conception or underlying purpose at the time of abrogating the rights of the States or of retaining the Federal control or interference

therewith. This character of legislation is directly aimed at such end. In the language of a colleague, "We have reached that point in the formation of our future policy of economic development where we must determine whether we will continue the normal functions of State government contemplated by the Constitution or whether we will take the method of centralizing control of all our concerns in the Federal Government." I am sensible of the fact in many respects that there is a limitation on the powers of the States to deal with matters of vast import and widespread influence standing alone or with the aid and cooperation of other States, but such conviction does not warrant or justify the conception that the ancient rights of the State are to be destroyed or submerged. In such cases the influence of the Federal authority can be drawn to the aid and become a desirable support in effectuating the necessary policy. I find other serious objections which will necessarily arise in the administration of the law. No mind can conceive the number of employees to be used, but that it will amount to a veritable host no one can doubt. The addition to the expenses of Government, already staggering to the imagination will be so huge that but little hope in the future can be indulged for balancing the Budget. The Nation hailed with delight the recent announcement of the purpose of the administration to bring the expenses of Government into balance with revenues. The marts of trade, the counting house, the fields and forests, were ringing with the approval of the citizenship and we are unable to disguise from ourselves the stark necessity that such balance be achieved. It cannot be done through the addition of new spending agencies, the limit of whose demand cannot now be estimated or even guessed at. The Nation demands that Federal finances be brought to balance. Increased taxes will do it. Decreased expenditures will reach the same end. I remain in no doubt of the verdict of the country on the method.

When we consider the enormous expense imposed upon the taxpayers through the administration of the proposed law and its interference with the declared purpose of balancing the Budget, we are constrained to regard with serious concern an angle with potentialities of serious consequences. With the probability of a complete failure in the attainment of the high purpose sought and the wrecking influence it will probably have upon industry, no thoughtful person can fail to appreciate the tremendous diminution of Federal revenues and which, in view of the increased demands for Federal contributions for business recovery and to care for the distress incident to imposed unemployment, offers a threat the consequences of which is too grave to insist upon. The public debt is now in excess of $37,000,000,000, and it is believed that it approaches the limit at which the Federal credit can be maintained. I know that the Nation views with serious concern, if not despair, the increased appropriations for relief and recovery which appear necessary to care for the consequences of the recession, with resultant unemployment. With such recession in the volume of business we must recognize the storm signals. It will not do at this period to shake the confidence of the country through unwise legislation.

Unemployment in the Motion Picture Industry—a Great Social Problem

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EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 24, 1938

Mr. VOORHIS. Mr. Speaker, the moving-picture industry in Hollywood probably occupies as much attention of the American public as any other industry in the Nation. But some of the most important facts concerning this great industry are utterly unknown by most people.

High-powered publicity agents are busily engaged in sending out stories about the million-dollar incomes of the big stars, directors, and producers. The extravagant spectacles, elaborate social functions, and studio releases about the terrific costs of movie production have served to give the impression that everybody connected with the moving-picture industry lives in a marble palace, swims in his own indoor pool, and maintains an army of servants.

In reality, however, that picture is about as far from the truth as it possibly could be. It is true that the motion-picture industry, in many cases, is a tremendously profitable business. Last year, for example, moving-picture fans spent $2,000,000,000 to watch their favorite actors and actresses on the screen. That means that out of every dollar spent for amusement, 30 cents goes to the movies. But there are a few people at the top skimming off all the cream while below them hundreds of players, thousands of extras, studio plasterers, set designers, studio painters, screen directors—and the rest of the army without whom the production of motion pictures would be impossible—get meager incomes indeed and, in thousands of cases, a bare subsistence.

A motion-picture unemployment conference, called by the guilds and crafts engaged in the industry, has made a careful survey of the situation, and their investigation reveals facts which are in sharp conflict with the popular conception of the prosperity and wealth of moving-picture workers. They report, for example, the following things:

REPORT ON MOTION-PICTURE UNEMPLOYMENT

1. Approximately 30 percent of all the members of the five guilds were found to be unemployed. Among the guilds, the Screen Directors' Guild and the Screen Set Designers' Guild, were found to have the highest percentage of unemployed members—50 and 48 percent respectively. Approximately 10 percent of publicists were out of a job, while around 34 percent of the members of the Screen Writers' Guild were not working.

2. Forty-one percent of the total membership of the seven crafts unions were unemployed in March. The percentage for these organizations range from 10 percent for the electricians to 61 percent for the plasterers. Approximately one-half of the carpenters were without work, and nearly the same proportion of musicians were unemployed.

3. Excluding the cartoonists, 48 percent of the members of those guilds and unions which were engaged directly in production were unemployed in March 1938. As is to be expected, the percentage of unemployment for those groups which were not directly connected with production was much smaller. It is interesting to note that the directors, 50 percent; set designers, 48 percent; carpenters, 50 percent; musicians, 46 percent; painters, 44 percent; and plasterers, 61 percent, had fairly similar percentages of unemployed members, followed closely by the percentage for writers, 34 percent.

4. Most of the members belonging to the organizations affiliated with the Studio Unemployment Conference have been in the motion-picture industry for a great many years. The average for carpenters is 10 years; for electricians, 9 years; for machinists, 7 years; for painters, 9½ years; for plasterers, 10 years; for directors, 16 years; and assistant directors, 14 years. A substantial number in each of these groups has been with the industry for many more years than indicated by the average. Only the cartoonists and utility employees reported having been with the industry a relatively short period of years. Except for the latter two groups, the evidence clearly shows that the studio employees have given a large part of their lives to the motion-picture industry.

5. A compilation made by the State of California, Division of Labor Statistics and Law Enforcement, of the average number of wage earners in 11 identical companies in the motion-picture industry shows that the number of wage earners dropped 33 percent between June 1937 and March 1938. Furthermore, the compilation shows that a very sharp decline took place in employment following December 1937.

6. According to the official figures of the United States Department of Commerce, Bureau of the Census, wages accounted for 13.2 percent of the total cost of production in the motion-picture industry in 1935 as against 15.1 percent in 1929.

7. Six major motion-picture companies reported an increase of more than 25 percent in net profits between 1936 and 1937. These six firms—Columbia Pictures, Loew's, Inc., Paramount Pictures, Twentieth Century-Fox, Universal Pictures, and Warner Bros.—reported in the aggregate net profits of $27,572,032 for 1936 and $34,603,421 in 1937.

8. In view of the fact that the cartoonists are regularly employed, annual earnings may be easily ascertained from the weekly wage rates. On the basis of the median average of $22.50 per week, the median annual earnings of cartoonists may be computed as $1,170. Furthermore, on the basis of the weekly wage scales, 25 percent of them earn less than $1,040 even if fully employed for 52 weeks during the year. The analysis of the weekly rates also discloses that annual earnings of 50 percent of the cartoonists are between $1,170 and $1,560 if fully employed.

WAGES NOT RESPONSIBLE FOR INCREASE IN PRODUCTION COSTS

9. In an article appearing in the conservative financial magazine, the Annalist, for March 4, 1938, which accompanied the figures on which table 64 is based, it was pointed out: "According to the Motion Picture Producers and Distributors of America, production costs have increased 50 percent in the last 2 years. Some of this increase is attributed to increased wages and higher material costs, but the largest part is the result of other developments.

Division of motion-picture production costs, based on grade A film costing $1,100,000.

	Amount	Percent
1. Stars and principals	$250,000	22.7
2. Technical	71,500	6.5
3. Directing	57,500	5.2
4. Music	50,000	4.5
5. Story and continuity	90,000	8.2
6. Sets and studio	120,000	10.9
7. Miscellaneous	255,000	23.2
8. General overhead	206,000	18.7
Total	1,100,000	100.0

A recently compiled analysis of the distribution of box-office receipts shows that film rental represents 25 percent of total box-office receipts. Since the charge for film rental includes a sum above production costs to cover administrative expenses, interest expenses, and profits, the proportion of the box-office dollar represented by each factor of production cost is, therefore, considerably smaller than shown in the preceding tables.

And they conclude that:

In addition to the data thus far obtained and summarized in this report, information should be secured concerning the growth or limitation of foreign markets, technological developments, financial reorganizations and many other facts which have a bearing on employment. In devising plans for the meeting of the basic problem of unemployment and for the stabilization of work opportunity and earnings, the special problems of the individual groups must be studied as well as those of the industry as a whole. Furthermore, the interrelationship of the individual organizations and their mutual problems should be taken into account. A sound program can be based only upon full consideration of all of these factors.

There are several reasons for this high rate of unemployment in the industry. One of the main reasons is the schedule of production which makes for peaks and valleys. There are periods when very few pictures are being made, throwing thousands of men out of work. Then, simultaneously, cameras start grinding in all the studios, hurried calls go out for extras, and all available studio technicians are ordered to report for work. In a few weeks producers stop making pictures, and unemployment once again skyrockets. This practice makes it virtually impossible to have any degree of stability in the industry, and without stability and certainty of fairly regular employment the workers can never have any hope of security.

Another thing which will probably cause an increasing amount of permanent unemployment in the future is the recently introduced practice in the big studios of using cleverly painted screens and canvases to give the illusion of large crowds and mob scenes. At the same time that this economy measure is being practiced, the industry continues to send out press releases pledging its adherence to the President's recommendation that industries make every effort to keep as many men employed as possible, and at the same time the public is flooded with publicity regarding the thousands of extras used in making the film.

It has become a generally established policy of the United States Government to treat as second-hand material all articles used more than once for any purpose, and to have such articles plainly marked as "second hand." For example, the Government, in radio broadcasting, demands that the public be informed as to whether music is by original rendition of musicians or by mere electrical transcription.

Would it not be comparable requirement to require the moving-picture producers to give proper notice of the fact whenever they used painted sets to give the illusion that great crowds have participated in the making of a picture? The public which views the picture naturally believes that the money which it pays in admission fees is used in part to employ what looks to them like thousands of studio extras on the screen. When that is not true, they have a right to know it. "Canned music" cannot be passed off as an original rendition, and painted images should not be allowed to pass for flesh-and-blood actors.

This widespread unemployment in the motion-picture industry, with its attendant suffering and hardships, is not a matter affecting merely the people directly involved. Allied industries, and workers of every sort, are adversely affected by it. I believe it has become such a serious problem that direct remedial action by the Federal Government is absolutely imperative.

The Motion Picture Unemployment Conference has prepared a two-point program to meet the situation which I believe merits earnest consideration. In brief outline the conference urges the Government to do two things:

First. Establish work projects, rather than direct relief, for unemployed craftsmen and laborers in the motion-picture industry.

Second. Extend the present W. P. A. theater project to include the making of motion pictures to be written, directed, and acted by unemployed writers, directors, and actors.

Establishment of work projects, in addition to relieving unemployment and bolstering the morale of these craftsmen, would also be a boon to all the workers engaged in these trades in the surrounding areas, because it would to some degree relieve them of the danger of having their wages gradually forced down by the pressure of men out of work looking for jobs. And in addition to that, money spent on these projects would be new lifeblood in the business community. It must be obvious that merchants, tradesmen, and everybody else would benefit from this expansion of purchasing power.

The second proposal, which asks that the unemployed in the moving-picture industry be set to work making moving pictures, would enable the Government to undertake a work which has long been neglected. Prominent educators for years have advocated the production of moving pictures to be used in schools and colleges. What little work of that sort that has been done has achieved remarkable results. There is no doubt that visual education has certain great advantages over ordinary methods of instruction, and I believe that if the Federal Government were to produce moving pictures which would enable school children to see with their own eyes a reenactment of the birth and growth of our country, its various geographic aspects, and its variety of industrial and agricultural pursuits and processes—I believe that if that were done it would not only be a sensible step forward in educational technique, but would also give future generations of Americans a love for their country and pride in its traditions and ideals which some people are afraid are now in danger of being lost.

In the same fashion it would also be possible for the Government to make moving pictures dramatizing important national problems so that public interest would be focused on them until they were solved. For example, our country is losing untold millions of dollars in wealth every year because of soil erosion, the wasting of natural resources, destruction of timber by fires, and the damages done by floods. If these losses could be dramatically presented to the eyes of the people by moving pictures, there is very little doubt but that we would soon get busy and adopt measures to put a stop to them. The valuable results of such a program would easily justify the comparatively small expense involved in setting it up.

Once this project is established it should in a short time be almost, if not completely, self-liquidating and self-supporting. There would be no need for fabulous salaries or million-dollar bonuses paid out to executives. By eliminating that drain on the income, it would probably be possible to charge a comparatively small admission and still take in sufficient funds to pay for the cost of the project and provide the workers involved an adequate living wage.

To sum up: A large proportion of motion-picture employees are either permanently unemployed or making altogether inadequate wages from sporadic employment. The

Government has accepted the responsibility of employment of unemployed people. At the same time the Government needs to do a vast amount of educational work which can be done most effectively and efficiently by the use of moving pictures. These unemployed theatrical people have precisely the talents needed to do that work. Obviously, they say, the only sensible thing to do, then, is for the Government to set these people doing that work.

I sincerely hope that the Congress will make available to the Works Progress Administration funds sufficient to undertake this necessary and valuable work, and that the W. P. A. will undertake it.

The Old Scheme of "Reward Your Friends and Punish Your Enemies" Is a Thing of the Past. This Means That We Must Get a National Political Party of the Workers on the Way in the United States

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EXTENSION OF REMARKS

OF

HON. HENRY G. TEIGAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 24, 1938

ADDRESS OF HON. HENRY G. TEIGAN BEFORE CAPITAL CITY FORUM, WASHINGTON, D. C., FEBRUARY 18, 1938, AS REPORTED BY ETHEL KALMANS

Mr. TEIGAN. Mr. Speaker, under leave to extend my remarks in the RECORD I submit my address before the Capital City Forum, Washington, D. C., February 18, 1938, as reported by Ethel Kalmans:

At the present time there is more interest in labor politics than there has been at any time since I have known anything about politics. There has been an unusual awakening among the working people of the country during the past few years. This has given considerable encouragement to those of us who have put in a good many years in this work.

American labor has not been noted for its activities in politics—I mean in politics in its own behalf. It is true that many leaders of the labor movement have been mixed up in politics in some fashion for a great many years, but that isn't exactly what I mean. The fact is that in recent years the kind of politics that the leaders of labor have been interested in has not been conducive of anything practical for the aid of the working people.

PHILADELPHIA UNIONS LAUNCHED PARTY, 1828

I was looking through a book the other day written by Robert Hunter, a noted Socialist of about 25 years ago, entitled "Labor in Politics." It was in the main an indictment of the kind of politics that the labor movement of America had been indulging in. It calls attention, among other things, to the fact that way back in 1828, 110 years ago, the trade unions in the city of Philadelphia discovered that they couldn't bank upon old-party politicians, even in that day, to serve them in public office.

Back there in 1828 the trade unions of Philadelphia adopted a platform that was astonishingly advanced. Among the things in their platform was that the workers were entitled to the full fruits of their industry. That was in 1828, 110 years ago—before Karl Marx and Frederick Engels wrote the Communist manifesto. While no doubt those who framed that platform weren't fully conscious of why the workers were not receiving the full fruits of their industry or of their labor, they nevertheless sensed the fact that the workers were being plundered and they sensed the further and far more important fact that the workers were entitled to the full fruits of their labor. Now, that was interesting to me, and it would seem that workers so advanced as the Philadelphia trade unions were more than 100 years ago should by this time have complete control of the political machinery of this country. But, as you know, that is not the case.

The tragic thing about it is that this early political movement soon petered out and then for 60 years almost disappeared. Following the Civil War, during the years of reconstruction, labor again began to appreciate its own importance and the necessity for political action. This resulted in the organization of the Knights of Labor. This movement was very fine in respect to platform but not quite so good in regard to organization. A little later there was a sort of general development of trade-unions throughout the country, which finally federated into what is now known as the American Federation of Labor.

CONSERVATISM REIGNED IN A. F. OF L.

At the first convention of the American Federation of Labor a remarkably progressive platform was adopted. But here again this early platform was soon modified more and more until instead of having a general social objective for the betterment of the people as a whole, it became largely a fight to achieve for the individuals in a particular trade something that would be of benefit to them. Of course, the latter is a perfectly legitimate objective—don't misunderstand me as to that. But no labor movement of a general nature can continue to ignore the main objective, that of achieving the liberation of the entire working class. It is true that here in the United States it wasn't as essential to have this fundamental program as was the case in the European countries, where the workers were more completely enslaved, because our workers could always move westward when the pressure became too great in the cities and towns. The time came, however, when there wasn't any more worth-while land to take as homesteads, and that is the thing that began to arouse the working class to the need of some genuine reform.

I was foolish enough to think after I had made some little study of economics that if we could just present the case to the people of the country they would accept it immediately because it was so reasonable, so logical. I foresook the important profession of teaching to become State secretary of the Socialist Party out in North Dakota. I thought: "Now, when these farmers, these few working people we have out here, familiarize themselves with the gospel of socialism, they will see the logic of it and will immediately begin voting our ticket."

Well, I was disillusioned. Conditions were just a little bit too good. They were able to eat three times a day, had some sort of house to live in, and they didn't learn as quickly as I had hoped they would. So we found that the very people who would profit most weren't just ready to accept it. Still, there were a few who were converted, and that was true not only in that western country of ours but in all parts of the United States, as was shown by victories that the Socialist Party won at Milwaukee, Schenectady, N. Y., in cities of Ohio and Pennsylvania and elsewhere in 1912 and 1913.

NO POLITICS IN UNIONS

In those days the working people were in the movement as individuals rather than as groups. Trade-unions, as such, didn't engage much in politics, in fact many of the unions of that time wouldn't tolerate the presence of a man, especially of the Socialist variety, who came in to explain why their members should vote the Socialist ticket. Of course, some old-party politicians were permitted to appear at times, and that again shows what sort of a hazy idea the unions had of labor's need for political action.

Out in my State and in the State of Wisconsin there was an early movement characterized by the fact that those in charge of the movement didn't have a philosophy, didn't have a knowledge of economics, but moved rather by necessity to advocate certain reforms. They talked to the people about these reforms and tried to convert them to their program, but there was no thought on the part of that leadership to show the workers and farmers or the members of the working class as a whole that they should work together as a class. And until this is done, until the workers as a whole become conscious of their need for working together, for asserting their rights as a class, there are going to be many ups and downs in the movement.

TOWNLEY LAUNCHED NONPARTISAN LEAGUE

After the Wisconsin movement had grown under the leadership of Robert M. La Follette, Sr., progressivism spread to other States. The Socialist movement also had developed good organization in several Northwest States, but the first State to really organize a movement upon the basis of the working class itself was North Dakota. That is surprising for the reason that North Dakota is the most agricultural in character of all the States of the Union. There is a higher percentage of farmers in North Dakota than in any other State, and yet that State was the first in which a movement of the working class, the producing class, was developed upon the political field. I happened to be the secretary of that early organization known as the National Nonpartisan League. The founder of the organization was A. C. Townley, a remarkable organizer and a man who understood farmers and workers.

Certain things in North Dakota had incensed the farmers. They knew that they were being plundered and robbed. They produced pretty good crops, but didn't get much in payment for them. They charged the railroads and the bankers with being responsible for this condition, but even more than the banks and the railroads, the grain merchants in the Twin Cities. They were in a pretty good mood to be educated politically.

Townley was an organizer, the most remarkable organizer I have ever known. He got us together. He had been in the Socialist Party, but he could see that as far as methods were concerned, the Socialist Party was too conservative, and, besides, there was prejudice against the name "Socialist" in those days. So he said, "This is what we will do. We will take the parts of the platform pertaining to the more immediate demands, and we will go out and organize the farmers on a nonpartisan basis. We won't teach them anything about the platform. After we get them in, we will educate them."

The usual method is to go out and educate the people of a community first and take them into the organization after that.

Townley decided to organize first and then educate. That didn't sound good to orthodox Socialists, but Townley was right.

TOWNLEY INSTRUCTS ORGANIZERS

Once the organization was pretty well developed—with a membership of 15,000 to 20,000—we started a paper. Incidentally, one of the editors of that paper—the Nonpartisan Leader—was Charles Edward Russell. The appeal to get members was solely on the basis of class. Townley's instructions to the organizers were, "Don't try to explain the platform to the farmer. Just tell him that the bankers and lawyers have been making his laws and say to him, 'It is about time that you made your own laws. Send farmers to the legislature, let us quit sending bankers and lawyers.'"

Mr. Townley was practically unknown in the State, and he had no money. Yet in the course of a single year he had organized the farmers of North Dakota into the Nonpartisan League. His group took possession of the State and eliminated the bosses who had run North Dakota from the time it was admitted to the Union.

I dare say it was the most remarkable political achievement on the part of the farmers in this country. And the thing that has made it permanent was the fact that it was based upon an appeal to class solidarity. After North Dakota had been won in 1916, the league went into Wisconsin, South Dakota, and Montana, and finally spread into 13 States.

The point I want to make is that after you get the workers to act together on the basis of class, you will have no trouble teaching them about the program. The North Dakota movement started in 1915, 23 years ago, is still alive and dominates the politics of the Flickertail State. The old political bosses who operated from hotels in St. Paul and Minneapolis were thrown out by the league and have remained out ever since.

Minnesota and Wisconsin are the only two States today in which the workers and farmers have their own political party. North Dakota still has the Nonpartisan League set-up, which means that the league places a ticket in the field to seek the nominations of the dominating political party in the State. After a few defeats in Minnesota along these lines, a new party was started, and the same was true in Wisconsin.

GOMPERS CONFESSED FAILURE

Reverting again to the American labor movement to show how it failed to function in a practical way upon the political field, I want to quote here a little statement that I came across recently, one of Sam Gompers' statements before a House committee in 1911. Mr. Gompers was head of the American Federation of Labor from 1886, the time of its inception, until 1924, when he died. He was a man who no doubt honestly thought that the workers only needed to be organized on the economic field. I am not challenging his honesty, but it was due to this fact that reforms were not achieved in this country in behalf of the working class as they were in many European countries. After returning from Europe, he said:

"We are in the United States not less than two decades behind many of the European countries in the protection of the life, health, and limb of the workers."

That is a surprising confession for a man in Gompers' position to make, but it was true. And yet there isn't any doubt that the failure of the American labor movement to do for its workers here what had been done in Europe was because of its neglect of practical politics.

When the Nonpartisan League established its national offices in St. Paul in 1917 we found many of the leaders of the trade-union movement affiliated with the Democratic Party and a few with the Republican Party. There was difficulty in making these leaders aline themselves with the farmers' Nonpartisan League. They had not been used to that. The fact is, in the city of Minneapolis that first election our candidate, Charles A. Lindbergh, former Congressman from Minnesota, was defeated for Governor by a vote of 2 to 1. He did little better in St. Paul. However, as time went on the Nonpartisan League gained in the cities with every election. In 1936 we carried Minneapolis by a majority of 50,000 and St. Paul by a majority of 2 to 1. Today in the Twin Cities there is scarcely a labor leader who would dare announce to the workers of the city that he was supporting anyone but a Farmer-Labor candidate for office. This is due to the fact that the workers themselves have developed a sense of class interest. If the workers are to get anywhere, if they are really going to achieve their economic liberation, get the full fruits of their labor as they are entitled to do, they must develop a sense of class solidarity.

NATIONAL PARTY NECESSARY

We of Minnesota and Wisconsin, where a party of the farmers and workers has been built, feel very much encouraged when we see the workers in New York City organizing themselves into the American Labor Party, for we know that it would be next to impossible to maintain an independent political party of the people in our State or in other States unless we can soon develop a national movement with which these State movements may be affiliated.

A step in this direction is Labor's Nonpartisan League, headed by E. L. Oliver, formerly of northern Minnesota. The league is using the right procedure, as the workers are not yet imbued with enough confidence in their own strength to make them go along in a new party, and it is still perhaps the most practical plan in many States for labor to select its candidates and let them run under the banner of one or the other of the old political parties. After political strength has been developed, then let them separate from the old parties and set up their own political parties. This has already been done in New York, and it is expected that the American Labor Party in that city and State will elect several Members to Congress this year.

This all means that we must get a national political party of the workers on the way in the United States. The old scheme of "reward your friends and punish your enemies" is a thing of the past. Only through collective action on the part of the wealth producers—the farmers, workers, and business people—can they achieve their liberation from the bondage of their exploiters.

Business Conditions

EXTENSION OF REMARKS
OF
HON. SHERMAN MINTON
OF INDIANA
IN THE SENATE OF THE UNITED STATES

Tuesday, May 24 (legislative day of Wednesday, April 20), 1938

EDITORIAL FROM PHILADELPHIA RECORD, MAY 20, 1938

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Philadelphia Record of May 20, 1938, relative to business conditions in the United States.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE CREDIT MEN FEEL BETTER

Evidence continues to accumulate that we were on the right track when we took the conservative editors over the coals last week for crying the blues about business prospects.

The National Association of Credit Men reports that—

"Three-quarters of its members are experiencing better sales thus far in 1938 than they did in 1933, when the last big rise began; and

"Over half the members expect substantial recovery by the fall, and another quarter expects it by winter."

Credit men are congenital pessimists. The eye they turn to the world is likely to be cold and challenging.

Yet they refuse to enter the "boohoo marathon" by which the conservative crybabies are dragging down business in the hope of dragging down Roosevelt.

Among His Books

EXTENSION OF REMARKS
OF
HON. CLIFFORD R. HOPE
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 24, 1938

EDITORIAL FROM THE NEW YORK TIMES OF MAY 23, 1938

Mr. HOPE. Mr. Speaker, our able and distinguished colleague the gentleman from Vermont [Mr. PLUMLEY] recently delivered an address before the Columbia Historical Society of Washington, entitled "Side Lights of History—Books." This address is scholarly and at the same time most human and interesting. It appears in the Appendix of the CONGRESSIONAL RECORD for Wednesday, May 18, and if there are any of my colleagues who have not read it, I am sure they will enjoy doing so. In the New York Times of May 23, 1938, appeared an editorial which discusses this address and under leave to extend my remarks, I include the same herewith.

[From the New York Times, Monday, May 23, 1938]

We love to get a glimpse of a legislator in his private hours. The Appendix of the CONGRESSIONAL RECORD reports an address by the Honorable CHARLES ALBERT PLUMLEY, Congressman at Large from Vermont, before the Columbia Historical Society in Washington. His hobby is books. "It was Annette Wynne who said:

"A little gate my book can be,
That leads to fields of minstrelsy;
And though you think I sit at home,
Afar in foreign fields I roam.

"How true that is." After eloquent reflections on Cicero and Boethius, Pope and Horace, he confesses that reading dull law books has spoiled his enjoyment of fiction with the exception of historical novels. From them he has derived more knowledge of history than from textbooks. He has "read practically all of the so-called historical novels, but to save my soul the only ones I can remember are The Green Mountain Boys, The Rangers, and Winston Churchill's series. Of course I should include Uncle Tom's Cabin and James Fenimore Cooper's works."

Why should he? Our heart goes out to any man who read Judge Thompson's The Green Mountain Boys and its sequel, The Rangers. He is classed as a follower of Cooper, but he didn't need to follow anybody. He was steeped in the story of Vermont. His books sold in heaven knows how many editions. One hopes they are selling yet. Mr. Plumley's taste in poetry is shown by the books at the head of his bed: Whittier's poems, Longfellow's, Tennyson's, a copy of Shakespeare, the last number of Driftwind.

He has found "some wonderful poems in Driftwind," and he likes the "homeliness and perfect understanding of the New Englander as found in Longfellow and Whittier":

"I should say read Emerson some. The essay on Compensation always intrigued me. When I want to cry I read David Harum. When I want to waste my time I read Edgar Wallace, Oppenheim, or Fletcher detective stories."

Then follows the expected "tribute" to Shakespeare. Tastes differ, and some of us don't want to cry, and love to waste our time on detective stories. Anyway, it's a comfort to find a Congressman who reads.

Abraham Lincoln—Artist

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Tuesday, May 24 (legislative day of Wednesday, April 20), 1938

ARTICLE BY DR. ROY P. BASLER, OF ALABAMA TEACHERS' COLLEGE, FLORENCE, ALA.

Mr. HILL. Mr. President, I ask unanimous consent to place in the RECORD a short article on Abraham Lincoln—Artist, by Dr. Roy P. Basler, member of the faculty of the Alabama Teachers College, at Florence, Ala.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Abraham Lincoln, during the 72 years since his assassination, has received possibly the most complete and widespread study ever given to one man within an equal number of years. Yet what may be 70 years hence considered his most important phase has hardly been touched. Lincoln was above all an artist, and though his art was far from confined to literary expression, his prose may yet be recognized as his most permanent legacy to humanity. Even the carping critic must admit this. Edgar Lee Masters has opined that only Lincoln's literary accomplishment has "made him more important in history than William McKinley," which is a tribute, coming from Mr. Masters. Certainly Lincoln's words will endure longer perhaps than the marble and bronze upon which they have been engraved.

Though at present his fame as a literary artist is not so widespread, popularly speaking, as his legendary and historical fame in the role of emancipator and savior of the Union, it is at least as complete and seems to be growing far more rapidly. The probability that it may be even more permanent lies in the fact that its preservation must remain chiefly in the hands of those who study his works. Indeed, it is not difficult to conceive of the time when much of what men know of the Civil War will be contained largely in Lincoln's great addresses, just as, by decree of ironical fate, much of what we know of Catiline and his conspiracy has been preserved chiefly for the rhetoric of Cicero and Sallust.

It may be a bitter pill for the historically minded to swallow, but the truth remains that rhetoric has demonstrated its ability to outlive the facts that inspire it. "It is his poetical flashes," laments Mr. Masters, "that have stayed his fame against attack." Even today the popular conception of Lincoln is more the result of his second inaugural address than of his war policies:

"With malice toward none; with charity for all; with firmness in the right, as God gives us to see the right, let us strive on to finish the work we are in; to bind up the Nation's wounds; to care for him who shall have borne the battle, and for his widow, and his orphan—to do all which may achieve and cherish a just and lasting peace among ourselves, and with all nations."

The best of our recognized critics have without exception, though somewhat belatedly, placed the better-known addresses and letters in a high place. Still, even his most devoted admirers have occasionally hesitated with such judgments as "worthy of Webster" and "equal to Burke," and confined themselves to what are somewhat ineptly called "purple passages." One looking for purple passages in the traditional sense can hardly be trusted to evaluate Lincoln's prose. But more significant for Lincoln's future literary status is the fact that as yet only a few of his writings have received anything like the literary analysis that is due them. The Gettysburg Address and the letter written to Mrs. Bixby are perhaps enough in themselves to assure Lincoln immortality, but the time is already at hand when more and more of his strictly analytical and expository pieces will be studied for their literary significance.

It may be argued that for permanent literary significance too much of Lincoln's writing is taken up with routine exposition and expression of political policy not in itself permanently significant. It must be answered that much of this matter will in the future get its significance from the fact that Lincoln wrote of it as he did—again witness Cicero. In the last analysis the quality of the masterpiece, great or small, lies not in subject but in artistic treatment. It will doubtless be the business of the often despised, but nevertheless useful, commentator to ferret out the facts and backgrounds which will aid succeeding generations to admire more completely Lincoln's prose.

Among his expository writings only a few such items as the famous letter written in answer to Horace Greeley's Prayer of Twenty Millions have been recognized for what they are—the most completely lucid, emphatic, and concise expressions of thought in modern literature. But these are often equaled, if not excelled, by other papers, which for not very clear reasons are generally left for the study of the mere historian. Exposition has never been reckoned a form conducive to the highest flights of literary expression; yet Lincoln demonstrated that it could be so beautifully and austerely sculptured that the very solidness of solid matter would vie with the ethereal.

Within recent years some excellent initial steps have been taken, generally in the right direction. Nathaniel Wright Stephenson, Daniel Kilham Dodge, Carl Sandburg, and Luther E. Robinson have each added something to the understanding and appreciation of Lincoln's literary accomplishment. Among straight biographers none has placed sufficient emphasis upon his early cultivation of style. There is still a crying need for a good and fairly inclusive edition of his works prepared for the student of literature as well as for the student of history. But literary people in general and professors of English in particular have been notably remiss in recognizing an opportunity. Though there has been a saving group of literary heretics who have all along insisted on including liberal selections from Lincoln's less known as well as better known works with the accepted selections from Emerson, Hawthorne, and the traditional group of "prose masters" in classes of American literature, it is lamentable that they have sometimes had to insist that Lincoln more than holds his own in such select company. If I may judge from two recent anthologies of American literature that have come to my desk, views are changing. Instead of classing Lincoln, according to the common procedure, in the few pages usually devoted to a political writer, the editors have given him individual rank and pages approximately equal to those devoted to such celebrities as Bret Harte and Phillip Freneau, whereas originally he was honored with the two or three pages accorded such significant persons as Capt. John Smith and Thomas Godfrey. This is merely a step toward the time when, of all literary figures of nineteenth century America, his will be one of three, or at most four, great names.

What makes this tendency even more significant is the fact that it has arisen simultaneously with the neglect of political writers in general. It is a curious fact that as American literature has come to the fore during recent years much fine political writing has been neglected in favor of the ephemeral writer who labored for art's sake. Yet some of the finest American prose lies in the political papers of Jefferson, Madison, Hamilton, Freneau, Calhoun, and many another political figure. For statesmen, historians, and scientists often write better prose than our so-called men of letters.

Yet, fine as much as our political literature is, little of it reaches the heights Lincoln attained. A literary genius of his rank is hardly paralleled in the ranks of public men, and even in the instance of certain exceptions—John Milton, for example—the artist is likely to have made his greatest achievement in forms traditional to pure literature rather than in documents and papers of state, in which we have learned to expect only a second best. No other expression, not even that of Cicero or Demosthenes, has so transcended the limitations congenital to the breed of public oratory as to infuse it with the simplicity and imagination and music of great poetry. It has been well said by Lord Charnwood that Lincoln's great addresses are more like the speeches in tragic drama than like traditional oratory. This hardly clarifies their real quality, but it does give some idea of their uniqueness. The more the magic of Lincoln's words is studied the more certain his works are of occupying a niche set apart for the masterpiece that cannot be dismissed in a catalog of types and classes.

A critical examination of all Lincoln's more important works reveals just where this supremacy exists, as it has always existed in the works of the few indisputable masters of the language. First, it lies in an undeniably superior vitality of imagination that was able to infuse the matter of the Civil War epoch with great poetic significance; and second, technically, in language more effortless and yet more grandly beautiful than any of his contemporaries—Whitman possibly excepted—ever achieved. That Lincoln took and made his own the thought and spirit

of those phases of nineteenth century America which he has come to symbolize is so far true that his matter, like the matter of Shakespeare, appears to be definitely his in a degree that is never met with in lesser literary genius. Though this matter was used often in his day and somewhat since, we can hardly think of it again except as especially Lincoln's. This may be seen clearly even in the works of his middle period. The Cooper Union address, Peoria speech, and Springfield speech illustrate his power to synthesize without recourse to illusive, transcendental generalities, and to stamp with unity, without narrowing to personal bias, the political matter of nearly a century.

But when we speak of "originality" in a literary artist we refer always to a technique of expression rather than to his matter, for where the one is individually his, the other is universal. So it is less by his matter than by his technique that Lincoln is distinguished from the host of those above whom he looms singular and lofty. His workmanship, even in many little-known passages, is so individual that it cannot be imitated much less reproduced. It has, though it was based upon years of trial and error, the effortless inevitability that we recognize as the authentic inspiration of the creative artist.

It is perhaps unnecessary to labor this point of originality with regard to his most famous works. But even in his anecdotes, certainly in those that seem definitely authentic, his hand is plain in application and point in spite of the fact that most of them are retold in words remembered by others. And though as a humorist he was, as was Shakespeare, indebted to the mode and spirit of his time, he displayed in his crude, sometimes even bitter, humor the touch which cannot be found in the works of lesser humorists of the age. Not the story but how he told it makes it a Lincoln story.

The tendency has been not so much to underestimate Lincoln's attention to style as to estimate it not at all. Here, as elsewhere, the legend of Lincoln the prophet has bedimmed the genuine achievement of a human mind at work, until a scathing critic like Edgar Lee Masters comes, because of his knowledge of the craft of words, closer to the true why of Lincoln's expression than all the idolators. Lincoln did not, of course, always preserve the extreme niceties of grammar, and he did say things inimitably because of his genius; but his genius was not the uncultivated accident of inspiration that has been so often supposed. Is it more reasonable to think that the artist who gave "balance" some of the finest uses it has ever achieved in English prose got no hint of style from his study of Bacon and the King James Bible, or to think that he recognized a technique for what it was? It is true that as a rule his words are austerest simplicity, but it is equally true that the feeling for cadence that arranged them is unfathomed subtlety. Let the reader examine, if he has not already, the pattern of Seward's suggested peroration for the first inaugural, compare it to the cadence of Lincoln's revision, and then decide which of the two men had made the most fruitful study of prose style. Seward suggested this:

"I close. We are not, we must not be, aliens or enemies, but fellow countrymen and brethren. Although passion has strained our bonds of affection too hardly, they must not, I am sure they will not, be broken. The mystic chords which, proceeding from so many battlefields and so many patriot graves, pass through all the hearts and all the hearths in this broad continent of ours, will yet again harmonize in their ancient music when breathed upon by the guardian angel of the Nation."

Lincoln made it this:

"I am loath to close. We are not enemies, but friends. We must not be enemies. Though passion may have strained, it must not break our bonds of affection. The mystic chords of memory, stretching from every battlefield and patriot grave to every living heart and hearthstone all over the broad land, will yet swell the chorus of the Union when again touched, as surely they will be, by the better angels of our nature."

A careful study of Lincoln's works of the middle period (1854–61) emphasizes the fact that his later beauty of expression was not an accident that simply happened to a man who had no care for finely wrought sentences. Indeed, it seems evident that the Cooper Union address, Peoria speech, and Springfield speech, as well as others, have technically in large measure the perfection that is generally credited only to his later masterpieces. It is not in technical command of style so much as it is in power of feeling and imagination that his later works surpass by all odds those of his middle period.

The reasons for this may not seem so obscure when sought, but perhaps every student has his own explanation which he prefers above others. Some have seemed to find that the great change which did undeniably come in Lincoln's prose in 1861 was the result of Seward's influence. Perhaps some very slight part of it was, but I believe that the turning point came before Seward had opportunity to influence Lincoln to any marked degree. The farewell remarks made at Springfield as Lincoln was departing for Washington have the new combination of imagination and feeling in as great measure as the first inaugural.

"My friends, no one, not in my situation, can appreciate my feeling of sadness at this parting. To this place, and the kindness of these people, I owe everything. Here I have lived a quarter of a century, and have passed from a young to an old man. Here my children have been born, and one is buried. I now leave, not knowing when or whether ever I may return, with a task before me greater than that which rested upon Washington. Without the assistance of that Divine Being who ever attended him I cannot succeed. With that assistance I cannot fail. Trusting in Him who can go with me, and remain with you, and be everywhere for good, let us confidently hope that all will yet be well. To His care commending you, as I hope in your prayers you will commend me, I bid you an affectionate farewell."

My own opinion is that this new quality was more the result of internal experience than of external influence. It is a commonplace that Lincoln was reckoned cold and unemotional by his most careful observers. Also it is true that no other orator of his time was more coldly logical, more careful of a self-imposed restraint, than was Lincoln up to 1861. Upon his departure from Springfield a new note of unfathomed emotion, at once heroic and simple, sounded in his words for the first time. This note was sounded again in the prose poem which he made of Seward's suggested peroration; and thenceforth, restrained but full, it suffused all the more important papers of his years in Washington, but above all the Gettysburg address and the second inaugural.

It has been said that Lincoln's art is always applied art, utilitarian in purpose and held strictly to the matter in hand. If this implies that it does not therefore reach the heights of imagination to which we expect only belletristic art to attain, nothing could be further from the truth. And yet, perhaps, he did, even in the deep-moving cadences and high imagination of the second inaugural, consider his prose only as a means to an end, recognizing that in an emotional crisis of national scope the truest appeal could not be made to the intellect alone. And because he had early learned to eschew the illusion of emotionalism—that bane of the swayer of multitudes—which saps the hearts of hearer and speaker alike into floods of mere rhetoric, he was able in his great hour to plumb depths hitherto unfathomed by oratory.

The emergence of this new quality was significantly coincident with his assumption of what he seems to have considered his supreme task—the preservation of the Union, and with it democracy. His utterances regarding slavery—in fact, his words on all other subjects, fine as many of them are—fall into place near or far from the high words in which he defended democracy as symbolized in the Union and pled for its preservation. Alexander Stephens said that the Union with Lincoln rose in sentiment to the "sublimity of a religious mysticism." The Gettysburg Address is excellent literary evidence in support of Stephen's opinion if we understand how the Union was for Lincoln the symbol of a democracy yet to be realized:

"It is for us, the living, rather, to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is, rather, for us to be here dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion; that we here highly resolve that these dead shall not have died in vain; that this Nation, under God, shall have a new birth of freedom; and that government of the people, by the people, for the people shall not perish from the earth."

So it is that Lincoln, like the greatest literary figures of the past, becomes as we study his works more than a man. He is a creative consciousness in whom the enduring matter of Civil War America lives. As this matter is in Lincoln intrinsic and his expression of it inimitable, so his name will endure as something representative and symbolic with singular completeness of the epoch which nurtured him. Even as we come to recognize his fallibility as an ideal hero and President we may perceive that the most incontrovertible fact about him is his prose.

We have failed, perhaps, to assess Lincoln adequately as a literary artist because for seventy-odd years we have been taught to consider him primarily a political figure. But Lincoln belongs with our few literary lodestars of the past. We must of necessity give more recognition to his literary accomplishment and perceive his dual role as an artist-statesman without peer.

Which, War and Trade Agreements or Peace, Plenty, and Protection?

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 24, 1938

Mr. REED of New York. Mr. Speaker, I am opposed to a program of scarcity. Abundance and not scarcity has been the hope and the prayer of millions of people throughout the ages, and until the New Deal descended as a destructive plague upon field and herd and factory the hope and the prayer of 130,000,000 Americans was about to be answered. The only interruptions in the steady march of the American people toward a more abundant life have been at those periods in our history when the low-tariff party has been in power. Disaster has followed whenever the market of the

American farm and factory has been bartered away to foreign nations. The relief rolls, the soup kitchens, the closed industries, the idle workmen, and impoverished farmers have followed as a logical consequence whenever the doctrine of free trade has deprived the farmer and the industrial employee of the benefit of the domestic market.

The low-tariff party promised to keep this Nation out of war, which won the election for Woodrow Wilson; then the promise was ignored and the United States, totally unprepared, was abruptly plunged into the world conflict, the ultimate cost of which in dollars and cents to the nations involved was in excess of $200,000,000,000. The magnitude of the expenditure can be realized only by comparing the cost of it with that of preceding armed conflicts. In this connection, I call attention to the fact that the Napoleonic War, which lasted 20 years, cost only $6,250,000,000 and that the 20 greatest wars in a century and a quarter preceding 1914 cost $25,000,000,000. I mention this because no reasonable person would contend that the loss of millions of lives and the expenditure of more than two hundred billions of dollars could fail to cause major economic and social upheavals.

Mr. Speaker, the effect of the World War cannot be dismissed when considering the economic and social problems that arose subsequent to the war, because throughout history we find that conflicts of lesser magnitude have led to crazy political, social, and economic fallacies.

We all know that the war-torn countries fell heir to all these post-war disturbances and that the United States inherited its full share of them. The effect abroad of this vast accumulation of post-war misery, poverty, and debt was to dethrone the reason of the suffering masses, and these bewildered and sorely afflicted victims of war turned in desperation to inflation, which completed the work of their wholesale pauperization. Those who had any material thing to lose were stripped of all their earthly possessions. There followed as a logical consequence the dictator with his lurid and plausible promises of a more abundant life. Free men and women bartered away their individual liberties, even their religious freedom, free speech, and a free press, and abjectly submitted to the yoke of dictatorial tyranny in exchange for the promise of a paradise on earth by the man seeking power.

When the post-war crash came, when hatred was unleashed and principles of honor among nations were cast aside, and foreign dictators assumed control, our Government, under able leaders, sought to soften and succeeded in softening the impact of the blow here. This, be it noted, had to be done without the cooperation of the leaders of the political party responsible for the entrance of the United States into the war.

Mr. Speaker, I insist that the way out of this depression is not by means of war. Past experience ought to convince the farmers and the workingmen that aside from the unthinkable human sacrifice involved, war is too great a price to pay for the mere stimulation of agricultural prices and industrial wages. The farmers and workingmen know that this temporary stimulation results in a post-war depression such as we experienced from the effects of the World War. Economic stability for the farmers and the workingmen must be solved through the processes of peace at home and abroad, not by war.

It must be self-evident also to thoughtful persons that the way of economic salvation for the United States is not by inflation, regimentation, planned scarcity, class hatred, pump priming, or by the substitution of dictatorial government for that of the representative form under which we have lived and prospered for the past 150 years.

The assertion made by those in power that war can be averted only by permitting foreign nations to invade our market with their cheap products is an appeal unworthy of men in positions of governmental responsibility. The futility of trade agreements as a means of gaining foreign trade by opening our markets to low-cost-production countries ought to be apparent to any person who will take time to examine the facts. To begin with, this country is mortgaged by a national debt in excess of $40,000,000,000; then there must be added to this the $18,000,000,000 which the smaller political subdivisions owe. Thus business and industry are burdened with a first mortgage amounting in the aggregate to almost $65,000,000,000. This means taxes, and ever-increasing taxes, all of which are a part of the cost of production. Then, to this there must be added the billions of dollars in pay-roll taxes imposed by recent Federal and State legislation, which further adds to the cost of production.

It must be remembered, too, in this connection that many of the countries with which we are to compete under the trade-agreement program have wiped out their internal debts by inflation.

The United States, burdened as it is with a crushing national, State, and local debt, is today by far the highest cost production country in the world.

With our Nation so burdened and handicapped, how are the products of the American workingman and the farmer going to successfully compete in our own unprotected market and in the foreign markets with the low-cost products of foreign farm and factory?

Mr. Speaker, there is only one answer to this question and that so obnoxious and terrifying to our laboring men and to our farmers that President Roosevelt adroitly sidesteps it. The true and tragic answer is that this foreign competition can be met only by reducing the American wage scale and by reducing the income of our farmers, which means lowering the standard of their living to the level of that of foreign countries.

This is the initial price our workingmen and farmers will have to pay for the Roosevelt trade-agreement policy. The ultimate price they will have to pay is far greater and more serious. Let me illustrate. This experiment of high-cost production has been tried before. France tried it in 1569, at a time when her debt burden and the tax load had become unbearable. These, too, had been increased by liberal government bounties to all producers. As a consequence, Holland and England, with lower cost of production, paralyzed French commerce. Confronted with this situation, Colbert, the French War Minister and new dealer of that time, had to make the choice, which face-saving spendthrifts in power always sooner or later have to make, between insolvency, revolution, and war. Colbert prepared for war.

Already the people of the United States see the Roosevelt administration urging large appropriations for armaments, preparatory to the day of reckoning, the day when loss of the domestic market under the trade-agreement plan and the scarcity program forces the administration to choose between shouldering the blame or reverting to the ancient device of armed conflict as a face-saving alternative.

Mr. Speaker, I assert that the groundwork for a face-saving war is now being laid. Witness the stupendous authorization of more than a billion dollars just made and approved by President Roosevelt to provide for the largest Navy in the world. Listen to the saber-rattling and threats of the Secretary of the Interior Harold L. Ickes and Secretary of War Harry W. Woodring. Is it not obvious that the so-called good neighbor policy is being stressed for home consumption, while those trusted with power, including President Roosevelt, are ignoring public sentiment and brazenly and blatantly goading, threatening, and bullying these same good neighbors? I repeat that the ultimate end of such official conduct, if the present program of entering into entangling alliances and foreign-trade agreements and meddling are continued, will mean war.

It will be recalled that with the Underwood low-tariff act in operation under Woodrow Wilson imports increased, unemployment followed, breadlines appeared, and distress and misery then faced this country as it does today. War was declared in Europe in 1914. Foreign nations sold their securities in our market and with the proceeds of these sales war materials were purchased here. The war abroad stopped imports under the low tariff, stimulated an inflationary and false prosperity which ultimately brought economic disaster.

Why not turn now, before it is too late, to a program of abundance under a policy of adequate protection, a sound

currency, industrial peace, a sane system of taxation, and an honest attempt to balance the Federal Budget? If the trade-agreement policy of the Roosevelt administration is continued under a program of domestic scarcity and riotous spending, America must become reconciled to the fact that in the end her large farm population will be forced to the same low level of living as now prevails among the peasants abroad. The industrial employees will eventually be driven to the same deplorable extremity. The economic salvation of the farmers and the workingmen was never more dependent upon the continued protection of the home market from the products of the cheap labor, the child labor, and the conscript labor of foreign farm and factory than at the present time. This market of ours, if adequately guarded and protected for the benefit of our laboring men and our farmers, and if both groups were in consequence of such a policy peacefully engaged in production to supply the needs of such a market, the best cash market in the world, the relief rolls would gradually vanish as mist before the sun.

The surplus crop problem and the unemployment problem can never be solved by permitting competitive farm products to enter this country and monopolize our market, nor will unemployment be solved by admitting foreign industrial products to displace the products of the working men in our American factories.

Mr. Speaker, I maintain that with the effective protection of our market, supplemented with a program of research to find new industrial uses for our products of field and mine and forest, there would be neither the problem of surplus crops, nor the problems of a shortage of jobs. This Nation has material resources, industrial leaders, skilled working men and women, research facilities both public and private, educational institutions, and a market, which if protected and wisely utilized, will usher in an era of unprecedented prosperity and happiness for this and future generations.

Instead of a constructive program of cooperation, research, and protection, the administration has aroused and utilized class hatred to achieve political ends. The whole psychological technique of foreign revolutionists has been put in operation to pauperize in body and spirit 130,000,000 American citizens. The end is not yet. To attain the very powers vested in, and which by right belong to a free people, an attempt has been made by the President to destroy the independence of the courts, corrupt the ballot box, eliminate State lines, and reduce the whole Nation to a condition of abject servitude to an all-powerful totalitarian state. This whole foreign and un-American program, formulated and promoted by the Roosevelt administration, has already pauperized and demoralized the farmer and the wage earner, and now to complete their degradation, the trade agreements are being utilized to put them in competition with the peasant and peon labor of foreign countries.

There is one power, and one power only, that can save this country from a continuation of the present program of individual regimentation, scandalous waste of public treasure, the destruction of public credit, and the bartering away of the market of farm and factory, and that power is an aroused and sustained resistance to it by an indignant and patriotic public.

Mr. Speaker, the pay rolls of our Nation constitute the spending power, the purchasing power, upon which the farmers must rely if they are to prosper. A program of scarcity in an unprotected domestic market puts the farmer in a position where he must cut prices to the level of imported competitive farm products if he expects to sell them, and he is doubly injured because under crop restriction he has less to sell and at a lower price. There is a market here for our farm crops, otherwise the vast volume of competitive farm products would not be entering this country from abroad. The farmer should be interested in protecting the industrial pay rolls from destruction by foreign-made, cheap goods. The unemployed millions in our own industries, at American wages, are the men and women who will buy the products of our farms. Prosperity will return only when our 130,000,000 people are fed, housed, and clothed with the products of our own farms and our industries.

An adequately protected market for our industries will put millions now on relief at work in private enterprise and insure to them a wage scale sufficiently high to enable men, women, and children to enjoy a high American standard of living—the highest in the world. What would it mean if our pay rolls were to be expanded to the point where there were more jobs than employable men and women to fill them? It would mean higher wages. Supply and demand would meet this problem of a higher wage standard. But what, in turn, would be the result to the farmers? It has been demonstrated from reliable statistics that if the American people were to have a proper diet made from domestic agriculture it would be necessary to expand our acreage and increase our livestock as follows:

An increase of 76 percent in dairy cattle—40,800,000 head as compared with 23,100,000 head.

An increase of 43 percent in the number of beef cattle slaughtered—16,100,000 as compared with 11,200,000.

An increase of 68 percent in the number of veal calves slaughtered—14,800,000 as compared with 8,800,000.

An increase of 22 percent in the number of sheep and lambs slaughtered—29,900,000 as compared with 21,000,000.

An increase of 36 percent in the amount of poultry—627,000,000 as compared with 458,900,000.

Corresponding increases in the amount of land devoted to feed crops—corn, oats, grain sorghums, hay—and pasture for these animals. An increase of 204 percent in the acreage devoted to vegetable truck crops—7,091,000 acres as compared with 565,000 acres.

An increase of 112 percent in the acreage devoted to other tree fruits and grapes—9,799,000 acres as compared with 4,605,000 acres.

An increase of 282 percent in the acreage devoted to certain small fruits—718,000 acres as compared with 188,000 acres.

These figures are based on average yields and average production.

I know that the trade-agreement policy to let in agricultural products, while at the same time forcing the farmer to produce less, cannot work. The disaster these two conflicting plans has already brought to American agriculture is enough to satisfy any sane and unprejudiced person that what I have said is true.

Mr. Speaker, the farmers are the victims of the experimentation of a horde of young, inexperienced, impractical city boys who are having the time of their lives experimenting upon the practical farmers of the Nation.

The theorists, the dreamers, the political appointees, are on a spending spree, the net result of which will be as destructive to the dairy interests, the corn farmer, the wheat grower, and farming interests generally as the experiments in the domain of cotton has proved to be to the South.

The men in power who are bartering away the domestic market are working hand in glove with a few big importers, monopolistic exporters, and foreign interests. The administration's experiment with cotton has lost the world market for this great American product and this in turn has put over 3,000,000 individuals in the South on relief. Why turn now to the dairymen, the Corn Belt, the Wheat Belt, and drive them to the wall and make them the victims of poverty and disaster? The time to end this un-American program is now.

The Wage-Hour Bill

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 24, 1938

EDITORIALS FROM THE WASHINGTON DAILY NEWS AND THE CHARLESTON (W. VA.) GAZETTE

Mr. RANDOLPH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial

from the Washington Daily News of April 23 entitled "The Wage-Hour Bill," and also an editorial from the Charleston (W. Va.) Gazette of May 9 entitled "Wage-Hour Bill":

[From the Washington Daily News of April 23, 1938]

THE WAGE-HOUR BILL

The wage-hour issue has been stripped again to its fundamentals. Now there is a possibility that the country can get somewhere on this much-needed reform. It is only a bare possibility, because action has been long delayed and Congress is in a hurry to quit.

For more than a year legislation to accomplish the simple objective—a floor under wages and a ceiling on working hours in interstate industries—has been blocked by collateral controversies. That was because the administration draftsmen of the original bill went far beyond the simple objective and tried to put our whole complex industrial system under bureaucratic control. They tried not only to fix minimum wages but also to regulate all wages except those in the very highest brackets.

But the bill now reported by the House Labor Committee leaves out the bureaucracy, the objectionable delegations of power, the boards of exceptions, the seizure of factory records, the policing of factory premises.

It simply defines oppressive child labor and substandard labor conditions and prohibits them in industries competing in interstate commerce. It proposes:

To forbid employment of children under 16, and to regulate employment of children between 16 and 18 in hazardous occupations.

To prohibit employment at less than 25 cents an hour the first year, 30 cents the second, 35 the third, and 40 cents thereafter.

To prohibit employment for more than 44 hours a week the first year, 42 the second, and 40 thereafter.

To provide for enforcement through the Federal courts.

Debate may reveal the wisdom of making some modifications. But it seems to us the House Labor Committee has done a good job of law writing. Some employers will argue, for instance, that the minimum pay scale rises too sharply from $11 a week the first year to $12.60 the second, $14 the third, and $16 thereafter. Our curbstone judgment would be that an employer, selling goods in the national market, who cannot start now to pay at least $11 a week and who cannot boost that rate to at least $16 at the end of 3 years had better get out of business. Certainly it would be better for the country that such an employer should be driven out of business than that his sweatshop competition should ruin those who try to maintain more decent wages.

It will be argued, also, that differentials should permit lower wages in certain parts of the country and in smaller communities. Again speaking from the curbstone, it strikes us that $11 or even $16 a week will provide no more than a bare subsistence living standard, regardless of how warm the sun shines in any climate or how low the house rentals are.

Those who plead for differentials do have, we dare say, a valid contention in the matter of discriminatory freight rates. But is it fair to offset freight differentials with wage differentials taken out of the hides of the lowest-paid workers? Better adjust freight costs by direct action. The Interstate Commerce Commission was created for just such purposes.

The A. F. of L. and the C. I. O. have united in support of this bill, and that is encouraging. We believe the bill should be brought out on the floor of Congress, amended if and as necessary, and passed this session.

For there is much in what the House Labor Committee says—that the new depression has brought "the inevitable wage cuts which the great mass of American businessmen so deplore but are powerless to prevent," and that "the Federal Government cannot by inaction permit the channels of commerce to be used to set this spiral of deflation in motion * * * used to spread suffering and destitution."

[From the Charleston (W. Va.) Gazette of May 9, 1938]

WAGE-HOUR BILL

There are certain factors entering into the wage-hour question that, we believe, are not generally discussed when this subject is brought up.

In the first place, the hottest opposition comes from the South where certain industrial leaders—mistakenly, we believe—are attempting to attract industry with the promise of cheap wages and living conditions.

As far as living conditions go, the cost of them in the southern cities is just about the same as in the other cities of the Nation.

But what the southern industrialists are doing by promising cheap wages is to furnish northern employers with a club to hold over the heads of their employees.

The South is due her fair share of industrial development, but it would be a national calamity to have the South seriously imperil the industrial status of the great New England States.

This is a matter of national concern.

The South developed one economic system which was based upon a fallacious principle—slavery.

It is now proposed to try to build another one on cheap wages.

We state without fear of contradiction that no lasting prosperity, no real sound economic system can be built upon the foundation of low wages.

To restrict sharply the wages of those who are your customers is silly on the face of it.

Cheap wages never have brought real prosperity and they never will.

Southern Congressmen may be heeding the voices of a few wealthy industrialists in their section in opposing the wage-hour principle.

Actually they are doing their part of the country a serious disservice.

If you want an example close at hand look at Charleston and the Great Kanawha Valley.

Why has this section always been prosperous and why has it always been going forward?

The answer is that, contrasted with other parts of the State, this valley has been a region of good wages.

Everyone has a little of the prosperity to pass around.

You cannot build a sound prosperity any other way.

Wage and Hour Law

EXTENSION OF REMARKS

OF

HON. THOMAS C. HENNINGS, JR.

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 24, 1938

EDITORIAL IN THE ST. LOUIS POST-DISPATCH

Mr. HENNINGS. Mr. Speaker, much has been said and written upon the wage and hour measure. As a resident of St. Louis and the elected Representative of thousands of our workers, I believe the following editorial from that great metropolitan newspaper, the St. Louis Post-Dispatch, is particularly appropriate and cogent. I am, therefore, calling it to the attention of the membership of the United States House of Representatives, believing that it is one of the most forceful presentations of this subject I have seen.

FOR A FEDERAL WAGE AND HOUR LAW

Congress has the opportunity at this session to pass a measure—a simple wage and hour law—that should prove of direct and tangible benefit to the underprivileged.

The measure would not be a panacea; it would go only a short way toward curing the inequities in our distribution of wealth in the United States, but it would help.

With unemployment ravaging the country like a plague, with wages falling despite the efforts of the great majority of employers to keep them up, it is the right of the Federal Government to do what it can to prevent a spiral of deflation that might, as a committee of Congress has recently stated, "threaten the foundations of the Government itself." That is not only the right of the Federal Government; it is the plain duty of the Government.

The economic slump which began last fall has widened and deepened. No longer can it be called a "recession." It is a new depression of the most virulent kind. It confronts the President and Congress with a new emergency.

New needs demand new courses of action. This fact has been recognized by the Supreme Court of the United States. In the decision a year ago in which the Court reversed itself on the subject of State minimum-wage laws for women and children, Chief Justice Hughes said:

"We may take judicial notice of the unparalleled demands for relief which arose during the recent period of depression and still continue to an alarming extent. * * * It is unnecessary to cite official statistics to establish what is of common knowledge through the length and breadth of the land. * * * The community is not bound to provide what is in effect a subsidy for unconscionable employers. The community may direct its lawmaking power to correct the abuse which springs from their selfish disregard of the public interest."

Chief Justice Hughes was speaking of a State law. We quote his words only to support our thesis that changed conditions demand new forms of governmental action; that neither the law nor our social thinking can be static; that a democratic government, as is ours, must move with the times or be overwhelmed. It will remain for the Supreme Court to say whether national minimum-wage and maximum-hour standards can be established immediately by simple legislative enactment, or only after amendment of the Constitution.

Recent decisions of the Court, notably those in the Wagner Act cases, raise the strong presumption that a well-thought-out law along these lines, with the area of administrative discretion properly defined, would be upheld.

We believe that such a law should be passed, and passed at this session of Congress.

The minimum-wage and maximum-hour issue has been sharpened and simplified since the original bill—the Black-Connery bill—sought to bring virtually the whole wage structure of the

country under bureaucratic control. That was a dangerous bill, and the Post-Dispatch so stated. Administrative discretion under it was such that the principle of minimum wages and maximum hours would have been constantly exposed to political manipulation in favor of special industries and special sections.

The issue centers now around the Norton bill, which the House, in response to a petition signed by a majority of its Members, will take up tomorrow. The Norton bill represents the simplest possible form of attack on the problem of ending starvation wages and the unfair competition which they breed. It proposes, for one thing, to forbid child labor in industries entering into interstate commerce—and certainly these child-labor provisions, in any case, ought to be adopted.

As to wages, it proposes in such industries a floor of 25 cents an hour for the first year, rising by 5-cent increases to 40 cents at the start of the fourth year. It proposes to limit the hours of work, in the affected industries, to 44 a week the first year, 42 the second year, and 40 thereafter. Thus, the minimum wage the first year would be $11 a week, the second year $12.60, the third year $14, and the fourth year and thereafter, $16. In terms of an annual wage, the pay would rise from a minimum of only $572 for the first year—assuming a full 52 weeks' employment—to $832 for the fourth. Administration would rest not with a five-man board, as provided in the Black-Connery bill, but with the Secretary of Labor.

What is proposed, in essence, is that Congress shall declare it to be the public policy of the Nation that workers in industries affecting interstate commerce shall not be required to work for less than a subsistence wage. Only the levels of employment at the very bottom would be affected. The Department of Labor estimates that the Norton bill would eventually shorten the hours of about 2,500,000 workers and increase the pay of about 850,000. At the beginning, the wages of only about 600,000 would be increased.

The issue in Congress—for there is clearly a large majority in favor of the minimum-wage principle—boils down to the question of whether there should be differentials in favor of southern industry. The Post-Dispatch strongly favors a flat national wage and hour standard as contemplated by the Norton bill. We take this position after a sympathetic consideration of the arguments on which the South bases its case for differentials.

The southern case against wage-hour regulation in general and against a flat-rate wage minimum in particular rests chiefly on these contentions:

(1) The proposal violates the historic political philosophy of the South.

(2) It seeks to achieve a national economic parity for which the South, being a region of relatively recent industrial development, is not yet ready. A sounder policy would be to permit this parity to be approached through natural development.

(3) It does not take into account the fact that there are climatic and other differences within the Nation which are reflected in living and construction costs and the relative efficiency of labor.

(4) It does not make due allowance for the freight-rate differential which puts the South at a disadvantage when it comes with its products into the populous market of the "official freight territory"—roughly the area north of the Ohio and the Potomac, and east of the Mississippi.

(5) Instead of raising the purchasing power of the South, it would increase unemployment through the closing of industries which would not be able to pay their employees the minimum wage.

To take up the arguments in order: It must be recognized that the first one—that of States' rights—is an ideal which is conditioned by the increasingly complex world in which we live. There are overwhelming national problems which cannot be solved by State action alone. It has become increasingly clear that the States, competing for industries as they are, cannot be counted upon to cope effectively with the wage-hour problem.

That natural development has raised the level of living in the South is not to be denied. But there is good reason to believe that this upward movement would be accelerated by Federal minimum-wage and maximum-hour legislation—good reason to believe it because many persons in the South, including a number of important industrialists, themselves believe it. In any case, the textile manufacturing industry of the South goes back a half century and more, and yet the Southern States have been extremely slow in the enactment of laws regulating working conditions.

Arkansas and Kentucky are the only Southern States with minimum-wage laws, and these apply only to women and minors. South Carolina recently blazed a trail with the establishment of a 40-hour week for all textile workers, but as a protection against other States which may be less socially inclined, it has provided that this statute shall cease to operate in 1939 if Congress has not by then enacted similar legislation. The only hope for general minimum wage-maximum hour legislation in the South in the near future—or, for that matter, in the North—is through Federal action.

Of course there are climatic differences between the North and the South. Houses do not need to be built to withstand winter cold in the South; northerners require heavier clothing than southerners, and so on. But these differences in living costs have been exaggerated by those who argue for a wage differential. The Bureau of Labor Statistics has shown that the cost of food for a four-person manual worker's family at maintenance level last December was more in some southern cities than in some northern cities. The cost of food for such a family in Jacksonville, Fla., was $492; this was second only to New York City's $506. This same table shows that food costs more in Baltimore than in Chicago, more in Birmingham than in Cleveland, more in Richmond than in Seattle. If the efficiency of some southern labor is lower than that of northern labor in general, southern labor in some industries is now regarded as highly efficient, as for example in the manufacture of coarse textiles such as bagging.

The South's complaint that it is discriminated against by freight-rate differentials is wholly justified. With freight density as heavy as it is in the South today, the old argument for what is in effect a northern tariff against the products of the South no longer holds good. It is about as far from the textile mills of North Carolina to Chicago as it is from the textile mills of Rhode Island. Yet transportation from the North Carolina mills costs $1.39 for every $1 from the Rhode Island mills.

Freight-rate differentials, however, ought to be dealt with on their own merits. They ought not to be offset with wage differentials at the expense of the lowest-paid workers. Fortunately, correction of the rate injustice is now a possibility. The South has recently stated its case with a wealth of persuasive statistics to a member of the Interstate Commerce Commission at a hearing in Birmingham.

The freight-rate discrimination against the South should be wiped out at the earliest possible moment.

To the argument that a flat minimum wage would close many southern industries and thereby add more unemployment to the troubles of the South, the Post-Dispatch has given special attention. Investigation has shown that the textile and steel industries generally are paying minimums between 25 and 40 cents; that businesses paying below 25 cents are those which rely on substandard labor conditions—long hours and low wages—to offset obsolete methods and machinery. Seemingly, the industry that would suffer most severely at the outset is the cutting and finishing of the lower grades of lumber.

What the South needs above all else is a larger share in the profits of its industry. The return on northern capital invested in the South leaves the South in the form of dividends. As wages are raised, more and more of this money stays in the South to contribute to local wealth—to the development of business, education, and the public services. Wage and hour legislation will keep more of this wealth in the South, will tend to protect industrial wages in the South from the pressure of an impoverished agriculture, will build up the purchasing power of the South, will make it more of a market for its own products. The South has nothing to gain in the long run from a "freezing" of present conditions through wage differentials.

The precise details of the legislation are for Congress to write. It may be that in the congressional discussion the 40-cent minimum will be found to come too quickly under the House bill—that some compromise on that point will prove desirable. But the necessity for this general form of attack on a serious economic malady is plain.

Finally, a blunt question suggests itself in reply to the argument that legislation of this character would deny to industry the fair profit to which it is entitled. The question is: Can any profit be deemed fair which is dependent on the payment of a starvation wage? Or, to put it another way, does that industry deserve to survive which can only survive by the payment of a starvation wage?

We quote again from Chief Justice Hughes:

"The exploitation of a class of workers who are in an unequal position with respect to bargaining power and are thus relatively defenseless against the denial of a living wage is not only detrimental to their health and well-being but casts a direct burden for their support upon the community. What these workers lose in wages the taxpayers are called upon to pay. The bare cost of living must be met."

The duty of Congress is plain.

It owes a duty to the fair employer.

It owes a duty to the worker at the bottom of the economic scale who is outside the fold of the protection given more fortunate workers by their labor unions.

It owes a duty to the political and economic system under which we live, for only by vigilance and boldness in correcting manifest evils can that system be made secure.

Federal Prison System

EXTENSION OF REMARKS

OF

HON. GEORGE McGILL

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Wednesday, May 25 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. HOMER S. CUMMINGS, MAY 23, 1938

Mr. McGILL. Mr. President, I ask unanimous consent to have incorporated in the Appendix of the RECORD a very able

and informative address delivered by the Honorable Homer S. Cummings, Attorney General of the United States, on the National Radio Forum program broadcast by the National Broadcasting Co. over its Nation-wide network. The address was delivered on May 23 of this year.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THEY ALL COME OUT!

I have frequently wondered what varying degrees of amazement might be manifested by some of my early predecessors in the office of Attorney General were they to return today and, in a tour of the Department of Justice, observe the diversified duties of the Government's chief law officer in the year 1938. There would be, I am confident, many expressions of genuine surprise at the remarkable expansion that had taken place. For instance they could not fail to be impressed by the fact that the Attorney General has under his supervision 22 penal and correctional institutions, ranging from reformatories, mountain camps, and hospitals, to the prison in San Francisco Harbor known as Alcatraz.

The Federal prison system is today the largest coordinated prison system in the world. Its story has never been fully told. Prison stories generally remain untold. From the beginning of institutional treatment the public psychology has dictated that what transpires behind prison walls shall remain a mystery. There has been a definite demand that those who have transgressed be forgotten. "Don't throw their problems back at us", they say, "we have builded a prison wall to keep them in. Keep them in. They are men apart. Keep them apart."

It has only been in recent years—very recent years—that we have come to comprehend the challenge which prisons present in our culture. The awakening comes inevitably if we inquire about our prisoners. Who are they? What happens to them? The answer—I'll give it to you—they all come out. Well, at least 99 percent of them. Of the 16,000 Federal prisoners confined in our institutions last year only 79 died. Yes; they come out—back to live in your neighborhood, to walk beside you on the street, even to join your church. Their children will associate with your children, their families will be a part of your community. If men don't die in prison they must live—and die—after they leave prison. And that, my friends, is the challenge of the prison system. We cannot escape it and we simply must face it.

The institutions which come under the Federal Bureau of Prisons of the Department of Justice have been called Uncle Sam's barred cities. The people in them have one—and only one—thing in common. They have been caught, convicted, and imprisoned for some violations of the many hundreds of Federal criminal statutes. There are forgers, auto thieves, kidnapers, smugglers, murderers, bank robbers, racketeers, narcotic addicts, confidence men, and even a few of our mountain folk who neglected to comply with certain revenue requirements in the manufacture of moonshine. No two persons are alike. Some come from broken homes. Some are rich, others poor. There are the sick and the well, the morons and the geniuses. Every occupation, skill, profession, and religion is represented. They form an amorphous mass which must be broken down and analyzed before there can be intelligent treatment. Remember that, for better or worse, they all come out some day.

Classification thus becomes our first great task. Obviously 16,000 separate means of institutional treatment are out of the question. But we can make, and we have made, genuine attempts to separate the old from the young, the sick from the well, the good risks from the bad. Let me describe briefly this phase of the work.

Young offenders are placed in reformatories such as the one at Chillicothe, Ohio. Here they are educated and taught trades. Others who give evidence of an awakened sense of responsibility and who have no apparent ambition to escape are sent to our mountain camps, such as the one at Kooskia, Idaho, or the one in the Catalina Mountains of Arizona. The physical and mental defectives are sent to our hospital at Springfield, Mo. The narcotic addicts are concentrated in specially equipped institutions. While only 5 percent of our prison population is made up of women, it has been necessary to maintain a special institution for them at Alderson, W. Va. The habitual criminals are ordinarily sent to the older prisons, such as Atlanta and Leavenworth. For those with serious records of violent crime, or who are intractable in ordinary prisons, we have the institution at Alcatraz. It will be seen from this brief listing that each institution serves a separate purpose.

The most recent attempt to secure a degree of specialized treatment is represented by the measure which I recommended last week to the Congress, which would create a uniform system for dealing with immature delinquents. It provides for a uniform procedure for the trial of Federal juvenile delinquents much like the enlightened systems which have been created in many of the States since the turn of the century. This—I think you will agree with me—is a vital need. It provides also that the juvenile may be committed to the custody of the Attorney General so as to make possible the use of such State and local institutions and quasi-public homes as may appear to be suitable. Such a system would thus serve to reduce to a minimum the detention of juveniles in jails. Again we must not forget that some day these youngsters will come out.

The greatest curse of prison life is the degrading effect of idleness. Each year in the prisons of this and other countries thousands of men are going through a process of mental, spiritual, and physical disintegration. Many of the men who are in prison were unable to meet the tests that modern existence imposes. We conceive it to be our duty to see that these misfits are not returned less fit than when they enter. During the past 5 years we have developed three new prison industries and increased the number of inmates employed in industrial occupations from 1,760 to 3,230. Approximately 80 percent of our inmates are kept busy at some kind of work. The goods manufactured are made only for the use of the Federal Government and we consequently eliminate any possibility that these products will reduce the wages of industry or the standards in private enterprise. In this way we have attempted, without injury to free labor, to remove the ancient curse of idleness.

Another challenge is presented in the health of these men. We have resolved that they shall not leave our institutions with the mark of prison pallor and the handicap of a sickly body. Men can't fight their way back to respectability under such a burden. In the past 5 years we have doubled the medical staff of the Federal institutions and during this period the number of outpatient treatments increased from 385,000 to 900,000. Special research in the treatment of drug addiction has been inaugurated at two of the institutions. Why should we expend all these efforts in behalf of men who have violated our laws, when often outside prison walls persons who have led orderly lives suffer for want of such treatment? Why? Because they all come out.

Another great task which confronts us may be characterized by the phrase "hope versus despair." Prisons breed bitterness. The whole atmosphere of prison life is conducive to the production of warped minds—long prison corridors, the lock step, the monotonous shuffle of marching men, the walls, the bars, the guarded towers. It becomes our duty in these surroundings to inject some note of hope, though at times I confess it is extremely difficult. To remove bitterness, rancor, and the pervading sense of defeat is a real task, but nevertheless an essential duty which falls upon us. The fight is an unending one.

We have another obligation, however, and a primary one. That is, to see to it that the sentence of the court is fully and faithfully executed, and that men leaving the institution do not leave by the route which is commonly described by the inmates as "over the fence." When a man goes to a Federal prison he must realize that loss of liberty is the inevitable consequence of crime. Occasionally, of course, a few men escape. They are few indeed. During the last fiscal year, out of an average population of nearly 16,000 only 19 men escaped, usually from prison camps, and 18 of these were recaptured within a few hours. Shortly after I assumed the office of Attorney General I became convinced of the need in our prison system for an extra-secure institution in which might be confined offenders of a well-understood type. It was this conviction which led me to take such a personal interest in the establishment of the penitentiary at Alcatraz in 1934. We needed some place where the "end product" of our law-enforcement system could be incarcerated. We needed a place also for ingenious "escape artists," and for those who are intractable or impair discipline or seek to maintain contact with the underworld. We established such an institution. It was not only intended for the purposes named but also to improve the morale and release the tension in the prisons in which this type of prisoners had previously been confined. Firm discipline and minimum privileges without resort to brutality, these characterize what has picturesquely been termed "The Rock." The warden at Alcatraz, Mr. James A. Johnston, is possessed of intelligence, experience, and ingenuity. I can assure you that it would be difficult to place the institution in more competent hands.

There are today upward of 150,000 men and women in all of our State and Federal prisons and reformatories. This does not include thousands of individuals confined in city and county jails. A little more than 18,000 of these, including inmates in narcotic farms, are in Federal institutions. In addition, about 4,900 are serving parts of their sentences on parole or on conditional release. To these must be added about 30,000 men and women who have been placed upon probation by Federal judges and who are under the supervision of Federal probation officers. This makes a total of more than 50,000 Federal offenders who are today under the supervision of the Department of Justice. There is still one other group consisting of 5,000 Federal offenders who are boarded out in local city and county jails awaiting sentence or serving short sentences. To insure proper housing for this group, it has been necessary for us rigidly to inspect all of the jails in this country which might be used by the Federal Government.

Out of a total of more than 3,000 county jails in this country the Bureau of Prisons has approved less than 700. These inspections have served a highly useful purpose by drawing public attention to those that are inadequately equipped or poorly operated. The conditions which exist in many of them are deplorable. Such institutions frequently are virtual schools of crime. Ofttimes there is no attempt at segregation. Discipline is lax and the sanitary conditions are literally disgusting. Graft, corruption, and brutality are not uncommon. Partly because of these conditions and also to serve as a demonstration of what standards should prevail in the operation of a modern jail we have provided for three new regional institutions at Sandstone, Minn.; Tallahassee, Fla., and Terminal Island, Calif. The California institution will be formally opened within the next 2 weeks. The other two institutions are almost ready for occupancy. They will also serve to take care of the growing number of Federal prisoners which are crowding our institutions. Some of our institutions are greatly

overcrowded. We hope to meet this increasing load by the construction of additional facilities as soon as funds become available.

While I have necessarily confined myself to the problems of the Federal prison system, I would be remiss if I did not refer to the accomplishments of the Prison Industries Reorganization Administration which was created by President Roosevelt 3 years ago to assist the States, upon their request, in planning better penal methods. The services of this organization have been availed of by 22 States and the District of Columbia. Mention should also be made of the large sums in grants and loans through the P. W. A. and the W. P. A. for new correctional facilities in various States and municipalities throughout the country.

I believe you will gather from the brief picture which I have presented this evening something of the staggering administrative burden which is involved in the guarding, feeding, employing, educating, and supervising of so vast an army. Almost 25 percent of the funds expended by the Department of Justice goes to this work. Nearly 2,000 of our employees devote their full time to prison work. The Director of the Bureau of Prisons is Mr. James V. Bennett, an able, industrious, humane, and farsighted public servant.

I have reminded you, perhaps too often, that prisoners must some day leave our institutions. I have occasionally been asked why this is necessarily so. Why should not the great mass of offenders be kept behind the bars for life or for long terms? The answer is twofold. First, for many of our Federal offenses, it would be unjust to impose long prison terms. In the second place, there are practical difficulties. The average time of confinement of an inmate of a Federal prison is about 20 months. If this confinement period were extended to 40 months we would have to erect twice as many institutions at a staggering cost. And if this were done it would be very questionable whether we had made any particular contribution to the solution of our problem because after the 40-month period had been served the prisoner would still come out.

But we are presented with a real problem when it comes to the method of release. The basic question is this—shall a man leave prison scot free or shall he come out under supervision? We must not forget that he has to undergo an adjustment process. If people were to trace the footsteps of the average man who leaves prison today and goes in search of employment in an effort to fight his way back they would comprehend some of the difficulties which the prisoner faces in making this adjustment.

A well-regulated parole system whereby deserving prisoners may be permitted to leave their cells before the expiration of their terms, get permanent work outside of the jail under the supervision of honest parole officers, has its place in any scientific program of crime prevention. Twenty-five percent of those who leave the Federal institutions today go out under parole. The small percentage of those who fail is a tribute to the intelligent selection by the Federal Parole Board and the conscientious work of our Federal parole supervisors. The Department of Justice rejects the idea that parole should be used for clemency, as an opportunity to review the sentence meted out by the trial judge, or for any purpose except to provide a scientific and helpful means of rehabilitating those cases in which reformation is possible and where law-abiding conduct may reasonably be anticipated. When parole systems do not do this they cannot rightfully be called parole. Release without supervision is not parole. Our position is simply this—we believe in parole and constantly seek to improve its administration.

It has been necessary in these remarks to confine myself to certain fundamental problems which face the Department of Justice in the administration of its prison system. I have been forced to eliminate from this discussion many interesting and, indeed, vital phases of the work. I might summarize with this suggestion, that in the administration of our penal institutions we have endeavored to make them places in which there is hope rather than despair, work rather than idleness, health rather than disease. We feel that this is a protective policy to which all realists willingly subscribe, for we are constantly faced with the one undeniable fact that some day these men will all come out.

The Negro Vote

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, May 25 (legislative day of Wednesday, April 20), 1938

KELLY MILLER INTERVIEWS DR. W. J. THOMPKINS, RECORDER OF DEEDS, ON THE POLITICAL SITUATION

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an interview by Kelly Miller with Dr. W. J. Thompkins, Recorder of Deeds of the District of Columbia, on the political situation, published in the Washington Tribune, Saturday, May 14, 1938.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

Dr. Thompkins, as the highest ranking appointive Negro Democratic official under the Roosevelt administration, your judgment as to the Negro vote in the coming congressional and Presidential elections is naturally of Nation-wide interest.

Question. Do you think that the remarkable drift vote to Democratic ranks during the last three national elections will be permanent?

Answer. Yes. For 64 years the Negroes perpetuated the Republican Party in office. This was conclusively shown by the lily-white organization started by Taft, down through the grand finale of the Hoover administration, which divorced the bulk of the Negroes from the Republican Party. Recent elections in such cities as Kansas City, where the Negro wards showed a much larger Democratic vote proportionately than the white wards, give evidence that peace and contentment in the Democratic Party are on the upward trend with assured permanency.

Question. Do you consider the treatment which the race has received at the hands of the Democratic administration justifies its continued support of that party?

Answer. Emphatically, yes.

Question. What, in your judgment, has the Republican Party done during the last 5 years, or is likely to do, to offset the benefits which the race has received from the New Deal?

Answer. Nothing has been done during the past 5 years of the Republican administration, and nothing can possibly be expected. The New Deal has meant more and has done more from an economic standpoint than has ever been done by all previous administrations.

Question. Do you consider that the New Deal under Franklin D. Roosevelt holds out greater promise to the Negro than the old deal under Taft, Harding, and Hoover?

Answer. Yes. Beginning with the Taft administration, through the Harding and with the tragic ending of the Hoover regime, all of these administrations showed the descendency or the decline of the Negroes in Republican politics. These administrations disqualified the Negro and annihilated him, politically and economically. The New Deal under Franklin D. Roosevelt has given him new hope and a representative place in every department of the Government. Never before in the history of our Nation have Negro scientists, architects, engineers, and educators been given even the semblance of an opportunity as has been given scores of the members of the race. In fact, the Taft, Harding, and Hoover administrations offered no promise or hope to our race. Rather did they come to the horrible end—extermination—the deluge.

Question. How do you appraise the economic and industrial benefits which the New Deal has already brought and is calculated to bring to the Negro?

Answer. More than 15,000 Negroes in the C. C. C. camps have been taught to read and write. Thousands of Negroes have been employed in scientific and industrial projects throughout the country, to the point of developing themselves into the classes of skilled tradesmen and artisans. This opportunity, which has come for the first time, has lifted them to a higher efficiency, has enabled them to meet the economic and industrial requirements of the present better, and has strengthened them to meet competition in a bigger way in the future, whereby they are enjoying more freedom and more representation in the councils of labor.

Question. Do you believe that the political and civil rights of the Negro in the South are more likely to be promoted by the pacificatory policy of Franklin D. Roosevelt than by the frontal attack on the fourteenth and fifteenth amendments which the Republican Party once attempted and afterward abandoned?

Answer. Yes. As evidence, we have several of the Southern States encouraging Negroes to assume and maintain their political and civil responsibilities in the councils of democracy. This policy of the President has been far-reaching, bursting even the confines of the Democratic Party, brushing aside old southern traditions with astounding amazement. Only recently Negro athletes were invited to Texas and competed with whites in Dallas. Negro pictures and classics are appearing in southern newspapers. Texas, Alabama, Georgia, North Carolina, and Virginia, as well as Oklahoma, recently competed with Negro athletes in the Pennsylvania, Iowa, and Kansas relays. In every phase of our national life Roosevelt's policies have lifted the race higher.

Question. Is the continued ascendency of the Democrat in national politics calculated to affect adversely the status of the Negro race as a whole?

Answer. No. It is calculated to raise the status of the Negro race as a whole. The Negro must profit, however, by the mistakes of this Negro Republican leadership. He must rise to the occasion of assuming and maintaining his due social position. He must practice loyalty, unity, and impress upon the race the necessity of sharing the responsibilities of the party as well as the assets. He must be taught to pay poll tax and register. He must be taught that which he has never been taught by the Republican Negro leadership—that citizenship carries with it the responsibility of financial support, effective organization and activities just as strong on the "givers' end," yes, stronger than on the "receivers' end." To achieve, you must serve. To receive, you must give.

With these principles advocated and practiced, there will be no adverse status.

Question. What is your opinion concerning the relative attitude of the old-line bourbon Democrats of the South and the new issue of lily-white Republicans of that section?

Answer. The old-line bourbon Democrats of the South live in the realm of their traditions and retain their traditional pride. However, back of this, they like the Negroes and long for them to be one of them, but they cannot rise to the occasion to ask him. Thus, they ask no grounds and give none to those who have opposed them for 64 years. The lily-white Republicans of the South are the selfish offsprings of the old "carpet baggers"—the dregs of the bourbons—who have no traditions, no special respect for the South as is, nor for the North; but are rather opportunists and "wolves in sheep's clothing" who want the support of the Negroes in the party, but are not willing nor have they any intention of sharing. They have no principles and little respect. They have failed in their own ranks, and are constantly hoping to share the "spoils" alone when the opposite party is in power. The lily-whites are the Negroes' most despicable opponents, far worse than the most rabid bourbons. They will ask and use you and then destroy you, while the bourbons ask no grounds and give no grounds.

Question. What effect will the lamentable fate of the Wagner-Van Nuys antilynching bill have upon the Negro vote in the fall election?

Answer. None. For 25 years the Republican Party "bluffed" about the Dyer antilynching bill, and it was never brought to discussion in the Senate, notwithstanding the Republicans had the House, the Senate, and the Supreme Court for more than a half century. At the first opportunity where voting cloture would have ultimately brought the antilynching bill to a successful end, the Republicans declined to vote because they knew that the Democrats would have been given credit for the passage of the bill. In the beginning, many of the southern Senators did not think that the antilynching bill would have failed, and as filibuster was approaching its end, Senator BORAH'S speech did more to rejuvenate the filibuster than anything else; and he is, perhaps, the person most responsible for the defeat of the bill. The status is almost a "stand-off," with the exception that the Democratic Party made a more persistent effort for its passage than was manifested in any other session of Congress, when the Republicans were overwhelmingly in the majority. When the crucial test came, the Republicans failed.

Question. Has there been a drift of Negro votes away from Roosevelt during the last 6 months?

Answer. No. In recent elections the Negroes cast a larger percentage of votes than ever before. The vote registered recently in the Democratic campaign in Kansas City showed in the four Negro wards that the vote was larger for the Democratic ticket than it was in 1936. Ninety-eight percent of this vote was cast for the Democratic ticket. T. J. Pendergast, Democratic leader in Kansas City, told me that the Negroes made a far better showing than the whites and certainly the largest vote they ever cast for the Democratic ticket.

Governmental Spending

EXTENSION OF REMARKS

OF

HON. WARREN R. AUSTIN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Wednesday, May 25 (legislative day of Wednesday, April 20), 1938

EDITORIAL FROM THE RANDOLPH (VT.) HERALD, MAY 19, 1938

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial by Luther B. Johnson, editor of the Randolph Herald, Randolph, Vt., entitled "An Expensive 'Pump.'" It bears upon the pending bill and is, therefore, of public interest.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Randolph (Vt.) Herald, May 19, 1938]

AN EXPENSIVE PUMP

Something like $4,500,000,000, if we recall all the figures, including ciphers (which in this case mean a great deal) is to be made available by the present Congress for relief and "priming the pump." This is a tremendous sum of money. If a man were to stack up silver dollars out of a pile representing such an amount at the rate of one a second it would take him over 143 years to use up the lot. Four and a half billions, if raised at once on a per capita tax, would mean a levy of about $35 on each man, woman, and child in the country—something that the ordinary taxpayer, with an average family of five, would mind quite a bit.

That's the raising end of it. Now let's turn to the spending end. If, as reported, there are at present something like 12,000,000 wage earners out of work, the unemployed must represent, through their dependents, something like 40,000,000 mouths to feed, backs to clothe, heads to shelter, etc. If the entire four and a half billions found its way directly to those in need—which it won't, by any means—it would bring each of the 40,000,000 exactly $112.50, or an average family about $500.

To be sure this is a considerable sum. But it does not go far toward supporting such a family in the industrial areas where living costs are high. It is less than one-third of the average earnings for 1 year of those regularly employed. It would assure existence, perhaps, on a very low scale, but that is all. There could be no real or lasting stimulation to business from such an expenditure, small in comparison with the normal earnings of the unemployed.

What would these amount to? Suppose that 10,000,000 of the 12,000,000 out of work could secure steady employment at an average wage of 40 cents an hour only and a 40-hour week. That would yield returns of $8,000,000,000 a year, an average of $800, or nearly twice as much as the Government dole, if spread evenly to its full proportions. And it would mean no drain of taxation, present or in time to come—no increase of the national debt, either.

In view of such a comparison, is not the real problem of the present to so shape conditions that business and industry will themselves become active in a normal way and take up the slack in unemployment? This is the natural adjustment and one that has generally prevailed in this country except during temporary periods of stress. It is the condition that must be restored if prosperity is to come again. We cannot go along indefinitely as we are going at present—business in the doldrums, profits meager, managements skimping on production costs, including the vital factor of wages and salaries, and unemployment so widespread and so continuous that every year or two the Federal Government must raise several billion dollars somehow to keep the idle from starving or becoming a threat to Government itself. There must come a time when the taxpaying public will revolt at the heavy and endless drain upon it, and when the credit of the Nation will be so impaired that money can no longer be borrowed by it for any purpose.

The real question is how to set the wheels of trade, of industry, of agriculture, of business generally, into normal running again. This will happen only when they can operate in full volume at a reasonable profit, and with reasonable assurance that such conditions will continue. Capital must have its return or it cannot be enlisted. The Government can offer terms ever so reasonable to loan money to business, or to guarantee loans to business by banks, with no response so long as it appears that even then the business is going to continue at a loss. It is not working capital that harassed business needs—that would come easy enough if business could only make a showing of returns sufficient to warrant loans. Until then offers of money on which to operate are but mockery. The money would go into rat holes and soon disappear. The sine qua non to successful operation of business is a scale of reasonable profits. Priming the pump by increasing the liabilities of employing industry through Federal loans will be of no real help so long as there is not a margin of financial return in its operation.

As it stands, the Federal Government is an ogre to business, especially to the leading industries of the country, but in a lesser measure to every employer in the land. It hampers him with regulations, restrictions, and punitive laws. It taxes him for giving employment to others. It prevents the free act of contract in respect to labor. It sides actively with certain radical labor organizations which seek in effect to take over control of industry and run it for their own benefit. It has established quasi-judicial boards which the courts have had to curb because they have been so manifestly biased against employing industry. It has put the Government into direct competition with utilities. It has struck directly at legitimate surpluses held to tide over hard times and to finance expansion when warranted. It harbors in high places avowed enemies of the capitalistic system who are covertly working to bring about its downfall. In a word, the Federal Government has so hampered business that it cannot proceed normally and so frightened it as to the future that it has no heart to continue except in the most desultory way.

Prosperity, with natural reemployment, can never come under present conditions. Business must be encouraged, not discouraged. The trouble is psychological as well as actual. Capital is scared to death and has taken to hiding. It has no assurance that it will not be pursued further. Business shares the same dread. It is "passing the cemetery at night" all the time now. In the past 5 or 6 years it has seen aplenty to keep it alarmed. It realizes that Washington's program of reform does not stop with correcting abuses, but is a settled determination to throttle everything that seems prosperous above the average in the prosecution of a general leveling process for the destruction of the principle of profit.

How easily all this could be changed. If the administration were to cease its interminable attacks on business, permitting the Department of Justice and other agencies to pursue such malefactors and prosecute such violations of law as their duty requires; if it were to give industry a fair deal in its relations with labor; if it were to recognize in a formal way that business has a standing before it that should and will receive sympathetic consideration; that no effort to curb profits fairly and righteously earned will be made, promoted, or permitted by it, and if the administration by its course would live up to such a declaration for one short year, the pump would need no more priming; the Nation would take care of itself.

Wage and Hour Bill

EXTENSION OF REMARKS
OF
HON. CARL E. MAPES
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 25, 1938

EDITORIAL FROM THE GRAND RAPIDS (MICH.) PRESS, MAY 23, 1938

Mr. MAPES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the Grand Rapids Press, Grand Rapids, Mich., of May 23, 1938:

WAGE-HOUR SHOWDOWN

The labor standards bill, popularly known as the wage and hour measure, is on the floor of the House of Representatives this week, with its proponents prepared to hold Congress in session until it is passed.

Briefly the proposal now before the House calls for a minimum wage starting at 25 cents an hour and rising by 5-cent stages to a minimum of 40 cents. It calls for similar arrival at a maximum total of 40 hours a week, reduced from 44.

Offhand it might appear that these objectives were worthy of support. But to those who will give the matter thought it will be evident that this formula contains the seeds of industrial indigestion that would harm more than it would help labor and could do untold damage to the industrial structure.

The outstanding objection is that the bill provides no differentials, and although attempts have been made to brand this as a sectional issue, in reality it is as vital to Michigan as it is to South Carolina, as important to Illinois as to Mississippi. While it is true that the differences in economic set-up, living costs, etc., should be taken into consideration as among the various sections of the country, there are differentials to be considered also in any single section. The New York State minimum wage law, for example, recognizes this in setting a minimum of $14 a week for women engaged in the laundry industry in the metropolitan area. In cities outside that zone, with a population of more than 18,000, the minimum is $12.50, and in places of less than 18,000 population the minimum hourly rate is 30 cents, but with no weekly minimum.

These distinctions are wholly ignored in the Federal bill. Therefore if the national measure is enacted, it will create an immediate advantage for big-city industries over small-town business engaged in interstate commerce.

Another important factor which many legislators easily overlook is the effect this measure would have on employment. Viewing the situation realistically, it must be recognized that if no one is to be employed for less than $16 a week, then no one who is not considered by employers to be worth that amount will be employed. As one commentator says: "We cannot make a man or a woman worth a certain wage by declaring that he or she shall not be offered or shall not accept less. We deprive such persons of whatever they could have earned and we deprive the country of whatever services or goods they could have produced."

Obviously the result of this situation would be a swelling of the ranks of the unemployed. If the bill is to raise the wage of some of the least competent and thus the lowest paid groups, it will also take from those who are already earning more than the minimums. This was demonstrated under the N. R. A. with such force that it is strange to see so many Congressmen now ignoring that lesson.

From the consumer standpoint this legislation will be an almost certain lever to increase prices. In addition, the penalties of the proposal are in line with the punitive provisions of so many recent enactments that seek to throw the burden of proof on the accused. Goods made by workers in violation of the act, for instance, are to be considered unlawfully in the hands of purchasers, no matter how innocent the purchaser may be of knowledge of the violation.

Final condemnation of this measure may be based on its background—or lack of one. For it was drawn up without first determining how many persons would be affected or in what industries or in what sections. No provision is made for impartial study of conditions. Sole authority is vested in one agency and contrary to the policy of the better State minimum-wage laws, it grants no impartial hearing to employer and employee alike and to the public in general. It is a fiat legislation in its worst form.

In view of these objections—plus many other valid protests to which we cannot give space now—is there any reason that the congressional majority should be allowed to be stampeded into action? Is there not sufficient reason for a minority to take a determined stand against it?

It did not appear a short time ago that the danger of passage was great. But the pressure for enactment has become so persistent on the part of administration circles that it has emerged as a real menace, a menace to industry, particularly at this time, and to labor as well.

Minimum wage and hour legislation may be considered inevitable. But if we must have it, then let it be the result of careful studies which will present an equitable and feasible program. We have had enough of pressure legislation.

Government Competition With Private Enterprise—Does the President Really Want Recovery?

EXTENSION OF REMARKS
OF
HON. ROBERT L. BACON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 25, 1938

AN ARTICLE FROM THE NEW YORK TIMES

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article from the New York Times that discusses Government competition with private enterprises in connection with the spending bill now pending in the Senate. The question is raised as to whether the President really wants recovery or supports a free-spending policy for the purposes of perpetuating his group in office.

THE POLITICAL STAKE INVOLVED IN SECTION 201

WASHINGTON, May 24.—The administration is using every ounce of pressure it possesses to retain section 201 of the pump-priming bill. This means the administration is employing all its political strength to scrap with one hand the utilities settlement it is writing with the other. This means also that the Government is determined to use money forcibly collected from investors in utilities securities to depress those securities and the value of many insurance policies held by these investors.

The Senate Appropriations Committee, acting constructively and on the plain common sense of the situation, amended the pump-priming bill to provide that none of the relief money may be used by P. W. A. to make loans or grants for the construction of income-earning public power plants to compete with private ones. This immunity was restricted to those private plants which operate under governmental rate regulation. If business recovery is to come, the private utilities must be permitted to attract new money to spend with the heavy industries. If the Government is to continue to make loans and grants for power-plant building purposes the utilities cannot refinance.

This being a self-demonstrating theorem, the Senate Appropriations Committee applied it, as Representative BACON vainly asked the House to do. But no sooner had the committee's adoption of the Hale amendment, to section 201 become known than the President bestirred himself to check the action in the Senate. So sensible and logical is the provision that the first attempt decided upon by the administration was a modification. This was Senator BARKLEY's proposal, after he had conferred with the President, that the limitation on P. W. A. should not apply in instances where a public community had offered a fair price for an existing plant.

BACK TO SECTION 201

But even though this amendment proposed that the determinator of what is a fair price should be the wholly P. W. A.-minded, utility-baiting Secretary Ickes, it was immediately resisted by the private-utility abolitionists led by Senator NORRIS. After a canvass of the Senate they announced their intention to try to vote down both the Barkley and Hale amendments. This would leave section 201 as it was formulated by the administration and passed by the House. This would make a joke of the efforts of the S. E. C., of Commissioner Hanes, and of the Groesbeck committee to attack the recovery problem on the utilities-Government salient.

But the administration apparently is determined to make the joke complete. Half a joke only would be left under the Barkley amendment. It is fair to conclude that the administration really wants what Senator NORRIS proposes, since the bill was written under White House inspiration, and the House stood by section 201 at the behest of the President's leaders. Citizens may be sure that if the Norris move is successful it will be far more pleasing to the President than if he is obliged to take the half-hitch of the Barkley amendment, which the legislative conference yesterday thought he would have to do.

It is a remarkable situation, and one that will spread the belief so many already hold that the President really does not want recovery. Here is a plain and logical path to recovery through the Hale amendment and partly even through the proposed Barkley substitute. Only those who are willing to postpone and imperil recovery so that they first may strike down the private power business in the service of their ideology have been vocal against the restriction on section 201. The President's initiative against the Hale amendment, and his undoubted encouragement of Mr. NORRIS, align him with this group through circumstantial evidence.

TO PERPETUATE CONTROL?

If the general public, after it fully understands the issue here involved, lends a more attentive ear to those who assert that the President, in disregard of recovery, supports a free spending policy for the purpose of perpetuating his group in office, there will be much apparent justification. In other years, when the emergency was more visible and the crisis shadowed every lintel, there was some excuse for conflicting current policies, for steps that suddenly reversed the direction of the one taken before. But that excuse does not now hold. The only visible explanation is ruthless politics, and, unless the administration can find a better one, it cannot reasonably complain of misrepresentation.

The same suspicion attaches to the stubborn resistance of the administration to any effort to improve the distribution of the W. P. A. funds. Both Mr. BACON and Senator VANDENBERG have offered plans. They are rejected without reading. And as further circumstantial evidence there can be noted the resistance of the President's spokesman to the attempts to earmark P. W. A. funds. Unrestricted, they will amount to a new grant of executive political power.

The Senate will soon be voting on the various proposals to improve the pump-priming bill. A public which registered such emotional protest against the far less important reorganization bill still has a few hours in which to speak out on this truly grave issue

Farmers Rebel Against Compulsion

EXTENSION OF REMARKS

OF

HON. DUDLEY A. WHITE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 25, 1938

RESENTMENT AGAINST LATEST CROP-CONTROL MEASURE

Mr. WHITE of Ohio. Mr. Speaker, under the leave granted me to revise and extend my remarks, I wish to call the attention of the House to the farm rebellion that is spreading over the country. An example of the resentment that has been aroused by the latest crop-control measure amongst practical farmers is evidenced by the following news story appearing in the Wood County Herald, published by Mr. W. W. Coward, at Weston, Wood County, Ohio, under the heading:

WOOD COUNTY FARMERS UNITE TO BEAT ROOSEVELT-WALLACE 1938 CORN QUOTAS

Wood County farmers—over 700 strong—declared their independence of the Roosevelt-Wallace Act last night.

In adopting a farm act of independence which asserted that the Farm Act of 1938 enslaved the farmers, the members of the Farm Independence League took action to defeat the quota provisions of the Farm Act of 1938 by an overwhelming negative vote at the referendum election, and also empowered its officers to join hands with any and all nonpartisan, nonsectarian, nonfactional farm organizations in the United States to seek the repeal of the act.

Probably equally as significant as the action of the Wood County farmers was the fact that the meeting was attended by representatives from Lucas, Sandusky, Seneca, Hancock, Henry, Ottawa, Crawford, and Fulton Counties. And it was announced that Seneca and Hancock Counties already have arranged meetings to prefect anti-corn-quota organizations after the plan adopted by the Farm Independence League.

The attendance at the meeting gave positive proof that Wood County will defeat the crop quota provisions of the act. After the meeting was called to order by President Ivan Meyers, of North Baltimore, Secretary Charles Few, of rural route 1, Fostoria, told the meeting that 1937 corn importations equaled the crop produced by 60,139 farms in America, computing that each farm planted 75 acres. He drew loud applause when he declared:

"They tell us to raise hay. We hear about hay all the time. Let's everyone of us take a load of hay to Washington. Let's feed hay to those jackasses in Washington."

Omar F. Swartz, chairman of the resolutions committee, presented the "Farm Declaration of Independence," which was adopted unanimously. The declaration says:

"When, in the course of human events, it becomes necessary for the farmers of America to reaffirm their allegiance to the United States and the principles for which it stands, and to assert before the elective officers of the land the separate and equal station to which the laws of nature and nature's God entitle them, a decent respect to the opinions of other citizens requires that they should declare the causes which impel them to action.

"We hold these truths to be self-evident: That all men are created equal; that they are endowed, by their Creator, with certain unalienable rights; that among these are life, liberty, and pursuit of happiness. That to secure these rights, the United States Nation was instituted among men, deriving its just powers from the consent of the governed; that, whenever any act of government becomes destructive of these ends, it is the right of the people, through the constitutional guaranties of petition and free speech and franchise, to alter or abolish, basing their actions on such principles, as to them shall seem most likely to effect the peace, the safety, and the happiness of themselves and their children. Prudence, indeed, will indicate that farm independence long established should not be abolished for light and transient causes; and further all experience hath shown that farmers are more disposed to suffer while evils are sufferable, than to right themselves by seeking repeal of the offensive act by organized effort. But when an act of government evinces a design to reduce the farmers under absolute despotism, it is their right, it is their duty, to throw off such act and to provide additional guards for their continued security. Such has been the patient sufferance of the farmers and such is now the necessity which constrains them to seek immediate repeal of the Farm Act of 1938. The operation of the act means a history of repeated injuries and usurpations, having in direct object the establishment of an absolute tyranny over the farmers of the United States. To prove this, let facts be submitted to a candid world.

The Farm Act of 1938 enslaves the farmers of America, making their conduct of their farms and their very process of thought subject to the wile and caprice of a dictator.

The act lowers the standard of living of the American farmer and tends to reduce the Nation's farm population to less than subsistence income.

The act will prevent the return of prosperity to America as the broad buying power of rural America has been and will be the base of national prosperity.

The act allows cotton farmers to obtain a bounty on corn grown in 17,000,000 acres of unrestricted land while penalizing the growing of corn in the natural Corn Belt.

The act causes the importation of huge amounts of corn from foreign land, where American standards of living and traditional American farm freedom have never existed, to the economic and social abasement of United States citizens.

The organization then decided that a committee of three "minute men" be appointed in each township in order to make certain that all farmers be informed of the evils of the Farm Act and that preparations be made to secure a record vote against the quotas at the referendum election which must be held prior to September 5. Insofar as possible, each "minute man" is to be a member of a different farm organization, and in cases where only one person was appointed he is to act as chairman and to appoint his assistants.

Frank Kiel was named chairman of Weston Township. Others named include: Bloom, Harry Schoup; Center, Mrs. Sarah McCall and Mrs. Sadie Solether; Freedom, Henry Beck and Fred Peters; Grand Rapids, George Conrad; Henry, Leonard Smith; Lake, Edward Wright; Liberty, Charles Eisher; Milton, Walter Longbrake; Montgomery, Charles Held; Perry, Ross Maneke; Perrysburg, J. E. Geskell; Plain, Lee Bresler; Portage, John Reynolds; Ross, Conrad Brossia; Troy, Ernest Witker; Webster, Henry Hebler; and Washington, David Euler.

The league voted to hold its next meeting within the next 2 or 3 weeks in the auditorium of the Bowling Green High School, at a date to be set by the resolution committee. An invitation was extended to Frank Eckle, chairman of the quota board in Wood County, to attend this meeting.

The league was formed last Friday night at a meeting called by Mr. Meyers soon after publication in the Herald of the fact that Weston Township farmers were 5 to 1 against the corn quotas. At that meeting the name of Corn Belt Liberty League was adopted, but this was changed to Farm Independence League when it was discovered that the first name had been chartered by Illinois farmers.

After last night's meeting Mr. Meyers declared that he expected a similar organization to be effected within each of the 566 corn-quota counties within the next month.

The Farm Act of 1938

EXTENSION OF REMARKS

OF

HON. THOMAS A. JENKINS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 24, 1938

RESOLUTION ADOPTED BY FARMERS' INDEPENDENCE LEAGUE AT BOWLING GREEN, OHIO, ON MAY 11, 1938—SEVEN HUNDRED WOOD COUNTY FARMERS PRESENT

Mr. JENKINS of Ohio. Mr. Speaker, under leave to extend my remarks, I am herewith inserting a copy of a resolution adopted by 700 independent farmers at Bowling Green, Ohio, on May 11, 1938. I think this resolution is typical of the feeling of the farmers toward the legislation which this Congress

has passed attempting to aid agriculture. I voted against that bill and I think that this resolution justifies my vote. None of the farmers who adopted this resolution live in my district, but many of them live in the district represented by my friend and colleague, Mr. DUDLEY WHITE. Mr. WHITE has been very active in opposition to the legislation against which these farmers complain. Although Mr. WHITE is only serving his first term in Congress, he has by his work impressed himself upon the activities in Congress in a very remarkable way, and his district is to be congratulated upon their having selected him as their Representative.

The resolution is as follows:

When, in the course of human events, it becomes necessary for the farmers of America to reaffirm their allegiance to the United States and the principles for which it stands, and to assert before the elective officers of the land the separate and equal station to which the laws of nature and nature's God entitle them, a decent respect for the opinions of other citizens requires that they should declare the causes which impel them to the action.

We hold these truths to be self-evident: That all men are created equal; that they are endowed, by their Creator, with certain unalienable rights; that among these are life, liberty, and pursuit of happiness. That to secure these rights, the United States Nation was instituted among men, deriving its just powers from the consent of the governed; that, whenever any act of Government becomes destructive of these ends, it is the right of the people, through the constitutional guaranties of petition and free speech and franchise, to alter or abolish, basing their actions on such principles, as to them shall seem most likely to effect the peace, the safety and the happiness of themselves and their children. Prudence, indeed, will indicate that farm independence long established should not be abolished for light and transient causes; and further all experience hath shown that farmers are more disposed to suffer while evils are sufferable, than to right themselves by seeking repeal of the offensive act by organized effort. But when an act of government evinces a design to reduce the farmers under absolute despotism, it is their right, it is their duty, to throw off such act and to provide additional guards for their continued security. Such has been the patient sufferance of the farmers and such is now the necessity which constrains them to seek immediate repeal of the Farm Act of 1938. The operation of the act means a history of repeated injuries and usurpations, having in direct object the establishment of an absolute tyranny over the farmers of the United States. To prove this, let facts be submitted to a candid world.

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The act causes the importation of huge amounts of corn from foreign land, where American standards of living and traditional American farm freedom have never existed; to the economic and social abasement of United States citizens.

Is the Civil Service Commission Being Deliberately "Starved" by the Budget Bureau and the Administration?

EXTENSION OF REMARKS
OF
HON. ROBERT L. BACON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 25, 1938

AN ARTICLE DEALING WITH APPROPRIATIONS FOR THE CIVIL SERVICE COMMISSION

Mr. BACON. Mr. Speaker, a significant article on the United States Civil Service Commission appeared in the Washington Herald of Sunday, May 22, 1938, by George D. Riley, editor of the column "U. S. and US", which I feel will stimulate wide discussion.

Mr. Riley makes some startling disclosures respecting the alleged niggardly attitude of the Budget Bureau in making recommendations for appropriations for the Civil Service Commission. His observations and comments are extremely thought-provoking, especially in view of the recent effort to abolish the Commission and to substitute a one-man civil service administrator.

I append in full the article by Mr. Riley:

CRITICS STAND BY AND WATCH BUREAU STARVE CIVIL SERVICE, THEN MOVE IN ON THE "KILL"—ONLY ONE AND A HALF MILLS PER WAGE DOLLAR IS PERMITTED NOWADAYS TO SEEP TO CENTRAL AGENCY, BUT THE REFORMERS NEVER SEEM TO POINT OUT THIS FACT

Civil Service Commission recently has received much unfavorable publicity, spread thickly during the campaign for reorganization by those who hoped to ride to glory as "yes" men on the coattails of White House proponents of personal patronage under the guise of civil-service streamlining. Thus we have not failed to hear much about "the inability of the Civil Service Commission to provide the eligibles required." Such has been the invariable excuse of the Wagners, Norrises, and Guffeys and others whose bills have called for creation of agencies in which personnel would, therefore, have to be "selected without regard to the Civil Service Act and rules."

When an agency begins to attract unusual proportions of criticism and is leaped on with whoops and bellers by enthusiastic (but not disinterested) groups, then one of two situations must exist: Either (1) the agency is thoroughly moth-eaten and requires overhauling in a big and complete way, or (2) some critics have something to gain. It is almost axiomatic that the more hide some critics tear off with the hair, the more likely is it that they are interested parties. As an example of the way in which criticism comes from naught, Commerce Department has been on the anvil lately. Why? Who's behind it? We are not aware that Secretary Roper has lost any of his political cunning. Therefore, why? Someone somewhere apparently has something to gain.

Now, the Civil Service Commission is a body of individuals, and therefore it is not perfect—for who is? The Civil Service Commission, therefore, has just about the same assortment of faults that the rest of the species "homo" possesses, and little, if any, more of the "sapiens." We have ourselves found fault with the Commission, and doubtless shall again, but we do wish to be listed as among those who feel that it does not have less of the "sapiens" than the rest of the Federal establishment.

FUNCTIONS PYRAMIDED, FUNDS SQUEEZED

Nor is there any doubt but that the Commission has failed to do as much of a job of maintaining the health of the Civil Service (with capital letters) as we would like. And that is the nubbin of this discussion. Why has it failed?

It has been starved!

True, appropriations have risen to three and a half times what they were in 1923. True, also, Federal employment has less than doubled in that period. Why, then, do we say "starved"? The Commission has been starved because it has been for the entire period of the New Deal receiving less per person examined each year. Here are the figures:

Year	Appropriation	Number examined	Appropriation per person examined [1]
1933	$1,457,486	206,068	$7.06
1934	1,270,000	342,758	3.71
1935	1,636,816	466,288	3.51
1936	2,679,600	780,885	3.43
1937	2,335,000	843,887	2.77

[1] The column, "Appropriation per person examined," covers not simply the per person examination cost but includes the cost of every other item of Civil Service Commission administration, such as its functions relating to classification, retirement, reallocation, all overhead, etc.

For the year 1937, as an instance, the examination cost per person examined, stripped of all other function costs, was $1.42.

Despite the talk about "extending the merit system," here are the figures on the classified service:

Year	Total in Federal service	Total in classified service	Percent in classified service
1920	691,000	497,603	72.0
1921	562,252	448,112	79.7
1922	527,517	420,688	79.7
1923	515,772	411,398	79.8
1924	521,641	415,593	79.7
1925	532,798	423,538	79.5
1926	528,542	422,300	79.9
1927	527,228	422,998	80.2
1928	540,867	431,763	79.8
1929	559,579	443,957	79.7
1930	580,494	462,083	79.6
1931	588,205	468,050	79.6
1932	583,196	467,161	80.1
1933	572,091	456,096	79.7
1934	673,095	450,620	66.9
1935	719,440	455,229	63.3
1936	824,259	498,725	60.5
1937	841,654	532,673	63.2

NOTE.—Average, 1920–32, 79.3 percent; average since 1932, 65.9 percent.

The Commission's main job used to be to keep up eligible registers and to act as a reservoir of employables, tested as competent, for employment as required by the agencies under civil service. Back in those days—1929, for example—the Commission received in appropriations $5.23 for each person examined. And, since an examination costs the Commission from $1.26 (for unassembled examinations) to $1.40 (assembled stenographic, typist, mimeo operator, etc.) and to $2.91 (professional and scientific) per examination, it will be seen that there remained a comfortable sum with which to keep the record and perform the other duties, not then so numerous as now, that were entrusted to its care.

BUREAU CUTS 27 PERCENT FROM NEEDS

The figures of appropriations appearing in the table above are interesting from two viewpoints: First, let us look at them from the standpoint of mere adequacy. For 1939 the Commission asked the Budget Bureau for $3,415,000. The Commission's budget officials so testified in the hearings on the independent offices bill. But the Budget Bureau, in its wisdom, decided that the Commission could get along with less, and so it pruned $922,500 off and recommended appropriation of $2,492,500. The cut amounts to 27 percent of what was asked for by the Commission and 37 percent of the appropriation that was made. Need we reiterate—starved?

The other viewpoint from which we may scan the appropriations is that of purpose. What does the Commission do with the money it gets? In 1923 the Commission was not in the business of managing retirement. Nor did it have the duty of serving non-civil-service agencies. Its only duty was "to regulate and improve the civil service of the United States." That quotation comes from the Congressional Directory (January 1923). Since 1923 many duties have been added. Now the Commission is in the retirement business, has taken over the duties of the old Personnel Classification Board, and it does serve agencies not under civil service. For example, T. V. A. called on the Commission in 1933 to act for it. T. V. A. didn't want civil service, but it did want the system.

Resettlement regularly received assistance from the Personnel Classification Division; Farm Tenancy is another; and Crop Insurance, Soil Conservation, field positions in Forest Service, and Marine Inspection. Farm Credit Administration, Federal Power Commission, Home Owners' Loan Corporation, Puerto Rican Government are others that have come down upon the Commission, but for servicing which the Commission has not been provided with funds. (Ref.: Ex. or No. 6746.)

The Commission has been starved. We are reminded of the story of the man who no sooner got his mule trained to live without food than the "durned beast upped and died on me!" Who wanted the Civil Service Commission to die? Why?

FIFTEEN TEN-THOUSANDTHS OF A DOLLAR

The appropriation of the Commission for 1937 was $2,335,000, and that amounts to only one and one-half tenths of 1 percent of the wage bill of the executive branch, or 1.5 mills per dollar spent for wages. In 1929 the appropriation of $1,357,840 and the employment list of 559,570 yielded a result of 1.6 mills. The rate has been cut and the duties pyramided.

The Civil Service Commission is being starved. If by now there remains any doubt that this statement is correct, put the following facts and figures on the scales and see how they balance:

There are still 310,000 employees outside the civil service that the Commission has served and continues to serve exclusive of the legislative and judicial services, which are today under the civil-service retirement systems. One and a half mills per dollar of the salary paid to 310,000 people would total $855,000, or $68,000 less than the amount slashed by the Budget Bureau from the Commission's estimated fiscal requirements for the oncoming year. It took a congressional committee to pry loose the information that 27 percent of the budgetary needs of the Commission had been unceremoniously slashed from the Commission's budget.

The Commission's request for $3,500,000 was honestly based on the 1.5 mills precedent, plus an amount to care for the added duties that had been thrust upon it. We have taken the trouble to learn the facts and figures and suggest that such procedure would have been a sound step to have been taken by the Budget Bureau, by Senator BYRNES, by Representative MEAD, by the National Civil Service Reform League (before February 12, 1937), by some organizations whose leaders were reported to be under grooming for the one-man civil-service dictator job, and by the Brownlow committee itself. And, to quote the Brownlow committee's own words:

"The Civil Service Commission was not given the authority or the necessary funds and staff to enable it to meet the requirements of Government agencies in recruiting quickly the large number of employees required in the emergency period."

We still seek the testimony of any organization that has asked Appropriations Committee for adequate moneys for the Commission. Thus far the search is a failure.

GAVE 47,946 HOURS' FREE SERVICE

It is all very well to point to the one-man public administrators scattered over the country, and in the creation of which the Brownlow affiliates and satellites have been immensely interested, but until the bipartisan commission system has been proved a failure after the administration lifts its heel from the doorway to sufficient operating expense no one can say the system has failed. They can say the system has not been permitted to operate, and operations these days, as always, requires working capital.

Having been first to point to the shortcomings of the present Commission, we again are first to outline the reason for much of the shortcomings. Where were the Brownlow reorganizing cohorts in the early days of 1933, when "The Commission was not given the authority or the necessary funds and staff"? Reformers and organizers themselves should have been the first to discover these facts rather than to stand by during the festering processes. We find no record where ample appropriations were demanded by any of these prophets of the promised land, who should know that the Commission's employees in 1 year gave 47,946 hours' overtime or took work home with them.

Commemoration of the Three Hundredth Anniversary of the Landing of the First Swedish Colonists in America

EXTENSION OF REMARKS

OF

HON. CHARLES W. TOBEY

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 25, 1938

ADDRESS OF HON. HAROLD KNUTSON AT MANCHESTER, N. H., MAY 22, 1938

Mr. TOBEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which was delivered by the gentleman from Minnesota [Mr. KNUTSON] at Manchester, N. H., on May 22, 1938:

Mr. Chairman and fellow Americans, we have assembled this afternoon in the beautiful city of Manchester to commemorate the three hundredth anniversary of the landing of the first Swedish colonists in America. To me it is a great event and I am profoundly appreciative of the privilege that has been accorded me to be present and to say a few words upon this happy occasion.

I am particularly pleased over the fact that I am in the home State of Senator BRIDGES, and also that of my very good friends and colleagues, Governor Tobey and Representative JENKS. These gentleman, in the comparatively short time that they have been members of the Nation's lawmaking bodies, have, by their zeal, industry, and understanding of our problems, gained for themselves substantial and well-earned recognition in Washington where they stand high in the Nation's councils. Any State so well represented is, indeed, fortunate and to be congratulated. That is particularly true in an age of opportunism and demagogery.

It was in the early spring of 1638 that the *Kalmar Nyckel*, a Swedish ship of war, accompanied by a smaller vessel, the *Fogel Grip*, sailed into Delaware Bay after having been tossed about on the angry winter waters of the Atlantic for more than 6 months. The new arrivals lost no time in establishing themselves. In addition to a fort, which they loyally christened Christiana in honor of their young queen, they erected homes, and a church which yet stands, where school was held. It is recorded that the early Swedes were the first road builders in America and we have no record of an earlier grist mill than the one that was constructed and put into operation by the newcomers at Delaware.

The Swedes are a member of the great Scandinavian race which includes also the Danes and Norwegians. One thousand years ago they were known as Vikings who sailed the seven seas with only the sun, moon, and stars to guide them. Wherever they have gone they have established a reputation for rugged honesty and industry, for thrift and economy. They live within their means, buying no more than they can pay for, because to them debt is abhorrent.

Swedes are to be found on the rock-bound coast of New England, amidst the forests of Michigan, out on the sun-kissed prairies of Minnesota and the Dakotas, as well as on the Pacific coast.

No other people who come to these shores so quickly embrace American ideas, become imbued with American ideals, and in truth and fact become Americans. I have never heard of a Swedish anarchist or dynamiter. They are a law-abiding, liberty-loving, God-fearing people who believe that the joy of life lies in creative work and that we shall eat our bread in the sweat of our face. They are a peace-loving people whose actions are governed by understanding, sympathy, and a desire to do the right thing by their fellowman.

My friends, the history of our great and glorious Republic would not be complete without the brilliant chapters that have been written by the sturdy Swedish pioneers who began coming to these shores 300 years ago and whose descendants have contributed so greatly to the country's development and greatness.

At an early date they began to take a prominent part in the affairs of the Colonies and later in those of the Republic. In many States have they left their imprint. High in the sciences, in the arts, in agriculture, in business, in commerce, in civics have been

written the names of Americans of Swedish blood and extraction. Names imperishable, that glow in letters of living light and for all to see.

You will recall that it was John Morton, or Mortenson, descendant of a Swedish settler in New Sweden, on the Delaware, who rose from a sickbed and was carried to Independence Hall, where the Continental Congress was in session, to break the deadlock that then existed over the adoption of the Declaration of Independence. Be it said to his everlasting credit that he voted to strike the shackles from our people and to sever all ties with the mother country. A memorial tablet has been erected to his memory in that shrine of human liberty where George Washington was chosen Commander in Chief of the Continental Armies (Liberty Hall), where the Liberty Bell, dear to the heart of every liberty-loving American, is enshrined for all time as a reminder to us of what the Revolutionary fathers fought, bled, and died to attain.

Another distinguished patriot of that period is John Hanson, of Maryland, grandson of a Colonel Hanson, who died at the Battle of Lutzen in 1632, while bravely fighting under the great Gustavus Adolphus for religious liberty and human rights. American historians are unanimous in their praise of his many virtues and outstanding public services. He filled with fidelity and distinction public trust after public trust until he was finally elected "President of the United States in Congress assembled," and served as such from November 5, 1781, to November 5, 1782.

As President of the Continental Congress it was his pleasure and distinction to extend to Gen. George Washington the congratulations of Congress when the Father of Our Country visited that body 6 weeks after the surrender of Cornwallis at Yorktown, and today a memorial to that great Swedish-American and patriot has an honored place in Statuary Hall in the Nation's Capitol. To him belongs the distinction of having been the first President of the United States, and he was followed by George Washington, the first President of the United States of America. That is, indeed, an outstanding honor for one to have achieved at a time when men great and strong were at the helm of our National Government.

Then, too, we must not forget that it was an American of Swedish blood, Col. Robert Anderson, who so gallantly defended Fort Sumter at the outbreak of the Civil War.

The first settlement of Swedes in America was made on land now occupied by the city of Wilmington. The early colonists were few in number, but what they lacked in numerical strength they more than made up with their stout hearts, an unquenchable faith in the Almighty, and an abiding confidence in themselves and in their destiny.

They were one people who applied the Golden Rule in all their dealings with the Indians, and it was from them that William Penn learned the gospel of brotherly love. May it be said to the eternal glory of the Swedes in Delaware that all their relations with the red man rested upon a foundation of mutual good will, trust, and respect for each other's rights.

The first settlement in Delaware did not long endure as a Swedish colony, being taken over by the Dutch 17 years after its founding. It is unnecessary for me to here record that this never could have happened had the Swedes not been outnumbered 4 to 1. Their descendants even to this late day are numbered among the best families of that and many other States.

It was the hope and dream of that great Christian statesman and soldier Gustavus Adolphus, and also of his great and able Chancelor Axel Oxenstjerna, to found upon these shores a colony that should be a haven for the oppressed of all lands and of all creeds; but because of Gustavus Adolphus' entire energies and resources being required for the prosecution of the Thirty Years' War, which meant so much to the entire human race, his dream was not fulfilled.

For the next 200 years there was a small trickling of Swedish immigration to these shores, and it was not until about 1843 that they began coming here in substantial numbers. The high-water mark of their immigration is probably the early eighties, when nearly 65,000 arrived in 1882. Today they and their descendants number in excess of two and one-half millions. And what a marvelous contribution they have made to their adopted land.

It was my privilege and pleasure to attend the dedication of the noble monument placed in Potomac Park, Washington, on May 29, 1926, to the memory of that great patriot, engineer, and scientist John Ericsson, and the Nation's greatest men and women were gathered there for that historic occasion. Present was former President and then Chief Justice of the United States Supreme Court William Howard Taft, governors, Senators, and Representatives, and leaders in all activities. The speakers were President Calvin Coolidge and Crown Prince Gustav Adolph, who had come to our land as the representative of King Gustav and the Swedish Government.

The chairman on arrangements was my good friend Congressman Carl R. Chindblom, of Chicago, and the presiding officer Curtis D. Wilbur, Secretary of the Navy. I shall never forget the memorable address of President Coolidge and his marvelous tribute to Americans of Swedish ancestry, more especially to the memory of that distinguished American citizen and patriot John Ericsson.

It was John Ericsson's inventive genius that saved the Union in its most critical hour. That great Swedish-American stands out as one of the foremost engineers and inventors of all time. At the age of 26, while in England, he constructed a steam locomotive which attained the speed of 28 miles an hour in successful competition with Stevenson's Rocket. There Ericsson also invented the screw propeller, which was destined to revolutionize commerce by sea. It has been well said that this invention drew the four corners of the earth much closer together. Through its use journeys that had formerly taken weeks were reduced to days.

But it was in his new home, America, when the clouds of civil strife had settled over the land, threatening to destroy this glorious Nation, when the very Union of States seemed in danger of dissolution, that John Ericsson was to perform his greatest inventive feat, one which brought needed assistance and new hope to our people in their darkest hour of despair, and now engraved is his name on the immortal tablets of human history.

It was in the winter of 1861–62 that the Confederates had captured the navy yard at Norfolk and the frigate *Merrimac*, whose sides and deck they covered with iron to make her the first armored cruiser in history.

Early in the spring of 1862 the *Merrimac* attacked the Union fleet of wooden vessels in Hampton Roads, sank the *Cumberland* and compelled the *Congress* to strike her flag in surrender. The rest of the Union Fleet was about to be destroyed or captured, which would have raised the blockade and resulted in the triumph of the Confederacy.

The North was appalled. The harbor of New York, and even the Capital City of Washington, it seemed, were at the mercy of this new iron monster. The Union blockade of Confederate ports, so essential to ultimate victory, was threatened by this new dreadnought, and the situation was rendered more precarious because the Union armies had met with serious reverses on land.

In this dark hour John Ericsson came forward with his *Monitor*, that doughty little vessel which changed the trend of the war and made new naval history. Sometime previously Mr. Ericsson had written to President Lincoln, offering to construct "a vessel for the destruction of the hostile fleet at Norfolk and for scouring southern rivers and inlets protected by southern batteries." He declared further in his letter that "attachment to the Union alone impels me to offer my services at this frightful crisis—my life, if need be—in the great cause which Providence has caused you to defend. It is not for me, sir, to remind you of the immense moral effect that will result, nor need I allude to the effect in Europe if you demonstrate that you can effectively drive hostile fleets away from our shores."

Captain Ericsson was commissioned to build the *Monitor*, a turreted ironclad that should carry one gun of great caliber. She sat low in the water. Her hull was arched at the top and pointed at each end, while the turret rose in the center and rotated on ball bearings. The one gun could thus be brought to bear on any object.

While guns were roaring about Norfolk and the Union Fleet seemed doomed, Lt. John L. Worden, also with Swedish blood in his veins, sailed in the diminutive *Monitor* for the scene of action. When the vessel reached Hampton Roads and was sighted by the Confederates, they greeted her with jeers and called her "a Yankee cheese box on a raft."

The *Merrimac* sailed proudly forth to complete her work of destruction. But the Confederate Goliath was met by a new David. The *Monitor* proved more than a match for the towering *Merrimac* which fled for cover and was finally run ashore and destroyed.

Shouts of exultation rose in the North, for the ports and shipping of the Union were saved. From this small but all-important beginning began the modern American Navy. It is John Ericsson and his *Monitor* to whom the people of the United States owe a lasting debt of gratitude, and they have not forgotten it. Indeed, if the perpetuity of American institutions and of constitutional government remains the greatest achievement in the history of civilization, then no one can properly estimate the debt we owe to that great man. Historians declare that next to the immortal Lincoln and the great Grant, Ericsson did more to save the Union than any other.

And for the moment let us note that Capt. John Ericsson's modesty and unselfishness were as great as his genius and his patriotism. In his later years he wrote to a United States Senator: "Nothing could induce me to accept any remuneration from the United States for the *Monitor* once presented by me as my contribution to the glorious Union cause, the triumph of which freed 4,000,000 bondsmen." What a noble sentiment.

So long as the American heart beats true to the rhythm of patriotism, the name of John Ericsson, inventor, patriot, and engineer, shall never be forgotten. His lustrous memory has been kept green in our day and so will it continue until time shall be no more.

Unfortunately, I am not well versed in the personal accomplishments of those of Swedish blood and extraction who settled in New England, although I do know that they here have achieved the same successes as have their brothers in States to the west, where they settled in much greater numbers. My good friend Col. John Jacobson, chairman of the New Hampshire Water Resources Board, and who is presiding with such grace on this occasion, is but one of a number of New Englanders of Swedish extraction to have achieved a name for himself.

It may not be out of place for me to state at this point that a kinsman of mine, PEHR HOLMES, born in Vermland, and who owns a farm in New Hampshire, has for a number of years represented the Worcester, Mass., district in Congress with fidelity and distinction.

You will agree with me that it takes a pretty good man to compete with the old-time Yankee, than whom there is no finer and more rugged individual in all the world, and the fact that you have been able to live and progress in New England speaks well for your ability to successfully meet formidable competition of a solid and honorable character.

It was to the Middle and Far West that the bulk of the Scandinavian immigrants turned. Here was to be found an unconquered wilderness that offered opportunities undreamed of in the old homeland. Indeed, the State of Minnesota, which I am proud and

happy to call my home, is often referred to as the New Sweden of America, and it is perhaps in that State the Swedish people have attained their greatest successes. John Lind, Governor of Minnesota and Member of Congress; John A. Johnson, thrice Governor of Minnesota and, had he lived, would probably have been chosen President of the United States in 1912; A. O. Eberhart and J. A. A. Burnquist, twice Governor of Minnesota; Magnus Johnson, United States Senator and Member of Congress; Floyd B. Olson, three times Governor; Peter E. Hanson, Col. Hans Matson, Albert Berg, and Mike Holm, secretaries of state; Henry Rines, distinguished legislator and State auditor; Andrew Holt, Justice of the Supreme Court; G. A. Youngquist, Henry M. Benson, and Harry H. Peterson, attorneys general; Charles E. Elmquist, railroad and warehouse commissioner; Ernest Lundeen, United States Senator; Dewey Johnson, Member of Congress; Sidney Anderson, former Member of Congress and now vice president of General Mills, one of the greatest flour-milling companies in the world; and then there is my immediate predecessor in Congress, Charles A. Lindbergh, father of the flying ace, Col. Charles A. Lindbergh, who very fittingly belongs to the great race that was the first to sail westward to these shores and the first to make the return trip by air.

Americans of Swedish blood and extraction have been equally successful in all other lines of activities, but perhaps their outstanding contribution to the land of their adoption was the transformation of an empire wilderness into a populous, prosperous, and productive commonwealth. I refer to the great Northwest.

When the first Scandinavians came to the Northwest they found a wilderness empire occupied by the red man. That is only about 75 years ago. Today we have a State with a population of two and a half million, with such large and modern cities as Minneapolis, St. Paul, and Duluth. Her fertile soil is noted for its productivity and is commonly referred to as the bread and butter basket of the world. Wherever one goes one will find highly developed farms, prosperous communities with churches and schools, and beautiful homes, connected by thousands of miles of railways and hard-surfaced roads; possessing the greatest iron deposits in all the world. Scattered over this inland empire are 10,000 glistening lakes, whose beautiful pools annually beckon to a million tourists from the four corners of the land.

It was Minnesota that made the first tender of troops to President Lincoln to be used for the preservation of the Union, and it was a Minnesota regiment that saved the day at Gettysburg, where her sons drenched the soil with their precious lifestream at Bloody Angle. It is estimated that the Swedes contributed nearly 17 percent of Minnesota's total contribution to Father Abraham's Army, which was 40 percent of their full strength. They went forth with the faith of crusaders to fight for the preservation of the Union, and on more than one bloody field of that great and cruel war their stout hearts snatched victory from defeat.

The average Swede is a man of peace and of high ideals. He will go to great length to preserve both, but once he is convinced that it is necessary to fight for the preservation of his rights he becomes a roaring lion, who can no more be stopped than can the mountain rivulets that in the springtime become raging torrents. He will fight to the death for his country, for his home, for his church, and for those ideals that have been implanted in him by scores of generations of right-thinking, God-fearing, clean-living, and honorable-dealing ancestors, who knew no fear but the fear of doing wrong.

My friends, we are living in most unusual times. All the experiences of the long past are being disregarded. Our people have from the very dawn of antiquity been taught that we shall eat bread in the sweat of our face, and that there is no substitute for honest toil; that all wealth must be created through creative labor; and that it must come from the soil, from the mines, and from the sea. Today a new philosophy is being urged upon us—a philosophy that would have us believe that the less we produce the more we will have; a philosophy that teaches us to look to the Government at Washington to do for us the things that we should do for ourselves.

My friends, to me that is the philosophy of frustration, and if followed to its ultimate end would result in the destruction not alone of our country but of our institutions and our people.

There is no such thing as a short cut to the more abundant life. It can only be attained through honest effort and creative labor. That principle is builded upon a foundation as sound as the granite hills of New Hampshire and no decree of Congress or of the Executive can alter, modify, or set it aside.

My friends, through whose veins flow the same blood as through mine, let me plead with you to not foresake the tried and proven paths over which our ancestors have traveled for many centuries.

True, we must keep in step with changing times. If we do not do so we will disintegrate and perish. However, all progress should be orderly and have due regards for sound economic laws. Let us take warning from what has happened across the waters where democracies have been ruthlessly swept aside and replaced with dictatorships. Americans of Scandinavian ancestry would rather die than to bend the cringing knee to a dictator. The trend toward dictatorships is in evidence on all sides. Let the great American people keep their heads in this time of stress and unrest. Let us cling to those things which have been proven good and safe and sound, ever remembering that the future of our country will be determined by what we do now. Let us ever bear in mind the parting admonition of George Washington, whose ancestors, by the way, were named Wassington, and migrated from Sweden to England in the fourteenth century, when he abjured us to avoid foreign entanglements. With 13 or 14 million people out of work, with industry at a low ebb, we have enough problems at home to occupy us without meddling in the affairs of other countries with which we have little or no concern.

Today we are all Americans united and one, imbued with the same ideals and animated with a common desire to serve our beloved country, a land where we know neither hatred nor prejudice.

From the depths of every loyal heart, and with all the fervor that glorifies and exaults every patriotic soul there goes forth from our breasts the prayer that the God of our fathers will continue to watch over us and to shed His blessings upon a people who are dedicated to the fatherhood of God and the brotherhood of man.

The Income and Outgo

EXTENSION OF REMARKS

OF

HON. DUDLEY A. WHITE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 25, 1938

SERIES OF TABLES ON FEDERAL, STATE, AND LOCAL TAX AND DEBT INFORMATION

Mr. WHITE of Ohio. Mr. Speaker, I ask unanimous consent to place in the RECORD a series of tables on Federal, State, and local tax and debt information, which has been prepared at no small outlay of work and which I believe should in this fashion be made accessible to the general public and Members of Congress.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE I.—*Tax collections, fiscal years 1903, 1913, and 1923 to 1938*

[In millions of dollars]

Fiscal year—	Total	Federal	State	Local
1903	1,382	521	155	706
1913	2,187	668	300	1,219
1923	7,234	3,032	917	3,285
1924	7,812	3,193	1,017	3,602
1925	7,884	2,996	1,107	3,811
1926	8,605	3,207	1,264	4,134
1927	9,059	3,337	1,355	4,367
1928	9,342	3,194	1,507	4,641
1929	9,759	3,328	1,612	4,819
1930	10,206	3,408	1,780	5,018
1931	9,300	2,717	1,778	4,805
1932	8,147	1,789	1,642	4,716
1933	7,501	1,786	1,505	4,210
1934	8,773	2,892	1,721	4,160
1935	9,717	3,546	1,875	4,296
1936	10,400	3,900	6,500	
1937	11,883	5,083	6,800	
1938	13,214	6,114	7,100	

1903, 1913, Cost of Government in the United States, 1928–29, p. 66; 1923–35, Cost of Government in the United States 1934–36, p. 36; National Industrial Conference Board; 1936–38, United States Chamber of Commerce.

TABLE II.—*Per capita tax collections, fiscal years 1903, 1913, and 1923 to 1938*

Fiscal year—	Total	Federal	State	Local
1903	$17.07	$6.43	$1.92	$8.72
1913	22.66	6.92	3.11	12.63
1923	64.86	27.19	8.22	29.45
1924	69.01	28.21	8.98	31.82
1925	68.64	25.82	9.64	33.18
1926	73.84	27.52	10.85	35.47
1927	76.64	28.23	11.46	36.95
1928	77.94	26.65	12.57	38.72
1929	80.30	27.38	13.26	39.65
1930	83.40	28.17	14.46	40.77
1931	74.93	21.89	14.33	38.71
1932	65.19	14.31	13.14	37.74
1933	59.64	14.20	11.97	33.47
1934	69.28	22.84	13.59	32.85
1935	76.20	27.81	14.70	33.69
1936	78.34	29.38	48.96	
1937	88.40	37.81	50.59	
1938	97.10	44.93	52.17	

1903, 1913, Cost of Government in the United States 1928–29, p. 66; 1923–35, Cost of Government in the United States, 1934–36, p. 36; 1936–38, Chamber of Commerce of the United States.

TABLE III.—*Tax collections and national income, 1903, 1913, 1923 to 1938*

Year	National income (in millions of dollars)	Tax collections as a percentage of national income			
		Total	Federal	State	Local
1903	20,500	6.7	2.5	0.8	3.4
1913	34,400	6.4	1.9	.9	3.6
1923	65,712	11.0	4.6	1.4	5.0
1924	67,016	11.7	4.8	1.5	5.4
1925	70,101	11.2	4.2	1.6	5.4
1926	73,549	11.7	4.5	1.7	5.6
1927	73,851	12.3	4.5	1.8	5.9
1928	75,806	12.3	4.2	2.0	6.1
1929	79,101	12.3	4.2	2.0	6.1
1930	72,186	14.2	4.8	2.5	7.0
1931	60,117	15.5	4.5	3.0	8.0
1932	46,506	17.5	3.8	3.5	10.1
1933	44,389	16.9	4.0	3.4	9.5
1934	50,426	17.4	5.7	3.4	8.2
1935	54,944	17.7	6.5	3.4	7.8
1936	63,799	16.3	6.1	10.2	
1937	68,000	17.5	7.5	10.0	
1938	56,000	23.6	10.9	12.7	

1903, 1913, Cost of Government in the United States, 1928–29, p. 67; 1923–35, Cost of Government in the United States, 1934–36, p. 39; 1938, national income figure, President Roosevelt, fireside chat, Apr. 14, 1938.

TABLE IV.—*Percentage distribution of tax collection, fiscal years 1903, 1913, and 1923 to 1938*

Fiscal year—	Total	Federal	State	Local
1903	100	37.7	11.2	51.1
1913	100	30.6	13.7	55.7
1923	100	41.9	12.7	45.4
1924	100	40.9	13.0	46.1
1925	100	37.6	14.1	48.3
1926	100	37.3	14.7	48.0
1927	100	36.8	15.0	48.2
1928	100	34.2	16.1	49.7
1929	100	34.0	16.7	49.3
1930	100	33.9	17.3	49.8
1931	100	29.2	19.1	51.7
1932	100	22.0	20.2	57.9
1933	100	23.8	20.1	56.1
1934	100	33.0	20.0	47.0
1935	100	36.5	19.3	44.2
1936	100	37.5	62.5	
1937	100	42.8	57.2	
1938	100	46.3	53.7	

Computed from table I.

TABLE V.—*Gross governmental expenditures, fiscal years 1903, 1913, and 1923 to 1938*

[In millions of dollars]

Fiscal year—	Total	Federal	State	Local
1903	1,570	475	182	913
1913	2,919	692	383	1,844
1923	9,920	3,885	1,242	4,793
1924	10,974	4,121	1,432	5,421
1925	11,126	3,765	1,532	5,829
1926	11,616	3,936	1,539	6,141
1927	12,179	4,069	1,656	6,454
1928	12,609	3,970	1,826	6,813
1929	13,048	3,932	1,990	7,125
1930	13,428	4,141	2,223	7,064
1931	13,516	4,172	2,367	6,977
1932	14,453	5,225	2,322	6,906
1933	13,316	5,264	2,141	5,911
1934	15,496	7,207	2,132	6,157
1935	16,453	7,494	2,356	6,603
1936	18,130	8,880	9,250	
1937	17,805	8,105	9,700	
1938	18,800	8,800	10,000	

1903, 1913, Cost of Government in the United States, 1928–29, p. 11; 1923–35, Cost of Government in the United States, 1934–36, p. 9; 1936–38, United States Chamber of Commerce.

TABLE VI.—*Per capita gross governmental expenditures, fiscal years 1903, 1913, and 1923 to 1938*

Fiscal year—	Total	Federal	State	Local
1903	$19.39	$5.87	$2.25	$11.27
1913	30.24	7.17	3.97	19.10
1923	88.94	34.83	11.14	42.97
1924	96.94	36.40	12.65	47.89
1925	96.86	32.78	13.34	50.74
1926	99.68	33.77	13.21	52.70
1927	103.04	34.43	14.01	54.60
1928	$105.20	$33.12	$15.24	$56.84
1929	107.37	32.36	16.38	58.64
1930	109.09	33.64	18.05	57.39
1931	108.90	33.61	19.07	56.21
1932	115.65	41.81	18.58	55.26
1933	105.88	41.85	17.02	47.00
1934	122.38	56.92	16.84	48.62
1935	129.02	58.77	18.48	51.78
1936	136.56	66.89	69.67	
1937	132.45	60.29	72.16	
1938	138.14	64.66	73.48	

1903, 1913, Cost of Government in the United States, 1928–29, p. 11; 1923–35, Cost of Government in the United States, 1934–36, p. 9; 1936–38, United States Chamber of Commerce.

TABLE VII.—*Gross governmental expenditures and national income, 1903, 1913, and 1923 to 1938*

Year	National income (in millions of dollars)	Gross governmental expenditures as a percentage of national income			
		Total	Federal	State	Local
1903	20,500	7.7	2.3	0.9	4.5
1913	34,400	8.5	2.0	1.1	5.4
1923	65,712	15.1	5.9	1.9	7.3
1924	67,016	16.4	6.1	2.1	8.2
1925	70,101	15.9	5.4	2.2	8.3
1926	73,549	15.8	5.4	2.1	8.3
1927	73,851	16.5	5.5	2.2	8.8
1928	75,806	16.6	5.2	2.4	9.0
1929	79,101	16.5	5.0	2.5	9.0
1930	72,186	18.6	5.7	3.1	9.8
1931	60,117	22.5	6.9	3.9	11.7
1932	46,506	31.1	11.2	5.0	14.9
1933	44,389	30.0	11.9	4.8	13.3
1934	50,426	30.7	14.3	4.2	12.2
1935	54,944	30.0	13.6	4.3	12.1
1936	63,799	28.4	13.9	14.5	
1937	68,000	26.2	11.9	14.3	
1938	56,000	33.6	15.7	17.9	

Computed from table III and table V.

TABLE VIII.—*Percentage distribution gross governmental expenditures, fiscal years 1903, 1913, and 1923 to 1938*

Year	Total	Federal	State	Local
1903	100	30.3	11.6	58.1
1913	100	23.7	13.1	63.2
1923	100	39.2	12.5	48.3
1924	100	37.6	13.0	49.4
1925	100	33.8	13.8	52.4
1926	100	33.9	13.2	52.9
1927	100	33.4	13.6	53.0
1928	100	31.5	14.5	54.0
1929	100	30.1	15.3	54.6
1930	100	30.8	16.6	52.6
1931	100	30.9	17.5	51.6
1932	100	36.2	16.1	47.7
1933	100	39.5	16.1	44.4
1934	100	46.5	13.8	39.7
1935	100	45.6	14.3	40.1
1936	100	49.0	50.0	
1937	100	45.5	54.5	
1938	100	46.8	53.2	

Computed from table V.

TABLE IX.—*Gross governmental debt, fiscal years 1913, 1922, and 1926 to 1936*

[In millions of dollars]

Fiscal year—	Total	Federal	State and local
1913	5,721	1,193	4,528
1922	32,857	22,964	9,893
1926	33,307	19,643	13,664
1927	33,245	18,510	14,735
1928	33,303	17,604	15,699
1929	33,691	16,931	16,760
1930	34,170	16,185	17,985
1931	35,851	16,801	19,050
1932	38,957	19,487	19,470
1933	42,361	22,539	19,822
1934	46,922	27,053	19,869
1935	48,739	28,701	20,038
1936	53,421	33,545	19,876

Source: Cost of Government in the United States, 1934–36, p. 85, National Industrial Conference Board.

TABLE X.—*Per capita gross governmental debt, fiscal years 1913, 1922, and 1926 to 1936*

Fiscal year—	Total	Federal	State and local
1913	$59.28	$12.36	$46.92
1922	299.05	209.01	90.04
1926	285.82	168.56	117.26
1927	281.27	156.60	124.66
1928	277.85	146.87	130.98
1929	277.23	139.32	137.91
1930	277.60	131.49	146.11
1931	288.94	135.37	153.57
1932	311.72	155.93	155.79
1933	336.81	179.21	157.61
1934	370.56	213.64	156.91
1935	382.20	225.07	157.13
1936	415.96	261.19	154.76

Source: Cost of Government in the United States, 1934-36, p. 85, National Industrial Conference Board.

TABLE XI.—*Percentage distribution gross governmental debt, fiscal years 1913, 1922, and 1926 to 1936*

Fiscal year—	Total	Federal	State and local
1913	100	20.9	79.1
1922	100	69.9	30.1
1926	100	59.0	41.0
1927	100	55.7	44.3
1928	100	52.9	47.1
1929	100	50.3	49.7
1930	100	47.4	52.6
1931	100	46.9	53.1
1932	100	50.0	50.0
1933	100	53.2	46.8
1934	100	57.7	42.3
1935	100	58.9	41.1
1936	100	62.8	37.2

Computed from table IX.

H. R. 4199—General Welfare Bill—National Recovery Program

EXTENSION OF REMARKS
OF
HON. RICHARD J. WELCH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 25, 1938

Mr. WELCH. Mr. Speaker, during the more than 13 years that I have had the honor to represent the people of my district in the city of San Francisco I have consistently supported all humanitarian legislation and particularly have I urged the enactment of laws that would guarantee economic security to the older men and women of this Nation. No legislation touches our hearts more strongly and has a greater emotional appeal than that of old-age pensions. But it will also prove of great economic benefit to the country as a whole.

No community in the world has a finer home for its old folks than has San Francisco. The Laguna Honda Home is one of the most beautiful in the world. It is equipped with every modern convenience to make life easier and more enjoyable for those who live there. But no matter how fine these conditions may be, no matter what fine care we give, it still remains mass charity and mass charity has its serious draw-backs. The day of the old-folks home is passing. Every passing year sees more States providing security to its older people in their own homes, until now more than one-half the States in the Union have passed laws to provide old-age security in some form or other.

Social workers who have studied the problem for years, every major social agency which comes into close contact with these people and even economists who have studied the needs of elderly men and women from the purely economic viewpoint—all have urged the enactment of national legislation of the type contained in H. R. 4199.

The problem has ceased to be local in character because our entire economic system has ceased to be local. With increased methods of mass production and distribution the wealth of the Nation has continued more and more to drift toward large centers. Thus, small communities cannot take care of the problem even though they so desire. Each State has had to pass legislation differing from that of a neighboring State where, while living conditions may be similar, economic factors are different. The result has been that no national policy is strongly developed to a point that brings equality in old-age pensions throughout the country as a whole. Thus, State legislation alone will not solve the problem. Until the type of legislation included in this bill is enacted into law by the Congress of the United States the problem cannot be solved.

When it became necessary to administer relief on a national basis, the Federal Government met the situation by appropriating billions of dollars for that purpose. I supported that legislation. Even during the present Congress it has been necessary to furnish more billions for relief because the national need was recognized. The national need of security for the mothers and fathers of this generation is just as certain. We may have failed to recognize it as such because it is not a new situation as was the urgency of relief. Security, whether it be job security or old-age security, is fundamentally the same. No Member of Congress would suggest that job security is not one of the finest assets any nation can have. In like manner, old-age security will prove one of the strongest national assets. Nothing would give greater impetus to increasing the already high standard of American living than to give to every man and woman, of whatever age, an assurance that in the twilight years of life he will not want. During the trying days of unemployment of the past several years, had such a system of old-age pensions been in effect as this bill contemplates, much of the problem of relief would have been removed.

Just Another Example of the Scandalous Use of Federal Relief Funds for Partisan Political Purposes

EXTENSION OF REMARKS
OF
HON. ROBERT L. BACON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 25, 1938

LETTER FROM JUDGE BRADY M. STEWART TO THE PRESIDENT

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter addressed to the President by Judge B. M. Stewart, the campaign chairman of Governor Chandler in his primary campaign for Senator. When will the scandalous use of Federal relief funds for partisan political purposes ever cease? The President, of course, could stop these repeated abuses if he really wanted to.

CHANDLER FOR SENATOR,
STATE HEADQUARTERS,
Louisville, Ky., May 23, 1938.

His Excellency the PRESIDENT OF THE UNITED STATES,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: As manager of Gov. A. B. Chandler's campaign for the United States Senate in the State of Kentucky, I feel constrained, through the medium of this communication, to direct your attention to the willful misuse of certain Federal functions in this Commonwealth. Let me hasten to assure you, at the outset, that this is not a plea for leniency or quarter, politically speaking, nor is it a cringing complaint.

Gov. A. B. Chandler entered the race for the United States Senate, expecting you to support your leader in the Senate, ALBEN W. BARKLEY, with such reasonable means as are ordinarily used in politics. But, as Governor Chandler has always been, and

still is, your friendly supporter and a Democrat, and as he has caused to be enacted into law in Kentucky, first among the States, every measure you have requested of him, it is astounding to me, to Governor Chandler's friends, and to a majority of the thoughtful citizenship of this State that, without your knowledge or consent, I believe, every agency of the Federal Government dispensing relief is resorting to methods and policies that are crudely reprehensible to force the citizens of this great Commonwealth to support Senator BARKLEY.

It has become common talk among our people that the State Administrator of the Works Progress Administration in Kentucky has openly and boldly stated that he and his organization will leave nothing undone to achieve the reelection of Senator BARKLEY; and, accordingly, every Federal relief agency in Kentucky, is frankly and brazenly operating upon a political basis. For the first time in our observation, the Works Progress Administration, which was conceived and established to feed the families of the unemployed, irrespective of the politics, race, or creed of those to be served through its directing heads, is seeking to drive hungry and destitute people to vote for a certain candidate for office. Meetings and conferences have been held in practically every county of the State by keymen in places of importance with the Works Progress Administration, at which definite instructions were given to selected agents that no one should be placed on Federal relief except upon the advice of Senator BARKLEY's campaign managers in the respective counties. Furthermore, these same agents have been required to inform all those individuals who seek Federal assistance that, unless they are for the candidate for Senator whom the heads of the relief administration are supporting, there will be neither relief funds nor jobs for them.

Employees of the Works Progress Administration have been approached for campaign donations for Senator BARKLEY, and they have been sharply informed that if they did not give the amounts demanded, they would be discharged immediately from their jobs. Very competent men and women have been released from the Works Progress Administration because they would not consent to use their positions and influence to force people to vote for Senator BARKLEY. Republicans who have been certified for relief work in an impartial manner, and have worked for some time as Federal employees, have been instructed by agents of the Works Progress Administration to change their registration and vote for Senator BARKLEY, on penalty of being released therefrom in case of refusal. A system of espionage has been established which constantly checks up on the political loyalty of Federal employees in the Works Progress Administration. Works Progress Administration trucks are being used openly to haul relief workers to the county court clerk's office to register. In at least one county in Kentucky, commodities are being distributed by relief officials to the needy in paper bags upon which are printed these words: "Paper bags donated by friend of Senator ALBEN W. BARKLEY."

In previous years, where candidates for Federal office were involved, the heads of the Works Progress Administration have always publicly admonished all employees on the Federal relief against pernicious political activity. This has not been the case in this present campaign. On numerous occasions in the past, both yourself, as President, and Mr. Harry L. Hopkins, Works Progress Administrator, have expressed the view that under no circumstances should any revenue obtained from the taxpayers of the Nation be used for political advantage, when such funds were definitely allocated for the relief and benefit of citizens of our country who have found themselves in unfortunate and precarious circumstances through no fault of their own.

Instructions have gone out from the head of the Works Progress Administration in Kentucky that all records pertaining to employment and salaries must be kept confidential and secret. The rank and file of the citizenship are denied the right of knowing how many persons are on the Federal relief pay roll, what salaries are paid, and what duties and responsibilities are imposed upon those employed. Persons are being employed who do no definite work, but they are instructed to spend their entire time in political activity. Practically every Federal project is top-heavy with foremen, part of whom confine their time and attention to keeping certain men definitely in line for Senator BARKLEY, part of whom spend their time checking up on the loyalty to Senator BARKLEY of men already placed on the Works Progress Administration, and part of whom spend their time going from one section of the State to another on definite political missions. A tremendous waste of money is the result of this arrangement.

Although it was anticipated that the senatorial race in Kentucky would be hotly contested, and although it was generally expected that the ordinary political methods as regards Federal officers and patronage would be used against Governor Chandler in his race against Senator BARKLEY, it is unthinkable that any relief agency of the Federal Government, engaged in a charitable and humanitarian task, would be deliberately prostituted by politicians for the benefit of a man seeking office. The Works Progress Administration in Kentucky has been converted into an out-and-out political machine, dedicated, over and above all other considerations, to reelecting Senator BARKLEY. Those with starving mouths to feed are forced to surrender their one remaining privilege of choosing for whom they shall vote, otherwise they and their dependents must go hungry and naked.

Mr. Hopkins, in a recent address over the radio, emphatically declared that no person receiving Federal relief would lose his job for voting as he saw fit. Although this declaration may have been intended as a mandate to all heads and agents of his department, it has been consistently ignored in Kentucky in this campaign. I am sending a copy of this letter to Mr. Hopkins so that he will know that his instructions are not being carried out in Kentucky and in order that he will be informed of the manner in which his department is being handled.

Copies of this communication are being forwarded also to each Member of the Congress of the United States.

This letter is being written to you with a view to giving you an actual picture of conditions regarding the dispensing of Federal relief at this time in Kentucky. It is my belief that, in your spirit of fairness and of interest in humanity, you will not countenance the use of taxpayers' funds, set aside to feed the hungry of the Nation, to be employed in this Commonwealth in such a manner as to result in a public scandal. In you is vested the source of correction. Kentucky awaits your decision.

Assuring you of my sincere respect for your person and for the high office which you hold, I am,

Your obedient servant,

BRADY M. STEWART,
State Campaign Chairman.

Youth and Our Democracy

EXTENSION OF REMARKS
OF
HON. JOHN F. DOCKWEILER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 25, 1938

Mr. DOCKWEILER. Mr. Speaker, we are on the threshold of the fifth decade of the twentieth century. The next 10 years, in all probability, will be more significant for the history of our country than the past 40 years. The present epoch will be evaluated more accurately by future historians than we can appraise it, but the shape of things to come, in its broader outlines, is clear to all of us.

At this very hour democracy and the institutions of free democratic governments are threatened. They are threatened by external foes and by internal enemies. Dictatorships flourish, and they flourish not because they minister to fundamental human needs in a satisfactory manner, but because they employ many legitimate and proper techniques which democracies have neglected to use. Dictatorships inspire the imagination and enthusiasm of young people. Youth in Italy, Germany, and Russia has lost its liberty, but it has gained security and a feeling of its own dignity and importance. The great democracies of the world, when they were young, inspired youth with a vision of a nobler future and a better world. Today this vision is lost, and the youth of the democratic countries lack the enthusiasm and patriotic ardor of former times.

What the United States of America needs is a restoration of interest on the part of young people in the processes of government. A young man conceived and wrote the Declaration of Independence. Young men conceived and wrote the Constitution of the United States. We must utilize today, as we did in the early days of the Republic, the energy, intelligence, and idealism of our young people. If we can achieve this objective, and I am sure that we can, democracy and its institutions will be preserved and improved. Our institutions will undergo a revitalization and transformation that will make them impregnable against any sinister attack by dictatorship propaganda.

The practical question is how America may recruit its youth power to preserve and protect its institutions. We must, as I see the question, do two things: We must insist upon morality and high ethical standards in government; we must guarantee economic security for young people. If we strive honestly to achieve these goals, the youth of our country will cooperate and assist loyally in our endeavors. We will have a rebirth of freedom, and the fifth decade of the twentieth century in American history will be known to historians as an era of good will and prosperity.

No democratic government can endure unless those who make and administer its laws are men of high character.

Morality in government is indispensable for the health and proper functioning of government. Dishonesty, corruption, favoritism, political manipulation—all these make public confidence impossible. Without public confidence and support, all agencies of government collapse, and with their collapse come dictatorship and tyranny.

Every citizen who offers himself for public office should covenant with himself to do only those things in public office which are in accordance with the highest ethical standards. It has been well said that "the noblest motive is the public good." There should be no place in American politics for the crafty self-seeker. A high sense of personal honor should motivate the action of every public servant, whether he be a Congressman, Governor of a State, or a probationary civil-service employee. Personally, I feel that every man in public office should strive to make his record one of inspiration to young people. Youth despises injustice, dishonesty, and unfairness. These must be eliminated from all branches of government before young people will participate earnestly and enthusiastically in government. "A politician," said Edmund Burke, "is a philosopher in action." This high concept of public service is the only concept of public service which youth will unqualifiedly approve and endorse.

Therefore, of first importance, I consider, is the maintenance of high ethical standards in all branches of local, State, and Federal Government. But no high standard of ethics permits a government to be unmindful of the insecurity of any citizen, particularly those citizens most in need of sympathy, encouragement, and intelligent guidance. In order to win and keep the loyalty and faith of youth the government must not only be honest, but it must persist in its endeavors to find a solution for the problems of young people. Primary among these problems is that of economic security; and to this subject I now address your attention.

My recent reading of The Prospect for Youth, a publication of the American Academy of Political and Social Science, and my study of Youth Education Today, the sixteenth yearbook of the American Association of School Administrators, has convinced me that no question before the American public will be solved intelligently unless we think primarily in terms of young people. The difficulties which confront young people today are not the result of their own stupidity or lack of vision, but are the consequences of the stupidity and lack of vision of their elders. This fact imposes a greater obligation upon us.

Perhaps the one most important fact about any individual, young or old, is the manner in which he makes his living. One's vocation determines and shapes his life in innumerable, powerful ways. A man's job is often a man's destiny. Most significant, therefore, are the following quotations from The Prospect for Youth. These statements on the unemployment of youth are taken from Mr. Homer P. Rainey's article, What is the American Youth Problem?

> We have a steadily widening gap between the completion of school and the beginning of employment * * *. Studies indicate that this gap between school and employment for many youths extends to 2, 3, and in extreme cases, to 4 or 5 years * * *. Studies indicate that there is little or no relationship between the training which youths receive and the types of employment which they enter. Studies also show that the vast majority of youths graduating from or leaving our schools are not trained for any specific type of work, and have had little or no work experience.

These quotations demonstrate that we are not successfully preparing young people to take their rightful places in society, and further that society is not prepared to receive them.

Young people graduating from high school and young people graduating from college face the dreary prospect of job hunting. If they are fortunate enough to find a job, there is usually no guaranty that the work will be permanent or of a type that gives promise for future advancement. In our desire to care for unemployed men with families and to make provision for the aged, we have ignored our great responsibility to youth. In countries where dictators guide the destinies of the people, no young person is unemployed. But in our democracy it is conservatively estimated that today over 5,000,000 young people—able, ready, and eager to work—are without jobs. The National Government has done little more than recognize the problem and try to solve it through temporary palliatives. America needs a definite, well-planned, comprehensive program, which positively will eliminate unemployment among young people.

Although the problem of youth employment is national in its scope, nevertheless Governors of individual States can do much through cooperation and leadership to solve the problem. Were I the Governor of my native State, I would utilize all the resources of its government to collect and tabulate information and data on jobs. An annual occupational survey showing the growth and decline of specific trades and vocations, changes in wages, hours, and working conditions, growth and promotion possibilities, skills needed, comparative rewards, and other facts necessary for intelligent vocational guidance is the first step toward the real solution of the problem of youth employment. Once we obtain and keep up to date adequate factual data, it will be possible for employers, labor leaders, and educators to cooperate effectively in counseling young people and in assisting them to find work. We can do nothing without facts, and aggressive action on the part of any Governor will secure complete facts upon which to build a practical youth-employment program for his State.

Though the problems of youth today are more acute, and though their solution is obviously more difficult than we like to admit, yet I am positive that America, to borrow a phrase from our President, will not let the young people down. The challenge is great; our effort and endeavor will be greater. America's future depends upon her youth. We will give to young people of our generation the inspiration that comes from honesty and morality in government, and the security and peace of mind that comes from permanent, worthwhile employment. Democracy can and must survive. The youth of the United States will preserve and defend our free institutions because they accept with the rest of us the challenge of the present, and because they have a vision of a better future.

West Virginia Is a Beautiful State; Its Citizens Reflect Its Inspiration

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 25, 1938

ADDRESS OF HON. LOUIS A. JOHNSON, ASSISTANT SECRETARY OF WAR, AT MARTINSBURG, W. VA.

Mr. RANDOLPH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by Assistant Secretary of War Louis A. Johnson at Martinsburg, W. Va., Thursday evening, May 19, 1938, before the annual banquet of the Eastern Panhandle Association:

Fellow West Virginians, "Civic Romanus sum—I am a Roman citizen." In the days of the old Roman state that was the toast and the boast of every one of its loyal citizens. It is in a similar frame of mind and spirit of pride that I am happy to proclaim, "I am a citizen of West Virginia."

In the beauty and grandeur of our State, in the natural resources of our hills and valleys, and in the traditions and achievements of our citizens we West Virginians have been abundantly blessed. Tall mountains, broad, sweeping valleys, tumbling streams and wide rivers, scenic beauty hardly equaled anywhere on this continent, God freely has given us.

BEAUTIFUL FROM AIR

It has been my good fortune in the last 10 months to fly repeatedly over the State of West Virginia and to discover its beauty from the air. In the early spring I have seen the white dogwood and the redbud burst forth in their full glory and I have watched the pink buds and the white blossoms cover row upon row of our apple orchards. In the summer I have looked upon the solid mass of

green foliage on our hillsides with awe and reverence. After the first frost in the fall I have beheld our mountains literally ablaze with bright and shining autumn leaves in their full abundance of reds, yellows, and browns. I have flown over our State when it was covered with snow and I have noted the winter sports along our hillsides.

Parts of our State are still covered by virgin forests. We possess a variety of trees that is hard to duplicate—white and chestnut oaks, black walnut, yellow poplar, and cherry; long belts of spruce and white pine; persimmon, sassafras, hickory, locust, maple, gum, beech, and pawpaw.

Among the shrubs and the vines thrive blackberry, black and red raspberry, gooseberry, huckleberry, hazel, and grape. Wild ginger, alum, and sumach are common, and in the mountain areas we have our rhododendrons, mountain laurel, and azaleas.

LIKE GARDEN OF EDEN

To lovers of flowers the sight of West Virginia from above gives the appearance of a veritable Garden of Eden. Rightfully our State has been called the treasure chest of the botanist. Here there have been discovered 1,650 different flowering plants, including such rare specimens as the box huckleberry, some colonies of which are 6,000 years old, and the famed Kate's mountain clover. Yes, indeed, Nature has endowed us with her choicest scenic gifts.

This beautiful State of West Virginia is yours. See it. Enjoy it and appreciate it. Fly above it by plane. Drive over it by automobile. Cross it by train. Climb its hills and traverse its forests on horseback or on foot. Discover West Virginia for yourself and thank God that this is your home.

Material resources, too, we have in abundance. In the total value of our mineral products, we rank fourth among the States of the Union, surpassed only by Pennsylvania, Texas, and California. We are rich in coal, natural gas, petroleum, limestone, brine, clay, and iron ore.

Our mineral springs have attracted visitors from the whole world. As far back as the seventeenth century, when red men still trod our forests, White Sulphur Springs, the most famous of our spas, was recognized as a health resort. There the Indians brought their sick to drink of its curative water. There our pioneer white settlers carried their disabled. There for more than 100 years our generation and those which have preceded us have come for health and recreation. There presidents, members of royal families, business and professional men have traveled for rest and strength.

WHITE SULPHUR MECCA

Located in the midst of wonderful mountain scenery, with beautiful trees and flower-bordered bridal paths, with excellent golf courses and bathing pools, with an equitable climate, of neither extreme cold nor heat, White Sulphur Springs has become the mecca for pleasure seekers from all over the world. Every person in West Virginia owes it to himself to become personally acquainted with the charms of White Sulphur Springs.

To discuss all the attractions of West Virginia which should become household words in our own communities would take me far beyond the period allotted me for this talk. Let me refer briefly, therefore, to a few of the landmarks here in the Eastern Panhandle with which many of you in Martinsburg are familiar and with which all citizens of West Virginia should have more personal and more intimate association.

In this Eastern Panhandle the Washingtons made their early home. Here they held their family reunions and here they developed their extensive estates. Here Lafayette and other international celebrities came to partake of the charm and hospitality of Old Virginia.

In the streets of nearby Charles Town, under modern surroundings, the flavor of our colonial civilization is still retained. Here and there even today arise reminders of our earlier culture. Still standing are the vine-clad ruins of the old gray-stone Episcopal church where worshiped the Washington family.

Here, in the Eastern Panhandle, brilliant chapters in American history have been written. It was here in these three counties that there was organized the Berkeley Riflemen, the first company of southern troops to join Washington at Boston in 1775 after the outbreak of the Revolution. It was here in the War between the States that hostile armies, marching to and from the battlefields of Gettysburg and Antietam, fought hundreds of minor engagements. Here Gen. "Stonewall" Jackson, who was born in Clarksburg, my own home town, made his famous raid on the Baltimore & Ohio Railroad, seized its rolling stock, removed the locomotives from the rails, and with new and broad tires drew the engines by mule and horse power down the valley turnpike to Winchester.

MARTINSBURG HISTORIC

Here in Martinsburg lived the glamorous Belle Boyd, the Confederate spy, whose talent, beauty, and charm were devoted to the southern cause.

Here, too, we stand in the most celebrated apple-producing center in the eastern part of our country. Here in 1744 Washington planted his apple seedlings. From here apples are shipped to every market in the world. West Virginia is famous as the State which has produced the Grimes Golden and the Golden Delicious apples, whose fine flavor has made them famous throughout the world.

Nearby, at Shepherdstown, on the Potomac, in 1787, James Rumsey demonstrated the first successful steamboat. At Berkeley Springs we have one of our earliest water resorts and here George and Martha Washington enjoyed the mineral baths and the social life of the community.

At Harper's Ferry, within a few miles from here, John Brown made his historic raid.

There are other interesting bits of American history scattered not only in this Eastern Panhandle region, but throughout the State. Time forbids a full chronicle of them. I commend to all of you, however, the little pamphlet produced by the State Road Commission of West Virginia entitled "West Virginia, Historic and Scenic Highway Markers." Everyone living in West Virginia should familiarize himself with its contents. Read it and you will learn of interesting places in West Virginia for you to visit and facts of historical significance for your inspiration.

BLESSED IN CITIZENRY

A State, however, is something more than a mere geographic division with beautiful scenery, natural resources, and mineral wealth. It takes men and women to make a great Commonwealth and we in West Virginia are singularly blessed.

The motto of our State represents our spirit. "Montani Semper Liberi"—"Mountaineers, Always Freemen."

The State motto was proposed by Joseph Diss DeBar, a native of Switzerland, who came to the United States in 1842. This motto was familiar to him. He had heard it all his life in Switzerland, where for centuries it had expressed the spirit of freedom of the hardy mountaineers of that country. The motto typifies the spirit of West Virginia, of the mountain men of today, who love freedom and preach and practice tolerance.

It was on the soil of West Virginia that the earliest blows for American freedom were struck. Here the last battle of the American Revolution and the first battle between the States were fought. Sons of West Virginia have fought in every war in which the United States has engaged. It is recorded that when Washington was asked what would have been the consequences had the patriots failed at Yorktown, he replied:

"With but a banner left and the means to reach West Augusta (now West Virginia), I would have rallied around me the men who would lift their bleeding country from the dust and set her free."

It is in the spirit of our pioneer forefathers that we should strive to keep our State happy, tranquil, and free. May each of us discover West Virginia for himself, learn to understand and appreciate our neighbors throughout the State, and find health, recreation, happiness, and prosperity for ourselves and for our children.

A Glance into the History of the National Guard

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 25, 1938

Mr. COFFEE of Washington. Mr. Speaker, in connection with the bills H. R. 10543 and H. R. 10544 I have introduced on curbing the use of the National Guard in labor disputes, I would like to extend my previous remarks to include a glance into the history of the militia.

A comparison of the original aims of the founding fathers in forming a militia system with some of the activities of the National Guard system today presents illuminating and frightening inconsistencies.

Military tyranny has always been anathema to the American people. Perhaps they were conditioned against despotic troops and soldiers from their bitter experiences in having King George's troops quartered in their homes. The small bodies of citizen soldiers which sprang up simultaneously all over New England existed to protect families and firesides and to act as a bulwark against local, State, and Federal tyranny.

MILITIAMEN WERE ORIGINALLY AUTONOMOUS

The militiamen reserved for themselves the right to decide whether sufficient emergency existed to necessitate their participation. Often they refused to take arms against their fellows—great numbers declined attacking Daniel Shays and his men in 1786; North Carolina militiamen refused to help crush the struggling embryonic State of Franklin (now Tennessee).

People were very sensitive about their liberty in those days. George Mason and Patrick Henry, in the Virginia Constitution-ratifying convention, warned that unless exact

definitions of "insurrection" and "invasion" were given, pretexts might be found to use troops against a few discontented but peaceable citizens.

We have come a long way. Frequently an insurrection means a labor dispute. Frequently, as I shall point out later, a labor dispute means war.

UNTIL 1877 STATE MILITIA WAS NOT USED TO END LABOR DISPUTES

The use of the National Guard in labor disputes began on a large-scale manner in the great railroad strikes of 1877. Troops were ordered out in 17 States. Although several bodies of the men in various States refused to fire upon or coerce the strikers in any way, the bloody toll of dead workers reached several dozen. One troop killed 26 strikers in Pittsburgh, and another 18 in Reading.

From 1892 military authority began to supersede that of the civil government, a question I shall discuss later. The militia officers asserted supremacy over the regularly elected civil authorities in Coeur d'Alene, Idaho.

GROWING EMPLOYMENT OF TROOPS TO INTIMIDATE LABOR

The use of troops as an antilabor force multiplied. President Cleveland in 1894 sent Federal troops into Illinois during the Pullman strike over the protest of Governor Altgeld, of Illinois. Gen. Nelson A. Miles, during this strike commander of the Regular Army—to all intents and purpose the National Guard since the World War is a part of the Regular Army—pompously declared at a banquet given by the railroad magnates in appreciation of his services, "I have broken the backbone of the strike." In Colorado alone in the 2-year period from 1892–94, martial law was declared in 10 different strikes. From 1900 to date there are several hundred instances.

THE BLOODY SHAMBLES AT LUDLOW

Some of these are so well known that I need hardly refer to them. The most unforgettable of all is the Ludlow "massacre" of 1914. That was in the miner's strike, where a tent colony was razed by machine-gun bullets fired by National Guardsmen; where the tents broke out in flames; where 30 persons, including women and children, were killed.

The period from 1929 reveals even more extensive use of the National Guard in what amounts to strike-breaking activity. In the years before this autumn of business cataclysm, large donations from the vested interests of the communities had helped to build the sturdy, handsome armories which stand in our countryside. More and more the National Guard had become friendly to those interests.

THE TENNESSEE NATIONAL GUARD FAVORED BY TEXTILE MANUFACTURERS

The opening gun of 1929 was the ordering of the Tennessee National Guard to Elizabethton, Tenn., in the textile strike situation. The company extended its hospitality to the troops; lodging, food, including soft drinks and ice cream at any hour, entertainment, consisting of music and dancing partners, were supplied in the plant.

Troops moved west in 1932 and brought modern war equipment against the farmers who were resisting mortgage foreclosures by banks and insurance companies.

Mr. Speaker, a headline in the New York World-Telegram of September 17, 1934, discloses the tenor of the use of troops during this period. It reads: "Georgia arms on war basis to open mills; 4,000 troops are on duty in State." The United Press story says:

> Four thousand militiamen were mustered in Georgia to break the strike.

And later—

> Guardsmen set up a barbed-wire concentration camp at Fort McPherson. * * * Members of the flying squadrons of union pickets were arrested, and guard commanders said they would be held in the camp for the duration of the strike. * * * About 150 pickets, including 13 women, were imprisoned in the stockade.

EIGHTY-FOUR FORAYS OF THE NATIONAL GUARD IN 1 YEAR

During the year July 1, 1934, to June 30, 1935, out of the 84 times the National Guard was called out, 36 of these were for strike duty; 1936 itself was the banner year: 18 times in 14 States the troops were called in labor disputes. Tear gas and rifles poured into Terre Haute, Ind., in the general strike. Arrests ran into the hundreds. The Labor Temple was closed under military law, and taverns were shut. A worker living close to the mill was arrested when caught looking out of his own window, charged with spying on the company. Martial law suspended the right of application for writs of habeas corpus for those arrested.

THE INCREASING PREDILECTION FOR MARTIAL LAW

This brings me to the question of declaring martial law, a practice that is frequently concurrent with the ordering out of troops. The term actually refers to a state of war or to the internal administration of the army. The Governor may declare martial war, implying, therefore, that labor disputes are war.

Under martial law all civil rights are automatically wiped out. Freedom of movement is curtailed; curfew is rung. Picketing is limited or forbidden, assembling, even gathering in union headquarters is not allowed; in fact, all the apparatus of the strikers is emasculated.

All this in spite of the fact that in all but one State the constitutions provide that the military shall be subordinate to the civil authority. In Anderson, Ind., in 1937, the commanding National Guard officer declined to honor a court order obtained by a union attorney.

It is apparent that there should be Federal provision to protect the supremacy of civil authorities in these disputes. It is essential that the use of the National Guard should not extend beyond its original jurisdiction. National troops—and although each State may use the Guard within its borders as its laws direct, the National Guard actually is a Federal body, organized, financed, equipped, and controlled by the President as Commander in Chief—should not be perverted into violent tools in the hands of a small part of the population, or called into impartial action on the pretext of calling a labor dispute war. Strikebreaking activities of the National Guard must be curbed.

National Maritime Day Celebration

EXTENSION OF REMARKS

OF

HON. EDWARD J. HART

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 25, 1938

ADDRESS OF EMORY S. LAND, CHAIRMAN OF THE UNITED STATES MARITIME COMMISSION, NEW YORK CITY, MAY 21, 1938

Mr. HART. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Emory S. Land, Chairman of the United States Maritime Commission, at National Maritime Day Celebration and sixteenth anniversary dinner of the Propeller Club of the United States at Hotel Astor, New York City, May 21, 1938:

THE MERCHANT MARINE TODAY

On Monday, the Nation will salute the memory of a gallant American skipper and a stanch American craft—Capt. Moses Rogers and his steamship *Savannah*, the first steamship to cross the Atlantic.

The occasion marks the one hundred and nineteenth anniversary of that memorable day in May 1819 when the *Savannah* proudly steamed out of the port of Savannah, Ga., bound for Liverpool on the voyage which amazed the world and inaugurated a new era in ocean transportation.

In commemoration of this historic event, the country on Monday will observe National Maritime Day, which has been so designated by Congress and is annually proclaimed by the President in recognition of the *Savannah's* achievement.

Ironically, the day also recalls the loss by American shipping of its first great opportunity.

In the 40 years that followed the famous voyage of the *Savannah*, American shipping rose to its greatest heights. Our fast, trim ships, manned by seamen of incomparable skill and courage, raced the seven seas, dominating the commerce of the world. This was the golden era of the clipper ships and the packets whose

glorious achievements were the pride of our people and spread the fame of the new Republic to the far corners of the globe.

But success blinded our vision. All of this marvelous progress was made with sailing ships and shipbuilders vied in building better and faster ships of this type. Steam had no place in their plans. The *Savannah* was forgotten. As public excitement over her accomplishment waned, and no employment could be found for her as a steamship, she was stripped of her engines, and as a sailing ship once more she came to an ignominious end, burning off Long Island. Captain Rogers died discouraged and disillusioned by his efforts to interest an apathetic Government and a callous shipping industry in the development of steam power for ships.

When the *Lightning*, perhaps the greatest of all of our celebrated clippers, logged 436 miles in a single day, an unbelievable record for a sailing vessel at that time and one which never has been equaled, the shipping experts of the day profoundly predicted that steam would never supplant sail. When the first foreign steamships appeared Americans ridiculed them as "smoke boxes."

We paid a high price for our smugness. The "smoke boxes" at which we impudently scoffed soon drove our clippers and our packets off the seas. American shipping entered a period of decline and neglect which found it almost at the vanishing point in 1914, when the outbreak of the World War rudely awakened the Nation to the weakness and the folly of being dependent on foreign ships to carry our vast commerce.

A year has passed since my predecessor addressed this organization. The Honorable Joseph P. Kennedy is a great man. He did a splendid job as Chairman of the United States Maritime Commission. I am pledged to carry out his policies.

Mr. Kennedy stated that the keynote of the Merchant Marine Act is competitive equality, not favoritism. Competitive equality to my mind means parity, which is the most important word in the act.

The point was stressed that for the third time Congress rejected Government ownership as a way of securing an appropriate merchant marine. The law is very plain in this respect but don't forget the law is also very plain that if private interests don't build and operate the Government must.

It is pertinent to review some of the promissory notes given by my predecessor. They were eight in number, all of which are being carried out as fast as practicable and these notes are hereby renewed, six of them being in full effect.

One promise required the cooperation of all groups. The Commission has received such cooperation from 75 to 80 percent of these groups.

Another promise referred to building ships "right away." The Commission has made a start and offers no alibis.

I shall, however, ask you one question. What one of you here tonight has accomplished the results you expected to accomplish during the past year?

We have concentrated our legislative efforts on a clarification of the Merchant Marine Act; on amendments that will prove helpful in carrying out the policy of the act; and on some new matter which will make the act more efficient as a piece of legislation. In this work we have had excellent cooperation from the congressional committees concerned. The results speak for themselves. Such accomplishments as have been made are in a large degree dependent upon Senator COPELAND, Judge BLAND, and their respective committees in Congress. It is a particular pleasure to me tonight to make public acknowledgment, in their home State, of the excellent work Congressman O'LEARY and Senator COPELAND have done.

The merchant marine has been carefully surveyed and inventoried and the needs of the rehabilitation program prudently appraised. Labor conditions are improving. A growing spirit of cooperation and understanding of mutual problems pervades the relationships between the Government and the shipping industry.

More tangible and more important, a start has been made toward making long-neglected replacements. This is the heart of the entire merchant-marine-rehabilitation program. Contracts have been let by the Maritime Commission for the construction of 25 new ships, which will cost $76,000,000, and we expect to have contracts for as many more by the end of the year. Contracts for eight are under consideration at this time and should be awarded next week.

A program has been initiated calling for the building of 24 vessels, at an approximate cost of $100,000,000, for the rehabilitation of our Pacific coast shipping. Shortly the Commission will inaugurate a new and fast steamship service to South America to better serve the countries that are rapidly becoming our best customers. Three of our finest ships, the cream of our present merchant marine, will be employed in this service.

We have made a start; we are on our way.

While the course has been charted, it must be steered carefully to avoid the rocks on which our previous programs have come to disaster.

The richest nation in the world, whose foreign trade is exceeded by that of only one other country, we now stand fourth in ships, sixth in speed, and seventh in age among the foreign trade fleets of the eight principal maritime nations. Our position is most unsatisfactory. We belong in front.

But we cannot catch up with the procession overnight.

To replace our aging fleet would require the construction of 261 vessels a year for the next 5 years, and such a program at current wages of labor and cost of materials would entail the expenditure of $2,500,000,000. We have neither the funds nor the facilities for such a titanic undertaking.

Our plans are to build for our minimum needs. This represents a more rational approach. A careful survey of the requirements of our commerce and for purposes of national defense indicates that minimum needs call for 500 new ships in the next 10 years. These ships will cost approximately $1,250,000,000, which is no beggarly sum. This program is within our capabilities.

As the Commission's construction program expands, and the new Navy building program gets under way, it is obvious that present shipbuilding facilities will probably be taxed beyond capacity and that some rehabilitation and some expansion will be necessary to accommodate this tremendous volume of new building. But the situation does not justify any "gold rush" for the shipyards.

Badly as new ships are needed, the Commission has no intention of encouraging wildcat shipbuilding. Small firms and new firms will have an equal opportunity to obtain a share of the new construction providing they satisfy the Commission that they possess the financial resources and the building facilities to perform their contracts. But they must come in with more than a prospectus and a prayer.

The principal reasons for having a merchant marine are to preserve and protect our ocean-borne commerce, and to equip the Navy with an efficient auxiliary fleet for use in time of national emergency. The public supports it with its taxes. It has the additional obligation of supporting it with its patronage, but the American shipping public and the American traveling public which use ships for their business and pleasure are not cooperating as they should. They are letting us down.

Last year the dollar value of our foreign trade was nearly six and a half billions of dollars, the largest since 1930. American ships carried only 35 percent of this traffic.

In the same year, 366,500 American citizens traveled overseas but only 30 percent of them traveled on American ships.

If American ships carried their proper share of this commerce and traffic, we soon would have a prosperous merchant marine, and it is conceivable that there would be a diminishing need for the Government's support through subsidies, or in another word, taxes.

The word parity only occurs once in our Merchant Marine Act but it is the most important word in the act. In order to have a merchant marine, the Government must make a substantial financial contribution to its support. Because of our higher living and labor standards, American ships cost more to build and operate than foreign ships. This competitive disadvantage would soon force our vessels off the foreign-trade routes if it were not equalized. This is the purpose of shipping subsidies. As a strong merchant fleet is essential to the national defense, their subsidies likewise represent an investment in national security. Emphatically, they are not gifts.

The idea is not new. We have been subsidizing American shipping for a great many years, only heretofore it has been done through subterfuge because we have been super sensitive about the term subsidy. In the Merchant Marine Act the financial assistance provided for the construction of new ships and the operation of vessels engaged in foreign trade is frankly described as a subsidy. There need be no more misapprehension why shipping subsidies are paid, how they are paid, and to whom they are paid.

They are paid because Congress has declared as a national policy that an adequate and efficient merchant marine is essential to the national economy and to the national defense, and to effectuate this policy subsidies are necessary because our ships could not survive foreign competition without this assistance from the Government. Congress has said that we shall have parity with our foreign competitors.

Construction subsidies are paid to enable the ship operator to build new ships in American shipyards at the same price he could build them abroad, thus providing employment for American citizens and a market for American materials.

Operating subsidies are paid to place the American ship operator on the same economic basis as his foreign competitor.

No subsidies are paid to the shipbuilder. In theory, the shipowner benefits by the construction subsidy. As a matter of fact, the shipowner doesn't benefit in the strictest sense of the term. He gets a new ship at the same price he could get it abroad and the operating subsidy reimburses him for the extra cost incurred in operating his ships under the American flag. By far the largest part of these subsidies—60 to 80 percent of the operating subsidy and from 80 to 85 percent of the construction subsidy—goes into the pockets of American labor, and that's exactly where we want it to go.

While American vessels generally because of their age and slowness are at a serious disadvantage in competing with the fast modern vessels which foreign nations have been diligently building while we have been dormant, we have some splendid ships in our foreign-trade fleet. In their class no other country has better. As for safety, the record of the American merchant marine as a whole has been consistently high.

With the exception of the superliner services, American steamship companies offer service from some of our ports for both cargo and passengers that is equal if not superior to that of foreign lines. Yet American shippers through these ports give the foreign-flag shippers the bulk of their patronage. These same shippers would be the first to call for help if the foreign ships on which they depend were suddenly shifted elsewhere by disorders at home. This is precisely what occurred in 1914 when our goods rotted and rusted in piles on our wharves because the

foreign vessels on which we so complacently relied to transport them had been suddenly diverted elsewhere by the war. Our producers suffered incalculable losses and the experience is one of the reasons why Congress in the 25 years that have intervened has consistently legislated for an adequate merchant marine. With the unrest that now prevails throughout the world, this could easily happen again at any time.

There are some conditions that are beyond the control of American shippers which compel him to patronize foreign ships. His customers abroad may demand for reasons of patriotism or economy that their purchases be transported on ships flying their own flag. We have no quarrel with this arrangement but it is one that should work both ways. American customers of foreign concerns should practice the same arrangement. It would be a simple method of solving the economic difficulties of shipping. Theoretically, it should cost no more because rates, by agreement, are presumably the same.

Beyond these, the poor patronage of American ships can be more or less directly ascribed to the labor troubles which have been plaguing some of our shipping. The frequent sit-downs, whimsical quickies, strikes, and factional labor disputes, of the past few years have driven millions of dollars in shipments to foreign lines. A strike may be compared to an all-American halfback because it is a "triple threat." It really is a triple loss—a loss to the employee, a loss to the employer and a loss to the American taxpayer. Some stories of insubordination and insolence to passengers on our ships (many of these stories "dolled up" and exaggerated) have caused thousands of American travelers to avoid them. We have had too much bad publicity. Our troubles have been grossly exaggerated. As the result of these unsettled conditions, some of our citizens have stated that they would never again travel on American ships. This attitude is not only unfair, it is un-American. It would be just as sensible to chop down the orchard because one apple is wormy.

While conditions in some sections of our shipping industry undeniably have been bad, and the foreign competitors of our steamship lines have not been slow to capitalize on this situation, these troubles have not been confined to our merchant marine alone. Foreign shipping has been similarly afflicted, but their difficulties are not advertised to high heaven. Let us stop washing our soiled maritime linen in public.

Damaging as it has been to the shipping business, the pitiless publicity provoked by the labor conditions in our ocean-going shipping, is having the beneficial effect of gradually awakening our seamen to their own responsibilities in the situation. A large majority of these men are honest, industrious and efficient and have the traditional American pride in their seamanship and in their ship. They realize the jeopardy to American shipping and to their own livelihood which lies in constant industrial strife. They resent with increasing force being made the objects of public disgust by the acts of a few who thrive through creating discord and who have no sincere interest in the merchant marine or in improving the lot of the American seaman. From these men is coming the stabilizing influence which today is being felt in maritime labor relations.

On one side, the Maritime Commission has been called the vassal of the steamship operator. On the other, the tool of labor. The Commission is neither. We are neutral and propose to remain neutral. We are subservient to no interest except that of the public. Under the Merchant Marine Act, we have certain responsibilities in improving personnel and living conditions on the ships which the Government subsidizes, but we have no jurisdiction in labor disputes. The Commission must prescribe minimum-wage scales, minimum-manning scales, and reasonable working conditions for these vessels. Perhaps there is no other law on the statute books which contains the same direct benefits for labor.

The Commission has fixed the minimum-wage scale. It only establishes a minimum and there is nothing to prevent increases through collective bargaining. The manning scales are being worked out. Some have been issued. It is taking longer because a blanket scale is not possible. Because conditions vary on almost every ship, it will be virtually necessary to work out individual manning scales for each vessel.

Much of the unrest among crews on our ships has been due to their poor living quarters. The law is designed to correct this situation, and the Commission is endeavoring to carry out the law in both letter and spirit. On all of the 200 ships under the Commission's cognizance the crews' quarters are being overhauled and reconditioned. As high as $60,000 is being spent for this purpose on a single vessel. The total bill is expected to reach $2,000,000. Because most of the ships are old, there is manifestly a limit on the improvements that can be made. Most of this work has already been accomplished. On our new ships our sailors will have the best living quarters in the world.

The Commission is meeting its responsibilities to labor.

In the past few months there has been some improvement in the labor situation, but conditions are far from satisfactory. Until a reasonable degree of stability is attained in the ranks of labor, including the elimination of jurisdictional disputes and the reestablishment of labor efficiency on which the shipbuilder and the ship operator can reasonably estimate their costs, the program for the rehabilitation of the merchant marine remains only a pious hope.

The Commission can do business with any stable labor organization. When I speak of stability I use it in the shipbuilding sense; that is, upright, responsible, with a tendency to return to the upright if deviated therefrom. Stability means a responsibility to return to the upright. It is, therefore, believed that all of us can do business with a stable labor organization.

Operating a ship is different from operating an ordinary business. The safety of the ship, its passengers, its crew, and, its cargo depend on the strictest discipline and the authority of one man. That man is the captain. No ship can be run by a forecastle committee or a board of directors.

When I was a cowpuncher rather than a mariner we had a kindly circle which read as follows: "More rain more rye, more rye more whisky, more whisky, more Democrats." As a shore-going mariner I find in some sections of the merchant marine a vicious circle: "No discipline, no confidence; no confidence, no passengers; no passengers, no sailings; no sailings, no jobs."

The records of the Commission show indecision on the part of shipbuilders and ship operators caused by uncertainty of the labor situation in our industry. Regardless of prevailing agreements there has been no firm assurance of their observance, nor of the maintenance of a proper degree of labor productivity. Definite examples are available showing a material falling off in productive efficiency, with resultant losses. This is not a maritime problem alone. It is a national problem!

I cannot stress too strongly this lack of productivity on the part of all hands for I am speaking of both capital and labor. It seems to me that this is one of the most serious problems facing our beloved country today.

Whether they like it or not, capital and labor are bedfellows. The mattress and the pillow may be softer on one side than on the other but the sooner all hands recognize that cooperation is essential the sooner we shall become economically efficient.

CONCLUSIONS

(a) We want to do something for domestic commerce, that is, coastal, intercoastal, Great Lakes, and inland waters; do something more than the act now permits. Constructive suggestions are invited.

(b) We want shipbuilders to submit bids for ships that are bankable, bondable, and buildable.

(c) We want operators who know their personnel both ashore and afloat; who know their ships at sea and in port; who take pride in operating under the American flag; who will stake their efficiency against their foreign competitors and win out.

(d) We want American standards of productivity from both capital and labor.

(e) We want preventive medicine rather than corrective medicine.

(f) We want reasoned loyalty from keel to truck, and from truck to keel.

America's Foreign Policy

EXTENSION OF REMARKS

OF

HON. BYRON N. SCOTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 25, 1938

RADIO ADDRESS OF HON. BYRON N. SCOTT

Mr. SCOTT. Mr. Speaker, under leave to extend my remarks, I include herewith a radio speech on America's foreign policy delivered by myself over the Columbia Broadcasting Co.'s network as follows:

Ladies and gentlemen, I am indebted to the Columbia Broadcasting network for making this time available so that I may discuss with those who may be listening a highly controversial subject. It is not the wage and hour bill which the House will vote on this evening but our relations with foreign countries. In all our dealings with foreign countries our first concern is, and quite naturally should be, with our own national security and peace.

Granting this, let's examine our present policy with a view to determining whether it is fulfilling this obligation.

The very foundation of our foreign policy is the Kellogg-Briand Peace Pact. By it, we, in conjunction with the other nations of the world, renounced war as an instrument of national policy. It is a mere statement of policy and contains no provision for effectuating that policy. Superimposed upon it is our neutrality legislation.

That law says that no matter what happens in the rest of the world the United States will studiously withdraw in the face of difficulty and will allow anything to happen no matter what the results. By it we made it impossible for the Department of State to use the weight of America's great potential influence in an attempt to maintain the peace of the world or to prevent events that may in time endanger our vaunted security. By our neutrality act we have said to nations who see fit to break their Kellogg pledge and resort to war—do as you wish, grab everything in

sight, stir up all the trouble you want to, make war when you please and on whom you please. The United States will do nothing about it. We will do nothing about it until you present yourselves at our borders with your arms and your men and your weapons of death and destruction. Then, we say, we will meet you with a super-Navy, a well-fortified coast line, a citizen army, and will, by ourselves, deal with you in a military way. But don't worry, we won't do anything about it until you get here. We have, by our policy, helped to prepare the aggressor nations for their conquests, and, once they start, we refuse to allow the victims of that aggression to purchase in this country the means to defend themselves.

Wishful thinking will not prevent wars. We don't want to fight, to be drawn into a war, but we can't always depend on other countries to respect our wishes. Any future war will not be of our making, but the world is rapidly going to war.

Now, let's view the situation in the Far East with special reference to our policy and its effect on our security and our peace.

I think that it goes without saying that we would be much safer with a free, pacific China on the other side of the Pacific Ocean than we would if China were subjugated and ruled by militaristic Japan. I think that it would be to our benefit to help China remain free. Could it be done without war?

The cause of the undeclared war is simple. All the talk about more land as a population vent is verbal camouflage. Japan already has enough unsettled land to take care of her population for at least a century. The militarists are simply greedy for more power, the big families for more wealth, so these two groups of gluttons try to gobble up China. If they should ever succeed, and a Fascist Japan dominate China, Japan becomes a deadly menace to the world. Her militarists have long dreamed of world conquest.

This undeclared war could not have been waged except for military supplies from the United States. Seventy-five percent of her petroleum Japan buys from us, half of her iron and steel. Between January and April of 1937 we sold her more pig iron than we sold to all the world in the 6 preceding years. Automobiles, all sorts of machinery and parts, copper ingots and slabs, and war chemicals from the United States helped Japan get ready for the war and aids her in carrying it on.

We arm Japan while we arm ourselves. It seems to me that as public knowledge spreads that America's own expensive armament program is the result of that policy which permits American industry to arm Japan, insistent demand is bound to arise that this traffic in death cease.

An early embargo on our exports to Yokohama and Kobe might have stopped it. We could have impeded it by boycotting Japanese imports. We could at any time embarrass Japanese war lords by boycotting silk. Ninety-seven percent of all silk used in the United States comes from Japan, which produces three-fourths of the world's supply. Without receipts from its sale, Japan might not be able to pay for the huge war supplies we ordinarily sell her. When this traffic is stopped, the end of Japan's aggression will be in sight, and the United States will not have used a single gun, a single bomb, or a single man. Until it is stopped, the United States will stand convicted before the world of being the supplier of the Japanese war makers.

To thwart Japan's militarists would not only clear us of an uneasy conscience and protect us from future danger but benefit the Japanese people, because failure of the China venture must mean a democratic government for Japan. It will also mean that our neighbor on the other side of the Pacific Ocean will be a peaceful friend and not a militaristic enemy.

Now, let's turn our attention to Spain:

I think it is a fairly well established fact now that when German troops marched into the Rhineland they had orders to march out again if France started to mobilize.

Now they have marched into Spain and Austria, and each daily paper tells of a new crisis in Czechoslovakia. That Hitler plans to absorb Czechoslovakia is known to all. Hungary, Rumania, Yugoslavia, Norway, Denmark, and the Ukraine all will come under his control if his ambitions are realized. This will mean a pretty large, a pretty powerful Germany, a power to be reckoned with by any country that has something that Germany wants. Do you remember the Drang Nach Osten, Berlin to Baghdad? Will she want parts of Africa, something in South America? She has her secret agents in Mexico, Central America, the Panama Canal Zone, and the United States. Why?

When Germany and the United States fixed their official signatures to the Kellogg-Briand Pact they both renounced war as an instrument of national policy. The United States kept that agreement and wants to keep it. Germany did not want to keep it, and has not. It is the principal item of her national policy today—she and her allies, Italy and Japan. Italy will stay with her as long as staying with her benefits Italy. Japan relieves Germany of worry from Russia, an unknown quantity. Germany thus progresses southward and eastward. What stands in her way? Czechoslovakia. If the Czechs topple the rest should be easy, with the possible exception of Yugo Slavia.

When the overt act occurs, and occur it must, will France live up to her treaty agreement and come to the assistance of the Czechs? France does not want a war either, and Germany is powerful in the air and becoming more so each day. Will England help her? Henlein has been to England. He was received and treated like a visiting statesman. Czechoslovakia is a friendly country threatened by a Nazi minority led by this man who is little better than a rebel with German backing. And England received him. Does it mean that England is asking the Czechs to give in to him and Hitler while she asks Hitler and him to refrain from armed action and at the same time tries to get France to break her treaty with Czechoslovakia.

France may not want to go it alone in aiding the Czechs. Would England be any more willing to fight for Czechoslovakia than she was to fight for Ethiopia, Spain, Austria, or China?

Germany cannot be appeased by one more concession. It will take another and another. It is a pity, I presume, that Europe possesses so few small countries that England can give to the war-bent abnormality that rules Germany, in an attempt to preserve the peace of Europe and her own skin. Soon England will run out of small countries, and then what? I should like to see the peace of Europe preserved, or rather restored, which it isn't, but I would never subscribe to the theory that the peace of the world can be purchased only at the expense of small, weak, democratic nations who cannot defend themselves from the Fascist aggressors.

Is England playing a game? Frederick Schuman in the New Republic says that she is—a fiendish game. "Japan could have been stopped in Manchuria without war" he says, "if Britain's Tories had desired to act. German rearmament could have been prevented, Ethiopia could have been protected, the Covenant could have been enforced, Locarno could have been preserved, Spain could have been rescued, Austria could have been salvaged, all without war, if Britain's Tories desired to act. They refuse to act," he says, "because they prefer to condone and support Fascist aggression. They do this," he says, "because they desire the Fascist powers to strengthen themselves for war. This second world war," he says, "will be a death struggle between the Fascist powers and the Union of Soviet Socialist Republics. The task will be so gigantic as to keep both powers occupied for years. The war must be localized and kept out of Western Europe. This requires the peaceful yielding of Central and Eastern Europe to Hitler—gracefully through a four-power pact, or if need be, disgracefully through surrender. Meanwhile the Third Reich, certain of British neutrality, French weakness, and Japanese and Italian support, will drive up the Baltic and down the Danube to attack Russia. The combat will be long and fierce. Communism and fascism may destroy one another, with England and the Empire forevermore secure. That the program is utterly unscrupulous," Mr. Schuman says, "is irrelevant. That other people's children by the thousands must be thrown to the Fascist wolves, that other mothers' sons by the tens and hundreds of thousands must suffer torture, starvation, and death is immaterial. The only question for Britain's Tory leaders is, will it work?"

I hope that Mr. Schuman doesn't know what he is talking about. But read the article, England Behind the False Face, in the May 19 issue of Ken, which concludes with this: "The program launched at Cliveden during this historic weekend (March 26–27, 1938) is for aid to Germany in particular in her preparations for war on the Soviet Union, and this program must inevitably lead England toward the Rome-Berlin axis and ultimately fascism.

England's intrigues to strengthen the Rome-Berlin axis mean encouragement to the Rome-Berlin-Tokyo axis since it is one and the same and the Rome-Berlin-Tokyo axis is working intensively in Central and South America against the United States. The activities of this triumvirate in the Western Hemisphere seem to point to war as the ultimate goal. The program adopted then, at the beautiful country estate of the American-born woman (Lady Astor) becomes a menace not only to the democracies everywhere in Europe but also to the peace and security of the United States.

Here, then, is the reason for my interest in the events in Europe, for if Mr. Schuman should happen to know what he is talking about and if the British Tory plan doesn't work, and either contestant (Russia or Germany) threatens to sweep the field and menace Britannia, I confidently believe, as does Mr. Schuman, that it is assumed in London that America will stage an eleventh-hour rescue. The assumption was once correct. I trust it may never be correct again. But failure of the British plan might leave us in a position of having to defend ourselves when the successful Berlin-Rome-Tokyo axis turns to South and Central America.

I make no emotional plea to you people for the salvation of Ethiopia, Austria, Spain, or Czechoslovakia. I say that the continued successes of the Rome-Berlin-Tokyo axis, with or without British connivance, presents a serious threat to the peace of the entire world and as a result seriously menaces the national security of the United States. In this we are all extremely interested. Taking notice of Japan's invasion of China, the assistance that Hitler and Mussolini are giving to Franco in Spain, Hitler's seizure of Austria and the Czechoslovakian crisis, we begin to wonder whether the foreign policy of the United States is designed and operating to maintain our national security and peace.

The papers this morning carry this United Press dispatch: "Generalissimo Francisco Franco was reported tonight to have sent urgent appeals to Germany and Italy for more men, guns, and fighting planes as government dispatches reported important gains in a surprising offensive along a 55-mile front in northern Catalonia."

The situation is comparable to that in China. Franco is supplied with arms—the Loyalists have trouble in getting them. Germany is a threat to world peace and thus to our national security. The first show of resistance by any of the large powers must have its effect on Hitler's plans. Can the United States show that resistance without going to war?

During the last 6 months many of us have asked for that show of resistance by an abandonment of our isolation policy by the lifting of the Spanish embargo.

Senator NYE has introduced a resolution to permit the Spanish Government to buy arms on the cash-and-carry principle. This does not involve any appreciable danger of hostilities for the United States. We have no fear of Franco, and Germany and Italy, in spite of their loud talk, are not going to provoke us. They could not possibly threaten us with any action.

Well, France didn't mobilize when Hitler marched into the Rhineland. He's been marching ever since. As long as he marches, there will be no world peace. Until there is world peace our security is jeopardized and we must build armaments.

As Japan could be stopped by embargo and boycott, so could Germany and Italy be stopped by assistance to Spain and an embargo on war materials to Hitler and Mussolini.

But this can't be done under our neutrality laws. Until it can be done, the Kellogg Pact is simply rhetoric.

Observations on the Bill to Provide Shorter Hours for Firemen and Policemen of the District of Columbia

EXTENSION OF REMARKS

OF

HON. ROSS A. COLLINS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 25, 1938

Mr. COLLINS. Mr. Speaker, I regret very much that it was impossible for me to be on the floor of the House when the bill H. R. 7710, "a bill to provide shorter hours of duty for members of the fire department of the District of Columbia," was up for consideration. It was imperative that I be in attendance with the deficiency subcommittee of the Appropriations Committee at that time. I am so convinced that it was a mistake to pass this bill that I have asked leave to extend my remarks so as to incorporate in the RECORD certain facts that I think Members of Congress should have because the bill should not be enacted into law.

To place the provisions of the bill in operation (relating only to the fire department) would require an increase of approximately 207 men in the fire department and additional funds for their uniforms and equipment.

It is estimated that the cost during the first year would be approximately $413,000, and this would increase about $20,000 each year for the first 5 years as privates become entitled to longevity promotions in salary, making an ultimate increase of about $500,000.

If the provisions of this bill were enacted so as to permit 2 days off per week for firemen, the same privileges should be granted the police department. To grant 2 days off per week instead of 1 to the police department, and to grant a compensating day for each legal holiday upon which a policeman is required to work, would cost in the neighborhood of $1,000,000 per year. Considered together, both policemen and firemen, the additional cost to the District of Columbia by the enactment of legislation of this character extended to both departments would represent a total additional cost to the District of somewhere around $1,500,000.

The Commissioners have reported adversely upon H. R. 7710, as the legislation is believed by them to be unwise. The bill has been submitted to the Bureau of the Budget and the Acting Director of that Bureau has advised the Commissioners that there is no objection on the part of the Bureau to the position taken by the Commissioners in connection with this matter.

Following is information showing the privileges and benefits received by policemen and firemen employed by the District of Columbia:

First. Policemen and firemen are allowed 1 day off in 7 with pay.

Second. Policemen and firemen are allowed 26 days annual leave each calendar year, exclusive of Sundays and holidays. They may accumulate this annual leave until it totals not exceeding 60 days.

Third. Policemen and firemen may receive 30 days' sick leave with pay, as against 15 days' sick leave granted Federal and District Government employees.

Fourth. Policemen and firemen who become temporarily disabled by injury received or disease contracted in the actual discharge of duty are entitled to indefinite extended sick leave with pay. They are also entitled during such injury or illness, or illness due to any cause, to free medical services by members of the Board of Police and Fire Surgeons. They are further entitled to hospital treatment, nursing service, and medical or surgical services at the expense of the District of Columbia.

Fifth. Policemen and firemen who become permanently disabled from injury received or disease contracted in the line of duty, or having served not less than 25 years and having reached the age of 55 years shall for any cause become so permanently disabled as to incapacitate them for the performance of duty, may be retired by the Commissioners on a pension of one-half the pay received at the time of retirement.

Policemen and firemen who have reached the age of 60 years may in the discretion of the Commissioners be retired and become entitled to receive the pension mentioned in the preceding paragraph.

Sixth. In the case of the death of any member of the police department or the fire department before or after retirement from the service, leaving a widow or a child or children under 16 years of age, the widow shall be entitled to receive relief from the District of Columbia in an amount not exceeding $60 per month and each child under the age of 16 years an amount not exceeding $10 per month.

Seventh. The Commissioners are authorized to pay a sum not exceeding $75 in any one case to defray the funeral expenses of any member of the police department or the fire department dying while in the service thereof.

Eighth. Policemen and firemen on the retired pay roll are entitled upon application to receive increases in pensions when increases in salaries are authorized by Congress for members of the police and fire departments.

Ninth. Policemen and firemen receive free uniforms from the District of Columbia.

Tenth. The major and superintendent of police, and the chief engineer of the fire department may be retired with a pension of $4,000 a year; the assistant superintendents of police and the deputy chief engineers of the fire department, at a pension of $2,500 per year; inspectors in the police department and battalion chiefs in the fire department, at a pension of $2,250 per year; captains in the police department at $1,800, and captains in the fire department at $1,500 per year; lieutenants in the police department at $1,525, and in the fire department at $1,420 per year.

Privates in the police department and in the fire department are initially appointed at $1,900 per year, and receive an increase of $100 per year until they reach a maximum salary of $2,400 per year. On retirement, privates in the police department and the fire department, and in practically every case retirement is after the maximum salary has been reached, receive a pension of $1,200 a year.

The cost of the policemen and firemen's relief or pension fund has increased from $150,000 in the fiscal year 1920 to $1,025,000 in the fiscal year 1938. Of this latter amount about $200,000 is contributed by a deduction of 3½ percent of the pay of policemen and firemen, while the deficit of about $800,000 a year in the policemen and firemen's pension fund is made good by using that amount of the general revenues of the District derived from taxes, privileges, and so forth. The law provides that it shall be the duty of the Commissioners to direct the collector of taxes, and it shall be the duty of the collector to pay into the Treasury, out of the general revenues of the District of Columbia collected by him, such sums as may be necessary from time to time to meet deficiencies in the payment of policemen's and firemen's pensions.

Eleventh. Members of the United States Park Police and members of the White House Police force also are entitled

to pension and other privileges in like manner as members of the fire department. Should the provisions of H. R. 7710, proposed now to apply only to firemen, be also extended to members of the Metropolitan Police force, it is strongly probable that a further extension would be made to include members of the United States Park Police force who are paid their salaries and other expenses from appropriations of the District of Columbia, and members of the White House Police force.

This does not take into consideration members of the Capitol Police force, who, however, receive their pay from moneys of the Federal Government.

In addition to the above I have additional data which gives certain statistics in this connection as they exist in other cities. These data are in the form of two tables, the first giving a comparison of the hours of duty, sick and annual leave in 25 of the larger cities, and the second showing the salaries paid firemen in 25 of the larger cities. In each comparison it will be noted that the situation in the District of Columbia at the present time compares very favorably with the other cities on the list. The tables referred to are set forth below as follows:

Hours of duty, sick and annual leave, in fire departments of 25 large cities of the United States

City	Hours of duty per day	Hours of duty per week	Annual leave with pay	Sick leave with pay
Los Angeles, Calif.	12	78	15	Injury, line of duty, 1 year; sick, 14 days; 16 days, 65 percent.
San Francisco, Calif.	12	72	14	Injury, line of duty, indefinite; sick, 6 months.
Chicago, Ill.	12	72	20	1 year.
Indianapolis, Ind.	12	72	15	Indefinite.
Louisville, Ky.	12	84	10	13 weeks.
New Orleans, La.	12	84	15	Injury, line of duty, indefinite; sick, 1 year.
Baltimore, Md.	12	84	14–16	Injury, line of duty, 1 year; sick, 6 months.
Boston, Mass.	12	60	14	Injury, line of duty, indefinite; sick, half pay for 30 days.
Detroit, Mich.	12	72	20	Injury, line of duty, indefinite; sick, 60 days.
Minneapolis, Minn.	12	78	15	Up to 90 days.
Kansas City, Mo.	12	84	21	1 year.
St. Louis, Mo.	12	84	15–20	Injury, line of duty, indefinite; sick, 90 days.
Jersey City, N. J.	12	84	15–18	1 year.
Newark, N. J.	12	84	15–18	Do.
Buffalo, N. Y.	12	74	15	Injury, line of duty, 1 year; sick, 6 months.
New York, N. Y.[1]	12	84	21–30	Indefinite.
Rochester, N. Y.	12	78	15–20	Injury, line of duty, indefinite; sick, 6 months.
Cincinnati, Ohio	12	84	15	1 year.
Cleveland, Ohio	12	84	14	Injury, line of duty, indefinite; sick, 1 year.
Toledo, Ohio	8	48	14	1 year.
Philadelphia, Pa.	12	72	14	Injury, line of duty, indefinite; sick, according to nature of illness, half or full pay.
Pittsburgh, Pa.	12	78	14	Injury, line of duty, indefinite; sick, none.
Seattle, Wash.	12	72	15	Injury, line of duty, half pay for 6 months; sick, first 5 days deducted.
Milwaukee, Wis.	12	84	14	1 year.
District of Columbia	12	72	26	Injury or illness, line of duty, indefinite; other, 30 days.

[1] Now working into 3-platoon system—8-hour day, 56-hour week.

Salaries paid privates in fire departments in 25 of the larger cities of the United States as of January 1937

City	Entrance	Maximum
Philadelphia, Pa.	$1,820	$2,184
Detroit, Mich.	2,520	2,520
Los Angeles, Calif.	2,040	2,280
Cleveland, Ohio	1,800	2,420
St. Louis, Mo.	1,680	2,160
Baltimore, Md.	1,600	1,800
Boston, Mass.	1,600	2,100
San Francisco, Calif.	2,160	2,400
Pittsburgh, Pa.	1,650	2,100
Buffalo, N. Y.	1,808	2,063
Washington, D. C.	1,900	2,400
Milwaukee, Wis.	2,040	2,280
Minneapolis, Minn.	1,680	2,100
Cincinnati, Ohio	1,500	1,860
New Orleans, La.	1,642	1,642
Kansas City, Mo.	1,460	1,620

Salaries paid privates in fire departments in 25 of the larger cities of the United States as of January 1937—Continued

City	Entrance	Maximum
Newark, N. J.	2,100	2,500
Seattle, Wash.	1,920	2,160
Louisville, Ky.	1,351	1,540
Indianapolis, Ind.	1,819	1,819
Rochester, N. Y.	2,100	2,100
Denver, Colo.	1,740	1,920
Houston, Tex.	1,656	1,656
Portland, Oreg.	1,764	2,009
Toledo, Ohio	1,500	1,800

Legal Aspects of Tax-Exempt Securities

EXTENSION OF REMARKS
OF
HON. H. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 25, 1938

ADDRESS OF JOHN PHILIP WENCHEL, OF THE INTERNAL REVENUE BUREAU

Mr. VOORHIS. Mr. Speaker, removal of tax-exempt privileges is, I believe, one of the first duties of Congress. I am, therefore, glad to include herewith the following most timely address on the Legal Aspects of Tax-Exempt Privileges, by John Philip Wenchel, chief counsel, Bureau of Internal Revenue, before the Federal Bar Association:

How did our American doctrine, which denies to one government, National or State, the power to tax instrumentalities of the other come about, and what is the true scope of it?

It is a singular fact that the Federal Constitution does not limit in express terms the power to tax the property or profits or obligations of any State government. It is also a singular fact that State constitutions do not limit in express terms the power to tax the property or profits or obligations of the Federal Government or of the government of any sister State.

The doctrine of reciprocal immunity is wholly inferential. Neither in the Federal Constitution nor in any State constitution is language used from which such immunity must clearly be implied.

To the extent that this remarkable doctrine rests upon the theory of sovereignty, it is not upon a very firm foundation. If a subject of taxation is within the taxing power of a sovereign, that sovereign has full power to tax it. The power to tax is one of the attributes of sovereignty; and the jurisdiction to exercise the power is coterminous with the bounds of the sovereign's jurisdiction. Hence, it was early held that one State may tax the securities of another State (*Bonaparte* v. *Tax Court* (1881), 14 Otto (U. S.) 592).

How did we come then to adopt this doctrine of implied limitations upon the taxing powers of the Federal Government and the States? Mainly as the result of a misinterpretation of the famous opinion of Chief Justice Marshall in *McCulloch* v. *Maryland* ((1819) 4 Wheat. (U. S.) 316). In that case a unanimous Court held that a Maryland stamp tax on notes issued by the Bank of the United States was invalid because it was a tax upon an instrumentality of the National Government.

The tax was discriminatory, although no stress was laid on this fact in the opinion. Marshall conceded that Maryland had power to tax the real estate of the bank and the interest of Maryland citizens in the institution "in common with other property of the same description throughout the State." Marshall feared, however, that if a direct tax could be levied by a State on the operations of a Federal instrumentality, the authority of the National Government might be seriously impaired.

Marshall plainly declared he was not afraid of the effect of Federal taxation upon a State instrumentality because "the people of all the States, and the States themselves, are represented in Congress and, by their Representatives, exercise this power." But he fully recognized the peril in permitting a State to levy a direct and discriminatory tax upon a function of the Federal Government. Consequently Marshall blocked at the threshold the exercise of the State's sovereign power to tax a "means employed by Congress to carry into execution powers conferred on that body by the people of the United States."

It is noteworthy that this newly announced principle of implied immunity of the Federal Government from direct taxation by the States was not accepted without some doubt and reservations. Ten years after McCulloch against Maryland, two Justices dissented in the case of *Weston* v. *Charleston* ((1829) 2 Pet. (U. S.) (p. 473) 449) on the ground that the decision in the McCulloch case held nothing more than that no "law professing to tax will be permitted

to destroy." But Marshall and three other Justices treated the tax in question as a direct personal-property tax upon Federal obligations and held it invalid.

Here, as in McCulloch against Maryland, the tax was not only direct but also discriminatory. It was not imposed upon all property, but only upon certain types, among which "6- and 7-percent stock of the United States" was included but from which obligations of the State of South Carolina or of the city of Charleston were excluded.

In 1842, after Marshall's time, the Court was again unanimous in holding in *Dobbins* v. *Commissioners of Erie County* ((1842) 16 Pet. (U. S.) 435) that a Federal revenue officer could not be subjected to a State tax imposed on "all offices and posts of profit." The Court held, first, that the State taxing statute conflicted with the Federal statute which fixed the compensation of the revenue officer and conferred upon him the right to receive such compensation when earned; and second, that "any law of a State imposing such a tax cannot be constitutional, because it conflicts with a law of Congress made in pursuance of the Constitution and which makes it the supreme law of the land."

Again the basis of the immunity is made the superior authority of the Federal Government. Again the tax is a direct tax of a type now obsolete—a so-called faculty tax levied on the assessed value of the office.

The tax in the Dobbins case cannot be said, however, to have been discriminatory against Federal officers. It applied not only to all professions, trades, and occupations, but also to idle bachelors over 21 years of age. Nor was there any discrimination against Federal securities present in the case of *Bank of Commerce* v. *New York City* ((1862) 2 Black (U. S.) 620) 20 years after the Dobbins case. The Court held, nevertheless, that a municipal capital-stock tax on a bank could not be applied unless the capital invested in Federal securities was first excluded from the assessment.

Whether the fact that the case came before the Supreme Court during the second year of the Civil War when banks needed encouragement to invest in Federal bonds might have influenced the decision is not as important as the fact that 3 years after the Civil War the Court, in the case of *Society for Savings* v. *Coite* ((1868) 6 Wall. (U. S.) 594) upheld a State corporate excise tax upon a bank measured by all its assets, including Federal bonds.

The difference between the two cases is the difference between a direct property tax and an indirect excise tax. This difference may appear artificial, but it furnishes a convenient and fundamentally sound test for determining the boundaries of the doctrine of reciprocal immunity from taxation.

This distinction seems to have been recognized as early as the case of *United States* v. *Railroad Co.* ((1872) 17 Wall. (U. S.) 322). There the Baltimore & Ohio Railroad had refused to pay a 5-percent withholding tax on the amount of interest due upon bonds issued by the railroad to the city of Baltimore in return for money loaned by the city. The Supreme Court held that since the tax was a tax upon the creditor, and not upon the debtor, it was a tax upon the revenues of the city of Baltimore and hence could not be collected. The Court said "the revenue must be municipal in its nature to entitle it to the exemption claimed."

The approach of the Court implies that if the situation had been reversed and the city had been the debtor on the bonds, charged with the duty of withholding the tax on the interest due to the railroad, the tax would have been valid. "The burden falls on the creditor. He is the party taxed," says the Court.

In the usual case it is the city which is the debtor. The proposed legislation to end tax-exempt securities will apply only to the city's creditor. Hence the income of a private creditor will be taxed, and not the income of a State or municipality. The tax is directly upon the creditors, and so is the burden. There is a strong basis for the belief that the Supreme Court which decided *United States* v. *Railroad Co.* would have upheld a withholding tax upon interest levied against the city of Baltimore if the city had been the debtor and the B. & O. Railroad had held bonds issued by the city.

Earlier, when Marshall had said that "the power to tax involves the power to destroy," and that "questions of power do not depend on the degree to which it may be exercised," he spoke of a direct tax upon the property or obligations of the Federal Government or one of its instrumentalities.

The doctrine of implied immunity is now assumed to be reciprocal primarily as the result of the decision of the Supreme Court in *Collector* v. *Day* ((1871) 11 Wall. (U. S.) 113). In that case the majority of the Court ignored the distinction which Marshall himself had made and held that the salary of a Massachusetts judge was exempt from Federal tax. Suddenly it had been discovered that the fathers had written into the Constitution the mandate: "What is sauce for the goose is sauce for the gander."

The day before yesterday the Court, in its far-reaching opinion in *Helvering* v. *Gerhardt*, held that the Federal income tax imposed on salaries received by employees of the Port of New York Authority did not place an unconstitutional burden on the States of New York and New Jersey.

The Court said that the "State immunity from the national taxing power, when recognized in *Collector* v. *Day* * * * was narrowly limited to a State judicial officer engaged in the performance of a function which pertained to State governments at the time the Constitution was adopted, without which no State could long preserve its existence."

"The basis upon which constitutional tax immunity of a State has been supported," said Mr. Justice Stone, speaking for the Court, "is the protection which it affords to the continued existence of the State. To attain that end it is not ordinarily necessary to confer on the State a competitive advantage over private persons in carrying on the operations of its government. There is no such necessity here, and the resulting impairment of the Federal power to tax argues against the advantage. The State and National Governments must coexist. Each must be supported by taxation of those who are citizens of both. The mere fact that the economic burden of such taxes may be passed on to a State government and thus increase to some extent, here wholly conjectural, the expense of its operation, infringes no constitutional immunity. Such burdens are but normal incidents of the organization within the same territory of two governments, each possessed of the taxing power."

It may reasonably be assumed that the Court is prepared to reconsider and if necessary restrict immunity from Federal income tax. As a matter of fact, the opinion of Mr. Justice Stone considered in its entirety warrants the belief that the Court recognizes the pressing necessity for a reexamination of the whole doctrine of reciprocal immunity. The opinion reiterates Marshall's reference to the creation of the National Government by the people of all the States who exercise the national taxing power through their representation in Congress. If Congress enacts the short and simple statute suggested by the President, the very fact that the people are taxing themselves "serves to guard against its abuse through the possibility of resort to the usual processes of political action which provides a readier and more adaptable means than any which courts can afford for securing accommodation of the competing demands for national revenue, on the one hand, and for reasonable scope for the independence of State action, on the other."

Part and parcel of the doctrine of reciprocal immunity from taxation are two limitations. Even though the tax be direct, the immunity does not extend to all branches of a government. When a State steps down from the dais of a sovereign to joust in the commercial arena of private enterprise, a direct Federal tax on the property or profits of the State business will be upheld. (*South Carolina* v. *U. S.* (1905), 199 U. S. 437.) This restriction of reciprocal immunity, by what may be called the proprietary limitation, emphasizes the artificial, though utilitarian, character of the immunity against direct taxation with which the Supreme Court has clothed the Federal and State Governments in so-called sovereign spheres.

Captain Dobbins is exempt and Judge Day is exempt, but not the sovereign State of South Carolina when it opens public dispensaries for distilled spirits in an attempt to regulate the liquor traffic.

There is another limitation upon the doctrine of reciprocal immunity from taxation An indirect tax is condemned by the judiciary only when it discriminates against the National or a State Government, or substantially burdens its instrumentalities or obligations. Cases decided by the Supreme Court at its present term definitely establish the principle that the Court will apply a pragmatic test when the tax imposed by one government falls only indirectly upon the other government. The burden limitation, as this second limitation may be termed, emphasizes a practical perspective where the tax is indirect as distinguished from a doctrinal dogmatism where the tax is direct.

In the case of *James* v. *Dravo Contracting Co.*, decided during the present term (1937), 302 U. S. 134, the Court upheld the application of a West Virginia gross-receipts tax to a contractor engaged in building locks and dams for the Federal Government in West Virginia. It was assumed by the Court that the tendency of such a tax would be to increase the cost of the work, but, declared Chief Justice Hughes, "that fact would not invalidate the tax." The effort of the Supreme Court would be, said the Chief Justice, "in this difficult field to apply the practical criterion", and he concluded that since the tax was nondiscriminatory and did not "interfere in any substantial way with the performance of Federal functions", it was a valid exaction.

And in the case of *Helvering* v. *Mountain Producers Corporation*, also decided during the present term ((1938) 58 Sup. Ct. 623), the Supreme Court overruled two prior decisions, one as recent as 1932, and held that the income received by a lessee or his beneficiary under a lease from the State of Wyoming of lands held by the State for school purposes was not exempt from Federal income tax.

The case is important because it furnishes a recent demonstration that the Court, as Mr. Justice Brandeis said in his dissent in one of the cases overruled (*Burnet* v. *Coronado Oil & Gas Co.* (1932) 185 U. S. 393, 409), "bows to the lessons of experience and the force of better reasoning, recognizing that the process of trial and error, so fruitful in the physical sciences, is appropriate also in the judicial function."

The Mountain Producers Corporation case is also significant because the grounds of the earlier cases, as well as their conclusions, were overruled. The opinions in the overruled decisions had been based upon the reasoning, first, that the tax upon the income of the lessee was a tax upon the lease and "upon the power to make them, and could be used to destroy the power to make them"; and, secondly, that the tax was "a direct hamper" upon the governmental lessor, and for this reason alone was invalid.

Chief Justice Hughes, in his opinion, rejected both lines of reasoning and pointed out that "where the tax is not in fact laid upon the leases as such, or upon the Government's property or interest, but is imposed upon the gains of the lessee, like that laid

upon others engaged in similar business enterprises," the question is whether "there is in truth such a direct and substantial interference with the performance of the Government's obligation as to require immunity for the lessee's income." The Court was wisely not alarmed by the argument in terrorem that the tax might diminish the funds thereafter available to Wyoming for school purposes.

The scope of the judicially created doctrine of reciprocal immunity from taxation has therefore been vitally restricted by the judiciary itself. As we have seen, the proprietary limitation has hedged the scope of the doctrine, so far as a direct tax is concerned; and the more recently announced burden limitation requires the application of a practical criterion to the economic consequences of an indirect levy. The pith of recent decisions is that immunity from a nondiscriminatory indirect tax is not grounded upon theoretical conceptions of impairment of the functions of government but upon substantial interference with the exercise of such functions.

One month ago today the President of the United States transmitted to the Congress a message urging it to put an end to tax-exempt securities and salaries. The President recommended the enactment of a "short and simple statute" to achieve this objective. The question such a statute would present is whether the reciprocal tax immunity implied by the Constitution extends to income received by an individual or private corporation simply because such income is derived as interest from Federal, State, or municipal securities or as compensation from holding a Federal, State, or municipal office. The philosophy of the President's message is that the Constitution does not expressly or by necessary and unavoidable implication establish a privileged class of public creditors or public officers, who, though living under the protection of a government, are exempted from bearing its tax burdens.

It is generally recognized that tax exemption is inconsistent with the graduated income tax and is socially unjust. This is not the forum to consider the mischief of tax-exempt securities and salaries, but it may not be amiss to consider the constitutionality of the proposed remedial legislation.

There is no doubt, of course, that Congress has the power to subject Federal securities and Federal officeholders to taxation by a State which, but for the cloak of the immunity, would have the jurisdiction to tax, just as it has the power to subject shares of stock in national banks to State taxation ((1865) *Van Allen* v. *Assessors*, 3 Wall. (U. S.) 573). Since the legislation suggested by the President would give express consent to State taxation of income derived from Federal securities and from Federal offices, the issue is narrowed to the validity of amending the Revenue Act of 1938 to include as income interest received by State and municipal private bondholders and salaries received by State and municipal officeholders.

From the Revenue Act of 1913 to the Revenue Act of 1938, interest received by a taxpayer upon obligations of a State or any political subdivision of a State has been expressly exempted from the income tax. Consequently, the Supreme Court has never been given the opportunity to consider specifically the power of Congress to impose a nondiscriminatory income tax upon interest received from State and municipal bonds since the sixteenth amendment or, as a matter of fact, since the decision in *Pollock* v. *Farmers' Loan & Trust Co.*, ((1894) 157 U. S. 429; (1895) 158 U. S. 601).

The decision in *National Life Insurance Co.* v. *United States* ((1928) 277 U. S. 508) has been frequently cited as authority for the proposition that the power conferred upon Congress by the sixteenth amendment to levy taxes "on income from whatever source derived" does not authorize the application of an income tax to interest received by an individual or private corporation from State or municipal bonds.

But the tax in that case was held to be discriminatory. And neither the majority nor the minority opinions in that case mention the sixteenth amendment. As construed by the Supreme Court, the statute required an insurance company holding State and municipal securities to pay more upon its taxable income than could have been demanded if it had been derived solely from taxable securities. The case stands merely for the proposition announced by Mr. Justice McReynolds in the majority opinion that "One may not be subjected to greater burdens upon his taxable property solely because he owns some that is free."

Our review of the cases has shown that the Supreme Court never hesitated before the sixteenth amendment, nor has it hesitated since the sixteenth amendment, to condemn any tax discriminating against the income from Federal, State, or municipal obligations, nor any tax levied as a direct property tax upon such obligations. But such cases holding discriminatory taxes void do not lend support to the view that a nondiscriminatory Federal income tax applicable to State and municipal securities violates the principle of reciprocal immunity. Such cases simply hold, as is self-evident, that the sixteenth amendment did not repeal the fifth amendment.

The Court has, however, drawn a sharp distinction between imposing a burden and conferring a bounty through tax-exemption. Thus the Court has upheld the Federal income tax as applied to the profits realized from the sale of municipal bonds. (*Willcuts* v. *Bunn* (1931), 282 U. S. 216.) And it has had no difficulty in sustaining the application to tax-exempt securities of the Federal estate tax (*Greiner* v. *Lewellyn* (1922), 258 U. S. 384), as well as a State inheritance-tax law. (*Plummer* v. *Coler* (1900), 178 U. S. 115). Yet in each of these cases the holder of the tax-exempt bonds obtained no advantage over a holder of taxable bonds. And as Chief Justice Waite, writing for a unanimous court in *Bonaparte* v. *Tax Court* ((1881) 14 Otto (U. S.) 592, 595) said:

"It is true, if a State could protect its securities from taxation everywhere, it might succeed in borrowing money at reduced interest; but, inasmuch as it cannot secure such exemption outside of its own jurisdiction, it is compelled to go into the market as a borrower, subject to the same disabilities in this particular as individuals. While the Constitution of the United States might have been so framed as to afford relief against such a disability, it has not been, and the States are left free to extend the comity which is sought, or not, as they please."

Before the ratification of the sixteenth amendment, the Supreme Court (*Flint* v. *Stone Tracy Co.* (1910), 220 U. S. 107) had upheld a Federal corporate excise tax which required the inclusion of interest on State and municipal bonds in computing the net income. And since the sixteenth amendment the Supreme Court has upheld State excise taxes on corporations measured by net income from all sources, including Federal securities. (*Pacific Co.* v. *Johnson* (1932), 285 U. S. 480; *Educational Film Corp.* v. *Ward*. (1931, 281 U. S. 379.)

These cases all proceed on the theory that the tax in question, whether upon capital stock or an inheritance or a capital gain, is an excise tax, as if an excise tax were classified as something entirely different from an income tax. The reason for this approach is the constant endeavor by the Court to short circuit the decision in the Pollock case.

Prior to the Pollock case the income tax had generally been considered as an excise tax or a duty; in fact, in *Springer* v. *United States* (1880) (12 Otto (U. S.) 586) the Supreme Court squarely ruled that an income tax was not a direct tax within the meaning of the Constitution, and sustained the constitutionality of a general tax upon individual incomes which had been enacted during the Civil War.

In the Pollock case, however, the Court treated the income tax as in effect a direct tax, and held that the income from municipal bonds "could not be taxed because of want of power to tax the source."

During the present term the Court has had occasion again to consider the nature of an income tax. Speaking for a bench divided 6 to 3, Mr. Justice Cardozo, after a review of State decisions, concluded in *Hale* v. *State Board* (1937) (302 U. S. 95) that "many, perhaps most, courts hold that a net income tax is to be classified as an excise," and that the decisions of the Supreme Court itself now "forbid us to stigmatize as unreasonable the classification of a tax upon net income as something different from a property tax, if not substantially an excise."

And only 10 days ago the Supreme Court upheld, on the authority of the Hale case, the application of an Indiana gross income tax to interest on Indiana State and municipal bonds and recognized the validity of the distinction drawn by the Supreme Court of Indiana between a tax on the bonds and a tax on the interest on the bonds. (*Adams Manufacturing Company* v. *Storen* (May 16, 1938), U. S. Law Week, vol. 5, No. 37, pp. 5, 6 (Justice McReynolds dissenting on this point).)

Last year the Supreme Court in *People ex rel. Cohn* v. *Graves* ((1937) 300 U. S. 308) decided that the State of New York could constitutionally tax a resident upon income received from rents of land located in the State of New Jersey. Justices Butler and McReynolds dissented on the ground that the Pollock case had established that a tax on income received for the use of land is in legal effect a tax upon the land itself, and the land was beyond the jurisdiction of the State of New York.

The majority reasoned, however, that neither the privilege of residing in a State and of invoking the protection of its laws, nor the burden of sharing the costs of Government apportioned by income tax according to ability to pay, could be affected by the character of the source from which the income is derived. And "for that reason," stated Mr. Justice Stone, "income is not necessarily clothed with the immunity enjoyed by its source." This conclusion is fundamentally inconsistent with the plain statement in the Pollock case that income from municipal bonds could not be taxed because of the immunity of the source of the income.

The repudiation of this much at least of the reasoning in the Pollock case is now complete. On Monday the Supreme Court refused to hear argument upon the question of the constitutionality of the Wisconsin income-tax law as applied to income from property located outside of the State and immune from its taxing power.

The principle that income is not constitutionally free from taxation because the source from which it is derived is beyond the taxing power is now established. Thus the taxing power granted to the Federal Government by the Constitution may be exercised upon income even though a tax upon the source of that income may preclude or threaten "unreasonably to obstruct any function essential to the continued existence of the State government."

"A constitution," Mr. Justice Holmes has reminded us, "is not intended to embody a particular economic theory." The Supreme Court has already extricated itself from the legal economics of the Pollock case without looking to the sixteenth amendment for legal justification. But should the sixteenth amendment be disregarded?

In submitting that amendment to the Legislature of New York, Chief Justice Hughes, then Governor of that State, warned the

legislature that the words "from whatever source derived" would extend the taxing power to income previously exempt. Senators BORAH and Root disagreed with Governor Hughes. Nevertheless, Governor Dix, who succeeded Governor Hughes, urged the Legislature of New York to ratify the sixteenth amendment in these words:

"Indeed, it seems to me that if the words 'from whatever source derived' would leave the amendment ambiguous as to its power to tax income from official salaries and from bonds of States and municipalities, the amendment ought to be opposed by whoever adheres to the democratic maxim of equality of laws, equality of privileges, and equality of burdens. * * * It is impossible to conceive of any proposition more unfair and more antagonistic to the American idea of equality and democratic principle of opposition to privilege than an income tax so levied that it would divide the people of the United States into two classes."

The construction placed upon the proposed sixteenth amendment by Governor Hughes received wide publicity throughout the country. This belief was held and strongly expressed by many lawyers and public officials. It was referred to and discussed in the messages of a number of governors in submitting the proposed amendment to the State legislatures. For example, the Governors of Florida, Missouri, North Dakota, and Oklahoma all agreed with the interpretation of Governor Hughes that the sixteenth amendment extended the taxing power, but nevertheless they urged its ratification. From these sources it seems clear that a large number of supporters of the sixteenth amendment believed that they were conferring upon the National Government the power to subject the interest from State and municipal bonds and the salaries of State officers and employees to an income tax.

As a matter of fact, the Pollock case had recognized the fact that the phrase "income from whatever source derived" includes income from State and municipal bonds.

The Income Tax Act of 1894 imposed a tax upon the income of persons whether derived "from any kind of property, rents, interest, dividends, or salaries, or from any profession, trade, employment, or vocation * * * or from any other source whatever."

Could the Supreme Court have held that the income-tax law of 1894 was unconstitutional insofar as it applied to interest on State and municipal securities unless it construed the clause "from any other source whatever" to include income from State and municipal securities? Can the Supreme Court hold today that the words "from whatever source derived" in the sixteenth amendment do not include income from State and municipal securities, unless the Supreme Court ignores the usual canons of constitutional interpretation by construing the words of the Constitution more narrowly than the words of a statute?

Similar language in the Corporation Excise Tax Act of 1909 had also been held by the Supreme Court in *Flint* v. *Stone Tracy Co.* ((1910) 220 U. S. 107) broad enough to include income from State and municipal securities. The congressional resolution to submit the sixteenth amendment, when introduced, did not contain the phrase "from whatever source derived." Was the addition of this clause by Congress, in the light of the decision in the Pollock case construing this phrase, frivolous?

When Nicholas Murray Butler, who was active in securing the ratification of the sixteenth amendment, was asked last fall his opinion on its meaning, he replied:

"There could be no more direct and unqualified grant of power to Congress to tax income from whatever source than is contained in the language of the sixteenth amendment. To adopt now another amendment definitely specifying that the Congress might tax income from sources which have been held exempt because of court decisions subsequent to the sixteenth amendment would be to make us the laughing stock of the world. That would be equivalent to saying that the words 'from whatever source derived' do not mean what they appear to mean, but must be supplemented by a variety of specific designations of sources of income. Out of this situation would arise a new series of court decisions which would exempt the income from sources not specified in the second amendment. The situation would be ludicrous to the point of absurdity. * * *"

The Constitution concededly is silent on reciprocal immunity from taxation. But even "where the Constitution is not wholly mum," writes Thomas Reed Powell, "it often speaks with such a still, small voice only a bare majority of the Court can hear its echo."

After Congress breaks the silence by legislating out of existence income-tax privileges on future governmental securities and salaries, the Supreme Court will more than likely exercise that restraint which Mr. Justice Washington reflected in his celebrated opinion in *Ogden* v. *Saunders* ((1827) 12 Wheat. (U. S.) 213, 270). After remarking that the question in that case was a doubtful one, he said:

"But if I could rest my opinion in favor of the constitutionality of the law on which the question arises on no other ground than this doubt so felt and acknowledged, that alone would, in my estimation, be a satisfactory vindication of it. It is but a decent respect due to the wisdom, the integrity, and the patriotism of the legislative body, by which any law is passed, to presume in favor of its validity until its violation of the Constitution is proved beyond all reasonable doubt. This has always been the language of this Court when that subject has called for its decision, and I know that it expresses the honest sentiments of each and every member of this bench."

Righting the Wrong Done Tom Mooney

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 24, 1938

Mr. CELLER. Mr. Speaker, my subcommittee of the Judiciary Committee, appointed for the purpose of reporting back to the Judiciary Committee in the matter of a resolution memorializing the Governor of California to issue a pardon to Thomas J. Mooney, reported favorably upon said resolution and urged the committee to adopt the same.

The report of my subcommittee is based upon a personal investigation by the members of the subcommittee of the facts and circumstances surrounding the conviction of Thomas J. Mooney and his continued imprisonment and also upon the results of public hearings held by the subcommittee with reference to the matter in question.

Referring specifically to the public hearings held by the subcommittee: Public hearings on this matter, presided over by me as chairman of the subcommittee, and attended by members of the subcommittee, were held in the House Judiciary Committee room on two separate days, May 11, 1938, and May 17, 1938. Witnesses and other persons interested in the Mooney case were invited to attend these hearings and testify or make statements of their knowledge or interest in the case. The hearings opened on May 11 with statements by Messrs. Frank P. Walsh, Esquire, of the New York bar, and George T. Davis, Esquire, of the San Francisco bar, both of whom are at the present time counsel for Tom Mooney. Mr. Davis, who is the active attorney for Tom Mooney at the present time, was questioned at great length by the members of our committee regarding the facts and circumstances surrounding Mooney's conviction and his present confinement at San Quentin Penitentiary, California, and also regarding the present status of Mooney's proceedings in the Supreme Court of the United States.

With reference to Mooney's present proceedings in the United States Supreme Court, Mr. Davis informed the committee that there is now pending in the United States Supreme Court a petition for certiorari filed on Mooney's behalf and requesting that Court to review the recent decision of the California Supreme Court denying Mooney's application in California for a writ of habeas corpus. Mr. Davis explained to the committee his view that it was embarrassing to counsel for Mooney to participate actively in any congressional hearing concerning Mooney during the pendency of said Supreme Court proceedings, but at the same time advised the committee that he was present in Washington at the request of Mr. Mooney for the purpose of assisting the committee in making a study of the facts of the Mooney case and to protect his client's interest in case any witnesses opposed to Mooney should appear. The committee requested Mr. Davis to assist them in expediting the proceedings.

The persons who appeared before our committee—some of whom formerly appeared in the original Mooney cases—gave the committee information about the Mooney case direct in nature. The other witnesses represented labor organizations and other groups friendly to Mooney and appeared for the purpose of informing the subcommittee of the interest and desire of many hundreds of thousands of organized workers and other persons in the United States in obtaining the freedom of Tom Mooney.

Addressing our attention to the Mooney case itself and to those witnesses who appeared with reference to the Mooney case, the following facts were developed before the subcommittee:

The San Francisco Preparedness Day bomb explosion occurred on July 22, 1916. A few days later Mooney and four other persons were arrested and charged with placing the bomb. Billings was tried in September 1916 and convicted of murder arising out of the bomb explosion. Mooney

was tried January-February 1917 and was also convicted. In the Mooney case there were only four witnesses who gave testimony bearing upon Mooney's conviction. These were John McDonald, Frank Oxman, Mellie Edeau, and Sadie Edeau.

Shortly following Mooney's trial and conviction it was developed that the witness Oxman, during the course of and prior to the Mooney trial, had attempted to suborn the perjury of one Ed. Rigal in the Mooney trial. Several letters written by Oxman to Rigal were disclosed and made public. When these letters were placed before the trial judge who sentenced Mooney to hang, that judge declared in effect that the letters were conclusive evidence of Oxman's guilt. That trial judge, Franklin A. Griffin, wrote a letter so stating his frame of mind about Oxman, which letter was filed in the record of proceedings before your subcommittee. Judge Griffin's letter further stated that if the Oxman-Rigal letters had been placed before him at the time of Mooney's motion for a new trial he would "unhesitantly have granted it."

It appeared to our committee that according to California law, the failure to produce newly discovered evidence within 10 days from the date of a conviction forever precludes a defendant from the right to establish his innocence should such evidence become available. It was this 10-day limitation which prevented the trial judge in the Mooney case from granting Mooney a new trial.

In the hearings before our subcommittee, Mr. Claude Ellis, attorney at law and vice president of the People's Bank of Grayville, Ill., appeared and stated that Rigal disclosed to him the criminal letters written by the witness, Oxman, and that he in turn was the one who gave those letters to the Mooney defense in order that Mooney's life might be saved.

Further evidence regarding the witness, Oxman, was presented to our subcommittee by Mr. and Mrs. Earl K. Hatcher. These people, who live at Woodland, Calif., stated to the subcommittee that on the day of the bomb explosion, Mr. Oxman was at their home in Woodland, Calif., 90 miles from San Francisco, at the very time he later testified in the Mooney case he was in San Francisco in the vicinity of the bomb explosion. The Hatchers were questioned carefully by members of the committee and their testimony was found to be substantial and creditable.

As a result, the subcommittee is thoroughly convinced that the witness, Oxman, was a perjurer and attempted to suborn perjury of Rigal in the Mooney case.

It was further developed before our committee that the witness, McDonald, is a confessed perjurer. Hon. F. P. Walsh, attorney at law and counsel for Tom Mooney for more than 18 years, stated to the committee that in the month of February 1921, McDonald came to New York and there signed a sworn statement confessing his perjury in the Mooney case. This statement was made and signed in the offices of Mr. Walsh and the circumstances surrounding the making of the statement were stated to the subcommittee by Mr. Walsh. Since that time, McDonald has made numerous statements confessing his perjury in the Mooney case and on several occasions has testified to this effect. McDonald has also charged the prosecuting officials of California with framing his testimony. As a result, the subcommittee is firmly convinced that the testimony of John McDonald was perjured throughout and is unworthy of belief.

The two remaining witnesses, Mellie Edeau and Sadie Edeau, were expressed as perjurers to the committee by Capt. Walter J. Peterson, of the United States Army, who in 1916 was acting chief of police of the Oakland, Calif., police. Mr. Peterson stated to the committee that the Edeau women who testified in the Mooney case that they saw Mooney carrying a suitcase at 721 Market Street on the day of the bomb explosion in San Francisco, had told him prior to the trial that they were at Stewart and Market Streets in San Francisco on the day of the explosion and that they saw a man carrying a suitcase in that vicinity who was not Mooney. Stewart and Market Streets is about three-quarters of a mile distant from 721 Market Street. Mr. Peterson further stated to the subcommittee that when he confronted Mrs. Edeau with her conflicting statements she told him that the reason she made such statements was, "My natural body was at Stewart and Market Streets and my astral body was at 721 Market Street." Our subcommittee is firmly convinced that the testimony of Mellie and her daughter Sadie was perjured.

Mr. Peterson further stated to the subcommittee that members of his police department informed the prosecuting officials of San Francisco about the conflicting statements of Mrs. Edeau and her daughter, Sadie Edeau, before Mooney's trial was concluded and that the prosecuting officials ignored and suppressed such information. For this reason and for other reasons which were developed in the hearings before the subcommittee we are firmly convinced that, in addition to the fact that all of the witnesses in the Mooney case were perjurers, it is also a fact that the prosecuting officials of San Francisco knew about the perjury of their witnesses and suppressed evidence of that perjury during the Mooney trial.

As a practical matter our subcommittee in making this report will not go into further detail as to the matters presented to it by other witnesses with reference to the criminal manner in which the entire Mooney prosecution was conducted. Suffice to say that it was stated to the committee by Israel Weinberg, one of the five original bomb defendants indicted with Mooney, that during the course of the bomb trials efforts were made by the prosecution to bribe the defendant Weinberg to give false testimony against Mooney. These efforts were made by Martin Swanson, a former Pinkerton detective and public-utilities employee, who for many years was in hot pursuit of Mooney. It may be added that this same Swanson was hired by the San Francisco district attorney's office on the night of the bomb explosion for the purpose of taking charge of the bomb investigations. In the opinion of many people Swanson's activities in the bomb cases were confined to getting evidence which would convict Mooney without regard to the truth or falsity of such evidence. In other words, his investigations consisted of a hunt to convict Mooney.

Another witness named Jesse Glenn Denton, of Fresno, Calif., appeared before the subcommittee and stated that he was the brother-in-law of the foreman of the jury which convicted Mooney. Mr. Denton stated that the foreman of the Mooney jury told him during the Mooney trial that he had been planted on the Mooney jury by the prosecution for the purpose of securing Mooney's conviction regardless of the evidence. This amazing story was corroborated by other statements made to the committee regarding jury fixing in San Francisco.

Another witness appearing before our subcommittee was Mr. George W. Grimmer, a former secret-service commissioner, of Los Angeles, Calif. Mr. Grimmer stated that he was told by officials of the Pacific Gas & Electric Co. and the United Railroad Co. of San Francisco that Mooney had been "framed" through the efforts of these public utilities and that through their efforts, Mooney would never be released from San Quentin Prison. Grimmer also established the fact that the reason for Mooney's conviction was a desire on the part of certain public utilities in San Francisco, particularly the United Railroad Co., to stop Mooney's labor-organization activities by railroading Mooney to prison.

On May 11, 1938, when the subcommittee first convened for the hearing of witnesses or persons interested in the Mooney case, it was announced by the chairman of the subcommittee that it was the desire of the subcommittee to hear both sides of the Mooney case from any persons interested. As the witnesses proceeded before the subcommittee it appeared that there was no one present who opposed in any way the present resolution. Therefore, at the time of adjournment on May 11, the subcommittee announced publicly that if any person cared to present evidence or make statements opposed to Mooney and in opposition to this resolution such persons would be welcome before the committee and would be heard fully. When the committee reconvened on May 17, all witnesses and persons who desired to be heard on the Mooney resolution were allowed to make statements to the subcommittee, and it again appeared that there was not one person present before the subcommittee in opposition to this resolution.

It thus appears in the record before the subcommittee that there is no opposition to the passage of this resolution and in view of the subcommittee's attitude on this matter in requesting any opposition to make itself known and the failure of any opposition to make itself known that there is at the present time no opposition from any source to the immediate passage of this resolution.

In view of all the facts heretofore mentioned, our subcommittee is thoroughly convinced that the conviction of Mooney resulted solely from the use of perjured testimony, that the prosecuting officials of the State of California knew the testimony was perjured and connived at the production of such perjured testimony, that aside from the unlawful and criminal manner in which Mooney's conviction was obtained, there are other circumstances surrounding his conviction and detention at present, which characterize the Mooney case as a dark blot upon justice in America. The Mooney case is a national scandal and the continued imprisonment of Tom Mooney may be well characterized as an example of the impotence of the democratic processes when these processes are seized by unscrupulous enemies of the people. Our subcommittee believes that it is the duty of the Congress of the United States when faced with such a travesty upon justice to do everything in its power to rectify the wrong done to a citizen of the United States. By passing this resolution, this Committee of the Judiciary can do its share in righting this great wrong. It can, by such action, reaffirm to the people of the United States the principle that this is a country in which justice is the inheritage of all citizens. Such action on the part of this committee will further tend to establish the preeminence of American democracy as the only form of Government in the world today where civil liberties of every person under that form of Government are safe. The passage of this resolution will furnish a striking blow to those subversive forces which today are trying to undermine our American form of Government and will unquestionably reinspire our people with respect for the American judiciary system.

In Praise of Our Consular and Diplomatic Service

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 24, 1938

Mr. CELLER. Mr. Speaker, I am most happy to express this word of praise for the present Assistant Secretary of State, George S. Messersmith, for the splendid work he performed as assistant consul general at Berlin, and for the fine work he is now doing in Washington. I have had occasion to contact him in hundreds of immigration and refugee cases, and in almost every instance he has responded in a courageous, fearless, and thoroughly American manner. My thanks and the heartfelt thanks of thousands of political and religious refugees go out to him.

It also gives me great pleasure to express my appreciation for the fine, humanitarian service being rendered by our Chargé d'Affaires at Vienna, John C. Wiley. His is a difficult task, but he is responding nobly. He lends a deaf ear to none. His broad gage, charity, and desire to succor and help the helpless is worthy of words of highest commendation.

The third gentleman who has rendered yeoman service and has been tireless in his efforts to rescue the poor and unfortunate human derelicts fleeing Nazi persecution is Raymond H. Geist, the present consul general at Berlin.

I never want to miss the opportunity to give words of praise to the members of our Consular and Diplomatic Service. Of course, I do not get all my requests granted; that is not to be expected. But within the range of human possibility I am given all possible help in the various and sundry cases presented to the members of the Service for their consideration, and I am eminently satisfied.

I also want to congratulate Cordell Hull, our Secretary of State, for his splendid and masterful direction of the State Department; and likewise I offer these words of praise for his Under Secretary, Sumner Welles.

In this connection I am pleased to insert in the RECORD a statement of Oswald Garrison Villard, which appeared in the Nation under date of May 7, 1938:

In the horror of what has happened in Austria there is one bright spot, and that is the admirable conduct of our American diplomatic officials there. Every American has a right to be proud of the courage and humanity displayed by all of them, notably by the Chargé d'Affaires, John C. Wiley. It is reported that the Minister of another great democracy promptly bolted when the Germans marched in, and left his legation to subordinates. As we had no Minister in Vienna at the time, the whole burden fell upon Mr. Wiley. One of the most experienced of our younger diplomats, he refused to be bound by red tape or purely nationalistic restrictions, and as a result he did an enormous amount of good, saved many unfortunates, I am sure, and ameliorated the lot of many others. He was not overawed by the Nazis or afraid of them, and that is just the right attitude to take toward these brutal bluffers. He and his small staff have been simply overwhelmed by the thousands of poor Jews, and gentiles, too, who have sought to get visas to come to the United States. I wish there were some way of giving men who do work of this type a Distinguished Service Medal. Mr. Wiley has certainly earned it.

He would, I believe, be the first to say that he did no more than was expected of him according to the traditions of our Service, and in that he would be right. Hundreds of persons call the present Assistant Secretary of State, George S. Messersmith, blessed for the magnificent work he did in Berlin when Hitler took power there. I have had men tell me with tears in their eyes that they felt they owed their lives to his tireless energy and willingness to forget everything except the appeal of one human being to another for aid in escaping from an unearned and a terrible fate. From Paris has come a remarkable letter from a foreigner expressing his gratitude and admiration for the extraordinary courtesy and kindliness with which his personal request for aid and counsel was received at the Embassy there. Strictly speaking, the American Diplomatic Service can concern itself only with American citizens, but it is a great piece of good fortune that in a crisis it does let humane instincts overrule the exact letter of the regulations. It isn't possible to go into details here, but I may say that the American Legation in Vienna, now the American consulate, stood out above all others in those first horrible days. I have this from competent and trustworthy observers who were there during the whole time and have just arrived in this country.

I am the happier to record this, which is something all Americans ought to know, because of the growing criticism one hears, notably in Washington, of some of the permanent diplomatic officials. There is always the danger that career men will become routinized, opinionated, and hide-bound. I could name several of this type, but it is not true of the bulk of the men that I know in the Service. I have never in all my travels experienced anything but the greatest courtesy and kindness from our diplomats. Perhaps our career service is too new to have become bureaucratic and for its members to fail to realize that they are still, however, secure in their jobs, the servants of the American public. I have before now expressed my anxiety lest this come to pass, for I remember so well what was brought out about the English diplomatic service by a parliamentary commission which was inquiring into the inbreeding and dry rot with which it was afflicted, at the very moment when the World War broke out. Francis Hirst, the British economist and editor, testified at that time that he had presented a letter of introduction to the first secretary of the Vienna Legation. That official asked what he could do for him, and Mr. Hirst said he would like to meet the burgomaster of Vienna, who was then playing a most important role in the socialist movement of southeastern Europe. The English first secretary looked perfectly blank when the burgomaster's name was mentioned. On Hirst's telling him who the man was, he seemed very much relieved. "Oh," said he, "we leave all those political matters to the correspondent of the London Times."

Of course, the trouble with the British service then was that most of its members were not only Oxford men but Balliol men. They were either titled or in expectation of titles or related to titles, and were men of means. Filled with class prejudice, they had been taught the old diplomacy and nothing else. Such conditions can never be duplicated in this country. The method of appointment to our Service forbids that, and there is no requirement in regard to private means, which is as it should be. This is all the more reason why Congress should change its attitude toward our Diplomatic Service so far as the appropriations are concerned. I shall never be able to understand why President Roosevelt himself has not demanded a large increase in the sum allotted to the State Department, which is only $16,000,000 a year. He has not hesitated to ask this Congress for authorizations and appropriations for the Navy, which come to approximately $2,600,000,000. I understand that the State Department has not an adequate library, is even lacking in desirable periodicals—in other words, is deprived of the tools of its trade. If each Congressman could only be told what splendid work our permanent officials are doing in Europe today, to say nothing of in China and Japan, it seems to me that he would welcome the opportunity to recognize it by acceding to any appeal that the President might make.

Wings Across America

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 25, 1938

PRIZE ESSAY OF GERALD McNEES, OF ARDMORE, OKLA.

Mr. CARTWRIGHT. Mr. Speaker, under permission to extend my remarks, I am delighted to place in the CONGRESSIONAL RECORD the splendid essay entitled "Wings Across America," by my constituent, Gerald McNees, of Ardmore, Okla.

This essay won first prize for Gerald, a sophomore student of Ardmore High School, in competition with school boys and girls of Oklahoma in connection with Air Mail Week, which was celebrated from May 15 to May 21.

Oklahoma is very proud of Gerald McNees, and I am especially glad that he not only represents the State of Oklahoma but he is from the Third Congressional District, which I have the honor to represent.

Twenty years ago Wings Across America was a young dream. Today it is a gigantic industry, its purpose, service to America; and, with one exception, every American State is served by air mail. The Wright brothers, Colonel Lindbergh, Amelia Earhart, and many others blazed trails through the sky that will be followed as long as there is civilization.

Against terrific odds the unconquerable faith of many fine men has spread aviation's Wings Across America, and in this fast-moving age the cargoes of precious human lives, important business messages that—each hour of the 24—swiftly, safely travel the airways, is the fulfilled dream of the pioneers of this far-flung industry.

Passenger service—a colorful romance: Carrying a child across a vast continent to reach a famous surgeon, so that someone's darling may live; to take the hurried business executive from the East to the oil fields of the busy West; so that Mr. and Mrs. America and Junior might travel the fastest, most efficient way ever dreamed of.

The Air Mail Service, a history written in stormy night skies—with the loss of many brave lives—so that messages may be hurried across the United States for only 6 cents and business may thrive.

With the brilliant air squadrons, fitted for war, manned by quick-brained, highly trained American men, our country is safe from foreign invasion, our ships of the sea and our peaceful shores protected by our ships of the air.

Service and protection, watchwords of aviation, all hail your work, Wings Over America!

The Cost of W. P. A. White-Collar Projects

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 24, 1938

Mr. CELLER. Mr. Speaker, I am deeply disturbed about the difficulties being encountered by W. P. A. projects which have a man-year cost of $1,000 or more. These include a number of educational and recreational projects, the Nation-wide art, music, theater, and writers' programs, many statistical and research undertakings, medical, dental, and nursing activities, and other jobs that require highly trained professional personnel. In my opinion, the projects under discussion represent a brilliantly successful effort to put to use the special skills of several hundred thousand needy persons in the only fields of work in which those persons can be of real service to humanity. The white-collar projects are, therefore, among the most valuable undertakings of the whole Works Progress Administration, and this Government may well be proud of them.

Yet, at the very time when the projects have reached their greatest degree of operating efficiency and their widest public acceptance; when all the opposition's charges of "boondoggling" have died their well-deserved death; when a substantial spending-lending appropriation is on its way through the Congress; at that time, the Federal Government proposes a wage cut for its white-collar workers. On the one hand, it urges industry to maintain existing wage scales; on the other hand, it proposes to cut its own payments to relief workers.

For I submit that the required reduction in project costs cannot be made without cutting the wages of project workers. Whenever a W. P. A. project worker's monthly security wage is in excess of $83.33, the man-year cost of employing that worker is more than $1,000. The present W. P. A. security wage scale permits teachers, musicians, nurses, dentists, engineers, actors, lawyers, and so forth, in cities like New York, Boston, Philadelphia, Chicago, Minneapolis, Salt Lake City, Los Angeles, and San Francisco to earn either $94 or $103.40 per month. Therefore, the Federal man-year cost of employing workers in these professional categories cannot be reduced to $1,000 without reducing the security-wage scale.

However, no amount of research into the cost of living in metropolitan centers could lend any semblance of justification to a wage reduction at the present time. Even the top W. P. A. wages are below the sum needed for a minimum subsistence budget.

An administration which is committed to a policy of raising purchasing power and obtaining higher standards for labor cannot be put in the position of leading the way in wage cuts. Furthermore, if the monthly security wage is reduced and the policy of paying prevailing hourly rates continues, the number of hours of work per month for many workers will drop to a ridiculous total. It would be almost impossible to argue that the W. P. A. can maintain the morale and preserve the skill and working habits of its personnel by employing them less than 40 hours per month. Finally, it should be pointed out that the workers who would be affected are the best organized and most militant workers on the program. The labor disputes which would be sure to follow would cost the Government far more than the amount which could be saved in wages.

Federal Deposit Insurance Corporation

EXTENSION OF REMARKS

OF

HON. CARTER GLASS

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, May 25 (legislative day of Wednesday, April 20), 1938

FACTUAL SUMMARY OF ACTIVITIES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION

Mr. GLASS. Mr. President, I ask unanimous consent to have printed in the RECORD a factual summary of the activities of the Federal Deposit Insurance Corporation.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

The protection of deposit insurance is now being extended to more than 50,000,000 depositors having deposits of $48,000,000,000 in 13,800 banks insured by the Federal Deposit Insurance Corporation. The insurance liability is estimated to be more than $21,000,000,000. Full protection is being accorded 98.5 percent of depositors.

In 12,900 banks, with deposits of not more than $5,000,000 each, comprising 93 percent of the insured banks, the average insurance coverage of total deposits is nearly 80 percent. In the remaining 900 banks, banks with deposits of more than $5,000,000 each, the average insurance coverage is about 33 percent. Of these larger banks, about 430, with deposits of more than $10,000,000 each, hold approximately two-thirds of the total deposits and one-half of the insured deposits in all insured banks.

The membership of the Corporation is made up of 7,417 commercial banks not members of the Federal Reserve System, 5,250 national banks, 1,087 State banks members of the Reserve System, and 56 mutual savings banks.

In the first 52 months of operation the Federal Deposit Insurance Corporation made this insurance real and tangible for the 413,000 depositors of 213 insured banks which became insolvent. Only 675 of their depositors were not fully protected by the insurance

maximum of $5,000 or otherwise, and all but $4,000,000, or a little more than 3 percent, of the total deposits of $119,000,000 they held were made immediately available.

The Corporation has met all expenses of operation and its deposit insurance losses from income on its investments, a balance of eight and five-tenths million dollars being added to its surplus. Also into surplus, which now amounts to more than $100,000,000, have gone all the funds received from banks in payment of annual insurance assessments. The capital stock of $289,000,000 remains intact, making total capital stock and surplus nearly $400,000,000. The Corporation's annual rate of income from all sources is now approximately $49,000,000.

As one aspect of its duty to develop and maintain sound banking conditions, as prescribed by the Congress in the Banking Acts of 1933 and 1935 and their amendments, the Corporation has conducted 42,900 examinations of banks it insures and has reviewed many of the examinations of insured banks made by the other Federal bank-examining agencies. Except for a relatively small number of special investigations, examinations made by the Corporation have been confined to State banks not examined by other Federal agencies (there are about 7,500 insured banks in this classification).

Guided by the information developed from these examinations, the Corporation has assisted insured State banks and their supervisory authorities in building up the margin of protection in individual banks. As a result, the percentage of banks without sound capital has been reduced from 10 to much less than 1 and the ratio of those with at least $1 of sound capital for each $10 of deposits has been raised from 65 to 85 percent.

Since the banking holiday about five and five-tenths billion dollars have been injected into the capital of all insured commercial banks, making it possible to sweep out all but a vestige of the debris left in the wake of that crisis. One billion dollars of these new funds represented investments in preferred capital made by the Reconstruction Finance Corporation. An additional five-tenths billion dollars was subscribed through private sources and the remainder came from the earnings, profits, and recoveries of the banks.

In its work the Corporation has had the wholehearted support of State supervisory officials. It has also been possible with their cooperation to develop and standardize improved forms for the conduct of examinations and for reports of conditions which are now in use by the Corporation and in a considerable number of the States.

The Corporation has continued its efforts to strengthen the banking system, improve banking practices, and clarify and develop supervisory policies and procedure. As in earlier years, the Corporation urges the banks to make loans and purchase securities on a basis which would enable the banks to meet the needs of the communities they serve. To encourage this practice, the Corporation's examination policy has been framed to give due regard to the rights of borrowers, depositors, and stockholders.

In 1934 the proportion of "loss and doubtful" loans in the 7,500 banks it examines was estimated to be 8 percent. At the close of 1937 only 2.5 percent of the loans were being similarly adjudged.

In only two cases has the Corporation been compelled to terminate insurance. Although some cases are still pending, most banks cited for practices regarded as unsafe and unsound, of which there have been 58, have made the corrections requested by the Corporation and banking authorities or have been eliminated.

The Corporation has advocated that no bank be chartered which could not qualify for deposit insurance and is receiving the cooperation of supervisory officials in this respect. Only 6 banks in 4 States were granted charters during 1937 which were not insured at the end of the year, a total of 81 banks being admitted to insurance. In the first 3 months of 1938 charters were issued to only nine banks, all but one of which are now insured.

While the restriction of new banks to those with prospects of favorable operation, when combined with the elimination of the weak and insolvent, has had the effect of reducing the total number of insured banks, it has greatly strengthened, in the aggregate, the Nation's insured banking system.

It is significant to note that public confidence, to which deposit insurance is making a substantial contribution, is such that there was no rush of withdrawals accompanying the recession which recently set in, nor has there been evidence of any uneasiness on the part of depositors.

Federal Housing Administration

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, May 25 (legislative day of Wednesday, April 20), 1938

STATEMENT OF ACTIVITIES OF THE FEDERAL HOUSING ADMINISTRATION

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement regarding the activities of the Federal Housing Administration.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Federal Housing Administration was established 4 years ago to encourage improvement in housing standards and conditions and to create a sound system of home financing to replace outmoded expensive and dangerous practices which had grown up in preceding years. The progress made toward these objectives up to May 15, 1938, may be summarized as follows:

Gross business transacted, including home mortgages selected for appraisal commitments to insure large-scale rental projects, and modernization notes insured, totaled about $2,350,000,000.

Home mortgages accepted for insurance exceeded 300,000, valued at $1,225,000,000.

Mortgages insured or approved on large-scale projects providing rental housing for persons of moderate income totaled $60,000,000. This included 88 projects of which 19 were in operation and 20 more were under construction.

Modernization and repair notes amounting to $585,000,000 have been insured under the provisions of title I, including $25,000,000 under the reenacted and amended title. By means of these loans the Federal Housing Administration is raising the living standards of many families living in more than 1,300,000 urban dwellings and farm properties and has enabled more than 100,000 small business concerns to modernize their plants and equipment. In addition, it is believed that the "better housing campaigns" sponsored by the Federal Housing Administration in more than 8,000 communities have stimulated other modernization and repair work considerably in excess of the value of insured notes officially recorded.

Amendments to the National Housing Act, approved February 3, 1938, reduced the costs of financing individual homes on mortgages insured by the Federal Housing Administration and provided encouragement for the construction of large-scale housing projects, apartments, and groups of houses for rent or later resale. The annual interest and mortgage insurance premium cost was reduced by as much as 1 percent; the maximum proportion of loans to valuation was raised to 90 percent from 80 percent, in the case of owner-occupied homes valued at $6,000 or less; and the maximum term was extended to 25 years from 20 years in the case of these loans.

The amendments also enabled the Administrator for the first time to insure mortgage loans on farms upon which farmhouses or other farm buildings are to be constructed or repaired. At least 15 percent of the mortgage proceeds must be expended for materials and labor on building construction or repair. The Federal Housing Administration began operations in the farm-mortgage insuring field on May 16, 1938.

The amendments reenacted title I, which had expired on April 1, 1937. The new form of this title provides insurance of institutions against loss up to 10 percent of their total volume of property-improvement notes reported.

Lastly, the amendments modified the provisions of title III, which authorizes the Administrator to charter national mortgage associations to buy and sell mortgages and make certain types of mortgage loans. These changes in the act resulted in the establishment of the first association in February, and it is now in active operation.

The amendments to the act have stimulated the volume of business currently being handled by the Administration. Mortgages selected for appraisal reached the highest weekly levels in the F. H. A.'s experience during March, April, and May, and mortgages accepted for insurance also reached a new peak in April. The number and mortgage value of large-scale rental projects approved or upon which commitments to insure were granted also exceeded comparable figures for preceding years.

A distinctive feature of the Federal Housing Administration is that it lends no money and makes no grants of Federal funds. It simply insures loans made by banks, building and loan associations, insurance companies, and other private lending institutions to finance the construction of new homes, to refinance homes already built, and to repair and modernize old structures.

Moreover, the F. H. A. is now paying a large portion of its operating expenses out of current income. Eventually it is expected that the F. H. A. will operate on a self-sustaining basis, as the National Housing Act originally contemplated, without cost to the Federal Government. Its income, derived chiefly from mortgage insurance premiums and appraisal fees, is averaging around $700,000 a month. This will soon increase substantially as mortgages already accepted for insurance or selected for appraisal become premium paying.

The mutual mortgage insurance fund and the housing insurance fund (for large-scale rental projects) now exceed $20,000,000. Of this amount, $10,000,000 was supplied by the Reconstruction Finance Corporation by congressional authorization as an initial revolving fund. The remainder has come from mortgage insurance premiums, appraisal fees, and interest on reinvested funds.

The foreclosure record on properties financed under the insured mortgage system, while still in its early stages, reflects the soundness of the F. H. A.'s appraisal methods, now widely adopted by mortgage lenders throughout the country. Of the 230,000 premium-paying home mortgages, only 155 have been conveyed to the Administrator as a result of foreclosure. Net losses chargeable against the mortgage insurance fund amounted to $24,000, or a loss ratio of one five-hundredths of 1 percent of the volume of premium-paying loans.

When the F. H. A. began operations, residential construction in the United States was virtually at a standstill. Only 50,000 nonfarm homes were built in 1934. In the 2 years 1936 and 1937, approximately 575,000 homes were constructed. The first few months of 1937 showed substantial gains over 1936, but this upswing was checked by rapidly rising labor and material costs and by the recession in business generally during the second half of the year.

Newly constructed homes represented about 56 percent of the total value of mortgages accepted for insurance by the F. H. A. in 1937. During March and April this year the percentage rose to around 65 percent. Current reports indicate that more than 2,000 of the mortgages accepted each week cover homes to be constructed or just completed, with another 1,200 covering homes more than 1 year old.

More than half the estimated value of all mortgage loans eligible for insurance on newly constructed single-family urban homes are being financed under the F. H. A. plan, and this proportion has showed a steady rise. The widespread distribution of the benefits of the F. H. A. is reflected by the fact that about 40 percent of the mortgages insured on new homes is in small cities and towns where mortgage money has traditionally been scarce and expensive.

More than half the families buying homes under the F. H. A. plan have annual incomes of $2,500 or less, and practically all of them are using less than one-fifth of their incomes to meet their monthly payments on their homes. Funds for home financing, which had almost evaporated when the F. H. A. was initiated, are now generally available on fairer terms than ever before in the country's history.

In carrying out the mandate "to encourage improvement in housing standards and conditions" and "to create a sound mortgage market," the F. H. A. has found it necessary to discourage certain lending practices, such as second mortgages, oppressive interest rates, and costly commissions and renewal fees, as well as lot-selling rackets and jerry building, all of which contributed to the severity of the real-estate collapse of the late twenties and early thirties.

The F. H. A. has devised a new system based upon the principle of insurance to spread losses, conservative and standardized appraisals, long-term regular repayment of loans, reasonable interest rates, and careful consideration of the borrower's ability to pay, and other factors affecting a transaction's economic soundness. Subdivision planning and neighborhood standards are receiving more and more attention as a check to financial loss and unsatisfactory living conditions.

Directly and indirectly, the F. H. A. has provided employment for hundreds of thousands of workers in construction and related industries and has augmented the revenues of corporations and individuals. Home buyers, along with lending institutions, construction and material companies, and industries of many kinds, have shared in the benefits of the F. H. A.'s program.

Justice Black

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Wednesday, May 25 (legislative day of Wednesday, April 20), 1938

ARTICLE BY JAY FRANKLIN IN THE PHILADELPHIA RECORD, MAY 16, 1938

Mr. HILL. Mr. President, I have in my hand an article by Mr. Jay Franklin which appeared in the Philadelphia Record under date of May 16, 1938, captioned "We, the People—Justice Black 'Dangerous' Because He Upset a Century of Fallacy."

Ordinarily Mr. Franklin's articles appear in the Washington Star, but for some reason this one did not, and I ask consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

[From the Philadelphia Record, May 16, 1938]

JUSTICE BLACK "DANGEROUS" BECAUSE HE UPSET A CENTURY OF FALLACY

(By Jay Franklin)

WASHINGTON, May 16.—The latest attempt to smear Supreme Court Justice Hugo L. Black (the former Senator from Alabama, who was the spearhead of the New Deal's drive against the Tories of yesteryear) takes the form of an article in Harper's Magazine, by Marquis W. Childs, of the St. Louis Post-Dispatch. Mr. Childs, a specialist on Swedish cooperatives and a writer of lively fiction, contends that Hugo Black has caused his fellow Justices "acute discomfort and embarrassment" because of his "lack of legal knowledge and experience."

It is obviously an honest article, written in good faith, though without authority, by one who believes that a highly specialized legal craftsmanship is identical with justice. This is, of course, a religious rather than an intellectual attitude, and there is no use arguing with Mr. Childs because he believes in hair-splitting mumbo-jumbo on the bench.

A whole lot of people feel that there is something mysterious and supernaturally complex about the Federal Constitution, and that no mere mortal can hope to deal justly with the mighty issues it embalms.

WHY THE ANIMOSITY?

There is some wonder in Washington as to why Mr. Childs' discovery should be headlined at this time. I have before me a file of nine cases in which the "embarrassing" Alabaman wrote the majority opinions for the Supreme Court. I have also a file of his rather remarkable dissenting opinions, and I think that the animus against his "lack of legal knowledge and experience" arises from his clear intention to continue on the bench the same drive against corporate control of the United States, which was the mainspring of his previous political career.

Not only do his dissents carry the New Deal war deep into enemy territory on a number of important issues, notably the Indianapolis Waterworks case, but in his dissent of February 14, 1938, on a Montana case involving the New York Life Insurance Co., Mr. Black laid down a rule of construction which became the official doctrine of the Supreme Court on April 25, 1938 (*Erie Railways* v. *Tompkins*), reversing 100 years of contrary opinions.

Justice Black's "ignorance" was not so great that he did not sense the injustice of a century of unconstitutional decisions by the Supreme Court and brought about a reversal.

IS IT CONCERN FOR CORPORATIONS?

I suspect that the drive to discredit his legal qualifications stems from his famous dissent of January 31, 1938, involving the right of the State of California to tax certain transactions of a Connecticut insurance company doing business in California (a recent Black minority opinion on an electrical patent case is also said to have alarmed the utilities). In his California dissent, Mr. Justice Black struck at the keystone of corporate control of American economic life when he said:

"I do not believe that the word 'person' in the fourteenth amendment includes corporations. * * * A constitutional interpretation which is wrong should be reversed. I believe this Court should overrule previous decisions which interpreted the fourteenth amendment to include corporations."

He supported this statement with a scholarly argument which pointed out, among other things, that the Supreme Court had given this peculiar twist to the meaning of the fourteenth amendment 16 years after it had been adopted.

INTIMIDATION SUSPECTED

If Black's dissent in the Montana case could lead to the reversal of a century of Supreme Court decisions (*Erie* v. *Tompkins*), might he not have equal success in reversing the half century of decisions favoring the corporations under a belated construction of the fourteenth amendment? This is the danger in having a progressive on the Supreme Court.

His dissenting opinions, unless smeared, may become the rule of the Court in the future, as is happening to the famous Holmes-Brandeis dissents of the 1920's. Vacancies are expected on the Court in the near future and Washington believes that the sudden revival of the fight to smear Mr. Black is designed to intimidate the President and thus prevent the appointment of other liberals.

The Norris Dam

EXTENSION OF REMARKS

OF

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Wednesday, May 25 (legislative day of Wednesday, April 20), 1938

ARTICLE AND EDITORIAL IN THE SUNDAY NEWS, OF NEW YORK CITY, MAY 22, 1938

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the Sunday News, of New York, on May 22, 1938, entitled "The Mightiest Robot," and connected with it an editorial from the same newspaper entitled "Machines versus Men."

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

MIGHTIEST ROBOT—VAST POWER OUTPUT OF 650-MILE RIVER UNDER ONE-MAN RULE

(By Fred Pasley)

NORRIS, TENN., May 21.—Power king of the Tennessee Valley for 8 hours of the 24 is T. V. A. employee William C. Bertram. Manipulating a one-man instrument board, he rules a 650-mile river and runs a dam. His fingertip control of a $36,000,000 hydroelectric plant affects the daily lives of more than 2,000,000 people in an agricultural and industrial empire comprising seven States, equal in size to England. His salary, $1,800 a year.

With a flip of a lever he can unleash 25,000, 50,000, 100,000 kilowatts of current to turn factory wheels in Virginia, North Carolina, Georgia, Alabama, Mississippi, Kentucky, and Tennessee; light towns and villages and remote mountain cabins; operate refrigerators, kitchen ranges, radios; do the housewife's sewing, the laundry, iron the clothes, sweep the floors; thresh the farmer's grain, pump water for the livestock, saw the firewood, milk the cows, churn the butter.

Likewise, Bertram can regulate stream flow almost to the cubic foot, slowing it down to a trickle at high-water periods, releasing it as occasion demands during dry seasons. Yoked to twin turbines and obedient to his touch is the 132,000 horsepower of the Clinch and Powell Rivers, energy equivalent to the labor of 1,320,000 men working around the clock.

Sitting at his solo switchboard commanding that vast reservoir of power, this $1,800-a-year man epitomizes the evolution of mechanization just as Norris Dam symbolizes the triumph of technological achievement.

For its full operation on a 24-hour basis, the powerhouse requires three 8-hour shifts of but three men each. These consist of a switchboard tender, of which Bertram is one; a governor tender, and an electrician. They are headed by a plant superintendent, Ernest E. Robinson, who is on active duty for one shift and subject to call for others. The combined annual salaries of Robinson and the nine men comprising the three shifts total $21,600.

DAM ALMOST RUNS ITSELF

Altogether, for the entire dam, there is employed a staff of 33 persons, including repair and maintenance help and guides for the public.

Once upon a time a Czechoslovakian, Karel Capek, wrote a play, "R. U. R.," dealing in Jules Verne terms with the machine age. It served to enrich the American vocabulary with a new and striking word, "Robot," signifying a self-functioning automaton.

The amazing and significant fact of Norris, leviathan of the T. V. A. dam system, is that it closely approximates such an entity in its mechanical perfection. It very nearly runs itself.

Nerve center of the plant, of course, is the powerhouse, perched on the east bank of the river against the downstream face and base of the 265-foot concrete monolith. The brain is the control room, with its wizardry of automatism; its bewildering, well-nigh terrifying conglomeration of electrical apparatus.

Here daily is enacted the drama of twentieth century mechanization. Here sits Bertram at his switchboard. Here the "Big Fellow" talks to him as Old Man River goes rolling through the penstocks to be converted into power. He tells him, as it were, of his pulse, of his temperature, his aches and pains, his strains and stresses. Second by second, minute by minute, he diagnoses accurately the condition of his myriad complex parts—in most instances remedying their ailments, if any.

Bertram catches his messages on the annunciator panel of the instrument board, which faces him across the room. It carries the names of the more important powerhouse units, some 39 being listed. These include everything from generator bearings to the high voltage lines. Behind each name is an electric bulb. So long as a unit is operating faultlessly its name remains in blackout. But if trouble develops, the bulb flashes on, lighting it up. Simultaneously a horn sounds to warn the operator—just in case.

The Big Fellow's talking now. Let's listen in.

"I'm slowing down," wails turbine No. 1.

Bertram watches the annunciator panel. He's waiting for a signal light answer to the turbine's S. O. S. Ah! There it is:

"I'm speeding him up. Everything's okay." It's the governor reporting.

What's happening down there, deep inside the Big Fellow, unseen by human eyes?

A bit of explanation as to the dam's operation is necessary to an understanding. The major units of the operation are the turbines, generators, and governors. Entering the dam through one of the two penstocks, the water pours into an intake tube leading to the turbine waterwheel. The tube contracts rapidly as it nears the waterwheel until finally its end section, called a scroll case, wraps itself around the speedring like a giant snail shell.

As the water leaves the scroll case it passes through slots in the speed ring to strike the propeller or water wheel, rotating it at about 112 revolutions a minute. The water wheel is fixed to a shaft to which is attached at its top the rotor of the generator. Consequently, as the water wheel turns, so does the rotor. The latter's spinning cuts the electric field in the generator, thus producing electricity.

Norris has two such generators with a capacity of 50,000 kilowatts each. The governors not only control their operations as well as those of the turbines, but synchronize them with uncanny precision.

Now assume that the consumption of current suddenly increases for one of the generator units. The output load of its turbine rises accordingly, which has a tendency to slow the turbine down. The governor immediately senses the diminished speed and through a regulating device permits more water to flow to the propeller, thus stepping up power production sufficiently to take care of the additional demand.

That's what occured when turbine No. 1 signaled its SOS for the governor to go into action. And, through the horn, it might be said that the governor always whistles while it works.

Reversing the process, should consumption fall off, the generating unit has a tendency to overspeed. The governor counteracts this by decreasing the flow of water to the exact quantity needed to generate the reduced amount of current.

Say trouble pops at Wilson, Wheeler, or any of the interconnecting dams and they have to drop their electrical load. The governor sees to it that the Norris generators automatically pick it up. In the event of a line break-down, the governor instantly stops operation of the generating units.

Bertram's annunciator panel keeps him informed of these contingencies, likewise of such things as oil pressure, bearing temperatures, overheating of parts, the "head" or depth of water behind the dam, and, last and greatest bugaboo of a powerhouse—fire.

The most vulnerable spot of such a plant is the windings of the generators. A short circuit nearly always causes them to burst into flames. It is then that the automatic fireman goes to work, spraying carbon dioxide gas, however, instead of water. It operates on the principle of the sprinkler system.

LINE TALK ALLOWS NO INTERRUPTION

Seated at his desk in the control room, Bertram can plug in on any of the dams and talk with his fellow operators, as for instance, Wilson, 375 miles distant. But not over a telephone wire. He uses the 154,000-volt transmission line. The only hitch is that sound travels over it in but one direction at a time. Bertram, therefore, must stop talking before the Wilson man can answer him.

Even the faraway creeks and rivulets high in the rugged hinterlands of the Tennessee Cumberlands and the Appaalachian Range in Virginia have a voice as they feed the Norris drainage area. Tumbling down the mountain slopes, pouring their quotas into the tributaries of the Powell and Clinch Rivers their aggregate volume is caught by recording stations. An automatic short-wave radio set located at a key point broadcasts the stage of water by dot and dash code every 2 hours. Bertram has only to tune in on its wave length to determine the amount of flow into the reservoir.

Robotism hits its high at Norris with the three floodgates at the crest of the dam's center or spillway section. Each gate is a hollow drum, 100 feet long, three-sided, weighing 206½ tons. Two of the sides are 15 feet wide and flat, the third is curved to a 15-foot radius. The gates are hinged to the upstream edges of slots in the spillway crest. When not in use they swing down into them out of sight, the upper side of each drum conforming to the curvature of the spillway itself.

In the event of a flood, the slots fill with water, causing the hollow drums to float upward automatically. They can rise in this fashion to a maximum height of 14 feet. However, the height can be regulated by control valves set at a predetermined mark. When the water lifts the gates to this mark they remain stationary, and the excess water either flows over them or is released through sluiceways at the dam's base or the powerhouse intakes.

The rising water enters the slots in which the gates rest through 4-foot openings in three of the rounded piers on the upstream face of the dam. The valves governing the amount of water permitted to enter can be either electrically or manually operated. Should a flood make it necessary to let the gates rise the full 14 feet, 517,000 acre-feet of water would be added to the Norris Reservoir. An acre-foot is the amount of water it takes to cover one acre of land one foot deep.

Norris, with its three-man shifts, its kilowatts supplanting workingman-hours, its storehouse of cheap juice for the farm and city dweller, is both a symbol and a portent. It is a symbol in that it typifies the technological advances of this century, the development of modern power to displace human labor—such devices as:

Machines for metal which enable 80 men to produce four times as much pig iron in a single shift as could 225 men by the old hand puddling process.

ONE KILOWATT DOES WORK OF 10 MEN

Machines for hoisting which, with a crew of three load a car in 3 hours, a job that once took six hunkies 3 full days.

Machines for digging, operated by one man, which move 30,000 cubic yards of earth in a 24-hour day—equal to the labor of 15,000 men working a 10-hour day.

Machines to make electric-light bulbs, which with one operator can make 10,000 times as many bulbs as an individual workman.

Machines in relays as in the A. O. Smith plant at Milwaukee, where 200 men can turn out 10,000 automobile chassis a day.

"The kilowatt," wrote Stuart Chase in his fascinating book Rich Land, Poor Land, "will do 10 times as much work as the man, never gets tired, never talks back, and never joins a labor union * * *. A man-hour of labor costs a manufacturer perhaps 50 cents; a kilowatt of energy costs him perhaps 1 cent."

So much for Norris as a symbol. It is a portent in that it presages a new order of things for the common man—a yardstick not only of power, but of human economy and happiness.

Said President Roosevelt March 4, 1936, as he pressed a button in the White House opening the project:

"Norris Dam is a practical symbol of better life and greater opportunity for millions of citizens of our country. The Nation has come to realize the national resources must not be wasted, and the dam is evidence that our program of conservation of these resources is going forward."

Fulfilling the promise of that program, Norris has reclaimed a wilderness of dying land—gutted by the plow, gouged and gullied by erosion—to create a beautiful lake of sparkling blue water in the foothills of the Cumberlands. It stretches for more than 50 miles up the Clinch and Powell Rivers with a shore line of 775 miles. Around it is building a great national playground.

Free as the mountain air are such recreations as fishing, swimming, hiking, canoeing, motorboating, picnicking. For a nominal sum the vacationist may rent a cabin in the pines. Already Norris has become a mecca for American tourists and natives of the valley. As many as 10,000 persons visit it Saturdays and Sundays during the spring and summer months.

Further developing its program, T. V. A. has bought a one-quarter-mile strip surrounding the lake's 775 miles of shore line, a total of 117,000 acres. Among the uses to which the acreage will be put are:

Recreation areas for campers, hikers, Boy Scouts, leased campsites, etc.

A primeval area to preserve remnants of the virgin forest, and a wilderness area for solitude with no improvements of any kind permitted.

Game areas for restricted hunting, protected breeding of wild fowl, and a sanctuary where no trespassing is to be allowed.

Research areas for experimental nursery work and study of habitat, as well as a permanent lumber forest and leased grazing and farm lands.

So Norris ushers in the life abundant coincident with its low-cost power. It confers upon the people of the valley both a boon in recreation and a boon in leisure to enjoy that recreation.

In this respect it implies an approximation of the way of life envisioned in Plato's Republic, wherein "kings are philosophers and philosophers are kings." But instead of this group being a small hierarchy at the top the portent of Norris is that the entire citizenry shall be so classed.

For, speculatively, the spacious leisure which the Norris yardstick envisages means more time for the classroom and the laboratory; for intellectual and cultural pursuits; for research and study in the domain of letters, the circle of the sciences, the august realm of philosophy, the poetry of mathematics, and the music of the spheres. It means a millenium of brain over brawn; a golden age for the pundit and the gownsman.

MARKS ANOTHER STEP TOWARD MACHINE AGE

Releasing its cheap kilowatts, T. V. A., applied on a national basis, will also release men and women from a multitude of occupations. Drudgery as known today will cease. Push-button machinery will perform the bulk of menial tasks of farm and city. The hired hand, the hired girl, the scullery maid, the scrubwoman, the window cleaner, and the street sweeper will largely disappear. Manual labor will be reduced to a minimum.

Clerical help in industry and commerce, particularly in accounting and auditing departments, will be pretty generally superseded by machines, as will also such functionaries as watchmen, elevator operators, and office boys.

Job competition will be enhanced, of course, because of technical specialization. Only those holding the highest sheepskin credentials will be able to qualify for even the most ordinary work in this transformed economic world.

The ditchdigger, a man of parts and levers, will be a civil engineer; the corner cop a doctor of laws; the barber a professor of languages and dialectics, ipsissima verba; the manicurist a bachelor of arts with a Kappa Kappa Gamma pin and a diploma from, say, Wellesley, Vassar, or Radcliffe. Your valet will be a psychiatrist.

As regards your neighborhood pub: The bartender will be a doctor of divinity, the face on the barroom floor a mosaic of the Elysian Fields, while the painting of Pasiphae and the Shower of Gold will be in technicolor animated. And when you get that old feeling at 3 o'clock in the morning you won't have to exert yourself. The barkeep will press a button and you'll get Sweet Adeline with television.

Yale and Harvard will be prep schools for newspapermen, who, to qualify for their profession, will have to be Rhodes scholars, magna cum laude. Their work will be sharply delimited as compared to that of the present day.

For mechanization of reportorial methods, plus the radio tabloid delivered to the householder's set via the sound waves while he sleeps, will have cut down both size and output of the daily prints. One revolutionary innovation will be the Rhodes reporter's typewriter, which as he taps out his story will automatically set it up in type in the composing room of his newspaper. Local room, mechanical and commercial staffs probably will be reduced by one-half or two-thirds.

LEARNED ECONOMISTS DEBATE OUR FUTURE

It has been estimated by long-range forecasters that if mechanization increases in the next quarter of a century as it has in the past, only 45 men will be required in 1947 to perform the work done by 70 men in 1932 and by 100 in 1907.

Economists have devoted much debate as to what's going to happen to us in such a machine-dominated world. How shall we pay the rent, buy the clothes, meet the doctor's bills? Where will our next meal come from? The consensus of these learned experts seems to be that there will have to be shorter and shorter working hours to spread employment over a broad base, and that our distribution system will have to be completely revised.

Meanwhile, following the pattern yardsticked by T. V. A., we can solve many of the immediate aspects of technological displacement with a broad policy of rehabilitation of our natural resources—bringing back to par our farmlands, grasslands, woodlands, and national parks; developing our water-power resources for hydroelectric uses in the public interest; by adoption of a program of self-liquidating P. W. A. projects to include housing, lumbering, rural electrification, road building, and highway improvements.

Such reconstruction, in the opinion of Stuart Chase, would provide some 5,000,000 jobs. After it had been completed, after what Chase calls the "resource base" has been reestablished, hours will decline, and quoting again from Chase's book:

"Unemployment will become as rare as in colonial England. The town dump will smolder no longer, water fronts will be clean and welcoming, gas tanks will have been melted down to scrap, and from the Bay of Fundy to the mighty bridge at the Golden Gate no billboard will dare to raise its head."

That, Chase concludes, is the only way to reconcile the two great realities which affect our lives, for "it is the pattern for working with Nature while accepting the great gifts of the power age."

MACHINES VERSUS MEN

"Altogether, for the entire dam, there is employed a staff of 33 persons, including repair and maintenance help and guides for the public."

The above paragraph is quoted from Fred Pasley's striking article in this issue of the Sunday News, page 6, on men, machines, and the T. V. A.

HUGE PROJECT; 33 TO RUN IT

In the quoted paragraph, Mr. Pasley is talking about one of the world's biggest dams—Norris Dam, on the Tennessee River; a $36,000,000 power and river-control project, whose operations affect 2,000,000 people in 7 States, and whose flood-control machinery can regulate "almost to the cubic foot" the flow of a 650-mile river.

The T. V. A.'s power dams, incidentally, when finished and paid for, will go on producing power at almost no cost for a long, long time. Their motive power will be the water that endlessly comes down as rain to feed the rivers, which in turn feed the rain clouds. T. V. A.'s power dams will be only a man-made unit in nature's rain cycle. Yet private power companies feel that they ought to have monopolies on this use of rain, because this use of rain can be made to pay cash through sales of power.

TECHNOLOGICAL UNEMPLOYMENT

That question is in the courts now, to be decided, we hope, the just way. The urgently ominous part of Mr. Pasley's story is pointed up in the paragraph quoted above—that only 33 persons all told are needed to run this entire gigantic enterprise centered on Norris Dam.

What do we do with the labor we save? That question came into the world with labor-saving machinery, and isn't answered yet. In this story our old friend technological unemployment leers and jeers at us once more.

THE FATAL EXCEPTION

We're all familiar with the stock answer, which runs: "Yes; but every invention which has thrown men out of work has bred other kinds of jobs—garage jobs for automobile servicing; repair and maintenance jobs in connection with electric refrigeration or electric stoves; and so on."

Up to now, that has proved true; but with a murderous exception. The exception is that the same people who were machined out of jobs didn't, by and large, get the new jobs the machines forced into being.

There were few blacksmiths who, seeing the automobile swiftly replacing the horse, gradually eased their horseshoeing equipment to the rear of the shop and built up auto repair equipment and parking floors out front. Most of them stuck to their old trade, their old single skill, doubting that the automobile had come to stay, until they died or the sheriff took over their effects to satisfy creditors.

Always there is that lag between the new machines and the new jobs. Our failure to work out ways of cutting out that lag is largely to blame, we believe, for our tide of unemployment featured by occasional tidal waves of it.

WE CANNOT TURN BACK THE CLOCK

What we should not do, it seems, is to discourage invention or penalize adoption of labor-saving machinery. That would be simply an attempt to turn back the clock. Such attempts defeat themselves. The clock of time refuses to be turned back. The products of the machines are too valuable to human progress for us to slow down the flow—if we can work out ways of keeping up mass buying power.

The orthodox Socialist answer—the state must own the means of production, and produce for use, not profit—has taken a terrible beating in Communist Russia for 20 years now, and still is doing so. The Technocrats, who pointed out the trouble accurately despite the disparagement heaped on their leader, Howard Scott, propose incomprehensible and fantastic remedies.

It seems to us that the New Deal has offered and is applying, so far as its enemies will let it, the only practical remedies yet devised. It works on the surplus-labor problem by striving to get children and old people out of production, and by trying to keep a few from working so many hours a week that many will have no jobs at all. It attacks the problem of sustaining mass buying power by trying to put a floor under wages and a ceiling over hours. And it takes care of the remaining labor surplus as best it can by taxing those able to pay and using the money to make work at modest wages for those out of private jobs.

We don't know what the end will be. But we know we feel much more hopeful than we did in 1929–32, when Mr. Hoover was wringing his hands, hoping things would work out all right, and pouring in a little Government money at the top on the theory that it would get to the bottom somehow and multiply on its way down.

Parity Prices and Other Benefits for Farmers

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 13, 1938

Mr. PATMAN. Mr. Speaker, it is very necessary that the income of the farmers be increased. Since the farmers are compelled to reduce the amount of their production, the Government should assist in making it possible for those who reduce to produce enough to earn a livelihood for themselves and their families. There is only one way that I know of that this can be done, and that is for the Government to pay a better price to the farmers.

It should be remembered that the declaration of policy provides that the act is designed for "* * * assisting farmers to obtain, insofar as practicable, parity prices for such commodities and parity of income * * *." That is, the act recognizes that it is extremely difficult to undertake to raise and maintain farm prices and farm income at a parity level with accumulated supplies, or fluctuations in the income of domestic consumers and foreign demand. As a result, it provides that every practical endeavor shall be made to bring prices to such a level within the limits of the powers of the act and within the limits of such appropriations as Congress may make for carrying out the provisions of the act.

Cotton farmers today face an extremely difficult situation. Because of a large accumulation of stocks and a prospective carry-over of 12,500,000 bales on August 1, 1938, the acreage allotment of cotton will be the smallest we have had since the farm program was inaugurated in 1933 and the smallest cotton acreage since 1900. In an effort to keep the 1938 crop around 11 million bales in order to reduce the carry-over more than 90 percent of the cotton farmers voting in the referendum March 12, 1938, voted for quotas.

With the small acreage allotment cotton farmers will need a good price to get a reasonable income and the prospects are that the price will be comparatively low in 1938. The Department of Agriculture estimates that a cotton crop of 11,000,000 bales will result in a farm price of about 9.2 cents per pound. Under the agricultural program cooperating farmers will receive 2.4 cents per pound of the normal yield per acre of cotton for the farm for each acre in the cotton acreage allotment.

This means that the prospective income from both cotton lint and seed for the 1938 crop will approximate only $625,000,000 as compared with a gross return of about $950,000,000 for the 1937 crop. It is estimated that cotton price adjustment payments made in connection with the 1937 cotton crop will approximate $130,000,000 and soil-conservation payments made under the 1938 agricultural conservation program will approximate $75,000,000. In 1938 it is estimated that agricultural conservation payments will approximate $112,000,000. Of course, efforts are being made to increase these payments and I hope we are successful.

IDLE GOLD SHOULD BE USED

We have in the Treasury a billion, four hundred million dollars of idle, sterile, unused gold. This gold should be used, and I do not know of a better way to use it than to use it to increase the price of cotton and the other basic farm commodities.

I have prepared a bill proposing that this gold be used for that purpose. The bill is as follows:

A bill to provide that the Treasury gold be used for making parity payments under the Agricultural Adjustment Act of 1938

Be it enacted, etc., That in order to furnish the funds necessary to make in full the parity payments to producers of corn, wheat, cotton, rice, or tobacco provided for by section 303 of the Agricultural Adjustment Act of 1938, the Secretary of the Treasury is authorized and directed to take such steps as may be necessary to make available for such purpose the Treasury gold which on April 1, 1938, was carried in the inactive fund in the Treasury.

If this gold is used, it will not increase our public debt; it will place purchasing power in the hands of people who will use it to buy goods and services; it will stimulate trade and business in the entire Nation.

I expect to go before the Committee on Appropriations as a witness in behalf of this proposal when the relief bill is considered. It occurs to me that this would be an appropriate amendment to the relief bill, and I expect to do everything in my power to get it adopted.

COTTON CERTIFICATES

In 1935 cotton certificates were issued to the farmers. Although it was not a contract between the farmers and the Government that the farmers would receive on a basis of 4 cents per pound on the certificates issued, yet it was understood through the Government's representatives in the different counties, the county agents, that if the farmers holding these certificates would pool them, there would be a sufficient demand for the certificates from farmers producing a surplus to utilize them at 4 cents a pound.

The Department of Agriculture officials even wired county agents in my district and asked them to encourage the farmers to pool their certificates at once. This was in the early fall of 1935; that there would be a sufficient demand to use them all; that under no circumstances should the farmers sell these certificates except through the county agent and at 4 cents per pound. A few holding these certificates sold them through illegal methods, receiving 2 and 3 cents per pound for them. Practically all the farmers, however, remained loyal and true to the Government and refused to sell them except through official channels, the county agents' offices. Therefore, those who did remain faithful to the Government, assisting in carrying out the program, still have these certificates on hand. They only received on the basis of 16 cents on the dollar for the certificates pooled.

On the 29th of January 1937, I introduced a bill providing for the payment of the remainder due on these cotton certificates. It is the only bill, that I know of, that has been introduced for their full payment although there are other bills somewhat related to the same subject matter involving distribution of the money that is remaining in certain pools, and the refunding of the purchase price of certain certificates.

I have had many conferences with the Secretary of Agriculture, officials of the Department of Agriculture, Members

of Congress, including the leaders, and Members of the Committee on Agriculture in the House and Senate regarding this matter. I have also talked to President Roosevelt about it. One hearing was held before the Hon. MARVIN JONES, chairman of the Committee on Agriculture in the House, but no report has been made.

The following statement is self-explanatory. It discloses the amount that will be due the farmers who pooled their certificates in each county in the First Congressional District of Texas. My bill will include certificates that were not pooled as well as those that were pooled.

Statement of trust agreements surrendered to the 1935 national pool from the First District of Texas

County	Number trust agreements	Pounds surrendered	Pounds sold	Pounds unsold	Payment	Balance due [1]
Bowie	2,554	3,140,702	551,308	2,589,394	$20,651.55	$103,575.76
Cass	4,520	2,902,288	509,480	2,392,808	19,083.37	95,712.32
Delta	3,661	3,736,434	656,917	3,080,517	24,569.55	123,220.68
Franklin	939	453,409	79,591	373,818	2,981.24	14,952.72
Harrison	2,577	754,662	132,472	622,190	4,960.94	24,887.60
Hopkins	4,107	1,715,677	301,200	1,414,477	11,281.43	56,579.08
Lamar	6,492	9,714,091	1,705,274	8,008,817	63,877.15	320,352.68
Marion	1,617	301,963	53,033	248,930	1,985.61	9,957.20
Morris	855	343,693	60,336	283,357	2,259.81	11,334.28
Red River	4,215	3,726,966	654,268	3,072,698	24,507.90	122,907.92
Titus	1,275	684,477	120,151	564,326	4,500.34	22,573.04
Totals	32,812	27,474,362	4,823,030	22,651,332	180,658.89	906,053.28

27,474,362×$0.04=$1,098,974.48.

[1] This does not include certificates that were not pooled and that will be paid if my bill is enacted.

COPY COTTON CERTIFICATE BILL

I am inserting herewith a copy of the bill to redeem the cotton certificates. It is as follows:

H. R. 3993

A bill to provide for redemption of certain cotton certificates issued under the Bankhead Cotton Act

Be it enacted, etc., That upon application to the Secretary of Agriculture by any producer of cotton to whom tax-exemption certificates for the crop year 1935–36 were issued under the Cotton Control Act approved April 21, 1934, the Secretary is authorized and directed to pay, out of appropriations made pursuant to this Act—

(a) To any such producer who transferred certificates originally issued to him for the crop year 1935–36 to a certificate pool established under such Act for the exchange of certificates, the difference between the amount heretofore received by him for the certificates he transferred and an amount ascertained by multiplying 4 cents by the number of pounds of lint cotton represented by such certificates; and

(b) To any such producer, to whom certificates for the crop year 1935–36 were originally issued, an amount ascertained by multiplying 4 cents by the number of pounds of lint cotton represented by the uncanceled certificates originally issued to him which such producer surrenders to the Secretary and which he at no time transferred to any pool or to any other person.

SEC. 2. As used in this act, the term "producer" includes the heirs or legal representatives of a producer. A transfer to such heirs or legal representatives shall not be considered a transfer within the meaning of section 1 (b).

SEC. 3. The Secretary is authorized to utilize the personnel, services, and facilities of the Agricultural Adjustment Administration in carrying out this act.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out this act.

EARLY SUBSIDY PAYMENTS

The Secretary of Agriculture insists that he cannot pay the 1937 cotton price adjustment payments until he is satisfied that the law has been complied with. The law is that the producer must not knowingly plant cotton in 1938 in excess of his farm acreage allotment for 1938. The Secretary agrees, however, to check the acreage just as soon as possible after the season in which cotton could be planted with the expectancy of making a crop and make the payment just as soon thereafter as possible. We are endeavoring to get an amendment to existing law which will permit these payments to be made much earlier than they would ordinarily be made.

HOW OUR FARMERS VOTED

The 1938 farm bill is made up of two main provisions: one simply amending and perfecting the Soil Conservation Act, under which our farmers are paid benefits for diverting a percentage of their acreage from cotton to some soil building crop, and the other imposing drastic marketing quotas on cotton, tobacco, wheat, corn, and rice, with a penalty for planting above the acreage allotment. The latter provision could be imposed only if two-thirds of the farmers voted in favor of it.

In keeping with this proviso a referendum was held on March 12 for cotton producers, and 92.1 percent of the cotton producers in the whole country voted for the imposition of the marketing quota. In Texas the vote was 88.4. The vote by counties in the First District of Texas is as follows:

Counties	Yes	Number	Total	Percentage in favor
Bowie	2,721	115	2,836	95.94
Cass	3,741	124	3,865	96.79
Delta	1,186	184	1,370	86.57
Franklin	946	61	1,007	93.94
Harrison	3,713	80	3,793	97.89
Hopkins	2,341	407	2,748	85.19
Lamar	2,783	196	2,979	93.42
Marion	1,205	9	1,214	99.25
Morris	1,203	16	1,219	98.68
Red River	2,515	143	2,658	94.62
Titus	1,626	51	1,677	96.95

Even with a marketing quota, it is doubtful that the farmer will receive a large return this year on his crop. The world supply of cotton is 50,600,000 bales, the largest on record and the 1937 American cotton crop was 18,700,000, also the largest on record. The carry-over of American cotton on August 1 will likely be the second largest on record. Even with 4,000,000 bales less this year than last, as contemplated under the new program, the American supply of cotton will still be the greatest on record.

The following table relative to payments to farmers in the First Congressional District is self-explanatory:

A. A. A. payments in the First Congressional District of Texas, by counties

County	Rental and benefit payments [1]	1936 conservation payments [2]	1934 emergency live-stock purchases [3]	Cotton option and pool payments [4]	1935 cotton price adjustment payments [4]	Total
Bowie	$711,683.80	$204,637.63	$43,352	$184,946.05	$48,476.28	$1,193,095.86
Cass	695,441.29	174,420.69	54,413	156,212.24	53,777.15	1,134,264.37
Delta	742,927.78	141,169.99	39,684	152,592.37	46,080.66	1,122,454.80
Franklin	215,224.58	59,526.14	51,624	54,444.33	17,300.39	397,919.44
Harrison	637,950.32	154,466.26	43,930	136,869.16	82,344.09	1,055,589.83
Hopkins	809,442.62	216,069.73	83,001	185,034.53	57,941.58	1,351,489.46
Lamar	1,286,212.62	306,329.45	52,452	321,814.54	66,807.77	2,033,615.78
Marion	167,191.53	54,360.40	24,324	39,627.25	15,246.10	300,749.28
Morris	180,361.83	69,145.25	46,397	35,301.38	16,832.46	348,037.92
Red River	891,214.47	218,781.26	73,814	199,369.83	48,494.05	1,431,673.61
Titus	375,668.54	129,547.85	83,950	86,171.40	30,460.99	705,798.78
Total	6,713,318.78	1,728,251.65	596,941	1,552,413.08	483,761.62	11,071,689.13

[1] As of June 30, 1937. Includes county association expense.
[2] As of Sept. 30, 1937. Includes county association expense.
[3] Audit report as of Dec. 31, 1935.
[4] As of Dec. 31, 1937.

The following table is self-explanatory:

Cash income from cotton lint and cottonseed for the State of Texas, 1932–37

Calendar year	Cotton lint	Cottonseed	Total
	1,000 dollars	*1,000 dollars*	*1,000 dollars*
1932	137,296	12,406	149,702
1933	177,268	16,083	193,351
1934	199,159	23,819	222,978
1935	162,823	28,468	191,191
1936	178,517	28,418	206,935
1937	196,119	33,331	229,450

The following statements relative to expenditures in the First Congressional District, prepared by the Library of Congress, are self-explanatory:

Summary operations report of Federal funds loaned and expended from new and emergency appropriations during the period Mar. 4, 1933, through Dec. 31, 1937

Counties	Loans closed												Loans insured				
	Reconstruction Finance Corporation	Federal land bank and Land Bank Commissioner	Emergency crop and feed		Drought (1934-35)		Farm-security loans	Home Owner's Loan Corporation			Public Works Administration non-Federal projects	Rural electrification projects	Federal housing				Total
			Number	Amount	Number	Amount		Applications received	Loans closed	Amount			Modernization notes insured		Mortgages insured		
													Number	Amount	Number	Amount	
Bowie	$587,804	$299,400	5,683	$464,170	1	$25	$138,830	1,012	676	$955,956		$58,000	173	$50,373	12	$23,630	$74,003
Cass	78,770	115,500	3,113	200,133	55	3,058	179,380	47	18	15,153	123,886	58,000	60	35,715			35,715
Delta	116,929	295,850	236	18,250	44	2,211	83,392	68	25	21,726	21,000	34,000	12	2,878	1	2,000	4,878
Franklin		45,900	975	50,604	363	16,181	46,324	28	9	10,715			4	1,182			1,182
Harrison	83,000	111,200	3,801	231,558	1	193	165,216	602	242	339,142	125,950	63,333	149	44,498	1	3,600	48,098
Hopkins		231,550	1,255	69,802	304	21,741	173,193	113	60	86,687		90,111	59	16,353	2	5,680	22,033
Lamar	856,409	562,900	1,129	69,924	9	509	174,662	221	164	294,148	185,200		270	75,763	7	24,603	100,366
Marion	9,000	9,000	1,809	98,319	46	1,342	102,306	15	6	11,207			17	4,434	2	4,800	9,234
Morris	45,388	30,000	604	39,311	25	1,271	38,020	29	14	17,018	33,700		4	1,236			1,236
Red River	131,230	281,000	2,426	156,270	104	5,703	164,064	49	19	23,420	87,300	58,000	21	7,719			7,719
Titus	60,006	74,300	1,333	85,048	181	6,637	37,741	47	26	51,625			55	30,408	6	13,500	43,908
Total	1,968,536	2,056,600	22,364	1,483,389	1,133	58,871	1,303,128	2,231	1,259	1,826,697	577,036	361,444	824	270,559	31	77,813	348,372

Reconstruction Finance Corporation loans began Feb. 2, 1932.
Resettlement Administration became the Farm Security Administration, Sept. 1, 1937.
State-wide and district-wide projects of the Works Progress Administration, Public Works Administration, and Farm Security Administration are not included, nor are expenditures of State and local bodies in conjunction with such agencies as the Public Works Administration, Works Progress Administration, Social Security Board, Federal Emergency Relief Administration, and Civil Works Administration.
Loans of the Commodity Credit Corporation, Disaster Loan Corporation, and the production credit associations under the Farm Credit Administration are not obtainable upon a county basis.

Counties	Federal Emergency Relief Administration	Civil Works Administration, Nov. 17, 1933-July 14, 1934	Farm Security Administration				Non-Federal allotted projects (total)			Works Progress Administration to Mar. 31, 1938	Social Security Board (old age)	Bonus (adjusted), 1936	Civilian Conservation Corps—Estimated [1]	Bureau of Public Roads—Estimated [2]	Reclamation Service—Estimated [3]	Public buildings (Treasury)—Estimated [4]	Estimated grand total expenditures [5]
			Grant certifications		Farm debt adjustment		Loan	Grant	Amount								
			Number	Amount	Number	Amount											
Bowie	$544,557	$211,583	754	$13,793.00	16	$1,209				$605,031	$167,785	$789,430.40	$526,037	$721,561	$22,825	$50,991	$4,571,124.40
Cass	416,722	192,027	1,358	21,281.00	8	13,367	$123,886	$63,990	$187,876	256,940	86,364	488,161.70	328,149	445,945	14,114	31,532	3,352,340.64
Delta	129,618	51,339	428	6,729.51	8	387	21,000	16,790	37,790	176,702	44,809	213,568.70	142,285	195,098	6,175	13,795	1,902,390.64
Franklin	192,946	34,142	598	9,678.15	12	2,295				109,294	32,978	138,076.77	91,989	127,410	3,992	8,919	1,026,270.92
Harrison	475,296	267,155	548	10,324.00	16	552	125,950	1,836,310	1,962,260	282,780	88,782	795,510.09	540,088	734,055	22,990	51,384	6,023,592.10
Hopkins	283,564	108,283	868	14,429.60	4	1,050		53,182	53,182	419,253	114,859	478,083.08	321,713	441,150	13,823	30,881	3,305,183.68
Lamar	620,291	303,604	1,099	16,659.35	10	5,735	185,200	169,590	354,790	1,024,992	177,742	788,777.30	525,489	727,935	22,809	50,955	6,212,425.33
Marion	137,623	58,095	321	5,449.00	12	2,043		36,000	36,000	105,531	41,703	168,588.91	111,868	155,565	4,874	10,890	1,059,781.91
Morris	107,225	45,442	192	3,690.00	5	450	33,700	13,000	46,700	130,903	37,904	163,013.30	108,153	150,420	4,713	10,529	1,058,649.17
Red River	422,551	111,154	2,241	35,801.70	14	831	87,300	97,970	185,270	426,317	97,536	501,813.17	336,820	463,845	14,534	32,469	3,739,801.81
Titus	252,316	113,857	428	7,461.00	1	55				172,277	54,857	260,141.57	173,313	240,045	7,521	16,803	1,803,863.23
Total	3,582,709	1,496,681	8,805	148,986.31	106	27,974	577,036	2,286,832	2,863,868	3,710,020	945,319	4,785,164.99	3,205,903	4,403,029	165,896	309,148	34,055,423.83

[1] Average cost per person in Texas, $10.83, on basis of 1930 population census.
[2] Average cost per person in Texas, $14.85, on basis of 1930 population census.
[3] Average cost per person in Texas, $0.47, on basis of 1930 population census.
[4] Average cost per person in Texas, $1.05, on basis of 1930 population census.
[5] Including agricultural adjustment payments omitted.

NOTES.—Resettlement Administration became the Farm Security Administration, Sept. 1, 1937. Agricultural Adjustment Administration 1937 conservation program payments are not yet available by counties. State-wide and district-wide projects of the Works Progress Administration, Public Works Administration, and Farm Security Administration are not included, nor are expenditures of State and local bodies in conjunction with such agencies as the Public Works Administration, Works Progress Administration, Social Security Board, Federal Emergency Relief Administration, and Civil Works Administration. Expenditures for the Civilian Conservation Corps, Public Roads, and bonus are estimated; 1937 conservation payments are not obtainable upon a county basis.

Theodore A. Peyser

MEMORIAL ADDRESS

OF

HON. BRUCE BARTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1938

On the life, character, and public service of Hon. THEODORE A. PEYSER, late a Representative from the State of New York

Mr. BARTON. Mr. Speaker, THEODORE A. PEYSER entered the field of practical politics almost at the close of his life. Yet in those few years when he served as the Representative of the Seventeenth District of New York he won the same respect and affection from his colleagues in the political world which he had long enjoyed in the realm of business.

He brought to his public service the complete devotion, the fine intelligence, and the untiring zeal that had always characterized his activities. Every important piece of legislation was thoroughly studied; his votes were the reflection of independent judgment and sound convictions. Loyal to his political party, he was never a blind follower of any dogma, political or otherwise.

In legislation his name is chiefly associated with the Wagner-Peyser bill, which provided for the establishment of a national employment system. It stands as a memorial to his public zeal and social idealism.

Men were drawn to him by the charm of his personality and his genuine spirit of camaraderie. No boundaries of race, creed, or color limited the broad area of his friendships. It was "TEDDY" PEYSER the man, the human being, and friend whom his constituency delighted to honor.

In his passing the legislative branch of our Government has lost a beloved Member. He might have prolonged his life had he followed his doctor's orders to let down; but it was his nature to give his best, to do completely whatever he had undertaken. His death was, in this sense, a martyrdom to his ideal of public service. Friendly, capable, always sincere, he was a real American. Sound in judgment, patriotic in all that he thought or did, he lived a full, rich life and left behind him a multitude of friends.

Pioneering in Honesty

EXTENSION OF REMARKS

OF

HON. WILLIAM GIBBS McADOO

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Thursday, May 26 (legislative day of Wednesday, April 20), 1938

ADDRESS BY J. EDGAR HOOVER, DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

Mr. McADOO. Mr. President, I ask unanimous consent to have printed in the RECORD an address entitled "Pioneering in Honesty," delivered by J. Edgar Hoover, Director of the Federal Bureau of Investigation, United States Department of Justice, at the commencement exercises of the Oklahoma Baptist University, Shawnee, Okla., on May 23, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is always with a great deal of pleasure that I visit a community whose history spans our more recent frontiers to the present day. The story of Oklahoma and the accomplishments of the Southwest have always interested me intensely. When we realize that here was a vast region with only an occasional trapper's cabin or frontier settlement which, within a few decades, has been changed by the made rush of settlers' wagons as they came crashing onward through ravine and gully, fording treacherous rivers to found Oklahoma City, to build Muskogee, Tulsa, Enid, and Shawnee, and other cities in such a brief space of time, we are forced to pause and reflect that the age of miracles is not past and never will be, so far as America and Americans are concerned, so long as there are new frontiers to face. That pioneering spirit which conquered the frontiers of the Southwest has its modern counterpart in the present-day attitude which is beginning to form against the underworld and its criminal army.

I feel that you particularly in Oklahoma and the Southwest understand what I mean by these comparisons when we consider that for years, and even as recently as the reign of "Pretty Boy" Floyd, certain portions of Oklahoma were known as the land of the outlaw, the train robber, and the bandit. I feel sure that the subject of crime should be of great concern to the public-spirited citizens of this State who have done so much to bring about a better condition of affairs.

It was quite natural that Oklahoma should have been forced against her will to harbor a large number of outlaws, for here was a State which had been founded in the mad rush of a tumultous settlement. Never in the history of the United States was there such a dramatic onward trek of pioneers as that great rush of 1889 when this Territory was opened at last to settlement. The lines of wagons and horses stretched interminably along the starting point to clatter forward at the signal and, within a matter of hours, to result in the birth of a Commonwealth. This, in turn, was followed by the opening of the Cherokee strip with scenes of equal turmoil and recklessness. The majority of those who made these two rushes were of the finest type of American pioneer blood. It was natural, however, that some of those who sought the new country would not seek it in the dauntless spirit of self-sacrifice by which America was built, but in order that their own selfish needs might be served.

Oklahoma was a country of vast distances, of varied terrain, of easy accessibility to the wandering cattle thief from the South, the outlaw from the West, the tin-horn gambler and the get-rick-quick schemer from the East—all of whom sought the new community where they felt they might be miles from the law and where they might carry on their nefarious activities with impunity. This was particularly true in such regions as the Shawnee country, where in the gullied areas of scrub oak and Ozark brush one might hide for months in a poorly policed section and be safe from capture. Few States have ever started under such tremendous handicaps as did Oklahoma, even with all her fine natural resources and determined pioneers.

Then, too, we must remember the rush for black gold which caused slab-boarded towns to arise overnight in the mud and slime of communities where sidewalks did not exist and pavements were unknown, and everywhere the heavy smell of black gold permeated the air and there prevailed the vulturous greed which always is engendered when new money rushes suddenly into circulation from seemingly boundless deposits beneath the earth.

Thus the names of the James boys, who used Oklahoma more than once as a place of shelter, the Dalton brothers, Bill Doolin, the Spencer gang, and on through to Underhill, Bailey, and Floyd, and many others became characters of fiction. Oklahoma found itself harrassed from its birth by the stigma of filthy parasitic infiltrations, and here and now I desire to compliment and express my admiration for the far-sighted, level-headed, and civic-spirited people of this State who, in the face of seemingly insurmountable obstacles, have succeeded in placing Oklahoma progressively on the side of law and order.

We of the Federal Bureau of Investigation no longer look upon the Southwest as the cradle of crime. True, you will always have your difficulties, as will any of our States, but so long as the present attitude continues, of modernization and betterment of law enforcement, of seeking to place in office a better type of official, of cooperation, and, above all, a determined desire to better the name of the community and the Commonwealth, Oklahoma will continue to pioneer against lawlessness—a present-day frontier which must be conquered.

The remarkably successful manner in which a comparatively young State has fought off the enemies which had sucked its life's blood from the very day of its birth has been due to two great causes. The first of these, of course, is public opinion, for without the right kind of public opinion nothing good can be accomplished. Secondly, here and there throughout the State there arose men who realized that the Commonwealth must achieve the seemingly impossible. These leaders were joined by others who steadily worked with a common desire toward the creation of a mighty wave of public sentiment, arising in indignation against the criminal element. Lawlessness, no matter how strongly entrenched, cannot stand before a pioneering spirit such as was exemplified in the actions of the founders of the great Southwest. Once this mighty wave of public sentiment broke, outstanding men began to take their place in community after community to fight for law and order, until today Oklahoma stands high indeed in the ranks of effective law enforcement.

We of the Federal Bureau of Investigation will never forget that it was an Oklahoma officer, Chief of Police Otto Reed, of McAlester, who was shot down and gave his life along with special agents of the F. B. I. in a crucial battle which was the turning point in America's war against organized gangsterism, when Verne Miller, "Pretty Boy" Floyd, and Adam Richetti, with their machine guns, their high-powered automatics, and their commission from the underworld to defy all authority, in cold blood murdered four officers and their prisoner in what now has become

historically known as the Kansas City massacre, when they attempted the delivery from custody of the prisoner, Frank Nash, a representative of the old days of Oklahoma banditry. This massacre will long remain as a landmark in the history of law enforcement. The brazen action on the part of the underworld was a challenge to law enforcement everywhere. The gangs threw down a bloody gauntlet in a challenge which law enforcement must triumphantly meet or our citizens will forever be ground under the heel of crime, which is coordinated into well-organized and tightly affiliated groups of self-interested scoundrels who know how difficult it is for the unorganized majority to join hands.

Oklahoma should be proud that one of her native sons of fearless integrity took part in that battle, and we should never forget that by his heroism, even though he lost his life, he gave impetus to a movement which resulted in the establishment of such institutions as the impregnable prison on Alcatraz Island, in the speedy building up of the Federal Bureau of Investigation and the many phases of its activities which assist local law enforcement officers everywhere, and the National Police Academy, where men of law enforcement from all parts of America are being trained in the scientific methods of the Federal Bureau of Investigation so that they may become, as one writer has termed them, "home town G-men," and thus form a nucleus for a more advanced type of law enforcement.

And so we see from the turbulent frontier spirit of Oklahoma—through a strange set of circumstances leading to a bloody climax in which a heroic officer of your State stood on one side with the forces of law and order, while on the other were some of the Nation's most vicious parasties—the emergence of a new era, a new outlook, and I hope a better and happier one.

Today, throughout Oklahoma, the Southwest, and the Nation, we see in everyday use, advanced police methods; we see a closer cohesion of officers; we see a swiftly formed public opinion when some community opens its portals to the old type of bandit who sought to give Oklahoma a bad name; we see an eagerness to learn, a desire for knowledge concerning the newer and more scientific methods of apprehension and detection, plus a greater vigilance toward keeping the criminal where he belongs once he has been detected, apprehended, convicted, and committed.

We find in the history of your State a connecting link to this university whose faculty and student body I am proud to address today. That connection is very easy to find and quite a normal one, for such bodies as these are cradles of opinion; such bodies as these increasingly furnish the personnel by which pioneering of a new and better order may be carried forth. I know that this pioneer school, founded within 3 years after statehood had come to Oklahoma, will remember that it still has a new frontier to face and that there still are forces that can be conquered by the pioneering spirit. It is to such faculty and student bodies as yours that we of law enforcement must look for our greatest assistance. You are our allies; you must be the supporting voices in a battle of deadly seriousness and of tremendous import to every good-thinking citizen, a battle that must be engaged in by every community throughout our Nation.

The war on crime cannot be won until the criminal enemy not only retreats but disappears. While we will always have law infraction, I am optimistic enough to believe that we can eliminate crime in its major sense. This cannot, however, be accomplished by mental laziness, by a lackadaisical attitude, or the belief that the job belongs solely to law-enforcement officers. This task is the sacred duty of every thinking man, woman, and child of America, because crime is a menace which directly or indirectly affects you, whether you would believe it or not.

It is unfortunate that figures and statistics are so cold and lifeless that the true cost of crime to America cannot be easily comprehended and thoroughly understood by all. There is the temptation to believe that this tremendous monetary cost of crime, totaling approximately $15,000,000,000 each year, does not affect you. That is not true. When the annual crime bill is tendered it is not paid through some Government subsidy—it is paid by each and every one of you. If we could divide it equally among everyone in the United States, it would constitute a charge which begins at birth and lasts until death, and would approximate an amount which, if it could be saved by the average person and compounded to the age of 60, would form an annuity for everyone which would outshadow our social security and unemployment plans, resulting in happiness, security, safety, and well-being for the citizens of this Nation. Instead of this, however, it is tribute levied according to the ability to pay, and this ability does not always mean monetary wealth.

There are, for instance, over 13,500 unfortunate persons who every year must pay their taxes to lawlessness by the loss of their lives. Beyond this there is the tremendous army of nearly 54,000 persons who contribute through blood and injury, shame, and degradation in cases of aggravated and criminal assault, to which must be added the nearly 60,000 victims of robberies, over 290,000 victims of burglaries, and other forms of crime which last year totaled 1,415,816 serious offenses, and summed up the fact that once every 22 seconds some minion of the underworld contributes to the loss of property, the loss of well-being, and the loss of life, to say nothing of the losses occasioned by the more than 14,000,000 lesser infractions committed each year.

Someone must bear the cost of the depredations of the lawless and certainly the law violator who squirms and twists and writhes and struggles to free himself from the clutch of the law is not going to assume his share of the cost of crime in all its ramifications. It is beyond imagination that the nearly 700,000 persons, an army large enough to reproduce the city of Shawnee many times over, who yearly are committed to our jails and penitentiaries to be fed, clothed, sheltered and held captive by expensive masonry and steel, contribute in the slightest way to this horrible cost. It is not believed that the murderer, the robber, the burglar, the arsonist, or any other of the criminal army of more than 4,500,000 who form a national menace, contributes in the slightest degree toward the maintenance of any law-enforcement body.

Therefore, who pays the costs of crime? Who pays the losses occasioned by the deaths of over 13,500 persons by homicide each year? Who pays for the erection of tremendous buildings of stone and steel to harbor our criminals? You pay for it! You, the respectable citizen! You, the educator! You, the ambitious student, looking forward to this day of your graduation when you may take your place in your community! And since you who look toward graduation naturally seek also the avenues of ambition, what is a better one than that you should carry always with you the belief, the knowledge, and the determination that your life will be happier, better, and more sanely calm, as well as the lives of everyone you know, if you work unceasingly to make the path of the criminal more difficult. This can only be accomplished by a definite program. First of all, you must be forced to the realization that crime is slimy, that crime is filthy, that crime is base, that crime reaches the utmost depths of degradation.

Should you ever come in direct contact with crime, in your own heart, you will abhor it. You must make up your mind that you will give no aid to criminality in any way, shape, or form. From over 20 years of actual experience with crime and criminals, I am forced to the conclusion that too many otherwise good citizens aid crime through thoughtlessness. Not a day in the year passes but that someone of more or less importance seeks my aid in, as he says, helping a friend out of trouble. Do I know Judge So-and-So before whom someone has been called? Can I fix a traffic violation for someone else who is very busy and doesn't care to be called to court? Will I intercede for this man, for that man, and for the other man? The answer in all cases is "no," absolutely "no," and emphatically "no," and for this reason my feeling is, and it should be the feeling, I believe, of everybody who wants a crime-free America, that if you and I, who are allegedly good citizens and want to see crime curbed, go to the front for this or that violator simply because we have been asked to do so, then we cannot complain if the violator, if the robber, the burglar, the arsonist, the murderer, or the rapist uses every shyster means of pressure, of bribery, or intimidation at his control to obtain his freedom, and walk forth to the commission of new crimes.

On first analysis, it may seem farfetched to compare the fixer of traffic violations or of other small offenses with the fixer of a murder case. I do not argue this point. I simply ask you to use your own judgment—to think it over—to observe that crime begins first in a small way. Moreover, the next time your spirit rebels against the fact that some criminal, who perhaps has robbed your home, has been able to walk away scot-free, consider that he used exactly the same methods that were used in the fixing of a traffic case. Moreover, there is not a murderer in prison today, there is not a kidnaper in Alcatraz, and there is not a condemned man in the death cell who does not use as his alibi for nefarious efforts to defeat punishment, the excuse that everybody else in the world tries to get out of trouble and why should not he also?

It would require but little self-sacrifice on the part of every truly respectable and reputable citizen, for his own benefit, to determine to set an example once and for all to deprive the criminal world of its alibis. If this were done for a sufficient length of time, it would soon become a national habit and the American viewpoint would so solidify that almost overnight concerted opinion would result in a wholesale disbarment of shyster lawyers, the wiping out of ambulance chasing, the cleansing of courts wherever needed, the rebuilding of our jury systems and the overthrow of subversive forces everywhere in law enforcement, and, above all, the cleaning up of venal politics, through which all criminal forces seek aid.

You stand today on the threshold of your careers. Do you want to carry forth some great ambition into the world beyond that of your vocations? If you do, you can have no greater ambition than that of developing in your home, in your business, and in your community a desire to inculcate into the lives of your friends and your asscciates spirituality which will build up a barrier that will protect them from moral temptations. I suggest that you can have no better ambition than to be missionaries of the Golden Rule. If you do this, you will deal criminality in your community a deathblow. If you and all the other young people graduating this spring, with college tradition and college training, could make the solidification of this one idea paramount, you would accomplish one of the greatest feats in the history of America, a feat that is truly pioneering—one to live for and one, if achieved, for which you will be remembered—the inculcation of the fixed belief that there can be no compromise with crime; that crime is your enemy, as vicious an enemy as is known to society, one that will take its toll among three out of every four of you assembled here today. The criminal has no thought of society except to prey upon it. He has no feeling for the good citizen except that of contempt. He has no belief except that the honest man was born to be his victim. He sneeringly accepts the belief that unless he is checked he is smart enough to get away with his misdeeds; and

rest assured that once he is permitted to assume this attitude he will cause you nothing but grief.

Whenever I am with a group of young people such as this I naturally am interested in looking forward to what their later life will be, and I am always happy that a goodly number of them will consider the growing competition in some fields, the lack of it in others. Since we have talked much of pioneering today, and if you have a desire to pioneer in virgin territory let me point to the map of the United States, and in any locality place my finger upon American law enforcement. It may surprise you to know, for instance, that the depths of crime are being probed today for the first time in our national history. Until the F. B. I. began to collect fingerprints in a methodical manner, little effort had been exerted in learning what was happening in the underworld of America and the extent of its toll. When you realize that the beginning of this effort was less than 15 years ago in a nation that had already existed for a century and a half, you may well understand that a tangled mass of misapprehension, misinformation, and utter lack of knowledge existed concerning that part of our population which earned its livelihood by preying upon others.

In this pioneering project there were many difficulties even in the beginning of a national clearing house for criminal identification data. Many law-enforcement agencies looked upon it as newfangled, silly, and of no assistance whatsoever in the capture of criminals. The answer to that, of course, is that the Federal Bureau of Investigation, through its Identification Division, annually aids in the capture of nearly 6,500 fugitives from justice. It took some years really to formulate this fingerprint bureau which now, with cooperation extending throughout the world, represents nearly 11,000 law-enforcement agencies in the United States and 83 foreign countries and Territorial possessions, and possesses over eight and a half million sets of fingerprint records. Yet it was not until the Federal Bureau of Investigation could obtain the cooperation of the majority of American law-enforcement agencies that a true study of crime could begin. It is through the submission of these fingerprints and other records by law-enforcement organizations that we have been able to secure a fairly accurate picture of the number and types of offenses committed annually throughout the United States.

Despite the progress that has been made, the frontier has not been conquered. There remains a tremendous amount of work to be done which naturally is held in check until appropriations can be granted for extensions along these lines and until obstacles can be overcome. There has been little investigation made into the homes from which crime comes—there is no greater subject that can be studied, for crime all too often begins in the home, is part of the home, is nurtured in the home and grows in the home because of the improper attitude on the part of parents who, through their lackadaisical outlook and through their hero worship of criminals, often inculcate into youth the desire to become what they think is a Robin Hood, but what in reality is permitting them to degenerate into the basest form of life.

I have only delineated a few things to depict to you a frontier that openly calls for pioneers, that calls to those who would embark into a lifelong crusade against crime. The crystallization of Nation-wide public opinion against crime did not truly begin until after that bloody day in Kansas City following the heartless massacre of officers by egomaniacs of the underwold, which opened the eyes of many of our citizens to exactly what had happened in the years when popular violation of the prohibition law made the bootlegger welcome to so many homes and the ex-convict a person to be accepted upon a social basis.

This black era of toleration of lawlessness in our national history provides a striking comparison to the early days of our frontier States when, side by side with the honorable pioneer, the crook flooded into a new country where by the very force of circumstances law enforcement was lax, and there fastened himself upon the body politic. In the years of prohibition and prohibition violation the spawn of the penitentiary found for the first time that he could open the front door of society and walk in upon a common basis, all because he was received by a people that had emerged from the post-war era with a lackadaisical attitude toward crime and a perverted sense of civic responsibility, and whose moral conscience had atrophied into a state of deterioration. His reception inflated his ego, it enhanced his predatory powers, it raised his cheap venomous character to one where he believed that he was being accepted upon his own personal qualifications.

No matter what the cause, the effect was there, and America was shot through with an infiltration of criminality of which we could gain only a general picture—all because law enforcement was scoffed at. The climax came when the underworld believed it could shoot down honorable officers of the law en masse and get away with it. Since that day sentiment has rapidly been crystallizing. It has not yet reached the point where it recognizes all of the necessary things to be done in order that society might be freed of its bloodsucking parasites. It has, however, reached a point of approach from which we who view law enforcement from actual experience can see in the future the time when society will demand the type of officer in all branches of the administration of criminal justice that is now required by the Federal Bureau of Investigation. This means that to obtain this type of man, educated, honest, intelligent, agile of mind, courageous, resourceful, the same rewards must be given which are given in the F. B. I.—that of a salary commensurate with the services rendered and the type of personnel demanded, retirement benefits, a standing in the community, and a freedom from all such perversive influences as those of venal politics.

There is no place for politics in law enforcement. There should be no law enforcement officer who, in the discharge of his duties, should be forced to pause and consider the political effects of any movement against the army of crime. There should be no municipality or community in which venal politics enters into the apprehension, conviction, imprisonment, or release of an offender against the law. The time will come in America when every community will witness the downfall of corruption, the downfall of the stifling influence of the venal, self-seeking politician who serves only his own needs and those of his henchmen.

Unfortunately, at the present time, law enforcement bodies are fraught through and through all too frequently by corruption. The grimy and slimy hands of venal politicians interfere all too frequently in the discharge of the duties of a court. Greedy politics and pressure in too many instances follow a convict into prison, there to grant him privileges tantamount to those of a country club—radio, magazines, newspapers, books, athletic games, shows, better food than is placed on the tables of one-third of our population, baseball, basketball, motion pictures, orchestras to play during meals, swing bands which have actually filled outside engagements with music purveyed from the lips of murderers and arsonists and plunderers of the respectable.

We find that there is no such thing as a life prisoner, but that the average man who receives a life sentence for the commission of a crime remains behind bars less than 10 years. We are amazed to learn that the average sentence served by persons convicted of taking the life of another is only 58 months.

We find widespread abuses in the administration of parole, coupled with a disinclination on the part of professional parole advocates to correct these abuses. I have been represented as being opposed to parole. This is untrue. I firmly believe in parole when it is properly administered. It is an essential part of the program for the reformation and rehabilitation of criminals. What I have objected to and what I shall continue to object to is the maladministration of all too many State parole systems. The abuses which exist are known to every experienced law-enforcement officer in America and represent one of the great obstacles in the way of effective law enforcement. When confirmed criminals with four or five and more paroles commit robberies, kidnapings, and murders and are then released from their cells, told to be good boys, and are turned loose to repeat their crimes or commit others, I believe the public is fully justified in becoming aroused against the present abuses in some of our State parole systems.

All of this must be changed, and it must be done by the younger generation who, sickened by filth and revolting at the actions of inexperienced and oversentimental individuals who are often motivated by selfishness, and who have fastened themselves upon law enforcement, decide to clean house and do this by their actions, by their vote at the polls, by working for honest and clean elections and for the appointment of their own youthful, agile, educated, intelligent men in public office and law-enforcement agencies. This is your job as a pioneer today, a job demanding as much courage as was demanded of the frontier marshals in the rough-and-ready days in the history of your State and the Southwest.

If you are to protect your future home, you must know how to protect it. This cannot be done so long as prison holds no fear for the criminals, when a term in prison in many cases represents a better type of life than that to which they have been accustomed. It cannot be done so long as prison represents only a stopping place for the high-powered plunderers who look upon a period of incarceration as a mere vacation from their regular depredatory life, this vacation to be terminated as soon as their shyster lawyer can make the proper connection with venal politicians or with theoretical or oversentimental sobsisters.

All of this must be ended by youth, by a vociferous youth, by what I am proud to call a selfish youth—a youth selfish enough for its own future happiness and for the welfare of those whom it loves to work unceasingly not only for a cleaner community but for the upbuilding of new fields of employment for the thousands upon thousands of those who form student bodies of our colleges and universities. Many fields of endeavor are overcrowded today. We hear the cry—there are too many merchants, too many lawyers, and too many persons in professions and callings which depend upon the college for their personnel—but there are not too many college graduates in law enforcement. There are too few. Law enforcement is rapidly becoming a profession, as it should be. Vacancies in police departments should be an invitation to college students. There should be no warden of a penitentiary or guard who is not well educated, and there should be no one in any branch of probation or parole who is not of the highest type of intelligence and integrity.

Here and there throughout America are rising examples whereby law-enforcement agencies are achieving remarkable results through the upbuilding of a personnel free from political interference. We speak of crime in terms of robbery or plunder. There is another—a crime which is being committed by society against itself in the miserly, meager salaries which it pays in many communities to those whom it holds responsible for its safety, happiness, and security. We always blame the individual when a prison door prematurely opens for some dangerous convict. That blame should be placed where it belongs—upon society—and this is true of any

city or any community or Commonwealth where the police departments are inefficient and manned by a low order of mentality, where venal politics interferes, where criminals may feel safe and sneer at law enforcement, where law-enforcement machinery is archaic and outmoded because of lack of funds.

It costs less in the long run to operate an efficient law enforcement agency than it requires to conduct an inefficient one. During the past 4 years the Federal Bureau of Investigation cost the taxpayers of America $18,000,000. For that money, 15,777 convictions of persons who violated Federal laws coming under our investigative jurisdiction were brought about, and we saved the taxpayers a total in fines, recoveries of stolen property and savings in suits against the Government, a total of over $135,000,000, thus paying dividends of over $117,000,000—a return of over $7 for each dollar spent. Other law enforcement agencies can do the same thing, provided they can operate like the F. B. I.—with the highest possible grade of personnel, good salaries, high efficiency and integrity, public support, and a freedom from politics. The law enforcement agency in your community will possess these advantages only when you insist upon them and take the necessary action to see that they are made available.

Happily, there are many evidences that America is awakening to this serious defect in its armor through which it hopes to protect itself against the ravages of crime. It is to the younger generation that we must look for this awakening. By enlisting upon the side of law and order you benefit society, you benefit yourself, and you benefit thousands who are now entering the schools and colleges and universities of our country. Certainly in such a case as this it is laudable indeed to be selfish, for by that selfishness you will work for the betterment of a great and honorable profession and a crime-free America.

There is no magic formula for crime prevention. It amounts only to honesty—honesty in effort, honesty in office, honesty in the detection and apprehension of criminals, honesty in the treatment of criminals, and the constant insistence upon honesty everywhere about you. I urge that you graduates of the Oklahoma Baptist University face your new frontiers with honesty of purpose and of determination. It will prove a motivating force which will aid you to conquer the new worlds which lie ahead.

The Future of American Youth

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Thursday, May 26 (legislative day of Wednesday, April 20), 1938

ADDRESS BY JOHN HAMILTON, CHAIRMAN OF THE REPUBLICAN NATIONAL COMMITTEE, AT PUEBLO, COLO., MAY 21 1938

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by John Hamilton, chairman of the Republican National Committee, before the Young Republican Convention of Colorado, at Pueblo, Colo., on Saturday, May 21, 1938. The subject of the address is The Future of American Youth.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There is one question that occurs and reoccurs more than any other in public life today, which is usually phrased in the words, "What can we offer to the youth of our country?" At the same time no man has been able to build up around himself a greater myth and legend of pretended interest in young people than the President of the United States.

It is my personal conclusion after contacting a good many hundreds of young men and women, particularly within my own party, that what worries the young people of our country is the lack of apparent economic security. I consider this a perfectly normal reaction of a generation which has come to the age of responsibility during the course of a depression that has now been with them for almost 10 critical years of their life.

I was interested in noting not long ago that the American Youth Commission had made a scientific sampling of 13,500 young people between the ages of 16 and 24 scattered throughout the State of Maryland. They were questioned as being representative of America's 20,000,000 persons in this age group. From my own experience and from the conclusions which I have heretofore reached, I was not astounded to learn that 57 percent of those interviewed had said their greatest immediate problem was that of economic security. In short, they felt that the opportunity to make a satisfactory living was their most vital need, and tonight I want to analyze, if I can, some of the basic facts which, in my opinion, have deprived them of an opportunity to fulfill that need.

In the first place, it would seem impossible to have an intelligent discussion of the problems of the young people of our Nation without some analysis of what constitutes economic security. Does it mean simply that through some action of the Government there is to be secured to them in times of unemployment a bare subsistence wage? Does it mean that they may look forward to old age complacently because a paternalistic government assures them of simply enough to fill the barest material wants? Is it to be found in a planned economy under governmental restrictions wherein the initiative and endeavor of the individual is traded off for a permanency of fixed employment having no opportunity for advancement? Or does economic security mean something that is broader than all this? Is it not possible that it includes, not only the assurance of the bare material things which are so necessary to life but also the right to live, to prosper, and to go forward toward the goal of one's ambitions under an economic system of free enterprise whereby there is no limitation upon accomplishment except that which a man's own abilities prescribe?

I contend on behalf of American youth, which I still believe to be a virile and vigorous part of our social and economic life, that it is the latter they want, and not the mere assurance of existence.

I contend further that no man has done more to deprive them of this right than the President of the United States.

No doubt there are many who, clinging to the myth and to the legend of the President's great interest, will bottom their arguments and their conclusions upon the fact that he has caused to be written upon the statute books certain relief measures. But I cannot believe that the mere placing of a young man in a C. C. C. camp, the mere assurance of a bare material existence, will ultimately bring full satisfaction to the young men and women of this country who have in their blood the slightest ambition to attain the higher and finer things of life.

I do not say tonight, and, indeed, I do not want to be interpreted as saying, that proper relief measures do not have their place in the social and economic life of our country. But I do say that such measures can be viewed as no more than mere stopgaps. I state it as a certainty that if relief measures are to be allowed to determine the goal of individual accomplishment, then ambition will die and with it the progress of civilization will come to an end. I further state that if, at the same time these humanitarian measures are being enacted into law, the course of government is such that it destroys the free economy under which the objectives of greater ambitions may be obtained, the effects of these acts will not offset in any degree whatsoever the ultimate harm which is being done to the youth of our Nation by the destructive measures aimed at our economic system.

If I may illustrate, it is one thing for the President as a doctor of our social and economic ills to be devoting all of his energies to getting the patient a more comfortable bed, a bigger hot-water bottle, and a prettier nurse, but it is quite another thing if he has become so engrossed in these phases of treatment that he hasn't the time nor the disposition to diagnose and cure the disease itself.

No clearer indication of the situation which I am presenting can be found than in the steps by which the New Deal plans to end the present depression. On the one side is the continuation of the measures of relief. Well and good. No Republican opposes them, whether they are expressed in anchors to the windward, such as unemployment insurance and old-age pensions provide, or whether they are expressed in the camps of the C. C. C., or in straight relief. But we do contend that these are all auxiliary, incidental, and emergency measures to which a government can, and even should, resort provided only that this same government, at the same time, is seeking to assist a recovery of the economic system through which ultimately relief may be replaced with jobs.

The present course of the administration, its attacks upon business, its continual threats, creating useless uncertainties to private enterprise, its attempts to once more prime the pump of our economic system, clearly demonstrates that Mr. Roosevelt is more interested in these incidental measures than he is in the principal problem which confronts us. It clearly demonstrates that Mr. Roosevelt seems anxious to give to the unemployed everything but jobs in private enterprise.

Today the President stands in the position of one who will hear no evil, see no evil, and speak no evil of a plan that has failed in every aspect under his own administration. The astounding part of it all is that he will take no heed of the lessons of his own times. There was a period when Mr. Roosevelt had the confidence of this Nation. There was a time when the President, pursuing a sound fiscal policy, encouraging business to legitimate profits—apparently jealous of the credit of the country—created a wave of confidence which swept through the Nation. This was in the first 3 months of his first administration, when he apparently thought it wise to adhere to the principles and enunciations of the 1932 Democratic platform.

As a result of the policy which he pursued, business improved and everywhere throughout the country men and women started back to work. It is interesting to note that the index of the Federal Reserve Board of industrial production had stood at 59 percent of the 1923–25 average during March of 1933 when Mr. Roosevelt took office. Under the impetus of his apparently sound policies,

the recovery which was already under way when he came into office continued on the upgrade, until by July of that year this same index had risen to 100 percent. Then suddenly he shifted his policies. Unwilling to accept the progress that the country had been making, he threw the weight of his influence behind legislation which applied the theory of economic scarcity to agriculture and to business. He set out to place our entire economic system in a strait jacket. Although he stated that his aim was to help the farmers and the workers of our country, his program had exactly the opposite effect, for by November of 1933 that same index had slumped from its 100 percent of July to 72 percent.

There is no other explanation to this slump but that his change of policy, expressed in pump priming, monetary tinkering, and restrictive measures, halted the upswing and started a business decline. Apparently he did not learn then, or at least will not acknowledge, that the only road to economic security is more production and not one of less production. The trouble with the authorities in Washington lies in the fact that their heads are lost in the mist of theory and their feet are stuck in the mud of impractical experimentation.

You will remember that when Mr. Roosevelt started out on his first 5-year plan that pump priming was an untried experiment in the history of America. For that reason I suppose it had a psychological value and we were able to see a response which arose from the hope that such a plan presented a workable scheme. But today the country has lost faith and confidence in a program which has once failed and which still apparently contemplates the disproven fact that we can lift ourselves out of industrial lethargy by the bootstraps of spending and debt. Apparently, there is a full realization on all sides and by everyone except Mr. Roosevelt that, after having spent more than $20,000,000,000 in abnormal expenditures on the part of the Government, the only reason there is no grass growing on the streets of our industrial cities is because it has been trampled down by 13,000,000 men and women seeking jobs in vain. The result is that even the psychological value of pump priming has gone by the board. Everyone recognizes its unsoundness. Everyone is willing to accept the lessons of the past except the one man who has the power to place business back on its feet. He still adheres to the fallacies of the past and refuses to accept the proof of a former failure.

Was it not Mr. Roosevelt who said, "Any government like any family can for a year spend a little more money than it earns. But you and I know that a continuation of that habit means the poorhouse." Is there any promise for economic security in a government that is headed for the poorhouse?

It was Mr. Roosevelt who, in his message to the Congress on March 10, 1933, in speaking of the deficit of $5,000,000,000, said that "With the utmost seriousness, I point out to the Congress the profound effect of this fact upon the national economy. It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed." Is there any promise for economic security in the collapse of our banking structure—in the stagnation of the economic life of our people, or in adding to the ranks of the unemployed?

It was Mr. Roosevelt who also said, "Too often in recent history liberal governments have been wrecked on rocks of loose, fiscal policy." Is there any economic security to be found in the contemplation of the wrecking of our form of government?

Yet all of these things by his own words are in the offing in the plan which he now proposes to the people. The possibility of these catastrophes are all present, not as the predictions of partisan politicians opposed to the Roosevelt administration, but as the predictions of Mr. Roosevelt himself. It is for this reason, relying upon his own theories, founded upon his own convictions, that I stand before you tonight to assert and to reassert that Mr. Roosevelt has done and once more contemplates doing more to deprive the young people of their right to livelihood and to that economic security which they desire than any man in the United States.

As though it were not enough for Mr. Roosevelt to threaten the stability and even the existence of private industry by such major proposals as his pump-priming scheme, he has added to the picture a thousand and one irritants, all of which tend to discredit business, big or little, in the eyes of our people, to make it impotent, and to deny to the Nation the benefits which have flowed from that source since our Government was founded. Business lies today bound to inactivity by the restrictions and uncertainties of the national administration, just as Gulliver lay upon the beach of Lilliput seeking to free himself from the mesh in which a thousand Lilliputians had entangled him.

If Mr. Roosevelt desires a business recovery, if he wants to see this country once more surge forward under the impetus of free enterprise, then I challenge him to do that which he and he alone can do and that is to sever this network of restrictive and discouraging policies which his bureaucratic Lilliputians have bound around the prostrate form of business.

Unless he promptly takes these steps, then he will assuredly be confronted with a planned economy in all of its vicious aspects. Indeed, there are those who wonder whether or not the continual heckling of business by the administration is not prompted by the desire of those surrounding Mr. Roosevelt, and indeed even of the President himself, to bring about a failure of private enterprise so that this planned economy may be put into full effect throughout the Nation.

That there are those around the President who approve of a planned economy under governmental restrictions is evidenced by act after act of the national administration. What other name can be given to an agricultural plan that under governmental threats and penalties denies to the farmer the right to say how much of his tillable land shall be allotted to this crop or to any crop at all? What other designation can be given to an act of Congress which limits the production of coal, fixes its price not only in the field but also to the consumer? How else can one describe the N. R. A., to which Mr. Roosevelt was wedded for so long and which he would still revive if he could? Under what other system do the monetary policies of this administration belong which allows one man to juggle, as he sees fit, the values of our money, and who can through his mere whim expand or deflate the credit of the Nation overnight? These are but a few of the many acts in Washington, both legislative and through bureaucracy, by which the New Deal has disclosed its hand in this regard.

With the start in this direction indicated by the acts which I have just mentioned, we can be assured that the disintegration of a free economy and of private enterprise will be followed with the opening of a Pandora's box, which will free the evils of a planned economy to spread to every corner of our economic life.

I will not deny that a planned economy under governmental restriction may give a certain amount of security. There are those who say that this has been accomplished in Nazi Germany and in Fascist Italy.

But under each of these systems there has been a loss of freedom of speech, of freedom of thought, of freedom of intellectual advancement, and even of spiritual liberties. These are the prices that one must pay under a governmentally planned economy. For a government which seeks to dominate and chart the lives of its citizens either socially or in the field of economics can brook no interference with its plans and it must, if it is to be successful, require a discipline from its citizenry which is, in fact, invoked in every nation where such a plan is at all successful.

Those who would try to lead us into such a field tell us that it is necessary because there is no longer a frontier. This may be true, if by that it is meant that there are no further lands to explore, to settle, or to cultivate, but this is not true with reference to our commercial and scientific activities. Our initiative, our industry, our imagination will find practical outlet which will carry us into new eras of profitable endeavor far more expansive than anything within our comprehension, and which will afford to all of us the opportunity to find a place in the sun measured only by the ability we evidence and the efforts we put forth.

A concrete example lies in the fact that for years attempts have been made to find an answer to the excess production of milk in the great dairying States of this country. The only solution of this problem which came to the imaginative minds of the New Dealers was to limit its production. But a lone chemist, working unrestricted in the quiet of a great laboratory furnished and set up by private capital, has now developed an industrial process to utilize this excess milk as a substitute for paint which gives every promise of taking care not only of the excess milk produced for human consumption but of all milk that might be produced under any circumstances. May I not suggest that it may be prophetic that the man who brought this about and opened a great new field to the dairying States of this country was not a New Dealer with a vision of limited production under a planned economy. He is the chairman of the New York Republican State committee.

The advancement of mankind does not stop so long as there is a goal ahead, but once man is told that his place is fixed and his niche in the order of things is determined we arrive at that regimentation which I have pointed out is such a necessary ingredient of State planning and will thereby crush his spirit and his ambitions. We have been a virile race, recognizing no obstacle in our path as being unsurmountable, and we should not permit this virility to be beaten down by creating a system of government that not only encourages, but, in fact, compensates inertia in the individual and a restriction in the production of the necessary things of life.

If economic security is to be found by telling a man how many hours he shall labor and at what price, by regulating the production of his farm or his plant, and determining the price for both the seller and the consumer of that which he produces, then I can say without fear of contradiction that economic security belonged to the vassal under the feudal system of a thousand years ago, to the Roman workers under Diocletian, to the French artisans under Louis XIV, and to a thousand other peoples who in past generations have been willing to accept the bare necessities of life under a static economic existence. If there is anything new in this conception of life for the individual, it is only that it is new to America.

I am convinced that this is not the kind of economic security that the youth of America wants. I am convinced that the young men and women of our country are not yet ready to abandon the fruits of individual initiative that may be acquired under a system of free economy. But while I hold this to be a truth, I also know that a planned governmental economy and an economy based upon private industry cannot exist side by side. It is perfectly apparent that no man can compete with government or even with a business sponsored by government and maintained at the taxpayers' cost. We must choose one of two paths. That over which we have come in the most successful history of any nation that ever existed, or that which has proved itself to be a failure time after time. We cannot stride the two paths at once, because they lead in opposite directions.

It is not enough to justify the present position of the Government or its indicated tendencies upon the ground of emergency. Emergency applies only to temporary situations, and the economic life of a people must be upon some permanent and constant theory. It cannot shift because we are dissatisfied with the present running of the tide. For that reason, our party must recognize that whatever attitude we take upon questions of this kind, we build not only for today but for tomorrow as well. Government is not solely the administration of the affairs of the present, for every step we take, every act we do, is bound to have its effect felt in the future. Thus we owe an obligation to those who are to follow in our path—an obligation which requires us, no matter how hard the present task may be, to choose a course of conduct which gives the greatest assurance of stability in both our economic and social life not only for today but for the years to come. We should not be willing to stand upon temporary expedience, and we must not, even though there may be present sacrifices entailed which could be avoided by accepting an easier course. The reason that we of the older generations cannot do this is because we owe a direct obligation to you who follow in our steps.

We can and we should seek to enlist the present younger generation in the aims and ideals of republicanism. For after all, what I have said tonight with regard to our present situation applies to every man and woman of responsibility, irrespective of their age. We have a right to appeal to the present younger generation, not only because their problem is in fact our problem, but because we can do it honestly and with a clear conscience. In so doing we have the knowledge that we invite them to a cause standing for the perpetuation of a fundamental philosophy of government which has proved itself in more than 150 years of trial and error to be the most effective agency that has ever been established for the purpose of guiding the affairs of men.

But we cannot expect or hope to receive the cooperation of this group of young men and women or their adherence to our cause unless we, in turn, encourage them to that end. We must bring to them a full realization that we are keen to the problems with which they have been confronted and that we are interested in the solution of those problems as are they, not only because they are our problems as well, but because we have a keen desire to see the youth of this country receive the same advantages and opportunities as have been presented in the past to each succeeding American generation.

It is essential that we do everything within our power to see that the ranks and the leadership of the party are refilled from youth. I ask from those whom tonight I may refer to as the elders of our party that they give the serious consideration to the problems of this new generation which those problems deserve. I ask further that the elder statesmen give every encouragement and cooperation to the younger elements in order that our party and our country may have the benefit of the strength, the vigor, the idealism which young people will bring to our ranks. Youth is energetic, it is virile, and it is ambitious. If we can but prove to them that our contentions as to the basic fallacy of the New Deal are sound, that our program is intended to give forth greater security and greater awards than those of our opponents, then I know the youth of America will join us in our fight.

If we can have the drive and initiative of this new blood and couple with it the wisdom of practical leadership, honesty of purpose, and the will to fight, we shall once more see the Republican Party elevated to the place where it rightfully belongs as the dominant party of this Nation. Let us appeal to the commonsense and patriotism of our people and we can look forward to great victories. Let us go forth to battle confident that our cause is just and our solution sound. Let us go forth with that battle cry on our lips under which our party was born:

"Free speech, free press, free labor, and free men!"

Subjects Relating to Government

EXTENSION OF REMARKS

OF

HON. J. HAMILTON LEWIS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Thursday, May 26 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. JAMES A. FARLEY BEFORE COMMONWEALTH CLUB OF CHICAGO

Mr. LEWIS. Mr. President, the Commonwealth Club of the city of Chicago is representative of great industry and general economics. That organization, having met at the University Club of Chicago to celebrate some event, was addressed by Hon. James A. Farley on subjects relating to government. I take the liberty of tendering the address and request that it be placed in the Appendix of the RECORD for information to the public.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There is a sense of satisfaction in addressing such a group as the Commonwealth Club. It appears to me as an opportunity to talk sense instead of sentimentality, practical processes instead of partisan politics, argument and not emotion.

Your organization, as I am informed, has a large business membership, so I purpose today talking to you, as nearly as I can reach it, in your own language.

Some of my learned friends have explained to me that in its origin your name does not refer to common assets or common property. In other words, it is the commonweal club rather than the Commonwealth Club. I take it you are pledged to work for public good. And the fact that nowadays popular welfare means popular prosperity lends no violence to this logic. One of the great troubles of our American system lies, I think, in our tendency to become excited when there is no occasion for excitement. There never was a problem yet that could not be dealt with more efficiently by cold reasoning than by passionate impulse. Yet we find in the matter of public affairs that nothing can be determined without shouting at the top of our lungs and without terrific verbal violence. If anybody would take as the measure of American progress a verbatim recital of our political and economic controversies he would be amazed that order had ever been preserved or anything like an orderly succession of events had resulted.

For example, there never has been a strong President since the beginning of our Republic who has not been assailed as a tyrant, a traitor, a blasphemer against American standards and institutions, and has not in the contemporary reports been presented as public enemy No. 1. Indeed, if these contemporary criticisms were taken seriously, it would show that our greatest Executives had been men without character or conscience, interested only in their own glorification, and determined to crush all our liberties. According to the chronicles of their day, Washington sought to be king, Jefferson was bent on the destruction of property rights, Jackson was activated only by the determination of his own despotic will, Lincoln was bent on the dismemberment of the Constitution, Cleveland wanted to plunge us into unnecessary war, Theodore Roosevelt was guilty of bureaucracy, extravagance, and "Presidential lawlessness" generally, and Woodrow Wilson was worse in all directions—according to his enemies.

Similarly, every period of stress in the Republic has been hailed as a crisis, calculated to bring about the downfall of Government and general chaos.

We now know that the Presidents who were so bitterly denounced were highly intelligent, unselfishly patriotic, fanatically honest men, who sought for and accomplished the public good. Perhaps they were not always right; perhaps in some of their controversies with Congress or with the judicial branch of the Government they went about things the wrong way. But the ultimate effect was almost invariably the fulfillment of their objectives and the national happiness was increased by their efforts.

So it has been with these crises that were always about to wreck our country. The Louisiana Purchase was to have brought us into the thick of European wars. Jackson's fight on the Biddle bank was to produce national bankruptcy. The acts of Lincoln were to destroy the last vestige of States' rights. The antitrust legislation was to put an end to American enterprise and initiative. The income tax was to penalize profits beyond the capacity of business to endure. The Federal Reserve System meant ruin to private banks. And the last great depression meant the collapse of pretty much everything. All have passed into the realm of phantom and fable.

As you may have surmised from the foregoing, I am leading up to present-day conditions. The doom sealers are again sending forth their mournful prophecies of evil because of Government acts performed or suggested. Stocks are down a bit. There is a recurrence of vast unemployment. Certain taxes bear heavily on people or corporations with stringent purses. So the same element that has held every national emergency as a precursor of doom is out again in full cry.

I would not underestimate either the value of criticism of Government acts or the service of those who think they are warning us of impending dangers. But for heaven's sake, let's have some intelligence, some reasonableness, and some moderation in these controversies. The Republic is in no danger; it never has been in danger since the present administration checked the downward spiral of the big depression and started us again on the upward path.

Just now, the administration has asked for large appropriations to take care of renewed unemployment, to give business a fresh start, and to afford relief for those without means of support. Doubtless all of you have heard the protests against this new spending. You have been told, and are being told, that this pump priming, as it was called when the principle was first invoked, had proven a failure and therefore was the wrong thing to do. I would like to go into that a little bit with you. The money—and it was a whole lot of money—that was spent in direct relief saved this country from disorders and riots. For 10,000,000 of people would never starve peaceably. Another bunch of this money—and it was another large amount—provided public work for millions of men and women and kept them from the

humiliation of being objects of public charity and preserved them from the blasting effects of idleness until private jobs were available. A third batch of this money—and again it was a lot of money—established the C. C. C. camps and took care of the young people who were arriving at working age with no jobs in sight. I do not think that there is anybody, even among those most hostile to the administration, who denies the splendid effects of the C. C. C. system. It cleaned up our forests and diminished the damage from forest fires by an inestimable amount; it saved millions of acres of farm lands from being made useless by soil erosion. It laid down thousands of miles of roads. More important than all, it taught the habits of industry, independence, and self-respect to an army of young men and women who would otherwise have been exposed to all the misery and peril that would have beset them. I leave it to your imagination what would have become of these had they been set adrift without work and without hope.

The critics of the administration speak of these billions as if they had been thrown into the ocean. Failure? I am sure that when the time comes for the history of this period to be written, those expenditures, instead of being regarded as wasted, will be applauded as perhaps the greatest achievement for industrial peace and public welfare in all our history.

Those who assail the relief expenditures are fond of speaking of the Government in terms of private business, and are telling you that if an individual enterprise ran so far into debt it would spell bankruptcy. Let us accept their simile. Which of you would consider the expansion of your capital by borrowing dangerous if for every dollar so borrowed you increased your income by $2? Well, the Government, which is all the people of the United States, invested about $18,000,000,000 in fighting the depression, and the aggregate income of our people has increased in 5 years from thirty-nine and one-half billions to about $68,000,000,000. Not only is there this net profit, but the corporation we call the United States of America has accumulated in the same time plant improvements—public buildings, bridges, roads, civic betterments, parks, and the rest of the products of the W. P. A. and P. W. A.

I will leave it to the industrial executives and economic engineers among you to figure out what the net profit is in one feature of our progress, the present solvency of our banks, compared with the state they were in when the New Deal program began.

But, say the critics of the administration, we were better off 6 months ago than we are now. We had less unemployment, stocks were higher, profits were greater. That is quite true; but what brought about the decline? They say it was the attitude of the Government that frightened business. What new enactment has there been since last year to scare anybody? During the prosperous days of 1937 we had practically the same taxes we have now, the same regulations and restrictions; even to those twin bogies, the surplus-reserve and the capital-gains taxes, which are expected to be made easier in the present tax bill.

What really hit our prosperity this time was nothing more than that old stand-by of the economists, the law of supply and demand. We produced an excess of things people wanted to buy but lacked the purchasing power to do so. So inventories grew, and a lot of goods stopped on the shelves, and the wheels of industry slowed down again. Prices were too high for the purchasing power of the mass. The market did not keep pace with the advance of machinery which permitted increased production with fewer men. The investment forces, banks and capitalists, withheld their funds from commerce and industry. Some did this because the courage had been frightened out of them by their adventures in the big crash. Others were content to keep their money piles intact, perhaps because they had a grouch against the Government and thought that was one way of diverting policies to which they were hostile.

Do not let this statement startle you. It is not a new thing. Indeed, in our earlier panics it was a recognized political expedient, and the money powers of that day boasted openly and publicly of their purpose of bringing the Government to its knees by that method.

However, whatever the cause for the recession, it did not affect the situation. It was the Government's job to relieve widespread distress, and there was no time to waste. Strange as it may appear to you in the light of what has been published during the past few months, the administration has neither the opportunity nor the desire to conduct feuds and vendettas. If the American spirit of enterprise droops and lets business down, the Government has to supply the lack. Hence the activities of the R. F. C. and the other loaning agencies.

The Government is not in this business because it wants to be. It would infinitely prefer to have the banks take care of it. The R. F. C. lends money on such security as is demanded by private financing companies and individuals. That branch of the Government is and has been a prosperous concern. Its operations, after taking into consideration the interest on money borrowed from the Treasury, have resulted in a net profit to date of $187,000,000. Of the money it has lent, 72 percent has already been repaid.

Incidentally, has it ever occurred to you that all this profit could as well have gone to private agencies had they been willing to make the loans? I may add that had private financing undertaken this and similar enterprises, the Government would have been well pleased, and perhaps we would not have had as much excitement over the falling stock market as we have now. Our Government can do many things, but it cannot undertake to underwrite every business enterprise or to promise that every venture will be profitable. Repayment of the R. F. C. advances not only suggests that somebody overlooked a lot of excellent business opportunities but that the reluctance or timidity of private capital is both foolish and unworthy.

To recur to the uses to which a great share of the relief money was devoted, let me see if I can bring that subject home to you. Grants and loans of the Federal Government to make possible 37 public-works projects in and about Chicago amount to about $80,000,000. The amount is impressive, but I don't think it conveys much of a picture to the average mind. Let's take just a few of these projects and talk about them. Your Outer Drive is something the possession of which the whole country envies this great city. It was a project that your public-spirited officials dreamed over and worked over for many years. P. W. A. completed it in less than a year and, incidentally, gave employment to more than a thousand workers who were taken from the relief rolls. They built your highways, with the attendant sewage systems, underpass pedestrian subways, new parkways, and all the rest of it.

Do any of you think that that $12,000,000 was wasted?

You also know full well the story of the sanitary district, a matter of extreme importance to the health of Chicago and one which hung fire for I don't know how long, but it was many years. P. W. A., by contributing $58,000,000 in loans and grants, has brought that huge engineering program practically to conclusion during 5 years, thanks to the faithful work, mostly of people taken from the relief rolls.

The statisticians tell me that during the 5 years this project utilized the work of thousands of men to the extent of 12,000,000 work hours. The United States Department of Labor figures that if you take into account the labor in producing materials and other indirect employment, you can multiply the number of men actually at work by two and a half to get the full effect in re-employment.

Do any of you think that any of that $58,000,000 was wasted?

How about your municipal airport, supposed to be about the best in the country? Put that down to the credit of the W. P. A. workers.

You know the situation in which your schools were when the Government aid was extended, both as to buildings and to the well-being of the teachers and pupils. Do you regard the $16,000,000 spent to put things in their present shape should have been withheld?

Another $16,000,000 went for housing projects, of which the Jane Addams project is a sample. Do any of you think that the substitution of the present clean, comfortable homes for the old slums was not worth that cost?

We could go on for hours reciting what the relief funds have meant to this city, which, incidentally, was one in which the employment situation was most acute. I am talking to you only of Chicago's participation, not with any idea of showing that you were unduly favored, for you were not. Every section of the country, rural and urban, has had the same quality of help that this great city has received. So when you hear anybody talk about the failure of the relief policy, I think you might well consider what it has meant to your own great city.

There remain, of course, the additional sums spent in direct relief. Well, Chicago had a vast destitution problem to contend with. You know how acute is that condition today. Now, as then, these people have to be fed and clothed, but there is an industrial side to this function not generally appreciated. From the relief rolls came doctors and nurses to give attention to 25,000 babies. The purity of the milk supply of the city had to be attended to. Three thousand women, all in need, were given jobs as dressmakers and tailors to supply the needs of those on relief. The garments they made were not evening dresses or swallowtail coats; they were work-a-day things, plain garments for the women and overalls for the men, for the most part. I assume that it is quite possible that in taking care of these hundreds of thousands of poor people some man or woman may have gotten a week's supply of food that could have been paid for, or some man may have chiseled to the extent of a pair of overalls which he could have afforded to buy. But, by and large, the work has been well done, without scandal, without fraud, and with the preservation of the self-respect of an army of people who, through no fault of their own, were without means of support.

Every now and then you hear somebody finding fault with the present relief bill. Their argument runs along this line: Wholesale relief has been tried for 5 years and the country finds itself back in the situation where unemployment figures approach those of the peak years of misery. So why try it again?

Suppose, for example, a lifeguard has pulled a man out of the water where he was drowning and revived him through first-aid methods. Suppose that 5 years later the same man again got beyond his depth and was brought ashore in as bad condition as he was the first time. Would anybody suggest that because the original first-aid treatment had not kept him out of the water, there was therefore no sense in repeating the process?

Nobody wants to increase the national debt by relief or any other project. However, until commerce and industry get back to a scale of general reemployment, until once again the purchasing power of the people returns to a state where it can pay for the products of industry, there does not appear to be any alternative to the course now being pursued by the Government. A balanced Budget is a goal toward which every country must strive

and you may be sure that, with our inevitable return to normal times, we will reach that condition.

We have had unbalanced Budgets before, and some economists mourned and moaned over them, but in due course of time Government expenditures again came to be within the bounds of Federal income.

We may worry about high taxes. Taxes are oppressive only when they get out of balance with incomes. We are $30,000,000,000 richer in income—I mean the people, not the Government—than we were 5 years ago. And the New Deal policies are responsible for that. When you hear anybody suggest the contrary, just ask yourselves, or ask them, what would have been the fate of our Nation if Franklin D. Roosevelt had not come to the White House in 1933, or, if coming to the White House, he had pursued the policy of vacillation and donothingism of the preceding administration? It was because he had the realistic wit to understand conditions, the skill to present a new program, and the courage to carry through that program that we weathered the storm. We came through it despite the clouds of fear that made our national days murky with foreboding, despite the croakings of those to whom anything new appeared necessarily wrong. Not only have we, under his guidance, improved our condition vastly, but we have done it without any of the convulsions that have shaken and changed other governments throughout the world.

Reciprocal-Trade Policy Injurious

EXTENSION OF REMARKS

OF

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 26, 1938

Mr. KNUTSON. Mr. Speaker, the American people are gradually waking up to the fact that the Roosevelt foreign-trade policy, which has given much of the American market to foreign competitors, is responsible for a considerable part of the unemployment that we now have in our country, and I fear that with the passing of time the situation will become aggravated.

As a result of the trade agreements that have been entered into with some 15 foreign countries by the Roosevelt administration, our markets are being flooded with farm and manufactured products from other countries that we can and should produce at home so as to give our farmers the home market and make jobs for our unemployed.

The new dealers point to the favorable balance in trade, but if we subtract the exports in war material it will be found that we have an adverse balance. Why should we import butter, eggs, grains, cotton, textiles, and other products that we can produce here at home, and, more particularly, why should we do so when we have between thirteen and fourteen million Americans out of work who must be supported by W. P. A.? Is not such a policy indefensible?

The administration, apparently apprehensive over the adverse effect of these trade agreements, is sending out a flood of propaganda in the form of radio talks, lectures, and printed matter, all at a great cost to the American people, in an attempt to reconcile us to the transfer of the home market to the foreigner. I applaud Mr. Roosevelt's "good neighbor" policy, but I am not willing to take jobs away from our people and give them to the workers in other lands. Our first duty is to our own people, and there cannot be a return of prosperity to this country until we have abrogated all injurious trade agreements that have been entered into with foreign countries by the Roosevelt administration. When that has been done, our unemployed will go back to work at good wages and the full dinner pail will again become a reality.

In order to give an idea of how these trade agreements with foreign countries have worked out, I desire to present some figures that are really astonishing:

In 1934, prior to the time this program became effective, we had a favorable balance of trade—excess of exports over imports—amounting to $478,000,000. In 1935, the first year under the trade treaty program, this favorable balance declined to $235,000,000. The next year, 1936, it fell to a mere $33,000,000, the lowest since the early nineties, when we had a Democratic free-trade tariff bill.

The reason for this rapid decline in our favorable trade balance was due to the fact that under the treaty program our imports were increasing at a much faster rate than our exports. This was due in part to the fact that the President has given nontreaty countries the benefit of our reductions to treaty countries, without requiring them to give us any concessions in return.

The decline in our favorable trade balance continued through the first 6 months of 1937. At that time we had an adverse balance—excess of imports over exports—of $147,000,000. However, during the last 6 months of 1937 our export trade picked up rapidly, and we ended the year with a favorable balance of $261,000,000. I want to call your attention to the fact that this increase in exports was not due to the trade treaty program, which Secretary Hull claims is an instrument of peace and good will, but to the fact that foreign countries were buying large quantities of war materials from us. In 1936 our exports of war materials, including aircraft, motortrucks, iron and steel scrap, pig iron, steel ingots, petroleum, nonferrous metals, and steel sheets, amounted to $447,000,000. In 1937, however, they increased to $776,000,000. This difference more than accounts for the favorable trade balance which we had in 1937, and, of course, without it there would have been a huge unfavorable trade balance for that year under the treaty program.

If we take into consideration the gold and silver which has been purchased abroad by the New Deal administration at greatly inflated prices, we have had a considerable adverse balance ever since 1934. In that year we bought $1,134,000,000 of gold and $86,000,000 of silver, which completely wiped out our favorable balance of merchandise trade and left us with a net deficit of over $700,000,000. In 1935 our combined purchases of gold and silver amounted to $2,075,000,000, which gave foreign countries a net advantage of over $1,800,000,000 after deducting our favorable trade balance.

In 1936 our gold and silver purchases amounted to $1,300,000,000, completely overshadowing our trade balance of $33,000,000. In 1937 these purchases amounted to $1,700,000,000, offsetting our trade balance by nearly 7 to 1.

One of the arguments for the treaty program was that it was necessary to give foreign countries purchasing power so they could buy our goods. The gold and silver purchase program is giving them a great excess of purchasing power over what they need to pay for the goods they buy from us, but they are not using this excess purchasing power to buy more American goods. Thus this argument has no justification. Moreover, even though our foreign trade be carried on simply by exchanging our goods for the products of foreign countries, there is no reason why we should take in exchange competitive products which our own people produce, the importation of which deprives them of a livelihood. There are plenty of things which we need and do not produce ourselves, such as tea, coffee, rubber, and so on, that we can take in payment for our exports. The importation of these commodities does not injure our own industries or workingmen.

In connection with the general balance of trade above referred to, let me call your attention to the balance of trade in agricultural products. You will recall that the farmer was assured that he would be the chief beneficiary of the trade-treaty program. You will also recall that the President promised that no duties on farm products would be reduced. What has happened? Under the Canadian and other treaties the rates on a long list of the farm products have been reduced by as much as 50 percent. Moreover, instead of the treaty program operating to increase the farmers' foreign market, exports in many cases have decreased. Thus the farmer has been hit by a two-edged sword; the New Deal has cut him off from both his foreign and his domestic market. Here are the figures on farm imports and exports:

In the fiscal year ending June 30, 1934, exports of farm products amounted to $787,000,000. In the fiscal year 1937 they were only $733,000,000, a decline of $54,000,000 in this period. Contrast these figures with the increase in the imports of competitive farm products: In 1934 imports of farm products which compete with our own amounted to $419,000,000. In 1937 they had increased to $868,000,000, or by ap-

proximately $450,000,000. Whereas we had a favorable balance of trade in farm products in 1934, amounting to $368,000,000, we had an unfavorable balance in the fiscal year 1937 amounting to $135,000,000.

Democracy at Home

EXTENSION OF REMARKS
OF
HON. H. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 26, 1938

RADIO ADDRESS OF HON. H. JERRY VOORHIS, OF CALIFORNIA, MAY 24, 1938

Mr. VOORHIS. Mr. Speaker, under leave to extend my remarks, I include the following speech delivered by myself over radio station WOL on May 24, 1938, on the program sponsored by the National Council for the Prevention of War:

Americans are proud to claim that we have the greatest democracy in the world.

But our country needs more citizens who love their country with all their souls—and who know what that means.

Saving democracy is the most important thing in the world today. Therefore it is a hard job.

It won't be done just by talking about how terrible dictatorships are; and it won't be done just by talking about how fine a thing democracy is.

It can be done if a new and greater patriotism is born in the hearts of Americans.

People have got to be willing not only to die for America and democracy but also to live and work for them.

People have got to care about the natural resources of the United States—about her soil, her forests, her river beds, her coal, her waterfalls. They have to care enough to enter wholeheartedly upon a great crusade to conserve and develop these reserves for the new America of tomorrow.

People have got to learn to care with all their hearts what happens to the human resources of America. They have to learn to regard unemployment and insecurity not as things merely temporary but as great evil forces that steal into our Nation's life and carry away precious values that we cannot and must not lose. We have to understand that we are all in the same boat and that if it sinks we all will go down with it. And so Americans have to enter upon another great determined crusade to conserve these human resources. And that means that they will insist that unemployed people be put to work rather than given a dole; and that they will insist on an immediate national attack on every slum area in America. It also means we will learn to pay taxes gladly if we know our tax money will be used to provide decent security for all Americans in old age and a fundamental right to work at building up our Nation for all our unemployed people. If this country and the world knew we were doing these things and were going to resolutely keep on doing them, people would stop being afraid that democracy might lose this battle with dictatorship.

Americans have to change their attitude toward their Government. They have to stop this business of trying to prove that everything their Government does is bad and inefficient. They have to begin to boost instead of knocking. They have to care a lot about every enterprise our Government undertakes, to want it to be well done and efficiently carried on. They have to insist on knowing what the reasons are for the undertakings of government They have a right to know. And if they insist and keep on insisting that government shall do its job better and better they will get their way. But if they merely tear down the work of government and teach their fellow citizens—especially the young ones—that whatever the Government does is likely to be wrong, then they can expect to reap the whirlwind.

We need less demands that the Government give us things and more insistence that every American have a chance to do his part in building the new American of tomorrow. America has to be able to depend on people—rich and poor—to depend on them for real loyalty. She has a right to expect a better loyalty than the kind that she is getting now, which too often rests upon an expectation that the Government will give us a chance to get rich and refrain from taxing us after we have done so.

The test of our patriotism is found in how gladly we give to our country, not in how gladly we take from her.

America is one living organism. We can't destroy one piece of her soil or render one of her people unemployed without hurting our Nation.

It is fundamental disloyalty for us to expect our Nation to incur increased indebtedness in order to provide a big enough Budget to give the people the buying power which our free private industry fails to give them. It is a flagrant lack of love of country for us to be willing to see her robbed of her rights of sovereignty and to see those rights given away to private groups of individuals. Our country cannot grow, her industry cannot expand, her Budget cannot be balanced, unless and until we give back to her the fundamental right of nationhood to create the money which her people need to carry on their business. An American dollar should be a dollar of the United States of America, not a deposit entry in a banker's book. Today this country calls to all who care about her future to join in a great crusade to restore to her the right, year by year, to create for the national needs an amount of interest-free means of payment which shall correspond to the growth of population, the invention of new and improved means of production, and the expansion of her business life.

If America is to have peace her most important task is the successful solution of her own people's economic problem of unemployment and poverty in the midst of possible plenty.

We have to meet our new problems in new ways and they must be fundamental ones. Before the next year is out Congress should pass at least the following four essential measures:

1. A broadening and improvement of the Social Security Act and the establishment of a system of Federal old-age pensions.

2. Legislation to bring about, through the cooperation of Government, business, and labor, a coordinated expansion of industrial production and an effective control over both monopoly price increases and monopolistic curtailment of production of needed goods and services.

3. An effective Government control over and use of money and credit, to restore to Congress its constitutional right to coin money and to make the credit of the Nation an instrument in the hands of government to be directly employed in stabilizing the price level, reducing generally the rates of interest, and bringing the total consuming power of the people into line with their power to produce.

4. A long-range flexible program of public works, set up by congressional enactment, made self-liquidating to the largest possible extent, capable of expansion and contraction in accordance with the needs of our people for employment and of our business for assistance in stabilizing its market. Such a program should aim primarily to meet such outstanding national needs as the need for slum elimination and housing and the need for conservation and development of natural resources.

Men through all the ages have sought two things: Enough to eat and freedom of spirit. If democracy, therefore, which gives to people freedom can likewise so adjust itself as to give its people a basic security, then the challenge of dictatorship, of fascism, which by its very nature and fundamental principle denies that freedom, can be met and met effectively.

Suppose, on the one hand, that the forces of fascism look out across the seas at a nation here afraid and relying solely for its safety on a great line of battleships, its people not knowing whether tomorrow they will be able to have opportunity to work; and then suppose, on the other hand, that even as fascism temporarily spreads in Europe, its people look across the seas and see a nation here not only free but dynamic in its new-found faith in the effectiveness of democracy, where a new patriotism has been born, a patriotism sufficient that people are glad to pay taxes for the purpose of supporting a broad general system of social security and employment, a nation which understands that the production of wealth is not a means of making the nation poor but a means of making the nation rich and acts accordingly, a nation which has had sense enough to establish a proper national accounting of the value of capital assets created by its public works and which has devised a method of expanding its people's buying power in pace with expanding production. Dictatorship cannot meet, before its own people, that kind of challenge. With a faith in American democracy as great as that, then, indeed, I have no fear and no worry.

I have by no means lost hope that America can have peace over an indefinite period of time if we take as our cardinal principles, first, justice for every American at home, and, second, fair dealing, the Monroe Doctrine, and the whole "good neighbor" policy in our relations with foreign nations.

The President's Billions and the Power of the Purse

EXTENSION OF REMARKS
OF
HON. ROBERT L. BACON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 26, 1938

A LETTER OF DEAN ANDREWS, OF SYRACUSE UNIVERSITY LAW SCHOOL, TOGETHER WITH A SHORT EDITORIAL

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter from Dean Paul Shipman Andrews, of the University of Syracuse

College of Law, together with an editorial from the New York Herald Tribune:

PRESIDENT'S BILLIONS—DEAN ANDREWS PROTESTS PLAN TO GRANT THEM

To the NEW YORK HERALD TRIBUNE:

For Democrats and Republicans alike who are interested in good government it is hardly possible to overstate the importance of the bill which has passed the House and is now before the Senate, which turns over additional billions to be spent by the Executive without any restrictions and without any control whatever by Congress.

I do not believe the American people want the public money used to influence election of Members of Congress and to penalize those who have had the courage to vote their convictions. I have written the following letter to the Senators from this State:

"Because I believe that Congress in voting billions to be allocated by the Executive, as it may choose, would be abdicating its function of representing the people, betraying its constituents, and turning over the country to a government of the people by the politicians for the pressure groups; because, as I talk to men and women, well-to-do and poor, I find more and more of them who feel strongly that Congress should retain its power over the purse; because they are coming in increasing numbers to understand that to give the Executive billions to spend without restriction means that the money will be used in part to influence elections, that dollars and not issues will control, that Senators and Representatives who dare to vote their convictions will find the taxpayers' money being used against them; because, in my opinion, a majority of the people, understanding these things, will not be content to approve them, I earnestly believe that the duty of Congress is to retain the utmost possible control over appropriations, as well as to pare them down, balance the Budget, and reduce the tax burden, which is doing so much to destroy jobs. No Member of Congress has the moral right to vote for a system which turns over the spending of the Nation's taxes to an Executive and gives him thereby the power to buy with the people's money the election of subservient Representatives and Senators."

And any Democrat or Republican who is interested in having elections controlled by issues and not by the taxpayers' money, should write a letter of his own to the two Senators from New York, the Honorable ROBERT F. WAGNER and the Honorable ROYAL S. COPELAND, Senate Office Building, Washington, D. C., and to any or all, or preferably all, of the following Senators: ALBEN W. BARKLEY, CHARLES L. MCNARY, ALVA B. ADAMS, CARTER GLASS, KENNETH MCKELLAR, CARL HAYDEN, MILLARD E. TYDINGS, RICHARD B. RUSSELL, JOHN H. OVERTON, FREDERICK HALE, and JOHN G. TOWNSEND, Jr.

PAUL SHIPMAN ANDREWS,
Dean, University of Syracuse College of Law.

SYRACUSE, N. Y., *May 24, 1938.*

THE POWER OF THE PURSE

In the byplays of the quarrel in the Senate about the use of relief funds there is danger that the fundamental issue will be overlooked. This is: Shall the power to spend the people's money be surrendered abjectly to the President for the sixth successive year, or shall Congress reassert its duty not only to raise money but to detail the purposes for which this money shall be used? In other words, shall Congress retain the power of the purse, or shall it hand over this power to Mr. Roosevelt?

It is unnecessary to turn back to ancient history to learn the lesson that he who controls the purse controls the nation. Our own history of the last 5 years shows beyond doubt that the unrestricted power to spend, which the President has obtained as a result of the voting of lump-sum appropriations by Congress, has enabled him to dominate not only the Nation's politics but all its policies. Once Congress turns over vast sums to the President to be spent at his discretion it not only surrenders control over these moneys, thus enabling him to use them for political purposes, but it places in his hands vast potential powers of patronage which he can use against those Representatives and Senators who would like to oppose legislation which he has demanded. Lump-sum appropriations thus become weapons with which the President can bludgeon his possible opponents into passing "must" legislation at the same time that he can strengthen his political machine.

The American form of government, as originally devised and as subsequently developed, rested on the proposition that the potential powers implicit in the right of raising and spending money for public purposes were so great that they had to be strictly controlled. Hence, they were expressly entrusted to Congress rather than to the President. For a full century before the New Deal it was the practice for Congress to earmark all appropriations in detail.

In the emergency of 1933 this system was dropped—at the request of Mr. Roosevelt—and the President gained a free hand to allocate funds as he desired. The result proved so satisfactory—to Mr. Roosevelt and his satellites—that he has done all in his power to have this emergency departure from custom made into a permanent policy. So long as many politicians in both Houses depend for their reelection—and hence their personal income—on his support, and so long as, through the use of vast sums, he can make or break them, he can count on their obedience. This is why he is so anxious that, as the relief appropriation bill finally emerges, it will carry as few strings as possible.

The issue is simple: Either the Nation returns to congressional government or it entrenches Presidential government more firmly than ever. If the Senate and the House fail to do their duty, the President will dominate the next Congress as completely as he will dominate the coming election. In both instances his influence will largely depend on the freedom with which he can wield the power of the purse. Such great power was never wielded by any other President. Congress should see to it that it be taken out of the hands of Mr. Roosevelt.

What the World's Leading Economists Say About Money, the Measure of Value

EXTENSION OF REMARKS
OF
HON. CHARLES G. BINDERUP
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 26, 1938

Mr. BINDERUP. Mr. Speaker, in order to understand the reasons for our present unfortunate economic conditions, we have but to read the pages of history and to know the results of the studies of the master minds of the great industrial scientists and economists of the past. They speak no uncertain language as to the results of their investigations of the causes of depressions and the effect of money conditions upon industry, trade, and commerce. However greatly they may differ in other respects, they are in complete harmony on this subject.

Ricardo says:

That commodities rise or fall in proportion to the increase or diminution of money I assume as a fact that is incontrovertible.

John Locke, one of England's greatest thinkers and economists, says:

The lessening of the quantity of money makes an equal quantity of it exchange for a greater quantity of any other commodity.

David Hume says:

It is proportion between the circulating money and the commodities in the market that establishes prices.

John Stuart Mills tells us:

That an increase of the quantity of money raises prices and a diminution lowers them, is the most elementary proposition in the theory of currency, and without it we should have no key to any of the others.

Sir William Dampier-Whetham in Lloyds Bank, Ltd., Monthly Review for July 1, 1931, in an article on the connection between business depression, unemployment, commodity price-drop and money, says:

If money is scarce, more goods must be given in exchange for it, and prices will fall.

WHAT THE WORLD'S LEADING AUTHORITY SAID

Old Adam Smith—they have called him the father of political economy—said in substance this:

Money measures things and things measure money. Each measures the other by and according to its own abundance, by comparison. If you double the volume of money in circulation, you double the price of everything. By doubling the price you divide the debt because it takes only half as much labor or the products of labor to pay the same debt. If you divide the amount of money in circulation, you divide the price of everything. By dividing the price of everything, you double your debts, for it will take twice as much labor or the products of labor to pay the same debt.

THE QUANTITATIVE THEORY OF MONEY

There is an unwritten law as definite and indisputable as Newton's law of gravity. This law is known as the quantitative theory of money and establishes the incontrovertible fact that money is as a commodity that measures all other commodities by the following four factors, namely, the supply and demand for service and commodities as compared with the supply and demand for money.

MONEY IS ONLY AS ANOTHER COMMODITY

All business is merely barter. You trade what you have, either services or commodities, for many small parts of what

others produce in service and commodities, and money has been accepted by custom as a third commodity into which all other commodities, including service, must be first exchanged, thereby to determine what we call price or relative value for equitable exchange of all commodities. The old theory that supply and demand of one article determines price is erroneous, as it invariably requires four factors to determine price.

Example No. 1: If I raise cotton and want to exchange direct for wheat, there are four factors that determine exchange values I shall have for my cotton, namely, the supply and demand for cotton as compared with the supply and demand for wheat; and the supply and demand for wheat has as much to do in determining what I shall have for my cotton as does the supply and demand for cotton.

Example No. 2: Suppose I have labor or services to exchange direct for meat. The same four factors always determine what I shall have for my labor, namely, the supply and demand for labor as compared with the supply and demand for meat. And again the supply and demand for meat has as much to do in establishing what I shall have for my labor as does the supply and demand for labor.

Example No. 3: Now, suppose I want to exchange labor or commodities for dollars (money, which is also a commodity). Always the same four factors determine, namely, the supply and demand for labor and commodities as compared with the supply and demand for dollars, and the supply and demand for dollars has as much to do with determining what I shall have for my labor or commodities as has the supply and demand for labor and commodities.

"Nothing but safe and sound loans now in our Federal land bank," said one of the officials recently. How do you know, my dear official? Suppose the big international bankers should have another meeting as they had on May 18, 1920, that climaxed in August 1929 and as they have done 26 times. (See Uncle Sam's Hospital Chart.) Suppose the Federal Reserve bankers should have another meeting as they did in Boston in May 1937, where they created the recession of last year. Suppose they would take another ten or twenty billion dollars of the people's basic money and checkbook money away from them, creating a scarcity of money, the very commodity in which your mortgagors have promised to pay. You would not have a single safe and sound loan, not one, and you would be back at the old game of foreclosing mortgages faster than ever and probably be compelled to accept 50 cents on the dollar, maybe less. Thus, we must have a monetary system that does not rob the debtor.

An old lady said to me recently, "Pop and I are playing safe. We invested our lifetime savings in Government bonds and the interest is just enough so that we can live." But, my dear old lady, suppose the big bankers would hold another secret meeting, as they did in 1920, and this time decide to put into circulation some ten or twenty billions more money. The price level on commodities and necessities of life would rise so high that your interest on your Government bonds would starve you to death. It would not even buy bread and milk. Thus we must have a monetary system that does not rob the creditor.

Statistics prove in order to maintain a price level it is necessary to increase our money supply no less than 4 percent annually. This at the present time would make one and one-half billion dollars annually, in order to keep pace with increased population, new avenues of business, new industry, and money lost and destroyed. In the past we have been donating this to the banks in the unreasonable privilege exercised by lending their own credit to the extent of no less than $10,000,000,000 in the last 4 years, from 1933 to 1937. In the future why not variable monthly social dividends issued through the Social Security Board or through the welfare act to old people, widows, orphans, blind, cripples, and invalids, in amount just enough to avoid inflation and deflation measured by the average price level—1926, 100 percent? This would provide no less than $50 per month for each individual.

The Law Library of Congress

EXTENSION OF REMARKS

OF

HON. JOHN F. DOCKWEILER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 25, 1938

THE NATION'S PRINCIPAL REPOSITORY OF LEGAL LITERATURE

Mr. DOCKWEILER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article written by me which appeared in the American Bar Association Journal for May 1938:

THE NATION'S PRINCIPAL REPOSITORY OF LEGAL LITERATURE

(As a result of the activities of the association's special committee on facilities of the Law Library of Congress, Members seem to be growing more conscious of the usefulness as well as the enormous requirements of this important national institution—Recent benefactions to some of the general divisions of the Library contrasted with the comparative neglect of the law collection—Current needs now being provided for by Congress—House joint resolution in regard to Holmes bequest, presented by Chairman SUMNERS, of the Judiciary Committee, and now pending in Senate should have active support.)

By Hon. JOHN F. DOCKWEILER, Member of Congress

Chairman of committee on facilities of Law Library of Congress

In 1932 the Law Library of Congress was 100 years old. By a fortunate coincidence, the American Bar Association held its meeting that year in Washington; and after the members and their distinguished foreign guests had attended the dedication of the Supreme Court Building, they went to the Library of Congress to view the notable exhibition of rare books, manuscripts, and photographs which had been prepared in their honor, among them books from Jefferson's library, little docket books of Chief Justice Marshall, letters of Marshall, Clay, and Webster relating to law suits, and other legal memorabilia.

This visit to the exhibition marks the first interest taken by the American Bar Association officially in the National Law Library. With few exceptions up to that time the members of the bar had given scant notice to the Law Library save to avail themselves of its facilities in the old Court Chamber at the Capitol, when they were engaged in arguing cases before the Supreme Court. It was generally assumed that the Law Library possessed a copy of every American law book, although a few interested members were astounded to learn that it was deficient in many respects and its appropriations were insignificant. This general apathy on the part of the bar was in marked contrast with the attitude of the medical profession toward the Army Medical Library. Although the latter had been established 4 years after the Law Library, with the steady cooperation and aid of the medical societies and of individuals, by 1900 it had grown to be the largest and most valuable library of its kind in the world. At the present time it actually possesses more than twice the number of volumes and pamphlets contained in the Law Library and is probably much larger than any single law library in the world.

Tardy though it may have been, the American Bar Association, at its Washington meeting, first took notice of the neglect of the National Law Library and the imperative necessity of its development. Accordingly, a resolution was adopted by the association authorizing the appointment of a "Special Committee on the Facilities of the Law Library of Congress." In its report submitted at the next general meeting to the American Bar Association, the committee proposed the adoption of a resolution which tersely outlined the policy of the association toward the Law Library. This resolution, as adopted, declares in part that the association favors "the continued development of the facilities of the Law Library to the end that it may become the Nation's principal repository of legal literature and sources of research." In other words, nothing more is asked for the law collection than an interest, similar to that displayed by the Government and professional organizations in the collections of other branches of learning as, for instance, medicine, American history, fine arts, cartography, aeronautics, etc.

The Special Committee has been zealous and untiring in its efforts in behalf of this objective. The Chairman has testified at the hearings of the Appropriations Committee of the House of Representatives on two occasions, and the other members have frequently made written statements urging more adequate appropriations for the Law Library. Moreover, special meetings have been held in Washington during the meeting of the American Law Institute and the law library has been visited by them. I am happy to state that in response to these representations the Congress has gradually increased the appropriations to a point in keeping at least with the requirements of the Law Library insofar as the current legal publications of the world are concerned.

The Special Committee has also called attention in its annual reports to the various ways by which the membership may serve the Law Library, urging particularly the donation of scarce and uncopyrighted material, and of funds for the establishment of expert assistance and bibliographical facilities. Furthermore, the membership has been apprised of the interlibrary loan service whereby lawyers may borrow through their own bar or public library, or have photocopied, such law texts or scarce material as may not be available at home.

All of these efforts were bound to bear fruit and the membership of the Association would seem to be slowly but surely becoming conscious of the facilities as well as the enormous requirements of the national repository. There is yet one feature—the suggestion of Hon. William S. Culbertson, my predecessor—which will eventually do much to publicize the Law Library, its facilities and its needs. This consists in the authority obtained at the Columbus meeting of the house of delegates, for the special committee to induce State and local bar-association officers to have committees appointed in such organizations for the same purpose as that pursued by our own Special Committee. It is gratifying to know that 30 or more of these associations have already appointed similar committees, and others are in process of appointment.

The efforts of the Special Committee on behalf of the Law Library are to be highly commended and are bound to lead to results commensurate with the importance of the subject and the reputation and dignity of the legal profession. It is regrettable, however, that a larger number of our members do not take a more active interest in this matter and assist in having the aims of the Committee carried out in a manner worthy of the position the American Bar Association occupies in public life.

A marked contrast to this state of affairs may be noted in respect of some of the divisions of the general library. Among the recent benefactions which have accrued to our National Library are endowments amounting to the sum of $350,000 for chairs of American history, aeronautics, fine arts, geography, music, and poetry. The income from these bequests enables the Library of Congress to enlist the services of experts necessary for the guidance or advice in developing the collections of the respective fields. Substantial sums amounting to about $150,000 have been bequeathed for the purchase of books relating to aeronautics and Hispanic literature.

The Library owes its popular music auditorium to the generosity of a benefactress who also has established a large trust fund to provide chamber music for the people. Here they may listen to the exquisite tones of the finest Stradivarius instruments. These, too, were donated by a benefactress of the Library, together with a substantial endowment fund to be used for the arrangement of concerts, so that the public may be able to hear these world-famous instruments. Noteworthy is also a recent legacy of the famous American artist, who left his entire estate, valued at more than $350,000, together with his collection of prints and etchings, to the "United States Government for the Division of Prints of the Library of Congress." Another recent bequest came to the Library from a well-known patron of letters, who established a large trust fund for the creation of a Hispanic Division of the Library and a chair of poetry. The outstanding collection of Hebraica—now comprising more than 40,000 volumes—began through the initial gift of 15,000 tomes, known as the Deinard Collection. The realm of American history was greatly enriched when a few years ago a philanthropist, whose name is famous throughout the world for library benefactions, gave the sum of $450,000 to be used in copying every record relating to the history of America found in European and Latin American archives. He also gave an additional $250,000 for the assembling of a Union Catalog of the books of all the important libraries of this country and the main libraries abroad. The catalog is indispensable for research. These are only a few illustrations of what can be done. Annually there are gifts of funds, books, and manuscripts which indicate an increasing interest by the American public in the National Library. Rarely, however, has any substantial gift of books or funds been made to the Law Library. In fact, since the establishment of the Library of Congress Trust Fund Board (see U. S. Code, Annotated, title 2, sec. 154) of a total of $1,500,000 given to the permanent endowment of the Library, not one cent of it has come to the Law Library.

Not all of these gifts have come from individuals; frequently grants have been made by foundations and associations. For example, the American Council of Learned Societies makes grants from time to time for some special research in the humanities to be carried on under the Librarian of Congress. The Trust Fund Board Act which empowers the Board to accept and administer such gifts, bequests or devises of property for the benefit of, or in connection with the Library, its collections, or its service as may be approved by the Board and by the Joint Committee on the Library, also authorizes the Librarian to accept in the name of the United States gifts and bequests of money for immediate disbursement in the interests of the Library, its collections, or its service. More than $2,000,000 has been received since 1926 for immediate disbursement.

There are doubtless those who will say that law books and bibliographical facilities, the indispensable tools of legislators, are so basically necessary to a national law library that the required appropriations should be provided by the Government, and not by private individuals. At first glance that may seem to be true. The Congress is now providing, and indeed should continue to provide, funds sufficient for the current needs of the Law Library, particularly as far as primary and important secondary sources of the world's legal literature are concerned. And since a portion of the library has been moved to the Supreme Court Building to supply the Court and the bar with working collections, a small but ample appropriation has been provided in order to supply the Justices and the lawyers from out of town with the statutes, reports, and fundamental treatises. The field of law, however, is so closely related to the other social disciplines that in order to understand its history and philosophy, the scholar should have access to cognate material, as well as to every printed work or manuscript obtainable in the sphere of law proper which has a bearing on the development of the science from the twelfth century to the present era. This vast field includes many rare items and manuscripts which it is hardly possible to acquire by the expenditure of public funds. The demands of current needs in the appropriation are so great that the Law Library is not in a position to attempt the acquisition of even rare legal Americana. A government should not compete with the collector and deprive him of the pleasure of presenting such treasures to the public. On occasions departures from this policy have been made by means of special appropriations, as was done by the Congress in 1930 in acquiring a collection of incunabula for $1,500,000, or the British Museum in expending £100,000 for the Codex Sinaiticus. In both cases, the books were purchased because the failure to do so at the time would have meant a definite loss of exceptionally valuable items for the respective national libraries.

However, it is not only books that may be the subject of gifts or endowments; chairs, consultantships, and special bibliographical facilities are equally indispensable. The lack of these experts and bibliographical apparatus are being generously supplied in the general library, as noted above, by the donation of funds for the establishment of chairs and consultants. In 1935 this association adopted a resolution favoring the establishing of a chair in criminal law and criminology in the Law Library, and the Special Committee has urged that consideration by the bar be given to the need for chairs also in constitutional law, public law and administration, comparative law, and international law, but so far the plea has remained unanswered.

Through the amazingly liberal testament of the late Justice Holmes, who left his residuary estate of about $250,000 to the United States Government, the American Bar Association is offered an exceptional opportunity to increase the usefulness of the Law Library by supporting the passage of House Joint Resolution 19 at the present session of Congress. This Resolution, presented by Chairman HATTON SUMNERS, of the Judiciary Committee, provides that the residuary estate of Justice Holmes be transferred to the Library of Congress Trust Fund Board, and the income thereof be used to build up a collection of books on jurisprudence to be known as the Oliver Wendell Holmes Collection.

It was first proposed during the Seventy-fourth Congress and passed the House of Representatives without objection. However, after being referred to the Library Committee of the Senate, it remained unreported at the end and, therefore, died in committee. This association went on record approving the Joint Resolution at Los Angeles in 1935, and many State and local associations have taken similar action. The Joint Resolution again passed the House of Representatives on June 7, 1937, and again it is reposing in the Library Committee of the Senate.

Sentiment in the Congress, as well as among the members of the bar, is strongly in favor of this disposition of the Holmes legacy. Despite the apparent lack of opposition, it is not likely to pass the Senate at this session of Congress unless the membership of the association become more active in its support. What a pity it would be if the Sumners resolution should fail to be reported by the Senate Library Committee for lack of interest on the part of the legal profession and this unparalleled opportunity to establish a lasting and fitting memorial to the great jurist should be lost!

Let us hope that the American Bar Association will not lose this opportunity to enrich the collections of the Law Library of Congress and that our members will remember increasingly the importance and value of our active individual and collective assistance in order that both immediate and future possibilities be earnestly taken advantage of for the proper and adequate endowment of the national resources for legal research.

Hon. Robert P. Hill

MEMORIAL ADDRESS
OF
HON. HATTON W. SUMNERS
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1938

On the life, character, and public service of Hon. ROBERT P. HILL, late a Representative from the State of Oklahoma

Mr. SUMNERS of Texas. Mr. Speaker, ROBERT P. HILL and I were both new Members of the House in the Sixty-third Congress. Mr. HILL then was a Representative from Illinois. At the end of that Congress he sought new fields of service. After more than two decades, mellower in years and experience, he returned to the House, this time from Oklahoma.

There are but few men in the history of our country, Mr. Speaker, who have achieved the distinction of having represented two sovereign States in the National House of Representatives.

When he returned to the House in the Seventy-fifth Congress it was my pleasure to welcome BOB HILL to membership on my committee, the Judiciary. There he commenced a service full of promise of warm comradeship with the committee and usefulness to the country, which, to our sorrow, was cut short after only a few months by the inscrutable hand of Death.

The Judiciary Committee has already recorded its sense of loss by a resolution which has been spread on the minutes of the committee and placed in the CONGRESSIONAL RECORD. I shall not repeat here the tributes contained in that resolution, to which I subscribe, but wish, Mr. Speaker, to say that in the death of BOB HILL the country lost a faithful servant, the Congress a valuable member, and our committee a coworker whose counsel and constructive thinking were always helpful in the discharge of our responsibilities.

Where Did All This Fascism Begin?

EXTENSION OF REMARKS
OF
HON. FRED BIERMANN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 26, 1938

EDITORIAL FROM THE DES MOINES (IOWA) REGISTER, MAY 20, 1938

Mr. BIERMANN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the Des Moines (Iowa) Register:

[From the Des Moines (Iowa) Register, May 20, 1938]

Congressman AUGUST ANDRESEN, Republican, of Minnesota, who pretty well expresses the attitude of the extreme condemners, attacked the farm program the other day in a radio talk as "Fascist." He said the Federal Farm Act resembles a "first class criminal statute," for the enforcement of which 160,000 agents are employed—and so on.

And he referred to the "Corn Belt revolt" (meaning presumably the Farmers Liberty League) as a "spontaneous uprising on the part of thousands of honest and patriotic American farmers in defense of constitutional freedom to live and operate as American citizens under guaranties set forth in the Bill of Rights."

Very well, Mr. ANDRESEN, let us think a little.

If you are going to call everything in the way of collectivist action by economic groups Fascist, we suppose the farm program deserves the designation.

But let's clear our minds both on the theoretical and practical sides.

After all, the contrast is not between anarchy and fascism, but between workable democracy and fascism. Complete individualism is anarchy. Democracy has never been that. The idea of democracy is the workable maximum of freedom for the individual. That workable maximum varies with conditions. It is one thing in a simple economic and social order—of self-sufficient, subsistence farming, for instance. It is another thing in a complex order, in which each great group is dependent on each other great group.

True, the most important thing about preserving freedom is to be jealous of encroachments on it, whether by Government or by others exercising power. The practical question is, At what point are we going to start being effectively jealous?

It is certainly true that one encroachment on rugged individualism leads to another. It is equally true that one encroachment makes others inescapable. We often come to situations where we have either got to retreat from past encroachments or accept the logic and compulsion of them and go on to others.

Now we say, and say emphatically, that nothing whatever is contributed to solutions by those who just want to raise hell about the newest modification of rugged individualism with no regard to what past modifications may have made necessary.

Never have we had a better example than in connection with American agriculture's struggle to put itself on a fair footing with other economic groups.

If the agricultural effort of today, if agriculture's collectivist approach, is dangerously fascistic, so are the things that led to it, the things that made it inevitable.

We mean tariffs. We mean concentrated industry, the quasi-monopoly nurtured by tariffs, and other things. We mean all the rigidities introduced by "capital" into cost structures and price practices. We mean the rigidities imposed by labor—which also flow, we fear, inevitably out of the very nature of the industrial age.

Six or seven million ruggedly individualistic farmers can no more protect their fundamental economic rights, in the kind of environment that has been created for them by those who yell loudest for the maintenance of rugged individualism—for farmers only—than 7,000,000 pygmies, who refused even to hold hands, could stop a charge of elephants.

It just can't be done.

Can we stop the whole collectivist drift? Can we regain a workable basis of compromise between collectivism and individualism?

Well, one thing is sure.

We can't do it by just railing at farmers.

Those who, like Walter Lippmann, contend for an about face with respect to our whole economy, for a going back to a lot more of real competition all the way through, for facing the whole problem and doing bold, surgical things about it, are at least logical and fair.

We are, we regret to say, rather pessimistic about their chance of success. But they have open eyes.

Certainly, the big question is whether a democratic-capitalist economy can avoid drifting into greater and greater collectivism, and from that to greater and greater regimentation, and from that to something resembling fascism or perhaps state socialism.

But cursing the symptom that happens to be freshest gets us nowhere, exactly.

If you are going to prove that Marx was wrong, that liberal capitalism does not inevitably lead to this, tackle the real job.

If the agricultural situation wakes you up to it, that may be "swell."

But until the job is tackled at its heart and center, quit wearying us with these one-sided superficial attacks on agriculture for doing the only things it can do in sheer self-defense.

P. S.—We don't observe any outburst of indignant protest against the "fascism" of the decision announced May 11 in the two major midcontinent oil fields to cut production drastically.

American Air-Line Travel Becoming Safer Each Year

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 26, 1938

EDITORIAL FROM THE WASHINGTON (D. C.) STAR, MAY 26, 1938

Mr. RANDOLPH. Mr. Speaker, recently there have been air crashes which have focused our attention on American aviation once again. These are problems which are serious, and legislation is pending which will certainly tend to aid and coordinate the program for this growing industry. Air-line accidents are not on the increase, as might be interpreted by a reading of headlines having to do with these occurrences.

In this connection I include a very timely editorial from the Washington Star of today:

AIRCRAFT CRASHES

Coming as it did just after the close of National Air Mail Week, with its stimulation of interest in air transportation, the fatal crash and burning of a large scheduled air liner at Cleveland Tuesday night was particularly untimely.

The crash probably will have the effect of expediting consideration by Congress of pending legislation to put control of all civil aviation activities under an aviation commission, independent of any Federal department, and to put the investigation of accidents in the hands of a separate board.

Federal investigators were on the scene promptly at Cleveland, and there is no question that they will make a thorough, impartial probe and will derive from this melancholy event whatever benefit may be obtained in the way of experience and possible safeguards against future accidents from the same cause. It is obvious that, for the sake of public confidence, such investigations must be prompt, thorough, and as productive of good as may be possible.

It has been the aim of the Bureau of Air Commerce to make its investigations of air-line accidents yield the maximum benefit in the way of safeguards; a number of new air-line regulations have resulted from earlier investigations. One by one preventable causes of crashes are being eliminated and yet, it is apparent, there is still much room for improvement.

There have now been a total of three fatal scheduled air-line crashes this year, with a death toll of 21 passengers and 8 crew members. Records since 1931, when the first comprehensive statistical studies of accidents began, show an almost unbroken gain in air

transport safety; and it is, of course, to be hoped that this record of improvement will not only continue but will be accelerated as much as possible by suitable Government action.

It is of interest to glance briefly at the record. In 1931 there were 126 airline accidents; 115 in 1932, 101 in 1933, 73 in 1934, 62 in 1935, 70 in 1936, and 50 last year; an almost unbroken annual record of improvement. Of these accidents, 14 were fatal in 1931, 17 in 1932, 9 in 1933, 10 in 1934, 8 in 1935, 10 in 1936, and 6 last year. There have been three crashes resulting in fatalities so far this year.

The mileage flown per passenger fatality also shows marked improvement during the years for which records are available. In 1931 there was one passenger death for each 3,384,713 miles flown; in 1932, 2,996,056 miles; in 1933, 6,071,394; in 1934, 4,878,655; in 1935, 7,942,529; in 1936, 7,330,384; and last year, 12,832,694.

This gain in mileage flown in relation to passenger fatalities has been accomplished in spite of a great average increase in the number of deaths per fatal accident, due to the increased sizes of airplanes in operation. The increase in the number of passenger deaths is shown in the annual figures: In 1931 there were 26 passengers killed in airline crashes; in 1932, 25; in 1933, 8; in 1934, 21; in 1935, 15; in 1936, 46; and last year, 51.

Monetary Control—The Chelsea Resolution of the Vermont State Farm Bureau

EXTENSION OF REMARKS
OF
HON. CHARLES A. PLUMLEY
OF VERMONT
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 26, 1938

Mr. PLUMLEY. Mr. Speaker, recently I received a letter from Arthur H. Packard, the president of the Vermont State Farm Bureau, a member of the American Farm Bureau Federation, which, under permission to extend my remarks, I read:

Mr. CHARLES A. PLUMLEY,
United States Congress, Washington, D. C.

DEAR MR. PLUMLEY: Enclosed find a copy of a resolution which was unanimously adopted at the annual State membership meeting at Chelsea May 7.

I am sure that you will want to learn more about what we propose in this monetary resolution and I am inviting you to our next monetary meeting at Rutland the evening of May 27 when Dr. Frank Pearson will speak.

Very frankly, the administration and Congress have given pump priming a thorough trial. They have passed the farm bill, they have been working on reciprocal-trade treaties and yet today the price relationship is not good. The index of farm prices as compared to 1914 is 93 percent; the cost of living 147 percent; the cost of distribution of food 171 percent and weekly earnings of factory workers 207 percent. I do not need to tell you that conditions are bad when a relationship like this exists.

If this is not interesting to you (I refer to a monetary program) would you please write me as to what you believe is a reasonable method of recovery.

Very truly yours,

VERMONT STATE FARM BUREAU,
A. H. PACKARD, *President*.

The resolution to which he refers reads as follows:

Resolved, That in order to end deflation and the injustice the farmers and producers of other basic commodities that have prevailed since 1929, and also to bring recovery and employment, Congress be petitioned immediately to exercise its constitutional duty to regulate the value of money. And that to this end, Congress be asked during the present session to mandate the establishment, within a maximum period of 6 months, of a dollar with 1929 purchasing power over basic commodities. Also that it authorize the opening of a free market for gold in the United States and that gold hereafter be treated as a commodity which the Treasury may buy and sell at any price necessary to establish the 1926 price level.

Also that the Federal Reserve Board, the Treasury, and the President be authorized and instructed to cooperate in using all monetary powers, or any of them, as may be necessary to immediately restore the dollar to its 1926 buying power over basic commodities, and thereafter to maintain it at that level.

There has already been considerable editorial and news comment in the papers of the Nation, and considerable interest has been aroused by the action so taken by the Vermont State Farm Bureau. The following is an illustration, under a New York date line:

NEW YORK.—The Committee for the Nation, a business group, organized in 1932 that has made joint studies of monetary policy with the major national farm organizations, today telegraphed the chairman of Senate and House Banking and Currency Committees and mailed to all Members of Congress the following statement:

"The petition of the Vermont Farm Bureau asking Congress to take steps at this session to stop this depression is typical of the growing demand among leaders of agriculture and many informed businessmen for immediate action.

"The Committee for the Nation urged the President to take such action last October. At that time the Journal of Commerce index of 30 basic commodities had fallen 16 percent since March 31, 1937. This meant a drop of one-sixth, or more than a billion dollars in American farmers' income and buying power. Since then commodity prices have fallen 22 percent more. In 13 months the purchasing power of the dollar for farm products has increased a full 50 percent. Today the farmer must give on the average three loads of produce for as many dollars as he received last year for two loads.

"Unless this deflation is reversed agriculture faces bankruptcy, as it did in 1931, with gross income reduced to $7,000,000,000 instead of its normal $12,000,000,000.

"Congress delegated to the President ample power to prevent the disaster which has overtaken the country in the last year. Failure to use that power constructively and the threat that it would be used to lower prices have resulted in the destruction of billions of dollars in value of securities and inventories of raw materials and manufactured goods.

"So long as the agricultural and raw material producing half of our people are stripped of more than 40 percent of their normal income by the present swollen buying power of the dollar and the consequent low prices, we must have low business activity and continuing heavy unemployment.

"We concur in the viewpoint of agricultural leaders, expressed in the Vermont resolution, and of such business leaders as Henry Ford, who declares that money equivalent to a fixed weight of gold is no longer a reliable measure of value. The Vermont resolution points the way for Congress to bring recovery and reemployment.

"The text of the Vermont Farm Bureau resolution follows:

"'*Resolved*, That in order to end deflation and the injustice to farmers and producers of other basic commodities that have prevailed since 1929, and also to bring recovery and employment, Congress be petitioned immediately to exercise its constitutional duty to regulate the value of money. And that to this end, Congress be asked during the present session to mandate the establishment, within a maximum period of 6 months, of a dollar with the 1926 purchasing power over basic commodities. Also that it authorize the opening of a free market for gold in the United States and that gold hereafter be treated as a commodity which the Treasury may buy and sell at any price necessary to establish the 1926 price level.

"'Also, that the Federal Reserve Board, the Treasury, and the President be authorized and instructed to cooperate in using all monetary powers, or any of them, as may be necessary to immediately restore the dollar to its 1926 buying power over basic commodities, and thereafter to maintain it at that level.'"

The interest of the Committee for the Nation is indicated by the following letter from Fred H. Sexauer, which I quote:

Hon. CHARLES A. PLUMLEY:

The petition to Congress of the Vermont Farm Bureau is probably the most important request that has been put to Congress during the present session. If Congress would vote exactly what this petition calls for we should have, within a 6-month period, on the average, the following:

	Wheat	Corn	Lard	Cotton	Copper	Lead	Zinc	Silver
Prices now	$0.96½	$0.71¾	$0.085	$0.087	$0.10	$0.045	$0.045	$0.42¾
Prices 1926	1.54	.76	.15	.18	.14	.08	.08	.62

With changing supply or demand, individual commodities might vary, but the average price of all would go back to 1926 and gross farm income would be around $12,000,000,000 instead of the present $7,500,000,000. This $4,500,000,000 farm buying power and $2,000,000,000 more for producers of other basic commodities would be restored. This $6,500,000,000 of restored buying power in farmers' and basic producers' hands would be spent immediately, because these groups have been long deprived of their normal income. They are hard pressed for many things they need. As they bought, added employment in implement, fertilizer, fencing, and paint factories would enable reemployed workers to buy autos and radios. Each billion dollars of restored farmers' income would create more than $1,000,000,000 of secondary buying power. Therefore the restoration of $6,500,000,000 of basic producers' income would add more than $14,000,000,000 to the Nation's purchasing power.

A mandate from Congress establishing the 1926 price level within a 6-month period would probably put between three and five million men to work within that period. It would start the long dammed-up building cycle. If no counter action were taken by the Government within a year, seven to nine million of the Nation's unemployed would be absorbed into private industry.

Homes, farms, and securities would regain their normal value around 1926 levels. Seventy-five to one hundred billion dollars of

restored tangible values would appear in the Nation's balance sheet. Once more our system of private enterprise would function.

Will Congress respond to the rising demand from farmers, home owners, and workers? They plead for relief from deflation, low prices, destroyed values, and unemployment to which Congress itself condemned the Nation by its failure to live up to its constitutional duty to "coin money" and "regulate the value thereof." Your action now is vitally important to the Nation.

Very truly yours,

COMMITTEE FOR THE NATION,
FRED H. SEXAUER.

P. S.—President Roosevelt, during the first 100 days of his administration, used this policy. Then business surged upward, 3,000,000 men went to work, a wave of new hope spread through the country. See and preserve enclosed historic document Gold Policy Has Worked in 1933.

The matter to which I have referred above, I hope, will have your interested attention.

The particular panacea, the precise method, the manner of procedure to be followed in meeting this problem are matters of detail. The fundamental principle obtains nevertheless. I have insisted that Congress shall not abdicate. It should exercise its constitutional functions as one of the three elements of the body politic, and the attempted, accomplished, unauthorized, and dangerous surrender and delegation of its powers and prerogatives should be repudiated, and it once more should stand under the Constitution as the representative legislative arm and defense of the Government.

Wages and Hours

EXTENSION OF REMARKS
OF
HON. ANTHONY A. FLEGER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 24, 1938

Mr. FLEGER. Mr. Speaker, I have asked for this time today to discuss a problem which, in my humble opinion, deserves consideration of every Member of this House, irrespective of party affiliations. We are all aware of the serious unemployment situation that confronts the country today. The American people today are looking to the Congress for the right type of legislation which will solve our economic ills. These same American citizens in 1932, and again in 1936, placed their confidence in the Democratic Party through the election of President Roosevelt by giving him the largest vote ever cast for a President. This vote of confidence in effect was a mandate from the American people for the New Deal to continue its work and deliver this country from the depression which existed at the time when the Republican Party was in power. At the beginning of 1933 the Congress enacted a number of emergency measures intended to revive business conditions in the country. I am quite confident that the majority of our American citizens, except perhaps the politically minded conservative members of the Republican Party, approved heartily of the passage of these emergency measures as an immediate stimulant to a business revival.

It was gratifying to know that as a result of these emergency measures there were immediate signs of improvement in employment, and the wave of fear which had swept the country was thereby forgotten. This rise in business continued until the latter part of 1937, when, for no apparent reasons, there was an abrupt let-down in business which still shows no sign of improvement. Many reasons have been given for this sudden change in business conditions. Some have said that the blame rests on the administration because of its tax program, while others see in it a deliberate attempt on the part of big business to embarrass the present administration by the use of false propaganda for the purpose of creating dissension and dissatisfaction among the working people of this country, for whom this administration has strived to pass constructive legislation.

Mr. Speaker, I think we will all agree that in a democratic form of government, such as we have in the United States, and I am sure there is no other on the face of the earth today can compare with ours, we will at times have difficulty in solving our economic problems in as short a time as some people would like to have it done. However, in spite of what may be said of our antiquated and cumbersome system by which legislation is enacted, we can still be proud that our people have the protection of the Constitution which guarantees them a voice in the affairs of their government and guarantees the right of free speech and the privilege of practicing their religion according to the dictates of their own conscience. These privileges do not now exist in many of the European and Asiatic countries.

It is with this thought in mind that I appear before you today to discuss the wage and hour bill, which we are considering, and which, at an earlier session, had been recommitted to the Labor Committee by those who have not been friendly toward the working class. Whatever may have been their reason at the time, there should be no such reason present at this time, if the membership of the House will examine their conscience and honestly arrive at a decision to carry out the promises each and every one made when they sought public office, namely, to pass such legislation which will help to eliminate further depressions.

Many solutions have been offered to solve our economic problems. The problem could be attacked from several angles through the adoption of bills now pending before the several committees, as, for example, the adoption of the General Welfare Act—H. R. 4199—for which I have previously expressed favor, and which, in my opinion, would guarantee an even flow of currency and an increase in production. There are also a number of bills dealing with our monetary system which should be given consideration by this Congress, if we are to regulate prices and if the Congress is to exercise its constitutional right to issue, coin, and regulate the value of money.

It is commonly admitted today that the cause of depressions is the lack of sufficient money being placed in circulation for the purpose of bringing about added purchasing power. The President, in his recent speech at Gainesville, Ga., in discussing the wage and hour bill, pointed out the necessity of an increase in wages to create a greater purchasing power. It, therefore, becomes necessary to find ways and means for more uses for our raw materials and byproducts. Most people agree that the depression is not the result of overproduction but is caused by underconsumption, due to a lack of money in circulation. Our people could all use many more of the necessities and luxuries of life which are produced by mankind. The solution, therefore, should be in the passage of legislation which will bring about a more even flow of currency.

Legislation which would help the laboring man has always been favored by me, and therefore I am going to vote for the wage and hour bill, which I feel confident is a step in the right direction. It would, however, be much more pleasing to me to see this Congress adopt a bill which would guarantee an annual wage in all industries that now do not have seasonable employment, with the provisions embodied in the present wage and hour bill providing for a ceiling for hours and a floor for wages in those industries having seasonable employment. Attacking the problem from these two sources would, I am sure, do much to bring about an even flow of production and an even flow of currency.

In a hearing held recently before the Senate Unemployment Committee, Mr. Knudsen, president of the General Motors Corporation, in his testimony before the committee, said his corporation had on hand a surplus for 11 months of $452,000,000, but stated his corporation did not believe it should use any of the money because the business barometer indicated they would not be able to sell their cars. In answer to several questions as to how they arrived at this decision, the answer given by Mr. Knudsen was that they based it on the psychological trend during the last few months of 1937, which showed by a comparison of the inventory with that of 1936

for the same period that they had too many cars on hand. He also stated his corporation took as a barometer the national income, which showed a sharp drop at that period.

At this point I would like to point out to the membership that if all industries use as a guide the same method as adopted by the General Motors Corporation, it would be difficult for business to ever become better at a time like this, when it cannot be hoped for the national income to increase so long as unemployment is increasing.

PLANNED PRODUCTION

There is only one sound solution which can be adopted to guarantee a more even production, and that is by the adoption of a sound system of planned production. By planned production is meant the adoption of a plan which takes into consideration the potential production or sales of a given commodity. For example, let us take the automobile industry. If, according to statistics which can be easily obtained from the Labor Department, it would be shown that before a saturation point would be reached in the manufacture of automobiles so that practically all American people would have automobiles, it would require a certain number of automobiles to be manufactured, and it was a known fact that by reason of obsolescence and the production of cars for new owners and export purposes, a certain average was produced during the last few years, it would be very easy for industry and labor to sit down together and arrive at a solution of their problems by agreeing to a contract for an annual wage, based upon the number of cars to be produced during the ensuing year. It would also be possible for the setting of a fair price for the commodity so as to give fair returns to the stockholder and a reasonable annual wage to the worker. At present it is a case of "dog eat dog," and because of keen competition the industries, if they are to show a profit, must resort to the same type of business policies which govern the other industries.

In speaking about an annual wage I want to take the time of this House to point out the difference between an annual wage and an hourly wage, both from a psychological and a practical standpoint. When considering an annual wage we find the following to be true in most instances: The employer receives a handsome order from his customer and immediately, because of the demand for the goods, he posts a notice or a request for labor. These laborers who are hired are under the impression that business has suddenly taken a turn for the better, and after they have worked several weeks they commence buying not only the things they had been in need of but also other commodities which involve them in a mortgage obligation. Here we find the psychology of prosperity being present for the time being. Taking, for example, the method used by Mr. Knudsen, of the General Motors Corporation, we find that the customer who has been manufacturing parts or other commodities suddenly decides that the national income which has been used as a barometer is showing signs of going down, and he immediately notifies the manufacturer of his goods to stop production temporarily or, as in some cases, completely. The result is the manufacturer of these commodities must of necessity inform some of his help that he will no longer require their services. You and I know the result of this notice means such employee is immediately compelled to curtail his expenditures if he has any money saved, or, as in most cases, be compelled to give up the commodities he has purchased on a mortgage, thereby throwing him immediately on the relief rolls, which in turn must be taken care of by funds appropriated locally or through the Government.

Let us consider on the other hand the effect of an annual wage from an economic and psychological standpoint. Here we find that the employee instead of buying his necessities and luxuries spasmodically will buy them as, if, and when they are needed, because he knows how to budget himself and knows he can expect to receive at least the same pay for a whole year. Business as a result of this is insured of an even flow of currency, which results in an even production and reduces the chances of unemployment, resulting in a saving of the taxpayers of the country, because there would be no need for expenditures for work relief as we now find. The recurrence of depressions under our present system can be expected to come oftener, due to our high-speed production systems; and, if anything, will get worse unless proper steps are taken to scientifically solve the problem from the standpoint of planning production based, as stated before, on the potential needs of a particular commodity rather than on the amount of money available at the time. Attention must also be given to the amount of profit which is made in the manufacture of commodities and can best be solved through a system whereby the employer and the employee has an opportunity to sit down and intelligently discuss their problems amicably with a view of making a fair distribution of the profits earned. Of course, a plan of this type cannot work satisfactorily unless accepted universally by all industries of the country. Permitting one or the other to take advantage by resorting to the present system of production would not solve the problem. This plan can and should be adopted by all the large industries, which, according to past records, show that they are engaged in a business which could support an annual wage.

Under this plan it would be much easier for the Government, as an inducement for its adoption, to guarantee these institutions a loan through the Reconstruction Finance Corporation or some other Government agency in cases where there is a drop in business because of some inequality which may not have been accounted for when the contract between the employer and the employee was entered into or because of some other unprecedented reason. The money so loaned could be paid back in prosperous years, and would at least give the Government some assurance for a return of its money.

Space will not permit going into any more elaborate details on this plan, as it does not contain figures which point to the benefit of a planned production system, and I therefore trust the Members will give serious consideration and study to the system of an annual wage, which, in my opinion, would at least provide for a more even flow of production and assist materially in providing a more even flow of currency.

Federal, State, and Local Tax Receipts and Government Expenditures

EXTENSION OF REMARKS

OF

HON. ROBERT L. BACON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 26, 1938

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following tables:

A. Tax receipts.

FEDERAL, STATE, AND LOCAL TAX RECEIPTS AND GOVERNMENT EXPENDITURES

[Fiscal-year basis; unit = $1,000,000,000]

	Total	Federal	State and local
1929	$9.8	$3.328	$6.431
1936	10.5	3.850	6.650
1937	12.5	5.030	7.470
1938 [1]	13.5	[2] 6	[2] 7.5

[1] Estimated. [2] At least.

Calendar-year figures for 1938 may even run a little higher.

B. Public expenditures (excluding sinking-fund requirements and debt retirements):

	Total	Federal	State and local
1929 (net)	$11.709	$3.046	$8.663
1936	17.047	8.576	8.471
1937	[1] 17	8.131	[2] 9
1938 (calendar year)	18.0–18.5	[1] 9	9.0–9.5

[1] Estimated. [2] Around.

If sinking-fund requirements and debt retirements were included for recent years, the above total figures would be approximately $1,500,000,000 higher.

C. National income produced (estimated):

1929	$80,800,000,000
1930	68,000,000,000
1931	53,600,000,000
1932	39,500,000,000
1933	41,000,000,000
1934	47,500,000,000
1935	53,000,000,000
1936	61,400,000,000
1937 (estimated)	67,000,000,000
1938 (President's estimate, Apr. 14, 1938)	56,000,000,000

D. Ratio of total taxes and total expenditures to national income produced: 1929 and 1938:

1. Ratio of total taxes to estimated national income: 1929, 12 percent; 1938, 24 percent.

2. Ratio of total public expenditures to estimated national income: 1929, 14.5 percent; 1938, 32–33 percent.

NOTE.—The above estimates of tax receipts and public expenditures are derived from official records and are extended from latest studies of the National Industrial Conference Board. The income estimates, with the exception of 1937, which is still preliminary, are as made by the United States Government.

Federal nonrecoverable relief expenditures compared with total revenue collections, by States, July 1, 1933, to June 30, 1937 [1]

[All figures on fiscal-year basis]

States	Total Federal internal-revenue collections, 1934–37 ($1,000,000) [2]	Federal relief expenditures, 1934–37 ($1,000,000) [3]	Internal-revenue collections per capita [4]	Total relief per capita [4]	Relief payments as percent of total revenues collected
					Percent
Alabama	$41.7	$358.3	$14.40	$123.77	859
Arizona	8.2	125.9	19.90	305.58	1,535
Arkansas	15.7	259.9	7.67	126.90	1,655
California	776.1	697.6	126.11	113.36	90
Colorado	78.8	191.6	73.58	178.90	243
Connecticut	189.2	106.4	108.67	61.11	56
Delaware	147.7	26.3	565.90	100.77	18
Florida	92.7	201.9	55.51	120.90	218
Georgia	103.2	319.9	33.45	103.70	310
Idaho	8.4	117.8	17.04	238.94	1,402
Illinois	1,224.7	871.9	155.45	110.68	71
Indiana	261.8	326.4	75.36	93.96	125
Iowa	80.8	365.7	31.66	143.30	453
Kansas	76.5	329.5	41.04	176.77	431
Kentucky	364.7	205.6	124.90	70.41	56
Louisiana	103.3	230.9	48.45	108.30	224
Maine	33.5	65.6	39.14	76.64	196
Maryland	245.4	133.7	146.16	79.63	54
Massachusetts	481.8	418.9	108.86	94.65	87
Michigan	709.5	432.4	146.89	89.52	61
Minnesota	202.0	366.2	76.17	138.08	181
Mississippi	12.0	245.9	5.93	121.55	2,049
Missouri	347.0	393.0	86.99	98.52	113
Montana	19.8	233.9	36.73	433.95	1,181
Nebraska	46.5	279.9	34.09	205.21	602
Nevada	10.0	64.4	99.01	637.62	644
New Hampshire	21.7	42.7	42.55	83.73	197
New Jersey	551.2	337.2	126.92	77.64	61
New Mexico	4.9	117.2	11.61	277.72	2,392
New York	3,011.8	1,519.5	232.41	117.25	50
North Carolina	1,138.0	263.2	325.89	75.37	23
North Dakota	5.7	218.3	8.07	309.20	3,830
Ohio	747.5	702.9	111.02	104.40	94
Oklahoma	184.1	316.4	72.25	124.18	172
Oregon	34.2	175.9	33.30	172.25	517
Pennsylvania	1,140.7	901.5	112.10	88.59	79
Rhode Island	76.1	43.3	111.75	63.58	57
South Carolina	55.3	206.8	29.49	110.29	374
South Dakota	5.7	220.2	8.24	318.20	3,863
Tennessee	79.8	321.3	27.58	111.06	403
Texas	$312.7	$740.5	$50.66	$119.98	237
Utah	18.7	101.8	36.03	196.14	544
Vermont	9.2	47.1	24.02	122.98	512
Virginia	290.7	183.7	218.29	67.89	31
Washington	80.5	271.9	48.55	163.99	338
West Virginia	50.7	188.5	27.18	101.07	372
Wisconsin	234.4	347.1	80.11	118.63	148
Wyoming	6.8	77.7	28.94	330.64	1,143
Total, United States	14,145.0	14,887.5	109.43	115.18	105

[1] Expenditures for the last 3 or 4 months of the period are partially estimated by the appropriate Government offices.

[2] Internal-revenue collections include not only personal and corporate income taxes, but all other Federal taxes of every description, as allocated by States by the Commissioner of Internal Revenue.

[3] The original figures serving as the basis of these computations all come from published or unpublished records of the U. S. Treasury Department. Federal relief expenditures here analyzed include only so-called nonrecoverable items, namely, expenditures for which no repayment is expected or possible. The additional veterans' bonus (adjusted compensation), amounting to approximately $1,750,000,000 in the calendar year 1936, is not included. Loans made through such agencies as the Reconstruction Finance Corporation, Home Owners' Loan Corporation, Farm Credit Administration, and many other Federal loan agencies, are excluded, although they amount in the aggregate to several billion dollars, a large proportion of which are a contingent liability, or debt, of the Federal Government—which guaranteed debt on June 30, 1937, amounted to $4,695,000,000. Total appropriations directly labeled "for recovery and relief" made since July 1, 1933, now amount to about $21,000,000,000, according to the latest daily statement of the U. S. Treasury, and these expenditures were continuing virtually at the peak, around $4,000,000,000 per annum in 1936 and in 1937 when business operations were again generally at prosperity levels. It is now proposed to spend several billion dollars additional.

[4] Based on Census Bureau population estimates as of July 1, 1937.

The Mail Must Go Through

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 26, 1938

ADDRESS OF HON. CHARLES A. PLUMLEY, OF VERMONT, BEFORE THE VERMONT STATE LETTER CARRIERS' CONVENTION, SUNDAY, MAY 22, 1938, AT BENNINGTON, VT.

Mr. PLUMLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me Sunday evening at Bennington, Vt., before the convention of the Vermont State letter carriers:

It is a significant fact that this meeting is being held in Bennington, in which place the first post route in Vermont was established by the Governor and council on June 19, 1791, while in session at Bennington.

It was solely for the benefit of the Governor. At the session of the general assembly in Bennington in 1783, a post route was established for the first time for the benefit of the public, and the post rider was to go weekly from Bennington to Albany. Extract from the Journal: "*Resolved*, That Mr. Samuel Sherman be paid nine shillings per week out of the public treasury, for riding, post, carrying, and bringing the Public Intelligence to and from this (Bennington) to Albany (N. Y.) until the sitting of the general assembly in February next; he to be accountable for all the money he shall receive as postage on letters, etc." These offices were to open a regular communication throughout the State.

The Vermont Gazette of November 27, 1783, informed its readers that "by this act of the assembly, the post-office business will be transacted at the printing office, and the greatest care will be taken to forward letters, etc., as expeditiously as possible. Postage will be under the same regulations as in the United States; the postage of all letters addressed to persons out of the State must be paid at the time of leaving them at the office as far as Albany."

An act for establishing post offices in the State passed the general assembly March 5, 1784, and on the same day, Mr. Anthony Haswell was appointed postmaster general within and for the State of Vermont. Five post offices were established by this act, viz, one in each of the towns of Bennington, Rutland, Brattleboro, Windsor, and Newbury, under such regulations as governed the post offices in the United States. These offices were to open a regular communication throughout the State.

Meager as the postal service established by Vermont seems to us to have been, yet it was extended very slowly by Congress. The first act by Congress, March 1791, provided that: "The Postmaster General shall be, and he is hereby, authorized to extend the carrying the mail from Albany, N. Y., to Bennington." In June 1792 only four post routes had been established in Vermont by Congress. Three of these were weekly and one semimonthly. One of these routes was from Brattleborough to Charleston, N. H., and Windsor to Hanover, N. H., once a week.

On the 26th day of October 1795 the General Assembly, then sitting in Windsor, passed an act empowering and directing certain persons to lay out and survey a post road from Massachusetts line to the north line of the town of Newbury in the county of Orange,

Vt. Under the provisions of this act a survey was commenced in the spring of 1796 under the direction of committees named by the General Assembly. The committee of three chosen to lay said road through Windsor County consisted of Hon. Paul Brigham, of Norwich; Gen. Lewis R. Morris, of Springfield; and Oliver Gallup, of Hartland. A plan of the survey and location of said road, as laid through the town of Hartford, was filed in the town clerk's office August 31, 1796, and recorded in volume 6, pages 70 to 71.

In June 1, 1792, post offices were opened in Manchester, Burlington, and Vergennes. The Vermont Register (almanac) for 1797 gave a list of eight different routes then established in Vermont, together with the towns then having mail service. Route No. 6 was from Windsor to Newbury and St. Johnsbury. The towns along this route, with their respective distances from Windsor, and the post riders along the route were as follows: Windsor to Hartford, 14 miles, rider Hazen; Hartford to Norwich, 2 miles, rider Bunton; Norwich to Thetford, 11 miles, rider, Childs; Thetford to Fairlee, 9 miles, rider, Freeman, Fairlee to Bradford, 6 miles, rider Stebbins; Bradford to Newbury, 5 miles, rider, Mills; to next office in Newbury, 3 miles, rider, Love; to another office in Newbury, 1 mile, rider, Johnson; Newbury to Barnet, 15 miles, rider, Gilchrist; to next in Barnet, 2 miles, rider Stevens; Barnet to St. Johnsbury, 11 miles, rider, Lord.

The number of deputy postmasters in Vermont in 1797 was 10, viz, Bennington, Brattleborough, Burlington, Manchester, Middlebury, Newbury, Rutland, Vergennes, Westminster, and Windsor.

It does not seem possible to us of this day that there could have been any doubt or uncertainty or any delicate questions involved with respect to the establishment of rural delivery, but it is, nevertheless, true that the project was viewed with concern, initially tested as an experiment and its extension in various directions regarded as outside the bounds of the original intent of the establishers of the post-office system. We pause and look back to see the progress of which we boast; the inventions of our age of which we are so proud, and all of our accomplishments present and projected as insignificant milestones along the road of progress over which humanity has traveled to achievements far beyond the limits of our wildest dreams and transcending our ability to comprehend.

Walter J. Coates, of North Montpelier, has completely and perfectly said this much better than any words of mine could say it:

> "So men ascend the skies." The realm of sleep
> Confirms the age-old lesson daylight brings;
> One Elan Vital through all cycles sings—
> Change, which nor light nor dark enslaved may keep.
> This winged adventuress of the cosmic deep
> Disdains all metes and bounds and careless flings
> Fresh largesses of unexpected things.
> Across the dusty fields we sow and reap.
> New genius sings from yet unwritten lays.
> New joy, new hope lie wombed in days to be,
> New zest of living walks untrodden ways,
> Life lurks around next corners mockingly.
> Beatitudes beyond tomorrow's range
> Await rebirth from the great goddess Change.

So I say to you who are enlisted in this public service, no other country in the world has so efficient and effective a postal system as is ours. Our form of government, democratic in all its parts, and tendencies, requires and stimulates fidelity and patriotic purpose in performance from everyone to whom any trust is committed. Loyalty alike to administrative endeavor or the public welfare is imperatively required and faithfully and encouragingly given. That which has contributed to make our Postal Establishment prosperous and great, is the constant acceptance of all postal employees of the full meaning of such an obligation.

Tribute to a W. P. A. Timekeeper

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 26, 1938

Mr. HOUSTON. Mr. Speaker, every Member of this House, I believe, has read headlines in our daily newspapers of crimes committed in which W. P. A. workers were involved, and that fact which in itself had no news value was set up in flaring black type tending to bring into disrepute the workers under that Federal agency.

One can hardly attend a theater performance without hearing some jibe or disrespectful remark about them, and it has become fashionable in some irrational circles to refer to them in supercilious, bumptious, and flippant language. It is difficult to describe such effrontery and arrogance.

During my term as chairman of the Harvey County, Kans., Federal relief committee, it was my privilege to be closely associated with a young man who then was Federal certifying officer for that county and today employed as supervisory timekeeper for the W. P. A. in Linn County, Kans.; and I quote an Associated Press dispatch relating to his heroic rescue of a Mrs. Harness, reading like a citation from the "list of awards of the Congressional Medal of Honor awarded for conspicuous gallantry and intrepidity above and beyond the call of duty." The words "exceptional courage," "quick decision," "valiant service," "gallant conduct," contained in those citations were never more applicable.

PLEASANTON, KANS., May 23.—Lester Dedo, 39-year-old W. P. A. timekeeper, dived nine times into the murky floodwaters of a 15-foot ditch near here yesterday to rescue Mrs. Clara Harness, 39, of Olathe, from a submerged car and certain drowning.

Mrs. Harness and a companion, Miss Margaret Gillen, also of Olathe, were trapped when two cars sideswiped 8 miles north of here and overturned into ditches on either side of the highway.

The car containing the two women went to the bottom of a ditch into which floodwaters from Sugar Creek and the Marais des Cygnes River had backed to a depth of 15 feet.

Miss Gillen bobbed to the top, but Mrs. Harness was unable to extricate herself. Dedo, a passerby, dived in eight times but was unable to open either of the car doors. The ninth time he found a rear window open and pulled the woman to safety.

The rescue took almost 15 minutes and it was only after 20 minutes of resuscitation work by two doctors that Mrs. Harness opened her eyes.

It is my fervent hope that whenever anyone hears roistering, insulting unmannerliness directed at any W. P. A. worker the guilty person be reminded of the heroism of Lester Dedo, of Kansas, a W. P. A. timekeeper.

America's Economic Future

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Friday, May 27 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS BY JAMES E. MURRAY, OF MONTANA, MAY 26, 1938

Mr. MINTON. Mr. President, on yesterday afternoon the distinguished junior Senator from Montana [Mr. MURRAY] delivered over the Columbia Broadcasting System a very able and interesting address entitled "America's Economic Future." I ask unanimous consent that this address be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

History shows that civilization has undergone seven distinct changes of the economic order or mode of life during the centuries. It has not been very long since the feudal system prevailed. Under each of these prior systems, injustice, oppression, misery, and suffering prevailed; and each system, in turn, was eventually repudiated and discarded by the people in an effort to establish a newer and sounder system which might prove more tolerable and worthy of enduring.

The present capitalistic or profit system has evolved slowly and painfully; but, nevertheless, it is thought by most students of economics to offer the most effective basis for the development of our civilization and the improvement of our social and cultural conditions. Under this system the world has made tremendous progress in rescuing mankind from the slavery, drudgery, degradation, and human suffering which throughout the ages has been the usual experience of the average individual.

Yet with all the great advances the world has accomplished, it still remains to a large segment of its inhabitants a vale of tears, and death has no sting for the average man. Wars, insurrection, pestilence, crime, and disease hang over the nations of the earth like a constant and ever-changing cloud.

This economic system of ours is beset with evils and imperfections difficult to surmount, and a constant and desperate conflict prevails everywhere between labor and industry over the problem of

the equitable division of the products of industry. But the chief weakness of our capitalistic system has always been periodic depressions, causing widespread unemployment and serious human distress and suffering. With low wages and uncertain employment, the worker has been unable to build up a surplus to provide for the security of himself and his family in such depressions. He was always expected, in such circumstances, to endure the resulting distress as best he could without any assistance except such as might come through charity.

We in this country in the past have always been able to undergo these periodic conditions of unemployment because we had a vast, unsettled public domain lying west of the Mississippi which offered new land and new opportunities to the unemployed. In this way we were able to absorb the successive shocks of such national economic cataclysms. Meanwhile, however, the country has experienced a tremendous growth, and the public domain upon which we formerly relied has now been entirely settled. In less than a century that immense western prairie, which witnessed the conflict of redskin and trapper, has been turned into a vast, developed region where large cities now flourish.

Following the World War, a vast change came over our country. Technological improvements in industry have taken place at an exceedingly rapid rate, and huge monopolistic organizations have been created, congregating hundreds of thousands of men, and, in some instances, millions of men in our great industrial centers. These changed circumstances and conditions have created serious economic problems.

But of all the problems that we are confronted with, the recurring problem of unemployment due to depressions constitutes the most serious and dangerous threat to the continuance of our economic order. No one can visualize these conditions without realizing at once the serious and threatening problems which a major depression presents.

President Roosevelt was called to the direction of our Government when we were in the very depths of the most serious depression the country has ever experienced. When he took over the reins of Government in March 1933, 15,000,000 of jobless men challenged his wisdom, his courage, and his conscience. They were the innocent victims of our profit system which had not yet worked out any method or means for the economic security and protection of these helpless millions whom industry had congregated in the great industrial capitals of the country. American industry had failed completely to evolve any plan or system that might avoid or lessen the force of depressions or provide any method for caring for the widespread human distress resulting from this lack of foresight. Industry simply washed its hands of the whole mess and took the position that it was an inevitable and incurable weakness of the system over which they had no control. They simply disclaimed any ultimate responsibility for the results and proceeded to ignore the conditions they had permitted to develop.

The Government of the United States took a like position. Previous national administrations had uniformly neglected and refused to assume responsibility for such situations. For 3 years prior to the inauguration of President Roosevelt, the Government had declined to intervene for the relief of the people and had taken the negative side of the debate on the question of Government responsibility. It is not necessary to discuss that question now, because President Roosevelt has definitely settled the issue and accepted for the American Nation responsibility toward the unemployed as a definite national obligation. He carried the Nation safely through the depression and by 1935 had put it definitely on the upward swing to prosperity. The National Treasury was called upon to furnish the means of carrying out a Nation-wide public spending program to stimulate industry, feed the starving millions of the country, and put the unemployed to work.

Almost overnight, conditions began to improve. In 1936, the industries of the country were back on their feet and reemployment was being achieved at a rapid rate. Unfortunately, business failed to take hold and continue the upward swing which had been induced by Government intervention. As the Government withdrew, industry failed to take hold and carry on, notwithstanding the fact that all the large industries of the Nation had been brought to a high state of activity and had made more profits during 1936 and 1937 than they had at any time since 1929. Over 130 of the leading industrial corporations of the country, according to Treasury tax reports and Barron's, a Wall Street paper, made more profits than they had in 1929, the period of our highest industrial activity.

The situation has been analyzed by outstanding economists representing the best intelligence the country possesses on economic matters. Many leaders of finance and industry have appeared before the Senate Committee on Unemployment and Relief which has been making a study of the situation, and it has been conclusively established as a result of these studies that the cause of the present recession and recurring unemployment is due entirely to the rapid advance in prices which slowed down buying and destroyed our returning prosperity.

It is an axiom of economists that excessive or unbalanced prices always throw the economic machinery out of gear, slow down buying, and retard prosperity. I can't take the time to discuss this problem at length, but the plain facts are that economists and even leaders of industry now frankly acknowledge that industry failed to go forward with its obligation. Any attempt to blame the situation on the Government is simply vicious propaganda.

Robert W. Irwin, furniture manufacturer of Grand Rapids, Mich., has testified directly that the recession was caused by the maintenance of artificial prices. He presented facts and figures to prove his contention that what we need is a return to free competition and that this could be done only by the enforcement of the antitrust laws. Here is an impartial witness from the ranks of industry frankly acknowledging the cause of the recession.

Prof. Paul H. Douglas, of the University of Chicago, testified that the monopoly fixation of prices is the major cause of the present recession as well as the 1929 depression. Many other witnesses from the ranks of industry and finance corroborated these conclusions.

Bernard M. Baruch, financier, of New York, criticized monopoly and asserted that monopolistic abuses should be regulated out of our economy. He pointed out that business must cooperate to eradicate its own abuses and that it should meet sympathetically the efforts of the Government to correct those abuses.

Time prevents me from giving further quotations. It is recognized by leading economic authorities as well as progressive leaders of industry itself that business owes an obligation to build a workable economic system. It has failed to do so and is seeking to avoid its responsibility by spreading propaganda across the country to the effect that it was the interference of Government in business that is responsible for the recession.

Fortune Magazine, the outstanding publication of the business world, in its June issue, has discussed this problem and comes to the conclusion that business itself is to blame and condemns it for its failure. It asserts that "in operating the capitalist economy American business has consistently misappropriated the principles of democracy."

Unemployment is manifestly a problem and an obligation of industry and can only be permanently cured by industry. I think it can be done, and it is the duty of industry to apply itself to this problem and use its best brains in working out a system that will level the peaks and valleys of industry in our American economy.

The United States is blessed with natural resources far beyond any other nation in the world. It contains 6 percent of the world's area and 7 percent of its population. It normally consumes 48 percent of the world's coffee, 53 percent of its tin, 56 percent of its rubber, 21 percent of its sugar, 72 percent of its silk, 36 percent of its coal, 42 percent of its pig iron, 47 percent of its copper, and 60 percent of its crude petroleum.

It operates 60 percent of the world's telephone and telegraph facilities, owns 80 percent of the motor cars in use, and operates 33 percent of the railroads. It produces 70 percent of the oil, 60 percent of the wheat and cotton, 50 percent of the copper and pig iron, and 40 percent of the lead and coal output of the entire globe.

This wealthiest country in all the world possesses more than $12,000,000,000 in gold, or half of the world's monetary metal. It has two-thirds of civilization's banking resources and, thanks to President Roosevelt, it has the safest and soundest banking system anywhere on earth. Prior to the Roosevelt administration, thousands of banks failed annually. Now when a citizen places his savings in an American bank under the Federal deposit guarantee system, he is able to get it out again.

The purchasing power of the American population is greater than that of the entire 500,000,000 people in Europe, and is far larger than that of a billion Asiatics. Responsible industrial leadership which cannot translate such a bulging economy into assured prosperity is destitute of capacity. Yet the Fortune Magazine, the voice of industry itself, indicts it for this very incapacity.

And all we hear in the public press are accusations, recriminations, distorted arguments, and dishonest propaganda—all designed to place blame for the situation rather than to aid in finding an immediate solution for this dangerous dilemma.

In the Congress of the United States, we witness a strange paradox—loud bellowing against the President and a sham battle against the recovery program, which any high-school student knows must be enacted. Yet we find no suggestion offered constituting a solution for our problem by these champions of the Constitution and democracy.

Alf Landon, the great leader of the opposition party, says we will go bankrupt if we feed these starving victims of American industry. But he says it is not too late to save the Nation; we can stop this debauch and pay the national debt if we are economical. Of course, we must be economical when we are feeding starving Americans. It is different when we go on a crusade to aid bleeding Belgium or the Royal Kingdom of Hejaz. But this wild, socialistic notion that we should render aid to helpless Americans is going to ruin the country, says Landon.

It is my opinion that our country is really menaced, not by the threat of national bankruptcy, but by a much more subtle and dangerous enemy—political pettifoggery, and domestic strife and turmoil. May we have an end of it. What we need now is mutual forbearance and cooperation among all the groups making up our American economy.

The whole country is a prey to cross-purposes, baseless criticism, dishonest propaganda, and reckless opposition. We are like storm-tossed passengers in a ship at sea; knocking up against each other, all vociferous with contradictory opinions and objecting to the seasoned judgment of the captain safely steering to port. Such a situation will get us nowhere and those who are furthering such confusion are the real enemies of a sound recovery program.

Renomination of Hon. James J. Davis

EXTENSION OF REMARKS
OF
HON. CHARLES L. McNARY
OF OREGON
IN THE SENATE OF THE UNITED STATES
Friday, May 27 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS BY HON. JAMES J. DAVIS, OF PENNSYLVANIA, TO HIS CONSTITUENTS, MAY 21, 1938

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by the distinguished senior Senator from Pennsylvania [Mr. DAVIS] over station WFIL, Philadelphia, on May 21, following his nomination in the Pennsylvania Republican primary on May 17 by a tremendous majority of more than 350,000 votes.

There being no objection, the address was ordered to be printed in the RECORD, as folows:

Words fail to express my appreciation to my friends and the Republican voters of Pennsylvania who have once again given me such splendid evidence of their loyal support and endorsement. I have been in public service too long to accept this personally. I know and those who have voted for me throughout the years know that we are bound together for the advancement of a great cause which lies close to our hearts. This is a cause which had enlisted the strength and leadership of thousands of patriots long before we were born. It is a cause which will go on to new victories and triumphs long after we are dead. It is the cause of individual liberty and united brotherhood. It is a cause too big to be compassed by any one name. But no matter how we may speak of it, we know that it reaches deep down into our hearts and it holds us loyal and firm throughout the years because it brings the better things of life not to ourselves alone but to all our neighbors, friends, and fellow citizens. I want all of you to know how deeply I feel every time the votes are counted, and once more I have tangible proof that the cause which has held first place in my heart still commands your heartfelt thought and devotion. It means more to me than I can say to know that we have been true together, that the road we started years ago is still the road before us leading to a better life for all, and that our determination to continue on that road will keep us faithful to the end.

I want all my fellow citizens in Pennsylvania to know that I interpret my renomination to the Senate as a token of their belief in the principles of social security and free enterprise which I have supported during the entire period of 17 years of public life. When I came to Washington in 1921 as Secretary of Labor I began to keep a record of all my letters and speeches.

I have them ready at hand in my office. I constantly refer to them. I keep reading over and studying the fundamental principles which constitute my public record all these years. I find that everything which I have said and done fits into a clearly defined pattern. I am proud of the consistency of that way of life these many years because it shows that I have been faithful to the cause which is at the heart of all of our activities. I find that the one great object of my attention in public life has been to develop the bonds of human unity—the ties that bind all of us together in one all-embracing human family. I have struggled to keep industrial management and labor leadership together. I have labored to help the farmers sell their products to those who live in cities and to help industrial workers get better wages to buy the food and clothes which come from agricultural production. I have sought to demonstrate in a definite and practical way that men coming from every land in the world, born on every level of social rank, and trained in different forms of religious culture may join themselves together in fraternity and brotherhood where they may speak a common language and find a united and common destiny. In a word, I have lived that I might learn with all of you, how deeply and how much we all belong together and how we must depend on one another. I have fought against the things which separate and divide us. I have fought for the things which strengthen and unite us.

At the present time our country is entering into the tenth year of the terrible fear which has oppressed this land. These years of fear and maladjustment have brought misery and grief to millions of our fellow countrymen. Indeed, I believe there is not a single family in this entire country which has not been touched in one way or another by this great depression. It is clear to me that the root of our trouble is not primarily economic or governmental. The root of our problem is fear. Industry is afraid of those in government. The government is unwilling to trust those in industry. Labor is afraid of both government and industry and in turn, they are fearful lest labor go off at a tangent. The farmer is afraid that he will not have price parity with the industrial market. The Nation is overwhelmed with fear. Men cry "peace, peace," but there is no peace.

However, there is an answer for this problem. I think it is not far from us. Although we have an epidemic of fear in the United States, we should realiz that we are comparatively safe and secure as compared with other lands. Would you exchange your lot in free America for the fear-infested areas of Europe or Asia? Indeed you would not. I certainly would rather live in this land, although our problems are great, than to live anywhere else in the world. If you examine into it you will find that fear is greatest in the world where government and social control is in the hands of just a few men. Centralized government and industry breeds fear. It is unnatural for society to rest on the tip of the pyramid rather than on its base. The fundamental decencies of life are best preserved in representative government—a government which belongs to all the people. The surest way to overcome fear in America is to restore the Government to the people. For this reason I am making the principle of home rule the fundamental basis of my campaign for reelection to the Senate in November. Home rule means that each community and each government unit shall have its full measure of social authority. Home rule means that the power of government which the people vest in the Federal Government shall not be exclusively retained by the Government at Washington but shall be returned to the States, and that the States in turn shall redistribute governmental power and authority to local communities. This is the essence of representative government; it is true republicanism.

It must now be clear to everyone that the same fear which threatens the peace of the world in Asia and Europe because of centralized government in the hands of a few men drunk with power is threatening American peace and security. In order to overcome fear in America we must restore industrial and political power to the people. I am confident that when we begin to do this confidence and faith will return to our people, and any step taken in that direction will give the American people the courage they need to move forward. For this reason I believe that May 17, 1938, will go down in American history as a red-letter day, the beginning of restored courage and faith in American principles of industry and government. Let us go forward in our battle against fear and centralized government.

The Joint Congressional Committee for the Investigation of the T. V. A., of which I am a member, has begun its work. For me this will mean that I shall be busily engaged this summer in this most important problem. The T. V. A. committee has unanimously agreed that Mr. Arthur Morgan, former chairman of the T. V. A. before he was summarily dismissed by the President, shall be permitted access to the files and records of the T. V. A. along with his former associates, Mr. Harcourt Morgan and Mr. David Lilienthal. This is a just action. I wish to make clear that insofar as I am concerned, I expect to approach this problem in a way that will be fair to all and as a representative of the people as a whole. The question of an adequate yardstick for electric rates is of importance to every man, woman, and child in this country. Over 1,800 municipally owned utility companies are concerned as well as 61,000 privately owned companies serving over 50,000 communities. The investments in these companies are held by millions of American citizens and it is obvious that the question at issue is not primarily of the corporate control of just a few persons. I regard this investigation as basically important to an understanding of the whole trend of governmental and industrial procedure in recent years. I believe the American people should be kept well informed of the work of the committee because the issues involved are vital to all the people.

The basic problem before our people today is the restoration of the spirit of confidence and good will which alone will give a basis for reemployment. We must approach this problem in a nonpartisan spirit. I believe the people are justified in their rebellion against any public servant who seeks to put his own personal interests or political power above the public welfare. With economic and social legislation on our statute books which touches the very heart of the economic structure of the Nation, we cannot afford to have in positions of authority those who forget the needs of the people. Free enterprise must be encouraged, restrictive taxation must be curtailed, civil service must be restored, and the principles of social legislation brought into conformity with economic realities of the present day. In our efforts to improve government and industry we must be willing to move forward in a gradual and patient way. Let us walk before we try to run. Let us look before we leap. Let us be faithful in a few things if we expect to be entrusted with the administration of the many. We have tried to do too much in a hurry in recent years. The Government has become so vast as to become unbalanced and beyond control. Government must never be permitted to think that it exists for its own sake. Government is good only so long as it operates for the benefit of the people as a whole. When it fails to respond to the popular will and seeks to perpetuate its power for the benefit of the selfish few, it must be brought to account and made to answer at the polls to the people for its stewardship. We must all unite in this task during the coming months if fear is to be dispelled and confidence and good will restored throughout the Nation.

Our Inland Seas

EXTENSION OF REMARKS
OF
HON. ROBERT J. BULKLEY
OF OHIO
IN THE SENATE OF THE UNITED STATES

Friday, May 27 (legislative day of Wednesday, April 20), 1938

ADDRESS BY THAD H. BROWN, MEMBER FEDERAL COMMUNICATIONS COMMISSION

Mr. BULKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered on April 21, 1938, by Thad H. Brown, member of the Federal Communications Commission, on the subject of Our Inland Seas.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

One hundred and fifty years ago this month there occurred at Marietta, Ohio, the first orderly settlement under what is known as the Northwest Ordinance, and a new page in American history was numbered—a page that has since been filled with a crowded record of events that are as glamorous, as dramatic and as progressive in their continuity as is any era in the great forward march of our western civilization. Tonight we celebrate that 150-year period of advancement in the arts and sciences, of the broadening aspects of trade and commerce, of enlightened government, of expanded accomplishments in living and the pursuit of happiness.

And in particular we celebrate the anniversary of the sweeping historical events on the banks of the Ohio, at Marietta, which were an overture to the beginnings of a great commerce upon the Great Lakes, our vast inland seas, the life line of our domestic trade, a chain of waterways unique in world transportation.

How long these Lakes of unquestioned greatness have existed no one knows. There being pre-dates recorded history, and one can only assume, with the scientists, that they had their birth in some cataclysmic ice-age adventure, when giant glaciers carved them from the virgin rock. More than 95,000 square miles of earth were displaced to create these inland seas, and we, who know how much they have contributed to the development and progress of a great continent, appreciate that nature did a grand job.

When human life came to exist along their shores—in Ohio, in Michigan, in New York, in Wisconsin—we can only guess. Warlike aborigines have left their bones and remnants of their transient civilizations in caves and mounds. Excavators have uncovered whole tiers of ancient cultures, one on top the other, providing evidence that artistry and conflict marked the first cycle of life that centered around these lakes. Recorded history gives ample proof that repeated Indian warfare made of the Great Lakes country a bloody ground, with battle-axes and flaming torches the vanguards of the conquerors, the exterminators of the defeated.

When the first white explorers entered what came to be known on the eastern seaboard as the Ohio country, vast fleets of Indian canoes were plying the waters of all of the Great Lakes. The curiously shaped chain of inland seas had already undergone a baptism of maritime battle fire and the Indians, when not fighting or raiding the enemy's territory, were using the lakes as lanes of commerce. Fleets of canoes would frequently carry war and trade across Lake Erie, up the Detroit River, through Lake St. Clair, Lake Huron, the Straits of Mackinac and down to the foot of Lake Michigan.

Even then, myths, legends, tall tales enveloped the Great Lakes. The Indians, in primitive awe and wonder, viewed the waterways as unexplained miracles of nature. French missionaries, pushing through the wilderness, shared this primitive amazement; many of them believed they had reached the Indian Ocean, of which Europeans vaguely talked. Joliet and Marquette, LaSalle, Count Frontenac, and the calm, sturdy Jesuit fathers sought to stem indiscriminate Indian slaughter and fringe the Lakes with French trading posts and chapels. History records the exploits of LaSalle, his famous voyage in the *Griffin*—a reckless, audacious adventure in an uncharted country of mystery and danger, which was a prelude to a steady influx of French pioneers. Soon the English were on the scene. The red men, pushed farther west, tossed the torches of war to the invaders and French-English conflict raged until Montreal fell in 1760 and the French flag disappeared from the Lakes. England inaugurated the era of warships on the inland seas. On the eve of the Revolutionary War, the Great Lakes were being patrolled by armed boats flying the English flag.

Between the coming of the French and the English, the second and third American generations of coastal settlers had started a westward trek. Flatboats, canoes, pirogues were moving down the Ohio River in a steady stream. Free land, natural resources, visions of great wealth, and a native wanderlust were the beacons that lured the pioneers even in the face of Indian terrorism and British guns.

One pageant of historical significance, with war as its central theme, was coming to an end and another dynamic drama was beginning to unfold. In 1783 the Treaty of Paris ended the Revolutionary War and all the land east of the Mississippi River was handed over to the United States. Here was the beginning of greatness, the beginning of a country that has moved in its democratic course to become the greatest on earth.

When Gen. Rufus Putnam headed the little flotilla, consisting of a galley, the *Mayflower;* a flatboat, the *Adelphia;* and three canoes, down the Ohio River on April 1, 1788, he little realized the importance of his undertaking. He arrived at Marietta, where, on September 2 that same year, Governor St. Clair inaugurated the reign of law in Ohio by opening the first court ever held on Ohio territory. History such as this is both drama and poetry. It has sweep and dynamics, it has power and epic grandeur, it is alive with a flaming spirit and touched with a religious fervor. It is "a poem written by Time upon the memory of man."

Here, at long last, the rich lands of the Northwest Territory, Ohio, Indiana, Michigan, Illinois, even the great meadows of "Kaintuck," were thrown open to colonization. The theater of warfare that had seen the exploits of George Washington and George Rogers Clark open up this Great Lakes country was immediately replaced by the theater of commerce and industry. The Marietta settlement opened up the new lands to new pioneers, and settlements sprang to life overnight. Chimneys and fireplaces ruled out Indian campfires, villages became towns, and commerce flowed freely.

A dark interregnum, the War of 1812, ended with the victory of the American naval forces, under Commodore Oliver Hazard Perry, on Lake Erie, a triumph which followed an almost unbroken chain of disasters for the American land forces in the Lakes region. But immediately thereafter a broader, more expansive, more progressive history of Great Lakes trade and commerce began. Fed by the Erie Canal, which opened in 1825, the growth of commerce was spectacular. Freight and passenger traffic boomed. In 1836 there were 90 steamboat arrivals at Detroit. Then came the discovery of rich mineral deposits in the bordering States, and prospectors poured into the Great Lakes country in an army. Iron ore made the Great Lakes the greatest inland fresh waterways in the world, the American Mediterranean. The comparison is much more than a musical expression. Like the great Latin sea bordering southern Europe, the Great Lakes is a meeting place, the market place, the crossroads of America. Like the Mediterranean of the past, the Lakes in the present have created a culture of their own, a civilization that is strong and good, a trade and industrial life in America that is the bulwark of the country's greatness.

Thomas Carlyle said that "Transportation is civilization," but it is no less true that communication plays an equally important role in world progress. The science of electrical communication has played a startling part in the growth of commerce on our inland seas, just as it has on the high seas. Steamship disasters on the Great Lakes from 1899 to 1931 total approximately 560 ships, with a total loss of 1,136 lives. As late as 1936 there were 54 lives lost as a result of lake disasters, with a total loss of 13,638 gross tons for the 12 vessels involved. The battle for marine safety has not yet been won. It is a battle which the Governments of the United States and Canada have pledged themselves to carry to victory.

In 1909 Great Britain and the United States signed the "boundary waters treaty," whereby the waters between the United States and Canada were guaranteed free and open to the inhabitants of both countries on equal terms. Neither country has found it necessary for over 100 years to organize any defenses on the boundary or maintain ships of war on the Great Lakes. Each year commerce has grown; each year iron ore, coal, grain, and limestone shipments have increased. In 1936, shipments of these four major commodities totaled 114,414,748 net tons and the past year has witnessed an all-time record bulk-freight tonnage carried by lakes vessels. This chain of inland seas is a water highway through which passes the products of American farms, mines, forests, and factories, all moving to eastern markets. Freighters built to carry on the iron-ore, coal, and grain trade, together with accompanying elevators and mechanical devices for swift movement of traffic, represent the greatest development in cargo handling ever known. The ebb and flow of Great Lakes traffic eclipses in conflict and thrills the most absorbing play ever photographed or enacted within the three walls of a stage. Poignant, colorful, teeming with human interest, suffering, and comedy, the drama is colossal in size, immeasurable in its relationship to American security and humanity. It is the cynosure of the eyes of the world, a drama of industrial activity, magical in its operations and earth encircling in its effects and influences.

Another such drama is about to be inaugurated on these inland seas. Through the forces of science and invention, the Great Lakes, holding in perpetual inheritance for the American people one-half of the fresh water of the globe, are being made the subject of a special study by the Federal Communications Commission at

Washington, D. C. The study is being undertaken so that an international agreement may be reached between the United States and Canada to provide for uniform radio requirements for the protection of life and property upon the Great Lakes.

No less romantic than the glamorous historical past of these inland seas, this special study has as its goal the very motives for which men have always fought hardest—the guarding of life, the safety of property. The study was authorized by an act passed by the Seventy-fifth Congress, approved on May 20, 1937, calling for a survey of the radio requirements necessary or desirable for ships navigating the Great Lakes and inland waters of the United States.

This legislation was enacted for the purpose of promoting the safety of life and property at sea through the use of wire and radio communications. Back of this desire is the far-flung effort to make more effective the International Convention for the Safety of Life at Sea, adopted at London in 1929, to provide for the compulsory fitting of merchant ships with radio apparatus, and the maintenance of radio watches.

The Federal Communications Commission is directed to make a report to Congress not later than December 31, 1939, setting forth in detail its legislative recommendations, together with the reasons therefor. Its research work is designed to supply factual information necessary to support its recommendations, and in the assembling of this record the whole panorama of passenger and freight traffic on the Great Lakes unfolds as the study is pursued.

The Senate committee that reported upon this act expressed a hope and expectation that the State Department would in the very near future reach an agreement with the Canadian Government for the installation of radio and its use to the fullest extent as a safety feature for shipping on the Great Lakes, so that the vessels of both countries could be placed on a basis guaranteeing reciprocal assistance in hours of distress.

Marine tragedies strike at an unexpected hour. The terror that accompanies them is so quick to translate itself into general panic that we should bend every effort to provide the maximum of assurance and relief when disaster falls. Radio is playing a vital role in speeding communication to lessen the pressure that such unseen, unexpected accidents and misfortunes bring hourly and daily. Electrical communication offers the best possible medium through which the safety service of the Great Lakes can be built. When life and property are endangered, no other medium is as fast, as fluent, or as stable. That is why, when this Great Lakes survey is completed, the Congress will be prepared to meet the demands which this kaleidoscopic modern world makes upon radio.

Ohioans tonight may well be proud of the role which our great State has played in the development of the Great Lakes country. From Ohio, the State and the river, the lines of progress branched out like the spokes of a giant wheel, from which sprang culture, art, industry, and happiness. From these pursuits came new devices to enhance and insure a finer scheme of living and a greater America. Ours is a triumph of achievement which centered in Ohio and the commemoration of this night is significant beyond any word or phrase.

Yet, as we thrill to a recital of the accomplishments of the past, its bitter hardships and its stirring struggles, let us look to the future, for here before us lies an era of greatness—an era wherein communication will develop its own unique epoch of service and usefulness to mankind, writing a new history for the Great Lakes, our industrial life line, our treasured inland seas.

Development and Regulation of Civil Aeronautics

EXTENSION OF REMARKS

OF

HON. PAT McCARRAN

OF NEVADA

IN THE SENATE OF THE UNITED STATES

Friday, May 27 (legislative day of Wednesday, April 20), 1938

EDITORIAL FROM THE CHICAGO HERALD EXAMINER OF MAY 24, 1938

Mr. McCARRAN. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled, "Wise Encouragement for Aviation Expected," which was published in the Chicago Herald Examiner of May 24, 1938.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Chicago Herald and Examiner, May 24, 1938]

WISE ENCOURAGEMENT FOR AVIATION EXPECTED

Two highly important bills, identical in purpose but not in all their provisions, have been passed by the Senate and the House of Representatives, establishing a civil aeronautics authority, for the better administration of the aviation industry of the United States.

The proposed legislation creates for aviation what the Interstate Commerce Commission has been for the railroads.

It would bring the aviation industry, now subject to the regulations of three separate governmental bodies, under the direction of a single authority.

It may be doubted if any law passed by the present Congress has been of deeper significance than the one which has now entered upon the final stage of enactment.

It has been brought out in debate that $120,000,000 has been invested in American aviation, of which $60,000,000 has been wiped out.

Problems of financing must be met as aviation, which has only now come of age, goes forward with giant strides into the full maturity of the years ahead.

An enormous expansion of air travel in the commercial, as well as in the military field is already opening to view.

When the Senate and House conferees come together this week to compose the differences between the two measures, the obligation rests upon them to approve the best provisions in each bill.

There is a wide opportunity for compromise which will give to this great industry of the future every opportunity for development.

The Senate bill provides for an authority of five members, not more than three of whom may be from the same political party, to receive a compensation of $12,000 a year.

The House bill makes the same commendable effort to preserve the nonpolitical character of the authority, but provides for a commission of three members, at $10,000 a year, and for an administrator, at $10,000, to handle the purely executive functions of the authority.

The greatest difference between the two measures lies in the fact that the House bill provides that members of the authority, who are to be appointed by the President, may be removed by the President only for "inefficiency, neglect of duty, or malfeasance in office."

This language and the creation of an administrator for supervision of the executive functions, was designed by the House to bring the President's power of removal within the limitations laid down by the Supreme Court in the Humphrey case.

Unfortunately, a similar restriction upon the Presidential power of removal, as contained in the original Senate bill, was stricken from it by an administration amendment.

The conferees on the part of the Senate should agree to the House provision on this highly vital point, and the House conferees should by no means yield on this issue.

It is essential that the unrestricted independence of the new aeronautics authority be preserved against any possible Executive or political encroachment now or in the future.

The task which awaits the proposed authority will be an arduous one.

The Senate's proposal of a commission of five, at $12,000 a year, is preferable to the smaller and less adequately paid commission as set up by the House bill. There will be plenty of work for five men, and the larger salary is thoroughly justified.

It is to be hoped that Senator McCARRAN, of Nevada, who has given 5 years to the study of the problems of aviation, will be named as one of the conferees on the part of the Senate. He has a real enthusiasm for the subject, and a sound appreciation of it.

The conferees owe it to the country, as well as to the industry, to give aviation every wise encouragement.

The Federal Housing Administration

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Friday, May 27 (legislative day of Wednesday, April 20), 1938

ADDRESS BY STEWART McDONALD, OF THE FEDERAL HOUSING ADMINISTRATION

Mr. BARKLEY. Mr. President, I ask unanimous consent that a speech on the subject of the Federal Housing Administration, delivered by Stewart McDonald, Federal Housing Administrator, before the National Association of Mutual Savings Banks, in New York City, on May 6, 1938, be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the Appendix, as follows:

I wish very much that it might be possible for me to talk with each and every one of you away from this atmosphere of a public rostrum—because I definitely want to thoroughly explain the law governing the Federal Housing Administration.

Actually the National Housing Act is not law at all in an arbitrary sense. It does not say you must do this or cannot do that, and furthermore, there is no compulsion about it. Neither are there any penalties attached to it. Rather it is a statement of principle—and in that respect is perhaps more truly democratic than any other law passed by our Congress since the Bill of Rights. It simply says to mortgage lenders, if you will operate along certain lines, which we believe to be in the public interest, the United States Government will back your operations to the best of its ability.

The title of the act states its fundamental purpose as "to improve housing standards and conditions" and in the body of the law itself the Administrator is admonished to grant insurance only if he finds the project submitted to be economically sound.

The responsibility placed upon the Administrator is very great, therefore, and weak or unintelligent policies—looking toward volume rather than quality—could only result in driving away from our offices the sound mortgage lenders of the country, and destroy the cooperative principle upon which the entire system operates.

So there would be no point in my telling you that the F. H. A. mortgage-insurance system is sound, for labeling it as sound does not make it so. But the fact that mortgages are submitted to us in the first place by the conservative financial institutions of the country should be a check in the future against undermining the firm foundations which we have laid, as well as a positive force in continually building and strengthening the entire structure.

As a matter of fact, the existence of the F. H. A. is due in a very large part to the direction given it in the early days by one of your own membership, for it was Charles L. Miller who voluntarily took upon his kindly shoulders the burden of guiding us through a wilderness of ideas and selfish interests. And our faith in his wide experience and wise counsel has always been such as to make us feel that only if we disregard his advice and that of others like him—could we get very far off the reservation.

As I say, his contribution to the F. H. A. program has been invaluable—if in no other way than in developing our early concepts along sound practical lines. Our 3½ years' record bears this out. During that short time we have insured 230,000 mortgages, amounting to $930,000,000. We have selected for appraisal out of countless thousands of applications 400,000 mortgages for $1,660,000,000, and of that number have accepted for insurance 300,000 mortgages for $1,200,000,000. In other words, about 22 percent, for various reasons, either have not or could not materialize as mortgages worthy of Government insurance, which may perhaps partially account for our low loss ratio to date of one one-thousandth of 1 percent.

On the basis of those figures, a review of the principles which guided us in our insurance may not be out of order.

In many ways the system is unique in that it seeks to encourage what is considered good practice rather than attempting to forbid what is now generally accepted as bad practice. Its success depends entirely upon the voluntary cooperation by established lenders, and that cooperation comes through enlightened self-interest. Under it the creation of an intelligent and unified home-mortgage market in the United States is encouraged, a system to replace the previous disorganization which in 1933 faced countless home owners with loss of their shelters to no profit or benefit of any group or class. First of all, the system recognizes the basic characteristics of a home-mortgage debt, for it is plain that the mass of home owners must be expected to pay for their homes out of income. For them, this means monthly contributions over a period of years conservatively within their expected earning span. To place a mortgage on any other basis is to make it on terms which can be met in relatively few cases and which, when enforced, may only make a bad obligation out of what otherwise might have been a perfectly sound loan.

To remove mortgage debts from the jeopardy of refinancing in the general money market and to prevent recurrence of wholesale liquidations due to refinancing difficulties, the long-term monthly amortized mortgage has been made an integral part of the insured mortgage system.

As a further protection to the real-estate and mortgage market, a mutual mortgage insurance plan, self-supporting in character, has been instituted. This plan not only offers an inducement to lenders to make loans on proper terms and conditions through the additional safety which such insurance gives them, but it provides a system designed to make unnecessary another H. O. L. C. should general loss of earning power or other factors ever again bring about sudden and extensive liquidation in the mortgage market. This is effected through creation of a mechanism by which foreclosed properties can be kept off the market during times when such a procedure seems wise in the interest of orderly liquidation.

In these two principles, (1) proper terms and conditions for mortgage debts to protect the mortgage market from refinancing difficulties and (2) protection against sudden and disastrous liquidation from other causes, lie the fundamental objectives of the long-range mortgage program which the insured-mortgage system envisions. And remember, it is a whole market we are dealing with and that the success of the practices we institute will depend not only upon you individually, but upon their widespread adoption by all the leaders of mortgage funds in the country.

The cost of mortgage credit is unquestionably a legitimate part of the cost of shelter and home ownership and much of that too-high cost in previous days resulted from second and third mortgages. These secondary-risk positions called for extremely high rates. Such rates seriously impinged on the owner's ability to pay and thereby jeopardized both primary and secondary obligations.

On a theory that mortgage lending was really a process of buying houses on a deferred basis, low-ratio first mortgages and expensive secondary liens were perhaps justified from the lender's point of view. But on the thesis that a lender is one who lends and not one who bets that the home owner cannot meet his payments, it is apparent that a single mortgage based on the borrower's ability to pay and limited only by the value of the collateral is a sounder system. It was not the ratio of debt to value which caused the lending losses of 1932, but the idea that a borrower could in a short interval of time amass enough cash to pay primary and secondary obligations in full for, in the last analysis, the old 3- and 5-year mortgage was to the average home buyer nothing more nor less than a demand note.

The intelligent shift in viewpoint in mortgage lending from a theory that the borrower will not pay to a theory that he will and can pay, if it is within his reasonable ability to do so, makes high-cost secondary financing seem not only unnecessary but a positive danger to the soundness of the entire transaction.

On the inherent soundness of the single steadily amortized mortgage as opposed to a system of primary and secondary obligations there can be no argument, either from the standpoint of the borrower or the lender.

There is, of course, room for perfectly legitimate differences of opinion as to what a single mortgage system should encompass in regard to loan-to-value ratios; in other words, the percentage of equity the borrower should have in the property. It would be highly desirable, of course, if the prospective home purchaser's equity was such as to necessitate only a 25-percent mortgage loan—or even better if he paid all cash for his property. But this subject is one for realism and not for theory. Every effort can be made to encourage the purchaser to make as large a down payment as possible (for he is obviously his own best creditor) but we must likewise recognize that we are dealing with a national mortgage market and not just a series of isolated transactions. We believe a single amortized mortgage for 80, and in some cases 90 percent of the appraised value of the property is better under the safeguards in the method by which we select each risk than high-cost multiple liens totaling the same amount.

Now let us look into just what those definite safeguards are. First of all, the borrower's ability to pay makes the solid foundation of the proposition.

Then the risks involved in each transaction are studied and rated by five distinct and different men from five separate viewpoints. A preliminary examiner makes a careful examination to determine if a case really warrants appraisal. A trained architect then analyzes the case to be certain of compliance with our minimum construction requirements. Next another man, a valuator, examines the security from all economic angles, rental value, location and special characteristics of the neighborhood, and the marketability of the property. During this same time, a mortgage risk examiner investigates the relationship between the borrower's income and the contemplated mortgage debt. Now the reports of all these men are brought together and reviewed by the chief underwriter, whose duty it is to measure the over-all degree of risk—or, if you prefer, the over-all degree of relative safety which characterizes the mortgage.

Each one of these five steps I have enumerated have influence far out and beyond the bounds of the individual transaction involved, influences that eventually should lend a stability to the entire real-estate market. Their accumulative effect upon construction standards, upon property and neighborhood values, their protection against neighborhood deterioration cannot help but eventually create stable real estate market conditions which in turn will result in a more stable home-mortgage financing market. In other words, the system should in the end provide a safety factor to mortgage lending against forces and practices in the real-estate field over which, heretofore, it has had no control.

Such is the system as it applies to small home ownership. But no program can be effective unless it is also comprehensive. For many reasons, it is apparent that a great mass of our population must perforce be renters, either through their own choice or because of conditions beyond their control. As a matter of fact, it is estimated that perhaps one-half of our entire urban population will always remain renters. It is therefore obvious that capital must find some safe means of supplying the needs of this large segment of the real-estate market.

Here again the F. H. A. is directed by Congress to improve housing conditions and standards but is admonished that the property securing the mortgage must be economically sound if it is to be insured.

This brings up a different set of circumstances—size, location, availability of tracts of land large enough to offer groups of tenants the best possible substitute for home ownership at rents they can afford to pay.

This means companies strong enough financially to build on a large scale the types of properties that will have a continuing appeal to renters. It means not only capable and able company, as well as project, management, but also means careful maintenance of property, adequate reserves, as well as a fixed dividend to the sponsors.

Of particular interest also to those who finance the construction and advance the mortgage money, is the amortizing mortgage,

providing a steady return of the principal and regular interest payments. These mortgages on rental projects are generally in pretty sizable amounts, having a permitted maximum of $5,000,000, although most do not run nearly that high. Up to April 30 we had completed and in operation 18 such projects in various parts of the country capitalized at a little less than $19,000,000 on which we had insured mortgages amounting to something over $14,000,000. Twenty more are under construction capitalized at over $16,000,000, on which mortgages have been insured for over $12,000,000, making a total of 38 projects on which we have insured mortgages amounting to over $27,000,000. All told these projects will house about 7,500 families. In addition, financing has been arranged on 22 more, but construction on these has not yet started.

It has taken us a longer time to get this large-scale rental program under way than the individual small homes. The large projects are naturally longer in construction and entail careful, long, and painstaking study in setting the construction and financial pattern in the first place. But those that are in operation are very impressive indeed. Three are under construction at this moment in the New York area and I suggest that if you have time you go out to look at them. Two are in Scarsdale and one in Jackson Heights.

Before closing, I think I should say just a word about national mortgage associations. As you know, the amendments of last February changed the original act somewhat in this respect. National mortgage associations may now be capitalized at $2,000,000, and are authorized to issue 20 times that amount in bonds or other obligations. These debentures are free from normal taxation and must be based upon F. H. A. mortgages. Thus they are for all practical purposes a Government-guaranteed instrument and will command as favorable a market and interest rate as similar tax-exempt governmental securities, such as those of the Federal Home Loan Bank Board, the Federal land banks, and other similar issues.

The first national mortgage association has already been chartered in Washington with funds supplied by the R. F. C. and is now doing business. If you wish to avail yourselves of the facilities of this institution, I would suggest that you communicate directly with the Federal National Mortgage Association, addressing it in care of the F. H. A. officer or the R. F. C. Even though you may not be interested in these facilities at the moment, I can assure you that any effort made to acquaint yourselves with its possibilities may some day prove valuable. After a pattern is set and as other strong groups present themselves, more of these associations should be chartered throughout the country.

And right here let me say that these associations present one of the best reasons for always keeping our operations along as sound lines as we can make them, for, obviously, no mortgage association can be a profitable venture unless our insurance is applied only on a sound basis in the first place.

I have tried to mention only the high spots of F. H. A. operations. It is apparent that what we have learned and are still learning each day in this complicated field cannot be told in 15 minutes. But I hope that this brief sketch will be sufficient to permit you to feel that we will not break faith with you on any sound proposition you may care to bring us.

We have a tremendous responsibility upon us. But we cannot operate alone. It is highly significant that the method of procedure set forth in the National Housing Act is one of voluntary cooperation and not legal regulations. A system of cooperative action by mortgage lending institutions is created, but at no point in the program is cooperation forced. And as far as the mutual savings banks are concerned, since they are under State supervision, you do not even have to submit to examination by this Administration.

You are among the largest lenders of mortgage funds in this country, and for that reason I know that you are keenly interested in the progress we are making and in the growing importance of F. H. A. operations.

Bureau of Fine Arts

EXTENSION OF REMARKS
OF
HON. WILLIAM I. SIROVICH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, May 27, 1938

LETTERS REGARDING HOUSE JOINT RESOLUTION 671, CREATING A BUREAU OF FINE ARTS

Mr. SIROVICH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herewith three letters which I received during the past week from William Green, president of the American Federation of Labor; John L. Lewis, chairman of the Committee for Industrial Organization; and Eli L. Oliver, executive vice president of Labor's Nonpartisan League. These letters are with regard to House Joint Resolution 671, which was unanimously reported to the House of Representatives by the Committee on Patents on May 25, 1938.

House Joint Resolution 671 creates a bureau of fine arts in the Department of the Interior for the promotion of art and literature through the use of copyrighted and copyrightable material and to define the powers and duties of said Bureau and for other purposes. There is a deep national need for a bureau of fine arts. Although the United States has produced its own forms of life, it may nevertheless profit from the experience of older nations and their governments. The government of every other civilized country, in addition to taking care of its many material tasks and interests, also has a definite and organized relationship to matters of the spirit, believing that the aspirations, ideals, and traditions of the Nation are at least as much the concern of government as of society. Though the arts, like all matters of the spirit are international, they yet have a national aspect, expressing themselves in national forms. To cultivate and develop these forms should be of some concern to the National Government. America has come of age culturally and American culture must be protected by our National Government in some form. This protection can express itself best in the establishment of a bureau of fine arts whose business it shall be to foster, encourage, and develop the creative artistic forces of our Nation. Such a bureau will fill an existing gap in American life and will be productive of results from which American arts as well as the American Nation will profit. The establishment of this bureau will not complicate our governmental machinery and will, at the same time, add color and sound to our national life.

House Joint Resolution 671 has been endorsed by most of the major dramatic, art, literary, and musical organizations of the country, including Actors Equity Association, Associated Actors and Artists of America, American Society of Composers, Authors, and Publishers, American Federation of Musicians, Federated Music Clubs of America, United Scenic Artists, League of American Writers, American Artists' Congress, and United American Artists.

Among the nationally prominent artists and executives who have spoken in favor of the bill at the hearings conducted before the Committee on Patents, or elsewhere, have been Theodore Dreiser, Hallie Flannagan, Orson Welles, Lawrence Tibbett, Gutzon Borglum, Rockwell Kent, Frank Gillmore, Burgess Meredith, Rosa Ponselle, Lillian Gish, Blanche Yurka, Anthony J. Atchison, Lawrence Langner, Brock Pemberton, Stuart Davis, Roy Harris, Waldo Pierce, Gene Buck, Mrs. Edgar Stillman-Kelley, and Emile Gavreau.

The three letters follow:

MAY 24, 1938.

Hon. WILLIAM I. SIROVICH,
Chairman, Committee on Patents, Room 1015,
New House Office Building, Washington, D. C.

DEAR REPRESENTATIVE SIROVICH: Having read and studied House Joint Resolution 671, which provides for the creation of a bureau of fine arts in the Department of the Interior, that would be instrumental in providing for the theater and its allied arts, music and its allied arts, literature and its allied arts, the plastic and graphic arts and their allied arts, and the dance and its allied arts, I can assure you that it has the enthusiastic support of the American Federation of Labor.

It is heartily supported by the organized actors, musicians, writers, and other organizations of labor who believe that the development in our country of cultural institutions is an important part of the life of our people now and in the future. Institutions for the advancement of culture and civilization in art are found in nearly every civilized nation in the world, and the United States should not be backward in creating such a bureau.

I am sure that the purpose of the resolution will appeal to the Members of the House of Representatives and the United States Senate.

Sincerely yours,

WM. GREEN,
President, American Federation of Labor.

MAY 24, 1938.

Hon. WILLIAM I. SIROVICH,
Chairman, Committee on Patents,
House of Representatives, House Office Building,
Washington, D. C.

DEAR MR. SIROVICH: I want to express the support of the Committee for Industrial Organization for the proposal to create a permanent bureau of fine arts.

We believe that legislation of this type which will assure to the American people the full development of all of the fine arts, with the opportunity for the masses of the American people to share in their creation and appreciation, deserves full support.

Sincerely yours,

JOHN L. LEWIS.

MAY 19, 1938.

Hon. WILLIAM I. SIROVICH,
Chairman, Committee on Patents,
House of Representatives, Washington, D. C.

MY DEAR DR. SIROVICH: I have made a study of the provisions of House Joint Resolution 671, the joint resolution to create a bureau of fine arts in the Department of the Interior, especially with reference to its labor aspects.

I am very glad, indeed, to be able to say that Labor's Non-Partisan League endorses this legislation and hopes that it will be reported out favorably from the Committee on Patents at the earliest possible moment.

This measure fills a great national need, one which is too greatly neglected in the tremendous pressure of our serious economic problems. It is the sort of need, however, which cannot safely be ignored. Not only labor but also every other element in the community will benefit greatly if this legislation can be enacted.

Sincerely yours,

E. L. OLIVER,
Executive Vice President,
Labor's Non-Partisan League.

Supplement on Import Duties

EXTENSION OF REMARKS
OF
HON. DUDLEY A. WHITE
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 26, 1938

ADDITIONAL CHANGES IN IMPORT DUTIES SUPPLEMENTING THOSE LISTED ON PAGE 2105 OF THE APPENDIX OF THE CONGRESSIONAL RECORD

Mr. WHITE of Ohio. Mr. Speaker, on page 2105 of the Appendix of the CONGRESSIONAL RECORD I listed various changes in import duties for agricultural products since the passage of the Tariff Act of 1930. The following information should be added to that earlier list:

On cattle weighing 700 pounds or more each, and imported specially for dairy purposes, the tariff has been reduced from 3 cents to 1½ cents per pound. This was effective January 1, 1936, and was included in the Canadian trade agreement.

The duty on honey from Cuba was reduced from $0.024 per pound to $0.012 per pound, Cuban trade agreement, effective September 3, 1934.

The tariff on pearl barley was reduced from 2 cents per pound to 1 cent per pound, Netherland agreement, February 1, 1936.

The tariff on broken rice, which will pass readily through a metal sieve perforated with round holes five and one-half sixty-fourths of 1 inch in diameter, was reduced from five-eighths cent per pound to five-sixteenths cent per pound, effective February 1, 1936, in the Netherland agreement.

The tariff on cereal breakfast foods was reduced from 20 percent ad valorem to 15 percent ad valorem in the Canadian trade agreement, effective January 1, 1936.

The duty on pineapples in crates from Cuba was reduced from 40 cents per crate to 20 cents per crate. Pineapples in bulk from Cuba were reduced from $0.009½ each to $0.005 each in Cuban trade agreement, effective September 3, 1934.

The duty on pineapples in crates from other than Cuba was reduced from 50 cents per crate to 35 cents per crate, Haitian agreement, effective June 3, 1935.

The tariff on pineapples in bulk from countries other than Cuba was reduced from 1⅛ cents each to $0.009 each, Haitian agreement, effective June 3, 1935.

The duty on grass seeds and other forage-crop seeds was reduced as follows: Alfalfa, 8 cents per pound to 4 cents per pound; alsike clover, 8 cents per pound to 4 cents per pound; sweetclover, 4 cents per pound to 2 cents per pound; timothy, 2 cents per pound to 1 cent per pound; bluegrass, 5 cents per pound to 2½ cents per pound; red clover, 8 cents per pound to 5 cents per pound; Canadian and French trade agreements.

The duty on other garden and field seeds was reduced as follows: Beet, 4 cents per pound to 3 cents per pound; cabbage, 12 cents per pound to 6 cents per pound; carrot, 4 cents per pound to 3 cents per pound; radish, 6 cents per pound to 3 cents per pound; spinach, 1 cent per pound to one-half cent per pound; turnip, 5 cents per pound to 4 cents per pound; rutabaga, 5 cents per pound to 4 cents per pound; flower, 6 cents per pound to 3 cents per pound; Netherland trade agreement, effective February 1, 1936.

The duty on lima beans, unripe, was reduced from $0.028 per pound from Cuba to $0.014 per pound from Cuba, in the Cuban trade agreement, effective September 3, 1934.

The duty on cabbage was reduced from 2 cents per pound to 1½ cents per pound in the Netherland trade agreement, effective January 1, 1936.

The duty on horses imported into this country was reduced from $30 to $20 per head.

Secretary Wallace Upheld

EXTENSION OF REMARKS
OF
HON. FRANK E. HOOK
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, May 27, 1938

LETTER TO THE EDITOR OF THE NEW YORK TIMES

Mr. HOOK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter from the Chief of the Bureau of Animal Industry to the New York Times:

SECRETARY WALLACE UPHELD—BUREAU CHIEF REVIEWS THE KANSAS CITY STOCKYARDS CASE

TO THE EDITOR OF THE NEW YORK TIMES:

Since the letter of Frederick H. Wood, published in the columns of the Times of May 15, commenting on Secretary Wallace's letter of a week earlier may leave some confusion as to certain points, I wish to clear these up.

Mr. Wood still echoes the assertion of the Court that Secretary Wallace had accepted as his own the "findings of the 'active prosecutors for the Government.'" But the record clearly shows that the findings were the Secretary's own, arrived at after looking over the statistical exhibits and transcript of oral argument and after conferring with the experts in the Bureau of Animal Industry who had summarized the evidence.

As Secretary Wallace has already pointed out, the Bureau of Animal Industry handles only administrative and investigational work in connection with the Packers and Stockyards Act, while the Solicitor's office handles legal work. Therefore, in conferring with the Bureau's experts he was not, as both the Court and Mr. Wood have assumed, having ex parte discussions with the "active prosecutors for the Government." He arrived at an independent judgment and actually raised the commission rates slightly over those which had been recommended by the Bureau's experts.

THE EXAMINER'S REPORT

With regard to the lack of an examiner's report, it should be noted that the first order in the case was issued by Assistant Secretary of Agriculture Dunlap in the spring of 1932, and no examiner's report was made available. Then the case was reopened and

a hearing was held at Kansas City in October and November 1932. If the procedure later adopted by this administration had been followed, an examiner's report with its findings of fact would have been filed soon after. But under the previous administration such procedure was not thought necessary. Other cases under the Packers and Stockyards Act had been carried to the Supreme Court, and the Court had upheld the Department without saying anything about the necessity of an examiner's report.

Mr. Wood takes the Department to task for waiting 4 months after the Supreme Court opinion of May 25, 1936, before establishing the practice of making an examiner's report available for the filing of exceptions and arguments. He implies that the Court in its opinion had instructed us so to do. Actually, the Court, while suggesting that this would have been good practice, specifically declared it was not required by the statute.

Even before the 1936 decision of the Court, we had begun the practice of sending out the orders in advance of hearing to the affected parties. Totally without influence from the Court and, in fact, previous to the May 1936 decision of the Court, I began work on the intradepartmental ruling promulgated by the Secretary, September 14, 1936, which directed the Packers and Stockyards Division to send out orders in advance of hearing to affected parties. This proposed intradepartmental ruling passed back and forth between my office and the Solicitor's office many times during the spring and summer of 1936. We wanted to get this procedure just right, but we were not in any way influenced by the Court decision of May 1936, and I am sure that anyone who reads that decision will agree that it is impossible that it could have influenced us.

Seth Thomas, the new Solicitor, who took office on April 1, 1933, began in late 1933 to work with me on the procedure which the Supreme Court for the first time in April of 1938 recognized as being essential. We began in 1934 to abandon the practice of the preceding administration and in the second St. Joseph stockyards rate case we sent out on January 6, 1934, a tentative order to the affected parties in advance of hearing. The same practice was followed in several other cases during 1934 and 1935.

RATES HELD REASONABLE

As to the merits of the case, Mr. Wood disputes the reasonableness of the commission rates set in the Department's order. But here are two facts which show how reasonable these rates were: (a) The order which Assistant Secretary Dunlap signed in the spring of 1932 on the basis of 1930 and 1931 testimony gave the commission men only 4 percent more income than Secretary Wallace's 1933 order did, although livestock prices and other economic conditions were at least 30 percent higher in 1930 and 1931 than they were in 1932 and 1933; (b) costs of doing business as well as livestock prices were substantially higher in November 1937 than they were in 1933, and yet at that time the Kansas City commission men agreed to lower their rates to a point which is only 8 percent more than the rates in the Secretary's order of 1933.

Mr. Dunlap's rates in 1932 were about 12 percent under the 1929 rates. Mr. Wallace's rates in 1933 were about 16 percent under the 1929 rates. Livestock prices in 1933 were less than half of 1929 and national income was 42 percent less than in 1929.

Mr. Wood holds that the second opinion of the Court flowed naturally and logically from the first. But the two opinions of the Court seem to be such as to put any administrator of quasi-judicial agencies in an impossible position. In the 1936 opinion the Court doubted whether the Secretary had sufficiently considered the evidence, but made clear that the examiner's report was not essential; in the 1938 opinion the Court concedes that he did consider the evidence, but says the examiner's report under the circumstances was essential. The two opinions thus practically cancel each other out.

J. H. MOHLER,
Chief, Bureau of Animal Industry.

WASHINGTON, D. C., *May 21, 1938.*

Federal Spending Under President Roosevelt

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 24, 1938

RADIO ADDRESS OF HON. EMANUEL CELLER, OF NEW YORK, AT NEW YORK CITY, MAY 20, 1938

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit the following radio address entitled "Federal Spending Under President Roosevelt", which I delivered May 20, 1938, over radio station WEVD, New York City:

There has been an attempt on the part of some opponents of the administration to spread the idea that there is some conflict between business interests and the President's program for Government spending. Nothing could be further from the truth, and the fact that such an attempt is being made is an example of the extremes to which the bedraggled Republican leadership is willing to go in order to confuse the people and discredit President Roosevelt.

One thing that must be clear to all people by this time is that business cannot be profitable unless there are customers, and further that there can be no customers if people have nothing with which to buy. Not only private business but the whole system of capitalism is dependent upon customers. When prices are too high, even people who are very needy cannot become customers. When the customers drop off so do profits, and the capitalists refuse to invest. Regardless of what reason they give for absence of customers, that is the essential fact which governs their action.

On the other hand we know that unless capital is invested and business put into operation, people cannot get sufficient employment to make them customers. So it looks as if we reach an impossible situation, and in fact we do. We reached that impossible situation in this country in 1931 and 1932. Capitalists did not want to invest money, because there were not enough customers to make any businesses profitable; there were not more customers available because there were so few businesses in operation. That was the situation which produced the Hoover depression and that was the situation which Hoover was either unable or unwilling to master.

So the people elected Franklin Delano Roosevelt to do the job, and he did it. He said simply and strongly that capitalism had gotten itself into a hole and could not get out without Government assistance. He was unwilling to see capitalism perish in yet another country, and for the people to starve because of the discredited principle of laissez faire. If capital was unavailable from private resources, it could only come from the Government, so large appropriations were made for public works. Schools, roads, bridges, waterworks, lighting plants, and countless other highly important activities were carried on with Government money. The capital wealth of the country was greatly increased by the erection of these structures, and in the process millions of people were given employment. Instead of standing idle or waiting in soup lines our fine American people were given a chance to make an honest living and they welcomed it. As a result they were once more able to buy things from the local store.

With the increased employment came increased prosperity throughout the Nation. Rarely has this country progressed so rapidly on the road to prosperity as it did during the first 3 years of President Roosevelt's administration. Although Government money was being spent in much larger amounts, nevertheless our Budget was approaching a balance; the people were once more able to pay their taxes, and the income of the Government increased greatly.

This recovery was orderly. Under relatively stable price and cost conditions there occurred a remarkable increase in the national income. Industry expanded its expenditures on plant and equipment. Many people were convinced that the capitalist motor had been cranked and that it would then be able to proceed without further aid from the Government. But just as this momentum was getting under way the engine was flooded by speculation. Not stock speculation, as the New Deal had wisely protected the people against that particular form of speculation. But a new way was found. By loading up enormous amounts of goods which could not be sold then but which it was anticipated would be sold later on when prices went higher, one of the worst inventory booms in our history was created during the last part of 1936 and the first part of 1937.

The quite unjustifiable rise in prices had the effect of stalling the motor. The people couldn't buy the goods that had been piled high by the industries, and without customers the profits from business began to drop. Without profits the capitalists were unwilling to invest money and we are now faced with a possibility of another depression. Luckily this time we have a strong man in the White House. President Roosevelt did not wait for banks to fail and farmers to riot before taking action. He saw that private investors were unable to get the motor started again, so he called on Congress to repeat the process that had worked in 1933. This time we will have to take further precautions that the engine is not stalled by inventory flooding; but we must get it going rapidly.

The work of this country must go on. The improvements that are badly needed everywhere must be constructed, and the people of the country who are now idle must be given a chance to earn their living. These are not things to argue about; they are the basis of our whole civilization. Without them we will unquestionably revert to some primitive form of government such as has overtaken weak-kneed democracies in Europe. The way to save democracy is to cherish it. Namby-pamby methods are no more popular with our people than they are with any other. They expect the Government to govern, and for the result to be prosperity. If it is anything else we may be sure that the people are going to find some other kind of government.

Now is the time when we and all the democratic peoples of the world can rejoice that the United States has a strong man for a leader. We will not be deterred or sidetracked by the nervous-nellies who did nothing when Hoover had the wheel, and who do not want the present administration to do anything more. We will go on with Franklin Delano Roosevelt to an ever grander and more prosperous American democracy.

I am a willing follower of President Roosevelt in his relief program. We and others who see eye to eye with him will not abandon our people in their hour of need. We shall martial all the resources of the National Government to succor the weak and feed the needy by supplying jobs. We are trustees of the people. As such trustees, there cannot and will not be any want, poverty, starvation, or loss of self-respect due to a lack of jobs. There shall not be any national deterioration, economic, social, or spiritual.

Several weeks ago the President sent a message to Congress wherein he outlined a program to aid business and to increase employment. The House has wisely followed that program, and we have appropriated moneys providing for the continuation of W. P. A. relief expenditures at the present rate but on a more liberal basis. The activities and expenditures of the Farm Security Administration, the National Youth Administration, and the C. C. C. camps will be kept at the present level and will not be discontinued as of July 1, as would otherwise be the case.

Time will not permit me to go into the details of these worthwhile projects. But let us take the C. C. C. camps. There are millions of young men between the ages of 16 and 22. They have completed their public-school education. Their parents cannot afford to send them to college. They loathe idleness. On the other hand, they cannot find work. They are industrious and are anxious for jobs. But, alas, there are no jobs. What are these boys to do? They congregate in poolrooms, saloons, and on street corners. Time hangs heavy on their hands. They thus become a prey to schemers and professional racketeers. With no money in their pockets, and with sharp criticism very likely awaiting them at home for their failure to find work—their self-respect gone—they lend an attentive ear to immoral and criminal suggestions. The danger is great. We in Congress have taken heed. These young men may now repair to the C. C. C. camps, where they build roads and learn trades, where they continue their schooling, and where they build themselves up physically, to emerge stalwart, courageous, fearless, patriotic young men, impervious to influences that would otherwise beset them.

We have provided additional funds for Federal building, flood control, for highways, and housing. There will be more slum-clearance projects.

The other day I was walking through certain sections of my district. I found conditions most unbearable. I would say that two-thirds of the homes in my own district are unfit for habitation. That is probably true of most districts in New York City. The conditions are terrible and appalling. In some of the alleys the conditions are foul and hellish. Misery and disease stalked. The stench of the toilets, the debris in the back yards, the fetid cellars, the falling ceilings, the darkened rooms, the rotted and nail-projected floors forced me to bow my head in shame. There is no legitimate reason why we should not have decent and adequate housing for everyone.

Poverty-stricken Europe has built at least 7,000,000 new homes, whereas the wealthy United States has hardly scratched the surface. Many economists claim that the housing activities in Europe have been the most important single factor in fighting unemployment. We should take a leaf out of Europe's book. Although we are the richest country in the world, possessing natural resources and technical skill and manpower, yet one-third of our population lives in slum or blighted areas.

Furthermore, out of these slums comes crime. The greatest festering spot for the criminal is the slum. Juvenile delinquency blossoms and thrives there. Indeed, slums are a costly evil.

It is interesting to note that the United States Surgeon General, Hugh S. Cumming, states: "Reduction of mortality and sickness rates in the future will rest to a great degree on extending to the total population the health standards of the more favored groups." The United States Public Health Service endorses strongly the program that will further the demolition and furnish the erection of low-cost housing.

The R. F. C. is granted $1,500,000,000 for loans to business, and $1,000,000,000 more is provided for new public works that can be started promptly by States and local units of government.

These additional expenditures will aggregate about $4,500,000,000. Whether we call it "pump priming" or something else these proposals do provide the remedies that are needed and needed at once by a stricken Nation faced with the danger of a prolonged depression that might develop into complete collapse. These measures must be put to work with all possible dispatch, in order that the millions of unemployed and their families, hard-pressed State and local governments, and the general public that foots the bill may derive the maximum benefit from the program.

At this time immediate relief is imperative. Municipalities and State governments in some instances have advanced money from next year's budget, but even under these circumstances they cannot meet the demands that are being made upon them. Under these circumstances, and the immediate requirements to meet the situation, they can only turn to the Federal Government, that speaks for all of us, and that alone can muster all the resources of the Nation for the people's aid. There may be honest differences of opinion among our people as to the methods best suited for relief purposes. We do know that the measures now proposed brought about a decided upturn in the business and general condition of the country when last used. We cannot turn a deaf ear to the pleas of a helpless people and stand idly by, relying mainly on natural forces and other measures to bring about recovery. We should not hesitate to repeat today those measures that were effective before.

One of the greatest vehicles for starting the ball rolling, as it were, is the W. P. A. This agency has done a remarkable piece of work. It has completed 43,000 miles of new roads and has improved 119,000 miles of roads. It has built 19,000 new bridges, 185,000 culverts, 105 new airports, 12,000 new schools and other public buildings, 15,000 small dams, and 10,000 miles of water and sewer lines. The W. P. A. workers have planted 10,000,000 trees and have improved millions of acres of land.

All these improvements, all this construction has added greatly to our national wealth. All this has increased our national assets. Any private business which sets up improvements in its physical plant considers such improvements as assets, and rightly so. In this way, by creating all these W. P. A. jobs, we have increased vastly the purchasing power of the Nation, and at the same time we have increased our national wealth.

Of course, there are those who do not consider this pump priming as adding wealth to the Nation. They simply consider the money that is being spent. They disregard the assets created. This is a nation of vast wealth, $264,400,000,000 (Alexander Hamilton Institute, 1934), and consequently we can afford to increase its funded indebtedness. Our total national debt (as of May 14, 1938) is $37,459,233,698.65. England's total national debt (as of March 31, 1938) is $40,000,000,000. The comparison clearly indicates that we are able to withstand the increased indebtedness for relief. Considering our vast national resources, such a debt is trifling and insignificant. With the return of prosperity, this debt can be paid off in comparatively few years.

H. R. 8237—Self-Sustaining Cooperative Security for Old Age—It Can Be Started Now

EXTENSION OF REMARKS

OF

HON. H. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 27, 1938

Mr. VOORHIS. Mr. Speaker, Congress should, in my opinion, have provided long since for a general Federal old-age pension. That we must continue to fight for. The proposal which follows is not in any way intended as a substitute but rather as a necessary supplement to a system of old-age pensions. The objective of H. R. 8237, which I have recently introduced, is to provide adequate personal security to men and women as they reach the age of 62 years by establishing a system of noncharitable, cooperative homes. The use of the facilities and plan proposed is elective. The plan is a proved one and is flexible enough to meet varying personal requirements. Under the provisions of this bill all necessities and comforts of living for the later years could be supplied at a fixed price and no obligation is placed on anyone except those individuals who voluntarily apply for participation in the advantages offered.

A PROVEN METHOD

That the basic principle underlying the plan proposed is sound has been proved in practical application in this country over a period of more than 50 years. Under private endowment and individual guidance noncharitable homes have been in operation for some time. The benefits thus made available to a limited number of members have, I think, proven the value and soundness of the service and the economic stability of the plan. Private endowments in this field as in many others are becoming decreasingly available to meet an increasing demand for cooperative home facilities. It is proposed in H. R. 8237 that Government funds, with provision for repayment, be made available to establish additional noncharitable home facilities on a cooperative basis, and that a board be established to govern the financial and other necessary activities in this connection.

The provisions of H. R. 8237 deal with the Cooperative Home Board, Cooperative Home Associations, and members of associations.

THE BOARD

The bill provides that Congress shall establish a permanent authority to be known as the Cooperative Home Board with five members, two of whom shall be the Chairman of the Social Security Board and the Secretary of Labor. The functions of the Board shall include the chartering of cooperative home associations, the purchasing of the capital stock of such associations, and the establishment of certain regulations pertaining to the operation of the associations.

COOPERATIVE HOME ASSOCIATIONS

The organization of an association is to be initiated by local members of the community in which it is proposed to establish a cooperative home. The members of the community who apply for an association charter shall agree, with the approval of the Board, to serve as directors of the association without compensation. The local directors shall, subject to the regulations of the Board, govern the home association. Their functions will include the selection of staff members and the fixing of their compensations, together with the selection of the members, and the specific determination of the costs of memberships on the basis of rules laid down by the Board.

MEMBERSHIP

The bill provides that membership in an association shall be open to men and women without regard to religious or fraternal affiliation or location of residence at the time of making application. The range of prices paid for membership and the general terms of sale are to be fixed by the Board, but memberships are actually to be sold by the directors of each association. When the directors sell a membership to anyone, they establish the obligation of the association to supply the member with housing, food, medical attention, and other living necessities for the term of the membership. The term of membership shall start at the date of assuming residence in the home and shall continue for the balance of the life of the member. Under the terms of the bill, the earliest age at which a person could have residence and full membership in a cooperative home would be 62; payments for membership could be spread over a period of years or paid in a lump sum, and the cost of membership would be reduced if its terms provided for the beginning of membership at a later age than 62.

FINANCIAL PROVISIONS

House bill 8237 provides for the creation of a revolving fund aggregating $10,000,000 to be made available during the years 1938, 1939, and 1940.

Experience has shown that home associations should ideally be established in units to care for 200 members each. The cost of facilities is estimated at $1,500 per member, or $300,000 per unit. The appropriation of $10,000,000 should provide homes for 6,000 members who would pay, upon entering the homes, or would have paid in over a period of time, an average of $2,500 each or a total of $15,000,000 as the units are initially filled. In other words by paying into the association $2,500, a member gains for himself or herself complete security, and what is more, freedom, from the time he reaches the age of retirement until the day of his death. The major part of the funds paid for memberships are to be invested in Government securities which would provide earnings for the associations. (See estimated budget at the end of these remarks showing typical financial operations of an association over a period of 20 years.)

Using the figure of $10,000,000, which is the amount required under the bill to be set up as a revolving fund, the Treasury would be required to advance up to this amount of money to the Board as the Board called it, upon approving the organization of associations. These funds would be used to cover the cost of building and equipping home facilities. With the initial sale of memberships, an amount equal or in excess of the appropriation made would be returned to the Treasury on account of the investment of association funds in Government securities. It is proposed that associations shall sell future memberships on an installment basis, such contracts running, in some cases, for as long as 20 years. Funds paid to associations on installment contracts would be invested immediately in Government securities and the earnings from such investments would accrue to the benefit of the associations. At the same time, this would increase the flow of funds to the Treasury. On account of the required handling of operating and installment funds, it is estimated that each association would have at all times an investment in Government securities in an amount of at least 25 percent above its capitalization.

THE PLIGHT OF THE AGED

Nothing can be more appalling than the plight of the person who reaches the age of 65 years possessed of no more than $3,000, whether this ownership be in the form of cash, property, or paid-up insurance. Little better off is the person who at the age of 65 is faced with the problem of providing his individual living on a pension or an annuity of $20 or even $35 per month. In the later years financial responsibilities are burdensome. The conversion of cash into care is a serious problem and, on an individual basis, is expensive. No one would propose to assure life and health to an infant by the periodic delivery of silver dollars to his crib. Yet it is often assumed that the provision of cash is all that is required to assure living comfort for those who have passed the age when physical labor is expected of them.

EVIDENCE

The long-accepted theory that older people should be cared for in the homes of relatives of succeeding generations invades the spiritual and economic independence of all parties concerned. Divergent tastes and interests, due to the disparity of years, create friction. The activity of youth cannot always be made to fit smoothly into a pattern of living which makes for happiness for those advanced in years. It has been demonstrated during years of thoughtful study and practical application that the social and economic problems of the lives of older people can be admirably met under a system of individual homes operating as a unit where personal living comfort, medical care, diversions, and general security are available along lines most acceptable to the tastes and needs of the individual and under conditions enabling the resident to retain his pride of personal independence. The prejudice once attaching to the very name "old people's home" vanished when private endowment provided homes, places in which could be purchased at a nominal fee, and removed the stigma of "charity" received from church or state. In this connection there appeared in the American Magazine for February 1938 a most interesting article written by one of the old ladies herself about these new-type homes. The article concludes as follows:

> I have been in St. Mary's Home long enough almost to forget that I am over 70. I go and come as I please, winter or summer, rain or shine, always keeping the various rules to which I agreed when I came here. In a place as large as this there are enough people for one to pick and choose those with whom one will associate, and it is possible to avoid those whom one does not care to know too well. I go to my own church, take meals at restaurants when I wish, and attend theaters or movies with my former friends and associates. One of these asked me, the other day, a leading question.
>
> "How does it happen," she queried, "that you, with your love of independence, decided to end your days in an old ladies' home?"
>
> "You have mentioned the very reason," I replied. "It is because I do love my independence."

Millions of our citizens are today not covered by the Social Security Act at all. And even should our effort to include all American citizens under a general old-age pension be successful there might be even more demand for the sort of security offered by H. R. 8237 than there is now. And certainly under current and prospective economic conditions it is evident that, without an adequate old-age pension, accumulated personal earnings rarely are sufficient to provide living necessities, let alone comforts, for individuals past the age when they can hope for employment. The least we can do, it seems to me, is to pass some such measure as this for the

benefit of thousands of our citizens who, by the application of cooperative living methods and the initial financial assistance on the part of our Government as provided in H. R. 8237, can have security. It is, I believe, a fact that adequate care and comfort can be supplied for the years past 65, for example, at costs ranging from $2,000 to $3,000—depending largely on the extent of living quarters provided—under cooperative home conditions. Comparable care and costs cannot be even approximated on the basis of individual living. The person with $2,000 to $3,000 who approaches old age has no way of determining what may be the prudent or adequate plan of living for the particular reason that the term of life is uncertain. A study of averages enables a cooperative home to render uniform and adequate services within the figures mentioned.

WHAT THE BILL WOULD ACCOMPLISH

It is not supposed or intended that the enactment of the provisions of H. R. 8237 will solve the social and economic difficulties of this country; but, based on the observation of homes now operating under substantially the plan proposed, it is certain that the establishment of a system of homes under a Federal authority will accomplish the following:

First. Enable thousands of men and women to preserve their personal independence by using their savings or accumulated earnings to assure security with comfort in their last years.

Second. Benefit the economic positions of thousands who will be relieved of the responsibility of caring for older relatives.

Third. Benefit all welfare agencies who face the possibility of caring for those who are unable to make personal provision for their own care.

Fourth. The cost of this type of constructive assistance per person served will be nominal as far as the Government is concerned.

Under the provisions of the bill, the major function of the Cooperative Home Board will be that of providing and supervising finances, establishing regulations for home associations as they may be chartered, and safeguarding the investments of home members. All applications to receive charters for the establishment of cooperative home associations must originate with residents of the community in which it is proposed to locate the home. The directors of the home association, who shall be local residents, shall determine who may be accepted as members. The directors establish the costs of memberships within certain limits imposed by financial necessity, but the Board must finally approve the prices and terms of membership. Thus the members of a home association would be in fact the owners of their homes, and they would be therefore free.

The appropriation asked for in this bill is, of course, not intended to cover the need. It is intended to start a process which can be made to pay its own way and which I hope will so appeal to fair-minded persons that it can soon be expanded.

THE SECOND RACE

I cannot conclude my appeal for H. R. 8237 better than by incorporating the following article on the general subject of this legislation by Mrs. Lurabee Shreck, of San Francisco:

THE SECOND RACE

(By Mrs. Lurabee Shreck)

At the end of the race the runners are weary and almost breathless. Would you ask them to begin another race on the instant? Indeed not. Common sense forbids putting body and mind to such excessive strain.

Yet the bright, young cerebral artists—still in the prime of life—add up their harvest of statistical figures and tick off allotments for this and that with sublime confidence; yes, with confidence not yet trampled by experience. Thirty-five dollars a month is "plenty" of pension for an old person, not because it is in point of fact—when individually expended—but because it must be made to appear so since it is about the maximum available for the purpose. This amount is manna from Heaven to heedless prodigals who have accumulated nothing for the inevitable rainy day of old age. To penniless recipients the half loaf is surely better than none.

However, there is another class of people not entirely without financial resources because they have never been without resourcefulness. These, like the poor, we have ever with us, but precious little consideration do they get. They do not worry us so much as the destitute do, and they are not organized to demand their "rights." These are the people who have steadfastly fought their own battles, felled obstacles as they met them, and spiritedly preserved their independence through life's vicissitudes. These belong to the unobtrusive mass of persons of whom we hear so little. Here is the doctor who has devoted himself to the well-being of his fellow man; he has given much and in return he has received much more gratitude than cash. (Urban specialists are out.) He has kept active and probably "as long as Ma can cook the victuals" he can go on deleting the odd adenoid (which now infests even rural children), or delivering the anything-but-odd infant. At 70 it's all second nature and while a few dollars may be added to the small hoard accumulated, he says he does not want to stop practicing—but he dreams: "Some day" he can "rest"—he and Ma together "up in Heaven." Experience adds, sotto voce, "There's no chance here." And what of "Ma?" She's uncomplaining and hearty; she even brags mildly about what she's able to do. She's really "very well" for her age. "Thank God for that." But she dreams. * * * Wouldn't it be the biblical Heaven on earth if the household responsibility could just be shifted. The boys are grown and gone—the girls, too—the joy of watching the children grow and develop, the interest that lightened the task of housewifery is no more. * * * It is such a bother to cook for "just two—about as much work as when there were seven" * * * dear, dear, this can't go on. * * * She hustles out to add six more to the 10,000,000 carrots she's scraped in her time.

Now, do the young or middle-aged men who are administering the affairs of our country have any conception of the longing of old people for rest with security, for relaxation without the stabs of an overtrained conscience reminding them of a duty neglected? Do they know that expecting the oldsters to carry on through the late years as they could during the early and middling ones is no less absurd than expecting an athlete to run a second race while still winded from the first? Of course, they would know if they thought about it, but do they think about this kind of thing with any real sympathy? Mostly, it would seem, they do not, for such peculiar discrepancies exist between the industrial and social views. Industry sets the age of 40 or 45 as the limit of man's usefulness in the field of labor, while contrarily and by unimpassioned popular concept old married couples retain the fortitude necessary to go on "keeping house" with the ease of "the man on the flying trapeze." If they are not physically crippled or mentally deficient, it is cheerfully assumed they can manage alone until the final curtain. And many—too many—people do it. They go direct from kitchen or workbench to their "reward," for they do not get it here, though they are the mothers and fathers of the generation now at the helm. (A generation so everlastingly busy chasing its tail it rarely settles down to consideration of fundamentals—however familiar the fact that causes are not eliminated by patching up their effects.)

Exceptions aside for the moment, be it known the great majority of competent older people, who have valiantly kept up their morale and consequently "do not want to be a burden" upon their children, upon friends, or upon neighbors, do not continue the monotony and drudgery of housekeeping for sheer love of established habit, but from lack of choice. Their small estates permit nothing better under existing conditions. Uncertain of the years yet to unroll, they can hope to "make out" to the end by the practice of strictest economy and such economy entails the personal doing of every chore that would otherwise demand cash outlay. They can't afford to quit serving themselves, because our great big wonderful country has not got around to providing means whereby their meager funds could purchase comfort, immunity from tedious labor, and above all, from anxious care for the future. They are weary of and worn from years and years of daily cooking, cleaning, carrying, sewing, repairing until their idea of a Roman holiday is 1 week of bliss in a first-class hotel, where everybody works but father and mother.

Now first-class hotels are run strictly for profit's sake and a few weeks in one of them would break father and mother and leave them on the county. The obvious solution is wrapped up in H. R. 8237—a national benefaction would be hotel homes operating on a nonprofit basis. These careful independents whose families are scattered—if they ever existed—would race to such a haven. Each personal niche would be "home" because it was "bought and paid for"; it would be "hotel" (to which attaches no traditional stigma) because the absence of personal responsibility permitted leisure to pursue the things of the spirit, the pleasure of a teasing hobby, or the revival of a long-neglected craft.

Individually we know something of the life of this or that old person—en masse there is silence. This group produces no clamor. Due to the very characters it includes there is no shouting from the housetops. Facts are facts, and they face them and manage the best they can. They know there are a few excellent homes designed to their needs but they are usually too expensive. Fraternal and religious home institutions are so regulated that only a devotee of the respective order could gain admission. More than these, so far nothing is offered.

And why not, in a country so feverishly active? To what humane purpose much of the activity? Couldn't we, just once, take precise aim, use a full choke, and actually bring down at least one bird instead of so scattering our shot a whole flock is maimed and nothing bagged?

If our frontiers are gone, geographically speaking, there is, sociologically, certainly ample virgin territory to be explored.

If times have changed—and they have—the people have changed them and in view of some of the staggering results it is a fatuous proceeding—to say the least—for us to open wide our eyes in admiration of our forward strides in science and technology and ignore the sad social problems left in their wake.

To what point the proficiency of laboratories, which concentrate vitamins for health's sake, or the efforts of medical science to popularize hygiene toward the end that man's life span may be lengthened if there provision ends and the added years are just so many more to be spent in anxious care? Despite hurrahs for political purposes and bland assurance from high places the abundant life is more potential than ever before; in fact, it's only a figure of speech. Commodity prices bent upward the while income (to the salaried class) remains in status quo—or worse, decreases—but reduces the possibility of savings holding out for those who have tried to provide for their old age. Individually these persons can't average the remainder of their years with others of their age and profit by the margin provided by the law of averages. Large institutions can. Practical legislation, as set forth in H. R. 8237, would be a godsend to the large group now in need of assistance to make their private funds go the necessary distance and at the same time encourage the middle-aged to a more hopeful state of mind than is induced by the financial and social confusion extant in the United States.

Inasmuch as the least complaining are invariably the least considered, the problem of the erstwhile home builders has been stressed. However, these mothers and fathers of our active generation do not conclude the list of people who could and would take advantage of nominally priced hotel homes. Excluding none but the pampered wealthy, every walk of life supplies its share of individuals who would welcome the cooperative home solution of their personal problems. Ex-professors, pensioned school teachers, passé librarians, slowed-down clerical workers, burned-out stars, abandoned politicians, dissillusioned old maids, de trop bachelors, overtrained medicos, sagging salesmen, and the stockbrokers who haven't jumped will need nice quiet, inexpensive domiciles.

If something isn't done now about this great stratum of humanity, the next big jump in the building trades will be in the building of bigger and better almshouses.

And that's not as flippant as it may appear at first blush. If humanitarian motives are so stilled as to urge no move in behalf of our discarded elders, at least it would be the better part of enlightened selfishness to take on practical management of funds while there are still funds rather than bid for a heavier task in the not particularly remote future.

ESTIMATED BUDGET OF TYPICAL COOPERATIVE HOME ASSOCIATION UNIT

Capitalization, $300,000; size of unit, 200 members; estimated term of membership, 8 years; interest on invested funds, 3 percent.

First 10-year period

Initial sale, 200 memberships	$500,000
Grant, 12 percent	36,000
Replacement sales	625,000
Investment earnings	120,000
Total for the period	1,281,000
OPERATING COSTS	
Management	30,000
Staff	200,000
Heat, light, etc	50,000
Food and supplies	430,000
Depreciation	90,000
Operating costs for the period	800,000
Operating surplus	481,000

Second 10-year period

Operating surplus	481,000
Replacement sales	625,000
Installment earnings	60,000
Investment earnings	90,000
Total for the period	1,256,000
OPERATING COSTS	
Management	30,000
Staff	200,000
Heat, light, etc	50,000
Food and supplies	430,000
Repayment, stock	60,000
Depreciation	90,000
Operating costs for the period	860,000
Operating surplus	396,000

My Attitude Toward the Crime of Lynching

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 25, 1938

Mr. CARTWRIGHT. Mr. Speaker, the Seventy-fifth Congress, both in the House and in the Senate, has given a great deal of study and time in an effort to stamp out crime in this country. To that end an antilynching bill was debated for many weeks. There has been a division of opinion among the Members of both Houses as to what would be the actual effect of a Federal statute on this subject. It has been interesting indeed to note that the opinion that lynching is an inexcusable crime has been expressed by every Member of both bodies.

Some have contended that the crime is being wiped out and will eventually be completely wiped out through the continuation of the efforts that have been made in the States and counties during the past 50 years. There is no doubt that lynching has been greatly reduced through the special activities of religious bodies, interracial organizations, education, and the healthy sentiment which has been built up through agitation against crime of all kinds. To me it has been most remarkable to note the progress that has been made in the work of wiping out lynching in this country. The number has been reduced from the high peak of 231 in 1892—120 Negroes, 110 white men, and 1 white woman—to only 8 in 1937. No other major crime on the statute books has been reduced with one-tenth of the rapidity that this crime has been reduced.

I believe that this agitation against crime and the work of the interracial commissions, coupled with that of churches and other institutions, is bound to bring about a complete cessation of lynching. I am taking this occasion to speak of the subject because there is some strong agitation in my district against me on account of my failure to vote for the Gavagan bill in the first session of the Seventy-fifth Congress. I want it distinctly understood that while I did not vote for that bill, because I firmly believed that the bill was unconstitutional and would not get a hearing in the Senate, by no stretch of the imagination can this be interpreted as meaning that I am in favor of the crime of lynching; nor does it mean that I am opposed in any way to resorting to lawful means of suppressing it. It simply means that I do not believe in the constitutionality of that measure; and I did not believe then, nor do I believe now, that that bill would remedy the situation.

During the time that the bill was being considered I had occasion to express myself as being in favor of the proper sort of legislation on this subject. I am still in favor of the proper sort of legislation, but I do not believe that the Gavagan bill would have helped the situation, and for that reason I did not support it. It is very unfair to make capital of this incident, especially in view of the fact that I have a record, insofar as race and religious tolerance is concerned, that cannot be questioned. All of my life I have been in close contact with Negro people. I was born and reared among them and this is the first time anyone ever had the temerity to try to put me in bad light with them.

At present I am a member of the Committee on Insular Affairs, and chairman of the subcommittee which handles the affairs of the Virgin Islands. It is well known the population of these islands is 90 percent or more colored. I challenge anyone to show that I have not taken the same interest in the welfare of these people that has been taken by our committee in the affairs of Puerto Rico, Hawaii, and other insular possessions. This same challenge stands as to my attitude toward the welfare of all constituents in my

district regardless of race, color, or previous condition of servitude.

I strongly resent the agitation that is now going on by one of my opponents who is engaged in an effort to mislead the colored as well as all other people of my district and have them believe that I am not interested in them. My work as a citizen and a Congressman is open to inspection and completely refutes the false statements that are now being made by one who seeks to come to Congress by and through this type of propaganda.

Recent Developments in Foreign Trade

EXTENSION OF REMARKS

OF

HON. ANDREW J. TRANSUE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 27, 1938

MESSAGE FROM THE PRESIDENT AND RADIO ADDRESS OF HON. CORDELL HULL

Mr. TRANSUE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following message of the Honorable Franklin D. Roosevelt, President of the United States (read by Secretary Hull), and radio address of the Honorable Cordell Hull, Secretary of State, in connection with the celebration of Foreign Trade Week, delivered from the studios of the National Broadcasting Co., Washington, D. C., on Wednesday, May 25, 1938:

It gives me great pleasure to read the following message which I have received from the President with reference to the celebration of Foreign Trade Week:

"This annual observance throughout the country of Foreign Trade Week is an altogether fitting recognition of the vital role of foreign commerce in the economic life of the Nation. Our own experience, no less than that of other nations, is living testimony to the fact that a healthy and vigorous flow of trade between nations is an indispensable requirement for general and lasting prosperity.

"We have profited by that experience. For 4 years our Government has been engaged in a major effort to reopen the channels of trade. The trade agreements that we have concluded with 17 foreign countries during this period attest to the progress that has been made. With patient persistence we are thus gradually building more secure foundations for our own national economic well-being. At the same time we are strengthening the foundations of enduring world peace, which is so essential to the continued progress of civilization and to the well-being of the people of every land.

"FRANKLIN D. ROOSEVELT."

The annual observance of the Foreign Trade Week offers an excellent opportunity for focusing attention upon an extremely important phase of our national life and our international relations. In that field the past 12 months have been characterized in our country by a number of significant developments, some of which I should like to discuss with you tonight.

There has been a steady and gratifying increase in the general recognition on the part of our people of the vital role of foreign trade as a factor in promoting the economic well-being of our Nation. There has been a similarly growing recognition of the efficacy of reciprocal-trade agreements as an instrument for reopening the channels of trade and thus strengthening the forces of economic appeasement and serving powerfully the cause of durable peace.

Substantial progress has been made in carrying forward the trade-agreements program. The number of agreements has been increased to 17, and negotiations have been brought to an advanced stage with several other countries, including Great Britain, our largest single market.

Striking changes have occurred in the movements of our exports and imports. And finally, there has been an accumulation of evidence which furnishes a complete refutation by facts of a number of assertions and predictions that had been made about the program.

Almost since the initiation of the reciprocal trade agreements program and until recently, many sections of this country were flooded with high-pressure propaganda, designed to demonstrate that the negotiation of trade agreements would result in a very large increase in imports of foreign goods without any corresponding advantages for our exports. Any increases in importations of particular commodities were seized upon as proof of these assertions, even when the existing high duties levied upon such commodities had not been affected by the trade agreements and in truly amazing disregard of other governing factors. Especially strenuous were attempts to prove that increases in the importation of agricultural products and even decreases in the exportation of such products—both of which occurred in some measure prior to the second half of 1937—were direct results of the trade agreements that had been negotiated.

This strident chorus has now dwindled greatly from its original proportions. Assertions like these are now being put forward with ever-lessening frequency, and mostly by those who prefer to make unsubstantiated assertions rather than take time to ascertain the facts, or by those who have axes to grind and are willing to take unwarranted liberties with clearly established and easily available facts.

Why has this change taken place? Simply because facts have conclusively refuted ill-founded assertions.

Trade figures for the year 1937 show that during that year, as compared with the year 1936, our total commodity exports increased by $889,000,000, while our imports rose by $661,000,000. This same tendency has continued in an even more striking manner into the year 1938. During the first 3 months of the current year our exports continued to expand and actually increased by $115,000,000, while our imports declined by $291,000,000.

As regards agricultural exports and imports, the figures for the first 3 months of this year are extraordinarily illuminating. During the months of January, February, and March of 1938, as compared with the corresponding period of 1937, the exports of crude and manufactured foodstuffs of agricultural origin rose in value from $47,000,000 to $111,000,000; while the imports of foodstuffs fell from $221,000,000 to $130,000,0000.

The repercussions of the catastrophic droughts which affected many of our important farm areas in 1934 and 1936 are clearly reflected in these figures. The impairment of some of our staple crops reduced or almost annihilated our ability to export such commodities, and in some cases led to abnormal and temporary importations. As the effects of the droughts have worn off, the situation in this respect has become reversed.

Trade in the principal cereals is an outstanding case in point. During the first 3 months of 1938, as compared with the first quarter of 1937, our exports of wheat increased from 133,000 bushels to 25,674,000 bushels, while our imports of wheat dropped from 8,000,000 to 87,000 bushels. Our exports of corn rose from 51,000 to 38,500,000 bushels, while our imports of that grain practically disappeared.

Another illustration is trade in meat products. This year, as compared with last year, exports of lard and other meat products are showing substantial gains, while imports of such products are showing declines from the abnormally high levels which had resulted from drought conditions.

One would search in vain through the voluminous propaganda that has been from time to time unleashed in the farm areas for more than the most casual or sporadic reference to the influence of the droughts upon our exports and imports of agricultural commodities.

Apart from the effects of the droughts, the relative development here and abroad of general economic activity has played an important role in the movements of our exports and imports. Prior to the latter part of 1937 the expansion of business activity proceeded faster in the United States than in other parts of the world. This was reflected in increased imports of raw materials necessary for the operation of our mills and factories and of consumption goods the buying of which was made possible by the growth of purchasing power in the hands of our people. During the past few months the relatively greater slowing down of business activity in our country has been reflected in the sharp decline of imports, while our exports have continued to grow.

This tremendous drop in the volume of our imports is not a sign of prosperity. It is the exact reverse. Leaving aside the commodities affected by the drought, the major portion of the decrease in imports is accounted for by raw materials and semimanufactures. These shrinking imports are indicative of idle mills and factories and of increased unemployment. They were not caused by a displacement of American finished products by foreign goods. On the contrary, the imports of finished manufactures have also declined substantially. Our country will be far better off when recovery from the present temporary decline in business activity will necessitate an increase rather than a shrinkage of the volume of imports.

The recent sharp decline in imports has another definitely unfavorable implication. Sooner or later it must lead to a decrease of exports, since trade must necessarily be a two-way process. The fact that so far our exports have been maintained on a high and rising level has been, indeed, fortunate for us. The growing volume of exports has unquestionably served to mitigate many important phases of the present business recession, the manifold causes of which I need not discuss in this connection.

To the growth of our exports the reciprocal trade agreements program has made an important contribution. In 1937, as compared with 1936, our sales to the countries with which trade agreements had been negotiated increased by 41 percent, while our

sales to nonagreement countries rose by 34 percent. The reduced tariffs, enlarged quotas, and other forms of improved treatment which we have secured, through the trade agreements, from 17 countries for hundreds of our agricultural and industrial commodities have created better market opportunities abroad for many of our vital surplus-producing branches of agriculture and industry.

In return for these concessions secured for our exports we have granted moderate reductions in our tariffs on some of the commodities imported into the United States of which the agreement countries are the chief sources of supply. These reductions are designed to facilitate for the other countries the marketing in the United States of such products as we need and want, as economic improvement will expand the demand in this country for all kinds of goods, domestic as well as foreign. At the same time, sales in the United States will enable foreign countries to maintain and increase their purchases of American products.

The reductions in our duty rates have been made with the utmost care and on the basis of thorough and painstaking examination of all pertinent factors, domestic and international. Where necessary, they have been safeguarded by means of such devices as the customs quota. In spite of this, the negotiation of almost every agreement has been accompanied by vicious attacks on the specious plea that the American market was being thrown wide open to foreign competition and that some branches of industry or agriculture were being injured or destroyed.

In the main, the attacks have subsided or entirely disappeared as soon as the terms of the particular agreement became known. Nearly 4 years of operation of the trade-agreements program have belied completely the dire prophecies of injury and destruction to American farmers, workmen, and businessmen in which critics of the program have so freely and so recklessly indulged. Despite all this, each new set of negotiations still serves as an occasion for renewed attack and for a new outpouring of dark prophecies.

This was conspicuously the case in connection with the recently negotiated Czechoslovak agreement. The veritable hysteria which raged in some sections of the country in connection with the moderate and rigidly safeguarded concessions made in that agreement on certain types of shoes has led a competent observer, speaking 3 weeks ago before the annual convention of the Chamber of Commerce of the United States, to remark:

"Exaggerations and misrepresentations like these are fast alienating fair-minded persons, who some time ago began to wonder whether some of the opponents of the program really want a fair consideration of its possible benefits to the whole people."

What we are seeking to accomplish by means of reciprocal-trade agreements is to create such a basis for international trade as will enable mutually beneficial commerce among nations to flow more and more into the channels of natural advantage. Reasonableness and moderation in the choice and application of the devices which nations employ for the safeguarding of domestic producers is an all-important feature of this constructive basis of trade; this end we seek to attain through reciprocal reduction of excessive trade barriers. Nondiscriminatory treatment of trade is another all-important feature; this end we seek to attain through the use of the unconditional most-favored-nation treatment.

Upon this basis, we are prepared to negotiate mutually advantageous trade agreements with all nations. Similarly, we are prepared to extend the benefits of concessions, which we grant in such trade agreements, to all nations willing in turn to extend nondiscriminatory treatment to our trade.

That is the essence of our trade-agreements program. Our efforts are governed, not by abstract theories, but rather by the lessons of long practical experience—our own, as well as that of other nations. Human ingenuity has devised no more effective basis for a progressive development of international commerce than that of fair-dealing and equality of treatment.

International trade is not a panacea for all the manifold ills that afflict our country and the world at the present time. It will not alone bring us prosperity. Yet without its expansion on a sound and constructive basis full and sustained prosperity is impossible for any nation.

Our country, in common with all countries of the world, is confronted today with many domestic and international problems of the utmost gravity. The solution of these problems requires from each nation vigorous and cooperative effort at home and thoroughgoing economic appeasement internationally. And an indispensable foundation for both is healthy and expanding trade among nations.

What is fundamentally at stake today is no less than the very survival of the entire western civilization, that has been laboriously built up through centuries. History offers abundant proof that the development of order under law and the growth of international commerce have been among the principal forces which have shaped and nourished the progress of that civilization. An urgent and outstanding task confronting mankind today is a revitalization of these two great forces—a reassertion of order under law in the relations among nations and a reinvigoration of healthy international trade.

The alternative is fearful to contemplate. But it must be faced by all thinking people today everywhere. Stable and durable peace and orderly progress in any region cannot be established, except upon moral principles and a sound economic foundation. In the long run excessive efforts toward autarchy will undermine and break down the domestic economic structure of the country persisting upon such a course. The resulting economic collapse will drag down with it the political structure of government and to a disastrous extent the social structure of the Nation. Too many nations in the world are today steering straight in the direction of such an economic, political, and social Niagara.

Taxation as a Weapon Against War

EXTENSION OF REMARKS

OF

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Friday, May 27 (legislative day of Wednesday, April 20), 1938

STATEMENT BY BENJAMIN C. MARSH, SECRETARY OF THE PEOPLE'S LOBBY, INC.

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement by Benjamin C. Marsh, of this city, secretary of the People's Lobby, Inc., entitled "Taxation as a Weapon Against War."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WHO GETS THE NATIONAL INCOME?

In 1936 the 651,866 persons reporting net incomes over $5,000 recorded total net income of $10,054,262,000.

They paid in Federal income taxes and surtaxes only $1,143,875,000 or an average of 11.3 percent on their net income.

After paying all direct taxes they had left to spend and invest $7,569,051,000.

This net income, it must be remembered, is after the recipients have deducted all local and State direct taxes, although they are not allowed to deduct taxes paid by corporations in which they own stock.

Why should they be?

Their total "deductions" for 1936 were $1,341,326,000, of which the chief items were:

[In thousands of dollars]

Business loss	45,634
Partnership loss	12,353
Net capital loss	63,324
Interest paid	280,320
Taxes paid	349,058
Contributions	199,444
Other deductions	393,194

The total deductions of the 651,866 persons reporting for 1936 net incomes of $5,000 and over were $51,500,000 more than the deductions claimed by the 4,795,573 persons filing income-tax returns of less than $5,000 net income.

Home owners can deduct direct real-estate taxes from their net income, tenants cannot deduct rent which includes taxes on the houses they use.

There are no deductions for poorest families under sales taxes and all other consumption taxes, which amount to at least $5,000,000,000 a year, and are paid largely by lowest-income classes.

WHAT THEY HAD LEFT

Of course what you have left after all the deductions are made, and all the direct taxes paid, is what counts.

Here is the record by income classes.

Range of income	Number in class	Average Federal income tax paid	Average Amount left
$5,000 to $10,000	417,111	$184	$6,622
$10,000 to $25,000	175,164	944	13,887
$25,000 to $50,000	40,782	4,650	29,391
$50,000 to $100,000	13,505	15,858	51,216
$100,000 to $150,000	2,588	44,557	74,479
$150,000 to $300,000	1,535	95,519	104,020
$300,000 to $500,000	330	216,485	160,857
$500,000 to $1,000,000	177	246,378	444,085
Over $1,000,000	61	1,264,557	500,049

Two facts stand out with respect to our Federal tax system:

1. High surtax rates do not impoverish those in the upper brackets—with incomes over $100,000.

2. The normal tax rate and surtax rates should be increased rapidly on incomes of $5,000 to $100,000, and tax rates moderately on incomes from $3,000 or $2,500 to $5,000, and all Federal excise and other consumption taxes should be repealed.

The 646,562 persons reporting net incomes in 1936 of $5,000 to $100,000—probably only about 500,000 families—paid in Federal income taxes and surtaxes only $654,756,000, and had left an aggregate of $7,085,000,000, an average of about $10,810 per person, and a good deal more for many of the families.

This income group could and should pay at least $1,500,000,000, and probably $2,000,000,000, a year more in direct Federal income

The total net income in 1936 of the 4,795,573 persons reporting net incomes under $5,000 was $11,649,033,000, and their deductions were $1,292,821,000, while they paid in Federal income taxes only $66,282,000—an average of less than $14 per family.

While they pay a good deal of indirect taxes, they could pay at least $500,000,000 more in direct Federal income taxes, and if consumption taxes are repealed, considerably more.

A heavy Federal income tax on incomes of $2,500 to $100,000 would be a great stimulus to shifting State and local taxes on buildings and other labor products to land values—that is, from consumption to encouraging consumption.

A FEW BIG CORPORATIONS HAVE HALF OF CORPORATE ASSETS

The Bureau of Internal Revenue reports that in 1934 (the last available figures) 761 corporations, all with over $50,000,000,000 assets, had over half of the total assets of 410,626 corporations reporting and almost half of the total capital assets.

This group of corporations had over $153,000,000,000 of total assets and nearly $48,000,000,000 of capital assets. The total assets of these corporations increased over $10,000,000,000 from 1933 to 1934.

In 1929 tax-exempt investments of corporations reporting were $8,195,241,000; in 1932, $11,916,864,000; and in 1934, $19,960,857,000, or nearly two and a half times as much as in 1929.

URBAN LAND VALUES

In 1934, the assessed value of land in the 30 largest cities of the Nation was $18,100,233,000; in New York City, $8,000,995,000; and in Washington (1937), about $500,000,000.

In all these cities 5 to 10 percent of the families own the major part of the value of the land.

CONCENTRATION OF PROPERTY INCOME

The United States Department of Commerce reports the following property income received in 1935:

Dividends and interest	$7,303,000,000
Entrepreneurial withdrawals	8,701,000,000
Net rents and royalties	1,526,000,000
Total	17,530,000,000

The Commissioner of Internal Revenue gives the total property income received in 1935:

By 480,799 persons with net incomes over $5,000	$4,386,771,000
By 3,992,627 persons with net incomes under $5,000	2,931,593,000
By 4,473,426 persons	7,318,364,000

About 481,000 persons with incomes over $5,000 received in 1935 about one-quarter of the total property income paid out in 1935.

As many well-to-do spouses make separate returns, it is probable that these 481,000 persons mean only about 400,000 families.

That is, about 1½ percent of the families in America got in 1935, one-fourth of the total property income paid that year.

Incidentally these 481,000 persons received in addition to their $4,386,771,000 of property income the considerable sum of $2,618,901,000, as "salaries, wages, commissions, fees, etc.," making their total income $7,005,672,000, or about one-eighth of the total national income in 1935.

The chief items of property income of these 481,000 beneficiaries of the current economic system were:

Business profit	$673,816,000
Partnership profit	519,571,000
Net capital gain	389,990,000
Net rents and royalties	184,000,000
Interest on not wholly exempt Government bonds	43,282,000
Dividends on stock of domestic corporations	1,781,804,000
Fiduciary	225,796,000
Interest other than tax exempt	439,481,000
Other income	119,030,000

Dividend and interest payments in 1937 were $9,293,000,000, and entrepreneurial withdrawals and net rents and royalties $13,187,000,000.

Property income increased $4,905,000,000 in these 4 years.

The Twentieth Century Fund, in its book The National Debt and Public Credit, states:

"When a government gets itself too heavily into debt, so that payment out of tax resources becomes imposible, it is forced either to repudiate the debt or to resort to inflation and debasement of the currency. Actually, the two are identical, since inflation and debasement of the currency are both equivalent to partial repudiation."

We must use taxation vigorously to redistribute the national income.

We must also end the charges on producers and consumers of rigid prices of manufactures and of returns on watered stock, excessive capitalization, impossible debt, and speculative selling prices of land.

South Charleston, W. Va., Naval Ordnance Plant

EXTENSION OF REMARKS
OF
HON. JOE L. SMITH
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Friday, May 27, 1938

STATEMENT OF HON. L. H. OAKES, MAYOR OF SOUTH CHARLESTON, W. VA., REGARDING WHAT SHALL BE DONE WITH THE PLANT

Mr. SMITH of West Virginia. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement of Hon. L. H. Oakes, mayor of South Charleston, W. Va., outlining what in his opinion should be done with this Federal plant, which has been idle for the past 18 years:

The big thing in the minds of National, State, county, and city officials and in the plans of businessmen, labor unions, merchants, and manufacturers is employment for those willing to work. It is no longer necessary to argue the proposition that the income of the farms, the wages of labor, and the salaries of business employees are not merely signs of prosperity but they of themselves constitute prosperity. The degree only being subject to rise and fall.

The people of this valley made a record during and at the close of the World War, 18 years ago, by raising about $300,000 to insure the location of a plant for the manufacture of naval ordnance at the point in South Charleston selected by the Government. The true history is that after the general hearings on the geography of the location of the plant, and after Charleston, generally speaking, was chosen by the Commission appointed by the Government to make the location, Charleston, that is, the area of which Charleston is the center, was chosen.

Bear in mind that Charleston offered to furnish a free site, but that in effect was construed by the Government as meaning any plant site within the Charleston area. Finally, South Charleston was selected by the Government, and in a very few days the patriotic people of this section raised approximately $300,000 which was turned over to the Charleston Chamber of Commerce, and the latter purchased the site and conveyed it to the Government without any conditions or reservations. Some additional pieces of land, upon mature reflection by the Government, were desired, and the Government acquired these other pieces of real estate.

The armistice came very soon, and the only thing which was ever manufactured at this plant consisted of some forgings, but no armor plate from this plant was ever used by the Government.

In 1922 the plant was ordered closed and it has been closed ever since, the Government keeping there some naval officers and some civilian employees, and, generally speaking, the Government has thought it necessary to keep up this expense, which has required an appropriation from $80,000 to $100,000 a year, and has collected some rentals from the 117 houses erected by the Government for the employees of the plant, but now rented to anyone who could be fortunate enough to choose a vacant building. These rents are low, because no taxes upon real estate can be collected from these homes by the city of South Charleston, the county of Kanawha, or the State of West Virginia. That makes a unique situation. Local governments lose tax values and real-estate owners cannot compete with the low rentals of the Government houses.

The area for the development of South Charleston, now a city of about 8,500 people, is limited. At the east end of the city of South Charleston the river-bottom land narrows and at the west end comes Davis Creek and some low bottom land or slashes that are not easily usable for either residences or factories. The real estate in the whole plant owned by the Government is, in round numbers, 210 acres. If developed as a part of the manufacturing and home area of South Charleston, this must be made to fit into streets, alleys, sewers, and pipes already constructed. The 210 acres take practically all of the bottom land up and down the river from the Kanawha River south to the hills, with the exception of that part next to the hill, which is taken up by the old James River and Kanawha Turnpike and the right-of-way of the C. & O. Railway.

For many years the question of what shall be done with the plant has been canvassed by the people and the civic bodies of Charleston, South Charleston, and vicinity, and by the Government. During the year of 1936 a subcommittee of the Appropriations Committee of the House of Representatives visited this plant, with representatives of the Navy Department, for the purpose of determining the very natural question, why this much acreage of ground should be held by the Government and annual appropriations be made to protect the property placed upon the land by the Government, when it is quite apparent that the effect upon the city of South Charleston, Kanawha County, and West Virginia is to remove from the tax lists property which should be developed in some way unless the

Government should use it, as was originally contemplated when the people of the Charleston area made their generous donation.

For 18 years this property has been off the land books for city, county, and State tax purposes, and for 14 years it has been standing as a dead plant to depress progress. No one responsible for this statement knows the purposes of the Government, except what can be determined from the following circumstances, or testimony of naval officers, taken by the subcommittee of the Appropriations Committee referred to above:

That the Government has, by treaty, agreed to limit its warships; and, second, what occurred upon consideration of a bill sponsored by Congressman JOE L. SMITH, of the Sixth District of West Virginia, who, by the way, has made himself familiar with the essential facts surrounding this situation and has taken that personal interest and devoted the personal energy which he has shown in all public matters, and in private life in all business matters. He is a thorough, practical Congressman, full of energy and very resourceful; and he went to the front, during the administration of President Hoover, and offered a bill for the sale of the property, there being the feeling that the real estate should be sold only under the authority of an act of Congress, although it is hard to see how there could be any doubt about the right of the executive department to sell the plant or any part of it under the existing law; but that is not a question to be decided except by the Government. Mr. SMITH's bill was thoroughly investigated by the Committee on Naval Affairs of the House, was reported favorably by that committee, and passed the House of Representatives, but it was never acted upon in the Senate. It was endorsed by the Navy Department.

It is impossible to imagine that machinery, tools, and equipment put upon this property by the Government could lie 14 years, during entire inactivity, without deterioration. In the hearings of the subcommittee referred to above that was practically admitted by all who have had experience with machinery. Some of the officers said that it presents a process of "progressive deterioration."

Admiral Stark, who is head of the Ordnance Department of the Navy (p. 383 of the hearings), in answer to direct question as to whether or not the machinery is becoming obsolete, said:

"Yes, sir. Just how much progress has been made in the very heavy presses and types of machinery of that kind, I do not know. But naturally in the course of years, that machinery would become obsolete."

On page 384, he says that the smokestacks need attention.

On page 386, he says: "I think that a general survey of that subject will show that all elements of cost considered, the Government does not produce cheaper than we purchase commercially."

Secretary of the Navy Swanson, under date of March 30, 1935, in a letter to Mr. Robert L. Bryan, post adjutant, South Charleston, pages 831–832, says:

"At no time in the past has the Government's need for projectiles, armor, or gun forgings been sufficient at any one time to require the full capacity of the plant, nor sustained to an extent that would have justified the maintenance of the plant in even a partial operating status. Production under such circumstances would inevitably have resulted in a widely varying workload, with consequent difficulty in maintaining an adequate and skilled operating organization; and a high production cost because of uncertain and varying demands for material, power, etc.

"An undoubted further disadvantage in the operation of this plant by the Government would have been the destruction of commercial facilities in the United States for the production of the type of material concerned. As stated above, the Government's demands for this type of material since the World War have at no time been such as to justify the maintenance of this plant solely for their manufacture. In the case of the large steel companies, their commercial business of other kinds forms a background of employment; and enables them to maintain facilities for producing Government material even though these facilities are only occasionally called upon."

In other words, the Government has been, and is, confronted with the proposition that the Navy cannot use the plant except in a hectic way, because its capacity is beyond the needs of the Government for armor plate, and private manufacture is furnishing it at a satisfactory price. As explained by Secretary Swanson, the plant's capacity is beyond the needs of the Government, and if operated at all it would have to be an off and on process, which would make it very objectionable from any standpoint of labor and commerce. Let us add that private manufacture of armor plate is by companies that already have their overhead provided for; their sources for iron ore and similar raw materials are worked into their general business of making steel; and if the operation of this plant would drive these private manufacturers out of business, and the Government should run the plant economically would, necessarily, add to the cost of overhead, which is a small matter to the private manufacturer, because that is provided for already in their general business of manufacturing steel. Therefore, Secretary Swanson is thoroughly justified in saying:

"The Government's demands for this type of material since the World War have at no time been such as to justify the maintenance of this plant solely for their manufacture."

Senator NEELY has taken an active interest in connection with the efforts of Congressman SMITH, and under date of July 27, 1935, he received a letter from Adolphus Andrews, Acting Secretary of the Navy, in which he states, among other things:

"The Navy Department believes that, under all the circumstances, it is not justified in contemplating the reopening of this plant" (hearing of Committee on Appropriations, p. 832).

On page 382 of these hearings, Admiral Stark stated that "it would take about 3 years to get that plant in position to turn out any finished product." On page 829 of the hearings Admiral Stark testifies that the Navy Department has twice recommended that disposition of the plant be made. He explains that the action of the weather upon machinery and other property left in those buildings, due to the lack of repair of those buildings, of course, would have its natural effect; that the property could be seen by the committee and that their opinion would be as good as his.

In that same connection, he gave the reason, as he understood it, why the plant was closed February 8, 1922, to wit, on account of the abandonment of our battleship-building program, eliminating the necessity for heavy armor and major caliber guns.

Recently the Navy Department has received a bid for the personal property, consisting of machinery and tools—the movable property on the ground. The Secretary of the Navy has ordered a commission from the Navy Department to make a report to enable him to consider the bid.

Neither the houses nor the land, nor any part of either is covered by the bid. It is argued that anyone, who may hereafter buy the land and the buildings, would prefer to have this movable property, machinery, tools, etc., removed, because it is a big job to clear this movable property away. It is also contended that the machinery is largely out of date and has been allowed to deteriorate for at least 14 years. It is argued further that the machines were built for a specific purpose, and if the Government is not to use them for that purpose, then no private concern could use them for the same purpose, because that would involve arrangements for iron ore and other raw materials and the competition with those who already make war materials.

To remove this personal property will take quite a good deal of time, possibly a year. It will require the employment of from 250 to 350 workmen, and therein lies the argument that, for the time being, mostly concerns this community, because it agrees with the President that all industry and business should quickly realize the importance of reemployment of labor. That question is uppermost in the thoughts of the active people of the entire community, of which Charleston is the center. The city of South Charleston is deeply concerned for that reason, and for the additional reason that 200 acres of ground is now being held out from taxation, and should be used for that busy, active center.

It is believed and asserted by those familiar with the situation that whatever can be gotten by the Government for this personal property will be that much more in the pot when the land shall be sold, because anyone who buys the land will have to remove this machinery and personal property, no matter whether the land shall be used for plant sites or homes.

We do not dwell upon the suggestion that it will require legislation to sell the machinery, tools, and other personal property covered by the bid. The statutory authority to sell this kind of personal property is not confusing but quite clear. It is too late to raise this question. Since the construction of this plant, much property such as that here sought to be purchased has been sold from this plant under existing law.

We do not debate the question of the power to sell the real estate, because that question does not arise any more than it did when similar movable property was sold from this plant, in the past.

Prompt action is respectfully asked for reasons which become obvious from the statement of the above facts. The Government loses by delay, for progressive deterioration is like time and tide that wait for no man, and obsolescence is as progressive and certain as the inventive genius of the American people. The period rapidly approaches when obsolescence and the ravages of time will convert all of this personal property into scrap. Delay in this matter is, indeed, dangerous as well as annoying. The community of which Charleston and South Charleston are centers of activity is the loser of taxable values, but more the loser in the obstruction to expansion, of manufacturing, the employment of labor, and the building of homes. To put 300 men at work now is, indeed, reemployment. "Eventually, why not now" begin, in a practical way, to do what the Navy Department has recommended twice—sell this plant. This offer to buy the old machinery and iron is not a standing one. The purchasers must expend, in addition to the price to the Government, about $250,000 to dismantle, box, and crate this machinery, these tools, and the scrap.

The land and buildings will be left and can be sold, we believe, will be sold, at as good a price with this old stuff away as if it were retained. The eternal fact cannot be avaded that the plant, as a plant, with this old machinery, cannot be operated without the expenditure of $4,000,000 in money and the lapse of about 3 years. To put hundreds of people to work now at good wages and leave the land and buildings to be sold is the only practical way, in our judgment, to solve the problem.

TOWN OF SOUTH CHARLESTON,
L. H. OAKES, *Mayor.*

Attest:

J. W. LONDEREE, *Recorder.*

Low-Cost Housing in the First Congressional District of Illinois—Chicago

EXTENSION OF REMARKS
OF
HON. ARTHUR W. MITCHELL
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Friday, May 27, 1938

Mr. MITCHELL of Illinois. Mr. Speaker, among the many things that this administration has done to help the most needy of the Nation have been the slum-clearance projects, the resettlement projects, and the low-cost housing projects. Many of these low-cost housing projects are already in operation in such cities at Atlanta, Ga.; Montgomery, Ala.; Louisville, Ky.; New York City; Atlantic City, N. J.; Washington, D. C.; Indianapolis, Ind.; Chicago, Ill.; and many other cities. This is undoubtedly meeting one of the greatest needs of our Nation. However, I have been greatly disappointed because of the fact that the first governmental housing project of this kind to be proposed in Chicago is located in my district and in a section of the city greatly congested because of inadequate housing facilities, and though started, insofar as the clearance of the ground is concerned, more than 2 years ago, no construction of the buildings has yet been started.

There is no place in the United States where the need is more urgent than in my district. Several hundred families of colored people were forced to move out of the buildings which formerly stood on the ground where these buildings are to be erected, at a time when there was already a tremendous housing shortage. The condition in which they have been housed during the past 2 years has been almost unbearable. It is my desire to see something done immediately so that this situation can be cleared up.

I wish to say that the mayor of the city of Chicago, and the entire Chicago delegation in Congress have bent every effort to remedy this situation and to have actual construction started. Up to this point, we have not been successful. I am glad, however, to say that we have the full cooperation of the Administrator of the Housing Authority, Mr. Straus, and I am assured that within a comparatively short time the actual construction of these buildings will start.

Mr. Straus, as well as the President, is showing great interest in this work in my district in Chicago, and I take this opportunity to thank them on behalf of the citizens of my district who are suffering because of the long delay in getting this work started. We are most hopeful now because of the assurance which we have from the Housing Administration and from others in position to help.

The following is a letter which I received today from Mr. Straus, Administrator of the Housing Authority, and my answer to him:

DEPARTMENT OF THE INTERIOR,
UNITED STATES HOUSING AUTHORITY,
Washington, May 24, 1938.

HON. ARTHUR W. MITCHELL,
House of Representatives.

MY DEAR CONGRESSMAN MITCHELL: A few days ago, I had a talk with Col. James Roosevelt about the difficulties in the way of constructing a housing project on the land, originally acquired for that purpose, in your district in Chicago. We both felt very clearly the need for the rapid commencement of a large low-rent housing project there, and canvassed the various possibilities for getting one started.

As you know, the legislative situation in Illinois has so far clarified that we look forward quite confidently to the passage of adequate enabling housing legislation very shortly. If our reasonable expectancy in this direction is not fulfilled, let me assure you that every other effort will be made to resolve the Chicago difficulties and bring to Chicago the projects which it so much needs and has been anticipating for so long.

With best wishes,
Faithfully yours,

NATHAN STRAUS, *Administrator.*

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., May 26, 1938.

MR. NATHAN STRAUS,
Administrator, United States Housing Authority,
Department of Interior, Washington, D. C.

MY DEAR MR. STRAUS: I am very glad indeed to receive your letter of May 24, and to note the optimistic view which you have of the possibility of something definite being done toward the commencement of the low-rent housing project in my district in Chicago, Ill. We have been working in every way we knew to get this project started. The Chicago delegation has had several conferences on this matter. I was much impressed by the interest which you have shown in helping to get this matter untangled so that the actual construction can begin.

I wish to emphasize the extreme importance of the early construction of this particular project. The housing situation among colored people in South Chicago is most deplorable. The buildings which stood on the ground where this project is to be erected were torn down 2 or more years ago. Hundreds of colored families were dispossessed and forced to go into inadequate quarters. This happened at a time when there was already a tremendous housing shortage among the colored people of the South Side. The condition has grown unbearably serious since these houses were pulled down.

I cannot emphasize too strongly the necessity of immediate action in getting this project started. I know you are doing your part and we are all hopeful that within the next few weeks the actual work in the construction of this low-rent housing project will begin.

Thanking you for the deep interest you are showing in this matter, and hoping that all difficulties which heretofore have hindered this work will soon disappear, I am,

Very cordially and gratefully yours,

ARTHUR W. MITCHELL.

I wish to make it plain that no one connected with the Housing Authority can be held responsible for the failure to carry forward this work. There was great difficulty from the beginning in the acquisition of all the plots of property to be used in the construction of this particular housing project. It is my understanding now that this difficulty has been cleared up. It is now a question of working out the details by the authorities of the city of Chicago, and in the State of Illinois, so that under the law the Housing Authority, as constituted, can proceed with the construction of this project.

I am further informed that the legislature of the State of Illinois is now in session and that the Governor and the legislature are seeking to clear up such difficulties as still remain in the way of immediate construction. I have been deeply interested in this project from the very beginning and wish to take this method of thanking all of those who have rendered assistance and who are still rendering special assistance in clearing up the obstacles so that construction can be started.

I wish to say again that this project is badly needed, and it is my hope that within the next few months the project will not only be started but will be rushed to the earliest possible completion.

Dedication of the Indianapolis Federal Building

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 23, 1938

INTRODUCTORY REMARKS OF HON. LOUIS LUDLOW AND ADDRESSES OF POSTMASTER ADOLPH SEIDENSTICKER, MAYOR WALTER C. BOETCHER, GOV. M. CLIFFORD TOWNSEND, AND POSTMASTER GENERAL JAMES A. FARLEY AT INDIANAPOLIS, IND., MAY 21, 1938

Mr. LUDLOW. Mr. Speaker, last Saturday the beautiful new Federal building in the city of Indianapolis was dedicated with impressive ceremonies. The principal address was

delivered by Postmaster General Farley. The invocation was by Bishop Joseph Elmer Ritter, of the diocese of Indianapolis, and Rev. Ernest N. Evans, secretary of the Church Federation of Indianapolis, pronounced the benediction. I had the honor to preside and to introduce the distinguished speakers. Through the courtesy of the House, I present for printing in the RECORD the Postmaster General's address and the addresses of our mayor and Governor and my introductory remarks.

In calling the meeting to order, Postmaster Adolph Seidensticker, of Indianapolis said:

On May 26, 1902, almost 36 years ago today, the first spadeful of earth was turned in connection with the erection of the new Federal building in Indianapolis. This building was completed in September 1905, at which time it was felt that the facilities provided would be adequate for at least half a century. But the steady, consistent growth of our city brought such an increase in the business of the post office and other Federal activities housed in the building that within less than 30 years an addition to the building was found to be an absolute necessity.

Today we are assembled to dedicate the completed extension to the United States courthouse and post office in Indianapolis, erected to meet these additional needs. It is a beautiful and magnificent building of pleasing architectural lines, and if one may judge from the many recent personal expressions made to me by local citizens, a source of joy and pride to every resident of Indianapolis. An appropriation by Congress was, of course, necessary, and someone had to sponsor that appropriation. Our beloved Congressman, LOUIS LUDLOW, undertook that task and accomplished it in his customary able and capable manner. To him goes the credit for having had appropriated and allocated the funds which made possible the erection of this splendid edifice. It is therefore most fitting and proper that he should preside at these dedicatory exercises. It is an honor and a pleasure to present as chairman of this meeting the Honorable LOUIS LUDLOW, Congressman from the Twelfth District of the State of Indiana. [Applause.]

ADDRESS OF REPRESENTATIVE LOUIS LUDLOW AT DEDICATION OF INDIANAPOLIS FEDERAL BUILDING, MAY 21, 1938

The United States Postal Service is by far the largest business organization in the world. None other even approaches it in scope and volume. The first Postmaster General was Benjamin Franklin. The fifty-third Postmaster General in lineal descent is James A. Farley, the gentleman who sits at my right and who will presently address you. Franklin was noted for his quaint wisdom. Farley, while lacking none of the qualities of warmth and humor inherited from his Celtic forebears, if I read the future aright, will go down in history as the one who wrote his name at the top of the outstanding business executives of the Postal Service. It will interest Hoosiers to know that between Franklin and Farley four Indianians have presided over the Postal Establishment—James N. Tyner, of Peru, in 1876; Walter Q. Gresham, of New Albany, in 1883; Will Hays, of Sullivan, in 1921 and 1922; and Harry S. New, of Indianapolis, from 1923 until 1926. While we have had 53 Postmasters General we have had only 31 Presidents of the United States, which indicates a rather rapid turn-over in the postal management; and Mr. Farley, now entering his sixth year as head of the Department, already ranks third among all of our Postmasters General in respect to length of service.

Under Franklin there were 75 post offices in America, all told, and a force of a few hundred persons served the mail to 3,000,000 inhabitants. Under Farley there are 45,000 post offices, and the number engaged in the Postal Service who make their living from it is about 400,000. The Postal Service is therefore the largest employer of labor, representing nearly one-half of the total Government employees, and larger, of course, than any single industrial enterprise in the world. In volume the United States mail has grown from a negligible beginning to an estimated grand total of 25,800,000,000 pieces handled in the fiscal year 1937. This survey included parcel post as well as letter mail, and the total estimated weight of this enormous volume of mail was 5,500,000,000 pounds.

The Postal Service today comprises our largest savings bank, our largest express business, our largest system for the transfer of money, and our largest agency available to the people for the investment of their savings in Government bonds. It has in its custody $1,250,000,000 in postal-savings deposits, belonging to 2,700,000 depositors. It also maintains a huge motor fleet of more than 8,000 vehicles. It operates through every known means of transportation, from horseback and dogsled to airplanes, and the person who is remote from postal facilities is remote indeed.

Because everyone uses the Postal Service and its appeal is so general and its coverage so universal, few people pause to realize how important it has been to the social and economic development of our country. Nor do they realize the extent to which it has grown. For the fiscal year ending June 30, 1937, the Acting Comptroller General of the United States reported total cash postal transactions subject to audit for that fiscal year to be $8,116,000,000. This is more than all the money in circulation. It is equivalent to $62.40 from each man, woman, and child in the country, and it would take 10 years to count at $1 a minute, 8 hours a day. Of course, nothing like that figure exists in any other organization in this world, public or private.

Fate has assigned to me the responsibility of the chairmanship of the subcommittee of the Appropriations Committee that has jurisdiction over appropriations for the postal establishment and all of the annual supply bills affecting the Postal Service originate in our subcommittee. The framing of one of these measures involves an enormous amount of detail which no layman can appreciate unless he has actual contact with the process. We meet these gentlemen of the Post Office Department across the table during weeks of hearings when estimates are critically examined, and the needs of the Service are carefully explained. I cite these facts merely to show that I have been brought into the most intimate contact officially with the Post Office Department and all of its processes, and it is my considered judgment that never in the history of the United States was the Postal Service operated on as sound principles or with as great a measure of efficiency as it is at the present time under Postmaster General Farley. It is in no spirit of partisanship whatever but as a recorder of truth that I say that Mr. Farley's administration is "tops" from the standpoint of efficiency and business management. [Applause.]

We are prone to speak of the objective of a balanced governmental budget as "a consummation devoutly to be wished." Well, the postal budget of our country already is balanced under Mr. Farley, notwithstanding the fact that the salaries paid to postal employees now are greater than at any time in the past. That is to say, if we eliminate from our postal appropriations the non-postal items, which are not properly chargeable to postal costs, we find that the Postal Service has been operating at a profit during the last 4 years, with the exception of the fiscal year 1936, and there would have been a surplus that year except that the cost of the 40-hour week was absorbed all at once. Surpluses are forecast for the current and next fiscal years. The enormous postal deficits that formerly were expected, as a matter of course, have vanished under the careful management of Mr. Farley. At the same time we have increased salaries in many instances and have provided a step-up for an enormous group of low-paid custodial employees. Taxpayers should note that the Postal Service itself, stripped of its non-postal activities, costs them nothing and that the postage which the people pay for the use of postal facilities is slightly in excess of the actual cost of those facilities.

Every time I pass the post-office building in the city of Washington I am led by an irresistible impulse to pause and read the inscription above its portals. That inscription was the product of two of the greatest brains America has produced—the brains of Woodrow Wilson and President Eliot of Harvard University. They collaborated in writing the inscription and it is recorded that they put in a great deal of time in its preparation, because they wanted it to stand for ages as a symbol of what postal communication means to the human race. Here is the description of the Postal Service written by those two great men and epitomized in the legend over the post office in the Nation's Capital:

Courier of news and knowledge,
Instrument of trade and industry,
Promoter of mutual acquaintance,
Peace and good will among nations,
Messenger of sympathy and love,
Servant of parted friends,
Consoler of the lonely,
Bond of the scattered family,
Enlarger of the common life.

To my mind, the splendor of this description lies in the fact that it recognizes the Postal Service not only in the commonplaces of life, trade, and commerce, but also takes cognizance of it as having a vital bearing in the things of the spirit. Love, sympathy, fellowship, peace, and good will, enlargement of the common life, are all spiritual factors associated with and intertwined in our Postal Service; and so, thank God, it will be forever.

If we could examine just 1 day's grist of mail passing through this great system, what a variation of emotional reactions we would experience! Love? Why, we would find thousands of lovers sighing, as Shakespeare says, "like a furnace," rushing their sweet nonsense to each other by airplane, special delivery, when it might as well go by slow freight. [Laughter.] Sympathy? We would find innumerable thousands of missives conveying sympathy over death or misfortune or the countless troubles to which flesh is heir, and we would have a clearer conception of the truth of the poet's saying, "A little touch of kindness makes the whole world kin."

Consoler of the lonely? We would find innumerable letters of consolation—heart speaking unto heart—perhaps a mother writing to her wayward son doomed to the gallows or electric chair, seeking to console him while her heart breaks; possibly a sister's efforts to encourage a brother who is suffering with the ravages of consumption when she knows too well that his days are numbered and that she will never see him alive again. Myriad are the ways in which love seeks expression.

And we would find, too, innumerable letters of an opposite character—letters reflecting anger and hatred and all the ugly and undesirable attributes, for the United States mail runs the range of human foibles, as well as virtues, and, O God, what a load of bitterness is sometimes carried in the mails!

It is no wonder that those two great scholars, Wilson and Eliot, whose keen intellects penetrated things earthy and spiritual with

the efficiency of a surgeon's scalpel, found in their study of the mails the incentive and the inspiration to write this meaningful tribute to the Postal Service. What a subject for great minds! Think how many heartthrobs there were in the 25,800,000,000 pieces of mail that passed through the post offices in 1937. There is nothing else on earth so vibrant with life as this epistolary flood. In it we find the portentous screeds of statesmen and high dignitaries intermingled with the modest scribblings of the flotsam and the jetsam of life. In the never-ending stream that flows through our post offices we encounter all of the promptings of the human spirit that make for better or for worse; every emotion that thrills the human heart.

In this mirror of life we see reflected all the vices and all the virtues. We see meanness and selfishness mixed with superlative nobility and generosity in its fullest flower. We pick up one letter and we wonder how anyone could have been mean enough to write it, and then our disillusionment comes when we pick up the next letter and see shining through it a soul as pure and white as ever presented itself for judgment at the throne of God.

We who are privileged to be public servants live on the most intimate terms with the postman. The letters we find in our voluminous daily mail sound the entire gamut of emotions—joy and distress, buoyancy and sorrow. Now, it may be a letter radiant with happiness and again it may be a letter filled with such infinite pathos that tears blind our eyes when we read it. Members of Congress especially are in touch with a large sector of life through the mails and among them I have found universal appreciation and admiration of that beautiful motto over the door of the Washington post office.

And so, I commend to you the words of President Wilson and President Eliot for the discernment and the truth reflected by them and I would like to see that legend above the portals of every post office under the American flag. It would stand as a perpetual reminder that the Postal Service is not only our largest business institution, but our largest human institution.

Today we thank the Giver of all good things for the Postal Service and for all it means to us.

We have here in Indianapolis an important unit in this Postal System and the United States Government, with plans drawn by our good Indianapolis architectural firm of McGuire & Shook, has created here a very substantial and commodious building to house the Postal Service and other Federal activities. We have met today to dedicate this building. We wish to thank you, Mr. Farley, for all you have done to make this building possible, and we feel especially honored that you and your associates have thought enough of Indianapolis to journey from Washington to participate in this dedication. We welcome you with open arms and we hope that we may be able to show you the warmth of genuine Hoosier hospitality. We want you to know that all of Indianapolis appreciates this noble structure which adds so much of beauty and of charm to our civic center and that it fills us with gladness to be able to participate today in ceremonies which dedicate this fine building to the service of the present and future generations. [Applause.]

ADDRESS OF MAYOR WALTER C. BOETCHER

During the time I have been mayor of Indianapolis, there has been no ceremony in which I have participated with a greater degree of personal pleasure than this one today, in which we are dedicating this most beautiful and most useful building, the new wing of our Federal Building. This is, indeed, a day on which all citizens should feel a glow of pride as they gaze upon this attractive structure which has raised itself majestically in the very heart of our city. It means much to Indianapolis. We all know that it was badly needed. The original Federal Building, which it adjoins, provided ample space for the activities of the Indianapolis branch of the Post Office Service, and the various local departments of the Federal Government at the time it was erected, but as the years passed, as the city grew in size and population, it became increasingly apparent that the old building was inadequate.

The establishment of post-office substations in various parts of the city did not, alone, solve the problem. The old Federal building still was badly overcrowded, not only in the post-office division, but also in the several Federal departments which it housed. At times I have actually seen the corridors of the building brought into use for desk space in order that some of the departments might continue to function and to keep up with the ever-growing business that confronted them. Not only were the Federal employees hampered in their daily work, but, at times, particularly in rush periods, such as the Christmas holidays, the general public found that the overcrowded condition presented a severe handicap.

Into this situation, a few years ago, stepped a man to whom all Indianapolis owes a deep debt of gratitude. I refer, of course, to your friend and my friend, Congressman LOUIS LUDLOW. Realizing the urgent need for additional space in the Indianapolis Federal building, Mr. LUDLOW, supported by the business and civic organizations of the city, began a concerted and determined effort to bring about the establishment of an adequate addition or annex to the original building. How successful that effort was is revealed as we gather here today to dedicate this magnificent $2,000,000 edifice.

We, who call Indianapolis our home, have watched day by day and week by week with a growing feeling of pride and satisfaction as this handsome structure reared itself aloft to add its beauty to the skyline of downtown Indianapolis. Now, that it is completed, and we have had the opportunity to inspect its beautiful and well-arranged interior, we feel a greater pride in what has been accomplished. While I feel that this building will stand forever as a monument to the name of LOUIS LUDLOW, I do not for one moment wish to detract from the credit and praise that is due those who joined hands with him, unselfishly, with no thought of politics, with only the thought of the best interests of our city, in making this dream a splendid reality. Without their aid, without the wholehearted and understanding cooperation of men such as our distinguished guest of honor, Mr. James A. Farley, the Postmaster General of the United States, this accomplishment would have been most difficult, perhaps impossible. To you, Mr. Farley, and to your Department, all Indianapolis extends its sincere thanks. We appreciate, more than words can tell, what has been done for the benefit of our city.

We are grateful and appreciative of what has been done for us. To Congressman LUDLOW, to Postmaster Adolph Seidensticker, to all of the Federal officials and employees who will occupy the building, and to the entire citizenship of Indianapolis, I offer my sincere congratulations. I thank you. [Applause.]

ADDRESS OF GOV. M. CLIFFORD TOWNSEND

This is a happy occasion for Indiana for three reasons: First, it symbolizes that fine spirit of cooperation existing between the State and Federal Governments; second, it marks the dedication of a useful, permanent public building; and third, it brings our friend, Postmaster General James A. Farley, to the Hoosier State.

Years ago the various units of government operated independently of one another, and cooperation between local, State, and Federal Governments was the exception rather than the rule.

We have found today, however, that all units of government must coordinate their programs and activities in the interests of the public welfare.

A very friendly and cooperative relationship exists today between the Federal Government and the Indiana State Government. The Federal Government has adjusted all its programs in Indiana to meet the needs of our State. We are sincerely grateful to the Federal Government for the many ways in which it has contributed to the welfare of our State.

Post offices have been erected where there was a local need and demand. These post offices have not only answered a demand for fine, permanent public buildings but they have provided employment for thousands of workers throughout Indiana.

The post office, in most communities, is a community center. An old building badly in need of repair is a community eyesore, and a new, modern building adds to the attractiveness of the town or city. As a citizen of Indiana, I have been very proud of the many new post offices constructed in our State in recent years. The building program of General Farley has been of real benefit to Indiana.

All of Indiana will benefit by this new addition to the Indianapolis post office and Federal building, because of the improved facilities for handling mail and other Federal business. Many Federal offices which formerly had been scattered throughout the city will now be centrally located in the enlarged Federal building.

The post-office building program is only one example of how the Federal Government has helped us to solve our problems in Indiana. Under the public-works program fine buildings, schools, jails, municipal and county office buildings, and water treatment and sewage disposal plants were constructed in our State. The Civilian Conservation Corps has helped us to maintain and improve our State parks, State forests, and State game preserves. In addition, the C. C. C. has been battling one of our most serious problems, soil erosion.

The W. P. A. and the N. Y. A. have been providing jobs to our unemployed adults and youths on useful, usable projects of real community value. The Agricultural Adjustment Administration and the Farm Security Administration have been dealing effectively with crop surpluses and farm tenancy.

In these and many other ways the Federal and State Governments have been working closely together in a combined effort to increase the security of our people. The State government, struggling alone, could never have brought to the people the benefits they have gained from the combined State and Federal programs.

We are happy to welcome back to Indiana our good friend, General Farley—the man who made the Postal Department pay for itself by wise, businesslike management. As Postmaster General he has improved and increased the services of the Postal Department.

As Postmaster General and a member of the President's Cabinet, General Farley has shown in many ways that he is a real friend of Indiana. He has been attentive to our needs and has made all the services of the Federal Government available to us. In behalf of the people of Indiana I am happy to thank General Farley for the many ways in which the Federal Government has improved the welfare of our State. [Applause.]

REMARKS OF HON. VIRGINIA JENCKES, MEMBER OF CONGRESS

I desire on this happy occasion to make a speech of one sentence, just to say that no district was ever better represented in Congress than the Twelfth Indiana District is represented by my colleague, Hon. LOUIS LUDLOW. [Applause.]

ADDRESS OF THE HONORABLE JAMES A. FARLEY, POSTMASTER GENERAL

Today we are assembled to formally dedicate for the use of the Federal agencies and for the use of the people of Indianapolis this enlarged main post office and Federal office building. With the completion of this unit there is added another major link in the chain of public buildings which have been provided by this administration for the comfort and convenience of the public in the great State of Indiana. The postal activities which have been carried on for so many years in the original building will have larger and more improved facilities in the space provided by the new structure. Additional office space will also be provided for the courts, the Internal Revenue Bureau, and other Government agencies. The building is fireproof, modern in all respects, and equipped with up-to-date mechanical devices.

The original building was designed by Rankin & Kellogg, architects of Philadelphia. It was erected at a cost of almost $2,000,000 on a site which was purchased for approximately $625,000, making the total expenditure for the original building and ground in excess of $2,600,000. The cost of this new extension, which will be completed and fully occupied within a short time, comes from the appropriation of funds for the emergency construction of public buildings. The amount allotted for this extension project was $1,890,000, making a total investment here by the Government of approximately $4,500,000.

McGuire & Shook, architects of Indianapolis, associated with Rankin & Kellogg, architects of Philadelphia, prepared the drawings for the extension and remodeling of the building under contract with the Treasury Department. The work was carried on under the supervision of the public buildings branch of the Treasury. On August 26, 1936, a contract for the construction of the extension and remodeling was awarded to the Great Lakes Construction Co. of Chicago.

The addition provides approximately 128,000 square feet of usable floor space. The original building provided about 103,000 square feet, thus giving a total for the entire building as it now stands of more than 231,000 usable square feet for workrooms and offices.

I want to take this opportunity to express my warmest congratulations and appreciation to the architects, the builders, and their employees.

The erection of buildings of this character throughout the Nation indicates progress and offers ample evidence of the Government's interest in business and in the welfare of its people. These construction projects give employment to thousands of workers and have a wholesome effect on business generally.

The growth of the Postal Service in the United States has been phenomenal, and that growth is reflected to a marked degree in the post office of Indianapolis. The records indicate that the Indianapolis post office was established March 8, 1822, with Samuel Henderson, Jr., as the first postmaster. Available records do not indicate the compensation of the postmaster during the first period of operation. It is indicated, however, that during the fiscal year 1825 he received $130.20 for his services. There is a great difference in the responsibility carried by Mr. Henderson and in the responsibility of the present postmaster, Mr. Adolph Seidensticker. Back in 1822 Postmaster Henderson probably handled the affairs of the office with little or no help. Now the receipts average almost $400,000 a month and Postmaster Seidensticker has more than 800 employees. In the early days there was little need for speed, as transportation was limited and the postal requirements of the people were few and easily met. Today there is a vastly different situation. With mail transported in and out of Indianapolis by airplane, railroad, bus line, and electric railway, the task to be performed is far more complex, yet it is accomplished with such ease and efficiency that the average citizen considers it quite commonplace and is, indeed, surprised at the few instances of delay and inconvenience caused by irregular mail service.

There is no other agency of the Government, and certainly no private agency, that renders individual personal service to the people of the Nation that in any way compares with the service rendered by the post office.

During the 5 years that I have been privileged to serve as Postmaster General I have learned of the fine loyalty and efficiency of the postal workers, and I am glad to publicly express to them my deepest gratitude. We in the Department fully appreciate that our efforts to maintain a businesslike administration in the post office would not be successful but for the fine loyalty displayed by those who actually do the work in Indianapolis and in all other post offices throughout the country. [Applause.]

Much has been accomplished in the Postal Service since March 1933. To illustrate: The net deficit for the fiscal year 1932, which was the last full year of operation under the previous administration, was more than $152,000,000; and there was a net deficit in the fiscal year 1933 of more than $50,000,000, notwithstanding that in the beginning of that year the postage rate on all first-class mail matter was raised from 2 to 3 cents. The fiscal year 1934 was the first full year of operation under this administration. At the beginning of that year the postage rate on local first-class matter was reduced from 3 to 2 cents, and yet a net surplus of more than $12,000,000 was shown. In 1935 a net postal surplus of approximately $5,000,000 was accomplished, and in the fiscal year 1936, although a shorter workweek law was granted to the employees, and the custody of post-office buildings was taken over from the Treasury Department, a net postal deficit of less than $17,000,000 was shown. In the fiscal year 1937 the revenues of the Postal Service reached an all-time high of more than $726,000,000, and the net postal surplus for the fiscal year 1937 was $12,643,000.

We have established in the Department a new method of accounting which keeps me currently and accurately advised concerning our fiscal affairs. The information furnished me recently by the Comptroller of the Department convinces me that the receipts for the present fiscal year of 1938 will at least equal and probably exceed the record-breaking receipts of the last fiscal year 1937.

Some critics will point out that while surpluses are shown in the operating reports of the Department, yet substantial sums are withdrawn from the Treasury to meet expenses. Let me remind you that such withdrawals from the Treasury are made to cover the cost of services rendered by the Department under law, free or at less than cost, or to pay aviation subsidies, and in the past merchant marine subsidies, which likewise were required by law to be paid by the Post Office Department. However, after taking credit for such items the previous administration showed deficits, and after taking credit for such items in identically the same manner this administration has shown net surpluses for each full year of its operation, with the exception of the fiscal year 1936, which was the year the shorter workweek law was provided and the maintenance of Government buildings was taken over from the Treasury.

With the whole-hearted support of our personnel, coupled with an increase in business, we are maintaining a balance between receipts and expenditures with respect to that part of our service which we render to the public for hire. This has been accomplished without impairment of service. As a matter of fact, the service has been improved in many respects. It has been done without adversely affecting the employees. On the contrary, their working conditions have been improved and liberal personnel policies have been followed.

The Department is constantly surveying its various services in order to make it more efficient, and to the fullest extent possible to keep its expenditures within the limits of its revenue.

It is obvious that the Postal Service, like any other business, can be operated more economically when the volume to be handled is large. Therefore, it seems to me that it is important and in the interest of all concerned for the Department to urge the people generally to make the fullest use of the facilities offered them by this great organization. The rates of postage on all classes of mail are so low as to place the service within reach of all the people. Letters may be mailed throughout the Nation, the possessions of the United States, to Canada and Mexico for the domestic rate, 3 cents. Local letters for delivery within the district served by the office at the point of mailing are carried for 2 cents. Parcels containing merchandise, papers, and property of almost any conceivable description, with the exception of poison, may be mailed at nominal rates. No other transportation agency offers to the public and to business the opportunities for wide distribution at so little cost. Manufacturers, jobbers, and retailers in increasing numbers are using the Postal Service as their agency in the distribution of their products. Yet there are many businessmen who have not availed themselves of the many facilities offered. I believe it is definitely in the interest of business and in the interest of the success of the Postal Service to have a more general understanding of the various services and rates provided. For that reason I have urged all postmasters and all employees of the Postal Service to acquaint the patrons concerning these things.

Here in Indianapolis your postmaster has a force of experts who are available to confer with you and they are eager to help you with your mailing problems. They will be glad to point out to you the most expeditious manner at the most economical rates for the dissemination of your advertising matter and the distribution of your merchandise. This great postal organization, which functions so satisfactorily for the big-business house, stands just as ready to serve the little fellow.

In keeping with the idea of bringing the advantages of the Service more directly to the attention of the people, we are concluding today a week's celebration commemorating the inauguration of air-mail service in the United States. During this week the entire postal organization, with the cooperation of the Governors of the States, the mayors of our cities, business organizations, fraternal societies, civic groups, and the air-line operators, have done a fine job in acquainting the people with the rapid schedules and economical rates of the Air Mail Service. Twenty years ago last Sunday, on May 15, 1918, there was established, with the cooperation of the United States Army, the first regularly scheduled air-mail service between New York, Philadelphia, and Washington. Prior to that time there were experimental flights for the carrying of mail and messages by balloon and airplane in many parts of this country and throughout the world. Of course, airplanes were used effectively during the World War, but I repeat that the first scheduled air-mail service was placed in effect between the Nation's Capital and New York, with a stop at Philadelphia, on May 15, 1918. The first mail was flown by Army pilots in Army planes, the personnel and equipment being assigned by the War Department for that purpose.

The Army continued to fly the mail until August 1918, when the Post Office Department took over the maintenance of the Service on its own account. The air lines were operated by the Post Office Department exclusively for the transportation of mail until 1926, by which time the success attained was sufficient to attract the

attention of private capital. Therefore, the Department withdrew from the actual operation and since that time has been contracting with the operators of the air lines for the transportation of the mails in a manner similar to contracts with the railroad companies and other transportation agencies.

I feel that each and every one of us should be sincerely grateful to those courageous Army fliers who established our first air-mail runs, and to the heroic fellows who sailed the planes as pioneers for the Postal Service when under its own management the transcontinental lines were set up. To their everlasting credit it may be said that they laid the foundation for the existing aviation industry in America. In speaking of the pioneers I am not unmindful of the splendid accomplishments and matchless courage of the present-day pilots who fly the big ships day and night with a record for regularity in performance that is amazing, considering the obstacles that must be overcome. [Applause.]

Through the years the Army and Navy and the Department of Commerce have made marked contribution to the success of aviation. The development of radio has been an important factor. In fact, almost all major industries have contributed something to the development of aviation, for aviation depends quite as much on its ground organization for successful flights as it does on the pilot in the air. I am sure, however, that no organization has done more to foster the aviation industry than has the Post Office Department. The efforts of the Department to expedite the handling of the mails across this country of magnificent distances was responsible for the first scheduled regular airplane trips. Its own operation of air lines and its patronage of the present air-transportation lines has been a moving force in the development which now provides for the citizens of this country the greatest system of air lines in the world.

I trust that the efforts of the Department during the past week to publicize the speed of air service will have a lasting effect, for in the air service, as well as in all other phases of the Postal Service, the greater the volume the greater opportunities will be provided for improved service at a minimum of cost.

The phenomenal development of transportation in all of its phases in the United States within the last 5 years seems to me to provide a conspicuous barometer of the progress of the people and the influence of the Government in fostering and supporting such progress. Better transportation means better living, more comforts and conveniences for the people. In short, a wider distribution of the benefits of our modern civilization which is the aim and objective of the Roosevelt administration. Franklin D. Roosevelt is a great leader, a great humanitarian, and you may be assured that he will continue to carry on his brave and constructive fight for the preservation of liberty and democracy.

In conclusion, then, let me again offer my congratulations to the citizens of Indianapolis on the acquirement of this splendid building, which is a lasting monument to the progressive spirit of this community, and to the officials and Government workers who will serve you. [Applause.]

APPENDIX TO THE SPEECH OF POSTMASTER GENERAL JAMES A. FARLEY, DELIVERED AT THE DEDICATION OF THE ANNEX TO THE MAIN POST OFFICE AT INDIANAPOLIS, IND.

LIST OF POSTMASTERS—NAME AND DATE APPOINTED

Samuel Henderson, Jr., March 8, 1822 (established); John Cain, January 20, 1831; Joseph M. Moore, June 29, 1841; John Cain, April 21, 1843; Samuel Henderson, March 29, 1844; Livingston Dunlap, August 19, 1845; Alexander W. Russell, April 4, 1849; James W. Russell, November 4, 1852; William W. Wick, April 9, 1853; John M. Talbott, April 6, 1857; Alexander H. Conner, April 6, 1861; David G. Rose, August 20, 1866; William R. Holloway, April 5, 1869; James A. Wildman, March 22, 1881; Aquilla Jones, Sr., March 30, 1885; William Wallace, March 19, 1889; Edward P. Thompson, June 14, 1891; Albert Sahm, February 16, 1894; James W. Hess, January 21, 1898; George F. McGinnis, July 19, 1900; Harry W. Bennett, January 23, 1905; Robert H. Bryson, April 28, 1908; R. E. Springsteen, April 24, 1913; Robert H. Bryson (acting), January 16, 1922; Robert H. Bryson, January 18, 1922; Leslie D. Clancy, January 9, 1932; Adolph Seidensticker (acting), October 1, 1933; Adolph Seidensticker, May 3, 1934.

Postal receipts

Year:	*Receipts*
1910	$1,272,556
1920	2,834,203
1930	4,536,311
1937	4,427,038

ORIGINAL BUILDING (1905–36)

An act of Congress approved March 1, 1899, authorized the purchase of a site and erection of a new courthouse and post office in Indianapolis.

This act provided for sale of property at Pennsylvania, Market, and Court Streets (Talbott and New Block), the proceeds to be applied toward payment for a new site. That property was sold under a proposal accepted February 17, 1900, by the Secretary of the Treasury, the price being $400,100. On August 1, 1900, the site at Ohio, Pennsylvania, and Meridian Streets was purchased, costing $626,281.52.

In January 1902, drawings were completed by Rankin & Kellogg, architects, Philadelphia, Pa., and approved by James Knox Taylor, Supervising Architect, Treasury Department, for the proposed building. It was erected at a cost of $1,990,218.62, completed, and occupied the early part of 1905.

Later, from authorization by Congress, dated August 1, 1914, a mailing platform was added for $4,294. Total spent for site and construction of the existing building amounts to $2,620,794.14. It provided a basement and four-story building about 337 feet on Ohio Street by 208 feet on Pennsylvania and Meridian Streets. Above the first floor the plan was U-shaped, arranged around an open light court. This original building had a ground area of 48,538 square feet and a content of 3,576,123 cubic feet. Usable floor area was about 103,341 square feet.

EXTENSION AND REMODELING (1936–38)

This project was authorized under provisions of the deficiency appropriation acts of Congress dated June 19, 1934, and June 22, 1936, appropriating funds for emergency construction of public buildings outside the District of Columbia. From the first act $1,315,000 was appropriated, and later was augmented with $575,000 from the second act, totaling $1,890,000.

McGuire & Shook, architects, Indianapolis, Ind., associated with Rankin & Kellogg, architects, Philadelphia, Pa., prepared the drawings for the extension and remodeling of the building under contract with the Treasury Department, the work being carried on under the supervision of the Public Buildings Branch of the Procurement Division.

Construction contract was awarded August 26, 1936, to the Great Lakes Construction Co., Chicago, Ill., in the amount of $1,522,451, allowing 420 calendar days for completion of the work.

The addition provides a basement and four-story structure with a partial fifth story, having an added ground area of about 39,000 square feet and content of 2,757,000 cubic feet.

The exterior is designed to harmonize with the original building, using limestone facing. Materials and construction are fireproof in keeping with present building.

Usable floor space added will be 127,950 square feet. The original building has 103,341 square feet, thus giving a total for the entire building of 231,291 square feet.

The Post Office Department occupies the first floor, basement, and portion of the second floor.

The Department of Justice with the old district (west) and circuit (east) court rooms, clerk of court, United States attorneys, and correlated activities, are assigned to the second floor. Quarters for Secret Service, master in chancery, and referee in bankruptcy are also on this floor.

The third floor will have space for Internal Revenue agents and collectors, Customs, Narcotics, Geological Survey (Interior Department), and Bureau of Investigation (Department of Justice).

Fourth floor will quarter the Navy and War Departments, Railway Mail Service, Immigration and Naturalization (Department of Labor), Interstate Commerce Commission locomotive inspector, and miscellaneous smaller units.

Fifth floor will include space for Civil Service, National Park Service, Milk, Grain, Fruit, Vegetable, Meat, Virus, Serum, and Tuberculosis Eradication Inspection Services.

The Indianapolis Post Office was established March 8, 1822, with Samuel Henderson, Jr., as the first postmaster. There is enclosed a list of all postmasters who have served at Indianapolis.

The earliest compensation of Postmaster Henderson is not shown in available records. He received $130.20 for the fiscal year 1825 and $336.23 for the fiscal year 1829. Postmaster John Cain received $648.69 for the fiscal year 1833, $957.24 for the fiscal year 1835, and $1,177.85 for the fiscal year 1837. The first classification of post offices was effective July 1, 1836; under this classification post offices where the compensation of the postmaster exceeded $1,000 became what is known today as Presidential. It is not definitely known when Indianapolis became a Presidential post office. The salary of Postmaster John Cain mentioned above would indicate that it became Presidential on or about July 1, 1836.

The earliest receipts of the post office are not available. The net receipts were $372.36 for the fiscal year 1827, $379.23 for the fiscal year 1828, $559.12 for the fiscal year 1830, and $1,313.52 for the fiscal year 1835.

Service to the Indianapolis post office in 1824 was listed on five routes:

No. 349. From Indianapolis, by Martinsville, Spencer, and Burlington, to Washington, once in 2 weeks.

No. 350. From Indianapolis, by Franklin, Edinburgh, Columbus, and Geneva, to Vernon, once in 2 weeks.

No. 351. From Indianapolis, by Shelby, Greensburg, Napoleon, and Vaughns, to Lawrenceburg, once in 2 weeks.

No. 352. From Indianapolis, by Crawfordsville, Clinton, and Terre Haute, to Vandalia, once in 2 weeks.

No. 353. From Indianapolis, by Franklin, Columbus, Stringtown, Brownstown, and Valonia, to Salem, once in 2 weeks.

Neither the mode of transportation nor the name of the contractor for the above routes is indicated.

The postage rates in effect at the time the Indianapolis post office was established were as follows:

For every single letter in writing, marks or signs, conveyed not exceeding 3,000 miles, if prepaid, 3 cents; if not prepaid, 5 cents; and for any greater distance double said rates; double letter, double rates; treble letter, treble rates; quadruple letter, quadruple rates; and every letter or parcel not exceeding half an ounce in weight

shall be deemed a single letter; and every additional weight of half an ounce or less shall be charged with an additional rate.

Effective July 1, 1864, all post offices were divided into five classes; this classification, by the way, remained in effect until July 1, 1874, when all post offices were divided into four classes as at present. Under the classification of 1864 only 8 post offices in Indiana, out of 52 post offices in the whole United States, were placed in the first class. These three post offices were Indianapolis, compensation for the postmaster, $4,000; Fort Wayne, compensation of postmaster, $3,000; and Lafayette, compensation of the postmaster, $3,000.

The records indicate that domestic money-order business was established at Indianapolis on October 1, 1864, and international money-order business on October 2, 1871.

It is indicated that city delivery service was established there on June 4, 1869, and that the first rural delivery service out of the office was established at Irving station on October 15, 1903, with one carrier at $600 per annum.

Ours Is the Most Dishonest Monetary Plan the World Has Ever Experienced

EXTENSION OF REMARKS

OF

HON. CHARLES G. BINDERUP

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 27, 1938

Mr. BINDERUP. Mr. Speaker, ever since the days of primitive man, when wampum made of sea shells was money, and all that was necessary to coin money was the declaration by a king, a chief, or a ruler, and the limits to inflation were the boundless sea shells of the ocean, and the limits to deflation were the notions of a king or ruler, never in the history of the world has there been a monetary system more ridiculous, more uncertain, unfair, and corrupt until was instituted the monetary system such as we have now in the United States, where our money is based on debts and the limit to inflation is the amount of ink in the inkstand—$292,000,000,000—and the limit to deflation is the notion of a small group of international bankers, not even responsible to the people, as was the king, the chief, or the ruler of old, but responsible to no one but themselves and unlimited selfish greed.

Lending an intangible thing, a dream, a vision, a phantom dollar, that they do not have. It has never been coined or made. Pursuing a process of minting money out of thin air, based on a strange blind confidence of the people, by this process inflating our money supply, thereby boosting a price level sky high as they have done 27 times in the history of our Nation, and then, becoming afraid of their own monetary ghost, they call a meeting, as they did on May 18, 1920, in the office of Mr. Harding, Governor of the Federal Reserve Board, and there decide to call all loans and refuse to make new loans, and their phantom dollars evaporate as the dew before a summer sun. Lending the people, as they did—according to the Comptroller's report of January 30, 1920—$48,000,000,000 when, if we had gathered up the last copper penny, silver, and gold and paper, we could not have more than $8,000,000,000. That was all the real money we had ever made. So when we had paid them all the money there was in existence, we would still be owing them $40,000,000,000. And as fast as we paid them a real dollar, they locked it up in their vaults, in a futile effort to make their bank safe, to increase their cash reserve. The people knew they could make more profit by investing in dollars than in commodities and locked up their money in tin cans and socks, waiting for commodity prices to fall so the dollar could have a greater purchasing value.

WHAT W. J. BRYAN SAID

"The Federal Reserve bank that should have been the farmer's greatest protection has become his greatest foe. The deflation of the farmer was a crime deliberately committed, not out of enmity to the farmer but out of indifference to him. Inflation of prices had encouraged him to buy, and then deflation delivered him into the hands of the money lender. The Federal bank can be a blessing or a curse according to its management. If the Wall Street speculators are in control of it they can drain the agricultural districts and keep up a fictitious prosperity among the members of the plunderbund.

"While the Federal Reserve bank law is the greatest economic reform achieved in the last half century, if not in our national history, it would be better to repeal it, go back to old conditions and take our chances with individual financiers, than to turn the Federal Reserve bank over to Wall Street and allow its tremendous power to be used for the carrying out of the plans of the Money Trust."

THE CRIME OF 1920

Spurred on by a most profound realization of the importance of this subject, there is an inward anxiety that urges me onward to try every plan that I might awaken an interest, that I might wave some signal light, some warning as a mind aroused is the first step in human progress.

Although the crime of 1920 is not different from all the rest, no more hideous than the other 23, I am for the present omitting all of these, going down to this date—May 20, 1920—for the reason we have all lived and breathed the air with suffering humanity in this catastrophe. We have seen the tears and the sorrows and the suffering of our fellow men. We should understand this depression better than any of the rest.

How did it happen that this great Nation of ours fell from the highest plane of prosperity and happiness it enjoyed at 12 o'clock on the 18th day of May 1920, to the lowest levels of want and misery, deprivation and starvation, soup kitchens and bread lines, just a few months later? When we were building the great institutions of civilization higher and higher into unfathomable heights of human advancement, why did we fall?

Sitting on the largest pile of gold that had ever been accumulated in any nation, surrounded by all the great natural resources that a beneficent Creator could give to mankind, with so much to eat that we destroyed it while millions were hungry and hundreds of millions would fain have more; with so much clothing that we destroyed the cotton and the bedding and the clothing, while millions were cold and freezing and hundreds would fain have more clothing—too much of the necessities and luxuries of life, too much of everything, and yet starving and freezing in the midst of plenty. What a crime! What an indictment of our Government! Striving to cure the symptoms and omitting the cause. Trying to raise prices by destroying commodities in place of increasing purchasing power by increasing the volume of money.

At times, when I think of the strange pages we are writing in history today, it seems to me in a vision of the future I can see and hear posterity, your children's children and mine, as they read these strange black pages of history, say, "What peculiar ancestors we must have had. Perhaps Darwin was right after all."

In January 1920, just 3 months before the collapse, Ramsay Macdonald, the great labor leader of England, stood in the Hall of England and said, in substance, pointing to our great Nation:

> Behold a nation that has achieved the greatest success in government when labor practically consumes the products of its own hands.

Was not that a wonderful statement? Yes, Mr. Speaker, that is efficient government. That is distribution. That is consuming power. That is purchasing power. That is the motive that turns the wheels of industry. That is the thing that builds the great institution of civilization, the thing that determines when a nation is a great nation and when a government is a great government—when labor consumes the products of its own hands.

And yet, so gloriously fortified, we fell. Why did we fall? Because during busy days attending to our work we had forgotten to guard our great Government against its arch enemy—selfish greed. Thereby we had created an empty seat on the throne of government and our enemies usurped the throne. Why did we fall? Let me answer: Because a few bankers held a secret meeting in the office of W. P. G.

Harding in the Treasury Building in Washington on May 18, 1920.

OLD-AGE PENSIONS OF $50 PER MONTH TO THOSE OVER 60 YEARS, WIDOWS, ORPHANS, CRIPPLES, BLIND, AND INVALIDS

One billion five hundred million dollars, the amount of new money necessary annually to maintain the price level, (1926) 100 percent, if distributed in variable grants or social dividends among the old people (over 60) eligible for old-age pension, blind, orphans, widows, and invalids, would make monthly average grants of $50. Just a suggestion.

Conservation of Our Natural Resources

EXTENSION OF REMARKS

OF

HON. CHARLES L. GIFFORD

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 25, 1938

ARTICLE BY JAY N. ("DING") DARLING, PRESIDENT OF NATIONAL WILDLIFE FEDERATION

Mr. GIFFORD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following appeal to you presented by Jay N. ("Ding") Darling, president of National Wildlife Federation, at the New England Game Conference, under the auspices of the Massachusetts Fish and Game Association, February 12, 1938:

That was a very nice introduction, but there is no truth in its claims for great things accomplished. We have a great prospect, to be sure, but this will not be a great conservation movement worthy of such high praise until we make it so. I would like to take a note from Dr. Cottam's paper which has just been delivered to show how far away our goal still is. "We are still spending millions of emergency relief money for mosquito control, but not one cent for wildlife." There are 130,000,000 residents in the continent whose future welfare depends on natural resources, and the most we can show in the way of national interest is one little prayer meeting once a year to discuss ways and means for conservation. Within the last 4 years we have dug new mosquito-control ditches that would go once and a half around the world, most of them destructible to natural environment for wildlife, and from all of the New England States we have enough here today to about one-third fill this small hall to discuss problems of wildlife restoration. While we take 1 step forward, other influences force us 10 steps back, and conservation as a whole is "in reverse."

That is why your chairman, John Curran, said: "Something has to be done." You know, at times I almost think I will never make another conservation speech again as long as I live. It doesn't seem to get us anywhere. We have been making speeches for the last 30 years on the subject, but organized conservation makes but little headway. At this meeting I see the same old faces, the same crowd that I have seen at every meeting for years. No new recruits. There is no use of my haranguing you faithful people about the neglect of these conferences. Unless we can break out of this circle of officials and technicians and a few ardent fans the objectives of this great movement which is overpraised and overestimated are sunk. I approach this next week's national convention at Baltimore with great apprehension. They will gather there, I presume, as you have gathered here, to listen again to most helpful, instructive, scientific analyses of our problems. There will again be recited the post-mortem findings on every known anticonservation project on this continent, and still nothing happens to stem the tide of waste and destruction of the soils, waters, and wildlife of our continent. This does not mean just the sportsman's interest in game and fish; it means the sustenance, the economic income, employment, and food of the future generations of this continent.

If you don't think that this continent is going to need food, read some rainy Sunday afternoon instead of Snappy Stories a book written by Paul Sears called "Deserts on the March" and learn from it that in 1960, 22 years hence, the upward curve of the population in the United States will cross the downward curve of tillable soil and leave us just 3 acres of good tillable soil per man, woman, and child in the United States of America. Three acres is estimated as the essential amount to maintain our present standard of living. The surplus our experts have been worrying about seems destined to an early transformation into a permanent shortage.

If you care to consider that statement in the light of the history of civilization, you will find an illuminating forecast as to our future. I like to go back and trace the history of hungry man and his search for food as he made his way across the surface of the globe and left his trail of deserts and waste on the continents of the world. You can read in the Gobi Desert the story of the cradle of the human race. There man is supposed to have started his existence as a biological species. There he lived upon the plentiful resources of nature's endowment. Today the area presents such a picture of complete destruction and exhausted resources that you could not pasture a grasshopper in a hundred thousand square miles. Whether or not man's activities were entirely responsible for the total exhaustion of sustaining environment or whether some great geological change aided him, the fact remains that if we follow man's path across the face of the earth it is marked by a succession of exhausted soils, absence of vegetation, water resources gone, and deserts for milestones along civilization's highway.

If any of you people went to Sunday School you probably remember in the Old Testament the story of the tribal migrations. I used to think they were just gypsies who moved every week for the fun of it, but I know now that they stayed in one spot until the soils and the vegetation were entirely exhausted and hunger and the need for new pastures for their flocks and food for their empty stomachs drove them to seek new lands. If moving to another place meant a war, they named the war after the conquering general and traditional history leaves unmentioned the exhaustion of sustaining resources which made necessary the war of conquest even as we do today when Italy invades Ethiopia, Japan invades China, and Hitler threatens the peace of Europe because the resources within their domain will no longer sustain the people of Germany.

If you think that we of today are not being touched by such a blight, consider the present state of chaos in the world. They call it by various names such as "ambition of dictators," "spread of communism," "socialistic reform," and "greed of empire." Why does no one call it by its right name, "Hungry man in search of food?" Why is Japan in China? Because she cannot feed her people on the territory which she owns. Why did Mussolini go into Africa? Because he had to have sustaining resources to feed the expanding population of Italy. Why is Spain fighting a bloody civil war? Because there was not food enough to amply feed all her people and a quarrel developed over the right to control its distribution. Oh, yes, terms to designate those who had and those who had not and they speak of the loyalists and the rebels, but these are only there was not enough for both. No government, whether it be fascism, dictatorship, communism, socialism, or democracy can long remain in power when any considerable portion of its population goes hungry. We in America are dangerously near that same problem. The time was when hunger and social unrest in the United States was easily solved by moving our surplus population to new lands. That day is over. There are no more virgin areas. We are beginning to feel the pinch and already our continent is showing vast scars where a wasteful civilization has gnawed it bare.

When the nations of the world are elbowing each other for sustaining resources, why in the world should our American people continue to act as though our continent was inexhaustible? Why should we continue to perform such assinine acts as draining off and polluting our water resources, wantonly denuding our soils by ripping off the vegetation, and gutting our continent of nature's gifts which must sustain us here forever?

It is a long way from New England to the lone prairie where the deer and the antelope are supposed to roam. Still the problems out there are the same as those you have here and all the millions of acres of land and water in between are being needlessly blighted by foolish practices of heedless projects for temporary profits at the cost of our national welfare.

It has been traditional that New England looks on the West as unfriendly, and the West looks on the eastern sportsman as failing to understand their problems. Sectional interests spend their time making faces at each other. Every national movement for conservation breaks down because of these sectional disputes. One State brays to the other about how much more it has to offer in the way of resources, recreation, and natural opportunity. Massachusetts crows over Connecticut. Connecticut thinks it is better than Rhode Island. Maine claims to be better than New Hampshire, etc., etc. As if any one of these States had anything to brag about! Pollution has turned your rivers into sewers, your once flourishing forests are gone, abandoned farms monopolize your countryside, and you have to hatch fish and game birds in incubators because they can't exist in what you have left them of natural environment.

Your enemies are just the same as the enemies as those found that beset the West. While you are complaining about Chief Gabrielson, of the Biological Survey, and his restriction on duck shooting, armies of great draglines and steam shovels are moving in to drain the remaining marshes, lakes, and rivers, reservoirs and water resources upon which the productivity of the West depends. What is that to New England? Some day the result of these destructive practices will be reflected in the price you pay for your bread!

In North Dakota the subterranean water level has fallen from an average of 14½ feet to 59 feet. Fifty-nine feet is beyond the depth of any of the common vegetation roots. Vegetation is nature's pump and when the roots can no longer reach the underground water supply, nature's pump is no longer working. What does it mean? Here in New England you say it is tough on North Dakota.

It is tough on North Dakota, but it is also tough on you, because when the farmers can no longer grow wheat and graze cattle in North Dakota there is no place for them to go but on relief. And who pays the relief bills? The cost falls on all of us alike, New England included.

North Dakota is not the only spot that is blighted by this peculiar bunch of public enemies that creep on us without the world paying any attention to them. On the southern shore of Lake Erie there used to be a wonderful herring run. That herring run is no longer in existence and gone like the forests of New England. Twenty-one thousand families who once got their living from that herring run were on relief in 1935. Twenty-one thousand more hungry people whose upkeep the Nation is paying for because the resources which sustained them has been pulled out from under them.

You can follow a path from one coast to the other and you will not find a single State that has not suffered some equally costly blight affecting its populace as a result of parallel follies. You people here should know what has happened to your salmon run up and down the Atlantic coast. You are buying your salmon in cans from the Pacific coast to make up for the loss of your own Atlantic salmon, now gone. You know what is happening to the shad run. Only in a few rivers of the Atlantic coast are there any shad runs and in those few the annual migration is so diminished that it will be only a question of a few years until that resource follows the Atlantic salmon to the shadows of oblivion. Where is the sturgeon run that used to annually go up the Hudson River? The Mississippi River is now a biological desert and the Great Lakes are almost exhausted of their tremendous food fish.

Out in southern California there is a new village of crude huts. You could make a nice sentimental story about those poor people living in shacks built out of old tin cans, boxes, and crates crudely nailed together for shelter. It is reported to be a village of 61,000 people. Where did they come from? They have come from a new man-made desert—our own American Dust Bowl. They, too, are on the relief rolls and you are paying for the upkeep. So runs the everlasting continued story, chapter by chapter, of man's eternal destructive activities.

Land without water, water without fish, hillsides without forests, pollution, drainage, power dams, and people without food in ever-increasing numbers. And no real national organization of popular interest to study and combat the trend.

You New Englanders ought to remember when you had an enemy at your gates in the early days of American history. You set a watchman to sound the alarm. A lantern was hung in the tower of the Old North Church and Paul Revere knocked at your door to warn you that the British were coming.

Does anybody knock on the door and warn us of new invasions which threaten our natural resources? No. With all our 11,000,000 license-paying sportsmen and 36,000 separate clubs, societies, and uncoordinated conservation groups, we have no Old North Church in which to hang a lantern. We haven't even a lantern. And even if we had a conservation Paul Revere, he wouldn't know on whose doors to knock. He wouldn't even know what street to ride down, for the cause of conservation is so lacking in organization that no one knows the addresses of those who might fight for conservation when the need arises. You are sleeping soundly in your beds, and the technically trained conservationists have no army to back them up.

We talk to each other in fervent tones and hold little prayer meetings like this one, but our voices do not reach beyond these four walls. That is why I say that this circle must be broken. We must get outside of it and get the names and addresses of the people of this continent who are interested in conservation and warn them when new projects threaten to further decrease our sustaining resources. We are not going to save anything unless you do.

That little old Paul Revere scheme is a good method for us to adopt. In fact, it is just what we are trying to accomplish in the formation of the National Wildlife Federation. As I said before, we have 36,000 clubs, groups, and societies in the United States. Each one is as completely segregated as your little group here. They never pull together for the common cause. They sit in front of the fire in winter reading pleasant stories about how nice it is to be outdoors fishing in the summer and hunting in the fall. The tragedies of another million-dollar river poisoned by the waste of a new thousand-dollar paper mill is never heard of. A new power dam may strangle an $11,000,000 salmon run, and a new drainage project may kill 300,000 pounds of fish, but such matters are never mentioned in our outdoor literature.

Our National Wildlife Federation will not remedy all these ills at once, but it has made a beginning. We have had only two national officials working on the job for the last 2 years, one with pay and one without. I'm the one without it, and the other is hard-working Carl Shoemaker, who works night and day, and with a couple of stenographers to help him issues bulletins to let you know where the enemy is going to strike next. It has been very hard work. I am getting tired of it. This is no reflection on the men who have spent their efforts and time trying to do their bit in organization of local units. Dave Aylward grows thinner and thinner each day trying to fan the little spark of interest into a flame. John Curran does the same in Rhode Island. Here and there are a few men and women like them. Once in a while some new convert will appear and say, "The federation is a great idea. Here is $5." Thank God for that, but you can't do a Nation-wide job on $5 or 500 times $5. In addition to cooperation we must be financed. You can't issue bulletins and write letters without a little money in the treasury. That is why as a last resort we took to the old worn-out scheme of selling wildlife conservation stamps. I don't like to commend them too highly because I made them myself.

If you do not sell them, we are sunk. We tried to think of every possible way to finance the federation and the stamp sale was adopted as a last resort. Stamps are not going to raise the level of conservation consciousness but the profits from this sale may do so. It is just a cheap device to get a few pennies to keep the conservation fires burning, and if you feel embarrassed to be asked to sell stamps for a national conservation movement, please remember that any village in the United States can raise more money for the pension fund of superannuated firemen and the Barrel Rollers' Union of Walla Walla, Wash., can stir up more civic pride for a local dance than we can get for conservation in the whole American continent!

Perhaps I had better illustrate how, if we had a well-organized federation, the force of popular sentiment might operate to further the interests of conservation. I will take a specific example. Down in South Carolina there are two rivers, the Santee River which empties its 29,000 second-feet of fresh water into the sound back of Cape Romaine, and the Cooper River which finally empties into Charleston Harbor. The Santee River is important in that its fresh waters are responsible for one of the most highly productive biological areas left on the Atlantic coast. There are 500 square miles of these productive waters protected from the ocean by Cape Romaine and a chain of small islands and bars which extend from the tip of Cape Romaine southward toward the coast of South Carolina. Where the Santee empties into this Sound there is a band of fresh water. Beyond this band is a strip of water with a very low salinity as the fresh water begins to mix with the sea. As you move out into the Sound the salinity increases until it reaches the ocean itself. As a result of this graduation from fresh water to salt water, you have successive zones of environment each favorable to a specialized type of vegetation and biological species. Here are then spawned and reproduced all the various types of animal life and sea foods which thrive, each in its chosen environment and varying degrees of water salinity from fresh to pure sea water. It is a veritable paradise for aquatic species. The largest known shrimp shoal in the world, 11 miles long, occupies its chosen environment there. Clams, edible crabs, oysters, and fish are bred there in abundance. The multiple types of vegetation produced there makes it one of the finest winter feeding grounds for migratory waterfowl on the east coast. If you should for any reason cut off the fresh waters of the Santee River so that it no longer dilutes the ocean water in the Sound, you would have the undiluted sea water invading the entire Sound and thus destroying the zonal environments which are responsible for the prolific production.

In 1934 there was a proposal to build with emergency-relief funds a power dam at the headwaters of the Santee River, which would divert the water into the Cooper River and spill it into the Charleston River. It wasn't a particularly favorable site for a power dam and, besides, they already had so much machinery to produce power that the existing plants were only working half of their capacity. But a certain politician was running for office and the money to build the dam, only $51,000,000, would be a fine political asset. No one thought of the 500 square miles of food-producing water at Cape Romaine.

When the news came out that the Santee-Cooper project was to be built with Government funds as a W. P. A. project, Clarence Cottam, one of the best food experts in the country, was sent down from the Biological Survey to investigate the consequences. Mr. Cottam took a couple of men with him and looked over the situation. On his return he reported that such a project would completely destroy the productivity of the Cape Romaine area, in addition to destroying a great cypress forest which bordered the lower reaches of the river.

Armed with this report, I went over to see Mr. Ickes, whose money was to finance the project. I asked him if he knew biological consequences of this project. He said he had never heard of the project or its biological consequences. I asked to see his list of P. W. A. projects, and, sure enough, it was on there.

"Well," said Mr. Ickes, "that must be the Chief's idea. Perhaps we had better go and see him."

So we went over to see the President and explained to him just what would happen if the Santee-Cooper power project was carried out. He agreed that if the consequences were such as we reported the project should be abandoned and he crossed it off the list. You can imagine our surprise a few weeks later to discover that $21,000,000 had again been allocated to this same project. Again an appeal to Secretary Ickes brought a second White House conference. The President this time showed us a report from the South Carolina Fish and Game Commission which purported to justify on every score the building of the dam. To make a long story short, it was a report which looked as if it had been written at the request of the candidate.

These facts having been discussed, the President said that the pressure to build the power project was very great and he didn't see what he could do. Finally it was agreed to leave it to Mr. Ickes, who was to make an investigation, and if he said that the project would do more harm than good the project would be dropped. Mr. Ickes' report upheld the report of the Biological

Survey in every contention. Economically the Santee River was of far greater value as Nature had designed it than as a producer of surplus power.

This did not satisfy some of the promoters of the dam and the project was referred to the Army engineers. The Army engineers, while not outspokenly opposed, did not endorse it. The Water Resources Committee of the National Planning Commission refused to give the project a favorable report and again the President cut the project from the P. W. A. list. Several months later, when the President came back from one of his fishing trips, he stopped at Charleston and was presented with a huge bundle of petitions from the citizens of South Carolina requesting the millions of Government money to build the dam. The President answered this appeal by saying that after all this is a democracy and in view of the apparent overwhelming demand for the power project, it would have to be built. As a result he reallocated twenty-one million to begin work. Then followed a series of injunctions and appeals in an effort to hold up the project which, in the judgment of everyone except the politicians, was without justification. Recently the Supreme Court has rendered an opinion that there is no longer any reason why the Government cannot spend any amount of money it chooses on power projects and the Santee-Cooper project is again threatening the 500 miles of highly productive aquatic resources. Only one thing can stop it and that is the protests of enough American citizens to counteract the greedy demands of South Carolina.

An analysis should have been made of the Columbia River, before they built the Bonneville and Grand Coulee Dams, to see what would happen to the $11,000,000 of annual income from the Columbia River salmon run. No one did it and the two great dams are built. Those two dams will have to make an awful lot of electricity to equal that $11,000,000 which nature sent up the Columbia River each year with the salmon to say nothing of paying back the $300,000,000 it has cost the taxpayers to build those Columbia River dams.

It is when such projects as these are being planned that the conservationists of the country should be told and allowed to file their individual protests. It will be the objective of the federation to furnish such information and provide a means of protest. Local conservation organizations which affiliate with the national federation do not lose their present identity or alter their present status, they merely put their names on the list of minute men to be called in case of emergency and to respond as they see fit.

This Massachusetts Fish and Game Association of yours has a very interesting precept that I have noticed and often thought about. It reads as follows: "We believe where a fish or a bird or animal is taken by a sportsman or lost through natural causes, at least one must be restored either naturally or artificially if our sport is to endure."

That is fine as far as it goes, but it overlooks an important detail. We might just as well say we will send a new citizen into the Dust Bowl for every one who moves out. You can't repopulate a stream with fish or any area of land with game where the environment has been destroyed any more than you can make the human beings thrive in the Dust Bowl where soil and moisture are gone.

We must get out of our rut of thinking that we can "put back fish and game" into an area where the natural living conditions have been destroyed. Furthermore, we must combat the continued reckless destruction of environment. I expect to go down to Baltimore to the national convention and see the same old group getting together, saying the same old thing about more fish and more game just as they have done for the past 15 years. Then they will adjourn for 1 year. Need I emphasize further the need for year-round activity on a national scale, unceasing and vigorous? That is what the national faderation hopes to accomplish. One brief prayer meeting a year is not sufficient for the salvation of our continental resources.

I used to have a fine, dear old father who was a Methodist minister. In his congregation he had a man named Deacon Belknap. Every Wednesday Deacon Belknap would come to the prayer meeting. Immediately after the opening prayer, Belknap would rise from his seat and testify to his devotion to the church. He always thanked God that salvation was free. He had been a member of the church for 40 years, and it had never cost him a cent. That is what is the matter with a lot of our conservationists. They think they can get it for nothing.

I do not wish to pose as a prophet of doom, however, and there are brighter sides to the picture which should encourage us to continued efforts.

Out in North Dakota there is a river known as the Mouse River. It runs 81 miles within the borders of the United States and twists and turns in its leisurely course. It comes down from the north across the Canadian border, flows through the town of Minot, and then back into Canada and off to join the waters of Hudson Bay. In my youth the Mouse River Valley was a wide, well-watered, marshy thoroughfare where ducks, geese, and all manner of wildlife flourished in countless numbers. It was so full of muskrats that the annual income from muskrat pelts alone was more than they ever got from all the domestic crops ever raised there after the marshes had been drained.

One day the enemy came and ditched and drained the Mouse River Valley. At first the crops were abundant on the newly drained land. The soil was rich and full of moisture. But the flood damage caused by hurrying the waters off the land into the town of Minot made an annual spring flood in that town which ran into the thousands of dollars each year. The era of good crops was short lived. The drainage ditches soon drew all the moisture out of the soil and the day came when they planted their crops in vain. The soil cracked and the grain fields withered and died. Years of increasing hardship followed as year after year the Mouse River Valley turned desert in midsummer. They burned the boards from the silos to keep warm in the winter. They shot their cattle because there was no grass or water in summer. A desert had been created with man's mechanical aid and farmers could only sit at their windows and see the dust blow by. To see that desolated area you could not believe it had once been the richly productive Mouse River Valley of 1900. It was in this area that the Biological Survey set up one of its major restoration projects. We had no money of our own to do it with. The Biological Survey was not one of the favored agencies for the expenditure of relief funds. We had to go over to the Resettlement Administration and to the C. W. A. and P. W. A. for cooperative assistance. We had to go round with a straw and such from others' barrels the financial assistance which was denied us. Dams to store the water were built where drainage ditches had once been. The rains and winter snows came (not much rain or snow, for those were drought years in North Dakota). The newly created lakes were filled up. But an amazing thing happened. The water disappeared. I think I was never so disappointed in my life. After all the borrowing we had done and the hopes we had had, it was a terrible thing to see that water disappear and to be faced with the possible failure of the project (particularly so for a Republican in a Democratic administration that was no time for me to make any costly mistakes).

Twice the lakes back of our dams filled and twice the water sank into the earth. It was the third time the lakes filled that the water finally held. There had been no serious mistakes in our plans or our construction. When the water had disappeared the earth was merely quenching her 15-year old thirst. That year, for the first time since they straightened the river, Minot had no flood. The wells in the valley did not go dry in midsummer and tall marsh grass reappeared along the borders of our lakes. This year there was standing room only in the nesting grounds for ducks, shore birds, and marsh inhabitants. Restoration can be accomplished.

We vainly thought if we set an example of real restoration to show how it helped everybody and made a big recreation spot in the midst of a drought-ridden region, how it gave life to a desert, that the Nation might be interested in doing more of it. Maybe the reaction will come in time. Perhaps the people don't know about it yet, but certain it is that offers of further assistance haven't come yet from any source. Perhaps it needs the force of a mass demand from conservationists throughout the country. How can they make such a demand unless by some method of organization they can all pull together at once?

That, then, friends is our plea for a national federation to defend our remaining natural resources and restore some of the gifts of nature which man has foolishly destroyed.

Thank you.

The Wage and Hour Bill Unconstitutional—Will Add to the Army of Unemployed, Tend to Reduce Wages and Lengthen Hours, and Increase Bureaucratic Control of Labor and Industry

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EXTENSION OF REMARKS

OF

HON. JOHN M. ROBSION

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 24, 1938

Mr. ROBSION of Kentucky. Mr. Speaker, we now have before us for consideration Senate bill 2475, relating to wages and hours for a part of those engaged in interstate commerce. It excludes at least 40,000,000 workers in America. The Senate passed this bill on July 22, 1937. It came and was referred to a committee of the House. That committee reported out the Senate bill after striking out every word and line in the Senate bill and adopting an amendment, and it is this amendment of the House committee to the Senate bill which is now before us for consideration.

There is just as much difference between the Senate bill and this proposed House bill as there is between day and night. This is most unusual inasmuch as the Senate bill is supposed to have the approval of the administration and was forced through the Senate by the friends of the President. Now, this House bill is likewise supported and urged by the administration leaders in the House, aided and abetted by Members from the North and East. If the House bill is adopted, it will be interesting to note what will become of

these bills. The House will have cut out every provision of the Senate bill. We are told that the Senate will not accept the House bill.

This is a purely political and sectional measure. The administration and some of our labor friends have been pledging labor for 5 years that a wage and hour bill would be put through. The 5 years have come and gone and Congress is about to adjourn, and it seems to be the policy of the administration to play both ends against the middle. They are trying to get through any kind of a bill. If the administration is sincere, it seems to me they would have the leaders of the administration in the House and Senate get together and put through a bill that would be helpful to labor, industry, and the country as a whole.

If the House passes this bill, the Senate and House bills will then be referred to a conference committee made up of 5 Members of the House and 5 of the Senate, and these 10 Members will, if they can ever come to an agreement, rewrite both the Senate and House bills. No one can know now what character of wage and hour legislation, if any, may finally be written into law. We know for certainty, however, that the House bill so much desired by certain industries in the North and East and certain workers in the North and East will not become law. These 10 Members of the House and Senate will, if they can agree, finally write the law, and when it is written, more than likely certain industries in the North and East and certain Democratic Congressmen in the North and East will not then favor the bill when it comes from the conference.

Outside of the politics in the bill, the other real purpose as expressed by the proponents of the House bill—and I might say it is sponsored and in charge of northern and eastern Democrats—is to stop the flow of capital from the North and East to the South, and, if possible, to force the closing of southern shops, factories, mines, and mills and give the business and employment to northern and eastern industries and to northern and eastern workers.

UNCONSTITUTIONAL

Hon. Robert Jackson, Assistant Attorney General in this administration and recently appointed by the President as Solicitor General of the United States, warned the committee and the Congress that the bill before us was unconstitutional; but the bill is urged, no doubt, to help the political situation in the coming November. The Court would not have an opportunity to pass on it before the election.

It is purely a political bill put out at this time to deceive the laboring people of this country by having them believe that the administration is doing something for them. Is it not a little strange this administration has preached from the housetops for 5 years about a wage and hour bill, but waits and waits for 5 long years and until Congress is about to adjourn to bring forth and urge this proposal, and for the friends of the administration to pass one bill in the Senate and an entirely different bill in the House? If this legistion is good, why have they procrastinated for more than 5 years?

One great trouble with legislation of the New Deal, it turns out to be unconstitutional or harmful instead of helpful to the people.

FORTY MILLION WORKERS NOT INCLUDED

This measure expressly excludes those engaged in agriculture and the processing and preparation of agricultural products for the market. It excludes those engaged in motor and air transportation. It also excludes all other workers—men, women, and children—not engaged in interstate commerce. This bill, therefore, cuts out more than 40,000,000 workers in this country. It is in this great group that you find the low wages and sweatshops. For instance, farm laborers receive sometimes less than a dollar a day, with long hours; and it does not protect or help others who receive low wages and are required to work unreasonably long hours.

The fact is, the workers that this bill includes, with rare exceptions, have a wage far in excess of 25 cents or even 40 cents an hour, and have an 8-hour day, with time and a half for overtime.

LOYAL AND SYMPATHETIC TO WORKERS

I am not a recent convert to the cause of those who toil, as I spent many years of my life as a common laborer on the farm, in the shops, factories, and mills. I have taken a lively and sympathetic interest in the workers of this country. The public records will show before I came to Congress and during all my service in Congress I never failed to support any measure that was helpful to the workers.

The proposed wage and hour legislation has been discussed by its opponents and proponents in the press and over the radio for a long time. I can truthfully say that up to this time I have not had a letter, telegram, or personal request from anyone in my district urging me to support either the Senate or House bill. I have only had one request from anyone living in Kentucky to support either bill. I have been urged, however, by persons outside of my district and outside of Kentucky to support this legislation. On the other hand, I have received hundreds of letters, telegrams, and personal requests from workers, farmers, merchants, business and professional men living in my district urging me to vote against it.

The proponents say that this measure will eliminate the employment of child labor—that is, persons under 16 years of age. I know of no one in the House or Senate who favors the employment of children in industry or other hazardous work. I voted to submit the child-labor amendment to the Constitution for ratification by the States. The State of Kentucky did ratify that amendment. My State has splendid child-labor laws and they are rigidly and effectively enforced.

The main backers of this bill come from Massachusetts and New York, but neither Massachusetts nor New York has ever ratified the child-labor amendment, although President Roosevelt was Governor of New York for many years while this amendment was up for ratification, and the Democrats have had control in Massachusetts for many years. If the President and these backers are so deeply interested in eliminating child labor, why do not they have the States of New York and Massachusetts to ratify the child-labor amendment, and why has not the administration brought forward a child-labor bill during the last 5 years? It could have been passed almost unanimously at any time.

The child-labor feature is put into this measure in order to force Congress to accept the objectionable features of this bill.

WILL BE HURTFUL TO MINERS, RAILROAD WORKERS, AND OTHERS

This bill applies solely and only to persons employed in interstate commerce. For the first year after this bill becomes a law the wage fixed is 25 cents an hour with 44 hours a week. In other words, no one could be prosecuted under this law if it can be shown he is paying as much as 25 cents an hour and does not have more than a 44-hour week. Of course, he could work people more than 44 hours a week provided he paid them time and a half for overtime. For the second year after it went into effect the wage would be 30 cents an hour and 42 hours a week. At the end of 2 years and for the third year and on, the workweek would be 40 hours, and in the fourth year the wages would go to 40 cents an hour.

The wage and hour scale provided for in this bill applies not only to common labor engaged in interstate commerce but also to skilled and semiskilled labor, to all mechanics, machinists, printers, carpenters, bricklayers, stone masons, and every character of work, it matters not how skilled such a person might be.

I cannot understand how it would be helpful to the miners, because through their organization they have secured written contracts with coal operators which pay on the average more than 70 cents an hour. Some receive a higher wage than that, and no one, even a trapper boy, receives less than 50 cents an hour and 35 hours a week with time and a half pay for overtime; but this bill, to start out with, provides for 25 cents an hour and 44 hours a week, and it requires 3 years before it reaches the maximum of 40 cents an hour.

The railroad workers are expressly excluded from this bill. It is said the railroad workers may desire to come under the bill as to wages only but not as to hours. They object to the hours provided in this bill. If an amendment is offered to include the railroad workers and they desire it, I shall vote for that amendment. Practically all the railroad men receive more than 25 cents an hour, and they have the 8-hour day, with time and a half for overtime. The mine workers, the railroad workers, and other organized workers who are receiving better pay and shorter hours than are provided for in this bill secured these wages, hours, and working conditions through their organizations.

On page 51 of the bill this language is used:

"Employer engaged in commerce" means an employer in commerce, or an employer engaged, in the ordinary course of business, in purchasing or selling goods in commerce.

Every business, either large or small, in the city, country, or village, that is engaged either in purchasing or selling goods in commerce—that is, engaged in buying any goods shipped in from another State or in selling goods shipped into another State—is included. For instance, if a little country store should buy a small bill of goods and have it shipped in from another State and be engaged in selling those goods, it would be included; or if a little sawmill engaged in manufacturing logs and lumber should ship them into another State, such small business or enterprise would come under the provisions of this bill and be subject to the control and regulation of the bureaucrats here in Washington.

Furthermore, under this bill no boy or girl under 16 years of age could sell or distribute newspapers, magazines, or periodicals in their own little villages, towns, or elsewhere, provided that that newspaper or publishing company sent some of its papers or periodicals from one State into another State. For instance, a boy in my home town could not sell or distribute the Cincinnati Post, Courier-Journal, Knoxville Sentinel or Journal, or any other paper or periodical that might be sent in from some other State; and unless the bill is amended it will include every little weekly newspaper in the United States. This measure will affect hundreds of thousands of industries, large and small, and millions of workers.

All the industries and other employers of workers under this bill are placed under the Secretary of Labor. Secretary Perkins will have supervision and control over all these industries and millions of workers. The question arises, Do the organized workers and their leaders desire to turn these important matters, affecting them so vitally, over to some bureaucrat here in Washington? It will greatly weaken, if not destroy, collective-bargaining agencies, in my opinion. The wages and hours fixed in this bill will have a strong tendency to lower the wages generally of the workers of this country and to lengthen their hours, and for that reason I am sure if the miners, railroad workers, machinists, mechanics, carpenters, painters, paperhangers, printers, bricklayers, stone masons, oil-well workers, and many others understood the provisions of this bill, they would not approve it.

THE WORKERS SHOULD PRESERVE THEIR FREEDOM

The House last December voted to recommit and did recommit the wage-and-hour bill before it at that time. One of the serious objections to the bill was it gave the President the power to appoint a one-man administrator to administer the act. President Green and the American Federation of Labor urged the defeat of that bill in this language:

He (the administrator), therefore, would have in his control the power to destroy entirely industrial organizations, communities, labor unions, collective-bargaining agencies, and determine the conditions under which these respective communities, organizations, and agencies shall function or live."

I then commended and I now commend this statement of President Green. A one-man administrator became a czar of labor and industry. I think the bill before us is subject to the same criticism. The President appoints the Secretary of Labor to administer this act. Under this bill Secretary Perkins will have the say as to who shall come under its provisions. It makes her a czar of hundreds of thousands of industries, both large and small, and over millions of workers in this country. No person was ever granted so much power in a democracy. The American Federation of Labor, the United Mine Workers, the steel workers, railroad workers, and other labor organizations have through their organizations and many years of struggle won the right from Congress to organize and bargain collectively and at the same time they have achieved great success in securing reasonable hours and fair wages. In fact, they have won better hours and higher wages than are proposed in this bill.

In my opinion, if this legislation should be adopted, in the course of years collective-bargaining agencies and collective bargaining would be destroyed or rendered almost helpless and useless. This bill proposes to give unusual powers over labor and industry to the bureaucrats here in Washington. The Secretary of Labor could not administer this law. She would have to call to her assistance tens of thousands of officeholders, who would go out and investigate each concern, large or small, to find out if such concern was or was not engaged in interstate commerce, and, of course, she would have to accept their statement as to whether such concern was or was not engaged in interstate commerce and then issue an order placing such concern under the provisions of this act. When President Roosevelt took office there were about 530,000 Federal officeholders. Today there are more than 1,100,000. The Farm Act created nearly 200,000 new officeholders. This measure would create somewhere between 40,000 and 100,000 new officeholders, whose high salaries and heavy expenses would have to be paid by the workers and other taxpayers of this country.

The workers in Italy, Germany, and Russia had their labor organizations. They surrendered their rights to the government. They placed the matter of wages, hours, and working conditions into the hands of government bureaucrats; and today Russia, Germany, and Italy, through their dictators, Stalin, Hitler, and Mussolini, fix the hours, wages, and working conditions for the millions of workers of those countries. These dictators permit no back talk or strikes. The workers must take the wages and serve the hours under the conditions fixed by the bureaucrats. Our workers, farmers, and others have enjoyed the privileges of free citizens. Measures like the one before us take away the liberties of the people. I am sure that the people of this country are not yet ready to place all their activities and enterprises into the hands of bureaucrats here in Washington.

NEW DEAL POLICIES HAVE CREATED UNEMPLOYMENT

President Roosevelt, during his campaign in 1932, asserted there were between seven million and ten million unemployed workers in the United States. After we have spent more than $45,000,000,000 in the last 5 years and have made various attempts to regiment agriculture, labor, and industry and have increased the Federal tax collections more than 200 percent annually and the national debt nearly twenty billions, there are today somewhere between thirteen million and sixteen million unemployed workers and the number is on the increase. Forty-five billion dollars is a lot of money.

This Nation spent for all purposes from 1789, the beginning of George Washington's administration, to 1916, the beginning of the World War, $32,210,604,278. With that sum of money we paid off the debt of the Revolution, we fought the War of 1812, the Mexican War, the Civil War, the Spanish-American War, and a dozen or more Indian wars; we paid the soldiers, widows, and orphans their pensions; we paid for the Louisiana Purchase, the Gadsen Purchase, the Philippine Islands, dug the Panama Canal, maintained the Army and Navy, and carried on every activity of the Federal Government for 127 years, and had three or four great panics and only spent $32,210,624,278. This was about thirteen billion less than this administration has spent in the last 5 years with no war, and at the end of these 5 years we have more unemployed workers in this country than at any time in its history or the history of any country of the entire world, and before this Congress is closed it will have appropriated for the next fiscal year more than $11,000,000,000. This sum that has been spent under this administration amounts to nearly 44 percent of the assessed valuation of

every bit of real and personal property in the 48 States of the Union as fixed by the valuation in 1935. This means 44 percent of all the mills, railroads, cities, towns, money, stores, bonds, and property of every kind and character. At the same time we have pushed the national debt up to approximately $38,000,000,000.

We not only have more unemployed, but there are 9,000,000 families which are receiving checks or some form of help from the United States Government. The families average more than four persons to the family. This means more than 35,000,000 out of our population. The President not long ago called on us to provide for a $6,000,000,000 pump-priming relief program. This is the largest pump-priming program that has been submitted yet. It proves we are going into the hole and not coming out.

The Interstate Commerce Commission on April 6, 1937, reported there were 1,131,000 railroad men at work. The Commission reported again on April 6, 1938, 1 year later, 913,070 railroad men at work. In other words, in 1 year railroad employment decreased 217,930, which is approximately 20 percent, and for the month of April 1938, according to the Commission, there was a decrease of nearly 15,000. For the week ending May 21, 1938, there were mined 5,150,000 tons of coal. For the corresponding week in 1937 there were mined 7,397,000 tons. There are less railroad men and less miners at work today than there have been at any time in 30 years.

Automobile production is only about 15 percent of what it was a year ago. Hundreds of thousands of auto workers have lost their jobs. Steel production is about 30 percent, and production in other industries runs along on about the same basis. Farm commodity prices are on the decline. This is also true of stocks and bonds and bank clearings. In fact, everything is on the decrease except taxes, relief rolls, deficits, debts, unemployment, and business failures, which are on the increase. It is a dark picture. The administration has had the money and has had the power, and these are the conditions that confront us after 5 years. A large majority in a Nation-wide poll recently blamed these conditions on the administration's policies. There can be no other explanation. Ours is the greatest agricultural and industrial country of the world. Our Nation is the richest in natural resources. We have a wonderful people. Yet our Nation is in the worst condition of any nation in the world except one or two engaged in war. Is it not about time workers, farmers, and industry begin to realize that the country is in bad shape and we cannot bring it back by taxing and squandering the people's money, nor by the regimentation of labor, agriculture, and industry?

WHY EXEMPT FOREIGN INDUSTRIES AND FOREIGN LABORERS?

This wage and hour bill puts American labor and industry in a strait jacket. It will apply only to the products of American labor and American industry. The proponents refuse to make provision so that it will apply to the billions of dollars' worth of foreign products being dumped into this country and produced by the peon, sweatshop labor in foreign countries. Why should not foreign industries and foreign workers be forced to comply with our wage and hour laws?

WILL NOT CREATE JOBS

It is claimed the passage of this measure will put a lot of people back to work. This is mere talk for the coming campaign. How can this bill put a lot of people back to work? Jobs must come from agriculture and industry. What is there about this bill that will cause agriculture or industry to hire more people?

Some of the proponents undertake to tell us it will provide more jobs because it increases wages and shortens hours. I deny both statements. The miners receive on an average of about 70 cents an hour, and they have a 35-hour week; yet there are hundreds of thousands of miners out of work. This bill does not reduce the hours of the railroad workers, steel workers, automobile workers, or textile workers. Those engaged in these industries have an 8-hour day, with time and a half for all overtime, and with few exceptions they receive more money than is provided for in this bill. Many workers were for the wage and hour bill on the idea that the hours would be cut down, and in that way it would provide additional jobs; but this bill starts with 44 hours a week and only 25 cents an hour for all kinds of work. The automobile workers already receive on an average about $6 per day for common labor, and many other groups of laborers, mechanics, machinists, carpenters, bricklayers, receive $6 a day or more with an 8-hour day and time and a half for overtime. If this measure accomplishes anything it will create more unrest, break down confidence, and add to the great army of unemployed.

THE BILL IS SECTIONAL AND POLITICAL

This bill was born in Massachusetts and has been strongly urged by New York—by the North and East. I have heard a score or more of speeches made on the floor of the House as to the purpose of this bill, and they frankly state it is to stop the flight of capital from the North and East to the South. They claim we are building too many factories, shops, and mills in the South and that this bill will stop the flight of capital and investment in business enterprises in the South and will likely force a lot of the capital and business enterprises from the South back to the North and East.

Let no one south of the Ohio River be misled. The great purpose of this bill is to take business and jobs from the people living south of the Ohio River. The proponents of this measure are interested in behalf of industry and workers of the North and East. They urge that a unform wage and hour bill for the South and West and the right to put anybody in jail who does not comply with the strict provisions of the law will stop the investment of capital in the South and take the jobs and business away from the South and give this to the workers living in the North and East.

They urge that there should be no differential in wages throughout the Nation. No one could be more anxious to see the people of my district and my State secure as good wages as are paid anywhere in the Nation than I am, but I have made a close study of this matter and I am frank to say there must be differentials. The bill before us does not provide for differentials and we are told that they are not going to permit it to be amended.

This is not the bill urged by the President in his messages in May 1937 and May 1938. The President uses this language:

> No reasonable person seeks a complete uniformity of wages in the United States.

The President further said:

> Most fair-labor standards as a practical matter require some differentiation between different industries and localities.

He further says:

> We must seek to build up, through appropriate administrative machinery, minimum-wage standards of fairness and reasonableness, industry by industry, having due regard to local and geographical diversities.

The House bill provides for no differentials and for that reason it has the active support of the industries and workers of the North and East. The Senate bill does have differentials sustaining the views of the President, and for that reason the industries and many of the workers as well as many of the Members of the House and Senate from the North and East are opposed to the Senate bill.

It is very plain that the proponents of this House bill think that this uniformity of wages and hours will destroy business enterprises in the South and take away the business and jobs of workers of the South and give these jobs and business to the workers of the North and East.

Now in order for the South to find a market for its coal, timber, textiles, tobacco, cotton goods, and other products, both agricultural and manufactured, they must go to the great consuming centers of the North and East and they must pay heavy freight rates over distances ranging from 300 to 1,500 miles. It can be seen at once that if the cost of production is the same in the South as it is in the North and East, the southern products cannot compete when they get into the markets after they pay these high freight rates.

The United Mine Workers of America recognize this very condition. The coal from Kentucky is largely consumed in the great consuming centers of the North and East. The coal from Kentucky must pass through the coal-producing sections of Illinois, Indiana, Ohio, and Pennsylvania. Kentucky coal must pay 45 cents more per ton freight to get to the markets than is paid by Illinois, Indiana, Ohio, and Pennsylvania. Forty-five cents a ton is a big item, and if Kentucky coal costs as much to produce as the coal from these other States, it would keep Kentucky coal out of the market; and therefore the United Mine Workers, in making their contracts with the coal companies of Kentucky, provide for a differential in wages in Kentucky so that Kentucky coal can pay this additional freight and compete in the markets. But if this differential was not recognized in the contracts of the United Mine Workers with the coal operators, Kentucky coal would to a very large extent be cut out of the market, Kentucky mines would be flat, and Kentucky miners out of work.

When the Government developed the N. R. A., it laid the country off in districts and provided a differential in wages according to the districts and different industries. The Government, in making its contracts, recognizes that the cost of living is not so great in the South as it is in the North and East, and the Government recognizes this differential in freight costs and provides for these differentials.

Last but not least, let me call your attention to the Government fixing the wages of the W. P. A. workers. The common laborers in the rural sections of Kentucky receive about $21.60 per month, while the common laborers in New York City receive $72.23, New York State $60.90, Ohio $55.45, Pennsylvania $59.97, Connecticut $64.33, California $59.83, and Illinois $54.20. The Government fixes these wages on Government work. There is nearly 200 percent difference in Kentucky W. P. A. wages and that received in some other sections of the country. This difference is too great. If the Government insists on industry paying a uniform wage throughout the country, there is no reason why the Government should not pay a uniform wage itself for the same character of work to the same character of workers, and a lot of us tried to amend the relief bill to have the Government pay a uniform wage on relief work and not pay nearly three times as much to rural workers in New York, Pennsylvania, California, and other places as is paid in Kentucky for the same kind of work.

This was defeated; and then an amendment was offered to fix the amount at 25 cents an hour or 40 cents an hour, and these folks from the North and East who are insisting on a uniform wage in industry defeated all these amendments. They likewise defeated an amendment that proposed to give to Kentucky relief workers only 90 percent of what relief workers were receiving in other sections. To my mind this is proof of the insincerity of our friends from the North and East.

If this proposal is carried to its logical conclusion, the North and East can and will destroy the South; and, furthermore, the great industrial concerns with their highly mechanized organizations and large production per unit of manpower will destroy the smaller business concerns of this country, the smaller mills, factories, shops and mines found in each county of my and your congressional districts.

Let us not get the idea that the big concerns furnish all the employment for the people of this country. There are about 18,000 of the so-called big concerns, only a limited number of which are south of the Ohio River. There are not far from 100,000 of the smaller business concerns that this measure will hit hard, and thousands of them will be put out of business. The big concerns produce so much more per unit of manpower than the smaller concerns, it will cause many of the smaller business concerns to install machinery and put a lot of people out of work.

We should refrain from passing sectional legislation. The people of my section of the country have a right to work and provide for themselves and their families just the same as those living in the North and East. They are not responsible for being located so far from the great consuming centers and great markets of the country.

The Father of our Country was right when he said that the North needed the South and the South needed the North and the East could not get along without the West and the West could not get along without the East. If the South should be hindered or impoverished, then the North and East could not find a big market for their shoes, clothing, automobiles, furniture, wagons, farm machinery, and thousands of other necessary articles, and the West and central part of the country could not find such a ready market for their grain, hay, fruits, and other products, while, on the other hand, the South must furnish to the North, East, and West raw materials, cotton, coal, iron, fruits, and vegetables.

I know it is said that some of my labor friends are for this bill. Their main support and their organizations come from the North and East, and in supporting this legislation they will carry out perhaps the will of a majority of the members of their organizations, but I have a duty that I owe to the workers and owners of small business enterprises in my district and in my own State. To the extent that business enterprises are destroyed in the South, to that extent do we take away work from the miners who furnish the coal to run these enterprises and in the same way take away the work of the railroad men who carry the coal to these plants and bring back the fruits, vegetables, cotton, and other materials from the South.

This measure would be hurtful both to labor and industry in my section, and I firmly believe it would prove to be such to the country as a whole. Every sectional bill must in the long run prove hurtful to the Nation. No one can have one of his legs or arms cut off or one of his eyes removed or the hearing of one of his ears destroyed without it resulting in manifest injury to the entire body.

Let us stand together, without sectionalism, and let us ccoperate together for the good of the entire Nation.

FREEDOM AND PROSPERITY

This administration has devoted 5 years in its efforts to regiment agriculture, labor, and industry. It has spent enormous sums of money. It has created debts that I am afraid can never be paid; and yet business is paralyzed and the great army of unemployed increases day by day. This is the same country that we had in 1922, 1923, 1924, 1925, 1926, 1927, 1928, and 1929. During that time taxes were consistently cut down, business was on the increase, $10,000,000,000 were paid on the national debt, there was practically no unemployment, the farmers were receiving 17 cents a pound for their cotton, $1.50 a bushel for their wheat, and 80 cents per bushel or more for corn and other farm commodities in proportion. Our national income was in the neighborhood of $80,000,000,000 a year. Our farm income was around $12,000,000,000 a year, and every one of these dollars was worth 100 cents to the dollar. We had peace, prosperity, and contentment throughout the Nation.

Our national income this year will be in the neighborhood of $56,000,000,000. The farmers will receive for the sale of their products approximately $7,000,000,000, but these dollars, due to the reduction of the gold content, are worth less than 60 cents to the dollar. So our national income in terms of the dollar of 1926 will be something like thirty-five billions instead of eighty billions; our farm income will be less than four and a half billion dollars instead of twelve billion; the price of cotton would be today a little over 5 cents a pound; wheat would be less than 50 cents a bushel; corn less than 35 cents a bushel. Furthermore, in the years I have mentioned we did not burn our pigs and destroy our corn and other crops. We did not have reciprocal-trade agreements to permit foreigners to dump their farm products into this country and their merchandise on American markets and take away the work and markets of American farmers and American workers.

Let me repeat, we have the greatest agricultural, industrial, and commercial country of the world. If this administration would get down to business and encourage American business and enterprise, it would start the flow

of the $24,000,000,000 lying idle in the banks into productive enterprises and take the people off of relief and give them good jobs at good wages like we used to have. Let us quit trying to change our form of government and reform everything and everybody and quit placing them in a strait jacket under the bureaucrats here in Washington. Give the people a chance. Let the Government get out of private business. Give the American markets to American farmers, to American industry and American workers; take these millions of aliens off of relief in this country; give the preference of the jobs to American citizens; give the preference in business to American producers and American workers.

Relief and Work-Relief Appropriations

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Saturday, May 28 (legislative day of Wednesday, April 20), 1938

ARTICLE FROM FORTUNE AND EDITORIAL FROM THE WASHINGTON DAILY NEWS

Mr. MURRAY. Mr. President, on last Monday I addressed the Senate on the pending relief and work-relief measure, and discussed and analyzed the causes of the present recession.

The June issue of Fortune magazine—our country's leading business publication—has a valuable discussion of this problem under the title "Business and Government," at page 51 of the issue, which confirms the views I expressed last Monday.

I ask that this article, and also an editorial appearing in the Washington Daily News of May 24 relating thereto be printed in the Appendix of the RECORD.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From Fortune for June 1938]

BUSINESS AND GOVERNMENT

BUSINESS, FACED WITH AN OVERWHELMING POLITICAL FACT, SHOULD FAVOR A MORE SOCIALIZED STATE

In the eighteenth century there was developed a new political economy: a politics called "democratic," coupled with the economics of free, competitive capitalism. Neither of the elements of this political economy was precisely new, and each had developed separately. But their conjunction in Britain, France, and the United States (to mention only the biggest) was radical, and involved those countries in a long, and at times, bloody revolution. As this revolution continued, and as the new system spread to other nations, capitalist democracy came to be regarded as the fortress of enlightenment; and on the word of poets, who said that truth was bound to prevail, stood out against the dark, tyrannical, chaotic background of history as an irreversible human achievement.

Yet with the successful establishment of many of the principles of those early political thinkers, and with the fulfilling of many of the dreams of those early capitalists, the system that they conceived has faltered. Its irreversibility is no longer apparent. Three of the biggest nations in the western world, and many lesser ones, have rejected it almost in entirety. And even in the so-called democracies its basic concepts have been questioned and its basic practices violated. Capitalist democracy no longer stands forth as the emancipator of mankind. Its enemies denounce it as humbug—a system that pretends to emancipate all men, but in actuality has emancipated only some men, in certain portions of the earth, under favorable circumstances. Its friends, on the other hand, fail to defend it; their words result in oratory and their deeds in confusion.

Capitalist democracy is like an unsuccessful marriage; the partners are at odds. On the one hand, capitalism fails to provide the people with abundance; on the other, Government, as representative of the people, has interfered with the free operation of the capitalistic processes. The Government reviles the capitalists, and the capitalists revile the Government; wherefore there has arisen in the United States a profound schism between Government and capital, or, as it has been called on this page, Government and business. (The word "business" has been used in the business and Government series, instead of the word "capital," because, while it is less definite, it is actually more descriptive. Lined up against Government in the present struggle are not only "big" businessmen (often loosely referred to as capitalists) but thousands of "little" businessmen also; most, in short, who earn their livelihood by taking industrial or commercial risk.)

Since last January Fortune has published four portfolios of articles under the general title of Business and Government. This month no such portfolio is offered, the only article on the subject being the current editorial. The reasons for abandoning the business and Government theme temporarily (with the intention of taking it up again in September) are simply that the depression of 1938 has overtaken the forces of reform, and the elections of 1938 overhang the depression. Hence financial recovery, on the one hand, and local politics, on the other, are occupying the attention of Government and business alike. It is time for summing up and preparation for the future.

And in this regard it is enlightening to look back over Fortune's business and Government series, to observe a peculiar characteristic of all the articles therein. Those articles have been dedicated to the relationship between private enterprise and the Government—an old, bloodstained terrain upon which many wars have been fought. But the historical-minded reader, familiar with past battles, will be struck by the different sound of the cannon in the current war. For in dealing with the relationship of private enterprise to the Government, none of Fortune's articles is concerned with the "rights" of business vis-à-vis Government interference.

Now, so far as the fundamental law of the land is concerned, the rights of business as such are exceedingly slim. With respect to them the Constitution is cryptic. Nowhere is it stated, for instance, that private enterprise has a right to any kind of profit, though, of course, this is the only way that private enterprise can operate at all. The chief safeguards of business against Government are of two sorts: First, a number of somewhat generalized provisions, such as the provision that no State may set up tariffs, or the provision that taxes may not be discriminatory, or the blanket reservation to the States or to the people of all powers not specifically bestowed upon the Federal Government; and secondly, the Supreme Court itself, which has interpreted the Constitution (and specifically the due-process clauses) very liberally in favor of business. As to whether the Government should be in business, the Constitution is silent.

But for a century and a half American business, with the backing of the courts, proceeded on certain basic assumptions with regard to its rights or privileges. The essential principle of those assumptions was the principle of a limited government, beyond the limits of which the citizen was free to conduct his affairs. There resulted a kind of division of labor. Government was supposed to be concerned with policemanship, to protect the rights of man from encroachment. The citizen, on the other hand, was left to concern himself with the operations of free capitalism and the world of the dollar. The citizen's function in the economy was primarily the earning of the dollar, the investment of the dollar, and the distribution of the dollar. And this key assumption can scarcely be overemphasized. The exclusion of Government from business by a kind of mutual agreement was a basic factor in the American expansion and was one of the reasons why the elder Morgan—for instance—did not think it safe to sell America short.

But there has been in the United States a Nation-wide shift in the concept of the state and its proper relationship to private enterprise. For the purpose of historical accuracy it is necessary to note that this shift has been going on for a long time. The purist could perhaps date its origin back to the tariff of 1816, which was deliberately designed for the protection of American industry, rather than for revenue; and it was very much in evidence in the setting up of the Interstate Commerce Commission in 1887. The first big impetus, however, came with the World War when government actually ran the railroads and had its fingers in practically every business in the land. Thereafter, during the twenties, government became more and more preoccupied with economics, especially in the form of finance control through the Federal Reserve System.

The trend, therefore, is of long duration and has nothing to do with the New Deal as such. The New Deal has simply carried it to an extreme that no previous administration would have dared to attempt. The New Deal has stepped resolutely and unequivocally into the half science of economics. It has assumed the control of capitalism to be among the chief functions of government. It does emphatically concern itself with the world of the dollar, the investment of the dollar, and the distribution of the dollar. Its concept of government is not a limited concept, in the sense in which our grandfathers thought of limitation. The New Deal's state is a state that has become economically involved in almost everything that its citizens do. It is a state in which the uses of capital are only relatively free. And it is, therefore, a state that capitalists have not recently been reluctant to sell short.

In the light of this shift in the concept of the state, a discussion of the rights, or privileges, or presumptions of our grandfathers appears academic to the modern commentator. It appears academic because the shift has been an inevitable response to a basic fact. The fact is that in operating the capitalist economy American business has consistently misappropriated the principles of de-

mocracy. American business has made use of those principles to its own enormous profit but it has failed entirely to grasp the social implications of its profit making. As representing the capitalist economy, business has an obligation to build a workable economic system. But by 1932 it was evident that it had failed to do this. It had failed, and it has since failed to provide for approximately one-third of the American people. It has failed to provide these people with work, and hence failed to provide them with a livelihood, to say nothing of democratic opportunity. And in so failing it has created a class of persons for whom income and sustenance are more immediately important than the preservation of those political assumptions upon which business grew to power.

So, in the break-down of the economics of free capitalism, business is confronted with a realistic political fact: Namely, that a majority of the American people, with the penniless third as a nucleus, are beginning to measure the virtue of their Government mainly in terms of the guaranties it makes concerning their income. The further political fact is that this bloc of citizens possesses more votes than any other single bloc, not excepting the far less solid South. These votes are economic votes—dollar votes. And business has delivered them into Government's hands.

Confronted with this charge, American business will reply that almost everywhere in the world millions are out of work and that its own economic failure is no greater than that of any other business. The point may be granted, with the additional assurance that here is no question of moral turpitude, but an objective question calling for an objective answer. That answer cannot, of course, be determined on this page. It is an answer that will involve years of work and much patience on both sides. But the great, basic alternatives that lie before the country are clear and can be briefly summarized.

The failure of the marriage between free capitalism and political democracy has not been a failure in the principle of private enterprise, on the one hand, or the democratic principle on the other. These are still intact. What failed was the doctrine of laissez faire, which made the fundamental assumption, already referred to, that the economic system was not the concern of Government. As a marriage bond between a complicated political system and an intricate economic system, this doctrine proved inadequate. It was put forward by the early theorists in the belief that the sum total of the economic forces acting upon capital would cause capital to work for the good of the greatest number. And so long as the economy was expanding, laissez faire did in fact accomplish this result. But with the advance of industrialism the automatic controls of the laissez faire system, for reasons too complicated to enumerate here, became less effective. Indeed, today, the controls appear to operate sometimes in reverse. Today, although there is scarcity on every hand, modern industry limits its production, and although demand is slight, it raises or maintains its boomtime prices. The results are half-speed operation and masses of unemployed.

Whether the present situation is permanent or temporary is beside the point. Every businessman who is not kidding himself knows that he does not know how to guarantee, without Government intervention, the markets with which alone his free, competitve capitalism can function. Every businessman who is not kidding himself knows that, if left to its own devices, business would sooner or later run headlong into another 1930. And every businessman who is not kidding himself ought to know that as long as these things are so, the electorate will force Government into his affairs. It is neither possible nor desirable for a democratic government to sit by while a third of its citizens starve and almost as many more fear for their jobs.

The path ahead of American business is indeed a narrow path but it is perfectly clear. If the principles of democracy and of private enterprise are to be preserved, it is evident that private enterprise must admit into its affairs, as representative of the people, a Government profoundly concerned with the successful operation of the economic system. It should in the future be the object of business not to obstruct Government intervention at any cost, but to see to it that the intervening Government is enlightened in economic matters. At this crucial point not only has business let the New Deal down but the New Deal has let business down, and the result has been a number of profound economic errors.

What American business faces is, in fact, a far more socialized state. Possibly it will be necessary for Government to take certain industries—the railroads, for instance, or the utilities—out of the competitive system entirely and set them up as completely regulated monopolies or even as State-owned enterprises. These, however, should be the exceptions. With regard to other industries in which the automatic controls of the capitalist system have broken down, Government may perform the function of a clearing house for information and supplement the automatic controls with constructive (not punitive) legislation. In any event the true function of business is not to obstruct but to make sure that the Government is kept enlightened and well informed concerning the requirements of successful private enterprise.

There are, of course, two alternatives. If the present system is allowed to work badly enough for long enough it is conceivable that the people, seizing the economic power, will rise up against the principle of capitalism and abolish it in favor of the public ownership of all industry and finance. This would be a solution along the lines of communism, effected at the expense of private enterprise. Or again, if the system is allowed to work badly enough for long enough, it is conceivable that the people will tire, not of capitalism but of democracy itself and will accept the leadership of some powerful person, who, by controlling alike the industrial forces and the political forces, will be able to guarantee them a livelihood. This utter sacrifice of liberty for security would be a solution along the lines of fascism, as, for instance, in Germany.

Between these two unpalatable extremes lies an American economy. It is not an economy that any single man, any bright economist, can now define. It is not an economy that can be found by good luck, or by a single victory at the polls. On the contrary, it can be established only by business working with government, and government working with business, over a long period of years, toward a progressively higher standard of living derived from the incentives of private enterprise. It is the only course open to business or Government that does not lead inevitably into the fallacies of totalitarianism and state collectivism. And if these two cannot find it together, nobody else can.

[From the Washington Daily News of May 24, 1938]

AFTER ALL—THE WORLD DO MOVE

When business is criticized by the New Deal, that's no surprise. But when Fortune blames business for a lot of our economic ailments, business should at least give heed.

On the table of every Union League Club in the land, but pretty much out of the reach of the rank and file because of its $10-a-year price, Fortune in its June issue talks like a Puritan father to business.

Its theme is that the doctrine of laissez faire is dead, but that business doesn't know it; that the fundamental assumption of laissez faire, of no government concern in our economic system, is gone where the woodbine twineth. And that if we all don't watch out there may come a time when the people may tire not only of capitalism but of democracy itself and become willing to sacrifice political liberty for what at the moment resembles economic security. In other words, that, like it or not, there is going to be more and more government in business, if democracy is to be preserved, and that it is up to business and government to work together toward that end, not battle and die in a civil war.

Even though Fortune will be charged with being a traitor to its class and with picking on a sick man, we think that the more of those in business who read the article, the better it will be.

Business in this country today is divided into two groups. One, and unfortunately the smaller, has come to realize that the world do move; that the only thing certain in life is change; that we are 20 years behind England, for example, in accepting such principles as collective bargaining and social security, and that to go against the tide is to drown. The other is the nostalgic delegation, dreaming of the good old days, yearning for the high-collared past, hating Roosevelt but not realizing that Roosevelt after all is just a potent sign of the times, and serving on the committees that write the resolutions at the annual meetings of the United States Chamber of Commerce.

If the first group could only get busy and vocal to the extent of selling the second that it's time to wake up, the futile fight between business and Government might be turned into an harmonious advance toward better days and finer democracy.

Specifically, the present wage and hour issue might very well serve as a subject for the world-do-move contingent.

Just a few words to the effect that, after all, the laborer is worthy of his hire to the extent of at least $11 a week in any section of what we all brag about as being the Nation of the highest living standard in the world—just a few words from a few of the more realistic leaders in business might help greatly to relieve the pressure.

And perhaps it ought to be added for emphasis that no one is going to run a yacht or keep a mistress on $11 a week.

Achievements of Department of Commerce in Fiscal Year 1938

EXTENSION OF REMARKS

OF

HON. JAMES F. BYRNES

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Saturday, May 28 (legislative day of Wednesday, April 20), 1938

Mr. BYRNES. Mr. President, I ask unanimous consent to have printed in the RECORD a statement of the achievements of the Department of Commerce in the fiscal year 1938.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The increasing need of the American business public for broader statistical information, as well as the requirements for meeting

service responsibilities in transportation and scientific development, have imposed the burden of broadening the scope of the activities of the Department of Commerce during the fiscal year 1938.

For administering these vital, far-flung activities, the Department of Commerce was allocated $43,388,343 by the Congress for the fiscal year 1938, of which the Bureau of Air Commerce received approximately 25 percent and supervised the operation and maintenance of 23,000 miles of Federal airways.

The Bureau of Air Commerce has made substantial progress on a program of airways modernization.

This included the construction of numerous additional radio range and broadcast stations and modernization of existing facilities of this type; installation of radio markers of a newly developed ultra high frequency type; field and lighting improvement projects, including relocation of some beacon lights and intermediate landing fields and installation of others; increasing the total mileage of teletypewriter circuits by 7,257 miles, making a total of 21,142 miles of teletypewriter circuits in operation for transmission of weather information. In certifying aircraft and airmen, 13,278 aircraft certificates, 969 expert certificates, 6,752 aircraft transfers of titles and 10,897 airmen certificates were issued. More than 23,000 miles of Federal airways were operated and maintained; 254 W. P. A. airport and air-marking projects which involved $25,751,236 in Federal funds. Twenty-eight chapters of Civil Air Regulations were published.

Much of the work of the Bureau of Marine Inspection and Navigation for the current year is represented in the planning and drafting of preliminary rules and regulations and revised practices, for more adequate protection of life and property at sea through the medium of additional fire protection, improved machinery and equipment, and better trained and more efficient officers and crews. Inspection of boats and crew was made more efficient.

The Bureau of Lighthouses is also charged with the responsibility for promoting safety in transportation. Since July 1937 the total number of aids to navigation maintained by this service has increased from 28,105 to 28,525. Ten radiobeacons were added during the year. Changes in lighted sound buoys effected a saving of nearly $10,000 a year. The opening of new waterways has also imposed the responsibility for establishing new aids to navigation.

Activities of the Coast and Geodetic Survey further contribute to safety in transportation by air, land, and sea.

This Survey now issues 789 different nautical charts covering the coastal waters of the United States and its possessions, maintains a series of 87 sectional aeronautical charts, issued the third of 17 regional charts and the first of a series of 6 radio direction-finding charts. The demand for nautical and aeronautical charts has increased 100 percent in 5 years. Preliminary plans have been made for cooperation with the Maritime Commission in the training of cadet officers for the merchant marine.

The Bureau of Foreign and Domestic Commerce, through its Washington staff, district and cooperative offices in 78 important commercial cities of the United States and 34 offices in foreign countries, obtained and disseminated the data that business and other agencies of government require in their trade- and production-planning programs.

The voluntary market data reporting service was expanded this year to include 26 States while reports covering 60 cities were based on studies of the consumption and demand of articles of commerce.

Wholesalers and retailers were also assisted in their selling problems through publications revealing developments in the field of marketing and installment credit. National Income, 1929–36, an analytical research study, was completed during the current fiscal year and is being enlarged to provide for a continuous measurement of income. The publication Survey of Current Business has been expanded to include important new business and economic subjects. An annual review number was a feature representing an official summary of economic and business development in the United States during the preceding year.

A step-by-step description of the best import and export practices used in the United States was published. The tariff specialists of this Bureau have coordinated their efforts in the interest of American industry in the negotiation of trade agreements, of which 17 have been consummated to date. Through modification of the coordination agreement with the State Department, a renewal of direct-trade inquiries to the foreign offices was started, a total of 11,973 replies resulting for the 10 months ended April 30, 1938.

The details of the organization of the conference of small businessmen were handled by this Bureau and a report analyzing several thousand letters from businessmen was prepared for the President and Secretary Roper.

The problems of business and Government have been associated in studies by the Business Advisory Council for the Department of Commerce, organized in 1935 by Secretary Roper.

The Census Bureau is preparing for the decennial census of 1940 which will include population, agriculture, manufactures, mining, retail and wholesale trade, unemployment, and possibly employment and housing. The biennial census of manufactures is now in progress, with current reports for 58 industries closely coordinated. The quinquennial census of electrical industries for 1937 is now in progress. The Bureau now has under way a survey of retail and wholesale trade on a major sample basis and is preparing for the 1940 census of agriculture. A special inquiry on State and local debt was made in cooperation with the Treasury Department.

Base maps for the 3,071 counties and approximately 3,000 cities accurately showing county and township boundaries, ward lines, and other political division were prepared. The Bureau aided in the November 1937 registration of unemployment. From 500 to 600 applications for age searches are received daily by the Census Bureau. Vital statistics are being revised to attain greater accuracy in the tabulation of all births and deaths by place of residence.

The functions of the Bureau of Fisheries have broadened from the operation of fish hatcheries to the field of international relations; for example, the problem of averting threatened foreign invasion of the salmon fishery in Bristol Bay. Construction of several new hatcheries and the rehabilitation of others has been one of the important developments of the year.

The problem created in the salmon industry as a result of the construction of the Bonneville Dam has been solved through the construction of fish ladders. Regulations looking to the protection of certain species of marine products were adopted and extensive statistical data disseminated. A new fishery market news service was inaugurated in New York City, with similar offices planned for Boston and Seattle. Care and supervision of the fur-seal herd on the Pribilof Islands, with an increase of 9 percent in the herd over the previous year to 1,839,119 head. Sealskins taken by the United States Government in 1937 numbered 55,180 head. In September 1937, 19,727 skins were sold for $420,640, and in May 1938, 19,949 skins brought $432,622.25.

Custody of the naval radio station at St. Paul Island was transferred to the Department of Commerce. The Bureau issued 19 licenses to whaling companies, and reports on licensed whaling companies were collected, analyzed, and tabulated and sent to the Bureau of International Whaling Statistics, Oslo, Norway.

New applications filed in the Patent Office in the first 10 months of the current fiscal year considerably exceeded the number of any equivalent interval since 1932. The Design Division, with total applications greatly increased, has issued patents within 13 days after the date of allowance. Receipts in the first 10 months indicate that fees and other payments will equal, if not exceed, the amount received from such sources in the preceding year.

The National Bureau of Standards has conducted a special study of building materials for use in connection with low-cost housing; has constructed one of the world's largest X-ray ionization chambers, by which measurements will be made of voltages from 100,000 to 1,000,000; and is taking an active part in the development of the use of radio meteorographs for obtaining information on upper-air conditions. Manufacturers, distributors, and consumers have been benefited by the adoption of simplified-practice recommendations. The Bureau cooperated actively with States in testing large-capacity vehicle scales, made marked progress in investigation of the best methods for preserving records in libraries and similar places, and made research to establish a simple, usable, and scientific system for designating colors of drugs and pharmaceuticals. The Bureau recently announced the preparation by its polarimetry section of two rare sugars.

All cement used in Government construction work was tested, including the 12,000,000-barrel Grand Coulee Dam project. Definite progress was made in research work on new industrial uses for silver. The Bureau helped to reduce losses and prevent accidents in steel foundries by developing a specification for ladle sleeves. Pipe-erosion studies were continued.

One of the important informative and educational activities of the Department of Commerce during the past year has been the weekly presentation of a radio program entitled "Stories of American Industry." While the program was conceived primarily with the object of giving the general public a more comprehensive understanding and appreciation of leading American industries, it was found of great practical value not only to business and the general public, but particularly to our educational system. More than 500 schools and colleges throughout the country have been using the radio scripts in classrooms as textbooks on industry.

The Supreme Court and Politics

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Saturday, May 28 (legislative day of Wednesday, April 20), 1938

EDITORIAL FROM THE ST. LOUIS STAR-TIMES

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from a recent issue

of the St. Louis Star-Times under the heading "Hughes Reenters Politics."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Louis Star-Times]

HUGHES REENTERS POLITICS

In March 1937 Chief Justice Hughes wrote a letter to Senator WHEELER, of Montana, for the purpose of combating the Roosevelt court-reorganization plan.

At that time the Star-Times said editorially that no matter what influence the Hughes letter might have upon the bill before Congress its one sure effect was to precipitate the Chief Justice and the Court into the realm of political controversy, and they must expect to take the consequences.

That is exactly what happened, and the full effect is just becoming manifest.

The controversy between Chief Justice Hughes and Secretary of Agriculture Wallace was precipitated by an opinion in the Kansas City stockyards case, written by the Chief Justice. But would the Secretary of Agriculture have been able to issue a public challenge, replete with direct accusations against the Chief Justice, if Mr. Hughes had not paved the way for it by getting into the Roosevelt court fight through his letter to Senator WHEELER?

It is doubtful whether, except for that letter, the enemies of Justice Black would have had the nerve to continue their attacks upon him after he went onto the Supreme Bench. Except for that letter the recent address of Chief Justice Hughes before the American Law Institute could not have been construed or misconstrued as a veiled criticism of Justice Black.

The Hughes opinion in the Kansas City stockyards case was universally interpreted in the press as a scathing criticism, by the Court, of Secretary of Agriculture Wallace's procedure in finding that commissions paid to Kansas City livestock buyers were too high. Mr. Wallace replied to one editorial in the New York Times with a stinging criticism of the Chief Justice, charging him with failing to make it clear, in his opinion, that this was a case which originated in the Hoover administration, and that "the particular error of omission on which the Chief Justice hangs his decision was committed not by this administration but by the previous one." Mr. Wallace also wrote to the Chief Justice, pointing out that he had made an opposite ruling on the same point 2 years earlier, when the same case was before the Court on a different issue. Finally he wrote to all the Members of Congress about it.

It was an assistant to Secretary Wallace who held, 3 weeks after the Roosevelt administration came into office, that the lawyers of the Hoover administration were correct in the procedure which the Chief Justice denounces.

Finally, it might be argued that, although the case involved two Secretaries of Agriculture, Hyde and Wallace, there was no reason why the Chief Justice should point that out. He was dealing with the office, not the persons in it.

So much for theory. Now for facts. Here are the consecutive statements by Mr. Hughes dealing with the persons concerned in the case:

"April 7, 1930 • • • the Secretary of Agriculture issued an order.

"In March 1931 oral argument was had before the Acting Secretary of Agriculture.

"In May 1922 the Secretary issued his findings.

"On March 24, 1933, oral argument was had before Rexford G. Tugwell as Acting Secretary."

Why was Rexford G. Tugwell, the whipping boy of the anti-new dealers, the only person named by Chief Justice Hughes in his entire opinion?

The officials referred to above were Secretary Hyde of the Hoover Cabinet, unnamed; Assistant Secretary Dunlop, of the Hoover administration, unnamed; again Secretary Hyde, unnamed; and then Rex Tugwell, named. Why?

The effect was unmistakable. By naming Tugwell, most criticized individual in the Roosevelt administration, Mr. Hughes threw the whole onus of the case onto the Roosevelt administration. Everything in the Hughes opinion, before and after, then seemed to refer to Secretary Wallace, even though he was not named.

Furthermore, although Mr. Hughes upheld the way Mr. Wallace passed on the evidence, every word he used in describing his conduct suggested disapproval. For instance:

"The bulky record was placed upon his desk and he dipped into it from time to time to get its drift. He decided that probably the essence of the evidence was contained in appellants' brief. These, together with the transcript of the oral argument, he took home with him and read."

This was adequate, the Chief Justice held, because it was not the function of the Court "to inquire into the mental processes" of the Secretary of Agriculture.

This was clever, indeed, for Mr. Hughes used Mr. Wallace's own description of what he did, with the impression reversed by the way he used it. How different the impression would have been if Mr. Hughes had said that the "bulky record" (consisting of 10,000 pages of testimony and 1,000 pages of statistical tables) would have taken a solid month to read, and that Mr. Wallace, to make sure of being fair to the opposition, relied entirely upon a summary of the evidence prepared by the lawyers for the commission men, not by the Government lawyers. That was the actual meaning of taking home the "appellants' brief."

However, even with this remarkable excursion by the Chief Justice into partisan politics, it is doubtful if Mr. Wallace would have launched his counterattack if Mr. Hughes had not prepared the way a year ago by his famous letter to Senator Wheeler. That was what opened the gates, and made the Supreme Court a polemical battlefield.

Importation of Japanese Pottery

EXTENSION OF REMARKS

OF

HON. THOMAS A. JENKINS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 25, 1938

ARTICLE BY ROBERT PLUMMER

Mr. JENKINS of Ohio. Mr. Speaker, under leave given me to extend my remarks in the RECORD, I wish to do so by presenting a newspaper article written by Mr. Robert Plummer and dealing with the importation of Japanese pottery. I have introduced a resolution in this session of Congress which I think would go a long ways toward handling that situation if it were enacted into law. The resolution reads as follows:

Resolved, That the United States Tariff Commission is directed under the authority conferred by section 336 of the Tariff Act of 1930, and for the purpose of that section, to investigate the difference in the costs of production of American-made vitrified and semivitrified tableware, kitchenware, and table and kitchen utensils, provided for by paragraphs 211 and 212, Tariff Act of 1930, and of any like or similar articles produced in Japan, together with transportation costs and other costs incident to delivery to the principal market or markets of the United States for the articles; other relevant facts that constitute an advantage or disadvantage in competition, including the advantages of subsidies or bonuses granted to the manufacturers and exporters by the Japanese Imperial Government, perfectures, associations, or other sources, together with a statement of the increase in rates of duty such investigation finds necessary to equalize such differences: *Provided*, That if the Commission finds it is not practicable, it shall so state in its report and recommend the alternative provision of accepting as evidence the weighted average of invoice prices or values for a representative period (sec. 336, E-2), or the American selling price (sec. 402 (g)).

I have also on previous occasions discussed on the floor of this House the terrible effect which the importation of cheap foreign-made pottery has on the pottery industry of the United States. I have opposed this in every way I possibly could. I appeared before the committee taking testimony relative to importation of pottery to our country under the foreign-trade agreements with foreign countries and protested against this importation as vigorously as I could. I am glad the country is awakened to this problem and I hope we can work out a solution for it so that we might protect our pottery industry in this country which needs protection so badly.

The article referred to is as follows:

RUINOUS COMPETITION WOULD FORCE 5-CENT-HOUR WAGES—ONE-THIRD OF JOBS IN BIG OHIO VALLEY INDUSTRY HAVE BEEN SHIFTED TO JAPAN—POTTERY WORKERS DEPRIVED OF LIVELIHOOD BY JAP LABOR WHICH RECEIVES 5 CENTS AN HOUR

To a country that has driven the United States into a billion-dollar expansion of its Navy, specifically to Japan which is now threatening to close the gates of the Orient to outside trade, one-third of an American industry has been shifted.

There, for 5 cents an hour, Japanese, who never heard of a labor union, are doing the work once performed by pottery workers in the Ohio Valley. Our displaced workers are no longer making American wages. They are out of work.

No industry has felt the disastrous effects of the Hull low-tariff policy more than American pottery, in which domestic manufacturers have steadily lost trade in competition with cheaply made foreign products.

All through the upper Ohio Valley, at Newell, Chester, East Liverpool, as well as Wheeling, at Paden City, and in other once thriving communities of the tri-State district, plants now stand idle or work part time while the State Department, in the role of international sucker, goes on building up employment in foreign lands at the expense of jobs within the United States.

There is nothing spectacular about the pottery industry. There are no great fortunes, no internationally known names connected

with it. The modest earnings of the industry have been almost wholly distributed among the workers who operate the 257 plants.

HIGH LABOR STANDARDS

It has gone on steadily doing its best to raise the American standard of living and to increase employment. Relations between the pottery owners and workers have been peaceful throughout the years, and collective bargaining between employers and the unions has always been conducted in the friendliest manner for the past 40 years.

There is every reason why this industry should be encouraged.

Out of every dollar the American potter receives for his product, 62 cents is paid to labor in wages. Out of the remaining 38 cents all expenses, such as materials, factories, equipment, taxes, and profits must come.

An American pottery worker is paid 12 times as much as the workers in many of the countries that export pottery products to the United States with Secretary Hull's assistance.

Contrast the American workman's hourly wage of 72 cents to that of the Japanese potter, who receives the sum of 5 cents for an hour's labor!

A sensible policy would be to provide this industry with the highest possible protection against such pauper competition—to greatly increase present tariff rates.

But, instead, blind to present-day realities and stubbornly pursuing discredited doctrines of international trade that even Great Britain long ago abandoned, the visionaries in the State Department are now talking further concessions in the tariffs on pottery.

And they have included pottery among the items to be considered in the negotiations now under way with British representatives.

DISASTER AHEAD

If the now inadequate tariffs are further cut in the British treaty, as is proposed, Japan will be the chief beneficiary.

This can result in only one thing. More potteries will be shut down and thousands of the citizens which this industry supports will be reduced to dependence on public charity.

For here is the picture:

In 1937 more than 30 percent of the total American tableware market had been usurped by foreign manufacturers who were able to undersell the domestic potters in their own market.

Approximately 12,000,000 dozen pieces of tableware were shipped into the United States last year in competition with wares made here.

Under this deluge of imports domestic production fell to only 29,000,000 dozen.

And of these imports Japan was the principal contributor, shipping nearly 10,000,000 dozen pieces into the United States, setting an all-time high record.

Among other nations shipping tableware to American markets were Great Britain, France, Italy, Germany, and Czechoslovakia.

Largely as a result of this decline in domestic sales, pottery factories throughout the local district have been forced to close and 50 percent of the pottery workers have been unemployed.

HUGE PAY ROLL LOSS

Normally, the American pottery industry employs 25,000 persons.

But now the average employment has been cut to 12,000.

This represents a loss of more than $15,000,000 a year in American wages.

Every foreign worker given a job manufacturing pottery products for export to the United States means that an American worker, with high wages, has been replaced.

Thirteen thousand Japanese are now filling the places lost by workers here.

And the State Department talks of more concessions in tariffs.

What sane objective, one may well ask, could possibly justify the intentional destruction of this typical and wholly American industry?

What reason can the State Department offer to these 13,000 loyal citizens of the United States who have been forcibly deprived of their means of living? Forty thousand dependents are affected in the same way as their breadearners.

What argument will the State Department devise to meet the appeals of the 12,000 pottery workers still at work and their thousands of dependents for the certain loss of employment which will result from any further concessions that are made in the trade agreement with Great Britain?

ABSURD DEFENSE

Mr. Hull will offer as the only reason for this amazing proceeding that this is "America's contribution to world peace."

Look at Japan today!

Yet that is the absurd defense that is being given to group after group of American labor for the disastrous loss of employment resulting from the trade agreement.

Are the American potters' jobs to be taken away because Mr. Hull considers the Japanese more efficient on account of their paying 5 cents an hour for labor?

Spokesmen for the State Department have made various vague statements about industry efficiency.

In fact, one speaker as much as told New England textile manufacturers that it was time to consider giving up their mills and look to some new lines of endeavor.

Is this to be the fate of the pottery industry of the Ohio Valley?

This question is asked in all seriousness.

With a few more years of trade agreements, bringing increased invasion of Japanese wares, the ruin of the pottery industry will be complete.

Gilbertsville Dam—The Keystone of the T. V. A.

The Tennessee Valley Authority is the most profitable investment the American people have ever made.

EXTENSION OF REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1938

Mr. RANKIN. Mr. Speaker, the adoption of this amendment for funds to begin the construction of the Gilbertsville Dam on the Tennessee River assures the completion of the entire T. V. A. program on that great stream, which will stand out as one of the greatest developments of ancient or modern times.

It is one of the modern wonders of the world. When we look upon what has been called the Seven Wonders of the Ancient World, it takes the mind of man back down the centuries and loses him in the dim mists of the unrecorded past. We witness in retrospect the toil and suffering of untold millions of human beings who exhausted their energies or spent their lives in building those mute and useless monuments to the glory, the power, the cruelty, and the stupidity of ancient kings.

But when we look upon this great development on the Tennessee River it inspires us to look to the future and not to the past. We see in the coming years, beginning with the present day, a great river with its transportation restored and its floods controlled to protect the people, as well as the soil, along its course. We see a wealth of hydroelectric power more valuable than any oil field in America and richer than all the gold mines in the world, sent pulsing over transmission lines, delivered to the homes, the stores, the shops, and other business establishments for hundreds of miles around, bestowing upon mankind untold blessings, relieving struggling men and women in the cities, in the towns, and on the farms of untold burdens of human drudgery, not only now but for generations, for centuries, perhaps for thousands of years to come.

I trust, Mr. Speaker, that I may be pardoned for manifesting a personal pride in this great achievement. As everyone knows, I was coauthor with Senator NORRIS of the bill that finally became the law creating the Tennessee Valley Authority. Senator NORRIS introduced the bill in the Senate and I introduced it in the House. That is why it is referred to as the Norris-Rankin bill. The Military Affairs Committee of the House rejected it and reported a bill which, if it had become law, would have paralyzed this great development. The bill which they reported carried a provision that no new dams should ever be constructed until a market was found for the power to be developed. That simply meant that no other dams, except the Wilson Dam at Muscle Shoals which had already been constructed, would ever be built on the Tennessee River. Someone pointed out at the time that it was like asking a man not to build his mill until people brought their grain to be ground.

The House bill also provided that the T. V. A. should not build any power lines until it first exhausted its efforts to gets its power transmitted over the lines of private power companies. That simply meant that the people in the T. V. A. area would never get any power at all without paying tribute to the Power Trust. One great electrical engineer said at the time, and his remarks were quoted by Senator NORRIS on the floor of the Senate, that if you undertook to send this power over the lines of private power companies, controlled by the Power Trust, the most vicious monopoly in America, that "Gabriel's angels could not tell how much they would steal."

When the House bill was called up, I attempted to get our bill, which has become known as the Norris-Rankin bill, substituted on a motion to recommit. I was denied time to

debate the proposition—I was given only a few minutes. Owing to the fact that the Members did not understand the question fully my motion was lost, but when it got to the Senate, on motion of Senator NORRIS, all after the enacting clause was stricken out, our bill was substituted, and the Senate passed it almost unanimously.

As soon as the Directors of the Tennessee Valley Authority were appointed, I began my battle for the distribution of the surplus power generated on the Tennessee River to be delivered to the people within the distribution radius at what we call the "yardstick rates." I also organized cooperative power associations throughout my section of Mississippi, in order to get this power distributed to the farm homes of that area. My success has exceeded my expectations. We now have a rural electrification project either in operation or under construction in every one of the 10 counties which I represent and in a large number of other counties throughout the State of Mississippi, as well as the other States in the T. V. A. area.

Nothing that has ever been done for the farmers of the Nation has meant so much to them as supplying their homes with cheap electricity. It adds immeasurably to the value of every farm it touches and contributes more to the comforts and conveniences and lifts more drudgery from the shoulders of the people in the rural districts, and especially from the shoulders of the farm women, than anything else this Government has ever done or attempted.

The enemies of this program point to the amount of money spent by the T. V. A. and throw up their hands in holy horror at the cost of this great contribution to mankind. I propose to show here and now that the T. V. A. is the most profitable investment the American people have ever made. It pays for itself every year that rolls around in reduced light and power rates to the 25,000,000 electric consumers in every State in the Union.

During the year ended February 28, 1932, the year before the T. V. A. was created, the American people used 62,000,000,000 kilowatt-hours of electricity, for which they paid $1,803,000,000, according to the Edison Electric Institute Bulletin, the mouthpiece of the private power companies. During the year ended February 28, 1937, the American people used 91,000,000,000 kilowatt-hours of electricity, for which they paid $2,086,080,300, according to the Edison Electric Institute Bulletin.

If we had paid the same rate for this 91,000,000,000 kilowatt-hours that we paid in 1932, the year before the T. V. A. was created, the cost would have been $2,642,000,000, or $556,000,000 more than we actually paid.

Remember that this was a difference of $556,000,000 a year, as against what it would have cost them under the old rate. The people got that reduction last year, and they will get it this year, and every other year from now on. In other words, they save more every single year than the entire T. V. A. development will cost, including the Gilbertsville Dam and all the other dams that have been constructed or are now being constructed or contemplated on the Tennessee River.

But someone will no doubt say that not all of this saving of $556,000,000 a year is due to rate reduction; that a part of it is due to increased consumption. That may account for a small portion of it, but only a small portion—I would say not over 25 percent. But even if we attribute 50 percent of this difference to increased consumption, it would still leave a yearly reduction of $278,000,000, due entirely to rate reductions which have been brought about as a result of the creation and operation of the T. V. A. with its yardstick rates, along with the other power policies of this administration. Besides, the increased consumption was due to the reduced rates which the T. V. A. has been most instrumental in bringing about.

Two other activities of this administration have contributed to these reductions: The P. W. A. loans and grants to municipalities to aid in the construction of their own distribution systems, and the power rate surveys of the various States now being compiled and published by the Federal Power Commission, under the authority of a measure which Senator NORRIS and I introduced and got passed through both Houses a few years ago.

If any man wants to know what people are paying for electricity in every town in his State, he should get this rate survey for that particular State. Then if he wants to compare those rates with the T. V. A. rates, he should get the rate survey for Mississippi and compare his rates with the rates paid at Tupelo, Amory, Corinth, or any other city, town, or community in that area.

I have just told you that the American people are saving at the very least $278,000,000 a year as a result of the reductions in light and power rates since the creation of the T. V. A. That is more than the entire T. V. A. development has cost. Now let us see how much of that reduction of $278,000,000 a year goes to the people of your State.

Here is the list, broken down by States, showing the amount these reductions saved the people of each State last year.

Alabama	$3,800,000
Arizona	750,000
Arkansas	1,700,000
California	16,600,000
Colorado	2,500,000
Connecticut	5,800,000
Delaware	302,000
Florida	5,500,000
Georgia	3,800,000
Idaho	1,500,000
Illinois	32,800,000
Indiana	10,300,000
Iowa	3,400,000
Kansas	2,400,000
Kentucky	3,400,000
Louisiana	1,800,000
Maine	1,000,000
Maryland and District of Columbia	6,800,000
Massachusetts	14,800,000
Michigan	7,300,000
Minnesota	2,800,000
Mississippi	1,700,000
Missouri	6,000,000
Montana	2,000,000
Nebraska	2,500,000
Nevada	115,000
New Hampshire	1,200,000
New Jersey	9,200,000
New Mexico	900,000
New York	33,700,000
North Carolina	2,000,000
North Dakota	600,000
Ohio	27,700,000
Oklahoma	1,900,000
Oregon	2,600,000
Pennsylvania	35,300,000
Rhode Island	2,200,000
South Carolina	1,000,000
South Dakota	800,000
Tennessee	600,000
Texas	7,100,000
Utah	3,100,000
Vermont	600,000
Virginia	1,200,000
Washington	3,600,000
West Virginia	3,300,000
Wisconsin	8,100,000
Wyoming	235,000

Who can read this list and fail to realize that the T. V. A. is the most profitable investment this Nation has ever made?

For the benefit of the ones who are interested in the power question—which I regard as the outstanding issue of the day—I am giving below the residential rates in every State in the Union for the year 1932, the year before the T. V. A. was created, and also the T. V. A. rates, the Tacoma (Wash.) rates, as well as the Ontario rates. I do this so that you may be able to compare them and see the exorbitant overcharges we were all paying before the T. V. A. was created. If you will compare them with the rates shown in the rate survey of your State, you will see how much your domestic rates have been reduced; and if you will compare your present rates with the T. V. A., Tacoma, and Ontario rates, you will see how much more reduction you should have.

I am running these tables up to 1,400 kilowatt-hours a month, because at that point T. V. A. rates reach an average of 7½ mills a kilowatt-hour, and maintain that rate from

there on. This is the average per kilowatt-hour, 7½ mills a kilowatt-hour, no matter how much more than 1,400 kilowatt-hours a month a residential consumer may use.

I will first show the rates up to 1,400 kilowatt-hours a month, according to the T. V. A. rates, the Tacoma rates, and the Ontario rates, and then show the rates charged in the various States by private power companies in 1932—prior to the creation of the T. V. A. and the promulgation of the T. V. A. yardstick for the measurement of electric light and power rates. These tables are all for domestic rates. A comparison of the commercial rates will show that the commercial consumers were worse overcharged, and are yet, than the domestic users of electric energy, as anyone can see by comparing the rates set out in the rate survey reports for the various States to which I have referred.

Here are the domestic charges up to 1,400 kilowatt-hours a month, according to the T. V. A., the Tacoma, and the Ontario rates:

Table of comparative monthly rates, domestic

	Kilowatt-hours a month								Excess over 1,400 kilowatt-hours a month
	25	40	60	100	300	500	1,000	1,400	
									Mills a kilowatt
Tennessee Valley Authority	$0.75	$1.20	$1.70	$2.50	$5.50	$6.90	$8.90	$10.50	7½
Tacoma	1.13	1.52	1.72	2.12	4.12	6.12	8.62	11.12	5
Ontario	.75	1.02	1.54	1.74	3.02	3.92	6.17	7.97	4½

Now, here are the rates charged in the various States in 1932, the year before the T. V. A. was created. Compare the rates charged in each State at that time and you will see what exorbitant overcharges they were compelled to pay for electric energy in those days, and what they would be paying if they had never been faced with competition or with a yardstick, showing what electricity is worth.

Then if you will compare these rates with the rates in your own State, and in your own city, town, or community, as shown by the rate surveys for the various States, you will see how much your people are still overcharged for the electricity used in their homes.

Here are the rates charged by private power companies in the various States in 1932, the year before the T. V. A. was created.

ALABAMA

Alabama Power Co. rates in 1932, covering the entire State

First 30 kilowatt-hours a month, 10 cents a kilowatt-hour... $3.00
Next 170 kilowatt-hours a month, 8 cents a kilowatt-hour... 13.60
Next 300 kilowatt-hours a month, 7 cents a kilowatt-hour... 21.00
Next 350 kilowatt-hours a month, 6 cents a kilowatt-hour... 21.00
Next 550 kilowatt-hours a month, 5 cents a kilowatt-hour... 27.50
Excess 5 cents a kilowatt-hour.

Total, 1,400 kilowatt-hours a month... 86.10

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $75.60.

Tacoma, Wash., rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $74.98.

Ontario, Canada, rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $78.13.

No wonder the example of the T. V. A. yardstick has forced rate reductions in Alabama amounting to $3,800,000 a year, and the people of that State are still overcharged every year $6,778,870, according to the T. V. A. rates; $7,146,599, according to the Tacoma rates; and $8,367,842, according to the Ontario rates.

ARIZONA

Arizona Edison Co. rates in 1932

First 40 kilowatt-hours a month, 12 cents a kilowatt-hour... $4.80
Next 60 kilowatt-hours a month, 6 cents a kilowatt-hour... 3.60
Next 1,300 kilowatt-hours a month, 4 cents a kilowatt-hour... 52.00
Excess 4 cents a kilowatt-hour.

Total, 1,400 kilowatt-hours a month (Arizona Edison rates)... 61.40

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $50.90.

Tacoma, Wash., rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $50.38.

Ontario, Canada, rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $53.53.

These are the reasons that rates have been reduced in Arizona $750,000 a year. And the people of Arizona and New Mexico together are still overcharged every year $5,874,189, according to the T. V. A. rates; $6,122,144, according to the Tacoma rates, and $6,875,027, according to the Ontario rates.

ARKANSAS

Arkansas Power & Light Co. rates in 1932

Monthly room charge per month, 10-room house... $1.10
First 42 kilowatt-hours a month, 7 cents a kilowatt-hour... 2.94
Next 42 kilowatt-hours a month, 5 cents a kilowatt-hour... 2.10
Next 1,314 kilowatt-hours a month, 3 cents a kilowatt-hour... 39.42
Excess 3 cents a kilowatt-hour.

Total 1,400 kilowatt-hours a month, (Arkansas Power & Light rates, 1932)... 45.56

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $35.06.

Tacoma, Wash., rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $34.44.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $37.69.

This deadly parallel has forced rates in Arkansas down $1,700,000 a year—and we have just started. And the people of Arkansas are still overcharged every year $5,540,389, according to the T. V. A. rates; $5,608,468, according to the Tacoma rates; and $6,572,934, according to the Ontario rates.

CALIFORNIA

Southern California Edison Co. rates in 1932

First 1,000 kilowatt-hours a month, 5 cents a kilowatt-hour... $50
Next 400 kilowatt-hours a month, 4½ cents a kilowatt-hour... 18
Excess 3½ cents a kilowatt-hour.

Total 1,400 kilowatt-hours a month (Southern California Edison Co. rates)... 68

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $57.50.

Tacoma, Wash., rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $56.88.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $60.53.

No wonder California rates have come down $16,600,000. The Boulder Dam yardstick applies in that area. Still, however, the people of California are overcharged every year $57,591,592, according to the T. V. A. rates; $55,456,104, according to the Tacoma rates; and $69,824,595, according to the Ontario rates.

COLORADO

Southern Colorado Power Co. rates in 1932

First 28 kilowatt-hours a month, 10 cents a kilowatt-hour... $2.80
Next 28 kilowatt-hours a month, 6 cents a kilowatt-hour... 1.68
Next 1,344 kilowatt-hours a month, 4 cents a kilowatt-hour... 53.76
Excess 4 cents a kilowatt-hour.

Total 1,400 kilowatt-hours a month (South Colorado Power Co. rates, 1932)... 58.24

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $47.74.

Tacoma, Wash., rates, 1,400 kilowatt-hours a month (see tables above), $8.90; difference, $49.34.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $50.27.

The Boulder Dam yardstick has helped greatly in reducing rates in Colorado to the amount of $2,500,000 a year. But the people of Colorado are still overcharged every year $7,957,666, according to the T. V. A. rates; $7,993,109, according to the Tacoma rates; and $9,405,579, according to the Ontario rates.

CONNECTICUT

The Connecticut Light & Power Co. rates in 1932

Demand charge 4 cents per 100 square feet floor area.
Average 7-room house.
Energy charge:
First 20 kilowatt-hours a month, 5 cents a kilowatt-hour... $1.00
Next 1,380 kilowatt-hours a month, 4 cents a kilowatt-hour... 55.20
Excess 4 cents a kilowatt-hour.

Total 1,400 kilowatt-hours a month (Connecticut Light & Power Co. rates) (plus demand charge)... 56.20

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $45.70.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $8.90; difference, $47.30.
Ontario rates, 1,400 kilowatt hours a month (see tables above), $7.97; difference, $48.23.

Rate reductions in Connecticut since the creation of the T. V. A. now amount to $5,800,000 a year; and still the people of Connecticut are overcharged every year $17,376,561, according to the T. V. A. rates; $18,321,232, according to the Tacoma rates; and $20,871,308, according to the Ontario rates.

DELAWARE

Delaware Power & Light Co. rates in 1932

First 75 kilowatt-hours a month, 9 cents a kilowatt-hour	$6.75
Next 150 kilowatt-hours a month, 8 cents a kilowatt-hour	12.00
Next 175 kilowatt-hours a month, 7 cents a kilowatt-hour	12.25
Next 1,000 kilowatt-hours a month, 6 cents a kilowatt-hour	60.00
Excess 6 cents a kilowatt-hour.	
Total 1,400 kilowatt-hours a month (Delaware Power & Light Co. rates)	91.00

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $80.50.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $8.90; difference, $82.10.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference $83.03.

Rate reductions in the State of Delaware, since the creation of the T. V. A., amount to $302,000 a year, and still the people of Delaware, Maryland, the District of Columbia, and West Virginia are overcharged $28,471,000 a year, according to the T. V. A. rates; $30,490,000, according to the Tacoma rates; and $35,425,000, according to the Ontario rates.

DISTRICT OF COLUMBIA

Washington—Potomac Electric Power Co. rates, 1932

1,400 kilowatt-hours a month, 4.2 cents a kilowatt-hour	$16.50
Excess 4.2 cents a kilowatt-hour.	
Total 1,400 kilowatt-hours a month (District of Columbia rates, 1932)	58.80

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $48.30.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $8.90; difference, $49.90.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $50.83.

Rate reductions in the District of Columbia and Maryland, since the creation of the T. V. A. amount to $6,800,000 a year.

FLORIDA

Florida Power & Light Co. rates in 1932

First 20 kilowatt-hours a month, 12 cents a kilowatt-hour	$2.40
Next 30 kilowatt-hours a month, 10 cents a kilowatt-hour	3.00
Next 50 kilowatt-hours a month, 9 cents a kilowatt-hour	4.50
Next 900 kilowatt-hours a month, 8 cents a kilowatt-hour	72.00
Next 400 kilowatt-hours a month, 6 cents a kilowatt-hour	28.00
Excess 5 cents a kilowatt-hour.	
Total 1,400 kilowatt-hours a month (Florida Power & Light Co. rates)	109.90

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $99.40.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $98.78.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $101.93.

Rate reductions in Florida since the creation of the T. V. A. now amount to $5,500,000 a year.

And still the people of Florida are overcharged every year $11,939,733, according to the T. V. A. rates; $11,684,991, according to the Tacoma rates; and $13,679,913, according to the Ontario rates.

GEORGIA

Georgia Power & Light Co. rates in 1932

Demand charge per month (minimum)	$1.11
First 50 kilowatt-hours a month, 5.55 cents a kilowatt-hour	2.77
Next 150 kilowatt-hours a month, 3.33 cents a kilowatt-hour	4.96
Next 1,200 kilowatt-hours a month, 2.22 cents a kilowatt-hour	26.64
Excess 2.22 cents a kilowatt-hour.	
Total 1,400 kilowatt-hours a month (Georgia Power & Light Co. rates)	35.50

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $35.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $24.38.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $27.53.

Rate reductions in Georgia since the creation of the T. V. A. now amount to $3,800,000 a year; and still the people of Georgia are overcharged every year, $10,616,087, according to the T. V. A. rates; $11,292,013, according to the Tacoma rates; and $13,170,549, according to the Ontario rates.

IDAHO

Idaho Power & Light Co. rates in 1932

First 40 kilowatt-hours a month, 8 cents a kilowatt-hour	$3.20
Next 30 kilowatt-hours a month, 5 cents a kilowatt-hour	1.50
Next 1,330 kilowatt-hours a month, 4 cents a kilowatt-hour	53.20
Excess 4 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Idaho rates, 1932)	57.90

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $47.70.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $46.78.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $49.93.

Rate reductions in Idaho since the creation of the T. V. A. have amounted to $1,500,000 a year, and yet the people of the State are still overcharged $3,157,795, according to the T. V. A. rates; $3,290,993, according to the Tacoma rates; and $3,819,921, according to the Ontario rates.

ILLINOIS

Illinois Northern Utilities Co. rates, 1932

First 21 kilowatt-hours a month, 10 cents a kilowatt-hour	$2.10
Next 21 kilowatt-hours a month, 8 cents a kilowatt-hour	1.68
Next 1,368 kilowatt-hours a month, 6 cents a kilowatt-hour	82.08
Excess 6 cents a kilowatt-hour.	
Total 1,400 kilowatt-hours a month (Illinois Northern Utilities Co. rates, 1932)	86.86

T. V. A. rates 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $76.36.
Tacoma rates 1,400 kilowatt-hours a month (see tables above), $11.12; difference $75.74.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $78.89.

Rate reductions in Illinois since the creation of the T. V. A. amount to $32,800,000 a year; and still the people of that State are overcharged every year $66,460,000 according to the T. V. A. rates; $68,655,000, according to the Tacoma rates; and $81,359,771, according to the Ontario rates.

INDIANA

Northern Indiana Power Co. rates, 1932

First 50 kilowatt-hours a month, 9 cents a kilowatt-hour	$4.50
Next 1,350 kilowatt-hours a month, 5 cents a kilowatt-hour	67.50
Excess 5 cents a kilowatt-hour.	
Total 1,400 kilowatt-hours a month (Northern Indiana Power Co. rates)	72.00

T. V. A. rates 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $61.50.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $60.88.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $64.03.

Rate reductions in Indiana since the creation of the T. V. A. amount to $10,300,000 a year; and still the people of that State are overcharged every year $22,108,000, according to the T. V. A. rates; $21,904,000, according to the Tacoma rates; and $26,362,000, according to the Ontario rates.

IOWA

Interstate Power Co. rates, 1932

First 30 kilowatt-hours a month, 8.5 cents a kilowatt-hour	$2.55
Next 70 kilowatt-hours a month, 7.5 cents a kilowatt-hour	5.25
Next 100 kilowatt-hours a month, 6.5 cents a kilowatt-hour	6.50
Next 300 kilowatt-hours a month, 5.5 cents a kilowatt-hour	16.50
Next 500 kilowatt-hours a month, 4.5 cents a kilowatt-hour	22.50
Next 400 kilowatt-hours a month, 3.5 cents a kilowatt-hour	14.00
Excess 3.5 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Interstate Power Co. rates)	67.30

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $56.80.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $55.18.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $59.33.

Rate reductions in Iowa since the creation of the T. V. A. amount to $3,400,000 a year; and still the people of that State are overcharged every year $14,908,000 according to the T. V. A. rates, $14,279,000 according to the Tacoma rates, and $17,253,000 according to the Ontario rates.

KANSAS

The United Power & Light Corporation of Kansas rates, 1932

First 25 kilowatt-hours a month, 7 cents a kilowatt-hour	$1.75
Next 75 kilowatt-hours a month, 5 cents a kilowatt-hour	3.75
Next 1,300 kilowatt-hours a month, 3 cents a kilowatt-hour	39.00
Excess 3 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (United Power & Light Corporation rates, 1932)	44.50

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $34.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $32.88.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $36.53.

Rate reductions in Kansas since the creation of the T. V. A. amount to $2,400,000 a year; and still the people of that State are overcharged every year $11,122,000 according to the T. V. A. rates, $11,078,000 according to the Tacoma rates, and $13,243,000 according to the Ontario rates.

KENTUCKY

Kentucky & West Virginia Power Co., Inc., rates, 1932

First 400 kilowatt-hours a month, 6 cents a kilowatt-hour	$24
Next 400 kilowatt-hours a month, 5 cents a kilowatt-hour	20
Next 600 kilowatt-hours a month, 4 cents a kilowatt-hour	24
Excess 4 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Kentucky & West Virginia Power Co. rates)	68

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $57.50.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $56.88.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $60.03.

Rate reductions in Kentucky since the creation of the T. V. A. amount to $3,400,000 a year; and still the people of that State are overcharged every year $9,690,000, according to the T. V. A. rates; $9,967,000, according to the Tacoma rates; and $11,657,000, according to the Ontario rates.

LOUISIANA

Louisiana Power & Light Co. rates, 1932

Customer charge for service 25 cents a month	$0.25
First 20 kilowatt-hours a month, 10 cents a kilowatt-hour	2.02
Next 30 kilowatt-hours a month, 8.8 cents a kilowatt-hour	2.64
Next 150 kilowatt-hours a month, 7.5 cents a kilowatt-hour	11.25
Next 1,200 kilowatt-hours a month, 6.2 cents a kilowatt-hour	74.40
Excess 6.2 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Louisiana Power Co. rates)	99.31

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $88.81.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $88.19.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $91.34.

Rate reductions in Louisiana since the creation of the T. V. A. amount to $1,800,000 a year; and still the people of that State are overcharged every year $9,571,000, according to the T. V. A. rates; $9,850,000, according to the Tacoma rates; and $11,242,000, according to the Ontario rates.

MAINE

Maine Public Service Co. rates, 1932

Customer service charge per month	$1.00
First 30 kilowatt-hours a month, 6 cents a kilowatt-hour	1.80
Next 120 kilowatt-hours a month, 3 cents a kilowatt-hour	3.60
Next 1,250 kilowatt-hours a month, 2 cents a kilowatt-hour	25.00
Excess 2 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Maine Public Service Co. rates)	31.40

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $20.90.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference $20.28.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $23.43.

Rate reductions in Maine since the creation of the T. V. A. amount to $1,000,000 a year; and still the people of that State are overcharged every year $7,096,000, according to the T. V. A. rates; $7,281,000, according to the Tacoma rates; and $8,327,000, according to the Ontario rates.

MARYLAND

The Potomac Edison Co. rates, 1932

First 11 kilowatt-hours a month	$0.75
Next 29 kilowatt-hours a month, 5 cents a kilowatt-hour	1.35
Next 200 kilowatt-hours a month, 4 cents a kilowatt-hour	8.00
Next 260 kilowatt-hours a month, 3 cents a kilowatt-hour	7.80
Next 900 kilowatt-hours a month, 2.5 cents a kilowatt-hour	22.50
Excess 2.5 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (the Potomac Edison Co. rates)	40.40

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $29.90.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $29.28.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $32.43.

Rate reductions in Maryland and the District of Columbia since the creation of the T. V. A. amount to $6,800,000 a year.

MASSACHUSETTS

New Bedford Gas & Edison Light Co. rates, 1932

First 15 kilowatt-hours a month, 10.5 cents a kilowatt-hour	$1.57
Next 50 kilowatt-hours a month, 7 cents a kilowatt-hour	3.50
Next 1,335 kilowatt-hours a month, 3 cents a kilowatt-hour	40.05
Excess 3 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (New Bedford Gas & Edison Light Co. rates)	45.12

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $34.62.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $34.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $37.15.

Rate reductions in Massachusetts since the creation of the T. V. A. amount to $14,800,000 a year; and still the people of that State are overcharged every year $45,942,000 according to the T. V. A. rates; $46,650,000 according to the Tacoma rates; and $54,066,000 according to the Ontario rates.

MICHIGAN

Consumers Power Co. rates, 1932

First 50 kilowatt-hours a month, 6 cents a kilowatt-hour	$3
Next 150 kilowatt-hours a month, 4 cents a kilowatt-hour	6
Next 800 kilowatt-hours a month, 3 cents a kilowatt-hour	24
Next 400 kilowatt-hours a month, 2.5 cents a kilowatt-hour	10
Excess 2.5 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Consumers Power Co. rates)	43

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $32.50.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $31.88.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $35.03.

Rate reductions in Michigan since the creation of the T. V. A. amount to $7,300,000 a year; and still the people of that State are overcharged every year $37,335,000 according to the T. V. A. rates; $38,435,000 according to the Tacoma rates; and $46,590,000 according to the Ontario rates.

MINNESOTA

Northern States Power Co. rates, 1932, for 10-room house (they charge by the room)

First 30 kilowatt-hours a month, 9 cents a kilowatt-hour	$2.70
Next 30 kilowatt-hours a month, 8 cents a kilowatt-hour	2.40
Next 1,340 kilowatt-hours a month, 3.5 cents a kilowatt-hour	46.90
Excess 3.5 cents a kilowatt-hour.	
Total 1,400 kilowatt-hours a month (Northern States Power Co. rates)	52.00

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $41.50.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $40.88.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $44.03.

Rate reductions in Minnesota since the creation of the T. V. A. amount to $2,800,000 a year; and still the people of that State are overcharged every year $16,403,000, according to the T. V. A. rates; $16,476,000, according to the Tacoma rates; and $19,661,000, according to the Ontario rates.

MISSISSIPPI

Mississippi Power Co. rates 1932

First 30 kilowatt-hours a month, 10 cents a kilowatt-hour	$3.00
Next 170 kilowatt-hours a month, 8 cents a kilowatt-hour	13.60
Next 300 kilowatt-hours a month, 7 cents a kilowatt-hour	21.00
Next 350 kilowatt-hours a month, 6 cents a kilowatt-hour	21.00
Next 550 kilowatt-hours a month, 5 cents a kilowatt-hour	27.50
Excess 5 cents a kilowatt-hour.	
Total 1,400 kilowatt-hours a month (Mississippi Power Co. rates)	86.10

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $75.60.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $74.98.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $78.13.

Mississippi Power & Light Co. rates, 1932, for 10-room house

Demand charge a month	$1.20
First 60 kilowatt-hours a month, 7 cents a kilowatt-hour	4.20
Next 1,340 kilowatt-hours a month, 5 cents a kilowatt-hour	67.00
Excess 5 cents a kilowatt-hour.	
Total 1,400 kilowatt-hours a month (Mississippi Power & Light Co. rates)	72.40

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $61.90.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $61.28.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $64.43.

Rate reductions in Mississippi since the creation of the T. V. A. amount to $1,700,000 a year; and still the people of that State are overcharged every year $4,667,000, according to the T. V. A. rates; $4,940,000, according to the Tacoma rates; and $5,644,000, according to the Ontario rates.

MISSOURI

Missouri Power & Light Co. rates, 1932

First 25 kilowatt-hours a month, 8 cents a kilowatt-hour	$2.00
Next 35 kilowatt-hours a month, 6 cents a kilowatt-hour	2.10
Next 1,340 kilowatt-hours a month, 3.5 cents a kilowatt-hour	46.90
Excess 3.5 cents a kilowatt-hour.	
Total 1,400 kilowatt-hours a month (Missouri Power Co. rates)	51.00

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $40.50.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference $39.88.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $43.03.

Rate reductions in Missouri since the creation of the T. V. A. amount to $6,000,000 a year; and still the people of that State are overcharged every year $23,408,000, according to the T. V. A. rates; $22,554,000, according to the Tacoma rates; and $28,005,000, according to the Ontario rates.

MONTANA

Montana Power Co. rates, 1932

First 25 kilowatt-hours a month, 8 cents a kilowatt-hour	$2.00
Next 25 kilowatt-hours a month, 4 cents a kilowatt-hour	1.00
Next 100 kilowatt-hours a month, 3 cents a kilowatt-hour	3.00
Next 1,250 kilowatt-hours a month, 2 cents a kilowatt-hour	25.00
Excess 2 cents a kilowatt-hour.	
Total 1,400 kilowatt-hours a month (Montana Power Co. rates)	31.00

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $20.50.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $19.88.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $23.03.

Rate reductions in Montana since the creation of the T. V. A. amount to $2,000,000 a year.

NEBRASKA

Iowa-Nebraska Light & Power Co. rates, 1932

Customer charge a month	$0.40
First 10 kilowatt-hours a month, 5 cents a kilowatt-hour	.50
Next 30 kilowatt-hours a month, 4 cents a kilowatt-hour	1.20
Next 460 kilowatt-hours a month, 3.5 cents a kilowatt-hour	16.20
Next 900 kilowatt-hours a month, 3 cents a kilowatt-hour	27.00
Excess 3 cents a kilowatt-hour.	
Total 1,400 kilowatt-hours a month (Iowa-Nebraska Light & Power Co. rates)	45.20

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference $34.70.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $34.08.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $37.23.

Rate reductions in Nebraska since the creation of the T. V. A. amount to $2,500,000 a year; and still the people of that State are overcharged every year $8,579,000, according to T. V. A. rates; $8,369,000, according to the Tacoma rates; and $9,686,000, according to the Ontario rates.

NEVADA

Sierra Pacific Power Co. rates, 1932

First 150 kilowatt-hours a month, 7 cents a kilowatt-hour	$10.50
Next 100 kilowatt-hours a month, 6 cents a kilowatt-hour	6.00
Next 100 kilowatt-hours a month, 5 cents a kilowatt-hour	5.00
Next 100 kilowatt-hours a month, 4 cents a kilowatt-hour	4.00
Next 100 kilowatt-hours a month, 3 cents a kilowatt-hour	3.00
Next 850 kilowatt-hours a month, 2 cents a kilowatt-hour	17.00
Excess 2 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Sierra Pacific Power Co. rates)	45.50

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $35.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $34.43.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $37.53.

Rate reductions in Nevada since the creation of the T. V. A. amount to $115,000 a year; and still the people of that State are overcharged every year $1,106,000, according to the T. V. A. rates; $1,183,000, according to the Tacoma rates; and $1,344,000, according to the Ontario rates.

NEW HAMPSHIRE

Twin States Gas & Electric Co. rates, 1932

First 25 kilowatt-hours a month, 10 cents a kilowatt-hour	$2.50
Next 50 kilowatt-hours a month, 9 cents a kilowatt-hour	4.50
Next 75 kilowatt-hours a month, 8 cents a kilowatt-hour	6.00
Next 75 kilowatt-hours a month, 7 cents a kilowatt-hour	5.25
Next 75 kilowatt-hours a month, 6 cents a kilowatt-hour	4.50
Next 1,100 kilowatt-hours a month, 5 cents a kilowatt-hour	55.00
Excess 5 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Twin States Gas & Electric Co.)	77.75

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $67.25.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $66.63.
Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $69.78.

Rate reductions in New Hampshire since the creation of the T. V. A. amount to $1,200,000 a year; and still the people of that State are overcharged every year $4,897,000, according to the T. V. A. rates; $4,949,000, according to the Tacoma rates; and $5,394,000, according to the Ontario rates.

NEW JERSEY

New Jersey Power & Light Co. rates, 1932

First 30 kilowatt-hours a month, 9 cents a kilowatt-hour	$2.70
Next 20 kilowatt-hours a month, 8 cents a kilowatt-hour	1.60
Next 50 kilowatt-hours a month, 6 cents a kilowatt-hour	3.00
Next 1,300 kilowatt-hours a month, 4 cents a kilowatt-hour	52.00
Excess 4 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (New Jersey Power & Light Co. rates)	59.30

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $48.80.
Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $48.18.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $51.33.

Rate reductions in New Jersey since the creation of the T. V. A. amount to $9,200,000 a year; and still the people of that State are overcharged every year $50,488,000, according to the T. V. A. rates; $51,365,000, according to the Tacoma rates; and $57,442,000, according to the Ontario rates.

NEW MEXICO

New Mexico Power & Light Co. rates, 1932

First 25 kilowatt-hours a month, 14 cents a kilowatt-hour	$3.50
Next 100 kilowatt-hours a month, 12 cents a kilowatt-hour	12.00
Next 100 kilowatt-hours a month, 10 cents a kilowatt-hour	10.00
Next 1,175 kilowatt-hours a month, 8 cents a kilowatt-hour	94.00
Excess 8 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (New Mexico Power & Light Co. rates)	119.50

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $109.

Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $118.38.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $111.53.

Rate reductions in New Mexico since the creation of the T. V. A. amount to $900,000 a year; and still the people of New Mexico and Arizona are overcharged every year $5,874,000, according to the T. V. A. rates; $6,122,000, according to the Tacoma rates; and $6,875,000, according to the Ontario rates.

NEW YORK

New York Power & Light Co. rates, 1932, 10-room house

Demand charge a month	$2.50
First 50 kilowatt-hours a month, 5 cents a kilowatt-hour	2.50
Next 1,350 kilowatt-hours a month, 3 cents a kilowatt-hour	40.50
Excess 3 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (New York Power & Light Co. rates)	45.50

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $35.

Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $34.38.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $37.53.

Rate reductions in New York since the creation of the T. V. A. amount to $33,700,000 a year; and still the people of that State are overcharged every year $160,905,000, according to the T. V. A. rates; $164,656,000, according to the Tacoma rates; and $190,237,000, according to the Ontario rates.

NORTH CAROLINA

Carolina Power & Light Co. rates, 1932, 10-room house

Demand charge a month	$2.65
1,400 kilowatt-hours a month, 3 cents a kilowatt-hour	42.00
Excess 3 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Carolina Power & Light Co. rates)	44.65

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $34.15.

Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $33.43.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $36.68.

Rate reductions in North Carolina since the creation of the T. V. A. amount to $2,000,000 a year; and still the people of that State are overcharged every year $12,120,000, according to the T. V. A. rates; $13,629,000, according to the Tacoma rates; and $14,993,000, according to the Ontario rates.

NORTH DAKOTA

North Dakota Power & Light Co. rates, 1932, 10-room house

First 50 kilowatt-hours a month, 9 cents a kilowatt-hour	$4.50
Next 50 kilowatt-hours a month, 5 cents a kilowatt-hour	2.50
Next 1,300 kilowatt-hours a month, 3 cents a kilowatt-hour	39.00
Excess 3 cents a kilowatt-hour.	
Total 1,400 kilowatt-hours a month (North Dakota Power & Light rates)	46.00

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $35.50.

Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $34.88.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $38.03.

Rate reductions in North Dakota since the creation of the T. V. A. amount to $600,000 a year; and still the people of that State are overcharged every year $2,845,000, according to the T. V. A. rates; $2,614,000, according to the Tacoma rates; and $3,329,000, according to the Ontario rates.

OHIO

The Ohio Power Co. rates, 1932

First 30 kilowatt-hours a month, 7.5 cents a kilowatt-hour	$2.25
Next 30 kilowatt-hours a month, 6 cents a kilowatt-hour	1.80
Next 40 kilowatt-hours a month, 5 cents a kilowatt-hour	2.00
Next 1,300 kilowatt-hours a month, 4 cents a kilowatt-hour	52.00
Excess 4 cents a kilowatt-hour.	
Total 1,400 kilowatt-hours a month (Ohio Power Co. rates)	58.05

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $47.55.

Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $46.83.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $50.08.

Rate reductions in Ohio since the creation of the T. V. A. amount to $27,700,000 a year, and still the people of that State are overcharged every year $50,258,000, according to the T. V. A. rates; $51,644,000, according to the Tacoma rates; and $61,783,000, according to the Ontario rates.

OKLAHOMA

Oklahoma Gas & Electric Co. rates, 1932

First 40 kilowatt-hours a month, 8.5 cents a kilowatt-hour	$3.40
Next 40 kilowatt-hours a month, 7 cents a kilowatt-hour	2.80
Next 1,320 kilowatt-hours a month, 3 cents a kilowatt-hour	39.60
Excess 3 cents a kilowatt-hour.	
Total 1,400 kilowatt-hours a month (Oklahoma Gas & Electric rates)	45.80

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $35.30.

Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $34.78.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $37.83.

Rate reductions in Oklahoma since the creation of the T. V. A. amount to $1,900,000 a year; and still the people of that State are overcharged every year $11,111,000, according to the T. V. A. rates; $11,566,000, according to the Tacoma rates; and $13,201,000, according to the Ontario rates.

OREGON

Mountain States Power Co. rates, 1932

First 50 kilowatt-hours a month, 8 cents a kilowatt-hour	$4.00
Next 1,350 kilowatt-hours a month, 5 cents a kilowatt-hour	67.50
Excess 5 cents a kilowatt-hour.	
Total 1,400 kilowatt-hours a month (Mountain States Power Co. rates)	71.50

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $61.

Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $60.38.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $63.53.

Rate reductions in Oregon since the creation of the T. V. A. amount to $2,600,000 a year; and still the people of that State are overcharged every year $7,813,000, according to the T. V. A. rates; $7,758,000, according to the Tacoma rates; and $9,554,000, according to the Ontario rates.

PENNSYLVANIA

Philadelphia Electric Co. rates, 1932

First 10 kilowatt-hours a month, 7.5 cents a kilowatt-hour	$0.75
Next 38 kilowatt-hours a month, 6 cents a kilowatt-hour	2.28
Next 1,352 kilowatt-hours a month, 3 cents a kilowatt-hour	40.56
Excess 3 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Philadelphia Electric Co. rates)	43.59

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $33.09.

Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $32.47.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $35.62.

Rate reductions in Pennsylvania since the creation of the T. V. A. amount to $35,300,000 a year; and still the people of that State are overcharged every year $85,410,000, according

to the T. V. A. rates; $91,891,000, according to the Tacoma rates; and $104,899,000, according to the Ontario rates.

RHODE ISLAND

The Narragansett Electric Co. rates, 1932

Service charge a month	$0.50
All energy charge 6.5 cents a kilowatt-hour a month	
1,400 kilowatt-hours a month at 6.5 cents a kilowatt-hour	91.00
Excess 6.5 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Naragansett Electric Co. rates)	91.50

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $81.

Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $80.38.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $83.53.

Rate reductions in Rhode Island since the creation of the T. V. A. amount to $2,200,000 a year; and still the people of that State and Vermont are overcharged every year $11,209,000, according to the T. V. A. rates; $11,444,000, according to the Tacoma rates; and $13,118,000, according to the Ontario rates.

SOUTH CAROLINA

South Carolina Gas & Electric Co. rates, 1932

First 15 kilowatt-hours a month, 10 cents a kilowatt-hour	$1.50
Next 25 kilowatt-hours a month, 8 cents a kilowatt-hour	2.00
Next 40 kilowatt-hours a month, 7 cents a kilowatt-hour	3.00
Next 100 kilowatt-hours a month, 7 cents a kilowatt-hour	7.00
Next 400 kilowatt-hours a month, 6 cents a kilowatt-hour	24.00
Next 400 kilowatt-hours a month, 5 cents a kilowatt-hour	20.00
Next 400 kilowatt-hours a month, 4 cents a kilowatt-hour	16.00
Excess 4 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (South Carolina Gas & Electric Co. rates)	73.50

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $63.

Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $62.38.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $65.53.

Rate reductions in South Carolina since the creation of the T. V. A. amount to $1,000,000 a year; and still the people of that State are overcharged every year $6,040,000, according to T. V. A. rates; $7,084,000, according to the Tacoma rates; and $7,339,000, according to the Ontario rates.

SOUTH DAKOTA

Northern States Power Co. rates, 1932, 10-room house

First 30 kilowatt-hours a month, 9 cents a kilowatt-hour	$2.70
Next 30 kilowatt-hours a month, 8 cents a kilowatt-hour	2.40
Next 1,340 kilowatt-hours a month, 3.5 cents a kilowatt-hour	47.60
Excess 3.5 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Northern States Power Co. rates)	52.70

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $42.20.

Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $41.58.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $44.73.

Rate reductions in South Dakota since the creation of the T. V. A. amount to $800,000 a year; and still the people of that State are overcharged every year $3,182,000, according to the T. V. A. rates; $3,110,000, according to the Tacoma rates; and $3,656,000, according to the Ontario rates.

TENNESSEE

Tennessee Electric Power Co. rates, 1932

First 50 kilowatt-hours a month, 8.55 cents a kilowatt-hour	$4.27
Next 50 kilowatt-hours a month, 5.7 cents a kilowatt-hour	2.85
Next 1,300 kilowatt-hours a month, 3.8 cents a kilowatt-hour	49.40
Excess 3.8 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Tennessee Electric Power Co. rates)	56.52

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $46.02.

Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $45.40.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $48.55.

Rate reductions in Tennessee since the creation of the T. V. A. amount to $600,000 a year; and still the people of that State are overcharged $10,715,000, according to the T. V. A. rates; $11,181,000, according to the Tacoma rates; and $13,131,000, according to the Ontario rates.

TEXAS

Texas Power & Light Co. rates, 1932, 10-room house

Service charge a month	$1.20
First 40 kilowatt-hours a month, 6 cents a kilowatt-hour	2.40
Next 1,360 kilowatt-hours a month, 5 cents a kilowatt-hour	68.00
Excess 5 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Texas Power & Light Co. rates)	71.60

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $61.10.

Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $60.48.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $63.63.

Rate reductions in Texas since the creation of the T. V. A. amount to $7,100,000 a year; and still the people of that State are overcharged every year $31,726,000, according to the T. V. A. rates; $32,451,000, according to the Tacoma rates; and $37,845,000, according to the Ontario rates.

UTAH

Utah Power & Light Co. rates, 1932, 10-room house

Demand charge a month	$2.45
First 300 kilowatt-hours a month, 2.5 cents a kilowatt-hour	7.50
Next 1,100 kilowatt-hours a month, 4 cents a kilowatt-hour	44.00
Excess 4 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Utah Power & Light Co. rates)	53.95

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $43.45.

Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $42.83.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $45.98.

Rate reductions in Utah since the creation of the T. V. A. amount to $3,100,000 a year; and still the people of that State and Montana are overcharged every year $8,362,000, according to the T. V. A. rates; $8,736,000, according to the Tacoma rates; and $10,093,000, according to the Ontario rates.

VERMONT

Green Mountain Power Corporation rates, 1932, 10-room house

First 50 kilowatt-hours a month, 9.5 cents a kilowatt-hour	$4.75
Next 30 kilowatt-hours a month, 7 cents a kilowatt-hour	2.10
Next 1,320 kilowatt hours a month, 3 cents a kilowatt-hour	39.60
Excess 3 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Green Mountain Power Corporation rates)	46.45

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $35.95.

Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $35.33.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $38.48.

Rate reductions in Vermont since the creation of the T. V. A. amount to $600,000 a year. (For overcharges see Rhode Island.)

VIRGINIA

Virginia Electric & Power Co. rates for 1932

First 100 kilowatt-hours a month, 8.5 cents a kilowatt-hour	$8.50
Next 150 kilowatt-hours a month, 6 cents a kilowatt-hour	9.00
Next 450 kilowatt-hours a month, 4.5 cents a kilowatt-hour	20.25
Next 700 kilowatt-hours a month, 3.5 cents a kilowatt-hour	24.50
Excess 3.5 cents a kilowatt-hour.	
Total 1,400 kilowatt-hours a month (Virginia Electric & Power Co. rates)	62.25

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $51.75.

Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $51.13.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $54.28.

Rate reductions in Virginia since the creation of the T. V. A. amount to $1,200,000 a year; and still the people of that State are overcharged every year $11,662,000, according

to the T. V. A. rates; $12,155,000, according to the Tacoma rates; and $14,011,000, according to the Ontario rates.

WASHINGTON

Puget Sound Power & Light Co. rates for 1932

First 60 kilowatt-hours a month, 6 cents a kilowatt-hour	$3.60
Next 1,340 kilowatt-hours a month, 3 cents a kilowatt-hour	40.20
Excess 3 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Puget Sound Power & Light Co. rates)	43.80

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference, $33.30.

Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $32.68.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $35.83.

Rate reductions in Washington since the creation of the T. V. A. amount to $3,600,000 a year; and still the people of that State are overcharged every year $12,615,000, according to the T. V. A. rates; $12,530,000, according to the Tacoma rates; and $15,662,000, according to the Ontario rates.

WEST VIRGINIA

Appalachian Electric Power Co. rates for 1932

Service charge a month	$0.50
First 25 kilowatt-hours a month, 6 cents a kilowatt-hour	1.50
Next 50 kilowatt-hours a month, 4 cents a kilowatt-hour	2.00
Next 225 kilowatt-hours a month, 3 cents a kilowatt-hour	6.75
Next 1,100 kilowatt-hours a month, 2 cents a kilowatt-hour	22.00
Excess 2 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Appalachian Electric Power Co. rates)	32.75

T. V. A. rates, 1,400 kilowatt-hours a month (see tables above), $10.50; difference $22.25.

Tacoma rates, 1,400 kilowatt-hours a month (see tables above), $11.12; difference, $21.63.

Ontario rates, 1,400 kilowatt-hours a month (see tables above), $7.97; difference, $24.78.

Rate reductions in West Virginia since the creation of the T. V. A. amount to $3,300,000 a year. (For overcharges see Delaware.)

WISCONSIN

Wisconsin Power & Light Co. rates for 1932—10-room house

First 40 kilowatt-hours a month, 10 cents a kilowatt-hour	$4.00
Next 40 kilowatt-hours a month, 7 cents a kilowatt-hour	2.80
Next 1,320 kilowatt-hours a month, 3 cents a kilowatt-hour	39.60
Excess 3 cents a kilowatt-hour.	
Total, 1,400 kilowatt-hours a month (Wisconsin Power & Light Co. rates)	46.40

T. V. A. rates, 1,400 kilowatt-hours a month (see table above), $10.50; difference, $35.90.

Tacoma rates, 1,400 kilowatt-hours a month (see table above), $11.12; difference, $35.28.

Ontario rates, 1,400 kilowatt-hours a month (see table above), $7.97; difference, $38.43.

Rate reductions in Wisconsin since the creation of the T. V. A. amount to $8,100,000 a year; and still the people of that State are overcharged every year $21,172,000, according to the T. V. A. rates, $21,134,000 according to the Tacoma rates, and $25,323,000 according to the Ontario rates.

WYOMING

Rawlings Electric Co. rates for 1932

First 25 kilowatt-hours a month, 12 cents a kilowatt-hour	$3.00
Next 150 kilowatt-hours a month, 11 cents a kilowatt-hour	16.50
Next 150 kilowatt-hours a month, 10 cents a kilowatt-hour	15.00
Next 150 kilowatt-hours a month, 8 cents a kilowatt-hour	12.00
Next 925 kilowatt-hours a month, 6 cents a kilowatt-hour	55.00
Excess 6 cents a kilowatt-hour.	
Total 1,400 kilowatt-hours a month (Rawlings Electric Co. rates)	102.00

T. V. A. rates, 1,400 kilowatt-hours a month (see table above), $10.50; difference, $91.50.

Tacoma rates, 1,400 kilowatt-hours a month (see table above), $11.12; difference, $90.88.

Ontario rates, 1,400 kilowatt-hours a month (see table above), $7.97; difference, $94.03.

Rate reductions in Wyoming since the creation of the T. V. A. amount to $235,000,000 a year, and still the people of that State are overcharged every year $1,591,000, according to the T. V. A. rates, $1,661,000 according to the Tacoma rates, and $1,871,000 according to the Ontario rates.

Anyone can take these tables and compare them with the T. V. A., the Tacoma, and the Ontario rates, and understand why the people of Ontario have been able to heat their homes with electricity for 20 years, while the average American consumer could hardly afford electric energy with which to light his house, much less to operate the necessary household appliances.

Remember, too, that these are rates charged in the cities and towns, usually the large cities, in each State. The people in the rural areas were charged even more. In fact, the rates in the rural sections throughout the United States, before the creation of the T. V. A., were simply prohibitive.

I am endeavoring to force electric light and power rates down to the ultimate consumer in every city, town, and community in the United States so as to enable them to use all the electricity necessary to heat their homes with it if they desire, and to electrify every farm home in America at the T. V. A. yardstick rates.

Memorial Day Address

EXTENSION OF REMARKS

OF

HON. AUGUSTINE LONERGAN

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Tuesday, May 31 (legislative day of Wednesday, April 20), 1938

ADDRESS OF HON. DAVID I. WALSH, OF MASSACHUSETTS, NATIONAL MEMORIAL DAY EXERCISES, ARLINGTON NATIONAL CEMETERY, MAY 30, 1938

Mr. LONERGAN. Mr. President, I ask unanimous consent that the patriotic address delivered by the senior Senator from Massachusetts [Mr. WALSH] at the annual National Memorial Day exercises in the amphitheater in the Arlington National Cemetery yesterday, May 30, be inserted in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We are gathered here today to do honor to the brave men, living and dead, who gave their lives or risked their lives on land and at sea for their country in time of war.

From where we stand in this amphitheater at Arlington, within the very shadow of the Tomb of the Unknown Soldier, whose resting place commemorates all those Americans who fought and died in the World War, the graves of countless thousands of departed military and naval heroes are within our view.

On such an occasion and in such a setting we draw new inspiration and new courage. Our hearts are enthused with patriotism and our minds with high resolve—the resolve that the land of the free, for which they fought and died, shall ever remain free; that the democracy established in this land under the Constitution of these United States shall be preserved; and that, in the immortal words of Lincoln, the government of the people, by the people, and for the people shall not perish.

And here on this hallowed spot the high resolve also that—God willing—we shall dwell in peace with one another and with the world; that our children and our children's children may be spared the horrors and the tortures of war which it was the lot of those who are buried here, and the lot of thousands of our own citizens now living, to endure, and the aftermath of horrors and tortures of war now being experienced by many peoples in many lands.

It is appropriate and has been customary on this annual Memorial Day to eulogize our war dead and our living war veterans and to turn our eyes and thoughts to the glories of the past.

But it seems to me to be eminently fitting and infinitely more important, as we gather here today on this 30th day of May in the year 1938, that we take account of the present and turn our thoughts to the future and to what the future may have in store—but with full realization that as to the future no man may speak with certainty, for today, as at no time within the memory of man, does it appear that the very foundations of the modern world are cracking and crumbling all about us.

Today among most of the nations of the world the democracy for which our heroes died is but a word—a mere term to cloak every political principle that is the antithesis of democracy.

Today there is no security for either peoples or governments anywhere on the face of the earth.

We may rightly say that our own situation is not so precarious as in many other lands.

We may rejoice that we have escaped thus far the wars and revolutions and tyrannies that have come in recent years to other nations, large and small.

We may contend with all earnestness that we have no quarrel with any other nation, or they with us.

We may resolve to avoid war abroad and the overthrow of liberty and peace and concord at home.

But we may not close our eyes to the perils which menace our peace and security and jeopardize our future.

It is not quite 20 years since the armistice that signalized the end of the World War, into which we had been drawn on the plea that we were fighting to make the world safe for democracy—that we were waging a war to end all wars. And with the armistice and the succeeding Treaty of Versailles and the creation of a League of Nations and a Court of International Justice for the settlement by arbitration of disputes between nations, there was born a new faith that here at last the world was in the process of achieving lasting peace.

At a later date 63 nations became signatories to the Kellogg-Briand pact, solemnly renouncing war as an instrument of national policy.

But events have shattered these hopes of a world of peace and renunciation of war and these dreams of a world safe for democracy. Treaties and peace pacts have been ruthlessly ignored. The League of Nations has met with tragic failure and today is an empty ruin. The Court of International Justice, the so-called World Court, stands impotent. Armed force is today dominant throughout the world. Dictators, lustful for power, control many countries. Ruthless aggression is witnessed both in the west and in the east. Democracy was never at so low an ebb and in such peril throughout the world.

After the World War the United States took the lead in preaching the gospel of disarmament by reciprocal agreements aimed first to limit naval armaments and with the hope that limitations by progressive steps might lead to progressive reductions in armies and navies and weapons of war.

There is no need to review these efforts which met with initial success in the Washington Naval Limitation Treaty of 1922 and with the Treaty of London in 1930. Further efforts to obtain limitation by treaty or disarmament by mutual agreement have signally failed. All the limitation treaties previously entered into expired at the end of 1936. Today governments great and small are rearming to an extent and at a rate unparalleled in history.

Wars, preparations for war, and threats of war are everywhere in evidence in Europe and in the Orient. And let us not overlook the fact that, thanks to the inventions of modern science, warfare today is infinitely more destructive and more cruel and more terrifying than ever before.

How shall we avoid war? How shall America be spared involvement in another world war, if such there be? How shall we proceed in order, if humanly possible, to save our own Nation and our own people from destruction?

Every American, regardless of race, creed, or partisan affiliation, is wholeheartedly in favor of peace and in favor of everything that will promote peace—peace for our own country and, if possible, peace for the world.

Every American desires and seeks national security and national safety and is in favor of a course of action designed to achieve security and safety and to keep our country out of war and immune from attack by war-maddened foreign aggressors.

Our disagreements relate only to questions of how best to attain these ends.

It is a tragic circumstance but undeniably true that treaties and compacts and international pledges and agreements as an insurance against war have shown to be of no avail. They are being honored only in their breach.

A striking and saddening illustration of the barrenness of such covenants and pledges has been afforded very recently in the case of Ethiopia. Let me digress here to call your attention to a scene which took place recently in Europe. A little black man, the former Emperor of Ethiopia, disheartened and defeated, walked slowly out of the assembly room of the League of Nations at Geneva. He came there to plead for the rights of his people. He pleaded in vain. He and his people had relied for their independence and security, not upon force, but upon the morals and ethics of the white world. To save the dying Ethiopia, no voice was raised in the very tribunal set up to protect the political rights of small nations, to secure justice, and to maintain peace for the weak as well as the powerful—for the poor as well as the prosperous peoples of the world.

This scene vividly illustrates present-day diplomacy. It is duplicated repeatedly in every part of the world. Regrettable as it is, the inescapable fact is that we are living in a world where truth, justice, and moral standards have been disregarded and force alone has become the dominating factor in determining the destinies of peoples and nations. It is the inevitable consequence of the philosophy of individual and national existence which substitutes materialism for spiritual values.

Our own national policy for keeping our country out of war and at peace with the rest of the world rests upon two basic and elementary propositions. One is the observance of strict neutrality whenever and wherever war occurs, and in the meantime and at all times, keeping clear of foreign quarrels and entangling alliances. The other is the maintenance of adequate instrumentalities for national defense; and in the conditions now unhappily prevailing throughout the world, adequate instrumentalities for national defense—an adequate land force and sea force and air force.

The translation of strict neutrality in theory, into strict neutrality and impartiality in practice, is not simple and easy, but, on the contrary, presents concrete questions of infinite complexity. There is room for many honest differences of opinion when it comes to some particular incident or situation.

Trade embargoes with belligerents are not always easy of application and not necessarily consonant with entire impartiality. The reverse of the embargo—an open flow of trade with belligerents and their open or secret allies—is productive of grave risks of involvement in war, as we learned by painful experience in the years immediately preceding our entry into the World War in 1917.

The neutrality statute enacted by the Congress last year is a very imperfect instrument for the effectuation of a national policy of neutrality. Perhaps the best that can be said of it is that it gave expression to the deep and earnest desire on the part of Congress and the people to keep the United States clear of any involvement in wars in foreign lands.

With respect to the question of an adequate national defense we are proceeding upon the belief, amply supported by the records of history and reinforced by recent events, that a nation is seldom attacked if its weapons of defense are so strong that attack is foredoomed to fail.

We must deal with realities, rather than with theories. The realities of today in the world at large admit of only one construction, namely, that strong and adequate national defense is the best and perhaps the only assurance of peace.

The Italian conquest of Ethiopia would never have been undertaken had not Ethiopia been defenseless. Japan's present campaign to subjugate China is predicated upon the supposition—which events may prove to have been erroneous—that China is no match for Japan's strong military machine.

I am wholeheartedly in favor of disarmament as an avenue to peace provided the disarmament is mutual and universal. But I am not in favor of disarming our own country while the rest of the world is in arms and thus leaving the United States defenseless against foreign aggressors. In my judgment that is not the way to peace but a certain invitation to war.

Happily there is nowhere present in America that lust of war and passion of conquest and ruthless disregard of national rights and human life that has seized upon the minds of many rulers in other lands.

Our own agencies of national defense on land and sea, however strong they may be made, will never be utilized for any other purpose than our own defense. But agencies of defense we most certainly must have, and strong agencies, so strong that no other nations will dare make war upon us.

The Congress in recent weeks, at the request of the Navy's Commander in Chief, the President of the United States, has authorized a substantial increase in the total strength of the Navy, to be obtained by an increase in our naval building program during the coming years.

Let it be repeated again and again, we are not forging any weapon for purposes of war anywhere, but rather as an insurance against war and as a means of maintaining peace.

We are not initiating any new or different naval policy. That policy is, and long has been, in theory at least, the maintenance of our Navy at a level equal to the prevailing best.

We are not initiating any new or different foreign policy when we now proceed to an enlargement of our naval forces.

We are not proposing to increase our Navy in contemplation of any alliance, offensive or defensive, open or secret, with any other nation. Indeed, we are proceeding upon just the opposite theory. We are contemplating an American Navy of such size that it may single-handed afford ample defense at sea against any foreign power or combination of foreign powers.

Let me now turn our thoughts to the other question that naturally arises in our minds on this occasion and in the presence of these departed heroes, the question of the preservation of our priceless heritage from the insidious forces of destruction within our own land—the question of the defense and security of the democratic institutions of our own beloved country. Let us be alert to detect false propaganda and false dogma from subversive elements and groups that are attempting to undermine and destroy our democratic institutions for their own selfish ends—indeed, to annihilate the freedom for which our forefathers and the heroes whose graves we decorate today, fought and died.

It is difficult to recognize them, therefore they are harder to defeat. It will demand constant surveillance and careful reconnoitering to recognize the foe when you meet it; but if guided by basic American ideals and principles for which your comrades died, you cannot fail.

Let us take new inspiration from the example of the founders. More than that, let us remember and heed the precepts which they laid down and adhere to the principles which guided them in the establishment of a democratic form of government under the Constitution, which they drafted and which for 150 years has been the bulwark of freedom and liberty for ourselves and a beacon light for oppressed peoples in other lands.

You living veterans who 20 years ago left the firing lines of France must not think that your battles are over. You must make yourselves the inspired leaders in all the great movements for advancement and progress of our beloved country. Your voice

will penetrate among the masses of men as no other voices in America. Your influence for good can be made to know no bounds if properly directed. May I urge you—you, the comrades of the fallen dead whose memories we revere and in whose honor this day's ceremony is held—to fight those forces that place material values above the spiritual values upon which our founders built this republic and which have brought other democracies to ruin and which destroy progress and liberty everywhere.

You have before you here in your own land a battle that will require real moral courage to wage. Foes of real democracy are in our midst. Every form of social and industrial injustice, racial and class hatred, religious prejudice, monopolistic combinations that enhance the cost of living, lessen the purchasing power of wages and increase the already too great disparity in living conditions between the rich and the poor, the possession of the countries resources by a limited few—all these are enemies of democracy.

In a word, your conflict here is to preserve the soul of America—the truths and ideals which have made our people the happiest and most contented in all the world, and our country, notwithstanding its temporary economic recessions and its yet unsolved social and economic problems, the best place in all the world in which to live, to work, and to die. At all hazards let your every effort be to safeguard American institutions, preserve our self-government, respect and maintain our best traditions—for were not these the fundamental principles for which our heroes died?

Here, on this sanctuary of the dead, let us conclude this inspiring and patriotic ceremony by giving thanks to our Creator for the blessings He has bestowed upon us, and let us pray for divine guidance as we go forward to attain happiness and security for our fellow men and peace for all mankind in this sorry and disillusioned world.

Memorial Day Address

EXTENSION OF REMARKS

OF

HON. WALLACE H. WHITE, JR.

OF MAINE

IN THE SENATE OF THE UNITED STATES

Tuesday, May 31 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. ARTHUR H. VANDENBERG, OF MICHIGAN, AT GETTYSBURG, PA., MAY 30, 1938

Mr. WHITE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a Memorial Day address delivered yesterday at Gettysburg by the senior Senator from Michigan [Mr. VANDENBERG].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, fellow citizens, at this sacred moment, dedicated to the memories that have preserved America, we stand on hallowed ground. It is hallowed by the heroisms of one of the decisive battles of all times and history. It is hallowed by a victory which prophesied the end of civil war 75 years ago, and the beginning of an invincibly reunited nation. It is hallowed by the human sacrifice of brave men upon both sides who put their love of principles above their love of life. It is hallowed by the echoes of the Emancipator's great yet simple oration which packed the eloquence of the ages into 272 vivid words which live forever. In such a presence, humility takes possession of the soul, and except as we be dead to the finer sensibilities of life, loyalty to an indestructible United States takes possession of our hearts. It were better to acknowledge such a moment with a great silence on our bended knees. It is impossible measurably to meet it with a speech. Nothing can be added to what Lincoln said. His Gettysburg address is the challenge of Memorial Day—not only here where its benediction fell upon the eternal tombs of particular battalions, but throughout the Nation wherever a single patriot-martyr's grave is greeted by his heirs to freedom.

"It is for us, the living, * * * to be dedicated to the great task remaining before us; that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion; that we here highly resolve that these dead shall not have died in vain; that this Nation, under God, shall have a new birth of freedom; and that government of the people, by the people, for the people, shall not perish from the earth."

These final phrases have a terribly impressive meaning in a modern world which is torn with destructive strife and marred by crushing tyrannies. Far from being a "world made safe for democracy," as we thought was our lofty objective in our last Great War, it is a world in which democracy under many a flag lies wounded unto death. It must not lie wounded here. More emphatically than ever, it has become our American responsibility that democracy "shall not perish from the earth." I do not mean that we are called to roam the world in armor, seeking to police the trends of destiny in other lands. On the contrary, and with all emphasis, I hold that we should mind our own business and keep out of other people's wars. But I do mean that it is our responsibility to keep our own pattern of democracy inviolate. Democracy will not have "perished from the earth" so long as we here maintain the institutions of popular government, not only as a boon to our own freemen but also as a beacon of hope to the oppressed in other lands. Democracy will have perished from the earth if we surrender.

Let no citizen think that we are immune to these seeping dangers that have others by the throat. As never before, eternal vigilance is the price of liberty. We do not have to battle for our free institutions in armed and bloody conflict—at least, not yet; and pray God such occasion never comes. But none the less we have to battle. There are new Gettysburgs each hour of every day. They are not military. They are civil. Thus they may be less readily identified. But thus they are the more insidious, and our hazard increases in proportion. There would be no doubt about our unyielding response to another reveille if, for example, the ugly hands of communism were to reach openly for power. There would be no question about our brave and immediate resistance if the mailed fist of a man on horseback were to strike against our free institutions. But we must be no less alert, my countrymen, against subversive forces which less obviously, but no less ominously, undermine this Government of, by, and for the people. We have some avowed Communists. We have some avowed Fascists. But these are not calculated to be our deadliest foes. Our deadliest foe will be our own complaisance—our own individual, self-centered inclination to take the easiest way—if, as, and when the plea of some emergency invites us to the first relatively inoffensive steps which turn our feet away from the paths of which Lincoln spoke. The direction rather than the length of those steps is the fatal thing. One present breach in the dike of the Constitution, inconsequential though it may seem at the moment, can loose the final flood. And there is the warning that spells our only rule of safety. The Constitution of the United States is the indispensable charter of government of, by, and for the people. If it needs change, it can properly be changed only by the people themselves. Any other change is treason, treason to the American inheritance, treason to Gettysburg, treason to Memorial Day.

In his immortal Gettysburg Address, Lincoln recalled the spirit of the Declaration of Independence which, eight score and two years ago, brought forth upon this continent a new nation, conceived in liberty and dedicated to the proposition that all men are created equal. We are called to these tasks of promoting social justice and economic equalities among all our people. Those who have died for their America—462,562 of them in all our wars—put their hearts upon the altars of our freedom for these ideals.

The best, the most invincible, answer to those who would turn our Government to a different pattern is to make America the place where life, liberty, and the pursuit of happiness are most easily achieved. That has been our relative record for 150 years. It is our task and our challenge to "carry on" in this same pattern. Let those who counsel a different way—and I refer not only to those open agitators who would uproot and overthrow the American system but also to those more subtle but no less subversive manipulators and regimenters who would chain us to centralized bureaucracy at Washington—let them show us a land in which their theories have produced a greater freedom and a happier life. They cannot do it. Ours is the better way. Millions of American family hearthstones are our witnesses.

I do not mean that the American system is a static thing. I do not mean that we should forebear from useful change. But I do most emphatically mean that all change is not progress. I do mean that our basic principles of government of, by, and for the people—our constitutional checks and balances—are just as sound and just as precious today as at any other moment in the last century and a half. I do mean that this is a government of laws and not of men. I do mean that those who try to trade liberty for security are likely to lose both. I do mean that we stand today at another Gettysburg—another Armageddon—and that those who have died for their America—462,562 of them in all our wars—were fighting for a conception which, in sheer enlightened selfishness, we dare not desert. It is for us, the living, to be dedicated on Memorial Day to the task which they have thus far so nobly carried on.

Seventy-five years ago we proved at Gettysburg that the Union is supreme and indestructible. A union of what? A union of sovereign States. We did not prove—we did not attempt to prove—that the States themselves must wholly sink their independence and their individuality in the common mold. On the contrary, we vindicated the American constitutional system; and that system, from the hour of its birth, requires the least possible Federal activity to achieve essential Federal results. That doctrine is our strength and our salvation. Home rule is inherent in our philosophy—and that philosophy runs on down to the maximums of self-expression and self-determination and self-reliance for each individual citizen, circumscribed only by the need for common action in behalf of the general welfare. This country is physically too big and too diverse to be managed, in all its intimacies of life and livelihood, from one central point. At our peril we ignore this axiom; yet there is a paralyzing tendency to ignore this axiom upon every hand. It is our menacing paraphrase of the world's trend toward dictatorship. We must resist it for the sake of our

institutions and our liberties. We must resist it lest government of, by, and for the people shall perish from the earth.

One other thing, among many, came out of Gettysburg in 1863 to which I would refer. It was more than the anteroom to victory for the Union Armies and the Union cause. In its lengthened shadow came a reunited nation which bound up its wounds, healed its bitterness, and set itself indestructibly upon the rock of ages. Loyalty to the American conception knows no Mason and Dixon's line. The Unknown Soldier who sleeps in glory on the heights of Arlington may be the son of one who fought with Meade at Gettysburg or one who fought with Lee. We are one nation, committed to one destiny.

We found the means to reunite ourselves in a wedlock that shall know no death. America could not exist without this fraternity of interest. But here again there are new Gettysburgs to be fought and won. We are torn today by class dissensions and class consciousness. Our people are divided into hostile groups, each striving relentlessly for its own objectives regardless of the common weal. In recent years we have been taught actually to hate one another—to call each other harsh and invidious names. It will not do, my countrymen. I care not whether the strife be between farmer and industrialist, between employer and employee, or between those who have and those who have not. In our America, we sink or swim together. United we stand, divided we fall. We cannot pull the lower one-third up by pulling all three-thirds down. America is a partnership between 130,000,000 people. We must open all our minds to the spirit of cooperation. We must open all our hearts to an era of good will and mutual consideration. If it could be done in the final aftermath of Gettysburg in 1863, surely rational men and women—rejecting counsels of politics and prejudice and passion—can do it in 1938.

Mr. Chairman, these are but a few of the thoughts that crowd in upon me at this solemn hour. I conclude as I began. Memorial Day, particularly at Gettysburg, calls us to our better selves. This is an hour of consecration. It belongs to those who died that we might inherit the greatest blessings that may flow from human hands. It is for us, the living, to be dedicated anew to the America for which they gave the last full measure of devotion.

If this devotion once more calls us into uniform to defend the Republic in unavoidable war, may our patriotism vindicate their sacrifice. But war—any war—should be the last recourse of intelligent men and women in this modern age. The challenge to us is to preserve an honorable peace in peaceful ways—yet never to surrender at any price the ideals and institutions that have made us what we are.

There is a bivouac of heroes on the shores of the eternal life. They come from Valley Forge and the conflict that wrenched the Republic from the tyrannies of George III. They come from the War of 1812, and then from the Alamo and Monterrey. They come from Gettysburg and the travail of rebellion. They come from Chateau Thierry and the unrequited crusade for world democracy. To the memory of each we bring the rose of our deathless affection. To each we would pay our debt. But we cannot pay, we do not pay, except as, in our easier way, we pledge ourselves, with the earnestness of deep conviction, that the traditional spirit of the Republic shall survive and that—no matter what the lure to other paths—here in the United States, now and forever, government of the people, by the people, and for the people shall not perish from the earth.

Trade Agreements and the Southern Farmer

EXTENSION OF REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Tuesday, May 31 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. FRANCIS B. SAYRE, ASSISTANT SECRETARY OF STATE

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the Honorable Francis B. Sayre, Assistant Secretary of State, before the East Tennessee Farmers Convention, held at the University of Tennessee, Knoxville, Tenn., on May 20, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I feel happy to have the chance of participating in this interesting convention. It is a regret to me—as it is to him—that Secretary Hull himself cannot be here—in his home State—to speak to you. For over 4 years I have worked with him, day in and day out; I have come to know him in the most intimate kind of a way as few others do. And as I have watched that patient figure toiling incessantly in season and out of season undeviatingly for the interests of our Nation, self-effacing, sincere to the core, unstampeded by popular reactions, wise in the ways of political Washington but steadfast as the stars to his convictions and his ideals, it has not been hard to understand why he has emerged as a great national figure, revered by the whole American people. Believe me, there is no greater Tennesseean today than Cordell Hull.

I welcome the opportunity to discuss with you today a subject so close to the heart of Secretary Hull as American foreign trade.

Foreign trade is of great and manifest importance to our leading American industries—to our automobile manufacturers, our makers of agricultural and industrial machinery, and many others. But to no group of Americans is it of more crucial importance than to our farmers. To our southern farmers, and therefore to the South as a whole, foreign trade is a matter almost of life or death.

From early days southern leaders have recognized this. Under normal conditions the South can sell within the United States less than half of its annual production of cotton. If foreign markets are lost for American cotton, the South faces economic prostration. Surpluses unsalable abroad are thrown back onto home markets; the price of cotton is forced down to ruinous levels. Cotton planters are unable to meet their obligations; cotton pickers, ginners, and handlers are forced out of work. Plantation people can't buy; stores can't sell; banks can't collect their loans. Bankruptcies multiply, and economic stagnation brings in its wake growing unemployment and social problems for which there is no solution. The life of the South is built directly upon foreign markets and foreign purchasing power for American cotton.

Following the economic crash of 1929, in the face of dropping commodity prices, fluctuating currencies, and stimulated efforts on the part of many to dump their goods onto world markets for whatever they would bring, the nations of the world proceeded to barricade themselves through import restrictions of every variety against imports from other nations. As a result of these arbitrary and effective barriers international trade by 1932 had dropped to a third of its former value. Our exports shrank from $5,157,000,000 in 1929 to $1,647,000,000 in 1933. American exports of meat and meat products decreased in value by 67 percent, and those of wheat and flour by 90 percent. To the resulting losses in farm incomes due to lessened sales must be added the losses due to the sharp reduction in domestic prices caused by the glutting of home markets with unsalable surpluses diverted from foreign shipment. The economic prostration of the farmer had a direct and devastating effect upon the livelihood of merchants, bankers, those in the service trades, professional men, and others in our small agricultural towns. If American agriculture and industry were to be protected against disaster some kind of action was imperative. To meet this situation by "expanding foreign markets for the products of the United States" Congress in 1934 passed the Trade Agreements Act.

In the 4 years during which the trade-agreements program has been in operation, solid progress has been made. Trade agreements have been negotiated with 17 countries, which normally account for about 40 percent of our total foreign trade. Concessions of great value have been obtained for both farm and factory products. Other agreements are in process of negotiation; and as the program goes forward, its benefits will be extended over a widening segment of our foreign trade.

Of key importance in this program are our present negotiations with the United Kingdom. Taken together, the export and import trade of the United States and the United Kingdom with its colonies constitutes almost 30 percent of total world trade. Great Britain furnishes our largest export markets. In 1936 she bought from us goods to the value of $440,122,000 or 17.9 percent of our total exports

To agriculture the conclusion of an agreement with the United Kingdom is of particular importance. Because of the highly industrialized nature of that country and its dense population, vast quantities of food and other agricultural products must be imported. In 1929 we exported $445,126,000 of agricultural products to the United Kingdom out of a total of $1,692,774,000 to all countries. In 1936, although this trade had somewhat recovered from the low years of the depression, our sales of agricultural products to the United Kingdom, amounting to $245,067,000, were still only a little over half of the 1929 figure.

If there is one class or group of American producers whose welfare is peculiarly dependent upon the maintenance and increase of foreign markets, it is our farmers. Loss of foreign markets means for them not only inability to sell their surplus crops, it also means city workers are unable to sell their industrial products and therefore stripped of the purchasing power necessary to buy meats, dairy products, and other agricultural commodities such as are produced in Tennessee.

In other words, increased foreign markets for industrial producers spell increased domestic purchasing power and hence increased domestic markets for farm products. There is no escape from that. The economic welfare of farmers, whether they produce export commodities or not, is directly dependent upon foreign trade unimpeded and unhindered by excessive barriers. And such increase of foreign trade, mark you, is the precise objective of the American trade-agreements program.

Because the economic structure of the South rests upon a base which is predominantly agricultural, one can readily understand why the South has traditionally supported a liberal tariff policy. Excessive tariffs strike double injury to this part of the country. Not only do they increase the cost of many of the things which southern farmers have to buy but, also, they effectively reduce foreign purchasing power, and thus deprive farmers and others of export markets. Excessive tariffs in our own country also stimulate retaliatory foreign-trade barriers which further block American exports. Never did the South have stronger reason for fighting for liberal-trade policies than today in the light of post-war economic conditions and the collapse of world prices following 1929.

I believe the farmer has more to gain through a vigorous pushing forward of this program than any other group. It is his real salvation. And yet the irony of it is that for partisan or other reasons men have gone up and down the country making wild charges that through trade agreements and the lowering of tariffs our country is being flooded with foreign agricultural goods to the ruin of our farmers. Substantial increases of agricultural imports during 1937 are cited to prove the point.

I have entire confidence in the intelligence and sound common sense of individual farmers—when they know the facts. The trouble is that unscrupulous lobbyists and others have so often sown misrepresentation among them that frequently they have been led to vote against their own best interests. So let's get at the facts. Have farm imports increased in the past few years?

Yes; they have. Agricultural imports in 1937 were $850,600,000 greater than in the depression year 1933. But this is only part of the story.

The truth is that since the low point of 1933 our whole foreign trade has been increasing, both exports and imports, to the immense advantage of American farmers and factory workers.

It is charged, however, in the first place, that trade agreements were responsible for increases in agricultural imports, and, in the second place, that these increases were ruinous to farmers. Again, what are the actual facts?

Were the increased imports of corn, of meats, of wheat, of wool due in sober fact to trade agreements? The answer is clear. In not a single trade agreement has the general duty on any one of these been reduced.

In fact, in the case of the comparatively few agricultural items which have been touched in trade agreements the reductions have been so very moderate, so painstakingly safeguarded with restrictions and limitations, that these constitute almost a negligible factor in causing increased competitive agricultural imports. Only 4 percent of the increase in agricultural imports last year, as compared with 1936, was accounted for by articles on which the duty has been reduced in a trade agreement, and a considerable part of the increase in the trade-agreement articles was due to causes other than reductions in duties. Half of this 4 percent was made up of Cuban sugar, the importation of which is regulated by quota.

The chief reasons for the increased imports were not trade agreements, but drought and increased economic activity. The disastrous and unprecedented droughts of 1934 and 1936 burned up our crops, caused severe shortages, and necessitated large imports of important commodities, such as corn, wheat, fodders, and feeds, meat products, barley, and tallow—products which we ordinarily produce in sufficient quantities not only to supply our domestic needs but also, in most cases, to furnish large surpluses for export. Had we not imported these our farmers would have faced famine prices and there would have been an even more serious shortage of feeds for livestock and poultry on our farms.

The second reason, economic recovery, meant increased consumption, increased need of raw materials for processing, and increased prices. The resulting increased value of imports was a mark of greater prosperity and should be a cause of real rejoicing—not of despair.

It is beyond dispute, therefore, that not trade agreements but the unprecedented droughts and the high rate of business activity were the preponderant causes of the substantial increases in agricultural imports during 1937. During the first quarter of 1938 with more normal crops harvested in the fall of 1937 imports of agricultural products have declined.

Next, it is true that farmers have suffered actual injury by increased agricultural imports? Is there anything sinister about these imports? Again, let us examine the facts.

As I have already mentioned, in 1937 agricultural imports were $850,000,000 greater than in 1933, the last year before any trade agreements came into operation. That, of course, is an impressive figure and one which can easily be used for alarmist purposes. But when you come to analyze it, this is what you find:

Out of a total increase of $850,000,000 in agricultural imports in 1937 as compared with 1933, $345,000,000—over a third of the total—is accounted for by wholly noncompetitive imports, such as coffee, tea, rubber, and silk. Does any farmer complain about that? A further $144,000,000—roughly a fifth—is composed of major items affected by the droughts of 1934 and 1936. Certainly no one believes that trade agreements caused the droughts. These imports were of commodities needed by the farmer and were brought in mostly over high tariffs for his benefit—not to his injury. A further $61,000,000 is accounted for by sugar. But imports of sugar are regulated by quota in such manner as to reserve for domestic producers at least as much of our market as they can supply at reasonable prices. As a matter of fact, most of this increase in the value of sugar imports was due to higher prices rather than larger quantities admitted to our shores. A further $256,000,000 is made up of important agricultural products that we regularly import in large quantities in spite of high tariffs. These include articles such as long-staple cotton, dutiable types of wool, hides and skins, and wrapper tobacco—products that we cannot produce in sufficient quantities, at reasonable costs, to supply our domestic requirements. That leaves only $44,000,000 remaining out of the total increase of $850,000,000. And when one carefully examines this remaining $44,000,000, one finds that it is divided among a large number of small items which properly fall in one or another of the foregoing groups.

What the whole matter boils down to is this: If the increases in imports be analyzed, one finds that reduced duties through trade agreements played but an insignificant part. The increase in imports was almost entirely the result of drought shortages and economic recovery, then strongly in evidence.

In recent months, as the effects of the droughts of 1934 and 1936 have worn off, imports of almost all agricultural products have declined and, in fact, a number of important commodities imported last year, such as wheat and corn, are now being exported in volume. In the case of beef and pork, because of the long period of time required to produce them, the effects of the drought have not yet been entirely dissipated.

Let me go further. Not only has there been no injury to farmers through trade agreements, they have brought to him positive help—help in the form of substantial concessions secured abroad for the farm surpluses which he must sell, and help in the form of increased foreign purchasing power for American exports. Of our total agricultural exports to trade-agreement countries, we have secured duty and tax reductions and liberalization of import quotas on about one-third (based on 1929 figures) and bindings of existing duties against increase on almost another third. Canada, which—contrary to the general impression—is a large importer of farm products from the United States, reduced her duties on about 125 agricultural and horticultural products. The concessions obtained in this and other agreements have already resulted in increased exports of many farm products and have opened the way for other increases now that crop conditions are more normal again and large surpluses are available for export.

But the concessions which we obtain from foreign countries in the form of lowered tariff and other import restrictions on farm products are only a part of the picture. The enlarged domestic markets which result from the program are of the utmost importance. The increase in exports of manufactured products that results from the operation of the trade-agreements program is inevitably reflected in a better market at home for products of farm and factory. If we can sell abroad more bales of cotton and more automobiles, cotton pickers and automobile factory workers in the United States can and will buy more shoes, more meat, more butter than they otherwise could. Moreover, automobile factories will be buying iron and other raw materials from every section of the country; and this in turn will mean increased pay rolls and increased purchasing power in every place from which they buy. Workmen in these places will in turn buy goods coming from still other sections of the country. Each sale of surplus products abroad creates a chain of economic transactions within the country, the total effect of which is to increase purchasing power beyond the volume represented by the original sale; and increased purchasing power is what makes prosperity. Trade increases employment, creates profits, and raises the general level of well-being.

If the domestic consumption of some commodity thus increases by, say, 100,000 units, we can well afford an increased importation of, say, 10,000 units, for our domestic producers will be selling 90,000 more units than before.

In truth, every State in the Union has an important stake, direct or indirect, in foreign trade. Many products of Tennessee—raw cotton, tobacco, lumber, timber and wood manufactures, textiles of cotton, rayon, and wool—all are exported in substantial quantities and partly dependent upon foreign markets. For each of these foreign concessions have been obtained in trade agreements.

Specific concessions covering raw cotton have been obtained from Canada, Cuba, Sweden, the Netherlands, and Finland. Of greater significance to cotton growers has been the increased purchasing power created through trade agreements in foreign countries whereby American cotton can be bought.

Many valuable concessions have been obtained of benefit to the important textile industry of Tennessee. Concessions have been obtained from five countries for cotton yarns, six countries for rayon textiles, nine countries for silk textiles, and five countries for woolen fabrics.

In six trade agreements concessions have been obtained for tobacco. In seven, concessions have been obtained for lumber and various wooden articles such as are produced in Tennessee. And so on.

But I do not want to weary you with long recitals of concessions obtained for American products. Since the inauguration of the program, American foreign trade has markedly increased. Manifestly it would not do to ascribe this increase to trade agreements alone. But that they substantially stimulated foreign trade is indicated by the fact that during the 2-year period of 1936–37, in comparison with the preceding 2-year period, 1934–1935, the increase in United States exports to all trade-agreement countries was 41.9 percent, whereas during the same period the

increase of our exports to non-trade-agreement countries was but 25.9 percent.

A widely current misconception which marks much of the opposition of the American trade-agreements program is the current belief that because the benefit of concessions granted in a trade agreement is extended automatically to other nations we are therefore giving away something for nothing. The most-favored-nation principle is attacked as a Santa Claus policy.

Such a notion rests upon ignorance and misconception. Nothing could be further from the truth. We do not in fact extend trade-agreement concessions to third nations for no return. We give such concessions to third nations only in return for their extending to us all the benefits of concessions which they have granted or may in the future grant to all other nations. In other words, we give minimum-tariff treatment and freedom from discrimination in return for minimum-tariff treatment and freedom from discrimination. To nations which fail to give us these we do not extend trade-agreement concessions. Any other policy would force us to discriminate against nations not discriminating against us. In fact, equality of commercial treatment to all nations extending the same to us has been the fundamental cornerstone of American foreign commercial policy ever since the days of George Washington.

It is a policy which, under the trade-agreements program, has proved exceedingly profitable. Under it we secure the benefit of all tariff reductions and trade concessions granted by trade-agreement countries to all other nations. And, as experience has proved, these benefits and assured freedom from discrimination are of enormous value in dollars and cents to American trade. According to estimates made at a time when 14 of our agreements were in force, the pursuit of this policy affected approximately $30,000,000 worth of our imports; in return it safeguarded and benefited at least $265,000,000 worth of American exports. In other words, it is almost a 9-to-1 bargain in our favor, figures which should make it obvious that the application of the most-favored-nation principle in connection with the trade-agreements program has not involved any undue generosity on the part of the United States.

In closing may I add one further thought? No country can be prosperous, no section of the country can have stable prosperity unless we have peace. Whatever makes for peace makes for American welfare.

Lasting world peace cannot be built upon economic conflict. Neither can it be built upon national economic isolation.

Modern industrial nations cannot under present-day conditions maintain adequate standards of living without importing huge quantities of foodstuffs and raw materials and without exporting huge quantities of surplus production to foreign markets. Such policies as block international trade, upon which the very life of modern nations depend, lead straight down the pathway to war. There is no escape.

In the tortured, fearsome world in which we live today, America cannot afford to adopt any policies except those which make for peace. She has during recent years deliberately adopted a liberal foreign commercial policy for the stimulation of international trade not merely because such a policy means increased profits to American producers of export products and increased domestic purchasing power to the profit of all. The trade-agreements program has a larger and more important justification. Increased and liberalized international trade is the only possible foundation upon which to build stable and lasting peace. And to that great end America presses forward.

Résumé of Record of Hon. Elmer Thomas

EXTENSION OF REMARKS

OF

HON. ELMER THOMAS

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Tuesday, May 31 (legislative day of Wednesday, April 20), 1938

STATEMENT TO HIS CONSTITUENTS BY SENATOR THOMAS OF OKLAHOMA

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a statement just made and released by me to my constituents, the people of the State of Oklahoma.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

It is the custom and common practice for United States Senators to make frequent reports to their constituents.

My constituents are the people—all the people—of the great State of Oklahoma.

In reality I am merely a hired hand. All Senators are hired hands.

Most Senators are hired by and work for the masses of the people.

All Senators have bosses—bosses who have the power to hire and fire.

I have a boss—just one boss—and my boss has been good to me.

My boss is the people of the great State of Oklahoma.

It is to you and to them that I am reporting tonight.

Let me remind you that I served in the first legislatures where I helped to organize the new State of Oklahoma.

Later I served in Congress and now I am serving in the Senate of the United States.

My old State senatorial district, my old congressional district, and later the whole State of Oklahoma, have joined in training and educating me for legislative work.

I have never been, and am not now, interested in any other elective or appointive office.

I am not trying to unseat any public official. I am asking only to be retained in the position you have so generously given me.

POLITICAL PHILOSOPHY

My life has been devoted to the task of finding solutions for the people's problems.

In my legislative work I have, from the first, followed one basic and fundamental principle. This principle is—that sound prosperity is based upon the buying power of the masses of the people. The degree of prosperity depends upon the amount of buying power; and by "masses" I mean farmers, wage earners, and the small and average business and professional men and women of our country.

I contend that when farmers and producers have good prices and workers have jobs at fair wages business of all kinds is good, but when commodity prices are low and wage earners are unemployed business, big and little, is bad, and panics, depressions, and recessions are inevitable.

Recent history sustains this contention.

Today our problem is to get farm and commodity prices up and jobs for the unemployed.

To such task I have pledged my every effort.

I stand on the democratic principle that government should be so operated as to help the many the most and to hurt the fewest the least.

These principles just enumerated guided me in all my work in the Oklahoma State Senate. They have likewise guided me in my work in the Congress in Washington.

CONDITIONS AT WASHINGTON

I have just returned from Washington. This session of the Congress is about over. Practically all of the necessary legislation has been passed. Only one of the relief bills and the flood-control bill remain to be finally acted upon.

RELIEF

The relief bill providing funds for loans to industry is now a law. This law authorizes the Government to make loans to businessmen, to corporations, and to institutions in a total sum of $1,500,000,000. Already applications are on file to consume the amount appropriated.

The other relief bill is still awaiting final action by the Congress. This bill provides for the relief of wage earners in the way of jobs, relief for farmers in the way of subsidy payments, and relief for towns and cities in the way of loans and grants.

In order to give wage earners jobs additional funds are provided for the expansion of W. P. A. and P. W. A. activities. Roads, public buildings, flood control, irrigation, and recreation projects are to be undertaken. Funds are being provided for continuation of the National Youth Administration and for expansion of the rural-electrification program.

FLOOD CONTROL

The flood-control bill will pass before adjournment.

This bill contains numerous projects for Oklahoma.

If passed in its present form, the bill will authorize the construction of all projects approved by the Board of Army Engineers.

These projects are in the form of great dams and reservoirs for flood control, irrigation, and recreation.

The list includes the following:

Oologah, on the Verdigris River, will become the Will Rogers Memorial Lake and Park; Wister, on the Poteau River; Mannford, on the Cimarron River; Ten Killer, on the Illinois River; Canton, on the North Canadian River, will become flood control, water supply, and recreation lakes.

NEW POLICY

As now written, the bill will set forth and establish a new policy in water development.

Heretofore, the agencies of Government have acted separately in the construction of flood-control and irrigation works.

At Altus, in Jackson County, and Lugert in Kiowa County, this bill provides for joint action by the Board of Army Engineers, the Reclamation Service, and the Resettlement Administration in the construction of the Lugert Reservoir.

The vast dam and reservoir will check the floods.

The impounded water will be used for irrigating some 70,000 acres of fertile land located in Jackson and Kiowa Counties and adjacent to Lugert, Blair, Martha, and Altus, in southwest Oklahoma.

The surplus land will be purchased by the Resettlement Administration, subdivided into small tracts, improved and served with water and then sold to families on long time and at a low rate of interest.

This Lugert-Altus project is to be a joint flood-control, irrigation and resettlement development, and, if it proves successful, it will pave the way for other similar developments in western Oklahoma.

Oklahoma, to be prosperous, needs but two things:

First, plenty of rain; and second, fair prices.

With rain or water we can raise the crops—and with fair prices we always have good times.

Through this new policy of joint flood control and irrigation we hope to supplement the rain and stabilize the volume of water—and through other possible remedies we hope to increase and stabilize basic commodity prices.

So much for the Congress now about to adjourn.

NOT A POLITICIAN

Some of my friends tell me that I am not a politician. What is a politician? If a politician is one who talks loud and promises everybody everything, then I am not a politician.

If a politician is one who is elected to office and then before he gets his seat warm decides he has made a mistake, that he does not like the job and begins running for another office, then I am not a politician.

If a politician is one who makes promises to fight for certain measures, and then before the fight begins turns and runs away, then I am not a politician.

A politician is never satisfied.

This does not apply to me. I entered the public service as a legislator. I have never sought to change my chosen work. I have never sought the office held by another member of my party.

Let me make it plain that I do not claim to own the office I am privileged to hold. The office of Senator is yours—yours to give and yours to take away.

QUALIFICATION OF A SENATOR

The two and a half million patriotic and hard-working people in Oklahoma are entitled to the best and most efficient services that can be secured to represent them in the United States Senate.

Oklahoma is a State of many and varied resources.

To efficiently represent our State a Senator must know our resources and our people.

Noise, promises, destructive criticism, inattention to duty, and inexperience will not solve the problems which confront the people.

Some of our politicians who want to be Senators say that I have represented Oklahoma too long in Congress.

It is true that I served 4 years in the House and am completing 12 years in the Senate—16 years' service in all.

Any service in the Congress is too long if the Senator either neglects his work, remains away from the sessions, or fails to represent the best interests of his people.

WHO RUNS CONGRESS?

The Congress is the policy-making branch of our Government.

Who runs our Congress?

Let me tell you who runs the Congress.

In the House the Speaker, Congressman BANKHEAD, of Alabama, has served 22 years.

The leader, Congressman RAYBURN, of Texas, has served 26 years.

The chairman of the Appropriations Committee, Congressman TAYLOR of Colorado, has served 30 years.

The chairman of the Committee on Ways and Means, Congressman DOUGHTON, of North Carolina, has served 28 years.

In the Senate—Vice President John Garner has served in the House and Senate 36 years.

The leader, Senator BARKLEY, has served 26 years.

The chairman of the Finance Committee, Senator HARRISON, has served 28 years, and

The chairman of the Appropriations Committee, Senator CARTER GLASS, has served 36 years.

Senator BORAH, of Idaho, has served 32 years; and Senator GEORGE W. NORRIS, of Nebraska, has served 36 years.

Senator GLASS is past 80 years, and both Senators BORAH and NORRIS are past three score and ten.

New Senators must be selected and then kept in office, if they are to have a chance to secure results for their people and their States.

I am not arguing, nor even suggesting, that an inefficient, an unfaithful, or a misrepresentative be retained in any office; but I am saying that the districts and the States which make good selections and then keep their representatives in Congress are the districts and States which receive the most from the Government at Washington.

LEGISLATIVE RECORD

In passing, let me refer briefly to my legislative record and remind you that as a State senator I helped organize the State of Oklahoma.

For 10 years I was chairman of the appropriations committee. Along with Cy Avery, Mr. Gentry, father of our present highway commissioner, and Judge Fitchelmer, I helped write the first highway law.

The bill was prepared for initiation but owing to lack of funds it was left in my hands for introduction in the senate. I introduced the bill and it was promptly passed.

I was the author of the law providing for the sale of our school lands to home owners.

As chairman of the appropriations committee it fell to my lot to raise money to build the State capitol. The money was secured from odds and ends from many sources and the capitol was constructed and paid for without the suspicion of graft and without the necessity of a bond issue.

As a matter of principle, I am opposed to bonds. In 1919, as a State senator, I opposed the $50,000,000 road bond proposal. I was one of four Senators who voted against it in the Senate.

After the proposal was submitted, I joined Carl Williams, at that time editor of the Oklahoma Farmer-Stockman, who furnished $100 for a campaign fund and we used the money in opposing the bonds. The people rejected the proposal by over 100,000 majority.

OKLAHOMA FARM STATE

Oklahoma is a great farm State.

Our prosperity depends upon the buying power of the farmer.

The farm problem is a price problem.

Other great industries are permitted to charge enough to cover costs of production and a reasonable profit.

I favor legislation which will enable farmers to have a basis for similar incomes.

Farmers must have assistance in refinancing their indebtedness and financing their operation, and for such purpose I favor Federal assistance.

I favor a continuation of the soil-conservation program.

I voted for the farm bill. The bill provides for loans on basic farm crops and also for subsidy payments to farmers.

I shall favor amendments to the act, protecting the small producer and equalizing the benefits among farmers to the end that agriculture may become the most prosperous industry in America.

I am a member of the Senate Agricultural Committee and am vice chairman of the committee.

Only a few days ago my colleague, Senator LEE, introduced a bill proposing to unfreeze cotton acreage allocated to Oklahoma. Senator SMITH, chairman of the committee, was away and I called the committee together.

The Lee bill was introduced on Monday, reported favorably on Tuesday, and passed the Senate on Wednesday of the same week. This is an example of the cooperation which your two Senators are giving each other and of the success they are having in Congress.

Let me give you one other instance of legislative efficiency.

On May the 8th a delegation representing the Osage Nation came to Washington. They requested a hearing before the Indian Affairs Committee, of which I am the chairman.

Hearings were held on May 9. The bill was prepared and introduced on May 10, and on May the 11th the bill was passed by the Senate.

When I left on yesterday all bills affecting our Indians had been reported and passed by the Senate.

SUPPORT LABOR

Since I entered the public service I have consistently supported the man who lives by daily toil.

My record in the legislature and in the Congress has been such that I have the endorsement and support of all branches and groups of the wage earners of the country.

SUPPORT GENERAL WELFARE ACT

I voted for the Social Security and General Welfare Act. As a member of the Appropriations Committee I worked and voted for funds to make the payments.

This law is a new development and is neither perfect nor satisfactory.

Laws for assistance and pensions or annuities for our aged, blind, and dependent children, because of their revenue features, must, under the Constitution, originate in the House of Representatives.

I introduced a bill which is an improvement on existing law.

This bill, like the soldiers' bonus bill, cannot be acted on in the Senate first, and must await first action by the House of Representatives.

I introduced my soldiers' bonus bill in the Senate to acquaint the Senators with the provisions of the measure. I introduced my old-age pension bill for a similar purpose.

House bill 4199, the General Welfare Act, covering this subject matter, follows my bill closely and is now pending in the House. If and when the measure is passed by the House and reaches the Senate, I shall give it my support.

SUPPORT VETERANS

As a member of the House, in 1924, I voted for the first adjusted compensation or bonus bill.

I voted to override the Coolidge veto of this bill.

I voted for the second bonus bill and likewise to override the Hoover veto of such measure.

I voted for the Patman bill in 1935 and voted to override the Presidential veto.

I voted for the last and best bonus bill, which was passed in 1936.

I have the conviction that the veterans will never secure too much from the Government they tendered their lives to defend and protect, hence I shall continue to support the measures proposed and sponsored by the soldiers of our country.

OIL

While not in any manner connected with oil, I have from the first supported measures for the promotion of the industry.

As a State senator I supported the original proration law, passed some 20 years ago.

In the United States Senate I voted for the law placing an excise tax on foreign oil imports.

I have introduced and handled the oil compact legislation enacted during recent years.

EDUCATION

Having attended a one-room country school, having taught all grades in such a school, and having worked my way through college, I think I know the value of an education.

In the legislature and in the Congress I have supported measures for the elimination of illiteracy and for the promotion of general education among all classes of our people.

DEPRESSION

Again, in passing, let me express my regret that we have not been able to work out of the worst depression in recorded history.

This depression came upon us in October of 1929, and since March 4, 1933, our State has received in loans and grants, and in direct and indirect relief, the sum of over $550,000,000 from the Federal Government.

This money was relief money and while, as a rule, it reached those in distress first, yet all groups and classes and all business, big and little, received and enjoyed benefits and profits from this public spending.

What might have happened had this money not have come to the relief of our people in Oklahoma? I shall leave you to answer this question.

Before I close permit me to refer to one or two additional items.

DEMAND HIGHER FARM PRICES

In 1932 and 1933, as measures of relief, I demanded a program for higher farm and commodity prices.

I knew that our people could not live on 25-cent wheat, 15-cent corn, 5-cent cotton, 3-cent hogs and cattle, and 10-cent oil, so I introduced, and the Congress passed, the amendment which provided for the devaluation and cheapening of the dollar.

At that time we were on the single gold standard, which meant that all our money was based upon and redeemable in gold.

Under the law, all gold was called in to the Treasury, where the weight and, hence, the value of each dollar was reduced.

The amount of gold taken from each dollar was profit for the Treasury.

THOMAS AMENDMENT PROFIT

When the devaluation was complete, we found that my amendment had made a profit for the Treasury, hence for the pople, in the total sum of $2,800,000,000.

If this profit were divided among the States, Oklahoma's share would be some $55,000,000, and if such profit were paid out on a per capita basis, every man, woman, and child in our State would receive the sum of over $20. At the salary fixed by law, the profit made for the Treasury under my amendment would pay the salary of a Senator for 280,000 years.

From 1920 to 1933 we lost one-half of the banks of the country.

The banks' as well as the people's trouble was a scarcity of money.

SILVER POLICY

The scarcity of dollars made such dollars too high in value, so in order to secure more dollars I introduced a bill providing for a wider use of silver.

Under the law we printed paper slips and called such slips silver certificates. Then we traded such silver certificates for silver metal, thereby placing the certificates in circulation and placing the metal in our strongbox in Washington.

The silver certificates were issued only to the exact value of the metal; hence, silver certificates tonight are the only form of currency which may be redeemed in something having intrinsic value.

Under this silver program we have expanded the currency over $1,000,000,000, and tonight no bonds are in existence drawing interest from the people to support a single dollar of the silver certificates in circulation.

NOT AN INFLATIONIST

I am sometimes called an inflationist. This charge is not true.

I have never advocated inflation in the sense that I favored the printing and issuance of irredeemable paper money.

I have demanded more money in circulation. I have demanded that the Congress exercise its constitutional power to regulate the value of the dollar.

The heart of my monetary program is that we should have the dollar properly valued and then such value stabilized. There can be no stability in prices or business until the thing by which we measure stability—the dollar—is itself stabilized. No economist in America disagrees with this objective.

REORGANIZATION BILL

Recently you have heard much of the reorganization bill. I received many telegrams and letters, some approving but most opposing the measure.

This bill authorized the President to abolish useless departments, consolidate others, thus reducing expenditures and decreasing the agencies in the Government. For 50 years this has been an issue. All agree that what the bill proposed should be done. The only question is: Who should perform the task?

Under our system all departments, bureaus, and agencies, save independent establishments, are placed under the Executive. The people elect the President; and, under the Constitution, "The executive power shall be vested in a President of the United States of America"; hence, the supervision of all executive departments rests with the President.

Under the Constitution all legislative power is vested in the Congress.

Under the American system the Congress passes laws and the President administers them.

All Presidents in recent years have recommended a reorganization and simplification of the executive department. President Hoover in 1932 so recommended, and the Congress gave him the power to reorganize his departments. He submitted his recommendations to be effective only after the Congress approved, and the Congress failed to approve. So the effort came to naught.

Again early in 1933 the Congress gave President Hoover renewed power to reorganize the executive departments. The power was conferred for only 2 years and extended into the Roosevelt administration. President Roosevelt assumed the power in the midst of the depression, and, while he accomplished much, the work was not completed.

The reorganization issue arose over the proposal to give President Roosevelt the power twice given to President Hoover.

I favor the abolishment of useless departments, the consolidation of others, and the simplification of the departments of our Government. I voted for both the Hoover bills. I voted to give President Roosevelt similar powers.

The protests reaching me came, in the main, from great executives of private establishments, executives who have made successes of their jobs. Notwithstanding such protests I was convinced that had they been thoroughly familiar with the issue they themselves would have favored the measure.

AGAINST WAR

Just now we are hearing much about war. Fortunately the wars are among foreign people and in foreign lands. No one here wants war, either at home or abroad.

Our people are against war. The Congress is against war. This administration is against war. I am against war.

This universal antiwar sentiment does not mean that we should not be and keep prepared for any and all emergencies.

We are now so prepared, and while I do not favor a large army and navy, yet I do favor the most efficient, the best prepared, and the best equipped army and navy in the world.

We do not pay money for fire insurance and do not keep and maintain up-to-date fire-fighting equipment because we want or even expect a fire, but such a policy is deemed a matter of good business.

I am supporting our National Guard and our national-defense program for the same identical reason that I carry fire insurance and support a modern fire department. Both are good business policies.

In the World War I tendered my services. I registered and waived all exemptions, but was never called.

I bought Liberty bonds, I assisted in the drives, and supported our Government on every occasion to the limit of my ability.

Again let me say that I am opposed to war. I am against war, but if war cannot be avoided, then I want available the maximum of protection and security for our people.

UNFINISHED BUSINESS

There is much unfinished business of great interest to Oklahoma pending at Washington.

Oklahoma has a claim for $125,000,000 to reimburse the State and its several counties and subdivisions for unpaid taxes on Indian lands and property.

This claim is pending before my Committee on Indian Affairs. Hearings have just been held. The claim will be considered and acted upon promptly. If the precedent set in Oregon and Washington is followed, Oklahoma will receive a large sum under this measure.

The Chickasaw and Choctaw Indians have a claim for many millions pending before the Court of Claims. A judgment should be handed down any day.

I am a member of the Appropriations Committee and will see that the judgment is promptly paid.

Many other tribes of our State Indians have claims totaling millions pending before the courts. As fast as these claims are approved I will be able to secure appropriations to pay such claims.

The Indians are entitled to have their money and I am urging immediate action.

Oklahoma was the first State to suggest the reservoir plan for flood control. We have many projects started and under way.

THINGS DO NOT JUST HAPPEN

Things do not just happen in Washington. Plans must be prepared and the proposals must be driven through the Congress and through the departments.

The legislation providing for the survey, the authorization, and the appropriation to build the Grand River Dam was presented by me in the Senate.

It took a 10-year fight to pay the soldiers the promised bonus.

It took almost as long to adopt a money policy now being followed by the other governments of the world.

SERVED APPRENTICESHIP

I have already served my apprenticeship, and when reelected I will be better prepared to serve and to secure results in the future than in the past.

OLD DEAL VERSUS NEW DEAL

Much has been said about the New Deal as against the Old Deal.

Under the Old Deal the Government was too much administered by and for the privileged few.

The New Deal is an effort to return the Government to the people, and, as thus defined, I am supporting the New Deal.

The Old Deal did not succeed. If the New Deal also fails, then some form of a dictatorship is inevitable.

Democracy has succeeded. Democracy can continue to succeed.

SUPPORTING ROOSEVELT

President Roosevelt was elected by 27,000,000 votes. He carried 46 of the 48 States. He is the only President during my service in the Congress who has given the small and average man the same consideration that he has given the strong and the powerful. He is our only elected leader, and I am supporting his policies and program.

In conclusion, so long as I remain a Senator, the democratic policy of the "greatest good to the greatest number" will be my guide, and the safety, security, and prosperity of the masses of the people will be my goal.

National Cancer Institute

EXTENSION OF REMARKS

OF

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 25, 1938

ADDRESSES AT THE PRESENTATION OF A PLAQUE BY THE CITIZENS OF THE STATE OF WASHINGTON

Mr. HILL. Mr. Speaker, under permission to extend my remarks, I should like to make mention of the impressive presentation this morning of a plaque on behalf of 40,000 people in the State of Washington to Senator HOMER T. BONE, of Washington, because of his fine work last year in drafting and introducing and assisting in the passage of the Bone cancer bill which created the National Cancer Institute.

I was asked by Mr. Ervin E. King, master of the Washington State Grange, to make the presentation to our Senator. I am proud to say that I have been a member of the Washington State Grange for 27 years and had the privilege of being State lecturer in 1922–23 and again in 1931–32.

In presenting Senator BONE with this beautiful hand-carved wooden case containing a letter from the President commending him on his fine work in connection with this bill together with the pen used by the President in signing this bill, it was my privilege to address Senator BONE as follows:

Senator Bone, Mrs. Bone, Dr. Parran, and members of the National Cancer Institute, and my colleagues from the State of Washington, ever since time began mortal man has suffered from incurable diseases. As Christian civilization has advanced the discoveries of science, the invention of surgical instruments, and the construction of hospitals have ameliorated conditions, prevented much illness, and prolonged life. The dread disease of this generation, the scourge of the twentieth century, is cancer. Of uncertain origin, with lingering pain, and with fatal certainty it reaches into our homes to take from us our loved once—too often it is our most treasured ones, our mothers.

There is no greater responsibility resting upon our Federal Government than the protection of its citizens and the promotion of the common welfare. Legislation to this end always has unanimous support. But the initial step must be taken by someone whose heart is in this public service. You, Senator BONE, undertook this duty when you introduced in the Senate the Bone cancer bill. Many others were instrumental in securing its enactment into law. May the results of this legislation be far reaching, beneficial, and permanently successful, and may your name be ever associated with this humanitarian measure.

In sincere appreciation of this splendid service which you have rendered, this plaque, purchased with the pennies of countless thousands in your home State of Washington, and containing a letter of appreciation from the President of the United States, together with the pen with which he signed the bill, is presented to you on behalf of the following: Mr. Ervin E. King, master of the Washington State Grange; James A. Taylor, president of the Washington State Federation of Labor; Ann C. Murphy, for the Women's Cancer Eradication Committee; Richard Francis, for the organizations affiliated with the Committee for Industrial Organization; Helen B. Dahl, Washington Women's Legislative Council; and Dail Harvey, for the Standard Railway Brotherhoods.

I consider it both a distinct honor and a great pleasure to present this token of respect and gratitude to you, Senator.

REMARKS OF SENATOR BONE AT PRESENTATION OF CANCER MEMORIAL PLAQUE, MAY 25, 1938

Congressman HILL and friends, I cannot tell you how sincerely I appreciate the spirit that prompted members of the Washington State Grange, the Washington State Federation of Labor, the Washington State Committee for Industrial Organization, members of the Washington State women's clubs, and members of the railway brotherhoods of my State to join in presenting to me this beautiful plaque containing the President's letter to me and the pen with which he signed the bill which created the National Cancer Institute.

That all of my colleagues in the House of Representatives and the able and high-minded men who are to be in charge of the work of eradicating cancer, should come to my office and join in the ceremony of presenting this to me is something I shall always hold in grateful remembrance. As I receive this plaque at your hands as the representative of the great army of people in my State, whose kindness and thoughtfulness are the occasion for this gathering, I know that I speak what is in their hearts when I express the hope that the institute created by this bill will bring renewed hope to the army of afflicted who live in the shadow of a great fear. For the first time the Federal Government has enlisted in an intelligent and purposeful fight on cancer.

The bill itself is a tribute to the membership of both Houses of Congress, since every Member of both Houses voted for its passage. I think the Seventy-fifth Congress is justly entitled to the gratitude of humanity. The Senate bill was unique in that every Member of that body joined me in introducing it.

Congressman MAGNUSON, Congressman BULWINKLE, and Congressman MAVERICK deserve thanks for the magnificent work they did in promoting its passage in the House of Representatives.

This manifestation of approval coming to me from the people of my own State touches me so deeply that I cannot express what is in my heart.

The ravages of cancer challenge the whole world. If the National Cancer Institute, under the direction of the scientists who are now in my office, can give humanity the answer to this great problem, these scientists will take rank among the great benefactors of humanity.

President Roosevelt told me that it made him very happy to affix his signature to the bill, because under it, all of the agencies of research will now coordinate their efforts in the war on cancer.

I know that all of you must realize how grateful I am and how much I shall always prize the beautiful object you have placed in my hands. Along with it comes to me leather-bound volumes containing the names of 43,000 farmers, workers, and women of my State who each contributed 1 cent to their committees to provide the memorial plaque and books of signatures which have been presented to me. To those who joined in the gift I shall always be deeply indebted.

REMARKS OF DR. THOMAS PARRAN, SURGEON GENERAL, UNITED STATES PUBLIC HEALTH SERVICE

Senator BONE, my colleagues and I deeply appreciate this opportunity of participating in the very impressive ceremonies here this morning. I am delighted that the citizens of your State, and particularly the children, should have used this very appropriate method of expressing appreciation for what you have done for the cause of public health in this country by sponsoring the National Cancer Control Act.

This act was unique in the legislative history of the Congress. Never before have all Members of the Senate joined in sponsoring any piece of legislation. This action is indicative both of the importance of the cancer problem and of the unanimous sentiment in Congress and throughout the country that the Government should assume a position of leadership in a concerted effort to solve this most baffling of all medical problems. I am sure that the precedent established by the enactment of your bill was a material factor in the recent passage, without a dissenting voice in either the Senate or the House, of an act authorizing appropriations for the prevention treatment, and control of venereal diseases.

You will be gratified to know that important studies already are under way through the generous provisions of your act. Of more importance is the fact that we have had the fullest possible cooperation from all of the scientific institutions and agencies in the country who are concerned with cancer research and control. Representatives from many of these institutions are collaborating with our scientists in an effort to formulate the soundest possible program of study. Each is willing to participate and to make a contribution which will be a part of a comprehensive and concerted program of research.

This administration has been responsible for many far-reaching social laws. It is possible that future generations may look upon

the National Cancer Institute Act which you sponsored as the most important contribution of this Congress to human welfare.

Much of the research heretofore done in cancer has led to negative results. These results are not without value. The problem is difficult. Progress will necessarily be slow. I hope the Congress will not be impatient for immediate results. Painstakingly our structure of knowledge needs to be built stone on stone, but we are hoping that somewhere, some day, possibly through the work of this institute, a scientist will put the capstone on our knowledge of this disease and give us the means to control it.

REMARKS OF DR. LUDVIG HEKTOEN, EXECUTIVE DIRECTOR, NATIONAL ADVISORY CANCER COUNCIL

Senator BONE, the National Cancer Institute Act which resulted from your initiative, in addition to providing for continuous, well-supported research under favorable conditions into the cause and nature of cancer, also provides for improvement in the direct application of knowledge, new as well as old, to the diagnosis and treatment of cancer. I wish to emphasize the great benefits that are coming to the cancer patient now from these wise provisions of the act.

REMARKS MADE BY DR. CARL VOEGTLIN, CHIEF OF THE NATIONAL CANCER INSTITUTE, AT THE DEDICATION OF A MEMORIAL PLAQUE TO SENATOR BONE, MAY 25, 1938

I am happy to be here today to express to you, Senator BONE, the appreciation of our group of cancer research workers for the splendid facilities provided by the National Cancer Institute Act. It has been a great encouragement to us in the Government service to obtain adequate financial support for a comprehensive and coordinative scientific attack on the cancer problem. On my visits to private cancer research institutions in universities and hospitals in different parts of the country I find that the passage of this act has had the same stimulating effect. The problem is an exceedingly difficult one. However, considerable progress has been made, and with the new facilities there is every assurance that progress will continue to be made in the years ahead at an ever-increasing rate. We shall do everything in our power to merit the confidence you have placed in us.

Standard of Wages and Hours of Labor

EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Tuesday, May 31 (legislative day of Wednesday, April 20), 1938

RADIO ADDRESS BY HON. ELBERT D. THOMAS OF UTAH, MAY 30, 1938

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting and timely address delivered on Monday evening, May 30, in the National Radio Forum by the distinguished Senator from Utah [Mr. THOMAS] on the subject Harmonizing the Wage-Hour Legislation in Conference.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Not very long ago I had occasion to draft the labor title in the Merchant Marine Act. It was done at a time when there was reported feeling between factions leaning toward the views of our American Ambassador to Great Britain and toward those of our Labor Cabinet member. The supposed difference of opinion was the news. When my amendment was ready there was a flurry among newsgatherers anxious to know whether the chairman of the Senate Committee on Education and Labor stood with Mr. Kennedy or Madame Perkins. When it was learned that the chairman did not leave the Halls of the Capitol for his ideas or his material the boys scratched their heads and then gave it up. They had expended all the energy they had on two plans. It was unreasonable to ask anyone to absorb a third. I suppose title 10 of the Merchant Marine Act was enacted with a minimum of fanfare for so historic an event as that of modifying the American labor code of the seas.

We are met with a similar situation. I could pray honestly for as good fortune. It is said that news is born of friction, but there is no need for congressional committees not to work in harmony. It is in this spirit that I approach consideration of the bill regulating wages and hours in interstate commerce. The Senate has a bill. The House has a bill. They are unlike and something has to be done about it. The task of bringing one bill out of the two that are offered is my responsibility. Therefore tonight I must give only a dispassionate consideration to my subject. My approach will be wholly one of explanation. I would not want, even if I could, to shock newspapers into headlines, industry into disruption, labor into disappointment, or business into recession.

I approach the subject in the spirit of evolution, not revolution, mindful that history's pages are filled with evolutionary gains and revolutionary disappointments. In our own present era of Democratic control our greatest successes have resulted from pouring legislative concrete into footings before erecting a building. We were met with an emergency, however, and at least once we built a structure wholly on sand. It was a splendid edifice, but it was blown away without even the mooring of a single dissent. It had a revolutionary beginning and met with a violet end. I refer to the National Recovery Act. It simply had too much in it. Many of us have wished that we had been able to retain some of its features. We may recapture them, or some of them. Its benefits during its brief reign included the raising of standards of living through shorter hours in industry and a better rate of pay. Those benefits sound familiar to us now as we contemplate the wage and hour bill. After the Federal aid to education bill, this bill is by far the most important piece of enduring legislation to face this Congress, and we must study it as such. It would not pay to invade the subject ruthlessly and enact any old bill just to get out and get home. We must, too, have in mind the speculative constitutionality or unconstitutionality of what we are doing. The reaction is greater than the affirmative action if we have a going Government concern wiped out with the stroke of a pen.

Therefore our problem is not to get a bill passed but to agree upon a bill which will work, which will attain its objects, and which will be constitutional.

I am the type of Democrat who attempts to live up to the philosophy that, generally speaking, the best governed people are the least governed, and that accordingly government comes out of necessity and not simply a desire to rule. It would be wonderful if industry and labor could and would settle the wage-hour problem without Government interference. That I would apply this principle and leave the Government still out of it as much as possible will appear a few sentences later on when I discuss the jurisdictional clause of the bill. But more than this, I would have this spirit permeate the bill. It is my thought that we may do all that any reasonable person wants to do, and yet do it in such a way that there will be no violent collisions, and in such a way that we may reemploy and not disemploy men and women in industry.

One of the reasons why industry and labor cannot take care of their own problems is that our Nation is so complex economically as well as politically. It is a big Nation for its years, and in many ways is extremely backward. Labor now is organized, but has not long been organized, on a Nation-wide scale, and industrial concerns, similarly organized, have kept pace with or led labor in becoming a national unity.

I am not unmindful of the fact that in many industries workmen are paid more than the minimum suggested in the Senate bill, and in others workmen are paid less than the minimum suggested in the House bill. The first is 40 cents an hour provided it does not result in disemployment. The second is 25 cents an hour whether or no. If it is true that to suggest a minimum is to fix the maximum we should be careful not to set our sights too low.

I will be quoted tomorrow as saying there is a difference between the North and the South. This will be most unfortunate and will show that men are waiting with a tag or label to place on someone for his merest utterance. There is not any difference between people in the North and the South. They are our folks in either event. They are people, equally entitled to a ceiling over hours and a floor under wages, and equally entitled to a decent standard of living. Their employers are entitled equally to keep smoke in their stacks and men on their pay rolls, and equally entitled to at least a sporting chance to keep out of receiverships. Up to now every possible kind of condition has endured in every possible kind of community and every possible kind of industry and this situation has made us the economic United States that we are. A little later on I will say a few words about our Territorial problems and the situation in the Territories. We must not forget Puerto Rico's 1,800,000 population, for instance. I have often thought, though, that if one community or its representative landlords would let me have a spacious apartment beautifully furnished for a small rental, another community should do as well, and that if I could go into a western restaurant and eat heartily for a few dimes I ought to be able to in other sections. Try as we will, we cannot arbitrate whole sections into exact duplicates of one another. What we can do is set a high goal and work to it. I, therefore, favor setting a 40 cents an hour wage level for all sections of the country and permit sections and industries to show cause as their turn comes why they should be exempted from its terms.

Before proceeding with a formal comparison of the Senate and House wage-hour bills, let me summarize the purely theoretical part of this talk, as follows: The enactment to come, if one does come, will be congressional in origin, and industry and labor need not distrust it, for it will be Congress' work for the good of each; the Senate and the House are not necessarily pitted against each other, and we who are to be conferees will not attack our task in this mood; that the gods of luck should smile on that side with the

best labor philosophy when the two come to agreement after their differences; that it should be remembered that each wants to do the same thing, and that a progressive spirit motivates us both, and this being true, it should not be difficult to get together; that we are writing a bill that will certainly go to the Supreme Court at an early date; that in aiming at a level standard of living we should appreciate that there are no levels today; that under no circumstances should we deliberately disemploy men and women; and that we ought to set our standards high and try to live up to them.

The following discussion and comparisons leave the realm of history and theory and are hard, practical facts.

The first point of controversy is with respect to whether a wage and hour law, or, as it is entitled, "A Fair Labor Standards Act," should be administered by a board of five persons, constituting what might be called an independent office, such as the Federal Trade or the Interstate Commerce Commission, or whether the administration of the law should be under the Secretary of Labor. The Senate has favored a board; the House has favored the Secretary of Labor as administrator.

Before we hasten to answer we must see the effect of either. The administrative authority, whichever one it is, will not have wholly administrative powers. There will be a delegation, if not of powers, then of rights to execute those powers, and there will be a delegation, if not of legislation, at least of authority to impose or restrain the legislation; in other words, to use discretion. Now, whenever one mentions the term "a delegation" before a group of lawyers, he starts an argument. There is no fine line of constitutionality, and there is no way I may say with definiteness that a delegation will or will not be upheld as being constitutional. I may say with truth that the courts will fix a searching eye upon any paper carrying with it what might be termed "a delegation." The theory is, and very properly, that Congress will do its own legislating. Yet it is inescapable that whatever other duties a fair labor standards board has, they will be partly legislative. It is true that they will be partly judicial as well. We must scan the record then for some enlightenment respecting the question whether it were best to give the powers to a board or to the Secretary. The records show that not a single example of suspected delegation to a truly independent board has been found unconstitutional on this ground. The court may well have, among other things, to consider whether these quasi-legislative person or persons are under the direction of the executive branch of the Government, and more specifically of the President. Let us assume that a person or group exercising legislative functions must be free, at least free of all except the parent legislature, which is the Congress. An independent board may be created which is free, as we learned in the Humphreys case. We learned it from another angle, but the implication is clear. Moreover, I think there is little doubt that its discertion should be real in matters such as are proposed for it to decide, such as, for example, the question of permitting an industry or community to modify the ruling that its workmen must be paid 40 cents an hour. This brings us to the second point of controversy, which may be answered with the answer to the question: Should the administrative authority have any discretion?

The Senate bill as enacted many months ago answers "Yes." It goes further. It says that the discretion should be rather liberal. It says in effect that we are experimenting on something almost as sensitive and synchronized as a watch when we are experimenting on industry, and that we ought to feel our way, not as a person groping through darkness but as one who is climbing a stair, sure of his every step as he takes it, not in a stumbling or halting manner but in a firmly progressing manner; in other words, we of the Senate disclaim that there are no teeth in our bill simply because there is a discretion. We say that if a given industry or firm is not paying its employees 40 cents an hour it must then pay its employees 40 cents an hour or show clearly that to do so would cause dismissal of men or women. Once the proposed board has made a finding to the effect that raising wages would not disemploy men or women, there is no alternative but to require this standard be paid. It is provided that disobedience will entitle the board to prevent goods from crossing State lines by injunction. Is this not a set of teeth for the labor bill? It is surely a firm beginning. There is nothing weak or ineffective about the Senate proposal. Labor stands to gain everything and lose nothing. And industry stands to lose nothing.

Against this discretion is the rigidity of the House bill, which provides for 25 cents an hour wage minimum in every unexempted industry, provides for fewer exemptions than does the Senate, and provides further for a scale of yearly raises in the minimum wage. I am not so much worried about an industry having to close its doors rather than meet this wage as I am the effect of hinting that 25 cents an hour is what labor is worth. We mention a minimum and it becomes the maximum. Such is the history of price and wage fixing. The House proposal is terribly strict, and it has the sharpest kind of teeth, and compared with the Senate bill it is rigidity itself, but is it a contribution to labor development? I grant that there are many industries paying lower wages than 25 cents an hour, but if the administrative secretary under the House bill may catch up with them, so, too, may the board under the Senate bill, which would scarcely think of requiring as much as 40 cents an hour in most industries and excuse a particular industry from living up to as much as five-eighths of the standard rate. It is safe to say that, given a year of the board's administration, there would not be an industry in the country paying less than 25 cents an hour for work, while mostly they would be paying 40 cents an hour. Let us answer this by passing on to the next point of discussion as between the Senate and the House bill. It is on the question of jurisdiction.

The House bill provides that the Secretary of Labor should make an inventory of industries and then would go ahead. As I read the measure jurisdiction is general and not particularly either an issue or point. I do not want to minimize this legislation, for if I am persuaded in conference I shall fight just as hard for it on the floor as I would for my own bill, and this is true of any other conversion that might come to me in conference on any of these points. But having introduced the jurisdictional clause into the Senate bill myself I am quite warm to the idea of letting as much of industry alone as possible. This easily may be done under the Senate plan. It is simply that Government has not anything before it when a concern already is found to be paying its employees 40 cents an hour and working them only 40 hours a week. Here we have the let-alone theory working, no hearings, no witnesses, no peremptory orders, no red tape, and no tape of any color. It is my thought, and I believe it is the accepted thought that if a company were paying 35 cents an hour, it would gladly increase this amount to 40 cents and keep the Government out of its business. It would be worth the extra nickel to be unregulated. The same conclusion is valid for the House provisions also. This, then, is the jurisdiction clause. Once, however, that jurisdiction is taken for lack of this standard of pay roll, or hours, is the Government a heckler under the Senate plan, at least? Not at all, for if a decent showing may be made, a given industry will save itself from dislocation. It is my thought that where exceptions are necessary they will be made, but if all industry wants at a moment to resolve that it can pay if everyone else will and thus increase the standard of living generally, and will accept this law as a patriotic proposition, the only people the board will have to deal with will be the chiselers and those who really cannot, at least for the first few months, meet a higher pay roll without disemploying persons and curtailing their output. We have then in the measure a good insurance against a recessive trend.

There is little contrast in the matter of hours of work. There is no question but that some labor works long arduous hours, and to no purpose except that in almost every community will be found a sweatshop to set the pace. Recent research into the subject of fatigue would indicate that an industry could ignore the pace set by a sweatshop and still retain a profitable operation, but there is the tendency to follow a poor lead, and many believe that they have to keep up with the worst lead, however much it hurts them to do so. Therefore, the Senate bill proposes 40 hours a week maximum be attained as soon as it can be without dislocating industry. The House bill proposes 44 hours a week maximum to be scaled down to 40 in subsequent years on an absolute basis. There is no essential difference if one happens to have been working 60 hours a week or more. Either would be a heaven-sent gift. A 40-hour week ought to provide a 2-day vacation a week in many industries, and stimulate motor travel, provide adequate rest, recreation, and culture, and distribute employment over a wider range. I know of large employers who adopted the 5-day week during the N. R. A. and never have returned to the 6. Their employees are blessed. The concern I have in mind is making plenty of money, and I think has not lost any during the recession.

We have special problems when we consider certain types of industry. We have the case of the single miner on a hill in a sparse State who would rather work longer hours, has nothing to do in his shack anyway, wants to make a stake and return out of the hills to his family and spend some time with them before going back to the hinterland again. We may mention those miners who are snowed in for weeks at a time in our high mountains. These are real cases. They have been called to my attention, and I take them seriously. There are the problems created by seasonal employment, and being from a Western State I could mention canning and sugar refining. There are the necessary exemptions, perhaps to the child-labor clause, one of which will be found in each bill, exemptions to take care of the Shirley Temples, and the children of Farmer Brown who help him in the garden. Responding to the spirit of dislocating industry not at all and making every clause in the Fair Labor Standards Act a sure gain, I believe that we can effectively stop the kind of child labor which has made all our hearts grieve over man's ability to impose such burdens on children without ridiculously depriving a child of the pleasure he has of helping with the light work in the garden or she has of helping mother with the dishes. The rule of reason must apply here as elsewhere. Despite the cry for an early closing of Congress, there is no one, I am sure, on the slated conference committee who has not the time, and will not take the time, to see this thing through right.

As I have intimated, I am not much concerned with the exemptions. They must not be so many that labor will be discouraged or disgusted. They must not be any greater in volume or amount than to make up the invariable exception that proves the rule—the rule being in this case universal wage and hour levels at a fair standard throughout America.

Our minorities, too, may easily fall within a discussion of exceptions and exemptions. I do not think that the people of our island or peninsular territories and possessions are beasts of burden. They are folks, too. They have not been treated as much like folks as those of the States, and for this reason, and only for this reason—a sudden veering would be a dislocation. As in the States, this

must not happen. The discretion of a fair labor board seems almost indispensable when we consider the current labor conditions in territorial America. A blanket rule for them might mean disaster over a whole community. It is not my fault that this is so, and perhaps it is not the fault of any individual listening tonight. Perhaps, like Topsy, our conditions off the continent, as here, just "growed," but they are there, as they are here. It would serve the responsible parties right if we did step in and ruin their industries if they have been sweating labor for practically no wage. But a sudden jar would punish the innocent as well as the guilty. I am not trying to stir anyone up against conditions anywhere, but if there is semiserfdom in any of our possessions it will not help matters any to say with suddenness that hereafter all these wage earners are to get 25 cents an hour, particularly if the employer cannot pay it.

These matters are the edges of any bill. My only point in bringing them up is to show that we always have a problem in exceptions. Labor is rightfully distrustful of any exceptions and any exemptions. Labor has seen the making of exceptions and exemptions abused in many fields, no doubt, and I admire it for its stand, if it has taken a stand, for rigidity. But labor is not incapable of recognizing a friend. Labor, often betrayed at and after the polls, is wondering and uncertain, but is not calloused, I trust, to at least the current administration and Congress. We have to trust someone in this world, and we may as well begin with a fair-standards board if it is selected by a man and confirmed by a legislative body which believes in fair standards—I repeat, we may as well begin with such a board, if the subject is fair standards of labor.

I am not, in fact, worried about labor support. Labor knows that whatever wage and hour bill is enacted it is the beginning of a new era, and if it is only a beginning it must be on such sure and safe ground that it will not invite an immediate repeal, as have some bills on other subjects in the past. We do not want to go backward, ever. I can see in the product of the combined bills, as it comes out of conference, if we have been inspired meanwhile, healthier, happier children, more luxuries, a stimulated production, greater purchasing power, and a contribution toward the thawing out of a semifrozen condition in business and industry today. I can see, too, a spread of work under more satisfactory conditions.

I have repeated much lately that my conception of the Constitution of the United States was one which recognized that great document as being the companion of the people in the accomplishment of their objectives. Surely the Government, operating under that Constitution, must be that also. Could there be a worthier cause for any companion to attempt than to try to better the conditions of his fellows? The wage and hour law viewed in this light makes it an almost sacred instrument in the attainment of the worthy objectives of better conditions for all the people. You may rest assured that none of us sense the responsibility facing us lightly.

Is Our Country on Brink of Destruction? Are 500,000 Uniformed Nazis and Millions of Parading Communists With Red Flags Ready To Overthrow Our Government?—Editorial of the Baltimore Evening Sun

EXTENSION OF REMARKS
OF
HON. MAURY MAVERICK
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 31, 1938

Mr. MAVERICK. Mr. Speaker, last week this House adopted a resolution to investigate the German-American Nazi Bund, and un-American activities.

Boiled down, the allegations or implications seem to be about as follows:

That there are about thirty-odd Nazi military camps; information concerning which we have no conception of, and which is shocking; there are some 500,000 German-Americans who goose-step, heil Hitler, place the swastika above the Stars and Stripes. That, in case of war, we would have to fight this military group—larger than the United States Army.

That the Communists are much more numerous—that millions upon millions of them are parading our public streets with red flags seeking to undermine our Government. Further, because of the Communists, the mail of the United States is no longer safe; that the heat, light, water, and power plants are at the mercy of Communist spies, and that Departments of Government are honeycombed with them; Moscow, upon a certain date, has issued orders to these marching and parading millions on our streets to enlist in the armed forces of the country.

That a Nazi boldly advocated the murder of the President at one of the German-American bunds, or military camps.

These are only a few of the allegations in a tense day of what I believe to be hysteria, or a lynching bee of common sense. Obviously, if the allegations are even partially accurate, the country is on the brink of bloody revolution; and "revolution" and "overthrow of Government" were mentioned several times.

If the allegations are true, the Army should be immediately mobilized. As for the murder of the President, the Secret Service say there is nothing to the charge; and I trust them. God grant that even the indirect suggestion will never occur.

Personally, I believe the people of this country, native and foreign born, are patriotic, and that the situation is monstrously exaggerated. I believe the patriotism of the people, the local and national peace forces will keep order. More, I believe if the extreme conditions exist that have been alleged, that this Congress should stay in session as in the World War, and act to save the Republic and the President's life, instead of rushing home for elections.

"BAD MOVE" (NAZI INVESTIGATION)—BALTIMORE EVENING SUN

I desire to here insert an editorial from the Baltimore Evening Sun concerning the investigation:

The Dies resolution, providing for the investigation of un-American propaganda in this country, is plainly aimed at the Nazis.

The resolution is a bad one. We hold no brief for the Nazis. Their swaggering and goose-stepping in fancy shirts look to us exactly like the swaggering and goose-stepping of the Ku Klux in nightshirts.

But just as we maintained the right of every American to make a jackass of himself by parading in a 98-cent nightshirt, for which he had paid $10, so we maintain the right of every man to make a similar jackass of himself by parading in a Sam Browne belt and riding breeches. Hurrahing for Hitler is just as legal as hurrahing for imperial wizard.

Maybe the Nazis and the Ku Klux are both dangerous, but we doubt that either is very dangerous, and we are certain that both combined are not half as dangerous as would be any official attempt to suppress them. True, the Dies resolution does not provide for suppression, but inquisitions of this kind have a way of turning into repressive movements.

In any event, danger is not the touchstone. It is dangerous to be free, but in our opinion it is worth the danger.

However, the resolution has passed, and the investigation will be held. So I desire it to be of record that I will cheerfully do everything in my power to have a full, complete investigation, and will vote for sufficient funds for the purpose. But I have here recorded some of the allegations in order that those of us who are reelected will read the report, and then decide whether the charges are true or not. I hope, also, we will look back upon our act with detachment, so that we may decide whether it was done in a calm moment, or a moment of hysteria.

Minimum Wages and Maximum Hours

EXTENSION OF REMARKS
OF
HON. JOSEPH F. GUFFEY
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Tuesday, May 31 (legislative day of Wednesday, April 20), 1938

LETTER FROM BERNARD M. BARUCH TO THE NEW YORK TIMES

Mr. GUFFEY. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD an open letter from Mr. Bernard M. Baruch to the New York Times, as it appeared in that newspaper of yesterday.

I do this with the hope that many of my southern friends and colleagues will find time to read the letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Times of May 30, 1938]

MINIMUM-WAGE BILL FAVORED—MR. BARUCH BELIEVES CONGRESS SHOULD SET LIMITS FOR PAY AND HOURS

To the EDITOR OF THE NEW YORK TIMES:

In the hope the following may add something to the discussion on minimum wages and maximum hours, which I have always advocated, I quote from a part of the testimony which I gave before the Special Committee of the United States Senate to Investigate Unemployment and Relief, on February 28, 1938:

"The principal problem of Congress and the country is to get people back to work again in normal jobs. The relief rolls are no solution of our unemployment problem. There will be no solution until the jobless are absorbed in private industry.

"In line with my belief in moving against 'uneconomic' areas, I have always believed in a floor under wages and a ceiling over hours. The first plunge into depression is always accentuated by a lengthening of hours and a lowering of wages. That is deflationary. It is never sufficiently compensated by a lowering of prices to offset its deflationary effect.

"If maximum hours and minimum wages are in effect and equable through all industry, the effect on no single competitor is harmful. But if employers are permitted instantly to compete for dwindling business by slashing wages and lengthening hours, more humane employers have no alternative but to follow the same practice or get out of business. This stabilizer of maximum hours and minimum wages on our economic engine seems to me a necessity of our times.

"In the shortening of hours to spread work, unless weekly wages are maintained, I have never been able to see anything more than a forced contribution to unemployment relief by the class least able to stand it. Of course, for limited periods it is better than wholesale discharges, but it is no cure for the unemployment problem.

"I am opposed to setting up an administrative board with power to fix maxima and minima in their discretion in different industries or different localities. I believe that Congress by its own act should set those limits, with reasonable differentials to cover established differences in various production areas. A board should then be permitted, within limits laid down by Congress, to vary the established hours and wages to cover emergencies and unanticipated cases of unusual hardship and to give the flexibility that is necessary in the application of any set rule to the infinite variety of individual cases in a pattern so broad and complex as the industrial fabric of America."

BERNARD M. BARUCH.

NEW YORK, *May 27, 1938.*

Flood Control in the Eighth Congressional District of Louisiana

EXTENSION OF REMARKS

OF

HON. A. LEONARD ALLEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 31, 1938

Mr. ALLEN of Louisiana. Mr. Speaker, I desire to discuss briefly what I have accomplished in the way of flood control during the little more than a year that I have been in Congress. Although I have worked diligently for the entire State of Louisiana, I shall confine my remarks largely to my accomplishments on this matter in the Eighth Congressional District, which I have the honor to represent.

Soon after I came to Congress I was appointed a member of the important Flood Control Committee of the House, a position which is very vital to Louisiana and of very great concern to many people in the Eighth District. I immediately set about to get all the help and legislation that I could for our flooded areas. Last year it was not possible to get any bill through affecting the lower Mississippi River and the Red River. The President requested and urged that such legislation go over until the present session. Accordingly we have been holding hearings in the House Flood Control Committee for more than a month. The object was to secure information to enable us to write a comprehensive flood-control bill for the entire Nation. We brought out a bill which has now passed the House and is before the Senate and I trust that it will pass the Senate without material alterations. Because I was a member of the committee and because I kept fighting hard for adequate flood protection, I am happy to say that I obtained many good things for our people. I desire to give below an outline of these accomplishments.

1. GRANT PARISH, COLFAX, CAVING SITUATION

The town of Colfax has been caving in Red River for the past few years. The Government undertook to correct this situation a year or so ago, but did not go far enough. I visited Colfax a few weeks ago and saw the destructive forces of the swirling water. I came back to Congress determined to get an authorization for this work if it was at all possible. The matter was most difficult because of the fact the water remained up all the time. The Army engineers declared they could fix it for $50,000. I did not stop until I got that item written into the bill.

2. GRANT PARISH, COLFAX-BAYOU DARROW LEVEE

This levee project had engaged my attention since I first came to Congress, but, as stated above, I had no opportunity last year to do anything about it because we could secure no bill. When we began to write the new bill recently I took the first opportunity I ever had to secure this. The bill authorizes the $71,000 which the engineers say is sufficient. This levee, when constructed, will protect over 30,000 acres of the finest land in the world, some of which has been overflowed from one to three times this year.

3. MORGANZA FLOODWAY

The new bill calls for the early construction of the Morganza floodway. This is of particular interest to citizens of Avoyelles Parish and the lowlands of La Salle Parish, but it also vitally affects many parishes in other districts. I am not an engineer, and on the effect of this project I must speak from what the engineers and others tell me, but the engineers say that Morganza floodway, when completed and in operation, will greatly reduce the Red River backwater area and other flood conditions in Avoyelles and other parishes. Avoyelles Parish is one of the garden spots of the world, and it has been my great desire to remove as much as possible that ever-present flood menace. As to the effect of this floodway upon Avoyelles Parish, I quote below from a statement recently made by the Honorable Gaston L. Porterie, attorney general of Louisiana, and a life-long resident of that parish:

> The Morganza spillway in operation will reduce flood heights in the Tensas Basin 6 to 8 feet. It means that much less water in our Avoyelles Basin. The Morganza spillway, in my opinion, means that all of the lands that were attempted to be tilled by us on the lower Red River and lower Bayou des Glaises will be free of overflow in the future.

It is gratifying to me to see this statement from the able attorney general who knows conditions in Avoyelles so well, because if he is correct this certainly will be one of the greatest blessings Avoyelles Parish has ever had, and I am very happy that I was able to have a part in bringing it to them.

4. BAYOUS RAPIDES, BOEUF, AND COCODRIE

The new bill has a provision calling for a survey of these bayous with the view of protecting the lands adjacent thereto from excessive water. I hope that we may be able to get a favorable report from the engineers and that we may be able to get proper drainage and flood protection for this vast area. This will be a wonderful thing for Rapides Parish. Mayor Lamkin, of Alexandria, wired me with reference thereto, as follows:

> Your request for survey drainage project Rapides Parish will be a Godsend to our city and parish.

If we can secure a favorable report on this project, it will be one of my major objectives in future sessions of Congress to do my best to get this protection for this area.

5. AVOYELLES PARISH, MONCLA-JOHNSON BAYOU LEVEE

I have been working on this project for a year also. Last fall I personally inspected this section and saw the great need of it. I immediately contacted the proper officials and I am happy to advise that Colonel Tomkins, United States district

engineer of New Orleans, advised me personally and in writing that this levee would be constructed.

6. NATCHITOCHES PARISH, LEVEE WEST SIDE RED RIVER

This work has long been needed. It appeared a few weeks ago that it would not go through, but the controversy was brought to the attention of Senator OVERTON and myself and the difficulties were ironed out, and I know of no reason now why the work should not go on to completion.

7. DENISON DAM

Now, in addition to these projects actually in the Eighth District, I desire to say a word about the building of Denison Dam on Red River in Texas which is also provided for in this bill. I mention this for the reason that all of the engineers testified that the building of Denison Dam would greatly help to prevent overflows all the way down the Red River Valley. If this is true, every citizen living in the overflow sections on Red River in Winn, Grant, Natchitoches, Rapides, and Avoyelles Parishes ought to be greatly interested. In fact, while the engineers testified that Denison Dam would benefit other States also, Louisiana, they estimated, will get two-fifths of all the flood benefits from it.

In conclusion, let me say there are other flood projects in other parts of the State, but I have mentioned only the ones either actually in the Eighth District or which will greatly help the district. I am glad that I have been able to bring about these accomplishments. There is no question but what great and lasting good will come as a result of the completion of these projects. The people of the Eighth Congressional District are appreciative of these accomplishments, and in behalf of them I want to thank the committee and the Congress for the cooperation given me.

Utilities and the Spending Program

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Tuesday, May 31 (legislative day of Wednesday, April 20), 1938

ARTICLE BY ARTHUR KROCK, IN THE NEW YORK TIMES

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article by Arthur Krock, published in the New York Times today, making reference to the joint resolution which is now under consideration.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IN THE NATION—SOME DOLLAR EFFECTS OF FEDERAL POWER COMPETITION

Recent discussions in this space of the adverse effects on recovery of section 201 of the spending bill, now before the Senate, have evoked much correspondence. The following excerpt from one letter illustrates the type of citizen most affected by section 201, which would permit both loans and gifts (to municipalities) for the purpose of erecting power plants to compete with existing private facilities. As the letter discloses, it is not greedy financiers and "Tory" utility managers who bear the chief burden of the threat of section 201:

"You express surprise that from the millions of investors in securities in this country the Congress is not being bombarded with reference to section 201 of the pump-priming bill. I think if you will reflect, you will understand the reason. * * * The vast majority of these investors are women, and middle-aged and old women at that—widows—for utilities, before 1933, were considered the very best investments for people of this kind.

"They are not the type to write to Congress. I myself have sweat blood to lay something aside for my old age. What little I have is in ——— ———, and you know what happened to that."

The system named by this Baltimore woman is one that has felt the head-on impact of Federal competition in two sections of the United States. It should be integrated in the public interest, but its management is amenable to that. If section 201 is amended by Congress to assure that none of the properly regulated plants of this system will face the threat of duplication unless a fair public purchasing offer is refused, its investment value will at once turn upward; and the writer of the above letter and many others like her will not see the continued dissipation of their savings.

TIME FOR REPAIRS

These investors are not reactionaries, "doubting Thomases," or rich, hard-hearted persons who think the poor should eat cake. Most of them who have written to this correspondent say they voted twice for the President, sympathize with the ends he professes, and would vote for them again if the New Deal will come to reasonable terms with industry. From another:

"Now that the President has protected investors like us from future utility management abuses, why should he not consolidate his victory in our interest?"

If the administration insists on section 201 as it stands, this woman's final question will still lack an answer. Doubtless the Hale amendment—forbidding the use of new money under any circumstances—was too broad. Doubtless, reservation must be made for instances where a fair price is offered for a private plant by a public group, the fair price to be determined fairly, and not by a partisan of section 201, as the Barkley amendment would provide by naming Secretary Ickes as arbiter. But the administration command to Senators to put back the section into the bill in its original form is a bugle call to prolong the Government-industry war. It should be disregarded.

AN INSTANCE OF INJURY

A memorandum, purporting to give a specific example of the adverse effect on a utility company of Government-financed competition (far from T. V. A.), has been received by this correspondent. True, it is from utility sources. But such check of figures as has been been made possible supports them. If any of the following statements are incorrect, they will, on proof, be corrected in this space.

The Texas Electric Service Co. serves 88,000 customers in 113 communities in northern and western Texas. The heart of its system, 380 miles long, is Fort Worth, which is 170 miles transmission line distance northeast of Buchanan and Inks Dams. These are two of the five dams included in the lower Colorado River authority project, created by Texas, November 13, 1934. Hydroelectric generators with a total of 37,500 kilowatts of rated capacity are installed at the Buchanan and Inks Dams and installation of additional units has been under discussion. The authority has been financed by $25,000,000 from the Federal Government, of which $10,500,000 is in a loan and $14,500,000 is in gifts.

Late in 1937 private companies in this region sought to purchase excess authority power, offering to pass on benefits in the form of rate reductions. But Washington has never approved.

The city of Fort Worth, January 26, 1938, took action to cancel on September 1, next, its contract for street lighting and water pumping with the Texas Electric Service Co., and has employed the Federal Power Commission to prepare an estimate of the cost of building a distribution system to compete with the existing privately owned one. On January 11, 1938, the Texas Electric Service Co. bonds sold at 100½. By March 30 they had declined to 82⅜, representing a loss to investors of about $6,100,000. In the same period, the preferred stock dropped about $1,200,000 in value.

The citations above appear to be an overwhelming argument for the strong restriction of section 201 in the interest of the general welfare.

Minister Charges Force Behind Wage and Hour Measure Is Encyclical of Pope—Writes Letter to Maverick, Who Replies—Keep Religious Prejudice Out of Politics!—It Is Irrelevant, Anyhow

EXTENSION OF REMARKS

OF

HON. MAURY MAVERICK

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 26, 1938

LETTER TO HON. MAURY MAVERICK AND HIS REPLY

Mr. MAVERICK. Mr. Speaker, I recently received a letter from a minister in Sugar Land, Tex., criticizing the wage and hour measure as being fostered by the Pope and the Catholics. I have obtained the unanimous permission of my colleagues to insert this correspondence in the RECORD.

I regret the injection of the religious issue into the matter of wages and hours; but I here insert the letter I received, and my reply thereto:

W. B. BILLINGSLEY, PASTOR, FIRST BAPTIST CHURCH,
Sugar Land, Tex., May 17, 1938.

To Members of Congress and Ministers of the South Who Are of the Protestant Faith:

The writer, being pastor of a church in a thriving industrial and agricultural community, concerned himself in the matter of Federal regulation of hours and wages of labor when propaganda first began to flow out of Washington in behalf of this legislation.

When a thorough investigation conducted among wage earners, farmers, merchants, and employers in his own community and other localities throughout Texas and the South failed to reveal the existence of any public demand for a Federal wage and hour law an exhaustive study of the matter was undertaken. The CONGRESSIONAL RECORD revealed two outstanding facts:

One was that a group of approximately 100 southern Protestant Members of Congress had consistently resisted all efforts to enact this type of legislation. The other was that an equal number of Congressmen of the Roman Catholic faith had as stubbornly fought for its passage.

Further research developed the information contained in the attached brief in substantiation of the following facts and recommendations:

First. The driving force behind the agitation for wage and hour legislation is the encyclical letter of Pope Leo XIII entitled "Rerum Novarum," and the principal sponsors of this legislation in Congress are those who are swayed by papal authority.

Second. Every Member of the United States Senate who is of the Catholic faith voted for the Black-Connery wage and hour bill and 99 of the 100 Roman Catholic Members of the House of Representatives have consistently supported wage and hour legislation.

Third. That further consideration of this religious-political issue be postponed until the new Congress is elected in order that church groups not amenable to pontifical proclamations may be accorded a hearing before the proper committee of Congress.

Fourth. That in the meantime a campaign of education be conducted among our various constituencies in order that the public and our Representatives in Congress may become more fully informed with respect to the proposed legislation and its sponsors.

If the sentiment herein expressed meets with your approval it is urged that you communicate with your Senators and Congressmen in Washington immediately.

Respectfully submitted.

W. B. BILLINGSLEY.

The following is attached to the letter of Rev. W. B. Billingsley:

POPE LEO XIII ON QUOTING LABOR LEGISLATION

"The first concern of all is to save the poor workers from the cruelty of grasping speculators, who use human beings as mere instruments for making money. It is neither justice nor humanity so to grind men down with excessive labor as to stupefy their minds and wear out their bodies. Man's powers, like his general nature, are limited, and beyond these limits he cannot go. His strength is developed and increased by use and exercise, but only on condition of due intermission and proper rest. Daily labor, therefore, must be so regulated that it may not be protracted during longer hours than strength admits.

"Let it be granted, then, that, as a rule, workman and employer should make free agreements, and in particular, should freely agree as to wages; nevertheless, there is a dictate of Nature more imperious and more ancient than any bargain between man and man—that the remuneration must be enough to support the wage earner in reasonable and frugal comfort. If through necessity or fear of a worse evil, the workman accepts harder conditions, because an employer or contractor will give him no better, he is the victim of force and injustice. In these and similar questions, however—such as, for example, the hours of labor in different trades, the sanitary precautions to be observed in factories and workshops, etc.—in order to supersede undue interference on the part of the state, especially as circumstances, times, and localities differ so widely, it is advisable that recourse be had to societies or boards such as we shall mention presently, or to some other method of safeguarding the interests of wage earners; the state to be asked for approval and protection."

In commenting on the encyclical letter of Pope Leo XIII on the condition of labor, from which the above is taken, Rev. Francis J. Haas, Ph. D., in a recent address, Rights and Wrongs in Industry, said:

"The clear statements of the encyclical require that jobs be shared, that the length of the working week be reduced to the point where all will be provided with an opportunity to work, and that wages be high enough to enable every industrious wage earner to come to at least a moderate ownership of property.

"With reduction of hours, however, there should be no reduction of wages but on the contrary, an increase, especially among the unskilled and semiskilled. Otherwise they will not be able to buy the products of other workers and unemployment will be increased. Under existing conditions this means the universal enforcement of a 30-hour week."

• • • • • • •

A group of approximately 100 Southern House Members have opposed it. These Congressmen are all of the protestant faith.

The original author of this measure was Congressman Connery, of Massachusetts, a Catholic, now deceased. His brother was elected to his place.

The author of the wage and hour bill, now before the House of Representatives and which comes to a vote during the week of May 23, is Mrs. MARY NORTON, of New Jersey, also a Catholic.

This bill has been buried in the House Rules Committee since last December but was recently revived and forced to a favorable place on the House calendar through a petition circulated by Mrs. NORTON. The required number of signatures, 218, which is a majority of the House membership of 435, were obtained in record time.

There are 100 Roman Catholics in the present House of Representatives. Eighty-two of them signed the petition reviving the wage and hour bill.

The following is a list of the 82 Catholic Congressmen who signed the Norton petition:

CALIFORNIA

1. J. F. Dockweiler, Los Angeles.
2. E. V. M. Izac, San Diego.
3. John J. McGrath, San Mateo.
4. John H. Toland, Oakland.
5. Richard J. Welch, San Francisco.

CONNECTICUT

6. William J. Fitzgerald, Norwich.
7. James A. Shanley, New Haven.
8. J. Joseph Smith, Waterbury.

IDAHO

9. Compton I. White, Clarksfork.
10. D. Worth Clark, Pocatello.

ILLINOIS

11. Harry P. Beam, Chicago.
12. Edward A. Kelly, Chicago.
13. James McAndrews, Chicago.
14. R. S. McKeough, Chicago.
15. Thomas J. O'Brien, Chicago.
16. Leonard W. Schuetz, Chicago.

IOWA

17. Vincent F. Harrington, Sioux City.

LOUISIANA

18. René L. DeRouen, Ville Platte.
19. Joachim O. Fernandez, New Orleans.
20. Robert L. Mouton, Lafayette.

MASSACHUSETTS

21. Lawrence J. Connery, Lynn.
22. T. A. Flaherty, Boston.
23. Arthur Healey, Somerville.
24. John W. McCormack, Boston.
25. George J. Bates, Salem.
26. Joseph W. Martin, North Attleboro.

MICHIGAN

27. John Lesinski, Dearborn.
28. George D. O'Brien, Detroit.
29. George G. Sadowski, Detroit.
30. Louis C. Rabaut, Grosse Point Park.

MINNESOTA

31. John T. Bernard, Eveleth.
32. Melvin J. Maas, St. Paul.

MISSOURI

33. John J. Cochran, St. Louis.
34. Joseph B. Shannon, Kansas City.

MONTANA

35. Jerry J. O'Connell, Butte.

NEW JERSEY

36. Mary T. Norton, Jersey City.
37. Edward L. O'Neill, Newark.
38. Frank W. Towey, Caldwell.

NEW MEXICO

39. John J. Dempsey, Santa Fe.

NEW YORK

40. Charles A. Buckley, New York.
41. William T. Byrne, Loudonville.
42. Thomas H. Cullen, Brooklyn.
43. Edward W. Curley, New York.
44. John J. Delaney, Brooklyn.
45. James M. Fitzpatrick, New York.
46. Eugene J. Keogh, Brooklyn.
47. James J. Lanzetta, New York.
48. James M. Mead, Buffalo.
49. Mathew J. Merritt, Flushing.
50. Donald L. O'Toole, Brooklyn.
51. William B. Barry, Jamaica.
52. Alfred F. Beiter, Williamsville.
53. John J. Boylan, New York.
54. M. H. Evans, Brooklyn.
55. Joseph A. Gavagan, New York.
56. James A. O'Leary, West New Brighton.
57. Joseph L. Pfeifer, Brooklyn.
58. Christopher D. Sullivan, New York.
59. Martin J. Kennedy, New York.
60. Andrew L. Somers, Brooklyn.

OHIO

61. Michael J. Kirwan, Youngstown.
62. Joseph A. Dixon, Cincinnati.
63. Anthony A. Fieger, Cleveland.
64. Martin L. Sweeney, Cleveland.

PENNSYLVANIA

65. Patrick J. Boland, Scranton.
66. Michael J. Bradley, Philadelphia.
67. J. Burrwood Daly, Philadelphia.
68. Peter J. Demuth, Pittsburgh.
69. Frank J. G. Dorsey, Philadelphia.
70. Herman P. Eberharter, Pittsburgh.
71. J. Harold Flannery, Pittston.
72. James H. Gildea, Coaldale.
73. James P. McGranery, Philadelphia.
74. James L. Quinn, Braddock.
75. Joseph Gray, Spangler.
76. Michael J. Stack, Philadelphia.

RHODE ISLAND

77. Aime J. Forand, Central Falls.
78. John M. O'Connell, Westerly.

WISCONSIN

79. Michael K. Reilly, Fond du Lac.
80. Thomas O'Malley, Milwaukee.
81. Gerald J. Boileau, Wausau.
82. Bernard J. Gehrmann, Mellen.

While the names of the following eight Catholic Members of the House of Representatives do not appear on the petition recently circulated by Chairman NORTON of the Labor Committee, each one of them on December 13, 1937, voted for a similar proposal to dis-

charge the Rules Committee from further consideration of the Black-Connery wage and hour bill. This motion prevailed by a vote of 285 to 123, and the bill was placed in line for House consideration. On December 17 each and every one of these Members voted against the motion to recommit the bill to the Committee on Labor, which prevailed by a vote of 216 to 198:

1. WILLIAM T. SCHULTE, Hammond, Ind.
2. AMBROSE J. KENNEDY, Baltimore, Md.
3. VINCENT L. PALMISANO, Baltimore, Md.
4. JOSEPH E. CASEY, Clinton, Mass.
5. JAMES F. O'CONNOR, Livingston, Mont.
6. GEORGE B. KELLY, Rochester, N. Y.
7. JOHN O'CONNOR, New York.
8. RAYMOND J. CANNON, Milwaukee, Wis.

The following eight Catholic Members of the House voted on December 13 in favor of taking the wage and hour bill out of the hands of the Rules Committee and thereby indicated their approval of wage and hour regulation by the Federal Government:

1. CHARLES KRAMER, Los Angeles, Calif.
2. JOHN S. MCGROARTY, Tujunga, Calif.
3. JOHN D. DINGELL, Detroit, Mich.
4. CHARLES F. MCLAUGHLIN, Omaha, Nebr.
5. EDWARD J. HART, Jersey City, N. J.
6. ELMER J. RYAN, South St. Paul, Minn.
7. FRANCIS D. CULKIN, Oswego, N. Y.
8. JOHN F. HUNTER, Toledo, Ohio.

While the total membership of the House of Representatives is 435, there are 5 vacancies. The membership, classified by religious affiliations, is indicated in the tabulation below, as well as the religious belief of the 218 Members who signed the Norton petition and revived wage and hour legislation in this session:

	Total number	Signatories to Norton petition	
		Number	Percent
Catholics	100	82	82
Methodists	76	23	30
Baptists	56	15	27
Presbyterians	52	19	36
Episcopalians	44	19	43
Protestants without denominational affiliation	29	16	55
Lutherans	22	12	55
Jewish	8	8	100
Other Protestant beliefs	43	24	56
Total	430	218	

LETTER FROM MAURY MAVERICK IN REPLY

Rev. W. B. BILLINGSLEY,
First Baptist Church, Sugar Land, Tex.

REVEREND SIR: I am exceedingly sorry that you have raised the religious issue in relation to this bill. In the first place, it is irrelevant.

However, I see nothing objectionable in the quotations from the Pope; on the contrary, they seem to me to be sound sense. Although a Protestant, I have often quoted the Pope, just as I have Protestant ministers, and rabbis. In making the quotations, however, I never did so because of the religion of the author, but to indicate an opinion or fact worthy of repetition.

In order to keep the record straight, let me point out that on May 24 approximately 200 Protestant Members of the House of Representatives joined their Catholic colleagues in voting for the minimum-wage and maximum-hours bill, and that only 58 southern Protestant Congressmen recorded themselves in opposition.

While it is true that the great majority of the Protestant supporters of the bill live in the North and West, the same is true of its Catholic supporters. However, in view of your statements, I believe it important to point out that among the Protestant Members who voted for it were 13 from our own State of Texas, namely, EWING THOMASON, W. D. MCFARLANE, LYNDON JOHNSON, MARVIN JONES, ALBERT THOMAS, CHARLES SOUTH, GEORGE MAHON, HATTON W. SUMNERS, W. R. POAGE, MORGAN G. SANDERS, WRIGHT PATMAN, the Democratic leader of the House SAM RAYBURN, and myself.

Clearly, therefore, the division between the opponents and the proponents of the bill is not based upon considerations of religion, but of economics.

In the second place, the religious issue does immense harm whenever and wherever it is exploited. At best it draws a red herring across the trail of important public questions and involves them in confusion. It prevents economic and political issues from being discussed on their merits.

At worst, the religious issue is a potent provoker of hate, dissension, and cruelty. It contradicts the great commandment of the Master, "Thou shalt love thy neighbor as thyself."

Surely you do not want to revive the civic animosities and violence that characterized the old, bad days when the Ku Klux Klan was rampant. Happily we have suffered comparatively little from that pestiferous thing in Texas. Let us continue to maintain that record.

May I call your attention to the fact that there are at least two inaccuracies in your communication to Congress. You say that "the driving force behind the agitation for wage and hour legislation is the encyclical of Pope Leo XIII entitled "Rerum Novarum." You would have considerable difficulty proving that assertion. As a matter of fact, the man who is more responsible than any other in either House of Congress for this proposed legislation is probably Senator, now Mr. Justice Black, of the Supreme Court of the United States.

I don't believe that he was much moved in this course by Pope Leo's encyclical, although I suppose he has read it, as I have. Being a personal acquaintance of Mr. Black, and knowing that he understands the underprivileged condition of the workers of the South, I am sure that was his reason for fostering this legislation. Again, you say that "the original author of this measure was Congressman Connery, of Massachusetts." That statement is quite inadequate and misleading, because it leaves out the name of Senator Black, who was, from the beginning, as closely identified with the advocacy of the wage and hour bill as Congressman Connery. In fact, until Mr. Connery died and Mr. Black was made a member of the Supreme Court, it was known as the Black-Connery bill.

I knew Bill Connery well, and a finer man never lived. Although he was true to his religion, he was an independent thinker, and based his attitude upon his economic viewpoint, as I do, or as any man who claims to be honest. And his brother, LAWRENCE CONNERY, is the same kind of man, and voted for the bill in which Bill Connery took so important a part to the very day of his death.

Very truly yours,

MAURY MAVERICK.

Social Security

EXTENSION OF REMARKS
OF
HON. PAT HARRISON
OF MISSISSIPPI
IN THE SENATE OF THE UNITED STATES

Tuesday, May 31 (legislative day of Wednesday, April 20), 1938

THE PAST YEAR'S PROGRESS UNDER THE SOCIAL SECURITY ACT

Mr. HARRISON. Mr. President, the Social Security Act, which is now in its third year, was framed in part by the Senate Finance Committee, of which I have the honor to be chairman. The past year's progress of the Social Security Act has been prepared in a statement which I ask to be printed in the CONGRESSIONAL RECORD as part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

August 14 of this year will mark the third anniversary of the Social Security Act. On that date, in 1935, the President signed the law, which had been passed by Congress the previous week. Six months later, in February 1936, the first appropriations for the social-security program were made by Congress. The act has thus been in actual operation for nearly two and half years. The progress begun as soon as Federal funds became available has continued steadily throughout the year just passed.

All the States in the Union have enacted unemployment compensation laws conforming to the act, and the majority of commercial and industrial wage earners are employed in jobs covered by these State insurance provisions. Nearly 39,000,000 workers have applied for accounts under the Federal old-age insurance program. With all but one of the States taking part in public assistance, over 2,300,000 of the needy—the aged, the blind, and dependent children—are receiving cash allowances from combined Federal and State funds. In addition to these developments in the programs administered by the Social Security Board, substantial progress has also been made in the programs directed by other Federal agencies, and public health, maternal and child-welfare services, and vocational rehabilitation have been established on practically a Nation-wide base.

UNEMPLOYMENT COMPENSATION

By July 16, 1937, all 48 States, the District of Columbia, Hawaii, and Alaska had unemployment compensation laws approved as meeting the general standards established by the Social Security Act. Within the past year this program has passed another milestone, with the inauguration of benefit payments in 24 States. Until January 1938 Wisconsin was the only State that had reached the point of paying benefits. In that month payments began in 22 States and in April in 2 additional States. Benefits are scheduled to commence in 24 of the remaining States by January 1939 and in the last 2 the following July.

According to recent estimates, based on reports from State agencies, approximately 24,000,000 workers are covered by State unemployment compensation laws. More than half of all covered workers are in the States already paying benefits.

In the first 4 months of 1938 over $100,000,000 was paid to unemployed workers in these 25 States. All told, benefit claims were certified for approximately 2,000,000 workers within this period. State laws differ in detail, but benefits are usually equal to half the employee's normal wage up to a maximum of about $15 a week for some 16 weeks. Though it is too early to measure the full contribution of unemployment compensation to individual and national security, reports received from State agencies indicate that in many communities the payment of benefits has helped to check drastic declines in purchasing power and to maintain workers on a self-supporting basis during temporary unemployment.

One of the most significant developments in the administration of unemployment compensation during the past year is its coast-to-coast tie-up with the public employment service. The coordination of these two services recognizes that the locating of jobs and the payment of benefits are equally important parts of this broad program of unemployment protection; through joint operation it makes for greater administrative efficiency and economy; and by promoting employment it helps to protect State unemployment funds against unnecessary drains. To meet their new responsibilities in connection with this cooperative service, State public employment services have been expanded and a number of additional offices opened in the States paying benefits. At the end of May over 1,600 public employment offices were in operation, of which over 1,000 were in the 25 States where benefits are now available.

Definite progress has also been made toward establishing procedures through which workers who have been employed in more than one State may receive benefits. Thirty-six States have agreed to accept a plan, developed by the Interstate Conference of Unemployment Compensation Agencies, under which the agency in the State where the worker becomes unemployed will receive his application and transmit it to the State from which he claims benefits based on prior employment.

Under the terms of the Social Security Act the costs of administrating unemployment compensation laws are paid by the Federal Government. Grants to the States for this purpose came to a little over $9,000,000 for the fiscal year ending June 30, 1937. Because of the major developments which have taken place, administrative expenditures have increased greatly since that time. According to recent estimates Federal grants to the States for unemployment compensation administration will total approximately $42,000,000 for the fiscal year ending June 30, 1938. This includes grants to State public employment services for their share in the program.

The unemployment compensation contributions made by employers, and in some States by employees also, are deposited by the States in the unemployment trust fund established in the Federal Treasury. The amount deposited by each State, plus interest, remains to the credit of the State to be withdrawn by it as needed for the payment of unemployment benefits. According to Treasury statements, the amount in the unemployment trust fund on April 30, 1937, was approximately $227,000,000. On April 30, 1938, the fund totaled over $746,600,000, although substantial withdrawals had been made by the States for benefit payments.

OLD-AGE INSURANCE

The Federal old-age insurance program, designed to provide an income during old age for persons who are now working, went into operation January 1, 1937. Applications for accounts under this program have considerably exceeded the coverage anticipated by advance estimates. By the end of May 1938, less than a year and a half after the program became effective, approximately 39,000,000 applications had been received from workers in all parts of the country.

The major purpose of this program is to provide monthly payments, based on their past work and wages, for covered workers who have reached 65 and retired from regular employment. This provision goes into effect in 1942. In addition, however, lump-sum benefits are provided for workers who do not qualify for monthly benefits and for the survivors of those who die before they have received the minimum amount to which they are entitled. These lump-sum benefits have been available since the program started. By the end of April 1938 over 134,000 such payments, totaling over $4,249,000, had been made.

The old-age insurance system is the only part of the Social Security Act to be directly administered by the Federal Government. To facilitate its operation, the Board has established field offices in all parts of the country. One hundred and eighty field offices have been opened since May of last year, bringing the total to 318. While these offices have taken over from the post offices the job of issuing account numbers, the greater part of their work is in developing claims for old-age insurance.

This program entails what is probably the largest record-keeping job ever undertaken, since it calls for a separate account for each covered employee. This record of the employee's wages, as reported by his employer, will be used in determining the amount of the employee's benefit. Within the past year the Social Security Board has developed a highly mechanized and efficient system of handling this enormous bookkeeping enterprise.

The first reports by employers, showing the amount of wages paid to each employee, during the 6 months beginning January 1, 1937, were due in July 1937. Employers subsequently made wage reports covering the last half of 1937; and wage reports are now being made for each 3-month period. These reports are filed with the Bureau of Internal Revenue where they are checked against the employer's tax returns and then turned over to the Social Security Board. Here each employee's wages are recorded in his social-security account. By the end of May employees' accounts were being posted by the Board's Baltimore office at an average rate of $650,000 a day.

During the past year substantial progress has been made in simplifying the reports required of employees. Under revised regulations developed jointly by the Bureau of Internal Revenue and the Social Security Board, and effective January 1, 1938, only four quarterly reports will be required each year under this program, as compared to the 14 employers' reports called for in 1937 under the original regulations.

Workers' rights to benefits accrue throughout their lives, up to the age of 65, for all employment in covered occupations. Funds are therefore being set aside in the old-age reserve account in the United States Treasury against the day when payment of these benefits will fall due. A statement by the Treasury Department shows that, by April 30, 1938, investments amounting to $646,900,000 were held in the old-age reserve account.

PUBLIC ASSISTANCE

Since May 1937, 7 States and 1 Territory have been added to those with old-age assistance plans approved under the Social Security Act, making 50 all told. Within this period 12 plans for aid to the blind and 11 for aid to dependent children have been approved, bringing the totals, respectively, to 41 and 40. The number of States participating in all 3 public-assistance programs increased from 27 in May 1937 to 37 by January 1938. The only State not yet taking part in any of these programs has recently passed legislation looking toward full participation in all three in the near future.

According to estimates for May of this year, over 2,300,000 persons are receiving aid under the three public-assistance programs, an increase of about 30 percent over the number aided in May 1937. The estimated amount expended under these programs from Federal, State, and local funds this May was about $41,400,000, an increase of more than one-third over the amount expended in the same month last year.

Total payments to recipients from Federal, State, and local funds under all three public-assistance programs for the year ending May 30, 1938, amounted to approximately $444,013,000, as compared with $274,228,000 the preceding year.

For aid to the needy aged and needy blind, the Federal Government pays approximately one-half of the State's total expenditures up to a combined Federal and State total of $30 a month to each individual. For aid to dependent children, the Federal Government pays to the State one-third of the total cost up to a combined total of $18 a month for the first dependent child and $12 a month for each additional child in the same home.

Public-assistance grants to the States for the entire period since Federal funds became available in February 1936 totaled $378,934,300 by the end of May 1938. This includes $326,421,500 for old-age assistance, $10,844,100 for aid to the blind, and $41,668,700 for aid to dependent children.

Of this grand total, approximately 55 percent represents grants made since the beginning of the current fiscal year on July 1, 1937. During this 11-month period Federal grants have come to $177,399,000 for old-age assistance, $5,138,200 for aid to the blind, and $24,962,700 for aid to dependent children.

OLD-AGE ASSISTANCE

Approximately 1,696,000 needy old people are receiving old-age assistance in May 1938 in States with plans approved by the Social Security Board, an increase of about 370,000 over the number aided in May 1937. Average payments to recipients were $18.78 in March 1937 and $19.30 in March 1938.

Obligations incurred from Federal, State, and local funds for old-age assistance payments during the year ending May 30, 1938, came to approximately $353,759,000. For the previous year such payments amounted to $228,545,000.

AID TO THE NEEDY BLIND

The estimated number of blind persons receiving aid under approved State plans in May 1938 was nearly 39,000, as compared with 33,700 in May 1937. Average individual payments were about $24 in March 1938, a slight decrease from the average for the same month of 1937.

The amount of Federal, State, and local funds expended for aid to the blind under approved plans during the year ending May 30, 1938, totaled approximately $11,379,000. During the previous year, total payments under this program were $8,530,000.

AID TO DEPENDENT CHILDREN

Over 604,000 children in 243,800 families are estimated to be receiving assistance in May 1938, in States having approved plans, as compared with 411,900 children in 165,300 families aided in May 1937. Average monthly payments show an increase of more

than $3 in the last year—from $29.15 per family in March 1937 to nearly $32.50 in March 1938.

The amount expended for aid to dependent children from Federal, State, and local funds during the year ending May 30, 1938, totaled about $78,875,000. During the previous year, total payments under this program amounted to $37,153,000.

FUTURE PROSPECTS

As the Social Security Act enters its fourth year, the Board looks forward to continued progress along two distinctive lines: First, development of more effective and efficient administration within the framework of the existing law, which has gone forward steadily since the beginning of the program, will necessarily continue for months and even years to come. And second, changes in the law itself—to simplify and strengthen certain administrative procedures, and to liberalize certain provisions—may also be anticipated.

The Advisory Council on Social Security, appointed jointly by the Senate Committee on Finance and the Social Security Board in the spring of 1937, has been studying possible changes and developments in the present law. One of the major problems it has had under consideration is that of old-age insurance financing. After a thorough study of all the issues involved, the Council in April 1938 issued the following statement with regard to the old-age reserve account established under the Social Security Act:

"The members of the council, regardless of differing views on other aspects of the financing of old-age insurance, are of the opinion that the present provisions regarding the investment of the moneys in the old-age reserve account do not involve any misuse of these moneys or endanger the safety of these funds.

"The council recognizes that there are other ways of financing the old-age insurance system which upon further study may prove to have greater advantages than the present system. The entire subject, however, is so complex that the council is not yet prepared to express a final judgment as to the method of financing which would be most desirable from a social and economic standpoint."

The council has also considered the possibility of liberalizing old-age insurance coverage. It has recently recommended amending the old-age insurance provisions to include employees of nonprofit religious, charitable, and educational institutions. In addition, the council has asked the Board to aid it in studying procedures for including domestic workers, farm laborers, and the self-employed.

President Roosevelt has also recently expressed his interest in the possibility of liberalizing the old-age insurance program. In a recent letter to the Board he stated that he hopes ways and means may be found to cover wage earners not yet included; to commence benefit payments before 1942; to increase the size of benefits for those retiring in the early years of the system; and to provide benefits for aged wives and widows, and for the young children of workers who die before retirement age.

One of the duties placed upon the Board by the Social Security Act is that of studying the law with a view to recommending such changes as may prove advisable in the light of increasing experience. To fulfill this obligation, the Board has carried on a continuous program of research and study. It concurs in the suggestions of the President and the advisory council and expects to submit to Congress at its next session recommendations looking toward these objectives.

Gen. Peter Gabriel Muhlenberg

EXTENSION OF REMARKS

OF

HON. PATRICK J. BOLAND

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 31, 1938

Mr. BOLAND of Pennsylvania. Mr. Speaker, the proposal to erect a monument at Woodstock, Va., to the memory of Gen. Peter Gabriel Muhlenberg has my hearty approval and support. He was a distinguished member of a distinguished Pennsylvania family. While Pennsylvania must share with Massachusetts the glory that was Franklin's, she can claim exclusive right to the illustrious Muhlenberg. She has already indicated her regard for him as one of the two greatest men produced in Pennsylvania by placing his statute in the Hall of Fame. But the Federal Government, to which he rendered such signal and outstanding service, has never taken any independent action to honor his memory, and Pennsylvania is glad to unite with her sister State of Virginia in placing a suitable monument to him in the little town of Woodstock, Va., where his services as a national figure may be said to have started.

General Muhlenberg, a Lutheran of German origin, was sent back to Germany by his parents to be educated. There he received, not only a fine education in the liberal arts but military training in the Prussian Army. Returning to America, and having been ordained as a minister of the Lutheran Church, he accepted a call in 1771, when only 25 years of age, to become the pastor of a small Lutheran church in the Shenandoah Valley of Virginia, an area that had been settled principally by immigrants from Pennsylvania of German origin. Active as a clergyman, he soon became prominent also in civil affairs—a member of the Virginia House of Burgesses and chairman of the committee of public safety in Dunmore County, since called Shenandoah, after the river that flows through it. Among his acquaintances was George Washington, to whom, in the opinion of some, he bore a striking personal resemblance.

Early in 1776 Muhlenberg was appointed colonel of the Eighth Virginia Regiment. Describing his farewell sermon in the little church at Woodstock, where he threw aside his clerical robes and called the men of his parish to arms, Thomas Buchanan Read said:

> He spoke of wrongs too long endured,
> Of sacred rights to be secured;
> And there was tumult in the air,
> The fife's shrill note, the drum's loud beat,
> And through the wide land everywhere
> The answering tread of hurrying feet.

In February 1777, Muhlenberg was made a brigadier general in the Continental Army. He saw service in South Carolina, Maryland, Pennsylvania, New Jersey, New York, distinguishing himself at Sullivans Island, Brandywine, and Germantown. He was with Washington at Valley Forge, fought at Monmouth, and supported Anthony Wayne in the capture of Stony Point. He assisted in penning up Cornwallis at Yorktown, where he received the praise and thanks of his commanding general, George Washington. But it yet remains for the Nation he helped to establish to officially express its appreciation of his heroic deeds.

After the Revolutionary War, General Muhlenberg was elected to the House of Representatives from the State of Pennsylvania, and then to the United States Senate. For 3 years, 1785–88, he was vice president of Pennsylvania under Benjamin Franklin. When the Federal Constitution was presented to Pennsylvania, Muhlenberg was influential in securing its adoption. The last 5 years of his life, 1802–7, he was collector of customs for the city of Philadelphia.

It is peculiarly fitting that the Nation which throughout its existence has stood for both political and religious freedom should at this time pay honor to a distinguished member of the Lutheran Church—a church whose members have ever been lovers of freedom. The Lutherans who came from Germany to Pennsylvania in early colonial days, came to this new land of promise to find a greater opportunity for political and religious freedom. There are today in Germany some 9,000,000 Lutherans out of a total population of some 60,000,000, who are not now enjoying a full measure of religious freedom. It will not be without significance in Germany that this Government, at this time, should see fit to honor a man like General Muhlenberg. I, therefore, hope that this resolution can be enacted into law at this session of the Congress, and that action can be taken early next year to make available the funds authorized by this resolution to carry this project through to success.

The site on which the monument is to be erected is on one of the arterial highways of Virginia, on which, by an official count last year, an average of 1,119 automobiles from other States passed each day of the year. Under the supervision of the Fine Arts Commission, I expect to see erected on that spot a monument to constitutional American liberty, dedicated to the best American ideals.

Ben Franklin, the Spender

EXTENSION OF REMARKS
OF
HON. LISTER HILL
OF ALABAMA
IN THE SENATE OF THE UNITED STATES
Tuesday, May 31 (legislative day of Wednesday, April 20), 1938

EDITORIAL FROM ST. LOUIS STAR-TIMES, MAY 25, 1938

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "Ben Franklin, the Spender," published in the St. Louis Star-Times of May 25, 1938.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Louis Star-Times, Wednesday, May 25, 1938]

BEN FRANKLIN, THE SPENDER

The speech delivered by former President Herbert Hoover at the dedication of a new Benjamin Franklin memorial in Philadelphia reached its climax in an assertion by Mr. Hoover that social security, under modern conditions, is exactly what it was in Franklin's day, "saving pennies and producing more." That revelation of Mr. Hoover's mind needs no comment.

The most curious feature of a serio-humorous speech like this one by Mr. Hoover is that the man delivering it does not see the subject—Franklin—at all, from the standpoint of his deeds. He does not even see the application of Franklin's words to modern conditions.

For example, Mr. Hoover gleefully indicts the New Deal with Franklin's aphorism that "it is easier to build two chimneys than to keep one in fuel." To H. H., that is a crack at the P. W. A. But see how it applies to our modern industrial system, which builds twice as many factories as it needs, and then shuts them down because of overproduction.

The genial Herbert remarked that "Ben always referred to himself as a Republican, but, of course, I cannot pursue this." It was wise not to. "Republican," at that time, was the opposite of "Monarchist." "Republicans" were armed revolutionists, who risked a firing squad if their revolution failed. When Franklin went to France as Minister for the revolting Colonists, he was putting his life in jeopardy. Henry Laurens, who followed him on a similar mission, was captured and imprisoned in the Tower of London. That was the kind of "Republican" Ben Franklin was. When he used the phrase quoted by Hoover, "they who give up essential liberty to obtain a little temporary safety deserve neither liberty nor safety," he was not talking about the comfortable little liberties of comfortable citizens or privileged wealth; he was talking about the kind of liberty that made him challenge not only the policies of a conservative monarchy, but the government itself, by armed rebellion.

If Mr. Hoover wants to know what sort of a penny-pinching economizer Dr. Franklin was, with Government money, when there was work to be done with that money, he should forget the homilies in Poor Richard's Almanac and study the work of Franklin as a member of the Continental Congress and as Minister to France. If he does, the result will shock him.

Franklin, says Hoover, "believed in a fixed standard of money. * * * He was naturally unfamiliar with the recent theory and practice in coinage."

So? In 1775 Franklin voted for the issuance of paper money to finance the Revolution, without a dollar of solid security behind it. The Great Printer was on the committee of the Continental Congress that printed the Continental currency, and when merchants refused to accept it and the bills began to depreciate, Franklin was on the committee of seven that attempted to maintain the value of this fiat money by governmental force. Nevertheless, it went down and down until it "wasn't worth a continental."

Franklin, says Hoover, abhorred governmental borrowing.

To be sure. He hated it so much that he went to France and borrowed everything Louis XVI owned except his crown. He borrowed his own salary as American Minister from the French Treasury, until the Count de Vergennes sent notice to the American Congress that France would no longer pay it. He even borrowed from the Dutch, without security, and a man who could do that was some borrower. He not only borrowed from the Dutch, but he spent the money before he borrowed it.

"He (Franklin) seemed opposed to spending," says Mr. Hoover.

And how! When Franklin was sent on a mission to Canada, to try to persuade Quebec to join the revolution, he spent $164 for bedding for the personal use of himself and J. Carroll, and Congress paid the bill and was given the bedding.

When Dr. Franklin got into high finance, in Paris, borrowing for the Government, did he send the money home? He did not. He spent it, buying supplies for the American Army. Robert Morris "the financier of the Revolution," wrote to Congress on May 24, 1782, that Franklin was borrowing money to pay what he had already spent:

"Congress will perceive," wrote Morris "that every sou we can command during the year 1782 is already anticipated * * * that there are * * * nearly ten millions (livres), besides the sum expended in Holland, which have already passed, and are now passing through the hand of Dr. Franklin, and of which not a livre has been, or ever will be, applied to the current service."

Congress at once appointed an investigating committee, and it reported 6 months later as follows:

"Your committee observes, on examining the banker's accounts, that very large sums of the public money in France, amounting to many hundred thousand livres, have been appropriated since the completion of the Confederation by the Minister Plenipotentiary at the Court of Versailles (Franklin) to persons and purposes, for which they can find no authority on the Journals of Congress."

There was no dishonesty about this. Congress, before the Articles of Confederation were ratified, delegated power to Franklin to spend money in Europe. Ratification of the Articles made this delegation of power unconstitutional. But Franklin continued to spend the money. Not quite all. He left a little for Congress.

"When you observe that the Dutch loan, which you conceived might be entire with me, has suffered such large deductions, you will not expect much," he wrote on March 4, 1782.

And Morris bitterly reported to Congress as he sent them this letter: "How the accounts may stand I know not, but it is my particular duty to observe that there appears to have been but little received for the great sums which have been expended."

Morris was wrong. It is recognized now that the borrowing and spending by Franklin, prodigal as it appeared, wasteful as it was in many respects, prevented the Revolution from collapsing.

Franklin wrote almanacs in praise of penny-saving thrift, but when his preaching failed to fit the necessities of a national crisis, he did what the crisis demanded. He was the biggest borrower, the biggest spender, in the Revolution.

If Herbert Hoover wants to find out where Benjamin Franklin would stand, if he were in the United States today, facing this country's crisis in human life, let him read the speech Franklin delivered in the Constitutional Convention on August 10, 1787, when he protested against "a great partiality to the rich," and begged his comrades not to "debase the spirit of the common people."

H. R. 4199, the General Welfare Act, Deserves Passage Now

EXTENSION OF REMARKS
OF
HON. JOHN M. COFFEE
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 31, 1938

Mr. COFFEE of Washington. Mr. Speaker, but two civilized countries of any importance in the world today have failed to enact some form of substantial government old-age pensions. These are India and China. It was not until 1936 that this country made a start in embarking upon an old-age pension program. I maintain we should lead the procession of the nations of the world.

During my entire adult life I have championed the cause of Federal old-age pensions. As a member of the Eagles' Lodge, I have an especial interest in the promotion of the humanitarian principle of providing surcease for the elderly in their declining years.

THE TOWNSEND MOVEMENT GAINS WIDESPREAD SUPPORT

The Townsend Plan first broke upon the national scene in the year 1934. Enthusiasm for the doctrine it enunciated spread like wildfire. It was a simple plan, easy to comprehend. It was a recognition that recurring depressions arise in large part from a drying up of purchasing power in the Nation. The plan provides for resuscitation of moribund business by the injection of new lifeblood into the national arteries of trade in the form of compulsory spending of funds

paid to those over 60 years of age, as old-age pensions. It is a combination pension and recovery plan.

Since the date of its inception this plan has grown until it now has active adherents in every State in the Union.

Pending before this Congress is the General Welfare Act (H. R. 4199), a measure which incorporates the general principles of the Townsend plan. This bill should be enacted into law at this session.

POWERFUL CONGRESSIONAL BACKING SHOULD NOT BE OVERLOOKED

Mr. Speaker, a letter was addressed to the chairman of the Ways and Means Committee of this body, the Honorable ROBERT DOUGHTON. One hundred and fifty-five names of Congressmen are attached to this epistle. More than one-third of the entire membership of this House have thus urged upon the chairman of the committee, in whose bosom the bill is now uncomfortably reposing, that they want a hearing and action upon this bill now. One hundred and twenty-six Members of this body have signed the petition on the Speaker's desk to discharge the Ways and Means Committee from further control of this bill and to force the measure to debate and vote on the House floor. Surely such a formidable expression of sentiment in behalf of this measure should cause the committeemen in charge of the bill to unbend and take action. The people's will should not be thwarted. I am proud that I voted against the "gag" rule, under the authority of which the burial of controversial legislation in committee is made possible. I deplore the fact that the majority of the committee still obdurately refuse to give those of us who have persistently fought in behalf of this measure a chance to debate its merits upon the House floor.

PUISSANT ENDORSEMENTS DESERVE RESPECTFUL ATTENTION

In my home State of Washington the legislature, by an overwhelming vote, has memorialized Congress in behalf of the General Welfare Act. Countless labor unions have expressed themselves as espousing this bill. Merchants' associations, women's clubs, city councils, boards of county commissioners, old-age pension unions, have similarly passed resolutions, cogently expressed, demanding action upon this bill now. The members of pension clubs in my State, by the thousands, are belligerently urging that this Congress subordinate other legislation to consideration of this bill at this session.

THIS EFFECTIVE REMEDY IS NEEDED NOW

During the years 1935 and 1936, I had the privilege, Mr. Speaker, of addressing countless Townsend Clubs in various parts of my State. The membership of these organizations is made up of the finest class of citizenship we possess. They are honest, God-fearing, sincere folks who are arrayed in militant formation, grimly determined that the General Welfare Act be enacted into law. They have seen, as have I, numerous bills, both simple and recondite in nature, offered as panaceas for America's ills. They recognize these measures as stopgaps, palliatives, of transitory benefit, but wholly lacking the power of doing permanent good. They are becoming increasingly impatient with the failure of this Congress to recognize that the lack of purchasing power, from which the Nation suffers, is stagnating business, destroying initiative, discouraging youth, souring our population, making cynics out of the most brilliant, encouraging juvenile delinquency, adding to insanity, increasing our poorhouses, fomenting divorces. We want our Nation to prosper and succeed, and we insist that this desired objective can be effectuated through the enactment into law of the General Welfare Act.

Mr. Speaker, from the first day of my service here I have done my utmost to promote sentiment and secure support for the General Welfare Act. I have served upon the General Welfare Act steering committee from its creation and am now a member of the new steering committee of which the Honorable JOE HENDRICKS, of Florida, is chairman. I have attended all meetings of these committees and have lent such talents as I possess to the important work upon which these committees are engaged.

MILLIONS PLEAD FOR A CHANCE TO PRESENT THE GENERAL WELFARE ACT'S MERITS

More than 30,000,000 citizens are represented by the Congressmen who signed the letter to the chairman of the Ways and Means Committee. The entire congressional delegation from the State of Washington in this body have signified their heartfelt approval of this bill. To me it is unjust and an ineffably ludicrous situation that this committee has so far refused to give those of us who champion the bill an opportunity to explain its manifold merits to the entire House upon the floor of this body, during debate upon the measure.

HELP FOR ALL THINGS AND BEINGS BUT HUMAN BEINGS

Mr. Speaker, we prate of our loving reference for motherhood. Songs are written about her; stories, poems, legends are built around our mothers. We have set aside one day in May as a date for concentration of thoughtfulness upon our mothers. But the General Welfare Act will make a mothers' day each day in the year. We have funds in this country which we freely spend for the benefit of the birds in the air, fish in the sea, beasts in the forest, insects in the ground, but we have been woefully laggard and negligent in our taking care of the elderly. It is my hope that we shall enact this measure soon into law so that when upon the aged and feeble ears of the old there approaches the beckoning music of eternity, happiness and contentment will be their lot.

CRUELTY TO ANIMALS IS PUNISHED; CRUELTY TO THE AGED REMAINS LEGALLY UNCENSORABLE

We would arrest a neighbor if he chained his horse to a street corner for 12 hours without attention, but some aged man or woman may be abandoned to any hardship by their closest relatives in some isolated hut, and the law will not punish them for their neglect.

In this richest land on the face of the earth, where we spend more money for public education than in all the world combined, why is it that the least consideration and loving care is accorded to human beings?

Mr. Speaker, under this bill, through the means of a 2 percent transaction tax, we propose to collect a sufficient sum to pay to each qualified person 60 years of age and more a monthly pension in an amount sufficient to enable him or her to banish poverty and purchase a minimum of comforts. We propose that these funds shall be expended in the ensuing 30 days, so as to avoid hoarding and provide a steady purchasing power. We propose that the entire net proceeds of the collected transaction tax shall be regularly distributed up to a maximum of $200 per month per person. The compulsory spending feature is the essence of the recovery plan.

PRIME THE PUMP, YET WE PROPOSE TO PAY AS WE GO

This is a pay-as-you-go program. No bonded indebtedness; no tax-exempt securities; no subjection to the banks; no mortgaging the future—is encompassed by the General Welfare Act. We propose to prime the pump by paying for it ourselves, now. The recent passage in this body of the President's recovery program of spending is a recognition by the administration of the need for supplying money to industry through the worker. The advantages of Government distribution of funds have been demonstrated decisively heretofore. When the bonus was paid in 1936 America enjoyed its greatest period of prosperity, in the ensuing year, as compared with any period subsequent to 1929.

A PECUNIARY BLOOD TRANSFUSION

When a patient suffers from pernicious anemia, the physician prescribes a blood transfusion. When the red corpuscles of easy purchasing power disappear from the national arteries of business the Nation suffers financial leukemia. Again a blood transfusion. The General Welfare Act will supply the deficiency. One does not try to prime the pump with an eye-dropper, a teaspoon, or a teacup. If he wants quick action—effective results—he employs a container of ample capacity. This we propose to do in the General Welfare Act.

THE NEED IS EXIGENT NOW

We are told that one-third of our Nation is now underprivileged. Think of it. Where factories supply so many clothes, one-third of us are underclad; where farms produce such abundant crops, one-third of us are underfed; where wealth is so enormous, 1 percent of us own 85 percent of the Nation's riches. The situation confronting us cries aloud for a drastic remedy. The hundreds of thousands of our boys and girls who are now graduating from our high schools and universities have small opportunity in this hectic world. One young cynic recently wrote a class slogan for his school: "W. P. A.—here we come." My God! To think that our youth are becoming so cynical and disillusioned by reason of economic injustices and social disparities! Under the General Welfare Act millions of our elderly citizens could be relieved of employment, their places taken by the young and middle-aged. The burden imposed upon the latter by financial help given the aged would be removed, parents and their children would be pecuniarily independent of each other.

ELIMINATE VARIED DISTRESS

Statisticians attribute 40 percent of divorces to financial difficulties and likewise ascribe the impact of insanity in a formidable proportion to mental distress arising from indigence. Reflect upon the blessings this bill can bestow. Eliminate child delinquency in large degree; reduce the expenses for law enforcement; save billions of dollars lost through crime; lessen materially taxpayers' outlays; remove poorhouses; reduce charity to an inconsequential amount; replace gloom with joy and a zest for life; enable our elderly brothers and sisters to have rugs on the floor, a car in the garage, a roast in the oven, a radio to provide soothing melody. Years ago a poet wrote:

> And the nights shall be filled with music,
> And the cares which infest the day
> Shall fold their tents like the Arabs
> And silently steal away.

America has been surfeited by sorrow and gloom. Surrounded by evidences of wealth, is it any wonder that the needy grow discontented and become the willing prey of "isms"?

Shall we console ourselves that we have done enough by providing a P. W. A. and a W. P. A.?

I say with the poet of old, "Ah, love, could you and I with him conspire to grasp this sorry scheme of things entire, would we not * * * remold it nearer to the heart's desire?" Indubitably there is need, exigent need, for remolding it now.

OPPORTUNITY MUST BE RESTORED

Mr. Speaker, do you know that there are more students of journalism in American universities today than there are jobs existing in all the newspapers of the United States? Are all of us aware that only one-third of the people can afford to hire a doctor? That 60 percent of our homes do not have inside plumbing? That but one architect out of five is able to earn his living? That 40 percent of all the lawyers earn less than $1,000 per year? That but 20 percent of our college graduates are permanently employed 5 years after their graduation? These depressing facts must give us pause.

THIS IS A RECOVERY PLAN

The General Welfare Act proposes to start the wheels of industry anew; to supply the needy with the sinews whereby they may realize their dreams for reasonable comforts; to create a demand for the services of dentists, doctors, lawyers; to give the youth a place in the sun; to open a vista of "sweetness and light" to the entire Nation.

Mr. Speaker, it is a travesty and outrage that action has not so far been had upon the General Welfare Act. The skies of Europe are "red and lowering." We want no internal conflicts here. We want to effectuate a more equitable distribution of wealth so that the most humble of our people will be assured of opportunities. We want to replace a spectacle of too many men for available jobs by a condition where we have too many jobs for available men. Under our plan, labor will be an asset, not a drug upon the market.

Mr. Speaker and fellow members, let us have action now. I urge my colleagues here to sign the petition upon the Speaker's desk to force the bill upon the floor for action. Surely you have ears attuned to the murmuring of the folks at home. Surely you have eyes which see the travail and suffering around us. Surely your beings are allergic sensitively to the pleadings of the masses. Shall we fail the people in their time of greatest need? Let our reply be a fulmination of thunderous emphasis, "No, a thousand times no!"

The Charles Carroll of Carrollton Bicentenary Celebration

EXTENSION OF REMARKS
OF
HON. MILLARD E. TYDINGS
OF MARYLAND
IN THE SENATE OF THE UNITED STATES

Tuesday, May 31 (legislative day of Wednesday, April 20), 1938

COMMEMORATION OF THE LIFE AND TWO HUNDREDTH ANNIVERSARY OF THE BIRTH OF CHARLES CARROLL

Mr. TYDINGS. Mr. President, in pursuance of an authorization by Congress a Commission was appointed known as the Charles Carroll of Carrollton Bicentenary Commission, to commemorate the life and the two hundredth anniversary of the birth of Charles Carroll of Carrollton, the last living signer of the Declaration of Independence.

A preliminary report by Gen. Clinton L. Riggs, Chairman of the Charles Carroll of Carrollton Commission, in connection with the celebration held in 1937, is being herewith filed by me.

The Commission has now in course of preparation a permanent record of the celebration, which will contain a program showing in detail the numerous events that were staged. Later, General Riggs will render a detailed financial report to the Senate, when the compilation of this permanent record shall have been completed.

I should like consent to have printed in the CONGRESSIONAL RECORD the addresses made by persons identified in one way or in another with that celebration, together with some related matter.

There being no objection, the addresses and other matter were ordered to be printed in the RECORD, as follows:

REPORT OF THE CHAIRMAN TO THE MEMBERS OF THE CHARLES CARROLL OF CARROLLTON BICENTENARY COMMISSION

PUBLIC RESOLUTION NO. 106, SEVENTY-FOURTH CONGRESS

[S. J. Res. 151]

Joint resolution making provision for a national celebration of the bicentenary of the birth of Charles Carroll of Carrollton, wealthiest signer of the Declaration of Independence

Whereas Charles Carroll of Carrollton during his lifetime of nearly a century rendered services of paramount importance to his country; and

Whereas on February 18, 1776, more than 4 months before the adoption of the Declaration of Independence, John Adams stated that "in the cause of American liberty, his zeal, fortitude, and perseverence[1] have been so conspicuous that he is said to be marked out for a peculiar vengeance by the friends of administration; but he continues to hazard his all, his immense fortune, the largest in America, and his life"; and

Whereas in signing the Declaration of Independence Charles Carroll of Carrollton pledged his life, his sacred honor, and the largest fortune in America to the success of the Revolution; and

Whereas the services rendered by Charles Carroll of Carrollton to the United States during the War of Independence, and in the subsequent struggle to preserve the Republic from disintegrating, which resulted in the adoption of the present Constitution, received the warm praise of his contemporaries, including the Father of his Country; and

Whereas Charles Carroll of Carrollton, as United States Senator from Maryland, played a foremost part in the organization of the Federal Government, under the Presidency of George Washington; and

[1] So in original.

Whereas for a period of 56 years following the signing of the Declaration of Independence Charles Carroll of Carrollton watched the progress of American affairs with eager solicitude and labored unceasingly for the advancement of the Republic; and

Whereas Daniel Webster in an oration delivered at Faneuil Hall, Boston, on August 2, 1826, on the occasion of a civic tribute to Thomas Jefferson and John Adams, then recently deceased, paid eloquent homage to Charles Carroll of Carrollton, then the last of the signers, comparing him to a venerable oak "standing alone on the plain," hailing him as a "fortunate, distinguished patriot," and exhorting his hearers to "let him know that while we honor the dead we do not forget the living, and that there is not a heart here which does not fervently pray that Heaven may yet keep him back from the society of his companions"; and

Whereas in 1828, as a mark of national homage to Charles Carroll of Carrollton, Congress, by joint resolution, conferred upon him the franking privilege, Speaker Stevenson requesting him, in his official notification, to receive the honor "as a token of the distinguished respect and veneration which Congress entertains toward an early and devoted friend to liberty, and one who stood eminently forward in the purest and noblest band of patriots that the world has ever seen"; and

Whereas on November 15, 1832, the President of the United States, Andrew Jackson, voiced in feeling terms the tribute of the Republic to Charles Carroll of Carrollton, who had died on the preceding day, affirming that "no one estimated higher than I did his claims, whilst living, upon the gratitude and love of his country; none will cherish more sacredly his memory now that he is taken from us by the Great Disposer of the affairs of this world"; and

Whereas the bicentenary of the birth of Charles Carroll of Carrollton occurs on September 19, 1937; and

Whereas it is eminently proper and desirable that the United States should officially commemorate this event: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States be, and he is hereby, authorized to appoint a body of five persons, to be designated "The Charles Carroll of Carrollton Bicentenary Commission," this Commission to be charged by him with the work of making adequate preparations for a national celebration of the bicentenary of the birth of Charles Carroll of Carrollton. There is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, a sum not to exceed $12,500, or the necessary part thereof, to carry out the provisions of this resolution.

Approved, June 15, 1936.

Acting on authority given in this resolution, the President appointed as Commissioners: Hon. Millard E. Tydings and Hon. George L. Radcliffe, Senators from Maryland; Hon. William P. Cole, Jr., Representative from Maryland; Philip A. Carroll of Doughoregan Manor, a descendant of the signer; and Clinton L. Riggs, president of the Maryland Historical Society.

At succeeding meetings of the Commission, Gen. Clinton L. Riggs was elected chairman; and Mr. James E. Hancock, president of the War of 1812 in Maryland, was appointed secretary, without salary, in accordance with his own request.

The chairman submitted his ideas as to the character and number of the celebrations to be held, which were approved by the Commission; and he was authorized to proceed with the plans, as outlined.

The first celebration took place at Annapolis on Saturday, September 18, 1937, on the grounds of the home of Charles Carroll, of Annapolis, where his son, the signer, was born and spent a part of his youth.

This celebration was financed by an appropriation of $500, made by the Legislature of Maryland, and approved by Gov. Harry W. Nice, thus requiring no funds from the Federal appropriation.

The chairman of the Commission appointed a local committee: Hon. Ridgely P. Melvin, State senator from Maryland, as chairman; Hon. Harry W. Nice, Governor of Maryland, honorary chairman; and, Maj. Gen. Milton A. Reckord, Brig. Gen. John Philip Hill, Brig. Gen. Amos Woodcock, Rear Admiral David Foote Sellers, Mr. George Forbes, and Prof. Harry Francis Sturdy, as members.

In addition to the above committee, a representative from each county in the State was appointed to act on an advisory board, to cooperate with the committee on this occasion.

The following remarks, made by the chairman of the committee, on this occasion, outlines the program as given.

CELEBRATION OF THE TWO HUNDREDTH ANNIVERSARY OF THE BIRTH OF CHARLES CARROLL OF CARROLLTON, PATRIOT AND SIGNER, ON THE GROUNDS OF THE ORIGINAL CARROLL MANSION, ANNAPOLIS, MD.

PROGRAM

Invocation—Reverend Francis Joseph Gallagher, C. SS. R.
Music—Naval Academy Band
Lt. William R. Sima, conducting
Introductory remarks—State Senator Ridgely P. Melvin
Chairman, Annapolis Committee
Address—Honorable George L. Radcliffe
United States Senator from Maryland
Music—Naval Academy Band
Address—Judge T. Scott Offutt
of the Court of Appeals of Maryland
Pageant—Written and directed by Mrs. Guy R. Clements

THE PAGEANT

Synopsis

The first scene, introducing the first episode, depicts a street discussion over the letters of the "First Citizen" (Charles Carroll of Carrollton). He had published in the Maryland Gazette a most effective answer to the letters of "Antillon" (Daniel Dulaney), who had defended the course of Governor Eden in setting the provincial officers' fees by executive proclamation. The second scene, which completes the first episode, shows a group of citizens visiting Carroll at his home to express their appreciation of his defense of their right of taxation through duly elected representatives.

The next episode begins with the third scene, in which a group of citizens are threatening Anthony Stewart, owner of the brig *Peggy Stewart* with hanging, unless he burns the brig with its load of tea, upon which he has just paid the hated British tax. Stewart, refusing to meet the demands of the crowd is, however, persuaded by Samuel Chase to abide by the opinion of Charles Carroll of Carrollton, who is then sought for his advice. Carroll convinces Stewart that he should burn the brig. Stewart, then ordering Captain Jackson to row him out to the brig, sets her on fire with a burning faggot.

THE CAST

The cast of the pageant in order of their appearance:

Narrator—Guy M. Clements
Thomas Dorsey—William A. Darden
Matthew Tilghman—Tench F. Tilghman
Robert Welch—Robert S. G. Welch
James Brice—Andrew J. Musterman
Allen Quynn—Henry Zerhusen
B. T. H. Worthington—Robert K. Worthington
Samuel Carr—Richard S. West
John Galloway—John T. Bowers
Charles Carroll of Carrollton—George W. Velenovsky
Messenger and Town Crier—Frank A. Wiegard, Jr.
William Paca—P. V. H. Weems
John Hare—Robert L. Burwell
Mathias Hammond—John S. Kieffer
Charles Alexander Warfield—A. C. Roth
Charles Wallace—Bernard C. Hoff
Mordecai Gist—Albert Kent Winchester
Samuel Chase—H. H. Wayt
Mob, citizens, and frontiersmen:
Robert W. Taylor, F. P. McClain, B. Argue, C. Broome, Jimmie Callahan, John Coughlin, Robert Fleet, E. Deale, D. Joachim, John F. Kramer, A. Legum, W. Musterman, A. Novak, G. Perry, E. Smith, John Wiegard.
John Muir, Deputy Collector—P. H. Costello
Capt. Richard Jackson,
of the brig *Peggy Stewart*—Jacques Hammond
Anthony Stewart—Jacques Redway Hammond
Peggy Stewart—Miss Eleanora Velenovsky

ANNAPOLIS COMMITTEE

State Senator Ridgely P. Melvin, chairman; Rear Admiral David Foote Sellers, United States Navy; Maj. Gen. Milton A. Reckord, Adjutant General; Brig. Gen. A. W. W. Woodcock; Brig. Gen. John B. P. C. Hill; Hon. Louis N. Phipps, mayor of Annapolis; George Forbes; Henry Francis Sturdy.

REMARKS OF RIDGELY P. MELVIN, CHAIRMAN, ANNAPOLIS COMMITTEE, CHARLES CARROLL OF CARROLLTON CELEBRATION, SEPTEMBER 18, 1937

The Congress of the United States and the General Assembly of Maryland have united in giving official recognition of the two hundredth anniversary of the birth of one of the greatest statesmen and patriots in the history of our country, Charles Carroll of Carrollton. In pursuance of an act of Congress a committee for Maryland was named, with Maj. Gen. Clinton L. Riggs as chairman, and so intimately is Annapolis connected with the career of Carroll that it was deemed appropriate to open the State's 3 days' celebration by ceremonies here. Accordingly a local committee was named, and it is our privilege now to present a program which is designed to emphasize certain phases of the life of Carroll, the statesman, as related to Annapolis. In doing so, we have the rare good fortune in having a setting and an atmosphere that furnish real inspiration for the occasion. Through the courtesy and graciousness of Father Rector Gallagher and the other authorities of St. Mary's Church, to whom we are deeply grateful, we are permitted to assemble here in these beautiful and hallowed grounds, which, appurtenant to the original Carroll mansion, form a natural shrine of patriotism.

We are also particularly fortunate in having as the speakers on this program two outstanding Marylanders, one a statesman and the other a lawyer and jurist, who represent today, just as Charles Carroll of Carrollton represented in his day and generation, the very highest and best type of Maryland citizenship. A tribute from them to him will, of course, strike a true note of appreciation and a responsive chord in each one of us.

In introducing the speakers, no further comment from me would be in order, for they are too well known to need any. I have the honor to present as the first speaker on the program, Hon. GEORGE L. RADCLIFFE, United States Senator from Maryland.

At the conclusion of Senator RADCLIFFE'S address the presiding officer said:

I have the honor to present as the next and only other speaker on the program, the Honorable T. Scott Offutt, of the Court of Appeals of Maryland.

The remaining part of the program consists of episodes and pageantry which will be outlined to you by a narrator, Mr. Guy Clements, as the program is developed from stage to stage. Before proceeding with this, I want to publicly express our appreciation of the part that two persons in particular have taken in arranging and carrying through these features. Prof. Henry Francis Sturdy has borne practically the entire burden in working out the details of every part of this program and has done so in his characteristically unselfish and efficient way, and moreover with a devotion to the spirit of the occasion that has made him an invaluable member of the committee. While I have thanked him privately many times, I want to do so again in this presence. Also included in this expression of appreciation is Mrs. Guy Clements who has collaborated with Professor Sturdy in working up these episodes and this pageant. Here, too, has been a real labor of love and without her expert assistance this part of the program would not have been possible. Finally, we want to publicly thank those who have given their time and service in portraying the characters called for by the script, and to the officers and men of the Naval Academy who, under Admiral Sellers, have so cheerfully and efficiently turned out this job and helping on the brig *Peggy Stewart*. And to the Naval Academy Band, whose delightful music and fine spirit is always so welcome and so helpfull, we express our most sincere appreciation. The program will now proceed under the direction of the narrator.

ADDRESS OF HON. GEORGE L. RADCLIFFE

It is highly appropriate that we should meet today in Annapolis to do homage to Charles Carroll of Carrollton. The leading events in his life are so well known to you that I will in this brief informal talk refer merely to some of them. This I will do for the purpose of illustrating certain points which I want to emphasize. Charles Carroll of Carrollton was one of the sons of Annapolis of whom you are most justly proud. In this city of Annapolis he spent much of his early life. He was closely associated with nearly all the outstanding events in the stirring period of history in which he lived.

It was probably fortunate for him and for our country that when he was a boy he was sent to Europe to receive the education which he could not get in America. Even when he was young, his thoughts frequently dwelt upon the political situation in his home country, and he became convinced early in life that separation of the Colonies from Great Britain was inevitable. In fact, he so expressed himself shortly after he became 21 years of age.

Upon his return to America he found many absorbing details requiring his attention. His father, Charles Carroll, of Annapolis, had enlarged so much the family fortune that the estate which Charles Carroll of Carrollton inherited was a big one. The son, as you remember, became the richest man probably in the Colonies.

What manner of man was Charles Carroll of Carrollton? This question is a fascinating one. Any attempt to analyze the characteristics of Carroll leads quickly to the conclusion that he was a practical, well-poised man, forward looking but with thoughtful and due regard for lessons of the past. He believed that to be practical a man must have an open mind in regard to suggested changes, but that he needed also a deliberative spirit and a well-balanced mind in weighing new ideas, lest he might lightly discard the wisdom of the ancients. For instance, he was convinced that the sensible thing for Stewart to do was to burn the *Peggy Stewart*, and that Stewart, as the owner, should himself apply the torch.

The beginning of the American Revolution found Carroll ardently giving his support to the new movement. To that cause he devoted his time, his energy, and his money. Later he was in favor of the adoption of our Federal Constitution and of the establishment of a well-balanced system of government sufficiently centralized to meet the demands of the day.

Very few men of his day, or indeed of later times, were so open-minded in considering new ideas and yet so practical in studying and weighing them. When he advocated the adoption of the Federal Constitution, he knew that he was urging one of the most advanced and radical steps that our people could take—all this from a man who was inherently and basically a conservative. Would many of our conservative-minded people of today who so strongly and justly desire to cherish and to preserve our Constitution, have been willing in 1787 to support or to favor a change in our government so far reaching as the adoption of that Constitution necessarily implied? The question is an interesting one.

So it was that during the busy days of a very long life he kept his mind open for new policies, but always in that spirit of thoughtful deliberation which was predominant in him. His spirit in this matter was not only illustrated by his attitude toward matters of government, but also as to those concerned with economics and finance. He was ever alert to consider new economic and financial ideas but cautious in adopting them. It is, therefore, not at all surprising that we find him at the age of 91 laying the foundation stone of the Baltimore & Ohio Railroad. He considered that act the most important one of his life, next to his signing the Declaration of Independence.

I think there is a tremendous amount of significance attached to that statement of his. It was strongly characteristic of the man. Just as he believed that the old political order of the days of the Colonies was outmoded and that a new system of government should be devised, so even at the advanced age of 91 he was convinced that an economic order, new in some respects, was desirable and should be encouraged. He was farsighted enough to see that the building of the Baltimore & Ohio Railroad and other new industrial activities of that day might bring about practically a revolution in our economic conditions, altering materially our methods of living. That possibility did not frighten Carroll. What the new change would mean to his enormous fortune he could not know with any certainty. As soon as he believed, after careful study, that far-reaching changes in our methods of transportation and other forms of industrial activities should be encouraged, it was then natural for him to act quickly and fearlessly. In that he showed the same quality of foresight, sound judgment, and courage as he had in 1776.

There is not time to discuss his connection with other activities in Maryland. There was hardly any matter of outstanding importance but what received his thoughtful consideration and cooperation. For instance, when the patriotic people of Maryland concluded to erect what was really the first monument in America to George Washington, Carroll of course took a keen interest in the project and helped materially to see the job done well. He laid the cornerstone of that monument. When it was decided that Baltimore should erect the largest and possibly the most graceful shot tower ever constructed, it was Carroll again who took active and constructive interest in the plans for it. Naturally, he laid the cornerstone.

To my mind there are many striking similarities in the characteristics of Charles Carroll of Carrollton and George Washington. Both were wealthy men. Both were men with an instinctive sense of caution. Both were careful and methodical. Both weighed and studied very carefully a suggested change until they had probed deeply into it. Yet both were open-minded enough to see the necessity at times for new policies, political and economic. Both devoted their energies to bringing about such changes, and in doing so staked their fortunes and their lives. When we realize how close these friends were, our imagination easily leads us to believe that Carroll and Washington often discussed with each other important problems of finance and government. What a fascinating picture is suggested to our minds by such a thought. I have often wondered whether the full significance of that close association and friendship has been grasped and emphasized.

Another characteristic of Carroll which was a predominant one was his spirit of patience and tolerance. He was at the same time also ready for aggressive action. Although the laws of Maryland when he was young were oppressive to Catholics, he showed no resentment over that discrimination. He stood by his fellow colonists in their hour of need, but he encouraged and helped to bring about the elimination of those discriminations against Catholics. His example of tolerance and cooperation was a practical and effective lesson which the colonists could and did appreciate, and which led to wise changes in Maryland laws. Throughout the varying phases of that matter Carroll showed striking illustration of his greatness.

Tolerance, caution, thoughtful deliberation, open-mindedness, and courage in reaching his conclusions and in carrying out his convictions—all of these qualities were in Carroll to a most striking extent. His life and activities are among the most glorious heritages of the people of Maryland.

In 1776 he was an important bridge between the old political order of things and the new one. Fifty or sixty years later we find Carroll the connecting link between the old economic order and the new one. It was given him to live to the advanced age of 95 years. The Government for which he had struggled was by that time established on a sound and enduring basis.

It was not, however, possible for him to live to see the new economic order which resulted from the introduction of railroads and other new means of transportation, far-reaching improvements in methods of manufacturing and in other forms of industry. Like Moses, he was not permitted to enter into that promised land, but I can fancy him standing on "Mount Pisgah," and though his eyes were dim from the passing of nearly a century of years, yet he was not without vision. Truly he foresaw with the eyes of faith much of the extraordinary economic and industrial development of this country which followed after his days.

ADDRESS OF HON. T. SCOTT OFFUTT, JUDGE OF THE COURT OF APPEALS OF MARYLAND

Our purpose here is to honor the memory of a man who was born 200 years ago. He was not a soldier, he held no great national office, he made no enduring gifts to the arts or to science, or to letters. He was perhaps one of the wealthiest men of his day, but there were other wealthy men then whose names have long since been forgotten. He was an outstanding patriot, but there were thousands of other patriots whose personalities, vivid while they lived, have forever faded into the impenetrable mists of the past. He was a simple, unaffected Maryland gentleman who typified all that was best in the new civilization that was beginning to illuminate this Western World, but there were other Marylanders, his contemporaries, who were instinct with the virtues of that type whom we do not now recall.

In those two centuries there have been profound and far-reaching changes in the structure of civilization, in the manners and

customs of people, in their social and political philosophy, in their attitude toward religion, and in their relation with government. The world of today is in respect to many things which are of vital and instant concern to men everywhere, far different from the world of 1737. Then there was neither coal, nor gasoline, nor electricity available, nor telephone, telegraph, radio, railroad, airplane, motorcar, nor any of the common conveniences of today. There was no such thing as religious liberty, democracy in any real sense beyond America was unknown, and the great mass of the people had little if any voice in government anywhere.

It would seem, then, that in speaking of such a man as Charles Carroll of Carrollton 200 years after his birth to the people of today one must speak of "Joseph to those who knew not Joseph," but it is not so. For there are few names of any who live now, or who have lived since his time, which are better or more widely known in Maryland than his.

It is worth while, therefore, to stop for a moment to inquire what manner of man was this Charles Carroll whose name and character live on so vividly in our history when those of so many other able, brilliant soldiers, statesmen, and patriots are forgotten.

The explanation lies perhaps in part in the fact that he so perfectly exhibited in his life those qualities of heart and mind which the people of this State admire most and love to believe characterize in some degree at least their own lives.

In part at least it lies in the fact that he so truly represented the spirit of rugged individualism and personal and political independence, which was so long a distinguishing characateristic of the American people. Maryland is an old State, its traditions die slowly, and while elsewhere that spirit has yielded to the advancing collectivism of an industrial age, here it still persists in much of its original strength. Charles Carroll incarnated that spirit, and because he did, and because it was completely expressed in his life, his name and his character still have in this State the vividness and the brilliance of a living thing.

There should be but little doubt that the most distinctive and peculiar attribute of American civilization has been the protection of the rights of the individual which is implicit in the term "democracy" as we here understand that term. Other civilizations were marked by progress in those arts which charm the senses, or religion which soothes the spirit, but the singular and distinguishing feature of American civilization has been solicitude for the right of the individual to "life, liberty, and the pursuit of happiness" which every good man should have, and solicitude for the privilege of the masses to share in the blessings and the comforts which should flow from our national resources.

Elsewhere these masses have been for ages used as mere cannon fodder, or regimented to make life sweeter for classes and despots, but here it was the common purpose to insure to all that liberty, "Sweetener of hut and of hall" so essential to the common happiness, the right to live, to hold and transmit property, to pursue happiness, and to be free.

In an address such as this, some mention should perhaps be made for the record of the statistical data of his life, although in his case such knowledge is of little moment. Because his fame rests not so much upon this act or that, this service or that, as upon the full rounded and impressive character of the man which apart from what he did inspired confidence in him and led others to believe that what he did was right and to accept what he did as a pattern for their own conduct. His character was made manifest by such a bewildering variety of transactions, great and small in his public and private life, that no complete reference to them could possibly be made within the decent limits of such an address as this. They all made the man, but we must look at the picture as a whole rather than at the tiny strokes and the colors which form it.

Charles Carroll of Carrollton was born at Annapolis. The date of his birth is variously given as September 8, old style, 18, 19, and 20, 1737, and he died something over 95 years later on November 14, 1832. He was the son of Charles Carroll and Elizabeth Brooks, and the grandson of another Charles Carroll, the son of Daniel Carroll, of Littamourna, King's County, in Ireland. That Charles Carroll read law in the Inner Temple in London, was a clerk to Lord Powis, and came to Maryland in 1680 where he succeeded Col. Henry Darnall as fiscal agent for the proprietary.

The education of Charles Carroll of Carrollton began at a Jesuit school at Bohemia, on the Eastern Shore, known as The Tusculum of the Society of Jesus. In 1747, with his counsin, John Carroll, afterward Archbishop of Baltimore and a member of the first board of St. John's College, he attended the College of English Jesuits at St. Omers in French Flanders, where he remained for 6 years, and also the Jesuit College at Rheims. He attended later the College of Louis Le Grand in Paris, and studied civil law at Bourges, capital of the Province of Berri. From 1757 to 1764 he occupied chambers in the Inner Temple. In 1765 he returned to Maryland, where on February 12, 1768, he married Mary Darnall, the daughter of Henry Darnall.

When he returned, the inevitable clash between Great Britain and the English Colonies was fast approaching. Public sentiment was divided, the officeholders and other Crown beneficiaries and, generally speaking, the wealthier class were for the Crown, while the smaller farmers, merchants, and labor generally were against it. Although he was one of the largest landowners in the province and one of the wealthiest men in the Colonies, Charles Carroll at once, inspired by that passion for freedom which colored his whole life, cast his lot with the patriotic party, and from that time on he was an active and powerful force in establishing American independence and in founding the American Nation. The extent of his activities, and the nature of his service is to some extent shown by the capacities in which he served the colony, the State, and the Nation.

He was a member of the committee on correspondence and safety, the committee on observation for Anne Arundel County (1775), a delegate to the Provincial Convention, a member of the committee which drafted the State constitution of 1776, and of the committee to persuade Canada to oppose England, a signer of the Declaration of Independence, a member of the Association of Freemen, a commissioner to settle the boundary dispute between Maryland and Virginia, a member of the Continental Congress of the United States Senate, and of the State senate. He laid the cornerstone of the Baltimore & Ohio Railroad on July 4, 1828, and at his death, when he was the last surviving signer, he was actively interested in the Potomac Co., the purpose of which was to provide a route from the seaboard to the West.

While he was already known in Maryland as an able and fearless defender of the rights of the colonists against the oppression of the British Crown, the foundation of his fame in the other colonies was laid in his controversy with Daniel Dulany. In the course of that debate he declared those principles of political freedom afterward expressed in the Declaration of Independence and the American Constitution which patriots in all the Colonies professed and believed, and he denounced wrongs from which they all suffered.

Daniel Dulany was a brilliant, learned, and able lawyer, of strong character and great courage, not only the leader of the Maryland bar but known and respected in England as well. He had in an earlier clash between the colony and the Crown advocated the rights of the colonists and with conspicuous ability opposed the obnoxious Stamp Act. Official fees in the colony had been fixed by an act of 1763 which expired in 1770. The assembly, enraged by what they considered the exorbitant fees allowed to officers of the colony, failed to agree on a new table and were prorogued. Governor Eden then announced a fee table by proclamation. Intense and bitter opposition was instantly aroused, parties were formed, and the controversy was carried on in the press, on the platform, and by actual physical force. At the same time the Vestry Act fixing the tax which levied a tax of 30 pounds of tobacco on every taxable in the parish for the use of every minister inducted by the Governor expired. The expiration of that act revised the act of 1702, fixing the tax at 40 pounds. Opposition to that interpretation of the law was also instant and bitter. In the row over the tithes, Carroll, as a Roman Catholic, took no important part, but in a series of letters published in the Maryland Gazette, he attacked the proclamation with extraordinary vigor and brilliance. The correspondence began with a letter published by Dulany, himself a beneficiary under the proclamation, under the pen name of "Antillon," which was in the form of a dialog between two fictitious persons, the first citizen and the second citizen. The first citizen opposed the proclamation, the second citizen defended it. In that debate, the second citizen, who was adroitly made to express Dulany's views, was, of course, victorious. But Carroll, assuming the name and purpose of the first citizen, declined to accept that collusive victory and in a brilliant and spirited reply made the pretended controversy between the two "citizens" a real one. Then followed the debate between two of the ablest men in the western world, protagonists respectively of the rights of the colonists and the Government, which spread the fame of Carroll as an able and courageous patriot throughout all the English Colonies. Carroll's cause was the popular one, for taxation is never welcome, and was approved at the elections.

From that time on Carroll was a member of every patriotic organization in the State and was able, fearless, and conspicuous in opposition to the British policy of treating the colonists not as Englishmen, which in truth they were, but as a conquered and subject people. In one of his replies to Dulany he described himself as "a friend to liberty, a settled enemy to lawless prerogative," and such indeed he was. And, in response to Dulany's ungenerous reference to his religious faith, he said:

"I am as averse to having a religion crammed down people's throats as a proclamation. These are my political principles, in which I glory; principles not hastily taken up to serve a turn, but what I have always avowed since I became capable of reflection. I have not the least dislike to the Church of England, though I am not within her pale, nor indeed to any other church; knaves and bigots of all sects and denominations I hate and despise."

A brief view of the American scene at the time of the Revolution throws some light on the reasons which led Carroll to push the cause of American independence with such indomitable and relentless energy. The truth is that for nearly a century conditions common to them all, and a community of interest, had been steadily fusing the Thirteen Colonies into a nation. Until England had finally emerged from the shadow of the fear of the French menace, the Colonies had been allowed to do about as they pleased. While colonies in name, actually they had been self-governing, and in the rough school of war with the wilderness and the savage, had not only learned the science of self-government but had become so accustomed to dealing with their own problems in their own way that they had come to regard the privilege of governing themselves as a right.

Early in the history of the Colonies Parliament passed certain trade and navigation laws intended to compel the Colonies to buy all their manufactured goods from England, and which forbade them from shipping their raw products to any continental country. The result was that the colonists were required to take less for what they had to sell and pay more for what they had to buy. These laws, which were highly obnoxious to the colonists, emphasized an irreconcilable difference in the views of England and of the Colonies as to the status of the Colonies. The colonists regarded themselves for a time as members of the British family, and resented being singled out as the object of repressive and restrictive regulations, especially when the regulations prevented their growth and emptied their pockets. England, on the other hand, regarded the Colonies as an investment, or, in colloquial phrase, a "farm," and felt that something should be done to make them pay dividends. Environment and struggle molded the colonists into a type not only distinct but at that time unique, characterized by rugged strength, self-reliance, courage, and resource, and, above all, by habits of freedom and independence in word, thought, and action. They resented bitterly the English attitude, but they resented more the English policy of enriching English merchants and manufacturers with their earnings. Because of these different views the Colonies and Great Britain had begun drifting apart long before the Revolution. The end of the French wars at last gave England its opportunity to set about the task of making the Colonies pay dividends. Its reasoning ran, Why have colonies unless they pay? For a long time before that the trade and navigation laws had been ignored by the Colonies, but measures were at once adopted to put an end to that. Writs of assistance, permitting search of private homes without specifying in the writ a particular house or particular goods, were authorized. The right of trial by jury in cases involving violations of certain revenue measures was taken away. The Stamp Act was passed and later another taxation measure, and as a companion measure the Mutiny Act for quartering troops to suppress riots at the expense of the colonists.

Each of these successive steps was fought by the colonists with every available weapon. Pamphlets, speeches, the boycott, sabotage, the courts, and the press were all used to resist what the colonists regarded as invasions of rights which they had by their toil and blood won for themselves. The effect of those struggles, and of their cause, was to weld the Colonies separate in name and organization, into what was in fact a unit, and in spirit a nation. And in that struggle was born that free, easy, and equal democracy which since has characterized the American Nation which was born at the same time.

Apart from such great national leaders as Washington, Jefferson, and Franklin no man contributed more to that result than Charles Carroll of Carrollton. His devotion which amounted almost to a passion for the cause of the Colonies would seem remarkable enough in one whose life until he was 27 years old had been largely spent abroad if one did not consider the influence of his father, Charles Carroll, upon his social and political philosophy. The elder Carroll was himself a man of conspicuous ability, widely educated, and in his correspondence with his son he fostered that hatred of oppression and love of freedom which the son displayed in a thousand ways throughout his life. That same spirit was shown by the father in his humane and generous solicitude for the French colonists who had been torn from their homes in Nova Scotia and forcibly deported to the English colonies, and in his resentment of the galling and brutal treatment of the Roman Catholics in Maryland by the government.

Although perhaps the largest landowner in the colony, deeply interested in politics and public affairs, and equipped both by learning, native ability, and character to take a leading part in the government of the colony, Charles Carroll, called "of Carrollton" after his estate at the junction of the Potomac and Monocacy Rivers in Frederick County, was nevertheless barred by his religion from public office. Because of his wealth, standing, and ability he would have been welcomed with open arms by the court party. But with his background it was not strange that he elected to stand or fall with the party dedicated to the establishment of a new nation independent of Great Britain. And it is undisputed that his flaming zeal, his sound judgment, his inflexible honesty, his talents, and his unwavering purpose contributed largely to the success of the patriot cause. Indeed, in transmitting to him two facsimile copies of the Declaration of Independence in 1824, John Quincy Adams, at the direction of the President of the United States in pursuance of a joint resolution of the two Houses of Congress, in acknowledging that debt said:

"While performing the duty thus assigned me, permit me to felicitate you, and the country which is reaping the reward of your labors, as well that your hand was affixed to this record of glory, as that, after the lapse of near half a century, you survive to receive this tribute of reverence and gratitude, from your children, the present fathers of the land.

"With every sentiment of veneration, I have the honor of subscribing myself your fellow citizen."

Perhaps the events by which Carroll is best remembered are his controversy with Dulany, his connection with the burning of the *Peggy Stewart*, and his successful opposition to the plan of the Gates Cabal to displace General Washington as Commander in Chief of the American forces.

In 1774 the controversy between the Colonies and the Crown had reached an acute stage. The grievance of the Colonies lay not in any one thing, but rather in many acts over a long period all manifesting a fixed policy on the part of the Crown of exploiting the Colonies for the benefit of the English merchant. But the tax on tea proved to be the match that set the smoldering discontent ablaze. Not because it made the tea cost more but because it was thought to be but a step in pushing the prerogative until the Colonies would, in fact, become subject territories wholly at the mercy of a bureaucracy 3,000 miles away. To resist that tax the citizens had adopted a nonimportation agreement. Notwithstanding that certain Annapolis merchants accepted a consignment of tea, and Anthony Stewart, owner of the brig *Peggy Stewart*, in which it was imported, paid the duty on a consignment to Thomas Charles Williams & Co., of Annapolis. A committee was formed to prevent the cargo from being landed. Stewart sought the advice of Carroll, because of his standing and influence with the patriotic party and it is said, on his advice, on October 19, 1774, he burned both the vessel and the cargo. That event was the more remarkable because there was no attempt at disguise or concealment. Those responsible for the destruction of the vessel acted openly and were well known, and it was done in no spirit of revenge or hatred, but as a proper punishment for an admitted offense against what was fast coming to be the de facto government of the colony.

Less spectacular, but of more profound and far-reaching importance, was Carroll's opposition to the Conway Cabal. In 1777 the War Board of Congress, of which Carroll was a member, was enlarged by the addition of four members. The change, it has been said, was made with a view of ultimately putting Gen. Horatio Gates in the place of General Washington. But whether that was its purpose or not there is no doubt that in 1778 Charles Lee, General Gates, and Thomas Conway met to form the Gates or Conway Cabal to carry out that design. Lee, Conway, and Gates were all men with a grievance. Conway was an Irish adventurer, educated in France, and at one time a colonel in the French Army. Lee, twice a traitor, had been openly and severely rebuked by Washington. Gates was burning with wounded vanity and thwarted ambition. If the plans of these malcontents had succeeded there can be little doubt that the Revolution would have failed, for Washington was the very life and soul of the patriot cause. Certainly it could not have gone far under the leadership of an incompetent general, a disgruntled adventurer, and a traitor. There were undoubtedly powerful influences behind the plan. That it was defeated was due largely, if not mainly, to the influence of Charles Carroll of Carrollton, and for that service, if he had rendered no other, the American people should be as they are, eternally grateful to him for the defeat of the plan, for that meant at last the success of the Revolution.

After the war had ended and the new nation launched Carroll showed the same helpful, constructive interest in its welfare that he had displayed in securing its independence. And he still continued to manifest the same love of liberty which had characterized him in the war for independence.

He detested slavery in any form, and was among the earliest, as he was throughout his life one of the most sincere opponents of Negro slavery. In 1789 he introduced into the Maryland Legislature a bill for the gradual abolition of slavery in this State. Under its provisions the State was to buy up the female children, educate them, and free them at 28 years of age. A bill, presumably that one, was referred to a committee composed of Carroll and two others, which suggested that the subject be referred to a joint committee of the two houses for consideration.

And so as one comes to the end of this brief and wholly inadequate sketch of his life we realize that his memory lives so vividly and so brilliantly with us not because of any single act or incident or service, but because his whole life was so interwoven with the struggle of this Nation for independence, and with the history of its first and formative years, that they may not be separated, and because his whole life was dedicated to securing for his fellow countrymen without regard to race or creed or color that freedom of thought and conscience and deed which the experience of mankind has shown to be essential to the common happiness. He was interested in men and in their problems. No subject was too great for his talents, nor too small for his interest. He was actively and always helpfully interested even to the end in art, in letters, in law, in politics, in commerce, in trade, and in agriculture, in his family, and in his relations and his friends. He lived generously, gracefully, and pleasantly. He was wise, humane, and just. He was a great American and a great Marylander, of whom his State and his Nation are justly proud, and whom they delight to honor.

(A brochure of Charles Carroll of Carrollton, patriot, statesman, man, 1737–1937, was published for this occasion by Prof. Henry Francis Sturdy.)

CHARLES CARROLL OF CARROLLTON, PATRIOT, STATESMAN, MAN

Since the founding of Maryland by Cecilius Calvert in 1634, there have been few, if any, Maryland statesmen, who possessed such well-rounded attainments and ability for the conduct of State affairs, as Charles Carroll of Carrollton. A man of character, steeped in classical learning, whose practical philosophy he repeatedly applied to the happenings of his time, well versed in both the English and the civil law, having a natural business acumen highly developed by habits of systematized application and thrift, and with an unusually high appreciation of the indispensability of the spiritual values in life, Charles Carroll of Carrollton became the champion of the civil and religious liberties of the oppressed and fettered American colonists.

The Carrolls had been among the outstanding and successful men in the Maryland colony from the day of the arrival of Charles Carroll, the immigrant, Charles Carroll of Carrollton's grandfather, who came over in 1688, at the age of 28. He came not merely as the third Lord Baltimore's attorney general in the Province but as his particular friend, for Charles Calvert requested that land near his manor be granted to Charles Carroll.

But the coming of the Revolution of 1688 in England completely changed conditions in Maryland where young Carroll had gone "chiefly because toleration was by Royal Charter extended to it, and afterwards confirmed by Provincial Statute." The government of the colony was taken away from Lord Baltimore, who, however, was allowed to retain his proprietary rights, and his young attorney general protested so vigorously against these changes that he was imprisoned in 1691–92 by the new royal Governor Lionel Copley, for "several reflecting speeches and discourses against the Government."

After things had simmered down, the retained proprietary rights of Lord Baltimore enabled him to appoint his outspoken young Irish defender to the lucrative office of judge and register of the land office. Carroll succeeded Col. Henry Darnell, whose daughter Mary, he had married. Lord Baltimore also appointed him as agent and receiver general. These offices, however, he was forced to relinquish in 1717 when the Assembly deprived the Catholics of their remaining civil rights, though Carroll was with some others "exempted by name from the disqualifications imposed by the penal laws." By degrees throughout the Province, he acquired, chiefly in what was then Prince George's, Anne Arundel, and Baltimore Counties, about 60,000 acres of land, bestowing upon some of the tracts the family estate names in Ireland. Doughoregan, a grant of 10,000 acres, became the most noted as the summer and autumnal residence of the Carrolls. Carrollton, which consisted of one-half of 20,000 acres lying between the Potomac and Monocacy Rivers, and having been granted to the immigrant who had purchased "from the Indians a Lycense to take up this tract," was patented in 1722 by his four children, Charles, Daniel, Eleanor, and Mary. In the Port of Annapolis in 1701, he acquired a "small brick house," apparently still standing on Market Street, and "two lots of ground." The right to purchase these was granted to him, said the Lord Proprietor, "for and in consideration of the good and acceptable services to us done by the said Charles, and the better to enable him to continue in the performance of the like good services for the future to us and our heirs." His Annapolis possessions were increased by him and then added to by his son, Charles Carroll, of Annapolis, who, in 1764, in a letter to his son, Charles Carroll, of Carrollton, informed him that he then possessed "20 lots in Annapolis with the houses thereon."

On account of the death of his father in 1720, Charles Carroll, of Annapolis, was forced to return home from Europe in 1723, after completing his "philosophy" at St. Omer's, but before taking his planned course in law at the Temple in London. Thus, at the age of 21, he undertook the management of his share of his father's estate, which, save for a few other bequests, had been divided among the four children and his mother. His father interestingly showed his charitableness through his provision that 5,000 pounds of tobacco be distributed among "such poor people of this Province" whom his trustees should think to be the "fittest objects of charity." And he further provided that on the day of his burial £10 be given to the poor of Annapolis.

The number of Carrolls living in Maryland in the eighteenth century and especially the number of Charles Carrolls has at times made it difficult to distinguish between them. Charles Carroll, the immigrant, had a cousin, James Carroll, of Anne Arundel County, a bachelor who had been keeper of the rent rolls, and who was both the godfather and the guardian, during his godson's minority, of Charles Carroll, of Annapolis. Daniel Carroll, of Duddington, Prince Georges County, the brother of Charles Carroll, of Annapolis, had a son, Charles Carroll, of Duddington. Dr. Charles Carroll, who came to Annapolis about 1722, and who gave up the practice of medicine for the more lucrative profession of merchant, was a cousin. His son was Charles Carroll, the barrister, a distinguished contemporary of Charles Carroll of Carrollton, and noted, too, for his statesmanlike ability of a very high order. It was he who built Mount Clare, now Carroll Park, in Baltimore. Archbishop John Carroll, the first Catholic archbishop of Baltimore, who as a student had been with Charles Carroll of Carrollton, both at the Jesuit school on Bohemia Manor, and later at the college of St. Omer's in French Flanders, was another cousin. The Carrolls trace their descent from the Ely O'Carrolls, ancient Irish nobility, of Kings County, Ireland.

Charles Carroll of Carrollton, whose mother was Elizabeth Brooke, was born in Annapolis in 1737. At the age of 11 he was sent abroad for his education. While he was away at college in Europe, his father had seriously considered leaving Maryland on account of the religious and civil discriminations against the Catholics in that colony. In the first quarter of the eighteenth century the right to vote and to hold office had been denied them. In addition, they were not allowed to hold public worship. And after the arrival of Gov. Horatio Sharpe in 1753 a law was enacted by the assembly and put into effect, which required the Catholic property owners to pay double the tax rate levied upon the non-Catholics.

Before the return of young Charles from abroad the idea of leaving Maryland was abandoned by his father, who in writing to his son in 1760 said: "Were I younger I would certainly quit it—you may chuse for yourself."

After spending 16 years abroad in study, 10 in France, attending the Jesuit colleges of St. Omer's, Rheims, and Louis Le Grand in Paris, and 6 in the study of law in England at the Temple in London, Charles Carroll of Carrollton returned to his home in Annapolis. He had received a thorough education in the Greek and Latin classics, being grounded "in the critical knowledge of the ancient languages, absorbing the ideas of the poets, historians, and orators," and thoroughly grounded in philosophy. At the completion of his studies at Paris in the college of Louis Le Grand, he had to make "a public defense covering the whole of philosophy, both mental and physical." This, of course, was done in Latin and as a former president of Georgetown, Father Richards has said, "it was considered a great honor, as he would not have been allowed to make a public defense had he not been thoroughly conversant with the subject of his thesis." His studies of course embraced both the English and the French classics.

His study of law was undertaken not with the intention of practicing the legal profession, but rather with the end in view of his being more capable of looking after the extensively growing family estates and of defending themselves against the unfair religious discriminations. Thoroughness and understanding of the law, however, to his father, were of the utmost importance, for in a letter of January 19, in 1760, he said: "You must stay at least 4 years in the Temple. You cannot acquire perfect knowledge of the law in less, if in so short a time, and that knowledge is essential to you, as I shall leave you to dispute many things which the injustice of the times will not permit me in prudence to contest."

A well-rounded education included, his father believed, more than purely academic developments, for dancing, fencing, bookkeeping, and surveying formed a part of his training. His father wrote him that "a gentleman should know how to defend himself when attacked"; and the practical knowledge of surveying was "absolutely necessary to every landed gentleman here."

The social amenities of London were considered, too, a necessary part of his education. But above all the great emphasis was placed by his father upon the advantages of a "virtuous education." There will be a "continued scene of ease and satisfaction, if you keep invariably in the paths of truth and of virtue."

He had kept up with the development of political events both in England and on the Continent of Europe. He heard Pitt in 1763 and dined with Edmund Burke. Though he felt that he was in exile and longed to return home to Maryland, he was not thoroughly isolated, for many Marylanders visited London in these years. He mentions Lloyd Dulaney and Edmund Jennings, Jr., and about this time, William Paca, a fellow signer of the Declaration, studied law at the Temple.

His longing to return did not weaken his sense of filial duty to continue his studies in London, for he wrote to his father early in 1763, "Though I am impatient to return, I readily submit in obedience to your will to remain here this one year more, and my impatience shall not hinder my application to the law." And this at the age of 25. This enforced delay in the realization of his heart's yearning to return to Maryland seemed only to intensify the attractiveness of his native land. Charles Carroll of Carrollton's patriotic pride of country extended not merely to Maryland; it embraced America. To this enthusiasm may be ascribed, in part, the irresistible incentive to throw himself, heart and soul, into the cause of the American patriots. In Septemper 1765 only 7 months after his return he wrote to a friend in London:

"The power of this continent is growing daily, and in time will be as unbounded as our dominions are extensive. The rapid increase of manufactures surpasses the expectations of the most sanguine American. Even the arts and sciences commence to flourish, and in these, as in arms, the day, I hope, will come when America will be superior to all the world. Without prejudice or partiality, I do not believe the universe can show a finer country—so luxuriant in its soil; so happy in a healthy climate; so extensively watered by so many navigable rivers, and producing within itself not only all the necessaries, but even most of the superfluities of life."

Almost immediately upon his return he was drawn into the political agitation produced by the British colonial policy expressed by the Stamp Act in 1765. He was in sympathy with the spirit of the "Sons of Liberty" to import nothing from England, for he wrote in the same letter to London. "A great many gentlemen have already appeared in homespun, and I hope soon to make one of the number."

His first public evidence of popular patriotic leadership appeared in his opposition to Governor Eden's assumption of the legislative powers of taxation in the form of fixing the rates for church tithes and governmental officers' fees. The two branches of the Maryland Legislature, the council and the assembly, could not agree upon the rates. Governor Eden solved the difficulty by proroguing the assembly; and, as the old law setting the rates had expired, he fixed the rates in 1770 by executive proclamation, increasing the tithes and keeping the same fees.

As the old fees had been considered in some instances too large, the popular resentment against what the colonists felt was an invasion of their inalienable right of self-taxation, gained greater momentum. After Governor Eden's action had rankled for 2 years in the hearts of the Marylanders, there appeared at last in 1773

a champion for his course. Under the name "Antillon" an unknown author wrote an elaborate defense of Governor Eden's fee-fixing proclamation. The defense took the form of a dialog between the "first citizen" and the "second citizen," in which the "second citizen," who supported the Governor's right to make such a proclamation, had the best of the argument. Such a conclusion to the dialog was immediately challenged by another unknown author as inimical to the fundamental rights of just government. With great ability the author, who assumed the role of the "first citizen," asserted that fees were taxes that could only be levied by the people's representatives. All were published in the Maryland Gazette.

Before the conclusion of the eagerly read series—each protagonist writing four—it was an open secret that Daniel Dulaney, a man of great intellectual abilities, with a legal reputation that extended beyond the colonies to England, and the secretary of the Province, was Governor Eden's defender, "Antillon"; while the "first citizen" was none other than Charles Carroll, of Carrollton, without any public distinction at all. Daniel Dulaney had already gained great popularity by his able defense, in pamphlet form, of the rights of the colonists in opposition to the Stamp Act. Now, however, this politically unknown "first citizen" was popularly acclaimed victor in this latest fight for the maintenance of the people's rights. William Paca and Matthias Hammond, the Annapolis representatives in the assembly, sent Charles Carroll letters of thanks, as did the "freemen of Frederick, Anne Arundel, and Baltimore Counties." The citizens of Annapolis, however, not deeming the thanks of their legislative representatives sufficient, went en masse to show their gratitude in person. And Governor Eden rescinded the proclamation. Charles Carroll of Carrollton was recognized as an outstanding patriot and statesman.

The tea-tax resentment, that had been aroused over the insistence of the British Parliament to uphold the principle of its asserted right to levy taxes upon the colonists, revived in more violent form all the old antagonism of the Stamp Act. The closing of the port of Boston, in consequence of the Boston Tea Party, in December 1773, gave rise to widespread agitation throughout the Colonies. A sympathetic meeting was held in Annapolis in May 1774, followed by the first revolutionary Maryland Convention, which met in June and at which delegates to represent Maryland in the First Continental Congress were selected. The violation by the Williams Co., merchants, and Anthony Stewart, owner of the brig *Peggy Stewart*, of the nonimportation agreement—not to pay any duties upon, or to import tea—so incensed the people that Stewart himself, upon the advice, so it is said, of Charles Carroll of Carrollton burned his brig on October 19, 1774, in order to appease the wrath of the patriots.

On November 9, 1774, at a meeting of the patriots of Annapolis and Anne Arundel County, a committee of observation was selected to enforce the resolutions of the Continental Congress against trade with England. Unhampered by the religious discrimination against holding office by Catholics, the Maryland patriots at this meeting selected Carroll as a member of the committee, his first public office. In June 1775, there was haled before the committee, under the chairmanship of Carroll, one Captain Henzell in command of the merchant ship *Adventure*, who was charged with the violation of importing a cargo of porter, cheese, and coal. The cargo was refused admission, but the 70 passengers were allowed to land.

Charles Carroll of Carrollton was also made a member of the important Committee of Correspondence for Annapolis and Anne Arundel County, which, with similar committees throughout the 13 colonies coordinated the revolutionary activities of the American colonists. With him on this committee were two other future signers—William Paca and Samuel Chase. Carroll was also designated as one of the delegates to the second Maryland Convention which assembled on November 21. At this convention he was made member of the Provincial Council of Safety as well as member of the Provincial Committee of Correspondence. At a meeting of patriots in Annapolis in the following September (1775) he was made a member of the County Committee to license suits. Thus Charles Carroll of Carrollton in the opening period of the American Revolution, had been selected as one of the patriot leaders in the defense against the restrictive British policy.

The hope of getting the active cooperation of the Canadians in the struggle against the British Parliament led the Continental Congress to send, in the early spring of 1776, a mission to Canada "to promote or form a union." Charles Carroll of Carrollton was then not a member of the Continental Congress but his zeal in the American cause, with his mastery of French and his devout Catholicism, the language and religion of Quebec Province, made him the ideal selection as a member of a commission of three. Samuel Chase, a fellow townsman of Carroll's, and Benjamin Franklin were the other two members. The Reverend John Carroll, a cousin of Charles Carroll, accompanied the commissioners, as it was felt that his influence with the Catholic clergy of Canada would be of great assistance. He, too, was a trained French linguist.

After a journey by boat, at times through beautiful country, and by wagon over execrable roads and as bad conveyances, the commissioners arrived in Montreal April 29, about a month after leaving New York. They found the conditions among the American Army, which, under Arnold's command, had invaded Canada, wretched in the extreme: "Soldiers without pay, without discipline, and altogether reduced to live from hand to mouth," living off the country. Under the conditions the commissioners felt nothing could be done. Indeed, in their first letter to Congress they had declared: "Therefore, until the arrival of money, it seems improper to propose the Federal union of this Province with the others, as the few friends we have will scarce venture to exert themselves in promoting it, till they see our credit recovered, and a sufficient army to secure the possession of the country." Franklin felt the hardships of travel so much that on May 11 he left Canada with Rev. John Carroll for Philadelphia. Charles Carroll and Samuel Chase, however, remained inspecting the conditions of the army and visiting the various posts until June 1, when they, too, realizing they had done all that was possible, began the return trip, taking the same route through Lake Champlain and Lake George to Albany and arriving in Philadelphia the night of June 10. One great benefit was derived from the trip. The commissioners had gained invaluable first-hand knowledge of conditions of terrain, of communication and transportation, and the state of the northern army itself. This, later, made Charles Carroll of Carrollton an indispensable member of the board of war established by the Continental Congress.

Carroll and Chase, upon their arrival in Philadelphia, learned with "dismay" that at the session of the Maryland convention, held during their absence, the Maryland delegates to the Continental Congress had been instructed to work for a "reunion with Great Britain on constitutional principles," which "would most effectually secure the rights and liberties of the whole empire." Discovering the "temper of the other colonies" and sensing the favorable attitude of the people toward the severance of English control, they realized the importance of changing such instructions.

A new Maryland convention had been called to meet on the 21st of June. Charles Carroll and Samuel Chase, with the more progressive members, put through the far-reaching resolution authorizing and empowering the Maryland delegates in the Continental Congress at Philadelphia "to concur with the other United Colonies, or a majority of them, in declaring the United Colonies free and independent States." And most appropriately, on the 4th of July 1776, Charles Carroll of Carrollton, who is considered as being the most instrumental in putting through the resolution, was elected a Maryland delegate to the Continental Congress along with Matthew Tilghman, Thomas Johnson, William Paca, Samuel Chase, and Thomas Stone. Carroll did not take his seat in the Continental Congress till July 18. As it was not until August 2 that the Declaration of Independence, having by then been engrossed on parchment, was ready for signing, Charles Carroll of Carrollton was able to fix his signature on that day as one of the four Maryland signers to that historic document. Then it was that the remark was made, it is said, "There go a few millions," as Carroll was recognized as the wealthiest man in the Colonies.

Carroll was at once assigned to the most important committees of the Continental Congress. On August 19, the day after taking his seat, he was made a member of the Board of War, which under the chairmanship of John Adams, administered, under the direction of Congress, the affairs of the military department. He was later appointed to the Committee on Foreign Applications, which determined the question of the commissions and the rank of the foreign officers in the American Army. His contact with the Army during his mission to Canada made his work in the administration of the affairs of the Army much more effective and led no doubt to his selection for the very important task of inspecting, in August and September 1777, General Smallwood's division, then encamped near the head of the Chesapeake. At the beginning of the next year he was sent to Valley Forge where he spent 3 months from January to April 1778 in studying and in trying to improve the conditions of the American Army encamped there.

Both between and during the sessions of the Continental Congress, Charles Carroll of Carrollton would return to Annapolis to participate in State affairs. As he had been elected with Samuel Paca to represent Annapolis in the Maryland Constitutional Convention which met on August 14, 1776, to frame a constitution for the Free State of Maryland, he returned to Annapolis after signing the Declaration of Independence. He was selected in this convention as a member of the committee to prepare a Declaration of Rights and a Constitution for Maryland. It was his method for electing the members of the Senate, which was embodied in the constitution of the State and which became in principle the basis for the method later adopted for the Senate of the United States by the Philadelphia Constitutional Convention in 1787. Carroll continued to represent Maryland in the Continental Congress until the fall session of 1778 when he felt impelled to resign, for as he wrote to Franklin, whom he greatly admired and who then was on a mission to France: "The situation of my domestic concerns and the little use I was in that Assembly induced me to leave it altogether. The great deal of important time which was idly wasted in frivolous debates disgusted me so much that I thought I might spend mine much better than by remaining a silent hearer of such speeches as neither edified, entertained, or instructed me."

Elected under the new Maryland Constitution as a member of the State senate, he had taken his seat with the inauguration of the independent government of Maryland in February 1777. After his resignation as a delegate to the Continental Congress in 1778 he confined his public activities during the continuation of the Revolution to the direction of the government of Maryland.

In 1789 when the new framework of the Federal Government was set up under the Constitution of the United States, Charles Carroll

again took part in the affairs of the National Government by serving as one of the first two United States Senators from Maryland. He continued, however, to serve in the Maryland Senate. In November 1792, he resigned his seat in the United State Senate, in consequence of the enactment of a State law prohibiting any public official of Maryland from holding a Federal office. For a second time he showed his preference for service in the State rather than the Federal Government.

In the first session of the United States Senate, during the discussion of the details pertaining to the necessary provisions for the operation of the Federal Government, Charles Carroll opposed both titles for Government officials and high salaries for Members of Congress. At this same session he supported the efforts that were made to develop and protect the trade of the United States by voting for sufficiently high duties, by wishing to restrict the direct trade with India and China to our own merchantmen, and by desiring to discriminate in tariff rates in favor of those nations having commercial treaties with the United States. Maclay, who was one of the Pennsylvania Senators and very radically democratic, took notes of the Senate debates, which then were held in secret. He entered in his record of the debate on the molasses tariff that Carroll "spoke well," showing the inequality of the taxes upon molasses in comparison to the relatively high brown-sugar tax. In a letter to Jefferson in April 1791, Carroll wrote: "I flatter myself Congress will during the next session adopt decisive and adequate measures for the encouragement and support of our navigation."

In the discussion which was begun in this session over the permanent site for the capital of the United States, Carroll fought for the banks of the Potomac, as that location "would secure" the western country so important to be retained by the United States. Finally, in the second session, his motion to keep the capital at Philadelphia for 10 years and then to fix it permanently on the Potomac was adopted. And thus the city of Washington was built in the Potomac district given by Maryland for that purpose. Richard Henry Lee, of Virginia, shared with him the leadership in this successful legislative fight. Somewhat allied to this struggle for the location of the capital so that there would be a greater national consolidation by making, as he felt, the western country more "secure," were his efforts to isolate the trade of Rhode Island as long as it still refused to enter the Union. Then, too, his support of Hamilton's plan for the assumption of the States' debts furnishes additional evidence for his desire to have a strong Federal Union. This desire is seen again in his outspoken attitude in favor of increased Presidential power through the right of the President to remove from office without the advice and consent of the Senate.

In the Maryand Senate, just as in the United States Senate, Charles Carroll voted against increase of pay for the members of the legislature, for it seemed to him that private interest was being advanced over the public interest. Upon the same principle he opposed the confiscation of British property in 1779, for such action would only add to the speculator's profit rather than to the State's. So, too, did he oppose the reduction of interest on the State's indebtedness, for if such reduction were continued it "will operate as a discouragement to private and public credit and force the monied men to draw their capital out of the hands of the citizens of this State to place them in other countries in which they will not be subjected to such reductions."

His conduct in the affairs of government was marked by economic soundness, wisdom, and justice. In 1777, at the first session of the first Maryland Senate under the newly organized Free State of Maryland, he opposed making bills of credit legal tender for existing debts. At the session of the Maryland Senate in 1783 he presented a long "dissentient" to the bill clothing the judges with power to "suspend, remove, or strike out of the roll of attornies persons for supposed, not proved, disaffection to the government of this State." In this protest he set forth an interesting goal for public policy: "To extinguish factions and to allay and heal their animosities, to unite all ranks of citizens in the pursuit of one common good, has ever been inculcated by wise statesmen." During this session he was elected president of the Maryland Senate.

In 1787, in the session in which he was elected one of the Maryland delegates to the Constitutional Convention held in Philadelphia, declining to serve, however, he led, with Thomas Stone, a fellow signer, successful opposition to the demand of the house of delegates for an issue of paper money. And in 1797 he introduced into the Maryland Senate a bill for the gradual abolition of slavery. His service to the State in the Maryland Senate ended with the session of 1800, for the Revolution of 1800 swept Jefferson and his party into power in place of the conservative Federalists, with whom Carroll was closely allied.

Charles Carroll's conception of the responsibility of public service is interestingly given by him in 1793 in a letter, declining President Washington's proffered appointment as commissioner to conclude a treaty of peace with the Indians near Detroit. Carroll wrote: "The anxiety, too, of mind I should experience from the responsibility of the station and the dread of not answering yours and the public expectation and wishes would also greatly contribute to derange my health and really disqualify me for the business." And again in writing the year before to his fellow Marylander, John Henry, who served with him in the Senate of the United States, he declared in reference to his resignation from that body: "Thus I have got rid of a trust which I really accepted with reluctance and which, I assure you, hung heavy on my mind."

His marked material success in building up and increasing the large estate, left him by his father, Charles Carroll, of Annapolis, was largely due to his sound principles, his keen business acumen, and thrift, and his appreciation of systematic efficiency. "Do not neglect to attend to this matter (some business concern). He who postpones till tomorrow what can and ought to be done today," he wrote to his son, "will never thrive in this world. It was not by procrastination that this estate was acquired, but by activity, thought, perseverance, and economy, and by the same means it must be preserved and prevented from melting away." And again he wrote: "I wish you to learn the value and real use of money; perhaps experience may teach you this useful and necessary lesson; but reflection is necessary to acquire it, and energy of mind and personal activity and firmness are not less so to conduct your affairs to advantage." And a few days later he wrote: "My affairs at present are in good order, my accounts clear and regular."

His outstanding and distinguished success in his private life, as well as in his life as a statesman, was due in part to the well-regulated use of his day and to his balanced, tempered life, with its helpful note of spirituality. In his letters to his son he discloses the fundamental principles and practices of his life. After hopefully writing to his son, who seemed not well, that the cool weather would help him, he continued: "But you must lend your assistance by keeping your mind employed, by due exercise of body and mind, and by a light regimen and abstinence from wine and heating liquors, by going to bed at 9 o'clock and rising by 5 o'clock in the morning. I believe lounging in bed after waking in the morning to be very injurious to health, particularly to persons inclined to a corpulent habit. I prescribe nothing for you but what I practice myself." He would arise at 5, take a cold bath, go for a ride on horseback, then he would have prayers, or attend Mass in his chapel if a chaplain were there. He wrote to his son from Annapolis in 1801: "You must exercise not only your body but mind. Both will become torpid and diseased, if exercise and study be neglected and disused. Accustom yourself to think; and when he you read read with attention, and for improvement, not to kill time, which always hangs heavily on idlers." In a letter to a friend he said, "I have always taken a great delight in reading."

All through his letters are found quotations from the world's most distinguished writers. He derived great "self-satisfaction" and "consolation" from the wisdom in the Odyssey. Of one passage, in which "Ulysses gives a 'wise lesson' to one of the suitors," Charles Carroll wrote: "The poetry is fine, the advice worthy the wisdom of the much-enduring and experienced man, and the morality truly sublime."

"The most beautiful thoughts," he again wrote in a letter to his son, "are always expressed in the plainest language, which ought to resemble the dress of an elegant woman and be simplex mundities. The most sublime and affecting passages in Virgil, and even in Shakespeare, who is too often turgid, are clothed in such language. It is this charm which endears the poetry of Pope to every classic reader of taste." To a friend who visited him in his study where he was "absorbed in meditating the treatise of Cicero on old age," he said, "After the Bible and the Following of Christ, give me, sir, the philosophic works of Cicero."

His appreciation of reading and study naturally gave him interest in Baltimore's first public library, known as the "Library Company," of which he was a member and of which his cousin, Bishop John Carroll, was a prominent patron. Charles Carroll's chaplain at Doughoragen Manor, Rev. George de Perigny, a befriended French royalist refugee, was made the first librarian with the opening of the library in 1795. Then, too, Charles Carroll showed much interest in St. John's College of Annapolis, being on its board of visitors and governors, who appointed him in 1803 as one of a committee of three "to publish an account of the state of the college, and of the advantages it possesses and may afford." Even earlier he had taken an active leadership in preserving for the youth of Maryland opportunities for college education. In the Maryland assembly of 1794 he, as chairman of a senate committee, blocked the attempt to take away all State appropriations for both St. John's and Washington Colleges.

Inseparably linked with Charles Carroll of Carrollton's appreciation of the need for a highly developed and cultivated mind was his appreciation of the spiritual values in life. This appears all through his letters, especially in those to his son. "In improving your mind, remember your God," he wrote to his son in 1801. "The fear of the Lord," he continued, "says the wise man, is the beginning of all wisdom; without virtue there can be no happiness, and without religion no virtue." He was a Catholic, born and bred, thoroughly educated in the principles of the Catholic religion, and unswervingly faithful in promoting its cause and in living up to its required rules and practices throughout his unusually long life of fourscore and fifteen years. Through so unswervingly faithful to one religion yet he possessed not one iota of religious narrowness and zealously sought the establishment of religious toleration. "To obtain religious as well as civil liberty," he wrote in 1827, "I entered zealously into the Revolution, and observing the Christian religion divided into many sects, I founded the hope that no one would be so predominant as to

become the religion of the State—God grant that this religious liberty may be preserved in these States, to the end of time, and that all believing in the religion of Christ may practice the leading principle of charity, the basis of every 'virtue.'"

(The presence of the Naval Academy Band added greatly to the occasion.)

(On Sunday, September 19, a pontifical military field Mass was celebrated at Doughoregan Manor, the home of the signer, in Howard County, Md. Before the Mass, a parade and review of the organized units of the archdiocese of Baltimore was held, under the command of Lt. Col. Thomas J. McNicholas, of the Maryland National Guard.)

The Charles Carroll of Carrollton Bicentenary Commission request the honor of your presence at the pontifical military field Mass to be celebrated at Doughoregan Manor on the two hundredth anniversary of the birth of Charles Carroll of Carrollton, the last surviving signer of the Declaration of Independence, Sunday morning, the 19th of September 1937, at 11 o'clock. R. S. V. P.: Prof. Herbert Wright, the Catholic University of America, Washington, D. C.

PARADE AND REVIEW

Organized units of the archdiocese of Baltimore will march at 10 o'clock under the command of Lt. Col. Thomas J. McNicholas, Maryland National Guard.

PONTIFICAL MILITARY FIELD MASS

His Excellency the Most Reverend Michael J. Curley, D. D., Archbishop of Baltimore, will pontificate.

The Right Reverend Peter Guilday, Ph. D., F. R. H. S., professor of American church history, the Catholic University of America, will preach the sermon.

THE CHARLES CARROLL OF CARROLLTON BICENTENARY COMMISSION

Clinton L. Riggs, chairman; Millard E. Tydings, George L. Radcliffe, William P. Cole, Jr., Philip A. Carroll. James E. Hancock, secretary.

His Excellency, the Most Reverend Michael J. Curley, D. D., Archbishop of Baltimore, together with other dignitaries, reviewed the parade; and his excellency pontificated at the Mass.

The Right Reverend Peter Guilday, Ph. D., F. R. H. S., professor of American Church History at the Catholic University of America, preached the sermon.

AMERICA'S GREATEST CATHOLIC LAYMAN

(There is given herewith in full the sermon which Monsignor Guilday preached at the Baltimore archdiocesan celebration at Doughoregan Manor last Sunday on the two hundredth anniversay of the birth of Charles Carroll of Carrollton.)

"And I have filled him with the Spirit of God, with wisdom and understanding and knowledge in all manner of work."—Exod. xxxi, 3.

Within recent years several anniversaries of national importance have graced the American calendar.

A decade ago we witnessed the close of the Nation-wide sesquicentennial celebration of the signing of the Declaration of Independence in 1776.

Five years ago the bicentennial of the birth of George Washington in 1732 was commemorated in every hamlet and town and city of the land.

Three years ago the Catholic citizens of the United States celebrated the three hundredth anniversary of the founding of Catholic Maryland in 1634.

A YEAR OF ANNIVERSARIES

This year we are honoring probably the greatest of all our jubilees—the one hundred and fiftieth aniversary of the Federal Constitution which was approved on September 17, 1787, in Philadelphia.

In spite of its national appeal the formation of the Constitution in 1787 should not overshadow the fact that this year also the whole of our great Northwest is honoring the famous Ordinance of 1787, in which for the first, and probably for the last, time the Government of the United States officially acknowledged the necessity of a religious basis for the education of our children.

This year we have assembled here at his old manor house of Doughoregan, to do honor to America's greatest Catholic layman—Charles Carroll of Carrollton—on the occasion of the bicentennial of his birth, September 19, 1737.

All these anniversaries seem in an impressive manner to be part of today's jubilee.

WAS ONLY CATHOLIC SIGNER

Charles Carroll of Carrollton was the only Catholic signer of the Declaration of Independence and he was the last of that patriotic band to pass away.

He was one of George Washington's closest Catholic friends.

He was Maryland's stanchest son during the days when the Tory element at Annapolis was determined on reunion with England.

All through his public life, he was the popular idol of the State.

Probably the wealthiest man in the American Colonies, he pledged all—his life, his fortune, and his sacred honor—in the cause of American independence.

There are few facts more certain in Maryland history than that the adoption of the Constitution by the Annapolis Assembly in 1788 was largely due to Charles Carroll, of Carrollton—a victory won in the face of the strong opposition of Luther Martin, Samuel Chase, and other great political leaders of this State.

Charles Carroll's 17 years in France and England as a student brought him back to Maryland in 1765, one of the most cultured men of his time.

IT WAS A CROWDED CENTURY

His life spanned almost a century. And what teeming century it was! From 1737 to 1832, what had he not seen?

The gradual emergence of the Colonies into a Nation, the formation of the most wonderful State paper in all history—the Federal Constitution of 1787, the days of the outstanding founders of the Republic—Washington, Jefferson, Madison, Hamilton, Franklin, and James Wilson, all his friends, the companionship he enjoyed with that immortal group of American Catholic pioneers—FitzSimons, Carey, Archbishop John Carroll, and his brother Daniel, Gen. Stephen Moylan, Col. John Fitzgerald, and Commodore John Barry—these must be placed on the stage of those days to understand Carroll's greatness.

No American of the times was better equipped mentally and morally for the tremendous tasks that lay between the Stamp Act of 1765 and the inauguration of George Washington as our first President in 1789.

ELEVEN YEARS UNDER JESUIT CARE

Charles Carroll, of Carrollton, was 28 years old when he returned to his father's house in Annapolis in 1765. The years spent abroad at the English Jesuit College of St. Omer, where he had as his companion the future first American Catholic bishop, John Carroll, then the years at the famous College of Louis le Grand in Paris, and later at the law school of the Middle Temple in Londcn—these formed the great character he was to become. Eleven of these seventeen years had been spent under the instruction of the Jesuits, who alone among the educators of the day, in the face of the dominant non-Catholic teaching on the divine right of kings, had kept alive in their classrooms the fundamental democratic principles of equality, justice, and freedom; and his training in history, politics, and jurisprudence was to serve his country admirably, once Americans decided to place these old and well-tried Catholic principles at the basis of their national life.

CATHOLIC EDUCATION VALUED

At this point, a word should be said about his father, Charles Carroll, of Annapolis. With his great wealth and high social standing, he might easily have sent his son to any one of the better known classical colleges—Harvard, Yale, Princeton, or even the nearby William and Mary College in Virginia, where Jefferson, Monroe, and John Marshall were once students. But there was no stronger determination in the hearts of Maryland's Catholic fathers and mothers than that of giving their boys and girls a sound moral Catholic education. Rather than have their sons subjected to the danger, remote as it may have been in those days, of losing their faith and their moral Catholic code in these institutions, the parents of boys like Charles and John Carroll willingly saw their sons set out on the long and perilous journey across the Atlantic to find safe harborage in the schools of Catholic France.

Charles Carroll of Carrollton was 11 years of age when he sailed from Annapolis for the Catholic college of St. Omer in 1748.

HE FORESAW INDEPENDENCE

His return in 1765 coincided with the violent opposition to the Stamp Act, and it has recently been shown from his letters that "he was one of the first, if not the very first, to see the probability of successful revolution and eventual independence" as a result of the storm of indignation aroused by the act.

It must be realized that, in spite of his wealth, education, and culture, in spite of the social standing of which the anti-Catholic laws of Maryland could not rob him, Charles Carroll of Carrollton, as he was henceforth known, returned a disfranchised citizen, with no voice in the political affairs of the province. As a Catholic, he was only a little better politically than the slaves on the plantation. He was denied the public exercise of his religion, and was forced by these same laws to pay a double tax for the support of a clergy that could never be his own.

DESTINED TO BECOME LEADER

Events, however, of far-reaching importance were soon to brush aside this civic injustice; and before he realized it, he was in the thick of the political controversies of the day.

It is not our purpose this morning to give in detail the evolution of so noble a life as his from his return until his death over 60 years later. Some of these events are fairly well known to all Maryland. It is known how, out of the controversy with Daniel Dulany, then in 1773, the acknowledged leader of the American bar, Charles Carroll emerged victorious as the "first citizen" of Maryland—an honor he was to bear proudly for half a century until it was forgotten after 1826 for that noblest title ever borne by an American—the "last signer."

As a member of the Committee of Six—the first War Department of the United States—he followed the American Army everywhere, stayed part of the winter with Washington at Valley Forge, and together with his fellow Catholic, Col. John Fitzgerald, exposed the Conway cabal which, it was said, meant to oust General Washington from his post as commander in chief.

INTOLERANCE HURT COLONIES

This may not be the time or the place to mention the pathetic stupidity of the first Continental Congress in its attack upon the

Catholic faith of the neighboring Province of Quebec—an intolerance which was echoed in pulpits all over the land; but it is the time and the place to point out that, despite these bitter attacks on his religion, he accepted Congress' invitation to accompany Franklin and Chase to Canada in a futile attempt to win the Canadians over to the American cause. By that act, it has been well said, "He saved the American Revolution from being tainted with religious bigotry."

There is, however, one chapter in his life which has only recently been given an adequate appraisal. No educated American today would deny the fact that without the help of Catholic France, the American Revolution was doomed to defeat. It may be true, as Carroll wrote to an English friend in 1774, that once hostilities began, the Americans would never surrender. "If we are beaten on the plains," he said, "we will retreat to our mountains and defy them * * * we have no doubt of our ultimate success." These are the words of a loyal patriot, but the statesman in him realized that the purpose of the American Revolution could only be achieved through an alliance with England's century-old enemy, Catholic France.

HELPED WIN FRENCH SUPPORT

The American cause was in a desperate state in 1777, even after the glorious victory at Saratoga in October of that year, and Carroll's knowledge of France and of French political leaders was of infinite value during the negotiations. Efforts were made to have him go to Paris as our envoy, but he wisely declined; for on all sides the rank and file of the Americans would rather have gone back to the tyranny of England than form a compact with a Catholic king and a Catholic people. To offset bigotry, negotiations had to be made in secret. When the Franco-American Alliance became known in 1778 the outcry from our American pulpits was even more violent than that against the Quebec Act of 1774, which gave freedom of worship to the Catholics of Canada.

Every schoolboy knows the result of that famous Alliance. When Admiral de Grasse arrived in the waters of Chesapeake Bay in the summer of 1781, at the head of a fleet of 25 war vessels, with a military force of almost 22,000 officers and men, and with nearly 90 Catholic chaplains, the war was virtually at an end; and in October that year, Cornwallis surrendered at Yorktown.

After the war was over the Thirteen Original States fell apart, each insisting on its own independent sovereignty. To Charles Carroll of Carrollton the immediate task came of helping to give Maryland a State constitution, and for this reason he did not take part in the Constitutional Convention at Philadelphia in 1787, having declined to serve there as a delegate.

MARYLAND'S FIRST SENATOR

As Maryland's United States Senator in the First Federal Congress of 1789, he shares with his kinsman, Daniel Carroll, Maryland's delegate to the House of Representatives, the honor of shaping the first 10 amendments, the American Bill of Rights; in the first of which religious liberty is forever enshrined in the Constitution in that famous phrase, "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."

With the turn of the century, Charles Carroll ceased to take an active part in national politics, but his letters up to his death show his keen patriotic interest in all that concerned the principles of American democracy.

He had already accomplished the work of several lifetimes. As when God chose out for Moses the builders of the tabernacle and filled them with His spirit, with wisdom, and understanding and knowledge in all manner of work for the building of the house of the covenant, so He filled the heart of Charles Carroll of Carrollton with His own divine spirit. Carroll had remained through all these public years of his career stanchly devoted to the doctrines of the Catholic Church, to its bishops and priests. His mind had been filled through his Catholic education with an extraordinary wisdom which gave him a swift and sure insight into the principles beneath current problems that were closed to many of his illustrious contemporaries. God had filled his heart also with an understanding of men and of motives, so that in all manner of his workmanship Charles Carroll of Carrollton was then and remains forever one of the most enlightened Christians of modern times.

WAS A FAITHFUL CATHOLIC

All his life long he was a faithful son of Mother Church. Neither the luxuries of Paris nor the temptations of London dampened his religious zeal and devotion; and certainly no young Catholic man of the day received more stirring letters from his father to keep true to Catholic principles of life and action. It was on his deathbed that he gave utterance to one of the noblest thoughts that ever came from his lips, "I have lived to my ninety-sixth year; I have enjoyed continued health; I have been blessed with great wealth, prosperity, and most of the good things which the world can bestow—public approbation, esteem, applause; but what I now look back upon with the greatest satisfaction to myself is that I have practiced the duties of my religion."

Here at Doughoregan, or at his town house in Baltimore, and occasionally at the old home in Annapolis, he often received political leaders and discussed the many burning issues of those remaining years, but his last chapter in his life was mainly one of peace and quiet, spent among his books. Each day began with serving holy mass in the chapel here. Each day ended with prayers in the midst of his family and household. It was a life spent in the presence of God.

To this period belongs the meeting again after so many years between Carroll and Lafayette, in 1824, when that national hero came here as the guest of the United States.

PRELATES VISITED HIM

To these years belongs also that more striking episode—the visit of the prelates of the First Provincial Council of Baltimore in 1829 to this place to pay Carroll honor. Few scenes in American Catholic history are comparable to this. One needs but little imaginative power to visualize on this grassy sward the dignified and venerable figure—he was then 92 years old—surrounded by Archbishop James Whitfield, of Baltimore; the great and good Flaget, of Bardstown, once pastor here at the Manor, the eloquent England, from Charleston; the majestic Purcell, from Cincinnati; the saintly Rosati, from St. Louis; and the ever witty and attractive Fenwick, from Boston.

One writer has described the Manor in those far-off days as follows:

"All the distinguished men of his day visited him at Doughoregan, eager to see and to converse with the late relic of a so glorious day; hither came the courtly, grave, and gentle Washington, not unwilling to exchange reminiscences with this pillar of the people's rights; hither came the brilliant Lafayette, the hero of the French court of that day, the admired even of the beautiful queen; hither came foreign ambassadors, and men of note, traveling merely for pleasure; and hither came generals, Senators, statesmen, and officers, both naval and military, who had had each their part in that fierce and mighty struggle, and now came in the calmness of peace and prosperity, to speak of it as of a something past. Jefferson, Adams, Hancock, Monroe, Franklin, all met betimes in that ancient drawing room, and in the courtly parlance, dress, and manner of the day, discoursed upon what had been and was to be. The conversation of Mr. Carroll must, indeed, have been of great and varied interest; for besides his store of anecdotes relating to the early colonial times and the rough pioneering days, memory must have frequently led him backward to recollections of life in Europe, episodes of his stay at that seat of learning and chivalry, the College of Louis le Grand. We can imagine that often the mention of a name recalled to him scenes in which he had been an actor, or that distinguished men in England or on the Continent were remembered by him as old schoolmates or fellow students at law."

LEFT ALONE AMONG SIGNERS

To these years belong also one aspect of his domestic and religious life that gave him some concern. He had watched the children of his daughter Mary, Mrs. Richard Caton, grow up around him here and in Baltimore. They were acknowledged as among the most beautiful girls in the Nation, and soon they were mingling in the select social groups of Europe. One of these granddaughters, a widow, the sister-in-law of Prince Jerome Bonaparte, remarried in 1825 in Dublin the Marquis of Wellesley, then Lord Lieutenant of Ireland and brother of the Duke of Wellington. This gave cause to the celebrated toast of Bishop England: "To Charles Carroll of Carrollton: in the land from which his grandfather fled in terror, his granddaughter now reigns as queen." Another of the girls became the Duchess of Leeds, and the third became Baroness Stafford. What concerned their grandfather was that these were mixed marriages, and he had seen too many of the fine old Maryland Catholic houses disappear through such alliances.

Perhaps, the most dramatic moment of his life came on the occasion of the golden jubilee of American independence—July 4, 1826, for on that day two of the three remaining signers of the Declaration, Thomas Jefferson and John Adams, entered into their eternal reward, leaving Carroll to bear for the last 6 years of his life the title "Last of the Signers."

NATION LOVED HIM

From that day until his death every eye in the Nation was focused on this beautiful spot in old Maryland. All that he did here, his visitors, his receptions, and the most intimate affairs of his daily life aroused the Nation's interest.

On August 2, 1826, at Faneuil Hall, Boston, Daniel Webster, the greatest of our orators, paid Charles Carroll of Carrollton this tribute:

"Of the illustrious signers of the Declaration of Independence there now remains only Charles Carroll. He seems an aged oak, standing alone on the plain, which time spared a little longer after all its contemporaries have been leveled with the dust. Venerable object! We delight to gather around its trunk while it yet stands, and to dwell beneath its shadow. Sole survivor of an assembly of as great men as the world has witnessed. In a transaction one of the most important that history records, what thoughts, what interesting reflections, must fill his elevated and devout soul! If to dwell on the past, how happy, how joyous, how full of the fruition of that hope which his ardent patriotism indulged; if he glance at the future, how does the prospect of his country's advancement almost bewilder his weakened conception! Fortunate, distinguished patriot! Interesting relic of the past! Let him know that while we honor the dead we do not

forget the living, and that there is not a heart here which does not fervently pray that Heaven may keep him yet back from the society of his companions."

LAID TO REST AT DOUGHOREGAN

When they laid him to rest in the chapel of his beloved Doughoregan, in mid-November 1832, the entire Nation went into mourning. Panegyrics were delivered by leading orators in the chief centers, and the American newspress was unanimous in its praise for a long life of perfect devotion to God and country. The Nation had lost a common father. He was the last link with the past, with the founders of the American Republic. Last of the Fifty-seven, when he died, a new generation was in the seats of the mighty, never to forget that their legacy of American idealism came from the Catholic Carroll as truly as it had come from Washington, Jefferson, and Hamilton.

HIS LIFE SERVES AS MODEL

If, therefore, in response to the wishes of the beloved successor of those great archbishops of Baltimore—Carroll, Marechal, and Whitfield, whom Charles Carroll of Carrollton knew so intimately—we have assembled on this bicentennial of his birth, it is not to pass the time idly in another jubilee; it is for the purpose of recalling, first of all, to those not of our faith the noble participation of this greatest of our Catholic laymen in the founding of the Republic, and, secondly, to realize that in our rejoicing the memories of the deeds of Charles Carroll create for us a challenge to a deeper consecration of soul and body to the service of his and our beloved country.

All may not be called to be architects of the tabernacle of American idealism, but all here have been gifted by the spirit of God to cooperate in the workmanship so necessary from day to day to keep sacred the foundations of that tabernacle of democracy in which are now enshrined the Declaration of Independence and the Constitution of the United States.

For this, here in the presence of all that remains of this great man, and at a time when perils seem to be gathering around our political ideals, let us respect the words to which he signed his immortal name—the final words of the Declaration of Independence: "With a firm reliance on the protection of divine Providence we mutually pledge to each other our lives, our fortunes, and our sacred honor."

TWENTY THOUSAND UNITE IN HONORS PAID TO CARROLL—ARCHDIOCESE ACCORDS TRIBUTE TO MEMORY OF GREAT CATHOLIC AND FEARLESS PATRIOT—ARCHBISHOP CELEBRANT AT MILITARY FIELD MASS—DESCENDANTS OF SIGNER AMONG THOSE PRESENT; PARADE PRECEDES RELIGIOUS CEREMONIES

Let us draw on our imagination for a few moments—an imagination which is not far from fact, if at all removed from fact.

It is 125 years ago. There is a small group in a little chapel at Doughoregan Manor, the home of Charles Carroll of Carrollton.

MASS IN DOUGHOREGAN CHAPEL

The venerable signer of the Declaration of Independence kneels before the altar as the first Archbishop of Baltimore, his cousin, elevates the sacred Host and then the chalice of everlasting life at the solemn consecration period of the holy sacrifice of the Mass.

Now we travel quickly above the plains of time to Sunday, September 19, 1937, to that same Doughoregan Manor to be present as the tenth archbishop of Baltimore elevates the sacred Host and the chalice of everlasting life in the presence of 20,000 members of his flock.

How different the surroundings at the two Masses. How different in size the two congregations, the one at the Mass of 125 years ago in the small chapel, with only a few present to hear the words of consecration which could not be heard outside the chapel's entrance. The Mass of 6 days ago when the words of consecration were heard throughout the length and breadth of the land.

SALUTE GIVEN EUCHARISTIC SAVIOR

In the chapel of Doughoregan 125 years ago, silence, profound silence, as the one gazed upon the body and blood of Jesus Christ. Outside the chapel at Doughoregan, Mass on Sunday last, in the middle of a great field on a great estate, the solemn words of consecration were greeted with the rolling of drums, the blowing of trumpets, the booming of cannon; 20,000 on their knees in silent adoration of the same Jesus come down to an open-air altar at Doughoregan just as surely as He came down to the altar in the little chapel which was built at Doughoregan Manor 219 years ago.

Two hundred and nineteen years ago. A long time. And yet the Mass last Sunday was celebrated in the midst of surroundings far older; changed, it is true, in many appearances in the course of the centuries, but as old in many other respects as the Church of God itself—aye, centuries older.

A hundred and twenty-five years ago the eyes of "the signer" still bright with life. Last Sunday his dust mingling with the soil of the Maryland he loved so well and served so faithfully. His body naught but dust, but his soul immortal, the affection for him undying unto the day of the death of the Nation whose birth he witnessed in such joy and gratitude.

A CROSS BINDS THE YEARS

One link there was connecting the Mass in Doughoregan Manor of 125 years ago and the Mass of 6 days ago—a cross, a pectoral cross once worn by John Carroll, the first Bishop and Archbishop of Baltimore, and worn again last Sunday by John Carroll's successor, the Most Reverend Michael J. Curley, tenth Archbishop of Baltimore.

An appropriate link it was, that cross; symbolical of suffering and symbolical of the triumph of love in the face of base ingratitude.

Charles Carroll, born in Maryland, established 103 years before his birth by those who had established a "land of sanctuary" for those who had been persecuted for their faith, was forced as a young man to leave his native State because he was, in the eyes of the law, an outcast, an outcast because he was a Catholic. He was forced to leave home and kindred for years to obtain that Catholic education which was proscribed in his native State.

SAW THE BIRTH OF A NATION

The long years have passed. He had returned home, a political outcast. Still the days pass and the years wane and other years come into being and he who had been the outcast has helped to serve his State, has helped to frame its constitution, remembering as he did so the Fourth of July, 1776, when, at the age of 39 years, he had signed his name to the birth certificate of a nation; he the only Catholic among the valiant patriots whose memory shall not die in the hearts of Americans yet unborn.

How many who were present at the solemn pontifical military Mass at Doughoregan saw in the Mass the proof of the perpetuity of the church?

Why ask that question? All Catholics see in the Mass the explanation of their church's perpetuity. That is why Charles Carroll could suffer the stings of ingratitude on the part of the State he loved. That is why he could look serenely forward, fortified by a Catholic education, gained not only by the sacrifices of his parents but by his own sacrifices. The richest man in the country in his day, his richest possession was his faith.

LIVED A SERENE LIFE

Historians say serenity marked all his years. Only serenity could have made him forget the ingratitude of which he and his forebears had been victims. He forgave all and forgiving all worked to help to give freedom to all.

That was an amazing demonstration to the memory of Charles Carroll which was given at Doughoregan Manor on the bicentennial of his birth. In all the news stories which were published in The Review preceding the day of celebration no estimate was given of the expected crowds. The real reason was because The Review felt that if 10,000 were present that would surely be an amazing thing.

Doughoregan Manor is not easy to get to, except by busses and private automobiles. There are no other popular means of transportation—no railroad approaches near it. That 20,000 did assemble there, coming from every section of the archdiocese, from Baltimore in which Charles Carroll died, from Annapolis in which he was born; from the Capital City of the Nation, from southern Maryland, middle Maryland, and even some few from far western Maryland—tells how Carroll's memory lives.

CARROLL AND ST. CHARLES

Gratitude was evident at the celebration in honor of the bicentennial of the birth of him who had been the victim of ingratitude. Among those assembled to pay a tribute of gratitude to the memory of Carroll were the Sulpician Fathers from St. Charles College and the students of St. Charles College, a college at whose birth Charles Carroll presided just as surely as he had presided at the birth of a nation.

It was Carroll who gave 253 acres of land from his vast estate for the site of a preparatory seminary for the priesthood which was to give to this country, to date, several thousand priests—leaders in the church, all of them, including the many members of the hierarchy who have called St. Charles' "dear mother." Carroll also made a money gift of $5,347.

Gratitude was expressed, as Charles Carroll would have it, to the Jesuit Fathers who had done so much to help mold him into a devout, a fearless, serene Catholic. The sons of St. Ignatius molded his character at Old Bohemia Manor on the Eastern Shore of Maryland and at St. Omer.

TRIBUTE PAID JESUITS

The tribute which the country owes to the Jesuits for having done so was paid by the Right Reverend Monsignor Peter Guilday in his eloquent and truly informative sermon delivered at the Mass. It was in the opinion of the writer one of the best of the many fine sermons Monsignor Guilday has delivered.

The thread of catholicity has come from Doughoregan of Charles Carroll down through the years. Not only did Carroll give to the Nation from his estate the famous St. Charles' but in the march of time the home in which "the signer" was born has become the property of the Redemptorist Fathers at their second novitiate in Annapolis.

The Redemptorists were present at the celebration to pay their tribute just as were the Sulpicians, the Jesuits, Franciscans, Paulists, Passionists, Vincentians, Dominicans, Josephites, Claretians, Augustinians, Oblates of Mary Immaculate, Benedictines, Brothers of the Christian Schools, Brothers of Mary, Xaverian Brothers, and others.

WANTED CHURCH TO PROSPER

Both Charles Carroll and his distinguished cousin would have marveled if they could have returned in the flesh and looked upon the many diocesan priests who took part in the parade which preceded the solemn pontifical military mass; if they could have seen students for the priesthood and the representatives of the various religious brotherhoods from the Catholic University conference of clerics and religious and the representatives of the many religious sisterhoods. Let this be remembered—Charles Carroll not only wanted his country to grow and flourish but he wanted his church to grow and flourish.

The signer and his cousin, the Archbishop of Baltimore, 125 years ago would have marveled at the parade and would have commented on many things. They would have noticed how differently the soldiers of today, as represented by the Maryland National Guard and the District of Columbia National Guard, dress than the old Continentals.

They would have enjoyed the many bands, the various fife, drum, and bugle corps which took part in the parade, each musical organization seeking to attract attention by its gay uniforms and some of them seeking to add to their attractiveness by having feminine drum majors.

CARROLL'S DESCENDANTS THERE

They would have seen white and black men, devout Catholics all, marching in the parade: Bohemians, Lithuanians, Poles, Italians, Germans, Irish, and thousands whose roots are deep-rooted in Maryland soil.

Charles Carroll would have seen many of his descendants gathered for the celebration. He would have seen students of high schools and colleges, boys and girls, young men and young women in line, with many of the students from the girls' high schools dressed in their attractive school uniforms.

The signer would have seen clouds of dust sweeping along the road as the joyous marchers came along, with bands playing and thousands applauding them.

There were days long ago when soldiers walked along dusty roads, not with jaunty steps, not with bands playing nor flags flying, but tired, worn men, hungry men, wondering where this Revolutionary War was going to carry them.

MASS IS BROADCAST

Times have changed. It took many weeks for news to travel from one colony to another, but last Sunday by means of the miracle of radio the solemn words of the Mass were heard instantaneously in California, in Texas, and other parts of the country. The ceremonies were broadcast by Station WBAL. Part of the time, by means of the Mutual System, the broadcast was on a Nation-wide scale.

Yes, times change, but the Catholic Church, the church Carroll loved, does not change. She bows not to public clamor; she surrenders not to expediency; she will not weaken her laws; but she does strengthen the weak so that they may obey her laws—so that they may be true to the teachings of her Founder as Charles Carroll of Carrolton was true to Him.

The major assistant officers of the Mass were Sulpician Fathers, all members of the faculty of St. Charles' College, with the exception of the Reverend Dr. John F. Fenlon, S. S., provincial of the Sulpician Fathers in the United States and president of St. Mary's University and Seminary.

BISHOP M'NAMARA PRESENT

The deacons of honor to his excellency were the Reverend Lawrence A. Brown, S. S., vice president of St. Charles', and the Reverend William F. Dwyer, S. S.; the deacon of the Mass, the Reverend John P. McCormick, S. S., and the subdeacon, the Reverend Joseph L. White. The Reverend Alonzo J. McHugh, S. S., was master of ceremonies.

The minor officers of the Mass were students of St. Charles', and the music of the Mass was sung by students of St. Charles' under the direction of the Very Reverend George A. Gleason, S. S., president of the college.

The radio narrator at the Mass was the Reverend John C. Selner, S. S., of St. Mary's Seminary.

Among the prelates present were the Most Reverend John M. McNamara, Auxiliary Bishop of Baltimore; the Right Reverend Monsignor Joseph A. Cunnane, the Right Reverend Monsignor Albert E. Smith, and the Very Reverend Monsignor Harry A. Quinn.

Father Louis C. Vaeth was in charge of the arrangements, which were excellent; and it is estimated that more than 30,000 persons were in attendance.

On the same day, Sunday, September 19, a celebration was held at the West Baden College, West Baden Springs, Ind.

The significance of this celebration in honor of the greatest American Catholic layman is shown by the program attached herewith.

AN ACADEMY, CHARLES CARROLL OF CARROLLTON, ON THE BICENTENNIAL OF HIS BIRTH, SEPTEMBER 19, 1937

Carrollton March (played in 1828, when Charles Carroll laid the cornerstone of the Baltimore & Ohio Railroad.)
Charles Carroll and Catholic History.....Charles J. Fox, S. J.
Charles Carroll, Man of Character.....Joseph A. O'Brien, S. J.
Charles Carroll of Carrollton (poem).....Vincent J. Colimore, S. J.
Charles Carroll, "First Citizen" and Emissary to Canada
William A. Dehler, S. J.
Charles Carroll, Supporter of the Revolution.....John R. Connery, S. J.
Charles Carroll, Catholic Patriot.....James S. Tong, S. J.

Maryland, My Maryland

Thou wilt not cower in the dust,
Maryland, my Maryland!
Thy gleaming sword shall never rust,
Maryland, my Maryland!
Remember Carroll's sacred trust,
Remember Howard's warlike thrust,
And all thy slumb'rers with the just,
Maryland, my Maryland!

(West Baden College, West Baden Springs, Ind.)

CHARLES CARROLL OF CARROLLTON BICENTENARY CELEBRATION—CHARLES J. FOX, S. J.

On the bicentenary of the birth of Charles Carroll of Carrollton, September 19, the faculty and scholastics of West Baden College assisted at a program held in his honor in the college auditorium. The festivities were in keeping with the joint resolution of both Houses of Congress that this brave signer of the Declaration of Independence and ardent champion of liberty be honored throughout the land. His coreligionists in particular took delight in paying tribute to the memory of this fighting exemplar of early American Catholicism in the year which marks also the one hundred and fiftieth birthday of the Constitution. For "the supreme law of the land" that guarantees religious liberty to all would hardly have been framed as it is without the labors and influence of Charles Carroll of Carrollton.

A surprise opened the evening in the form of a Carroll souvenir, the old Carrollton March, first played in 1828 when Carroll laid the cornerstone of the Baltimore & Ohio Railroad. The first speaker (author of this article) then sketched the broad outline and background for the picture that was to be drawn. Although founders of the Maryland colony, the Catholics had been deprived of civil and religious rights by the very Protestants whom they had welcomed wholeheartedly into their midst. They could not hold office; they could not vote; a double tax was imposed upon them; worst of injustices—bigoted men would not let Christ come publicly in the mass into His own world and into the bodies and souls of men He had redeemed.

However, strange to say, the importance attached to Catholic participation in the revolt against the mother country in 1776 by both loyalists and rebels, shows that they had retained the position of a respected minority. Their espousal of the rebel side added weight to it and helped bring about, if not complete cooperation, at least neutrality, with Catholic Canada and the war-winning alliance with Catholic France. Afterward they were well repaid, for the Constitution, adopted in 1789, grants (art. VI, sec. 3): "No religious test shall ever be required as a qualification to any office or public trust under the United States." The first amendment adds: "Congress shall make no law respecting the establishment of religion or prohibiting the free exercise thereof."

To Charles Carroll belongs probably the secondary part in obtaining this guaranty of religious liberty. From the Stamp Act to the signing of the Declaration of Independence and the governmental post-war work he was in the midst of the activity, as the other papers read by the scholastics demonstrated.

Mr. Joseph O'Brien told us about Carroll's boyhood, his education by the Jesuits at Bohemia Manor, Md., at St. Omers, and at Louis le Grand, his study of law at the Temple in London, his return to America, and his forced entrance into the political arena as the people's representative. A sterling Catholic, not because of family tradition only but because of conviction, he was a monthly communicant and in his simple and humble manner was always the first to contribute to the relief of the poor, the education of the orphan, the erection of churches.

Mr. Vincent Colimore then recited in a vivid style his tribute to the Catholic signer. We quote his stanza, portraying Carroll's perseverance in the days of crisis:

And you, of Carrollton, who watched historic years
Begin and wane, you, too, have felt the blade
Go deep when all seemed lost; and had your fears
That life was only failure—was a jade,
When, somehow, failure turned success and gave
You life again and strength beyond the grave.

Mr. William Dehler informed us that when the royal Governor attempted in 1770 to renew by proclamation officer's fees, many of which were mere sinecures, Charles Carroll, though disinfranchised, met the challenge of taxation without representation, and,

championing the rights of the people in an open-letter controversy—reminiscent of "Al Smith against Marshall" days—won for Protestants the very rights they had denied him and his fellow religionists. Thence forth known as Maryland's "first citizen," he was enthusiastically admitted into the assembly, in spite of religious disqualifications. Later he was sent by Congress to Canada to secure an alliance. Though failing to win this because of bitter protest of the bigoted Colonies against the Quebec Act, which had restored to the Canadians French civil law and guaranteed religious freedom, Carroll and the other commissioners, who included Father John Carroll, afterward first bishop of Baltimore, did obtain, however, a second best achievement, namely, virtual neutrality.

Mr. John Connery remembered Carroll's public achievements during the war of independence itself. His initiative won the consent of the Maryland people to declare for separation from England; he courageously signed the Declaration of Independence, thus pledging his all, his life and wealth (he was the richest man in the Colonies); aggressively he served on the Board of War in Congress; and very probably, as Franklin's main counselor, he took a part in winning the French alliance, which ultimately brought victory. Mr. James Tong, drawing all the former strands together in a vigorous speech, based on the theme of Carroll's heraldic motto, "In bello et in fide fortis" (the roots of the highest courage are in the Catholic faith), clinched the argument for uniting the qualities, so-called incompatibles, Catholic and patriot, in the person of Carroll.

In a mood of triumphant memory, the choir and audience sang Maryland, My Maryland, with its pertinent line, "Remember Carroll's sacred trust"—liberty to do our best for God and country.

(On Monday, September 20, 1937, in the afternoon, a tea served by young women in colonial costume was held in honor of the signer at the opening of his city home as a recreation center. Due to the cooperation of the Federal Government and the city administration this old mansion, which was built by Charles Carroll, and in which he died, has been completely reconditioned and is now serving the interests of the community. Brig. Gen. John Philip Hill, Assistant Adjutant General of Maryland, made a few extemporaneous remarks; and Mr. James E. Hancock, secretary of the Commission, read a paper.)

RADIO TALK BY JAMES E. HANCOCK AT CARROLL MANSION, LOMBARD AND FRONT STREETS, SEPTEMBER 20, 1937

Standing in the room where died a signer of the Declaration of Independence, one feels unusually close to those men who worked with Washington to establish this American Republic. Here in his declining years lived Charles Carroll of Carrollton surrounded by the loving care of his daughter Mary and her family, amid the respect of all. His reflections on what had transpired during his lifetime must have afforded him such satisfaction and interest that it might be well to give a passing thought to those times.

Because of protracted wars and a general unrest that lasted for several centuries the social and economic conditions of Europe were critical during the colonization period of North America. The middle classes were disappearing, and in England, as elsewhere, there was much unemployment. The cost of living had risen so sharply that many men were willing to cross the wide Atlantic and settle in a land where they could at least lead natural lives. Here, in detached environment, they developed new habits and thoughts that differentiated them from those who stayed at home. Among other things, these men soon acquired the right to elect representatives to the several assemblies, and this participation in the conduct of colonial affairs encouraged a sense of personal responsibility toward government which became the wellspring of American thought that brought on the Revolution.

Despite the considerable influx that had come to Maryland during the hundred-year interval between the founding of the colony and the birth of Charles Carroll of Carrollton the region around what is now Baltimore was still sparsely settled. The few houses in this vicinity were the homes of frontiersmen who differed only in degree from their fellow colonials. But the American character had been established and the subject of our present respect was an expressive example of the prevailing type who were not content to take the dictum of a far-away government.

Charles Carroll of Carrollton was born at Annapolis, Md., on September 19, 1737, the son of Charles Carroll and Elizabeth Brooke. His grandfather, Charles Carroll, had come to Maryland as the attorney general and personal representative of Lord Baltimore in 1688 and afterward served as judge and register of the land office and as agent and receiver of rents for the proprietor. A prospective heir to the largest estate in Maryland, young Carroll was sent to France in 1745 to be educated. After spending 6 years at St. Omers, he went to the Jesuit college at Rheims, preparatory to studying law at Bourges and in Paris, where he received frequent letters from his father that reflected the colonial opinions of the day.

In the meantime the French and Indian War broke out, and after Braddock's defeat there was much confusion in Maryland. Fearing that France would control the future destiny of the country, many settlers abandoned their farms in the western part of the province and flocked to Baltimore for protection. In 1757 young Carroll left France to go to London to complete his law course at the Inner Temple, and while in England he must have heard the protests against the curtailment of power of the House of Commons and the assumptions of royal privilege. As a colonial he was interested in the discussions between the followers of Pitt and the adherents of the ministry that was planning to saddle some of the oppressive taxes on America. Necessarily these agitations made their imprint on his mind and helped to develop his character for the political events which followed.

In the winter of 1764–65, Charles Carroll returned to Maryland with the many advantages of his varied experience. Shortly after his arrival at Annapolis the Stamp Act was passed by Parliament, and Carroll entered the lists against it and saw the people of Annapolis refuse to allow the distributor of royal stamps to land at Annapolis and drive him from the Province. He saw them obstinately refuse to buy the stamps and heard that the court of Frederick County had declared the Stamp Act unconstitutional. Then came the nonimportation agreement, which the people of Maryland faithfully kept after the other Colonies had withdrawn.

In 1770 the Maryland Assembly refused to reenact the laws that fixed certain Government fees, and when Governor Eden attempted to revive them by proclamation, Charles Carroll discussed the question in the Maryland Gazette against Daniel Dulaney, the secretary of the Province, who tried to justify Governor Eden's action. This matter was so ably conducted by Carroll that Dulaney withdrew; and even before the Boston Tea Party, Marylanders had compelled the *Good Intent* to return to England with its cargo of tea, and when the *Peggy Stewart* attempted to bring in its tea, they burned the vessel at the wharf.

Grounded in the tenets of the charter of Maryland in which King Charles had disclaimed for himself and his successors any right to tax the people of Maryland, Charles Carroll had rapidly become a leader of patriotic sentiment and in 1775, he was chosen a member of the Committee of Observation. That same year Carroll was elected a delegate to the Maryland Convention, and in February 1776 he was sent to Canada to try to persuade that section to join the revolt against Great Britain. Returning to make his report, he found the Continental Congress busily engaged in discussing the proposed Declaration of Independence. Hoping a peaceful solution, the delegates from Maryland had been instructed to vote against an immediate rupture with Great Britain, and Carroll left for Annapolis to assist Samuel Chase in his efforts to have the Maryland Convention withdraw its reservations.

On June 28, 1776, Carroll moved that the delegates to the Congress from Maryland should join in the endorsement of the Declaration of Independence. This instruction being approved, the delegates at Philadelphia were immediately notified and on July 4 the Declaration of Independence was passed. On that same day Charles Carroll was appointed a delegate to the Congress and took his seat on July 18. On August 2, with the other delegates from Maryland, he signed this immortal document on behalf of his State, as Charles Carroll of Carrollton to distinguish him from other Charles Carrolls in Maryland. He was made a member of several important committees and was returned to Congress in 1777. In 1781 and 1786, he was elected to the Maryland Senate and helped to draft the Constitution of Maryland. In 1788 he was sent to the United States Senate, to which body he was again elected in 1797; and in 1799 he served as a member of the commission that established the boundary line between Maryland and Virginia.

Meanwhile Charles Carroll of Carrollton had become a confirmed Federalist and in 1810 he retired from public life to devote his attention to personal affairs. In 1812 he entertained Lafayette, who had returned for a visit to America and on July 4, 1828, he laid the cornerstone of the Baltimore & Ohio Railroad. On November 18, 1832, Charles Carroll of Carrollton died in Baltimore, beloved and respected by all and was buried in the chapel at his old home Doughoregan Manor.

Although Charles Carroll of Carrollton was not born in Baltimore, much of the land upon which this town was originally founded belonged to his father and his uncle, Daniel Carroll. They had called these holdings Ely O'Carroll after the name of the county in Ireland from whence the Carrolls came. When Charles Carroll of Carrollton was born, the town of Baltimore contained about 100 inhabitants and he lived to see it become the third largest city in America, with a population of nearly 100,000. A man of large inheritance, with a splendid intellect and an exceptional education, he had not only been one of the important actors in the national drama but was active in local development of the city and State and now we find that this old section of the town and this old house where lived one of the richest men in the Colonies, has changed, too.

"Changed; there lies the epitaph of all the ages,
We too have changed, and yet it is something to be faithful to a memory."

This old home has now become a recreational center and this olden mansion where lived Charles Carroll of Carrollton has been restored and reconditioned to fill a neighborhood need. The opening for such work occurs during the celebration of the bicentenary of Charles Carroll of Carrollton which is being observed by the Nation, the State, the city, and the church to which he was devoted.

Last winter a bill was passed by Congress creating the United States Commission for the celebration of the two hundredth anniversary of the birth of Charles Carroll of Carrollton. In turn this Commission authorized its chairman, Gen. Clinton L. Riggs, to appoint local committees to carry out the several arranged programs. On last Saturday afternoon an entertainment was given on the grounds of the old Carroll mansion at Annapolis; and

yesterday a pontifical military mass was held at Doughoregan Manor, another ancestral home of the Carrolls. This afternoon we have gathered in the house where died the last surviving signer of the Declaration of Independence. Tonight the Baltimore pageant will be held on the grounds of the Johns Hopkins University, near Homewood, the house that Charles Carroll built for his son, Charles. The Commission appreciates the interest that has been displayed in these public tributes to a man who accomplished much in a critical age and it extends a cordial invitation to everyone to attend the Baltimore pageant tonight.

(On the evening of Monday, September 20, a pageant was produced on the campus of the Johns Hopkins University, in front of the home of Charles Carroll, of Homewood, which was built by the signer for his son. The program, giving a list of the committee in charge, and the actors who participated, is given herewith. The permanent record now in preparation by the Commission will give a description of the pageant in detail.)

1737–1937

The Commission to Celebrate the Two Hundredth Anniversary of the Birth of Charles Carroll of Carrollton, which has been appointed by joint resolution of the Seventy-fifth Congress of the United States, acting in cooperation with the mayor and City Council of Baltimore, presents a pageant of episodes in his life at Homewood, now the campus of Johns Hopkins University, 8:30 p. m., Monday the 20th of September 1937:

Commissioners: Millard E. Tydings; George L. Radcliffe; William P. Cole, Jr.; Philip A. Carroll; Clinton L. Riggs, chairman; James E. Hancock, secretary.

Committee in charge of pageant: Howard W. Jackson, honorary chairman; B. Howell Griswold, chairman; Morgan Marshall, acting chairman; Frederick R. Huber; William E. Ewalt; Philip S. Morgan; Chester F. Morrow; Alfred J. Shriver; George M. Shriver; S. Broughton Tall; Henry Treide.

PROGRAM

OVERTURE

Introduction by Mr. B. Howell Griswold. Address by the Honorable Howard W. Jackson, mayor of Baltimore. Address by the Honorable MILLARD E. TYDINGS, United States Senator from Maryland.

THE PAGEANT

Episode I, Departure for School in France, 1748.
Episode II. The Burning of the *Peggy Stewart*, August 19, 1774.
Episode III, The Signing of the Declaration of Independence, August 2, 1776.
Episode IV, The Return of Lafayette, October 7, 1824.
Episode V, The Laying of the First Stone of the B. & O. Railroad, July 4, 1828.
Episode VI, Eighty-ninth Birthday, 50 Years After the Signing of the Declaration of Independence, September 20, 1826.

CHARACTERS IN THE EPISODES

Charles Carroll of Carrollton, the youth	J. Christopher Van Hollen
Charles Carroll of Carrollton, the adult	Edwin Tunis
Mr. Charles Carroll of Annapolis	Walter Tyrrell
Mrs. Charles Carroll of Annapolis	Cecil Van Hollen
John Carroll	Richard Lynch
Merchant marine captain	Irving Dill
Mrs. Richard Darnall	May Standish Rose
Her daughter	Nancy Young
Butler	Calvin LeCompte
First mammy	Ethel Day
Second mammy	Josephine Turner
Third mammy	May Brown
Charles Carroll's servant	Sheldon B. Hoskins
First serving woman	Geneva Wood
Second serving woman	Helen Carter
Coachman	J. D. Smith
Footman	Milton Dammond
Pickaninnies	Barbara Handy, Lillian Bruce, Shirley Adams, Bernard Shorter, LeRoy Shorter, Jannette Cruze, Ruth Turner
Anthony Stewart	John Osbourn
Mrs. Stewart	Margaret Young
Her attendant	Vivian Alleyne
Captain of the *Peggy Stewart*	Peter Weisengoff
Deputy collector	Robert Dobson
First committeeman	Roger Lewis
Second committeman	Ruskell MacGill
Third committeman	Norbert Roach
Porter	John Watson
The fat secretary	E. L. Chaney
Porter	William Doyle
Porter	Nelson Coleman
John Hancock	John McDonald
Benjamin Franklin	David Finck
Samuel Chase	Irving Dill
William Paca	Randol Carroll
Thomas Stone	Charles Shaub
Edward Rutledge	Robert Taylor
Stephen Hopkins	Walter Tyrrell
General Lafayette	Martin Murray
George Washington Lafayette, his son	Ruskell MacGill
M. Levasseur	George Martin
Governor Stevens, of Maryland	Theodore R. Dankmeyer
Col. John Eager Howard	John Osbourn
Sergeant	Warren Jones
Philip E. Thomas, first president, B. & O.	Richard Eddins
Rev. Dr. Wyatt, Masonic chaplain	C. Ellwood Smyrk
Samuel Sterrett, grand Masonic marshal	C. S. Carmichael
Grand master, Masons of Maryland	A. S. Hardwick
Grand master, Masons of Pennsylvania	H. E. Schmidt
Grand master, Masons of Virginia	R. H. Dienhart
Gen. Samuel Smith, grand marshal	G. V. Frederick
John B. Morris, orator of the day	T. Parkin Scott
Speaker of the House of Representatives	T. E. Hilleary
Governor Coles, of Indiana	Christopher Ruff
Colonel Grenier	Thomas B. Ferkler, Jr.
Colonel Devereux	J. Frank O'Toole
Functionaries and guests	J. Roland Stehl, Edward V. Aler, George W. Becker, J. W. McGrain, J. V. Bromwell, G. Fred Miller, J. R. McGinnis, A. L. Sherry, P. J. Hamilton, John B. Perkinson, A. B. Hardwick
Ladies	Esther Harr, Rose Michel, Geneva Anderson, Gladys Miller, Helen Myers, Anita Berrett
Mrs. Richard Caton, Carroll's daughter	Amelia Walker
Mrs. Robert Goodloe Harper, his daughter	Henrietta Shapiro
Mrs. John McTavish, his granddaughter	Page Wickes
Charles Carroll of the Manor, his grandson	Randol Carroll
Mrs. Charles Carroll of the Manor	Elizabeth Hutton Tunis
A guest	Mary V. Reynolds
Richard Caton, Carroll's son-in-law	Charles Shaub
Charles Carroll Harper, his grandson	Ruskell MacGill
Robert Gilmor	Duncan Watson
Rev. John C. Chanche	David Finck
Madame J. Bonaparte (Betsy Patterson)	Sarah Yearley Hoff
Tom Oliver	Peter Weisengoff
George Howard	Irving Dill
Patrick, Carroll's servant	Sheldon B. Hoskins
County man	Robert Dobson
Another county man	Peter Flournoy
Stable boy	Bernard Shorter
Courier	Donovan Swann, Jr.

Remaining members of the cast by the Vagabond Players and the Negro Little Theater. Soldiers by the Fifth Regiment. Singing by the Baltimore Post Office Glee Club. Dances by the Baltimore Ballet. Ponies by courtesy of Mrs. William Howard.

Pageant arranged and produced by John H. Scarff; narration by S. Broughton Tall; director, Harry Welker; assistant to director, Donovan Swann, Jr.; music, J. H. Eltermann; lighting equipment, Geiwitz and de Shields; lighting, Mary Stoy Vaughan; costumes, Paul Edel; sound effects, A. R. Spartana; narrator, Kenneth W. Fertig, Jr.

(Mr. B. Howell Griswold, chairman of the committee, introduced Hon. Howard W. Jackson, mayor of Baltimore, who had made this occasion possible by his hearty cooperation, who made the following address:)

ADDRESS BY MAYOR HOWARD W. JACKSON, CHARLES CARROLL OF CARROLLTON PAGEANT, JOHNS HOPKINS UNIVERSITY CAMPUS, SEPTEMBER 20, 1937, 8:15 P. M.

Mr. Chairman, distinguished guests, ladies and gentlemen, 200 years ago, September 20, 1737, a son was born to Mr. and Mrs. Charles Carroll, of Annapolis, and was named after his distinguished father. Later in life, having been given a large estate in Frederick County, known as "Carrollton," the young man added "of Carrollton" to his name. He did this to distinguish him from a cousin, Charles Carroll, a barrister.

In the years following his return from abroad, where he received his advanced education, until the date of his death, November 11, 1832, the name of Charles Carroll of Carrollton was associated with patriotic and progressive movements. He aided materially in establishing the freedom of the Colonies and in the formation of a durable government for the new Republic. He played a prominent part in the business progress of the new Nation. A lesson in patriotic service for present and future generations of Americans is contained in his devotion to a cause and his accomplishments.

Tonight on the campus of the Johns Hopkins University you are about to see portrayed some principal events from the life of Charles Carroll of Carrollton. The six episodes to be presented will depict the events relating to his departure for school in France, the burning of the *Peggy Stewart*, the signing of the Declaration of Independence, the return of Lafayette to America in 1824, the presentation of a testimonial from Congress to Charles Carroll of Carrollton in 1826 on the fiftieth anniversary of the signing of the Declaration of Independence, and the laying of the cornerstone of the Baltimore & Ohio Railroad in 1828.

It would take hours to tell of the remarkable personality of this man that made him a leader among his fellows, of his efforts in behalf of religious freedom, and of his political, cultural, and business accomplishments.

Educated first at Bohemia Manor, under the care of Jesuit Fathers, and then at outstanding schools of his day, in France and England, he returned to his home splendidly equipped to understand the problems of his beloved native land, especially in relation to old-world politics.

The burning of the *Peggy Stewart* in Annapolis harbor, October 19, 1774, with 2,320 pounds of tea, which bore a detested importation duty, in which Carroll played a leading role, undoubtedly

further fired the patriotic hopes of this young man and other Americans who were looking forward to the day of complete freedom for the Colonies. In his open support of the cause of liberty and by finally signing the Declaration of Independence, Charles Carroll of Carrollton staked his all—his life and his vast estates in Maryland, Pennsylvania, and New York, being placed in peril should the Revolution fail. One of America's richest men, he did not hesitate to risk everything for independence.

The signing of the Declaration of Independence took place in Independence Hall, Philadelphia, August 2, 1776. John Hancock, president of Congress, was the first to sign.

The Maryland Members signed in the following order: Samuel Chase, William Paca, Thomas Stone, and Charles Carroll of Carrollton. As Carroll signed a remark was made, "There goes a million." Carroll not only signed the historic document but later gave liberally of his means to help support the American armed forces in the field.

While not included in the episodes tonight, it is interesting to recall that the Maryland Assembly, November 3, 1788, elected Charles Carroll of Carrollton and John Henry to represent the State in the United States Senate. Meeting of the new Congress, and inauguration of George Washington as first President, was set for March 4, 1789, but lack of a quorum prevented organization of the House of Representatives until March 21, and of the Senate until April 6. Receptions to General Washington, on his way north from Virginia, delayed his arrival until April 30, when he took the oath of office. Meanwhile Charles Carroll of Carrollton had been a leader in organizing Congress, and had been made a member of the Senate Judiciary Committee.

One of the early important measures submitted to Congress, and which gave Carroll an opportunity to join in the debate, was consideration of the first amendment to the Constitution guaranteeing religious liberty. While all Members of Congress concurred in principle, there was debate as to the text of the amendment. It was then that Charles Carroll of Carrollton, on the floor of the Senate, said:

"As the rights of conscience are, in their nature, of peculiar delicacy, and will bear the gentlest touch of the governmental hand; and as many sects have concurred in the opinion that they are not well secured under the Constitution, I am in favor of adopting this amendment."

Thus did the remarks of Charles Carroll of Carrollton express the spirit of liberty of conscience which has been a tradition of the State he represented.

After 3 years in Congress, Carroll gave up active public life to devote himself to his business interests. Following the Revolution he lived at Doughoregan Manor, in Carroll County, and in Baltimore. When he appeared at public gatherings, such as the reception to General Lafayette, who landed at Fort McHenry October 7, 1824, for a return visit to America, he was accorded ovations.

What was to Charles Carroll of Carrollton one of the most pleasing events of his later life took place September 20, 1826, when on his ninetieth birthday he received, at Doughoregan Manor, from the Congress of the United States, an embossed copy of the Declaration of Independence, 50 years after it was signed. He was the only surviving signer.

How rich indeed must have been his memories on that occasion, as he arose from his chair and joined with the members of his family and his friends in singing The Star Spangled Banner.

On July 4, 1828, when 91 years of age, Carroll, director of the new Baltimore & Ohio Railroad, laid the cornerstone at a place near Frederick Avenue, then 2½ miles from Baltimore. Carroll broke the ground and the stone was lowered, with Masonic exercises, in which the grand master of Pennsylvania and Virginia pronounced it "well formed, true, and trusty."

A few months before Charles Carroll of Carrollton died his Baltimore friends paid him a loving tribute. On February 22, 1832, a George Washington birthday parade, on its way from the Washington Monument to the Front Street Theater, was diverted so that it would pass his home at Front and Lombard Streets. From his window he watched a parade of Americans whose freedom he had done so much to assure.

In reviewing the life of Charles Carroll of Carrollton we are inspired to reaffirm our faith in our country and its principles.

As Charles Carroll of Carrollton, with other patriots, met their responsibilities in the adoption of the Declaration of Independence, and in the creation of our form of government, so the responsibility rests upon us to preserve our democracy; our personal, civil, and religious liberties, as provided for by the terms of the Constitution of the United States, in order that our civilization be preserved and our Nation advanced from a cultural standpoint.

(Hon. MILLARD E. TYDINGS, senior Senator from Maryland, and a member of the Commission, was then introduced, and spoke as follows:)

The people of Maryland have been a part of our country's history from the beginning. Since the little band of settlers landed at Jamestown, Maryland men and women have played a major part in all the stirring events which have transpired.

This panorama of evolution and development, spanning as it does, first the small settlements along the Atlantic seaboard, then man's conquest of the Coastal Plain, our difficulties with the mother country leading to the Revolutionary War, the Declaration of Independence, and the founding of this Republic, the United States of America, 150 years ago, presents a picture of fortitude, self-reliance, mental development, material progress, and tenacity which catches our imagination and writes an almost unbelievable chapter in the world's affairs.

Against this background of action and interaction, men stand out vividly in silhouette. Some of them, such as Paul Revere and Nathan Hale, are renowned for a single venture, utterance, or action. Others played an important part in many of the dramas which took place in their time. Some of them have won renown in many fields as patriots, philosophers, and statesmen.

Maryland is particularly fortunate and the Nation is even more so in that one of its illustrious sons is within this last category, for the influence of Charles Carroll of Carrollton, born just 200 years ago, was exerted and felt in so many of the historic expedients of American life that he takes his place in the memory of our people as one of the greatest men who ever trod the shores of the Western Continent.

He lived to be 95 years of age and was the last of that great band of intellectual giants, patriots, and statesmen who gave to the present millions of our population the Declaration of Independence, the forerunner of the Constitution of the United States.

I could tell you about his early life and its influences when he was traveling abroad as a young man. Figuratively we could stand beside him when the *Peggy Stewart* with her cargo of tea was burned at Annapolis. We could walk through the shadows of the twilight at Valley Forge when, as Washington's stanch friend and counselor, he exposed the cabal to supplant our revered first citizen with Gates, and kept the immortal Washington at the head of the Continental forces. We could sit in the hallowed hall where the Declaration of Independence was being formulated, and at its glorious conclusion watch him sign it for Maryland with the inimitable signature of "Charles Carroll of Carrollton." We could go with him to the first meeting of the United States Senate and feel his strong hand there directing the young Nation into the paths of stability and strength. We could watch him in the Maryland Legislature making our State of Maryland an integral, living, and helpful part of the Federal Union.

But in such a presence as this and on such an occasion as this, it is not necessary to review this man's part in these great moments of our national life for they are engraved on our hearts and minds, enshrined in our memories, and this occasion tonight is but an opportunity to express a little of the deeper sentiments which each of us has in his breast. One of the richest, if not the richest man in the Colonies, he scoffed at material things, if food for the mind and soul were denied him. Liberty to him was not just a word of seven letters but something that glowed from within, a state of being, a way of life, an impulse of justice, all urgings which could not be denied and before which all else must needs give way. So he risked his fortune and his standing for the cause of American independence. It was as great a risk as any man in the Thirteen Colonies took and it took a great man to take it.

This is the thing which our thoughts of the life of Charles Carroll of Carrollton, bring to our minds in letters of fire and greatness. Charles Carroll was great in all that doth become a man; not the greatness that comes to one who inherits or acquires position with ease along the path of expediency. He was great because he stood upon the frontiers of civilization and battled valiantly for the rights of mankind. His was the greatness that comes with sacrifice, hardship, and character. Great obstacles could not stay his hand to point the way of right. Great hardships could not daunt his spirit to pursue the lonely road. Great denials could not overcome the longing in his soul for a just world in which to live.

He walked across the stage of his day and every part he played was a major one. Time gave him the chance to test his worth when naught but the fittest prevailed.

Today the billows of two centuries beat backward to his birth. We are the heirs of his finer wealth, the beneficiaries of a lifetime devoted to his people and the Nation. We are grateful, Charles Carroll of Carrollton, that you were a Marylander, as well as an American.

Now as we are about to view the pageant which depicts some of the episodes in that great life, let us think of him living in his old age, the last signer of the Declaration of Independence of the United States, as he looks back first to the Thirteen Colonies, to the birth of our country and to its subsequent growth. The old man's dream had come true, the infant Nation is already a young giant, destined to grow to preeminence among the nations of the earth. Charles Carroll sees it all. No doubt a smile of satisfaction flickers across his countenance. He does not remember the hardships. They are dispersed as mists before the sun. All he sees is a mighty nation of contented people possessing within our bosoms the right to life, to liberty, and the pursuit of happiness. A democracy within a republic, a government of laws and not of men, a government of restraint that the evils of the past may be avoided, a nation that is the envy of the world.

No small part of this happy picture is due to the vision, the courage, the daring, the sacrifice, and the intelligence of Charles Carroll of Carrollton, Maryland's greatest son and most revered citizen.

(The President of the United States had been invited to attend this national celebration, but sent his regrets in the following letter, which was read to the audience by the narrator.)

THE WHITE HOUSE,
Washington, August 23, 1937.

Maj. Gen. CLINTON L. RIGGS,
Chairman, Charles Carroll of
Carrollton Bicentenary Commission,
903 North Charles Street, Baltimore, Md.

MY DEAR GENERAL RIGGS: I regret exceedingly that I shall be unable to be with you in Baltimore for the celebration in honor of the bicentenary of the birth of Charles Carroll of Carrollton but I desire to join in the tribute which a grateful Nation is paying to his life and manifold public services.

The two centuries which have elapsed since Charles Carroll of Carrollton first saw the light of day in Annapolis, afford an adequate perspective in which to assess the significance of the many roles he played during a long life of varied activity and great usefulness. He stands today as one of the notable figures in our history. His life was as full as his years were long.

A pamphleteer and political writer who could hold his own with the best in the eighteenth century, a century which was supreme in that branch of the literary art, his writings and his counsels were influential in alining Maryland with the cause of the Revolution. Having served in the Continental Congress he later represented Maryland as a Senator in the first Federal Congress and when he died in his 96th year he was revered by a grateful Nation as the last survivor of the noble band of patriots, who, in 1776, had signed the Declaration of Independence.

In his old age he looked with eyes undimmed upon the greatness of his country, in the history of which he had borne so large a part. His private life was adorned by the Christian virtues of fortitude, fidelity, and integrity which shed luster upon his public service—a service so illustrious that a grateful Republic pays reverent homage to his memory in this bicentennial year of his birth.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Fortunately, the evening was clear, and a full moon made a beautiful setting for this outdoor pageant, which was thoroughly enjoyed by a capacity attendance.

An exhibition of portraits of the signer and his family, with items of furniture, silver, and glass, and interesting documents and engraving of the time was made in the Baltimore Museum of Art from September 18 to October 31, 1937.

The committee in charge was composed of Dr. J. Hall Pleasants, president of the Peabody Institute, chairman; Roland J. McKinney, director of the Baltimore Museum of Art; Morgan C. Marshall, director of the Walters' Art Gallery; L. H. Dielman, director, Peabody Institute; Joseph L. Wheeler, director, the Pratt Library; Thomas C. Corner, artist; J. Macgill James, director, Municipal Museum; and Gilman Paul.

Rooms representing the period of Charles Carroll's life were built within the rooms of the Gallery and proved not only beautiful and interesting, but an excellent background for the portraits and furniture, which were loaned for the occasion.

An illustrated catalog, edited by Dr. Pleasants, was published, and is of historic interest on account of the description of the pictures shown on this occasion. This catalog will appear in full in the permanent record.

As a part of the ceremonies in commemoration of the two hundredth anniversary of the birth of the signer, the Maryland State Society, Daughters of the American Revolution, installed a tablet in the chapel at Doughoregan Manor, where Charles Carroll is buried.

The press of Baltimore, including the Morning, Evening, and Sunday Sun, the News-Post and Baltimore American, and the Catholic Review, as well as the county and other newspapers, gave the celebration excellent support and wide publicity.

The resolution by Congress appropriated $12,500, but with the cooperation of the Legislature of Maryland in appropriating $500 for the Annapolis celebration, and the mayor and city council of Baltimore appropriating $10,000 for the Homewood celebration in Baltimore, and the Catholic organizations financing the greater part of the expense of the pontifical field mass, the Commission has been able to produce a celebration worthy of the intent of the resolution by the Congress.

The generous cooperation of the members of all committees, serving without compensation, made it possible to provide a worth-while memorial to the signer well within the appropriation made by the Congress.

Federal Bureau of Investigation

EXTENSION OF REMARKS
OF
HON. DANIEL A. REED
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 31, 1938

Mr. REED of New York. Mr. Speaker, a short time ago I took the floor to protest against the effort now being made by this administration to sabotage the Federal Bureau of Investigation for political purposes. It seems to me that J. Edgar Hoover should not be handicapped in his effort to suppress crime by the political patronage hunters who wish to get their hands on the jobs now under his control.

Right at this very minute when this fine and efficient organization under the able and fearless leadership of J. Edgar Hoover is in need of funds to bring to justice the incarnate fiends who murdered a 12-year-old boy, the indignation of the public should be aroused by the attempt to ruin this fine agency which is so necessary to the preservation of law and order.

Mr. Speaker, the very fact that an attempt is being made to convert an efficient agency of the Government such as the Bureau of Investigation into a political patronage pot is an affront to law-abiding citizens.

I urge with all the power at my command that the Congress assert its self-respect, listen to the voice of decent people and give its support to the honest effort now being made by J. Edgar Hoover to enforce the Lindbergh law against kidnaping.

Curb the National Guard—Preserve the Liberties of the People

EXTENSION OF REMARKS
OF
HON. JOHN M. COFFEE
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 31, 1938

Mr. COFFEE of Washington. Mr. Speaker, although certain trends in recent years are such as to alarm us, we, as representatives of the people, continue to treasure democratic traditions and processes. But, it is only by constant attention and vigilance in watching where our constitutional rights are being abrogated that we can actually preserve them. Having watched, we must act.

CONFINE THE NATIONAL GUARD TO ITS ORIGINAL FUNCTIONS

We have supported the National Guard to preserve our land against the devastation of nature, to fight fires, to aid in hurricanes and floods. We have supported the National Guard as a constructive force and for defense against foreign invasion. It is with alarm, therefore, that we view the destructive acts of these troops. Only with serious apprehension can we watch the National Guard aiding in the destruction of human happiness, and rights, and even of human lives, of our own people. Can we, representatives of the people, allow the protection of private property, private profits, at all costs, to become of such paramount importance that it blinds us to the necessity for the protection of human lives?

The use of the National Guard in labor disputes becomes the monopolistic right of part of the population of a community to the detriment of the other and larger part. Large industrial employers or local politicians under their domination frequently call troops in labor disputes. Labor is almost never given a chance to present its side of the case until the trucks have rumbled into town and the bayonets are unloaded. Victor Reuther, United Automobile Workers Union organizer, bitterly protested the action of the National Guard in Anderson, Ind., during the 1937 automobile strike. His protest was futile; the guardsmen continued military occupation, patrolling day and night, even after a strike settlement had been reached.

BEWARE OF THE EMPLOYER-PROVOKED VIOLENCE

The employer often prevails upon the Governor to order out the National Guard, or perhaps makes his request through a local officer. The plea for protection to the community becomes one of those dangerous half truths of

which we must beware. There has often been serious violence, but in many cases this violence has been provoked by the employer himself. The report of the Senate Civil Liberties Committee reads as eloquent testimony to the practice of employer-provoked violence as a means of winning a strike. Public sympathy is diverted, striker's morale is weakened, and the appearance of the National Guard can often break the backbone of a strike. In Flint, Mich., last year police used riot guns and tear gas to evict sit-down strikers, injuring many. The next day troops moved in; but not to protect the strikers.

USED AS PROTECTION FOR STRIKEBREAKERS

In many cases instead of "protecting" the community the guardsmen are used as guardians for strikebreakers. Massillon, Ohio, produced a bloody scene last year in the steel strike. Police and hastily deputized citizens attacked a group of workers, killing two of them. The National Guard then assisted the assailants in a raid on C. I. O. headquarters. The New York Times reported that "guardsmen stood watch over the union building, from which police tear gas, backed up by firing from a machine gun, had forced all C. I. O. adherents." San Francisco's memorable general strike of 1934 was fertile with examples of lawless action by National Guard men against labor—participation in wrecking the Marine Workers Industrial Union headquarters and destroying workers' property. An article in the New York Post of June 29, 1935, referring to the Galena, Kans., mining strike says:

> National Guard men poured into the plant of the Eagle-Picher Mining & Smeltering Co. * * * where troops set up two machine guns not a striker nor a strike sympathizer could be seen.

Post No. 10 of the American Legion in Barre, Vt., passed a unanimous resolution after the granite workers strike of 1933 protesting "the abominable acts and conduct of the officers of the National Guard in our city." They charged that the commanders ordered tear-gas bombs thrown into a crowd of peaceful men, women, and children without giving them warning and that immediately afterward the soldiers charged with "fixed bayonets, cutting, wounding, and tearing the clothing of men, women, and children indiscriminately."

NATIONAL GUARD TACTICS IN LABOR INTIMIDATION

An article called Use of the National Guard as State Troops appeared in the March-April 1934 issue of the Quartermaster Review. It explains with utmost candor the "riot" formation of the troops in a Minneapolis 1934 strike:

> Two waves of 15 yards apart * * * near each flank a noncommissioned officer armed with a submachine gun. In the center of the second wave was a gas squad. Twenty yards behind * * * stood two 1½-ton trucks upon which machine guns were mounted pointing to the rear. "Raise pistols! Forward march!"

However, one of the most encouraging incidents in the whole history of the National Guard as an antilabor force occurred in this very State of Minnesota 4 years later. Gov. Elmer A. Benson declared on February 12, 1938:

> The worker in Minnesota under a Farmer-Labor administration need never fear that State troopers will ever be used either directly or indirectly as strikebreakers.

His statement was followed up by court-martial proceedings against guardsmen who had acted as strikebreakers.

MARTIAL LAW SHOULD BE A LAST RESORT

The declaration of martial law with its abridgement of civil liberties must give us serious pause. The horror and distaste in which the American people hold the despotism of martial law is unquestionable. In a document of the United States Army (Maj. H. H. Orr, Infantry, U. S. N. G., A Strike Situation and A Solution, in the Infantry Journal, January-February 1935) martial law is discussed. I shall give a few indicative quotations:

> The statement by Wellington in the House of Lords that martial law is no law at all, but is merely the will of the commander of an armed force, has been universally accepted.

Later:

> It has been said that even if martial law were forbidden by the Constitution or by statute it would break through and assert itself when necessity required—and it would. It is not a part of the Constitution, but it is rather a power to preserve the Constitution when constitutional methods prove inadequate to that end. It is the law of necessity.

Certainly citizens asking for tolerable working conditions and wages resent the imposition of arbitrary command. During the Anderson, Ind., automobile strike of 1937 only four members of the union could visit their headquarters at a time. No one could enter or leave the county without the express permission of the guardsmen. A union attorney attempting to visit arrested strikers was refused permission under invocation of military rule.

The psychological friction which exists between National Guard troops and those persons involved in labor disputes aggravates the situation. The National Guard men come from a higher social caste, and are almost invariably drawn from distant parts of the State. Financial contributions for armories and improvements from industrial interests, employer's associations and indirectly from private individuals all tend to prejudice them in favor of the employer in the labor dispute. (Ohio's Chamber of Commerce has been donating $20,000 yearly for upkeep of armories.) General Marlin, the commanding officer of the Ohio National Guard, said during the steel strike when he approved the deputizing of company foremen, "This is no time to be neutral." Special training in handling of picket lines, demonstrations and other labor activities tends to plant in the minds of the guardsmen the conception of all members of labor organizations as enemies of law and order. After the guard had been used in the Republic Steel strike in Ohio in 1937, a number of guard officers departed to Fort Sill. One officer confided that special instruction was given in suppressing popular demonstrations, which he called "incipient revolts." Maj. Gen. George E. Leach, chief of the National Bureau of the National Guard (coordinating office between the guard and the War Department), in 1934 boasted of the effectiveness of the National Guard in suppressing dangerous domestic infections.

If we are to preserve the traditional American distaste for military tyranny we must do our utmost to confine the activity of the National Guard to the preservation of the land and the people of the land from destruction and violence, whether this is caused by nature or by fellow men. This is the purpose of the introduction of H. R. 10543 and H. R. 10544 which will curb the activity of the National Guard in labor disputes.

The Nation's Tribute to Rock Island Arsenal

EXTENSION OF REMARKS

OF

HON. CHESTER THOMPSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 31, 1938

ADDRESS BY LOUIS JOHNSON, THE ASSISTANT SECRETARY OF WAR

Mr. THOMPSON of Illinois. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address by the Honorable Louis Johnson, the Assistant Secretary of War, Nineteenth Annual Meeting of the Army Ordnance Association, Hotel Fort Armstrong, Rock Island, Ill., May 25, 1938:

> Distinguished guests, members of the Army Ordnance Association, I have come from Washington to pay the Nation's tribute to Rock Island Arsenal on its seventy-fifth anniversary, and to bring to you, members of the Army Ordnance Association, cordial greetings from the War Department on the occasion of your nineteenth annual meeting.
>
> First, may I take this occasion to pay my respect to an officer and a gentleman whose lucid writing, clear thinking, technical training, and constructive planning have contributed to the science of ordnance and whose innate courtesy, self-effacing modesty, human sympathy, and unfailing loyalty have endeared

him to the service. Gentlemen, a toast to the retiring Chief of Ordnance, Maj. Gen. William H. Tschappat.

May I also at this time publicly pay my respects to his successor, who walks in the path of his illustrious predecessor, enjoys the full confidence of the War Department, and has the ability and the character to carry on the lofty traditions of his high office. Gentlemen, the new Chief of Ordance, Maj. Gen. Charles M. Wesson.

The same intelligence and soldierly qualities that these two leaders have manifested in such a high degree, I have noted in other officers of the Ordnance Department. On my own job in Washington, I have leaned heavily on the loyalty and experience of some of its most distinguished members. In the field, I have noted their splendid work and the positions of responsibility and respect that so many of them hold in the civilian communities that they serve. With the cooperation of their district chiefs and with your help, a number of them have proved themselves veritable yeomen in helping to keep America awake to industrial preparedness for war as the strongest guaranty of peace. The War Department is indeed proud of these officers and their local services.

At the Rock Island Arsenal today, with Col. Norman F. Ramsey in command, we have seen a practical demonstration of the ability and the leadership that I have described. Here, the Ordnance Department produces key weapons of warfare, not only for the Army but also for the Navy. Here, we make tanks and machine guns for the Infantry, combat cars for the Cavalry, limbers and caissons for the Field Artillery, and gun carriages, loading machines, powder hoisters, and submarine torpedo mine cases for the Navy. Here, the Army has developed a force of trained and skilled workmen who keep alive the delicate and difficult art of the manufacture of military armament. Here, in the physical and chemical laboratories, research and development for the improvement of modern weapons of war go on continuously.

These experiments serve not only the Army and the Navy but also American industry. From the Rock Island Arsenal, industry has learned many lessons in manufacturing processes. Let me name but one or two.

"Honing," unknown to American industry at the time of the World War, was developed at Rock Island Arsenal in connection with building recoil mechanisms for the famous French 75-millimeter gun and the resulting accuracy and high quality of finish so impressed industry that today most modern plants use the process in the manufacture of cylinders. Two years ago, the Rock Island Arsenal did away with hand polishing of piston rods in connection with recoil cylinders and substituted mechanical equipment. The process worked. Again, industry profited by the lessons taught at the Rock Island Arsenal, and the method has been widely adopted.

Not only today, but throughout the 75 years of its history, the Rock Island Arsenal has supplied the Army's vital needs for battle. Here were made the saddles on which our soldiers rode across the plains in the "winning of the West." With them, in saddle bags made by Rock Island Arsenal's skilled craftsmen, they carried blankets and mess kits which came from Rock Island Arsenal warehouses. At the beginning of the day, they groomed their horses with currycombs and brushes that were produced here and when they halted for the night, they made camp with equipment bearing the familiar Rock Island Arsenal stamp.

Down to the War with Spain, Rock Island was the principal manufacturing and distribution point for the Army's battle needs west of the Mississippi River.

In 1898 its value became universally recognized, and after the war the chairman of the Senate Committee on Appropriations remarked:

"The efficient work done at Rock Island Arsenal during the few months of the late War with Spain has more than returned in advtantage to the country the great cost of construction."

In 1917–18 Rock Island Arsenal became "war's greatest workshop," and it satisfied a great variety of needs for the fighting man. From the simple knife, fork, and spoon that the individual soldier carried in his mess kit to the highly complicated recoil cylinder of the French 75-millimeter gun, which required adjustments to within eight ten-thousandths of an inch, Rock Island Arsenal met the Army's demands. Rifles, loaded shells, harness, and artillery carriages were some of the major items produced here during the World War.

Almost $90,000,000 the Government spent at Rock Island Arsenal in 1917–18 and never did any question arise as to the efficiency and honesty of the administration of these vast appropriations.

Today, far removed from our coast line and relatively safe in the heart of America, the Rock Island Arsenal enjoys an ideal strategic location for the manufacture of ordnance matériel. It promises years and years of useful service in the national-defense program of our country.

All of you undoubtedly are impressed by the extent and scope of its operations. Yet, we must realize that if we worked Rock Island Arsenal to its full capacity, fully equipped it with the best of modern machinery and staffed it with all its needs in personnel, and did the same for every one of our other five manufacturing arsenals, we still would be unable to produce more than 10 percent of the Army's requirements in time of war. Our arsenals, after all, are primarily experimental laboratories rather than munitions factories.

For the other 90 percent of our munitions needs in emergency, we will have to turn to civilian production. That fact we realized shortly after the armistice and set up the machinery to acquaint industry with military requirements in time of war.

In this work, you, the members of the Army Ordnance Association, were of inestimable value. With your help and cooperation, we made a survey of American industry and earmarked 10,000 plants for war production. We informed their managers and their proprietors of the tasks that are to be imposed upon them. All of them have expressed their ability to meet that task. All are eager to cooperate with the War Department in this important job.

We are greatly encouraged to believe that American industry is capable of carrying a major war load and with proper education will accomplish its mission with a minimum of dislocation to its own plants and with maximum usefulness not only to the efforts of the men at the front but with a full regard for the needs of a solid civilian front behind the lines.

The plan is complete—on paper. You, of industrial experience, know that the best of paper plans may be full of holes and when put into effect may show many weaknesses. We must have some means of testing the ability of industry to meet the difficult task of producing war munitions which it is so willing to undertake. A plant may have plans and specifications for the munitions to be produced. It may have a complete list of the various tools it may need. It may have available a complete organization chart for the factory, where production is to take place, but these important as they are, are but preliminaries.

The War Department knows that successful quantity production, especially in the early months, requires the adaptation of such plans to factory purposes and a familiarity on the part of the men on the job with the numerous processes which enter into manufacture. Such experience can be gained by commercial plants only by actual production of matériel.

We realize that our plan for war production calls for the manufacture of many items for which there are little or no peacetime demands. There is but little call for smokeless powder in time of peace. Production, therefore, is limited. There is little demand for ammunition for rifles and machine guns. There are, therefore, relatively few establishments for their manufacture. Yet the success of our battle effort will be largely dependent on our ability to produce in large quantities smokeless powder and small-arms ammunition for the man at the front.

If American industry were given time enough to build up its facilities, to obtain new ones, and to establish additional plants to meet the demands of war, the problem would be greatly simplified, but time is the very element which an aggressor nation may deny us. It is toward the successful conquest of time in the early stages of war that the whole program of industrial mobilization is geared. Delay is the greatest enemy to industrial preparedness. To reduce the time factor is to save thousands of valuable lives and untold millions of treasure.

The problem of avoiding delays is a challenge to the War Department and to American industry. Mass production at a rapid rate is a job in which we Americans should be supreme. We have always boasted of our ability as manufacturers. We have always taken great pride in our ingenuity that enabled us to get into large-scale production quickly on almost any sort of project. Our World War record, however, left much to be desired.

War was declared on April 6, 1917. Not until the glorious battle of Cantigny was won, on May 28, 1918, did an American division on the western front carry its full burden on the firing line. Despite the heroic efforts and the distinguished World War service of men like Benedict Crowell, our wartime Director of Munitions and my predecessor as Assistant Secretary of War, it had taken us 14 months to get the soldiers of the First Division to camp, to provide them with shoes and clothing, to carry them across the seas on transports, most of which belonged to other countries, and to put them on the firing line with artillery and ammunition, most of which came from our allies. We, indeed, were fortunate in our allies.

While we were slowly gaining momentum, our seacoast, our navy yards, our ammunition plants, and our training stations were enjoying complete immunity, but only because the fleets and the armies of other nations were there to protect us. If an emergency should arise again, we can hardly expect that our shores will be similarly protected for 14 months by friendly powers while we have an opportunity to marshal for war purposes our tremendous industrial assets.

Our whole program of industrial mobilization must aim to cut down to a minimum the time necessary for American industry to change from peace to war production.

As a further encouragement to production, the War Department, we believe, should have authority to place in peacetime what are technically known as "educational orders" with those plants which must have such aids as gages, tools, dies, and fixtures before they can perform their war tasks.

It would go a long way toward solving the unknown factor in the equation of industrial mobilization. It would give the companies experience in producing what may be required of them. It would give the War Department a check upon its war production plans. I am happy to report that legislation granting this authority is now before Congress and the House committee has acted upon it favorably. Its passage at this session is highly desirable.

In speaking to an audience so uniquely endowed with both technical and military knowledge, I feel constrained to bring one important military technical subject to your attention. That is the matter of military airplanes. It seems that the one detail of national defense most confusing to the lay mind is the actual and potential strength of our air defense. The naval air force can be dismissed with one short sentence. The Chief of Naval Operations has stated that it is the best naval air force in the world. And no voice was raised against that claim.

The Army Air Corps seems to be a more personal matter. Numerous critics, both foreign and domestic, offer sage appraisals of its powers and limitations. I will say that the alien critics seem the most generous in their estimates. The most noted has recently stated that our aerial fighting force is as potent as any in existence. Our own observers are less optimistic. Stories or articles appear periodically calling attention to certain deficiencies. I can say with all feeling that I find it hard to criticize anyone delivering authoritative judgment on the Air Corps without sufficient knowledge of the facts. The facts underlying a true appraisal of air power are many, varied, and complicated. The duties relative to the Air Corps imposed upon me by statute, made it necessary for me to discover that. So, in the interest of setting the record straight on what we are doing in the Army in building up a sound air defense, let us touch briefly on a few details of our present program.

Four years ago a committee of persons distinguished in civil and military life, headed by the late Honorable Newton D. Baker, made an exhaustive study of our needs in military aircraft. It made a number of constructive recommendations, including the proposal that the strength in numbers should be fixed at 2,320. A year later, another aviation committee headed by the late Honorable Clark D. Howell, reached the same conclusion. Independent studies by the General Staff have since found no reason to change that number, although, let it be said, the War Department makes no fetish of the number 2,320. Today it satisfies our needs. Tomorrow it may need to be altered.

Since that recommendation was approved 4 years ago, the War Department has pursued a wise policy in building toward its objective. Our aviation industry had to go through the revolutionary shift to all-metal construction. Our designers, engineers, and manufacturers had to keep pace and they have given every evidence of swift and forward development. Already our Matériel Division at Wright Field had looked ahead toward the efficient war birds to be turned out 5 years later. So, procurement was regulated to reach a climax in actual delivery of planes in 1938 and 1939.

In 1935 the Air Corps was separated into two main divisions: the training, experimental, and procurement division, corresponding to the zone of supply; and the fighting division, known as the G. H. Q. Air Force.

In addition, provisional combat units were organized for our overseas garrisons in the Hawaiian and Philippine Islands and the Panama Canal Zone.

I hope that in 1940 the Air Force will have its full complement of 2,320 planes.

The combat organizations in the foreign possessions have been heavily reinforced so that they now have nearly the number assigned to the G. H. Q. Air Force.

In close conjunction with numbers of planes comes its little brother, obsolescence. When the Baker Board was contemplating the Air Force, the fabric-lined plane and its power plant could not give useful effort for more than 5 years. Today, with the all-metal plane and vastly improved engine, we have already materially raised our life expectancy. I hesitate to say it, but in a few years we may find ourselves marching in front of our own parade.

The matter of numbers is not really the secret of air power. The great percentage of that commodity lies in the combat efficiency of the planes supplied. In that essential I can say unhesitatingly the United States has no peer. The planes being turned over to the Air Corps today in such increasing numbers are, in comparison to their predecessors, marvelous fighters.

They have one draw-back. They need a greater number of more highly skilled officers and enlisted men. Ships that were formerly operated by two flyers now take five and even nine. Ground crews that serviced one engine today must take care of two or four. The multiplicity of instruments and wiring is staggering. It is here that we have run into our choke point in the Air Corps. The War Department, however, is in full control of the procurement problem. We know we can produce the planes. What gives us greatest concern today is not procurement. It is personnel.

We have just completed a training problem in the G. H. Q. Air Force. The exercises embraced a mobilization in an assigned area, a series of combat problems, and return to bases. New and increased problems were presented in command, staff, and logistics in all-weather night and day missions. The air force did a highly creditable job. Minor errors were found in plans engineering and in tactical procedure, but nothing that cannot be overcome. The purpose of maneuvers is to test the ability of our men and our machines. We expect some shortcomings. We do not anticipate perfection. It is our duty to see that the errors of today are eliminated tomorrow. I assure you that we shall make a complete and thorough analysis of the maneuvers and take steps to correct our faults.

I believe, however, our foreign critics were right. The Army has a highly competent Air Corps.

I am happy to report that never in the peacetime history of our country has the Nation been more responsive to the needs of our Army. The President has led in awakening America to its defensive needs. A sympathetic Congress has cooperated. A loyal and devoted War Department has put its shoulder to the wheel. Industry has given full support. The Army is moving forward. At last, America is on the road toward an adequate national defense. We are better prepared, perhaps, than ever before in our history, but we must not become overconfident. There is still much to be done. We are not yet ready, if called upon, to take the field in defense of America. Fifty percent of our Army's defensive program is finished but there is still another vital 50 percent that remains to be completed before we can feel fully competent to defend our shores against invasion.

Finally, let me say that among the factors that make for peace none is more important than our healthy and sane industrial mobilization program toward whose realization you, the members of the Army Ordnance Association, have so faithfully worked. May our united efforts go toward establishing our prestige on land and sea and maintaining our peace at home and abroad.

Is World Economic Adjustment a Way To Work Toward Peace?

EXTENSION OF REMARKS

OF

HON. H. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 31, 1938

RADIO ADDRESS OF HON. H. JERRY VOORHIS, OF CALIFORNIA, FRIDAY, MAY 13, 1938

Mr. VOORHIS. Mr. Speaker, under permission of the House to extend my remarks, I include herewith a radio speech which I delivered on May 13 under the auspices of the Foreign Policy Association:

I want America to make the greatest possible contribution to world peace which is consistent with her own peace. Therefore, I want us to be able to use our trade and commerce as a force for peace and never for war. But the foreign policy of a nation can never be a thing apart from the conditions under which the people of that nation live.

For nations become frightened and warlike when they are insecure. There are two ways to be insecure. One is to fear a foreign country. Another is not to know whether you are going to be able to earn a living in your own country. As long as we have poverty and unemployment at home, it is going to be very, very hard to bring about cooperation with other nations. Once a sense of security is established here we shall be able to view our foreign relations with much better judgment.

At present the nations struggle for export markets, because each believes that the more valuable products they can ship out of the country the better off they are and the less real wealth they bring into their country the better off they are. From 1914 to 1929 America literally gave away $22,000,000,000 of buying power to foreign countries in loans that will never be repaid in order to get them to buy our goods. The reason this was done was because our own people couldn't buy the products of our own farms and factories.

Since 1933 our Government has paid out a lot of money in wages to unemployed workers in our own country. By doing so we got public works and a better home market for our products.

But the problem is a long way from solution.

The Production Planning Section of the Department of Agriculture has estimated that if the American people had enough buying power to purchase what they need of the basic necessities of life, our home consumption of cotton would increase 50 percent and our farmers would have to plant twice as much acreage to fruit, twice as much to truck crops, about 50,000,000 more acres of harvested food crops, and to raise 40 percent more poultry, and 40 percent more dairy cattle than they do now.

To use our trade as an instrument for peace, we must solve this problem of the buying power of our own people at home.

I cannot, in this brief time, give a full solution of this problem. But I can say, for example, that the establishment of a system of general Federal old-age pensions in this country has a very real connection with world economic cooperation. (Incidentally, if these pensions were financed, in part at least, out of income taxes and everyone knew it, we might get a new attitude toward taxation which we desperately need. People would then have to understand that they were paying taxes, not to support Government bureaus, but to support the veterans of American indus-

try and progress—perhaps their own mothers and fathers. But the main point is that insecurity would be dealt a body blow by such a pension system. Our domestic market would be much more regular and we would not need to be nearly so anxious to export large quantities of our scrap iron, our oil, or our fertile soils in the form of soil-depleting agricultural commodities.

The security and full consuming power of our own people is the only thing that can make us free to employ our foreign trade in the interest of peace. Those who believe we should embargo munitions of war, as I do, particularly against aggressor nations, must realize that the main obstacle to it is the fact that no one knows what would happen to our people at home whose jobs would be affected by such an embargo. Our gunboats on the Yangtze are there in part at least because of the failure of our home market to absorb our production more nearly than it does. We continue to ship scrap iron to Japan partly for the same reason.

We cannot, however, wait for a complete solution of our domestic problem before we set out to do the best we can with a constructive foreign policy now.

Admitting that it is unfortunately necessary for us to maintain a strong national defense in view of certain irresponsible forces that are loose in the world, we must realize that guns and battleships alone are by no mean sufficient to give us certain peace, and that, unless we pursue vigorously a constructive policy, armament may become a positive danger. That constructive foreign policy does not mean making the world safe for exploitation by Americans of the natural resources of other people.

I believe world peace is threatened not only by the ruthless might of dictatorship but also by faulty economic adjustment between the nations. The Belgian Prime Minister, Paul Van Zeeland, has suggested in his recent report that all the nations be invited to state in black and white what their economic needs are and that a conference be held on the basis of these statements to see what could be worked out.

Some will say that any economic dealings with the dictatorial nations is wrong because it might lead to strengthening their military machines. I am not so sure. For the power of the dictators rests on two things: First, the economic insecurity and confusion of the people of their nations; and second, their ability to convince their people that only force can succeed in gaining anything for them. If we could prove them wrong about this, I believe human beings love freedom enough so that their own people would in the course of time take care of the dictators. At least, I would like to see Mr. Van Zeeland's idea tried.

To be effective in such an effort America must be ready to make both concessions and demands. To do so requires that we be ready and able to employ our trade and commerce as an instrument of our policy. We would have to be ready to state that we would ourselves apply the good-neighbor policy all around the world, but that we could and would deny our trade under certain circumstances to those who refused to deal peaceably and insisted on resorting to aggressive warfare. Economic adjustment is a necessary condition of peace. It is worth trying to get it by peaceful means rather than allowing matters to drift toward war.

I have mentioned the so-called good-neighbor policy of no interference in the domestic affairs of other nations. Carried to its logical conclusion that policy offers a basis for world peace. It gives us the answer clear and unmistakable as to what we ought to do about Mexico and her oil resources, about China, about the Philippines.

The day of the white man's exploitation of China is over, no matter what the outcome of the war there. I want us to accept this fact and adjust ourselves to it with good grace. And I believe if we do so accept it, and if we maintain a reasonable military strength, we may be able to effect a solution of the Chinese problem on the basis of a withdrawal of all foreign powers from that country.

I think we must, in justice to ourselves and in friendship to the other nations of the Western Hemisphere, make it plain to the world that not only will we observe the attitude of the good neighbor in our relations with those nations, but that the United States will take any necessary steps to prevent interference by any power on earth with the freedom, right of self-determination, and chance to develop democracy of all the American nations.

I believe our whole munitions industry has got to become a national enterprise conducted solely for national-defense purposes, and that we cannot effectively work for world economic cooperation or peace so long as American private interests have a direct financial stake in foreign wars.

To cooperate for peace, I think our principal weapon and bargaining point is our trade. Yes; I think our trade and our loans should be controlled in such manner as to help curb aggression and war. And with nations still at peace a mutually advantageous trade can and must replace completely the old exploitation of foreign resources, leading, as it always does, to conflict abroad and increased unemployment at home.

But let me remind you in closing that all this depends upon the solution on a basis of justice of our home problem of poverty and unemployment. It is difficult to be a good neighbor when your own children are hungry.

Fifty Years' Progress Toward Social Security

EXTENSION OF REMARKS

OF

HON. MATTHEW J. MERRITT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 31, 1938

ARTICLE BY MARY W. DEWSON, MEMBER OF THE SOCIAL SECURITY BOARD

Mr. MERRITT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article:

FIFTY YEARS PROGRESS TOWARD SOCIAL SECURITY

(By Mary Dewson, member, Social Security Board)

We New Yorkers like to "point with pride." And with good cause; we have a lot to be proud of. My only quarrel with our complaisance is that it often seems to be tied to things that are merely incidental, like the Manhattan sky line, and to pass up the really great distinctions of this Empire State. Thus, to my mind, one of New York's most outstanding achievements is its social legislation for the protection of workers. Here on home ground we take these accomplishments for granted. Yet they have made New York a national leader in the broad field which we now call social security. It is more than coincidence that recent advances in social legislation on a national scale have been made under a President who, before he took his present office, had served as Governor of this State.

It was inevitable that New York should be a pioneer in the drive toward social security. For this State and this city were early compelled by their amazing industrial development to blaze new trails toward this goal. People with their eyes focused on the past will tell you that the frontier vanished long ago, taking with it the dangerous challenges that made Americans stalwart and courageous. New Yorkers know better. Even before the physical frontier had been pushed to the Pacific, they saw themselves on a new frontier—with new and dangerous challenges. This new frontier—that on which today practically all American workers are forced to fight for a living—is, of course, the frontier of mass production and giant industry.

The industrial frontier is more hazardous because it is new and strange. For two centuries Americans had been mastering a continent; we knew well how to fight that battle. But nothing in our past had prepared us for the complex and intangible risks of industrial society. Furthermore, the change from old ways to new came so quickly that it caught us unawares. The new social and economic order bristled with so many unexpected dangers that the individual was powerless to help himself.

All that working people asked of the new economic order was an even break in the struggle to make a living. The only way to get it was through united action; through utilizing the familiar processes of democratic government. New Yorkers saw these facts early and saw them plain. And what is more, in spite of obstacles and opposition, they began 50 years ago to do something practical about them.

The first significant step was taken in 1886, with the passage of a law restricting factory labor for young women and boys to a 60-hour week. The fact that a 10-hour day and a 6-day week were hailed as a great victory by labor and as a harbinger of revolution and ruin by some employers suggests what working conditions must have been like in the perhaps not so good old days.

The loss of 145 lives in the Triangle fire of 1911 dramatized the need for better labor protection. With public support aroused by this disaster, a thorough investigation was undertaken and the State's entire labor code was remade.

Advances in hour regulation were not won without effort. But the struggle for minimum wage standards, even for women and young people, has been still more bitterly fought. I am proud to have had a part in that struggle. In the last 25 years New York has seen a succession of bills proposed and defeated, or passed only to be declared unconstitutional. This game of legal hide and seek was climaxed by the 5-to-4 adverse decision of the Supreme Court in 1936—when, as you remember, Justice Stone in the minority opinion declared bluntly that "It is difficult to imagine any grounds, other than personal economic predilections," for ruling against this legislation. Enlightened by these diverse legal opinions, and determined rather than disheartened, New York in 1937 again passed a minimum-wage law.

Because of constitutional limitations, practically all this State legislation the country over applied only to women and young people. I believe that today the Supreme Court of the United States would uphold any essential labor standards for men as well. When the Federal hour and wage bill is passed, I shall find out whether I am a wise prophet.

These two kinds of protection are essential if working people are ever to have a chance to achieve security. A man must work to live. To get a job he will undercut anyone and take whatever he can get—if he must. Individual effort is the only foundation of individual security. But no matter how much effort he puts forth, the individual's security will be built on shifting sands as long as these basic conditions of work are insecure.

From the beginning, this struggle for adequate labor legislation has found one of its strongest selling points in the safeguarding of youth. Here again New York was in the vanguard. In the relatively brief space of 17 years it progressed from negative prohibition of exploitation to positive protection for children. Its child labor law, passed in 1903, was the first in this country to recognize normal development and sound health as major considerations. In the last 30 years, other States have followed New York's lead. Yet well over 2,000,000 children between 10 and 17 still work—or as the statisticians say, are "gainfully employed." I always stick on that phrase. With more adults than there are jobs, how can we be so sure that children are gainfully employed—especially since they are too often deprived of education and perhaps of health to work for meager wages? But the Federal child labor amendment remains unratified though 28 States have gone on record in its favor.

Given a job with at least a health and decency wage most workers can and will look out for themselves and their families, most of the time. But they are skating on mighty thin ice. They can keep going as long as their footing holds; but when the ice breaks—when for any reason earnings cease—they are left to sink or swim; and most of them sink. Of course it would be theoretically possible to make the minimum wage level high enough to provide a margin to be laid aside against emergencies. But this would be both precarious and tremendously expensive. From the point of view of the worker it is safer, and from the point of view of society it is better economy to pool widespread economic risks through social insurance.

This principle has long been recognized in compensation for industrial accidents. And here again 20 years ago New York was the pioneer, with the first workmen's compensation law ever passed in this country. Today, only two States, and those mainly nonindustrial, remain without such legislation.

Workmen's compensation was comparatively easy to "sell" to employers, because accidents are dramatic and their attention-getting value is high; also injured workers could collect damages through court action. Finally the logic of the case is self-evident; if disasters are directly due to hazards of work, then protection against them is a legitimate charge upon industry.

This same cause-and-effect relationship plainly exists as between industry and such other economic hazards as unemployment—reactionary arguments to the contrary notwithstanding. Yet up until the last few years no form of job insurance existed in any part of this country. New York's first unemployment compensation bill was introduced in 1921 and during the next 14 years no less than 85 similar measures were proposed in the legislature of this State. Nevertheless New York has the distinction of being the second State to enact an unemployment-compensation law. This was in April 1935, nearly 4 months before the passage of the Federal act the following August. By July 1937 every State in the Union had enacted an unemployment compensation law and had it approved by the Social Security Board.

Today the majority of our commercial and industrial wage earners are in jobs covered by State unemployment compensation laws. More than half of all these covered workers are in the 25 States, including New York, where benefits are now being paid. Since January nearly $113,000,000 of benefit payments has gone into the pockets of temporarily unemployed workers. New York is, of course, the ranking State in point of unemployment-compensation coverage. More than 12½ percent of all the covered workers in the country are in this one State. Its coverage—nearly 2½ million—is more than equal to the combined coverage of the 23 States at the small end of the scale. And its benefit payments since January come to over $25,000,000, nearly a fourth of the grand total.

It is too soon to estimate accurately the full effects of unemployment compensation—in conserving savings, maintaining buying power, and forestalling the need of relief. But there can be no question that it is making an enormous contribution to the security of workers and the stability of business—a contribution which already can be measured by the $113,000,000 paid out to workers within the brief space of the past 4 months.

Before the passage of the Social Security Act even less had been done to forestall the permanent dependency of old age than to meet the temporary emergency of unemployment. Yet this last hazard of life is the worst. For the only way to escape old age is to die beforehand; and for the vast majority of workers there seems to be no way to escape dependency in old age, except through social insurance. Recent estimates show that of all the people now over 65 in this country, not more than a third are self-supporting, either through current earnings or through savings. Yet these people spent their best working years during the heyday of business expansion and prosperity.

Now that we have in this Nation a Federal system of old-age insurance, the young and middle-aged workers of today and of the future have something better to look forward to than this 2-to-1 chance of destitution. In the 17 months since this system was inaugurated nearly 39,000,000 applications for accounts have been received. Almost five and one-half million of these—nearly one-seventh of the national total—are from New York.

Most of the workers now within this system will reach the retirement age of 65 after 1942, when monthly benefits become payable. They thus have ample opportunity to build up enough credits to entitle them to monthly annuities after they are old and stop working. According to present estimates, from one and one-half to two million retired workers will be receiving monthly benefits by 1950, and by 1970 the number will have increased to around 5,000,000. If certain liberalizing proposals—sponsored by the President and approved by the Social Security Board—should be adopted by Congress these figures would be considerably higher.

Supplementing this main provision, the act provides lump-sum payments for covered workers who do not qualify for monthly benefits and for the survivors of those who die before they have received the minimum amount to which they are entitled. These lump-sum payments became available as soon as the program went into effect, and payments are now being made at the rate of about 800 a day. Over 134,000 claims have already been certified, amounting in all to about four and one-quarter million dollars. Nearly 16,000 of these payments have gone to New York wage earners, representing total benefits of almost $600,000.

Because unemployment-compensation and old-age insurance are new, and because they offer protection that was desperately needed, they loom very large in the public eye. And well they may. They represent the most significant advance in social legislation in the past quarter century or more. But they are not all there is to social security. I have dwelt at some length upon the parts of the total security program embodied in other legislation, because I believe we must see the Social Security Act in perspective in order to understand its problems and purposes. Otherwise we are too likely to expect from it things that social insurance was never cut out to do.

In the first place, it must be understood that neither social insurance nor social legislation as a whole adds up to the "abundant life." We are just building a solid base on which each worker can make a fair fight for his own security.

In the second place, it must be understood that social insurance and relief are different propositions—different in purpose and different in method. For this reason the contribution of job insurance to security can be gaged, not in terms of reducing existing relief rolls, but rather in terms of helping temporarily unemployed workers to remain self-supporting. By so much—a very big "much"—it helps forestall the destitution that necessitates relief. So also, old-age insurance can and does provide advance protection against future dependency. But no insurance plan can provide for those who are already old and in need. This is the function of old-age assistance, and through Federal-State cooperation under the Social Security Act over 1,600,000 needy old people are now receiving this kind of help. Adequate relief and assistance to take care of noninsurable needs are essential as a life net. The principle of public responsibility for the care of the needy out of the general revenues came over in the *Mayflower* and has never been questioned in this country. In contrast, social insurance is based on the wage earner's right to protection by virtue of his own work. In a sense it is thus part of his remuneration for services rendered and a legitimate labor cost. Our present program, therefore, properly puts the cost of social insurance on the thing produced and on the consumer who pays for it. This practice has long been recognized as reasonable and equitable in workmen's compensation. It is just as reasonable and just as equitable in unemployment compensation and old-age insurance.

When you come to old-age insurance it is particularly important to remember that social insurance differs from private banking insurance in that it can give the individual more for his money. This is possible because the cost is widely spread not only among workers but also among their employers. To be specific, every worker in the system will get back more than he has paid, since lump-sum payments equal 3½ percent of wages and the worker's contribution is now only 1 percent and will never be more than 3. But this is only the minimum. Every worker who qualifies for monthly payments—and that means the vast majority—gets higher returns than he would realize if he put an amount equal to his old-age insurance contribution into private insurance. For example, if a man who becomes 65 in 1942 has averaged $900 in yearly earnings for the 5 years since 1936, he will have paid a total tax of $54. On retirement he will receive monthly payments of $16.25 for the rest of his life. Figuring his life expectancy at around 12 years, he stands to get back more than 40 times what he has paid out in taxes.

From time to time you hear people say, "Well, this scheme may be necessary for these low-paid workers. But why tax the man with relatively high earnings? He can take care of himself." Hopefully, he can. But how many of us can be so dead certain? Who wouldn't be easier in his mind with the perhaps small, but certainly sure back-log of old-age security this system provides? And in any case, since both taxes and benefits are based only on the first $3,000 in annual earnings from any one employer, I think we need have no concern lest anyone is being either overtaxed or overprotected. As a matter of fact, this argument probably stems from a fundamental misconception regarding old-age insurance—the assumption that it is the be-all and the end-all of old-age security. Actually, of course, its purpose is to provide a minimum. With this much to go on, most people will be inspired with the desire to do better by themselves in old age than they would otherwise—to hang on to a little home or to put something in savings. Social insurance thus becomes an incentive to the time-honored virtues of individual industry and thrift.

These facts about old-age insurance are pretty generally understood today, and there can be no question that the Nation as a whole stands firmly behind this program. In fact, it is significant that the only serious current criticisms are concerned only with the financial provisions of the present law. These criticisms aim most of their fire at the fact that the Treasury is directed to invest old-age insurance funds in United States Government obligations. This line of reasoning implies that it would be safer to hide the currency under a mattress or to bury it in an old iron pot. If this strange idea were actually followed, there might then be some point in the contention that social-security taxes take money out of circulation. It is true, of course, that if this law had not been in operation, the Government would have sold more bonds on the open market; and that, instead of doing so, it has now issued obligations to the credit of the old-age reserve. But the only effect of this procedure is to make millions of individual workers holders of Government obligations which would otherwise have been bought up by large investors. To call the Government obligations purchased for the old-age reserve account mere I O U's gets nowhere.

The same thing could be said—and would be just as meaningless—about every bank deposit, every insurance policy, every private security investment in existence. Yet the people who cry "wolf" loudest about old-age insurance are the very ones who profess the greatest confidence in private business. Moreover, if investment in Government obligations is as unsound as critics of the reserve contend, why do banks, insurance companies, and other large corporations invest in United States Treasury bonds? Actually, of course, business concerns put their money into Government obligations because they know these are the safest investment they can make. The Government obligations bought for the old-age reserve are every whit as safe.

Admittedly the present reserve system is not the only conceivable method of financing old-age insurance. The alternative most frequently proposed suggests that Congress each year appropriate only so much money as would be needed to finance the benefits currently payable. This would, it is true, make it possible to finance benefits with relatively small contributions during the early years, while most covered workers are still under the benefit age. But a generation hence annual benefit payments will be much larger than the amount collected annually under the tax rates now provided by the act. What would happen then is anybody's guess. It may be pertinent, however, to point out that similar "current-cost" schemes had long ago been tried and found wanting by the early private fraternal societies. Their initial assessments were, to be sure, low; but as the members became older and the number of claims to be paid increased, both costs and premiums mounted. In the few societies that continued without reserves, the policyholders who were unfortunate enough to live longest—and who had therefore also made the largest contributions—in the end lost both their investment and all hope of protection. Regardless of what we call it and how we work it, sound financing of old-age insurance must recognize certain facts: First, it is no more true to assume that obligations do not exist until the moment comes to pay them than it would be to assume that an apple does not exist until it falls from the tree. Second, the tests of sound insurance are acceptance of responsibility for accruing obligations, and assurance that they can and will be met when due.

I would most certainly not say that the present reserve plan is the only method that meets these tests. I do, however, go so far as to say that it is one plan that meets them. Moreover, the reserve will not be large enough to be a problem for many years. If and when all the outstanding obligations of the Federal Government are bought up, it may be of course a different story. But before that highly hypothetical time comes, we shall know a great deal more than we do now about actual operations and obligations. We already see indications, for example, that coverage will be substantially larger—and benefit obligations accordingly higher—than originally contemplated. This is quite apart from amendments that might increase the obligations which the reserve would be called upon to bear. In view of all these unknown quantities, I am in favor of standing by until experience demonstrates how the present plan can best be improved.

These problems have been studied for more than a year by the Advisory Council on Social Security. The membership of this council includes:

In behalf of labor: G. M. Bugniazet, secretary, International Brotherhood of Electrical Workers of American, and president of Union Cooperative Insurance Association, Harvey Fremming, president, Oil Field, Gas Well, and Refining Workers International Union, John P. Frey, president, Metal Trades Department of the American Federation of Labor, Sidney Hillman, president of the Amalgamated Clothing Workers of America, Philip Murray, vice president, United Mine Workers of America, Matthew Woll, vice president, International Photo Engravers' Union of North America, and president, Union Labor Life Insurance Co.

In behalf of industry: Marion B. Folsom, treasurer, Eastman Kodak Co.; Walter D. Fuller, president, Curtis Publishing Co.; Jay Iglauer, vice president, Halle Bros.; M. Albert Linton, president, Provident Mutual Life Insurance Co.; E. R. Stettinius, Jr., chairman of the finance committee, United States Steel Corporation; Gerard Swope, president, General Electric Co.

And representing the public: J. Douglas Brown, Princeton University; Henry Bruere, president, the Bowery Savings Bank; Paul Douglas, University of Chicago; William Haber, University of Michigan; Alvin H. Hansen, Harvard University; Theresa McMahon, University of Washington; A. H. Mowbray, University of California; T. L. Norton, University of Buffalo; George W. Stocking, University of Texas; Elizabeth Wisner, president of the Association of Schools of Social Work; Edwin E. Witte, University of Wisconsin; Gerald Morgan, author; Josephine Roche, president, Rocky Mountain Fuel Co.

To allay unwarranted fears with regard to the handling of old-age reserve funds, this entire group has recently gone on record as follows: "The members of the council, regardless of differing views on other aspects of the financing of old-age insurance, are of the opinion that the present provisions regarding the investment of the moneys in the old-age reserve account do not involve any misuse of these moneys or endanger the safety of these funds."

With regard to the reserve, the Council, I quote: "recognizes that there are other ways of financing the old-age-insurance system which upon further study may prove to have greater advantages than the present system. The entire subject, however, is so complex that the council is not yet prepared to express a final judgment as to the method of financing which would be most desirable from a social and economic standpoint."

In addition to these problems of financing, both the Advisory Council and the Social Security Board have also been studying ways and means of liberalizing old-age insurance. One proposal which speaks for itself is the provision of survivors' benefits for aged wives and widows and for the families of workers who die while their children are still young. This change would offer legitimate protection and would also tend to reduce dependency on public aid. Probably more than one-fourth of all present recipients of old-age assistance are widows left resourceless by their husbands' death. Nearly half of the 570,000 dependent children now being cared for under the Social Security Act, have been made dependent by the father's dath. Men who can afford it always consider it their first duty to provide insurance protection for their wives and children. Survivors' benefits extend the same kind of protection to families who need it most and can afford it least.

In a recent letter to the Social Security Board, President Roosevelt expressed the hope that recommendations could be submitted to Congress looking toward both these developments. In addition he asked that the Board consider the feasibility of commencing benefit payments before 1942, and of increasing the size of benefits for those retiring in the early years of the system. The Board is studying these questions and expects to submit its proposals regarding them to Congress at its next session.

Another question to which the Board is also giving serious study is that of extending the old-age insurance program to include farm laborers, domestic workers, and others not yet covered who were excluded because of the difficulty of collecting contributions. Beyond all these there also looms the problem of adequate health protection on a Nation-wide scale. Perhaps here again New York will show us the way. At any rate, you have gotten as far as to have a bill of this nature introduced into your State legislature.

I have noted with perhaps even more interest the three amendments recently offered to your constitutional convention for the purpose of "eliminating all doubt as to the power of the State to enact social legislation which may be necessary." That is the old—no, I mean the new—pioneer spirit. These proposals are particularly significant because New York has learned not only that social legislation is necessary but that it works—even in its first year of administration.

The passage of the Social Security Act most certainly did not write "finis" to social legislation in the United States. Rather it marks a new advance along the path that you have been blazing for 50 years—a new and vastly more determined effort to get the kind of security Americans want—the kind of security that assures every man and woman a chance to stand on his own two feet and to make a winning fight to support himself and his children in the good old American way.

Essential Notes on Puerto Rican Situation

EXTENSION OF REMARKS

OF

HON. ALFRED F. BEITER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 31, 1938

Mr. BEITER. Mr. Speaker, the population of the island of Puerto Rico is approximately 1,800,000; yearly increase in population has been running from 28,000 to 40,000 during the last few years; area of the island approximately 3,400 square miles. Two-thirds of the island is either mountainous, swampy, too dry to be fit for cultivation without irrigation, or the soil is so exhausted it produces only a fifth to a twentieth of what good soil should produce. In other words about one-third of the island can now be classified as cultivatable, but the area can be approximately doubled by

irrigation, fertilization, selectivity of crops, and scientific crop diversification.

Devastating hurricanes and crop failures are frequent. Competition with continental United States and islands of the West Indies is sharp in sugar and tobacco, and competition with Latin American countries is sharp in coffee. Prices for these commodities are often too low to render their production profitable.

Excepting the last 2 years, food crops, livestock, and dairy commodities produced on the island have been almost negligible, even for home consumption. Nearly all of the food consumed in the island is imported. Insurance, handling charges, freight rates, brokerage and distributing charges and profits make the cost of imported foods so high, hundreds of thousands of the inhabitants can afford only the most simple and inexpensive foods necessary to sustain life, and quantities insufficient to insure good health. Thousands of families have been reared with little or no milk, and by mothers who were so undernourished they could barely keep life in the bodies of their infants.

Widespread undernourishment and unsanitary living conditions made anemia prevalent throughout the island. The stature, vitality, and span of life decreased to an alarming degree until the last 3 or 4 years, when relief, modern sanitation, hospitalization, and medical and surgical facilities were made available through Federal aid.

Absentee ownership of a large portion of the good lands, and ownership of nearly all of the remaining cultivable lands by a few inconsiderate individuals and families reduced all of the inhabitants to dire poverty and a condition of servitude almost approaching slavery, if not worse. Even after the advent of work relief and rehabilitation, under the supervision of the Federal Government, it was found that workers employed by contractors and subcontractors were afraid to claim wages to which they were justly entitled under the provisions of law, if their employers saw fit to pay them less or to demand kick-backs.

With few exceptions, the inhabitants of the island are home-loving, long-suffering, good-natured, and easy to handle. Political disturbances during recent years would not have occurred under normal conditions. Agitators took advantage of the horrible plight of the masses and led them into rebellious and seditious activities in the hope of getting enough to eat. There is no combination of such adverse conditions and circumstances, comparable with those prevailing in Puerto Rico, under the American flag.

Since 1932 the Federal Government has been actively, aggressively, and successfully readjusting the economic and social systems of the island. Hurricane relief and farm loans were undertaken first, then came relief, work relief, and rehabilitation.

In the latter part of May 1935 the Puerto Rico Reconstruction Administration was created by Executive order, pursuant to the provisions of Federal legislation, and all of the relief, work relief, and rehabilitation activities of other Federal agencies were turned over to that agency. By the end of 1936 direct relief was supplanted by sound, well-planned work-relief and reconstruction projects. These activities were carefully coordinated with the activities of the insular government and private enterprise so as to provide year-around employment.

The reconstruction program includes the extension of educational facilities; the creation and supervision of needlework and other domestic cooperatives for women; the promotion and supervision of self-help cooperatives; the construction and operation of urban and rural hospitals and medical centers; the construction and operation of urban slum-clearance projects, and a comprehensive rural rehabilitation program.

The P. R. R. A. has launched and is successfully carrying out one of the most comprehensive rural rehabilitation programs ever conceived. Projects for the rehabilitation of coffee, tobacco, and fruit growers are operating successfully. Laborers, seed, and fertilizers were and are being furnished to farmers, together with scientific instruction in modern methods of cultivation. In exchange for laborers so furnished, the landowners are required to sell to the Administration, at equitably adjusted prices, 2 or 3 acres of land for each laborer furnished. These lands are being divided into parcels of 3 acres each and are being sold to farm laborers at reasonable prices and on favorable terms. With each 3-acre tract goes a hurricane-proof house, poultry, swine, and goats of the best stock, implements necessary for cultivating the soil, fertilizer, and scientific instruction. Fifteen thousand acres of such lands have already been acquired and are being developed under this project, and 21,000 acres are now in the process of title clearance.

In order to overcome the evils of absentee ownership, several large tracts of good farming lands were acquired for a land-utilization program which is now well under way. These tracts have been divided into subsistence farms averaging about 3 acres each; a hurricane-proof house has been or is being constructed on each parcel. These subsistence homesteads are being sold to worthy, carefully selected farm laborers on long and reasonable terms. These resettled laborers are being furnished with the same accessories and scientific instruction as those resettled on lands acquired in exchange for labor furnished coffee, tobacco, and fruit growers. Thus thousands of experienced but destitute farm families have been and are being resettled in comfortable and sanitary homes, and are being taught to produce food crops and livestock for their own consumption and for the local markets.

Farming cooperatives have been successfully organized and are being successfully operated, showing profits to their members. Large tracts of land have been acquired and utilized for these purposes. The rural-rehabilitation program is proceeding in full cooperation with the Federal and insular departments of agriculture and associated agricultural extension services. A vast and comprehensive program of research, including soil analysis and plant and animal breeding, is being conducted in this connection to insure the best varieties of food crops and the best and most prolific breeds of livestock and maximum adaptability to soil.

The rural-electrification and water-utilization program is one of the most significant advancements in the reconstruction of the island. This is also conducted in full cooperation with the insular government. Many hydroelectric and power-generating plants have been acquired or constructed; a network of high tension transmission lines, transforming stations, and distribution lines already serves approximately one-third of the island with cheap power and lights. The waters impounded in the various hydroelectric projects are now being used for irrigation purposes and this water-utilization service will be extended to cover large areas of the dry sections of the island which are not now fit for cultivation. It is interesting to note that natives who had never seen an electric motor or stove up until 2 or 3 years ago are now successfully using them.

Reforestation of the denuded lands which are unfit for cultivation is another one of the important reconstruction projects. Over 11,000 acres of land have been purchased and planted in useful trees. Three types of trees are being planted; those useful for construction purposes, tropical hardwoods for cabinet uses, and quick-growing trees for charcoal. Charcoal is the principal fuel for domestic use. Seedlings have been and are being given to all persons requesting them. Over 2,000,000 seedlings have already been distributed in this manner.

The extension of educational facilities is another significant step in the social and political rehabilitation of the island. Large extensions to the University of Puerto Rico and the School of Tropical Medicines have been constructed and turned over to these institutions for operation. Vocational schools, equipped with modern accessories for vocational training have been constructed in the rural districts and turned over to the Insular Department of Education for operation. A large number of rural schools for elementary train-

ing have been and are being constructed in the rural areas throughout the island. These are also being turned over to the Insular Department of Education for operation.

Hospitals and sanitariums for the treatment of tuberculosis and other communicable diseases have been and are being constructed for the Insular Department of Public Health and Sanitation. Rural medical centers have been constructed and are being operated so as to cover almost the entire island. Many other projects for the prevention of disease have been initiated and are being operated in cooperation with the Insular Department of Public Health and Sanitation.

The agricultural rehabilitation program in Puerto Rico is the most comprehensive of its kind under the jurisdiction of the United States. If that program is successful it will serve as a model for stricken agricultural areas in continental United States. It has proceeded far enough to demonstrate conclusively that it will be successful if it is aggressively continued while benefit payments for crop curtailment, good crops, and good prices help to keep the island in a state of economic, social, and political equilibrium.

Hurricanes will come, so will crop failures and low prices, and if the rehabilitation program has not progressed far enough to absorb such shocks, much of the good already accomplished will be lost and the island will lapse into another period of confusion. Figures compiled by the Governor of Puerto Rico show that Federal relief expenditures for the years 1934, 1935, and 1936 amounted to $21.61 per capita as against $68.41 for the country as a whole, and $55.72 for the other Territories. Up to May 31, 1938, the Puerto Rico Reconstruction Administration has expended approximately $39,000,000 for direct relief, work relief, and all phases of reconstruction and rehabilitation. More than $13,000,000, over one-third of the whole, has been invested in self-liquidating loans and projects. Now that the reconstruction program will be confined principally to rural rehabilitation, the ratio of recoverable Federal expenditures will increase sharply.

More than $6,000,000 has been spent in the United States for machinery and equipment. Statistics compiled by the Puerto Rico Reconstruction Administration show that 79 cents of every dollar expended for wages has come back to the United States in the second or third commercial turnover. Puerto Rico is one of the important consumers of American goods. It purchases very little from other countries.

Since the people of Puerto Rico are Latins, and since they were taken over by the United States for protection, all Latin America is watching to see what we do with it. If our good-neighbor policy is maintained, there is no place where we can spend money for that purpose to a better advantage in Puerto Rico. Certainly Puerto Rico should receive its fair share of Federal relief expenditures. It is the most congested agricultural area under the American flag and the people have suffered more for the bare necessities of life than any people under the jurisdiction of the United States Government.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. GEORGE J. SCHNEIDER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 31, 1938

PROTEST AGAINST TARIFF REDUCTIONS ON PAPER IN RECIPROCAL-TRADE AGREEMENTS

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter to President Roosevelt, Secretary of State Hull, and Chairman Henry Grady of the Committee for Reciprocal Information, dated April 20, 1938:

APRIL 20, 1938.

To the Honorable FRANKLIN D. ROOSEVELT, President of the United States,

To the Honorable CORDELL HULL, Secretary of State,

To the COMMITTEE FOR RECIPROCAL INFORMATION, HON. HENRY GRADY, Chairman.

GENTLEMEN: At the recent meeting between your committee and the delegation of Congressmen who joined with me in protesting against certain aspects of the proposed reciprocal-trade treaty with Canada you courteously extended to me the privilege of submitting to you my views with regard to the proposed reduction of tariff rates on imports of paper in this proposed trade treaty.

Speaking for the people of the Eighth Congressional District of Wisconsin, which I have the honor to represent in the Congress of the United States, and also for the International Brotherhood of Paper Makers, affiliated with the American Federation of Labor, of which I am vice president, I wish to emphatically protest against any reduction in our present tariff rates on imports of paper, agricultural commodities, and other competitive products from Canada and other countries. This protest deals specifically with paper products, the present rates of duties on which should be retained for the following reasons:

Any reductions in our present tariff rates—

(1) Will be of no benefit to American purchases of paper.

(2) Will mean loss of work opportunities to many thousands of American workers, or a substantial reduction in their wages—at present none too high.

(3) Will be of little, if any, benefit to Canada as in most instances Canada now exports to the United States but a small percentage of our total imports of such papers now being considered for tariff reductions.

(4) Will be disastrous to many communities as some 65 percent of American produced papers are now manufactured in paper mills located in communities of less than 25,000 people, and too often the entire community is dependent on the continued operation of such paper mill for its maintenance and welfare.

(5) Means loss of employment opportunities to American workers averaging $1,300 per year and the transfer of the job opportunities of these American workers to workers in Japan paid less than $200 per year, or workers in Finland, paid less than $500 per year, or workers in Sweden paid less than $700 per year.

(6) Means a loss of yearly work to thousands of American railroad workers who are now employed in transporting the millions of tons of raw material used in the manufacture of such papers.

The American paper industry, at present operating at some 60 percent of capacity, provides direct employment opportunities for some 150,000 American workers as well as providing work opportunities for some 500,000 additional American workers who provide and transport the raw materials used in the manufacture of such papers.

This industry, one of the oldest in the United States, is one of vital national necessity. Every business is dependent upon a proper supply of paper. Education, yes; even entertainment, to a great extent is dependent upon a proper supply of paper. Even our Government is absolutely dependent upon having available a proper supply of paper.

This industry, with some $1,500,000,000 invested, is operating today with little, if any, profit on this investment. The $1,000,000,000 yearly received for the output of American produced paper is returned to American trade in the form of wages paid workers, cost of raw materials, a large part of which is also paid to workers, freight rates, and taxes.

This industry buys a substantial portion of its raw materials from American farmers, supplying them with a cash crop realizable by work in the winter months when farming is impossible.

Most paper mills are located in small communities, far from the great industrial centers, where in most cases the paper mill is the only source of employment for the workers and the wages of such workers support the entire community.

The history of the paper trade is replete with the effects of tariff reductions. Following the reductions of the tariff rates in the 1870's our country was flooded with paper produced by workers in foreign countries while our workers were deprived of their jobs. Again, following the placing of newsprint paper in 1912 on the free list, our workers' jobs were transferred to workers in Canada and other countries.

America holds no monopoly on methods of paper making. We, in the United States, have no industrial or raw material advantage over other countries. High wages paid to American workers are not compensated for by higher mechanization. Japanese and other paper-mill workers work on substantially the same type of machinery, use substantially the same raw materials and produce the same types of paper, comparable in every way with the products of American paper mills.

Prior to 1912, when newsprint paper was placed on the free list, we imported from Canada less than 30,000 tons of this type of paper. In 1937 our imports of this type of paper was over 3,000,000 tons, or more than 80 percent of all the newsprint paper used in the United States. During the year 1934, before we entered into reciprocal-trade treaties and thereby reduced our tariff duties 33⅓ percent on imports of kraft paper, we imported 4,000 tons,

while in 1936, with our tariff rates reduced 33⅓ percent, our imports of kraft paper rose to 24,200 tons.

The United States is the world's greatest paper market. The world paper-manufacturing industry is over equipped. At the present time more than 40 percent of our paper-making capacity is idle. Canada and other foreign countries can produce and sell to American paper distributors the products of foreign workers at a price less than our costs of production, simply because of the lower wages and longer hours which prevail among the workers of these foreign countries. The average wage paid to productive workers in American paper mills is some 65 cents per hour, while the average wage paid to workers in Canadian paper mills is some 54 cents per hour. The average wage paid to workers in European countries is not greater than 32 cents per hour, while the workers in Japanese paper mills, producing the same type of paper, average less than 10 cents per hour.

Were tariff reductions on imports of paper to apply to Canada alone, American workers might retain their present job opportunities by accepting a wage reduction of 10 or 15 percent in their present none-too-high wages. However, as such tariff reductions also apply to imports of Japanese- and European-produced paper, where wages of from one-half to one-eighth of the wages paid to American workers prevail, the inevitable result of tariff reductions on imports of paper will be that the job opportunities of our American workers will be transferred to these lower-paid foreign workers in Japan and European countries.

The records of the Department of Commerce show that reductions in tariff rates on many types of paper under consideration by your committee will not be of any material benefit to Canadian workers, but, will greatly benefit the workers of Japan and some European countries. In one case we find that we imported, in 1937, 625 times more of one type of paper from Japan than we did from Canada, and, in another case we imported, in 1937, some 90 times as much from Japan as we imported from Canada. Our imports of some types of paper in 1937 have increased in quantity, since 1931, more than 1,000 percent.

In authorizing the making of reciprocal-trade treaties with foreign countries the Congress very definitely understood that these trade treaties were to be reciprocal in fact. Surely there is nothing in the authorization granted by the Congress which authorizes our entry into a trade treaty wherein the reductions in tariff rates will apply particularly to countries which supply us at the present time with but a fraction of the imports on which we reduce these tariff rates.

In closing may I suggest that in authorizing our entry into reciprocal-trade treaties with foreign countries the Congress specifically understood that such trade treaties would be entered into only when reductions in tariff rates would increase the job opportunities of American workers. Surely, the workers in an industry vitally necessary to our well-being should not be deprived of their present job opportunities on a wild gamble that some other workers might possibly secure a few jobs.

Very truly yours,

GEORGE J. SCHNEIDER, M. C.

Address at Valley Forge

EXTENSION OF REMARKS
OF
HON. JOHN W. FLANNAGAN, JR.
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 31, 1938

ADDRESS OF HON. JOHN W. FLANNAGAN, JR., AT VALLEY FORGE, MARCH 6, 1938

Mr. FLANNAGAN. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address delivered by me at the fifteenth annual Virginia State Sunday at Valley Forge, March 6, 1938:

There is always something that goes before that makes possible the victory that follows. Even Calvary had its Gethsemane. I speak reverently, as my heart feels and my mind directs, when I solemnly proclaim this sacred spot the Gethsemane of American freedom. While I know not what prayer the Father of our Country offered when he knelt on the frozen, snowy ground where now stands this very memorial on that fateful night, whether he remembered a petition that went up nearly 2,000 years ago on another fateful night in the Garden of Gethsemane: "Father, if thou be willing, remove this cup from me; nevertheless not my will, but thine be done"; somehow I do know that even as my Savior on that night in the Garden received the strength and courage to carry on and make Calvary possible, even so General Washington, on his knees here at Valley Forge, received the strength and courage to carry on and make Yorktown possible. Somehow I do know that without a Valley Forge there could not have been a Yorktown. Somehow I do know that this is sacred ground and that it is the Gethsemane of American freedom.

Here where the Father of our Country knelt and in agonized, though humble, supplication went through his Gethsemane we have erected this holy shrine in his memory. It is right that we should. It speaks well for our people. Shrines and memorials, the expressions of the sentiment of a people, are but tangible evidences of the noble virtues upon which their greatness rests and which they cherish and long to keep alive in their own hearts and souls and the hearts and souls of their descendants. They express the sentiment of a people, and without sentiment the people perish. That part of the history of every people which records their noble virtues, their hopes, their desires, their aspirations, their ideals, has ever been written in their shrines.

Though beautiful in design, though architecturally perfect, though fashioned out of the choicest material by skillful and loving hands, let us ever remember it will succumb to the ages and in time become but the molded heap of a glorious and beautiful edifice of the past. But while we contemplate this sad thought, a happier, brighter one comes to dispel the gloom, and I take courage and face the ever-loving Father Times and boldly challenge his might, his power, though he bend every effort to the task, to deface, or even mar, the name and the character of the one in whose memory it was erected by a grateful and loving people. Yes, Father Time, thou who ministers unto many of the ills of man, yet holds him in awe by destroying his works, I face thee and defy thee to destroy the name and character of the immortal Washington.

Happy am I, the representative on this occasion of the State that gave him birth, his Virginia, my Virginia, to stand here in this holy shrine erected in his memory and dedicated to his great concept of a Nation, and to say that down where the Potomac flows, where Henry cried for freedom and Jefferson battled for the rights of men, we still hold his name in reverence and still believe in the great concept of government that permeated his life. As we follow the determined and resolute course of his life, as we judge his every act, his every deed, it becomes clear that that concept found expression, and for the first time in government, in the first three words of the Constitution—"We, the people."

Washington believed in the people, and his whole life work was a battle to set up on this continent a government that derived its force and power, not from crowned kings and sceptered monarchs, but from the people. It was this controlling thought, one from which he never swerved, that sustained him during the trying days of the Revolution when he was sorely beset by lack of provisions and quarters for his army, by disgruntled and deserting soldiers, by envious officers scheming to supplant him, ofttimes by an unsympathetic and rebellious Congress, and even by traitors in his own camp. It was this controlling thought that gave him the power to hold the Constitutional Convention together even in the face of sectional and other dissensions, even in the face of the withdrawal of a Mason, even in the face of Henry's invitation to the Virginia delegation to withdraw with the cry upon his lips, "a plague on both of your houses," and even though only 39 of the 55 delegates remained. It was this controlling thought that enabled him, when discord was rife, when many were suspicious of the powers of a central government, when jealousies were creeping out among those who should have put country above personal greed for power, to set up under the new Constitution our National Government, and through the sheer force of his character breathe into it national unity and security.

Is there any wonder that the man who had thus purposed in his heart should have spurned the offer of the scepter?

"We, the people." Inspiring words of parenthood. Do they ever keep before you the thought that this Government was created by you? That you gave something, that you surrendered something, in order to bring this Government into being? Having been thus created, do you realize that our Nation has a body, a mind, and a soul as has man, and that only by keeping our own bodies healthy—properly fed, clothed, and housed—can we keep the national body healthy? That only by keeping our own minds clean can we keep the national mind clean? And that if we keep our own souls pure and white, the national soul will ever remain a symbol of purity?

"We, the people!" Majestic words of power! Do we really appreciate the import of these holy words? Do we at all times realize that they mean that all power is vested in the people and that the Government has only such power as the people have seen fit to grant? Has it really and truly been lettered in our hearts and written upon the tablets of our minds that under this sacred concept of government it is the prerogative of the people to take away from the Government that which has been granted, or to add to those powers which have been granted, and that power withdrawn from the Government comes back to the people to be held or granted again, as to them may seem good?

"We, the people!" Sacred words of awe! Do they bring back to you the great responsibility resting upon every American citizen? Do they register upon your heart and mind and create within you a holy desire to so live as to be a worthy, a consecrated reservoir, of this great power? Do they? Do you realize that under this concept of government that even as the stream cannot rise above its source, just so our Government cannot climb to heights that are above and beyond the people?

Oh, but let us go a little further into the preamble, which reads like some sublime chapter from the great phophet, Isaiah, because it is the spirit of the Constitution. Here we find expressed in

language that will ever fill our minds with admiration and reverence, cause our heart strings to flutter, and stir our very souls when read, the highest, noblest, and most sublime statement of the objects of human government ever conceived or penned by men. Here we find expressed in awe-inspiring terms just why the people were banding together and granting some of their God-given powers to a human agency to be known as the Government of the United States of America. Here we find what Washington and the other patriots were fighting for and, having won, were now in convention assembled to carry into effect.

You men and women of Pennsylvania should take just pride in the preamble, because it was penned by your own James Wilson, who was a ruling elder in the Old Stone Presbyterian Church at Carlisle, and was adopted as written.

Listen! "We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution of the United States."

Now, I want to call your attention to a significant fact, one that has made a lasting impression upon me. It is this: The delegates to the Constitutional Convention, after weary months of wrangling, after ceaseless changes and revisions, finally half-heartedly agreed upon the text of the Constitution. Washington himself admitted, "The Constitution is not what I had hoped it would be * * * but I have agreed to leave it as it is, because an open door provides future alteration and amendment." Since its adoption it has been amended 21 times. Not so with the preamble. The preamble to the Constitution—its spirit—was adopted as written and no one since has ever suggested a single change. Yes, truly a significant fact. One that shows that the delegates were in unanimous agreement that the instrument was being drafted to form a more perfect union, to establish justice, to insure domestic tranquillity, to provide for the common defense, to promote the general welfare, and to secure the blessings of liberty to themselves and their posterity. And yet, in spite of this unanimous agreement, at times in the history of our country, seemingly, we have forgotten all about the preamble to the Constitution, and the general-welfare clause has been brushed aside as a meaningless phrase.

May we not, here in this sacred shrine, indulge the hope that those who interpret our Constitution in the future may have a clearer vision, a truer insight into human problems, than some of those who have acted as interpreters in the past? The heart as well as the mind should direct those who interpret our great charter of freedom and security. The Constitution is not a dead letter to be interpreted, regardless of its spirit, according to some learned discourse on phraseology or the signs of grammar. And you cannot clothe the spirit of the Constitution in precise phraseology, because the spirit of the Constitution grows and expands as the country grows and expands, as human needs grow and expand. And the general-welfare clause, its guiding spirit, is as broad as human needs. May we ever keep in mind that anything that weakens the economic, social, moral, and spiritual fiber of our people affects the general welfare of our people; and, conversely, anything that tends to uplift our economic, social, moral, and spiritual life promotes their general welfare.

Washington, here in this sacred shrine, I salute thee. In the science of war untrained, and though surrounded by men prepared in military science and tactics, the Army recognized but one general. In matters of state untrained, and though surrounded by men versed in statecraft and the philosophies of government, the leaders recognized but one statesman. In speech untrained, and though surrounded by men trained in elocution and the art of persuasion, the people recognized but one voice. How, you ask, did such a man become the dominating genius of a people? And I answer, he succeeded where brighter and more learned and trained men failed, because he had a clearer vision of the objectives in view, confidence in his cause, a fixed purpose of mind, the patience to compose differences, and a character that commanded the confidence and the reverent respect of the people.

And I am persuaded that there was another reason, one that the historians have given very little publicity to, one that very little emphasis, if any, has been placed upon, and yet, somehow, I feel it tells the true cause behind his mastery.

Washington was a man of prayer. Moreover, he firmly believed that a kind providence directs and controls the affairs of men and nations alike. I seriously doubt if this Nation ever produced a man that believed more implicitly in Providence. Oh, I know we have heard much about his faults, his shortcomings, his weaknesses—mere incidents in a great life—but little about his innate spirituality. I confess I grew to manhood not knowing that the Father of our Country was really and truly a man of God. And at the risk of exceeding my time I am going to quote excerpts from the evidence that conclusively show that Washington realized and knew that his fate and the fate of this Nation rested in the hands of an all-wise Providence. This evidence—and there is a great deal more—should be taught in every schoolhouse in our land so that those who come on may know more than we who have gone before about the spiritual birth of this Nation. If our people had only been conscious of the fact that this Nation was brought into being through a partnership with God, we would have escaped many of the ills that beset us today, and if we can bring about a realization of the fact that our future happiness and security depend upon a continuation of that partnership, many of the rough places that are ahead will be smoothed out before reached.

In the French and Indian War, 4 days after Braddock's defeat, he wrote his brother, John:

"By the all-powerful dispensation of Providence, I have been protected beyond all human probability or expectation, for I had four bullets through my coat and two horses shot under."

When made Commander in Chief of the Continental Army he wrote his wife:

"I shall rely, therefore, confidently on that Providence which has heretofore preserved and been bountiful to me."

On taking command of the Continental Army he issued this order:

"Th general commands all officers and soldiers to pay strict obedience to the order of the Continental Congress, that by their unfeigned and pious observance of their religions, they may incline the Lord and Giver of Victory to prosper our arms."

In another order issued to the Continental Army he said:

"The general requires and expects of all officers and soldiers not engaged in actual duty a punctual attendance in divine service to implore the blessings of heaven upon the means used for our safety and defense."

During the Revolutionary War he wrote the Virginia Council:

"I repeat to you, that this is not an exaggerated account * * *. Providence has heretofore taken us up when all other means and hopes seemed to be departing from us. In this I will confide."

About the same time he wrote to a friend in Connecticut:

"I have never considered the fortunate issue of any measure adopted by me in the progress of the Revolution in any other light than as the ordering of Divine Providence."

To William Gordon he wrote:

"We have, as you very justly observe, abundant reason to thank Providence for its many favorable interpositions in our behalf. It has at all times been my only dependence, for all other resources seemed to have failed us."

From Valley Forge he wrote Landon Carter:

"Providence has a just claim to my humble and grateful thanks for its protection and direction of me through the many difficulties and intricate scenes which this contest has produced and for its constant interposition in our behalf when clouds were heaviest and seemed ready to burst upon us."

When he surrendered his commission as commander in chief at Annapolis he said:

"I consider it an indispenable duty to close this last solemn act of my official life as commending the interests of our dearest country to the protection of Almighty God, and those who have the superintendence of them, to His holy keeping."

In 1783, when the Treaty of Paris was signed, he wrote letters to the Governors of each of the Thirteen Colonies, in which he said:

"I now make it my earnest prayer, that God would have you and the States over which you preside in His holy protection; that He would incline the hearts of the citizens to cultivate a spirit of subordination and obedience to government; to entertain a brotherly affection and love for one another, for their fellow citizens of the United States at large, and particularly for their brethren who served in the field; and, finally, that He would most graciously be pleased to dispose us all to do justly, to love mercy, and to demean ourselves with humility."

In his opening address as President of the Constitutional Convention, he said:

"There can be no government without morality; there can be no morality without religion; there can be no religion without God. * * * Let us raise a standard to which the wise and honest may repair; the event is in the hand of God."

When he took the oath of office as President, the oath read:

"I do solemnly swear that I will faithfully execute the office of President of the United States, and will, to the best of my ability, preserve, protect, and defend the Constitution of the United States."

Washington took the oath as administered, then bowed his head and kissed the Bible, and with deep feeling added:

"So help me, God."

Since then the words, "So help me, God," have been added to the oath.

His first inaugural address contains these words:

"It would be peculiarly improper to omit, in this first official act, my fervent supplications to that Almighty Being who rules over the universe, who presides in the councils of nations, and whose providential aids can supply every human defect."

After his inauguration, pursuant to a request from Congress, Washington appointed a special day of prayer and thanksgiving. In his proclamation we read:

"Now, therefore, I do recommend and assign Thursday, the 26th day of November, to be devoted by the people of these States, to the service of that great and glorious Being, who is the beneficent author of all the good that was, that is, or will be; that we may then all unite in rendering unto Him our sincere and humble thanks for His kind care and protection of the people of this country, previous to their becoming a nation; for the signal and manifold mercies and favorable interpositions of His providence, in the course and conclusion of the late war; for the great degree of tranquillity, union, and plenty which we have enjoyed; for the peaceable and rational manner in which we have been enabled to establish constitutions of government for our safety and happiness;

and particularly the national one, now lately instituted; for the civil and religious liberty with which we are blessed, and in general for all the great and various favors which He has been pleased to confer upon us."

Soon after his inauguration, in writing to Lafayette about the setting up of our Federal Government, he said:

"It will demonstrate as visibly the finger of Providence as any possible event in the course of human affairs can ever designate it."

In his Farewell Address I find these expressions:

"That Heaven may continue to you the choicest tokens of its beneficence."

"Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness; these firmest props of the duties of men and citizens * * *. The mere politician, equally with the pious man, ought to respect and to cherish them * * *. And let us with caution indulge the supposition that morality can be maintained without religion."

"Can it be that Providence has not connected the permanent felicity of a nation with its virtue?"

Is there any wonder God used such a man in bringing into birth the greatest Nation it has pleased Him to establish here on earth?

Oh, thou immortal Washington, here where you went through the birth pains of a republic, here on this sacred soil, hallowed by thy supplications, I come as the representative of your native State and humbly pay you homage, and pray that if the spirit of the departed dead still influences the living, ever stand thou close by, especially during these days when other nations, forgetting the welfare of their people, seem bent upon trampling underfoot the rights of men, and many of our own people are disturbed, and counsel and advise with thy people, and teach them anew that our happiness and prosperity as a Nation will be measured by our trust in Divine Providence, that the cornerstone of this Republic is axiomized in the expression "We, the people," and that we should ever administer our affairs of state with an eye single to their general welfare.

Lawlessness in Medicine

EXTENSION OF REMARKS

OF

HON. FRANK W. TOWEY, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 31, 1938

ARTICLE BY DR. NORMAN W. BURRITT, M. D., AND HOWARD W. AMBRUSTER

Mr. TOWEY. Mr. Speaker, under leave to extend my remarks in the RECORD and to include a short article by Dr. Norman W. Burritt, of the New Jersey Medical Society, and Howard W. Ambruster, appearing in Current History for June 1938, I wish to state that on this day when we are to consider S. 5 dealing with the very vital subject of food and drug regulation in America, that the experience of these two men in the field ought to prove very interesting reading to the Members of the House.

LAWLESSNESS IN MEDICINE—IS THERE ANY RELATION BETWEEN THE HIGH DEATH RATE FROM HEART DISEASES AND DRUG LAW LAXITY?

(By Norman W. Burritt, M. D., and Howard Watson Ambruster)

(This article answers the following questions: (1) What is digitalis? (2) What does the Wiley law attempt to do? (3) Do physicians ever claim that faulty ether is responsible for the death of patients? (4) Is the death rate from heart diseases increasing or decreasing? (5) Who is Henry D. Hatfield?)

In 1935 over 300,000 persons died in the United States from heart disease, an increase of 59,000 over the total number of deaths in 1930 from this human ailment. For 15 years this cause of death has increased steadily in this country, from 159.1 to 244.9 per 100,000 population. It is now far in the lead of all causes of death, being double that resulting from cancer, which is next highest. One death out of every 10 today is caused by heart disease. From 1910 to 1920, however, the United States death rate from heart disease did not increase although it did fluctuate during the World War years.

Many reasons have been advanced for this seemingly abnormal increase in deaths from this disease in the 15-year period during which our annual death rate from all causes has been decreasing from 1,310 to 1,090 per 100,000 population.

In the professional and lay press there has been ample consideration of the treatment of heart disease and of the types of medication administered, but little or no mention has been made of the quality of the medication as a possible cause of death, or its frequent impurity and lack of uniformity.

In 1927 and 1928 an effort was initiated in which one of the authors of this article took a leading part, to induce public and official recognition of what appeared to be an increasing laxity in the enforcement of the Federal Food and Drugs Act, popularly known as the Harvey Wiley Pure Food and Drugs Law. In this agitation attention was called to the absence of any enforcement of this law against adulterated crude digitalis and the digitalis medicinals, and to the possible relationship of such laxity to the increase of death from heart disease. Digitalis is the drug used very widely in treating heart sicknesses.

Attempts were also made to attract public attention to statements made privately by physicians declaring that they were frequently perplexed and disturbed when digitalis administered to their patients did not produce the expected therapeutic results.

In February 1930 charges were made before a Senate committee that illegally adulterated digitalis preparations were being improperly ignored by Government officials and were a possible cause of a part of the increase in heart disease mortality.

Both Dr. Wiley and Senator BURTON K. WHEELER, of Montana, took an active part in this agitation and in May 1930, for the first time since the law was passed in 1906, a court action was instituted against a manufacturer, charging him with a shipment of adulterated and misbranded tincture of digitalis. He pleaded guilty and was subjected to a fine.

Thus far medical opinion had been publicly silent regarding adulterated digitalis but in June 1930, extended public hearings were held by a Senate committee on the administration of the Food and Drugs Act. Dr. Henry D. Hatfield, Senator from West Virginia, who was also a distinguished physician, advised his senatorial colleagues that:

"It is an established fact that digitalis, the old tincture of digitalis and the forms of digitalis on the market today, have no effect—that is, generally speaking."

Confirmation of Senator Hatfield's statement came quickly from a group of his professional colleagues when, in the July Bulletin of the American Heart Association, there appeared this statement:

"The most serious difficulty that the practitioner encounters in the use of digitalis is the uncertainty as to the quality of the drug. When a patient in heart failure receives comparatively large doses of digitalis and fails to show improvement it would be of inestimable value to the physician at that time to have absolute assurance that his failure to obtain results is not due to some peculiarity of that specimen of the drug."

GOVERNMENT DENIALS

Meanwhile, there had been vociferous denial by Government officials that there was any laxity in the legal control of the uniformity of digitalis or of any other drug.

In September 1930 a second criminal prosecution was instituted against a manufacturer for shipping tincture of digitalis testing only 40 percent of the U. S. P. assay guaranteed by the label. Later in 1930 Senator WHEELER compelled the publication of certain secret Government records pertaining to digitalis and various other medicinal preparations, which revealed that no court actions had been instituted by the food and drugs officials on 24 out of 26 different shipments of adulterated digitalis preparations prepared by 21 different companies in the period between 1927 and 1930. Most of these cases had been placed in what is called "permanent abeyance" in the Department files. These tests ranged from 33 percent of the U. S. P. assay to 150 percent; in other words, if a heart patient had been given the physiologic dose of the low test digitalis by his physician and the prescription had been refilled from a druggist's bottle of the high test, almost five times as strong, the patient would have been killed by the "remedy." The physician, having relied upon the supposed protection of the Government in enforcing the U. S. P. assay guaranteed by the labels on the bottles, was not to blame. Both bottles were falsely labeled, in definite violation of a criminal statute.

The official or legal standards for preparations of digitalis and other medicinals are compiled and published in the United States Pharmacopœia and in the National Formulary and upon them pharmacists and physicians must depend for the quantitative and qualitative dosage from which prescriptions are compounded and administered.

These United States Pharmacopœia and National Formulary tests are the legal standards for drugs and medicines under the food and drugs law, and this statute specifies prosecution and fine for the first violation detected on the part of a shipper of adulterated or misbranded food or drugs in interstate commerce, and a fine or imprisonment for each subsequent offense by the same shipper.

Another section in the statute permits seizure of violative merchandise through a court action called a libel, on which a decree of condemnation and destruction may be directed at the merchandise itself instead of at the shipper. Under libel action the shipper is not punished, and in certain cases, especially those involving foodstuffs, the articles are first condemned as unfit or

putrid, and then returned to the shipper under a bond to be "reconditioned" or salvaged, and again sold to the public.

In cases where the shipper cannot be identified, or other evidence of guilt is lacking, libel is the only control available, but criminal prosecution is mandatory under the law in all other instances. However, since 1924 the percentage of total criminal prosecutions under the Food and Drugs Act dropped steadily, until by 1929 the ratio was less than 7 prosecutions to each 93 libels.

In the early days of the Wiley law this ratio was at times as high as 80 percent criminal prosecutions to 20 percent libel actions; in recent years it has risen considerably above the low mark of 1929 and 1930, but there are still more libels than criminal prosecutions.

THE SCORE IN PROSECUTIONS

From 1931 to 1938 there have been only 14 court actions published relating to adulterated or misbranded digitalis preparations, of which one-half were merely libels against products of companies which have never been prosecuted for the offenses. Two of these libels involved digitalis preparations shipped by the same company and also included condemnation of preparations of 18 other U. S. P. drugs shipped by this manufacturer. One of the digitalis preparations included in the libels was found by Government tests to be practically inert; another special preparation of digitalis, made by a different company, was merely libeled though it tested 100 percent in excess of the assay stated on the label.

As compared with these few court actions during 7 years, the 1931 Annual Report of the Food and Drug Administration indicates that 9 of the 61 digitalis preparations tested during the previous year required action, and the 1937 annual report states that 13 out of 122 digitalis preparations officially tested in the preceding year were found to be adulterated or misbranded. Meanwhile, physicians continue to wonder why one bottle of U. S. P. digitalis gives different results from another bottle, and turn from brand to brand of what is supposed to be, and legally should be, exactly the same preparation.

Anesthetic ether was another preparation included in the charges of lax enforcement and among the departmental records exposed in 1930 by demand of Senator WHEELER.

Prior to 1927, 13 actions, all libels, were recorded against adulterated ether, and in some of these the bad ether was returned to the maker on bonds. From the official files published in 1930 it was revealed that in the years 1926 to 1929 over 900 cans of adulterated ether had been detected out of 6,000 tested, without either libel or criminal prosecution being instituted; also, that in a single year, 77 percent of the tests made of one brand of ether showed adulteration.

At the hearings before the Senate committee in 1930, the Chief of the Food and Drug Administration admitted that an agreement had been made several years previously by Government officials with the ether manufacturers not to seize or libel any shipments of adulterated ether; this agreement ended later in 1929 and seizures were then resumed. Since 1929 there have been published almost 200 different court actions involving adulterated anesthetic ether, of which only a bare half-dozen were criminal prosecutions. In the 1936 Annual Report of the Food and Drug Administration, it was stated that only slightly more than 1 percent of the cans of ether tested during the year were found adulterated, but in the 1937 annual report the percentage of bad cans had risen to over 8 percent and in numerous instances the impurity in the cans has been iron rust, or other substances which have no legitimate place in ether and are not the product of deterioration.

Bad ether presents a different problem to the medical profession than in the case of medicinals administered to patients in emergency or in routine dosage. Anesthetic ether is usually packed in one-fourth or one-half pound cans, heremetically sealed, which are not opened until the ether is to be administered to their patients, prior to, and during, a surgical operation. If the ether is bad and the patient dies, the surgeon is unable to make a test of the particular can used during the operation as the can is empty and no tests can be made of its contents. Under these circumstances no matter how certain a surgeon may be that his patient has died from the effects of defective ether, he is helpless to even voice a protest because of the actual hazard that he may be blamed not only for killing his patient but of attempting an alibi by falsely accusing the maker of the ether of an offense which the surgeon cannot prove.

PATENT MEDICINE CONTROL

Another type of looseness in the enforcement of the Food and Drugs Act, of special interest to the medical profession, is the inconsistency in the control of patent medicines. For example, out of a series of 25 different libel actions during the last 8 years against various preparations sold for self-medication by a single company, for which admittedly false claims of therapeutic effects were made, only one has ever been followed by a criminal prosecution. Some of these preparations not prosecuted were sold as remedies for such ailments as syphilis, pneumonia, and influenza, and in all cases, the claims were preposterous. The family doctor, ignored by the patient when remedies of this character are relied upon, or called in too late after they have failed, is as helpless as are his patients when he is forced to rely upon a policy of law enforcement which at times ignores repeated offenses by a single company.

Several years ago shipments of an elixir containing codeine were libeled by the Government—and upheld by the court—on charges of both adulteration and misbranding. No prosecution was ever brought against the maker for this offense. Last year the Nation was shocked by reports of over 75 deaths resulting from the administration of another type of alleged elixir which had been sold by this same company, the product this time containing a toxic substance which apparently had not been tested by the manufacturer. Having escaped prosecution for the first offense, thus did tragedy result from a second elixir made by this same company. In considering the disparities between the number of violations in medicinals detected but not prosecuted, comparison should also be made with the much more rigid enforcement of the same statute against those who sell misbranded cattle or stock foods.

According to the annual reports of enforcement in the last 6 years, there have been 453 court actions for violations involving stock foods of which 365—or over 80 percent—were criminal prosecutions. Most of these were for misbranding because of a shortage of a small percentage of the protein content claimed on the label of cottonseed meal or the like.

Those "scoundrels" who have sold a few bags of cow feed slightly short in food value answer for their crimes by paying the full penalty of the law, but makers of adulterated ether and digitalis sold for doctors' use, or fake cures for syphilis, pneumonia, and the like, sold for self-medication, are in many instances neither prosecuted criminally nor even slightly annoyed through libels on their deadly concoctions. So let it be known that no innocent barnyard pig shall become sick because of a false label on his breakfast food, but when the farmer's wife dies because the medicine is not what the doctor thinks it is, or what the label says it is—well, that is just unfortunate, and perhaps a new law can be demanded to put the doctor in jail when his medicine kills a patient.

The Medical Society of New Jersey, which is the oldest medical organization in this country, passed a resolution at its annual convention in 1934 urging a congressional investigation of the sale of impure drugs and foods as a danger and a menace to the public health. Despite efforts which have been made to persuade its members to desist in their attempts to induce congressional action upon this subject, similar resolutions have been passed by this medical society in its three annual conventions held since 1934, including vigorous opposition to the proposed repeal of the Wiley Food and Drugs Act, or the substitution for it of the so-called Copeland bill, which gives enforcement officials complete discretion to ignore any offense defined in the law without even making it a matter of public record.

In March 1937 a bill amending the Wiley law, prepared by a committee of the New Jersey State Medical Society, was offered by A. Harry Moore in the Senate and by FRANK W. TOWEY, Jr., also of New Jersey, in the House of Representativcs, where it is still pending.

Progressive physicians will demand a real investigation under oath before any change in the law is made. These amendments should comply with every legitimate criticism of the Wiley law which has been advanced; also, by preserving the provision requiring criminal prosecution of the offender in each case where the evidence is available, it should be the purpose of forward-thinking medical men to prevent the enactment of a new law which would legalize the kinds of lax enforcement which the Wiley law now reveals.

In January 1938 Congressman TOWEY, during debate in the House of Representatives, said:

"The history of the Food and Drugs Act, or so-called Wiley Act, would have been much more pleasant reading, as to the convictions obtained under it, if its very plain and forceful provisions had been carried out."

TREATMENT OF HEART DISEASE

Heart diseases usually need prolonged treatment. After any acute episode, even when a routine of treatment has been established, rest over a long period of time, with careful medical observation, is generally required, and the individual is rehabilitated only slowly. It is a common experience that many heart patients must be readmitted soon after their discharge from a hospital. The reason for this, in many instances, is the fact that, in order to make way for more urgent cases, they are discharged before their health is sufficiently restored. The net result is an increase in the number of days they spend in the hospital per year. An individual who has passed the acute phase of the illness could be transferred to the subacute or chronic type of hospital or sanatorium for subsequent treatment.

One need only consider the case of the patient with rheumatic fever to understand that prolonged institutional care is necessary for obtaining the best practicable result. Many of these individuals require skilled attention for at least 1 or 2 years before there is a subsistence of the infection. Similarly, in syphilitic heart disease when signs of heart failure have appeared, prolonged conservative treatment is necessary. In hypertensive heart disease, when there has been cardiac decompensation, a long period of rest is indicated, in order to reestablish the cardiac reserve.—The Hospital Survey for New York.

Philip A. Goodwin

MEMORIAL ADDRESS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 20, 1938

On the life, character, and public service of PHILIP ARNOLD GOODWIN, late a Representative from the State of New York

Mr. TABER. Mr. Speaker, PHILIP A. GOODWIN came to Congress after a most successful career in business and banking. He was a most faithful Member of the House, rarely missing a roll call or a session of the House. He was exceedingly faithful in his committee work upon the Post Office and Agricultural Committees. He was absolutely loyal to his principles and to his convictions and fearless in the discharge of his duties.

I do not know of anyone who, in so short a time, had so many close friendships among the Members of the House. He was always ready and willing to do something for a friend, and so I was not surprised on visits to his district to find the high regard in which he was held by his own people. In his passing I feel that I have lost one of the finest friendships I have ever known.

To the People—The Final Indomitable Power—They Shall Know the Truth, and the Truth Shall Make Them Free—The Plan for Forming the Nation-Wide Organization for the Promotion of Governmental Monetary Control

EXTENSION OF REMARKS
OF
HON. CHARLES G. BINDERUP
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 31, 1938

RADIO ADDRESS OF CHARLES G. BINDERUP, MAY 28, 1938

Mr. BINDERUP. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the following radio address by myself over the National Broadcasting network, Saturday, May 28, 1938:

It is a privilege to greet the president, officers, and members of the Peoples Lobby and visiting guests. May I take the liberty to congratulate the people of our great Nation on having within its boundaries this public-spirited organization, builded on the principle of better government. Also thanks to the National Broadcasting System that has made it possible to speak from the Nation's Capital direct to the individual citizen.

Greetings to you, my fellow citizens of the United States, that noble class that choose to call yourselves the common people. Look to the east. Can you hear? Look to the Nation's Capital, and behold the dawning of a new era, the birth of a new Declaration of Independence, freedom from the tyranny of economic dictatorship.

Yes; for in your Nation's Capital there has been born a bill for Government monetary control, a new Bill of Rights, a new Magna Carta, that shall restore to the people their constitutional rights to coin and regulate their own money, that measures the sweat of the brow of man.

This bill permanently eliminates poverty and unemployment by expanding our necessary new money supply among the lower-income group, including needy old people, at $50 per month, widows, orphans, cripples, blind, and invalids, and provides for $1,000,000,000 annually for rehabilitation of farms on the amortization plan, 1½-percent interest and 1½ payment on principal each year with 40 years to pay.

It forces $8,000,000 into circulation daily directly to the people, and without penalizing the people with interest on their own money, thereby creating a consuming and purchasing power among the laboring classes, thus raising the entire price structure to correspond with fixed charges, such as interest, taxes, and hundreds of other such fixed charges; pumping this necessary new money into the veins and arteries of trade and commerce in place of donating it to the banks, to whom we have, by the way, donated over $10,000,000,000 in the past 4 years, and to whom we have donated some forty billions in the past, costing the taxpayers and the interest payers over $1,000,000,000 a year.

But what is even more, this legislation, this bill will bring our idle, dormant money into circulation. Few people realize that almost one-half of our money, our circulating medium of exchange, is hoarded in the bank vaults, dormant, idle, and useless, for hoarded money is not money any more than a dead horse is a horse. Action is the essence of efficiency.

There never was a period of unemployment that was not just preceded by a period of scarcity of money in circulation, and there never was a period of money scarcity that was not immediately followed by unemployment. So we do understand what causes unemployment.

A mighty organization is now being formed with the sole object in view of spreading vital knowledge relative to this important righteous cause over the entire Nation, in an effort to force this legislation for the people through Congress by the indomitable power of public opinion. And we hope the people of the Nation will give us full cooperation in this great unequal fight for humanity.

We expect to have an advisory counsel consisting of such men as Henry Ford, of Dearborn, Mich., the world's most successful industrialist and philanthropist; Prof. Irving Fisher, of Yale University, the Nation's greatest monetary authority and writer, the originator in America of the plan for 100 percent reserves back of demand deposits, the backbone of our monetary bill; ex-Senator Robert L. Owen, of Washington, D. C., internationally known and for 12 years chairman of the Committee on Banking and Currency in the Senate, a man who is recognized as an encyclopedia of monetary knowledge; Mr. Robert Hemphill, of Miami, Fla., formerly credit manager of the Federal Reserve bank, an outstanding authority on banking and currency; and Mr. J. E. Bistor, of Chicago, Ill., president of the Honest Money Founders, Inc., a national organization founded on the principle of Government monetary control.

We also expect to have the support of Professor Cassel, of Stockholm, Sweden, economic adviser to the Swedish Reichsbank and European monetary authority, who agrees 100 percent with the principle contained in this monetary bill; also Professor Soddy, of Oxford, England, recipient of the 1936 Nobel Prize, recognized authority on monetary philosophy and pioneer in the principle of government monetary control.

We expect to include in this council the Grange, the Farm Bureau, the Farmers' Union, and other farm organizations, most of whom are supporters of the monetary-control program. We also want to have representatives of labor organizations with us in our organization. Labor and agriculture, forming as they do by far the greater portion of our population, and representing 85 percent of the consuming and purchasing power of the Nation, are most vitally affected by our monetary policy and should be among those who are most interested in monetary-control legislation and a just and honest monetary program for the Nation.

As a steering committee in Congress we will have over 100 Members of the Senate and House, and added to these an honorary roll of other writers and patriotic citizens of America.

A book is now being published, known as Uncle Sam's Hospital Chart, containing the "kindergarten plan" for explaining the bill and just what it will do and how it will be accomplished. It is written so a child can understand and know our money system. Also we are arranging for distribution of Professor Fisher's book explaining the key to the whole problem of 100 percent reserves back of demand deposits, monetary control. Also Senator Owen's book, Stabilized Dollars, an encyclopedia on money, questions and answers, will be distributed.

This Congress should never adjourn until this bill has been passed. A summary of principles as printed in Uncle Sam's Hospital Chart is as follows:

1. This bill amplifies the velocity of our money supply by creating a purchasing and consuming power at the bottom, among the ill-fed, ill-clad, and ill-housed portion of our population, in exactly the same proportion and in the same degree as money expansion takes place, thus avoiding any possible inflation.

2. It establishes the plan whereby banks become merely the custodian of demand bank deposits, thereby preventing the banks from minting and unminting our money supply; thus avoiding booms and depressions, bankers' inflation and deflation. It reestablishes the constitutional provision that "Congress shall have power to coin (issue) all money and regulate the value thereof."

3. It establishes for the first time in the history of civilization a measure of value that measures all values, for the purpose of equitable exchange, the same yesterday, today, and tomorrow; a dollar with the same purchasing and debt-paying power a year or a generation hence that it has today; that definitely protects the creditor as well as the debtor.

4. It creates a lasting prosperity by reestablishing and maintaining the great American market for American goods and American services.

5. It recognizes that our needed yearly increase in money supply must be earned and forced into circulation from the bottom and up, rather than being bribed or coaxed into circulation from the top and down through mortgages and interest charges on a

people who have been depleted of equities by money monopoly and man-made booms and depressions. It positively prohibits a ransom being extracted from the people for the creation of their own money.

6. It provides for liquidation of the entire national debt without taxing the people and without the issuing of a dollar by the Government or the creation of a single bankers' printing-press dollar, but by a simple switching of credits, exactly the same plan used by the big banks when they bought our Uncle Sam's bonds.

7. It takes away from the trusts their greatest instrument of monopoly, by taking away from the banks the power of money creation.

8. It makes the smallest bank as safe as the largest bank, eliminating entirely any argument for the dangerous chain-banking system.

9. It prevents bank failures by automatically insuring demand deposits, 100 percent free of charge to the banks and free of expense to the Government, leaving only the slight risk on time deposits for the Federal Deposit Insurance Corporation.

10. It balances the Budget automatically. It makes Uncle Sam a creditor in place of a debtor; a lender in place of a borrower; a master of finance in place of a servant; the guardian of his own soul; the captain of his destiny.

It was the President who, in his inaugural address recently, emphasized the gravity of the problem and said, "Let us refuse to leave the problem of our common welfare to be solved by the winds of chance and the hurricane of disaster. Let us not admit that we cannot find a way to master economic epidemics, just as after centuries of suffering we found a way to master epidemics of disease."

I say again, this Congress should not adjourn until this monetary legislation has been passed.

Flood Control

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Wednesday, June 1 (legislative day of Wednesday, April 20), 1938

STATEMENT ON FLOOD CONTROL IN NEW ENGLAND BY HON. DAVID I. WALSH, OF MASSACHUSETTS

Mr. WALSH. Mr. President, I ask to have inserted in the CONGRESSIONAL RECORD a statement prepared by me setting forth the situation with respect to the pending flood-control legislation as it relates to the flood-control problem in the Connecticut River Basin and the Merrimack River Basin in New England.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The relationship of the new flood-control legislation by the present Congress as embodied in the bill (H. R. 10618) passed by the House on May 19, and now pending before the Senate Commerce Committee, to the flood-control projects on the Merrimack and Connecticut Rivers, embraced in the New England compact and now blocked by reason of the failure of Congress to ratify the compact seems to have given rise to considerable misunderstanding.

The uppermost question from the New England standpoint is whether the provisions of this new flood-control bill, if enacted into law will tend to remove the existing barriers which to date have prevented the start of construction of the Merrimack and Connecticut projects so greatly needed for protection from recurring flood disasters; whether the new legislation solves our difficulties? The short answer seems to be that it does not do so.

The Flood Control Act of 1936—the first general and comprehensive legislation by Congress on this subject, enunciating a national policy—provided that with respect to all types of flood-control projects initiated by the Federal Government, the States or local political subdivisions should assume all of the costs of the lands, easements, and rights-of-way.

The new bill above referred to amends this provision by stipulating that in the case of projects which are "dams and reservoirs" the Federal Government shall reimburse the States to the extent of 70 percent of the cost of the lands, etc. For land purchased for dikes and levees, the contribution by the States remains 100 percent. The New England projects are in both these categories. The result, if this change in cost contribution is enacted, will be to reduce by 70 percent the contribution required by the New England States for these dam and reservoir projects.

This is the only change in the situation. The new bill has no word in it about power rights and about projects that have power possibilities, which is the crux of the difficulty in the case of the New England compact. The new legislation does not compel the Federal Government to proceed with these New England projects. It does not compel the States to reverse their position in declining to relinquish to the Federal Government the water-power rights in the projects.

It does not, in itself, require the negotiation by the States of a new compact arranging any new division as between the States of their contribution to the cost. It simply means that if the present cost allocations as between the separate States with one another stand, and if the projects are finally consummated, then the contribution of each State will be only 30 percent of the total originally scheduled.

It is to be noted that the new bill contains a provision giving approval of Congress to "the general comprehensive plan for flood control as set forth in House Document No. 455, Seventy-fifth Congress, second session" (Connecticut River Basin) and authorizes an appropriation of $11,524 "for the construction of local flood protection works in said plan." This plan contemplated a series of dikes and levees from Northampton, Mass., to East Hartford, Conn.

Senator COPELAND, chairman of the Commerce Committee of the Senate, has, at the request of Massachusetts Members of the Senate and House, included a similar provision to this with respect to the Merrimack River Basin. The pending bill therefore will contain provisions giving approval of Congress to a comprehensive plan of flood control as approved by the Chief of Army Engineers pursuant to preliminary examinations and surveys authorized by the act of June 22, 1936, and contained in a report of the Chief of Army Engineers transmitted to Congress on May 27, 1938. The authorized appropriation for this will be $13,000,000.

Under this provision all flood-control projects in the Merrimack River Basin, such as dikes, levees, etc. (other than reservoirs and dams), can be built without regard to the compact. Unless the State of New Hampshire gave its consent, no reservoirs or dams could be built in the New Hampshire area where all reservoirs recommended for impounding the waters of the Merrimack River Basin are located.

Even if the pending bill is enacted, no money will be available under this flood-control bill for another year unless the amendment to the work-relief bill, offered by Senator COPELAND, earmarking certain funds for flood control is adopted. It is possible, however, certain funds from the W. P. A. might be made available for building inexpensive levees and dikes.

However, the primary factor in the control of floods on the Connecticut and Merrimack is the dams and storage reservoirs on the upper waters of the rivers, that are embraced in the flood-control compact now deadlocked.

It is desirable that there be a clear understanding of the situation—the precise issue which has tied up the Merrimack and Connecticut projects for 2 years.

The New England States in the first instance, proceeding in accordance with the provisions of section 4 of the Flood Control Act of 1936, and inasmuch as the benefits from these proposed Federal flood-control projects were interstate, entered into a compact which provided among other things for a division among them of the cost of the easements and rights-of-way.

The compact in due course was submitted to Congress for consent and ratification. In conjunction with some of the other Members of the Senate and House, I offered at once the resolution assenting to the compact and have pressed for its adoption from that date to this.

The compact reserved to the States any hydroelectric power that might be susceptible of development at these dams and reservoirs. No one has suggested that the prospective power in the case of these particular projects is of large amount. No plan has been brought forward by either the States or the Federal Government for the production of hydroelectric power as an incident to these projects. The Army engineers believe the cost of developing hydroelectric power on these dams would be prohibitive. The power in this instance is entirely potential and the question of its control entirely a matter of principle.

The President and the Federal Power Commission have taken the position that as a matter of principle and as a matter of uniform national policy the control of the resulting power, if any there be, incident to any Federal flood-control project anywhere must rest with the Federal Government rather than with the States.

The New England compact does not accord with that principle; in fact, takes exactly the reverse position, that the control rests with the States. It is that fact and that fact alone that has stood in the way of ratification of the compact by the Congress.

If this difference in viewpoint and public policy—this conflict between States' rights and Federal rights—can be composed, the ratification of the New England compact by the Congress and initiation of construction will be a speedy matter. But until this difference is composed, there can be no progress through the medium of an interstate compact.

I am frank to say further that recent conversations with Government officials on this matter lead me to conclude that there is scant likelihood that the administration will be disposed to yield in the slightest to the States on this basic question of principle and national policy. Obviously also, it is not a question readily susceptible of compromise for the simple reason that either the

States reserve the power rights or they surrender them. There is no middle ground. If both the Federal Government and the States would recognize there is actually no power involved—which I believe—then we could deal only with the flood-control problem.

An avenue is open, however, for the construction of these reservoirs and dams on the Connecticut and the Merrimack without any interstate compact, providing the States within which the dams and reservoirs are located, in this instance New Hampshire and Vermont, see fit to follow a different procedure permissible under the Flood Control Act of 1936.

Section 3 of this act provides "that when benefits of any project or useful part accrue to lands and property outside the States in which said project or useful part thereof is located, the Secretary of War with the consent of the State wherein the same are located may acquire the necessary lands, easements, and rights-of-way for said project or part thereof, after he has received from the States, political subdivisions thereof, or responsible local agencies benefited, the present estimated cost of said lands, easements, and rights-of-way."

If, under this provision, the Secretary of War decides that no hydroelectric power question is involved in the construction of dams and reservoirs, all the flood-control projects recommended by the Army Engineers could be undertaken. Since only rights-of-way and flowage easements would be required for the dams and reservoirs, the Secretary of War's declaration would lead to no objection from the States, as this would eliminate the question of fee title for dams and reservoirs passing to the Federal Government. In this connection it should be noted that in all flood-control dams and reservoirs constructed up to the present time under the authority of the act of 1936, the Secretary of War has accepted flowage easements and rights-of-way, which amounts to a determination by him that there is no hydroelectric power involved. If there were hydroelectric power involved, the Army engineers could not proceed without getting full title to the lands upon which the dams and reservoirs are constructed, and this would involve conflict with the compact.

Furthermore, it is my understanding the Secretary of War has determined there is no hydroelectric-power question involved in the construction of most of the dams and reservoirs in the Connecticut and Merrimack River Basins. However, I understand, with respect to one or two dams or reservoirs on both rivers, no determination that hydroelectric power is not involved has been made.

I suggest therefore that the officials of the States who signed the compact proceed to have the Secretary of War determine just what dams and reservoirs have hydroelectric possibilities. If he determines there are none, then it seems to me the flood-control problem is largely settled. If he determines that a particular dam or reservoir, or more than one, have possibilities of developing hydroelectric power, then the issue between the Federal Government and the several States in those particular cases will have to be adjusted or remain an impasse.

The flood-control problem in the Merrimack River Basin concerns only the States of Masssachusetts and New Hampshire. Under section 3 of the act of 1936, Massachusetts could enter into an agreement with New Hampshire to acquire for the Federal Government rights-of-way and flowage easements in those parts of New Hampshire where reservoirs and dams are recommended to be built and pay the landowners the necessary costs. When such easements and rights-of-way were acquired by Massachusetts, she could then turn over the easements and the rights-of-way to the Federal Government who would pay 70 percent of the cost thereof and the Government then could proceed to carry out the contemplated flood-control projects. In this manner no question of power would be involved and the flood-control problem solved. Massachusetts might have to obtain legislative authority from New Hampshire to do this, or the authorities of New Hampshire could do it under the gentlemen's agreement with the authorities of Massachusetts, and then be reimbursed by Massachusetts.

As to the Connecticut River, a more difficult problem is involved because of the rights of the four States concerned. However, Massachusetts could proceed to purchase rights-of-way and flowage easements for the dams and reservoirs within the confines of the State of Massachusetts as preliminary to the Federal Government's construction of these particular flood-control projects.

Unless action under the method pointed out is taken, the passage of the flood-control bill now pending before the Congress will in no way change the present situation nor remove the present impasse, except the possibility that the reduction in the amounts to be contributed by the States for costs of rights-of-way and flowage easements might be an inducement for the States to surrender the right to the hydroelectric power that might be susceptible of development at the dams and reservoirs to be constructed.

I recommend that after the enactment of the flood-control bill, and in view of this analysis, which I hope is a complete and thorough analysis, of the various ramifications of this problem, that a meeting of the Governors and their advisers of the States of New Hampshire, Massachusetts, Vermont, and Connecticut be held to determine what flood-control projects may be undertaken without dealing with the power problem for the present—if indeed any power problem is actually involved, concerning which the Secretary of War may be consulted.

My position from the outset has been that of recognizing that I am the representative in the United States Senate of Massachusetts and other New England States in this matter and I have tried to consistently uphold the viewpoints of the New England States and protect the rights for which they have contended.

Consumer's Interest in International Trade

EXTENSION OF REMARKS

OF

HON. CLAUDE PEPPER

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Wednesday, June 1 (legislative day of Wednesday, April 20), 1938

ADDRESS BY F. H. RAWLS, AT JACKSONVILLE, FLA., MAY 25, 1938

Mr. PEPPER. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject of The Consumer's Interest in International Trade, delivered by Mr. F. H. Rawls, Assistant Director of the Bureau of Foreign and Domestic Commerce, Department of Commerce, at Jacksonville, Fla., on May 25, 1938.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

During the past 3 years I have been privileged to visit Florida several times and have enjoyed the wonderful climate, entertainment, and hospitality which you offer to all visitors. But the thing that impresses me every time I come to your State is the way you have harnessed the gifts of Nature to productive uses. You certainly have put your land and climate to work. Although you cannot ship the sunshine itself, you do the next best thing, for you have kept abreast of scientific progress to make greater use of your natural resources. As a result of this intelligent partnership between Nature and Science, the food products of Florida have raised the standards of living and health of people all over the world. Today a poor workman in London can enjoy the fruits of your labor at a reasonable price.

The excellent location of your city for trading purposes, its fine commercial traditions, as well as the economic characteristics of the surrounding country, have shaped and energized a point of view with respect to foreign commerce. They have given to your citizens an acute consciousness of the importance of commerce with people in distant lands.

It is nearly 120 years since the steamship *Savannah* sailed from Savannah, Ga., on the first transoceanic voyage under steam power, making its notable contribution to the advancement of transportation. Today we are making progress in a different way. New ideas, new conditions, face us on every hand. And new demands call forth new methods to meet them. New and effective organizations enter the picture.

It is such organizations as yours which are a good example of the new vehicles contributing much to world progress.

At this time I should make some reference to a joint resolution passed by our National Congress on May 20, 1933, designating May 22 of each year as "National Maritime Day." This resolution requested the President to issue annually a proclamation calling upon the people of the United States to observe such a day, with the object of bringing the merchant marine to the attention of citizens who do not come into direct contact with shippers and shipping. It is fitting that the observance of National Foreign Trade Week each year comes at about the same time as National Maritime Day, for without foreign trade it would be impossible to maintain a merchant marine on any economic basis.

During the 20 years following the War of 1812 the protective tariff controversy was at the very center of the political life of our Nation and the "young industries" argument of the protectionists was constantly pitted against the "geographical division of labor" argument of the free-traders.

On April 27, 1816, a general tariff bill was enacted. This act has usually been considered as the foundation of the protective trade policy in the United States. The debate on this bill considered the basic questions of the relative merit of free trade versus protection. But since then the discussion has become a contest over individual commodities or the scale of rates. With all the great changes we have witnessed in modern life, the question of tariffs haunts us and is as controversial a subject today as it was in 1816.

This mention of the problem of tariffs leads one to weigh and appraise the whole tremendous significance of foreign trade in our economy.

I must repeat what I said during a previous visit to Florida. Do you realize that in 1926 the total value of our exports amounted to $4,800,000,000, that our imports were $4,400,000,000, while that by 1932 exports decreased to $1,600,000,000 and imports to $1,300,000,000? In other words, our total imports and exports dropped from $9,200,000,000 in 1926 to $2,900,000,000 in 1932, a decrease of about 75 percent.

One of the most significant changes in the economic condition of our country has come in the field of international commerce. Before the World War we were a debtor nation. We owed in excess of $3,000,000,000 to Europe. We paid our interest on these debts by the exportation of such commodities as cotton,

wheat, and lard. However, both before and after we entered the war, European governments bought billions of dollars worth of supplies from us. The result was that during the short period from 1914 to 1919 we exported merchandise in excess of what we imported to the amount of $15,000,000,000. In the short period of 4 years our country developed an export surplus greater than the surplus accumulated during the previous 40 years. How did the European nations pay the bill? By sending us billions of dollars worth of gold, by liquidating a large part of their investments here, and by borrowing from the United States Government and private investors.

It is difficult for our American citizens to adapt themselves to new and changing conditions. I often hear it said that our Nation attained its great wealth and its vast population under the system which we have operated from the early nineteenth century. Without a doubt, such changes in connection with our international debt have seriously affected our domestic economy.

One factor which I think we often overlook is that the ultimate goal of all of our planning and efforts is the fuller and more complete satisfaction of human wants. In other words, it is the ultimate consumer, both in our domestic market and the foreign market, whom we have to consider. And we should examine this question of trade barriers from the viewpoint of their effect on the consumer. Very few of these modern trade barriers have been successfully defended in any country purely on economic grounds. They are in part a hang-over from the last war, and in part, preparedness for the next war. Most of them spring from the desire of nations to become self-sufficient. The control of foreign trade in most nations has become firmly established and probably never will be entirely given up.

In establishing these systems of control, governments have proclaimed that they are acting in the best interests of their citizens taken as a whole. This means that while individuals necessarily carry on international trade for their private profit, the volume and character of that trade must be controlled on the basis of the welfare of the nation rather than of the individuals who buy and sell. In countries endeavoring to be self-sufficient, not from economic reasons but for fear that the source of supply of commodities needed in their national life will be cut off, there is an artificial development of increasing cost to the consumer. Let me cite a few examples. In December 1937 when wheat was selling on the Chicago Exchange for slightly under a dollar a bushel, the high barriers against imports imposed by European countries in the interest of self-sufficiency, brought the price of home-grown wheat to $1.70 per bushel in Paris, $1.98 in Milan, and $2.26 in Berlin. The bearing upon the cost of bread to the consumer, of a market price for wheat two or three times that prevailing in free markets, must be obvious.

While the growth of mass production has made foods, especially canned foods, available to our citizens throughout the land at relatively low prices, excessive duties levied on such products in many foreign countries has resulted in an almost prohibitive price to the consumer. This has limited their use to a very small group of the population, and has denied to a large part products which could otherwise provide them with a variety of healthful, nutritious and convenient foods at all seasons of the year, and at prices within their means.

Take the case of cotton in Germany. Since exchange and import control was established, Germany's cotton purchases have been greatly curtailed and there has been increasing resort to artificial substitutes, inferior in quality and higher in cost. Shortage of raw material has inevitably placed the German cotton manufacturer at a disadvantage and increased his costs, while the consumer has been offered poorer goods at unnecessarily high prices.

How far can nations go with this matter of self-sufficiency? What effect does it have upon the domestic economy of a country?

Concerning the United States, I think the best answer which has been given to this was by Secretary Wallace who said that if we drift or are driven into complete nationalism it will be necessary for us to plan the retirement of from 60 to 80 million acres of cropland which have been used for the growing of products for the export market.

It would be misleading for me to pretend that we in America have not contributed to the world chaos caused by the shrinkage of international trade. Previously, I have referred to the condition which existed in our country after the World War which had an important bearing upon this entire subject, wherein we shifted from a debtor to a creditor Nation. During the 1920's we continued to extend credits abroad and we lived in a fool's paradise. Year by year we added to our creditor position and yet we raised our tariff walls to exclude from the American market merchandise which otherwise would have been shipped to use as payments of interest and principal on these debts.

To have attempted to make a general reduction in our tariffs back in 1933–34 would hardly have been practical in view of the fact that almost all of the nations of the world had erected trade barriers against our products. By approaching this subject country by country under the present trade-agreement program, practical methods are being employed to gradually reduce these barriers and expand the volume of international commerce. It has been truly said that this subject of tariffs is being approached in an entirely nonpartisan manner in Washington. Probably for the first time in our history scientific methods are being utilized in the solution of our tariff problem. Fact finding has replaced log rolling.

Every American is benefited by foreign trade and therefore every American should have a lively interest in this subject. I have said frequently that we do not realize how acutely international commerce swells our individual pocketbooks, regardless of whether we are farmers, merchants, doctors, undertakers, or bootblacks.

Many of our raw materials and semimanufactured products are not shipped in large quantities directly in foreign trade. Nevertheless, significant quantities are purchased by manufacturers, who in turn convert them into products which do loom large among our exports. For example, look at steel. A steel manufacturer in Ohio may have no export business whatsoever; however, if his product is being shipped to Detroit to be used in the manufacture of automobiles for the export market you can readily realize how directly he is concerned.

You have the same situation here in Florida. Probably many growers of fruits and vegetables making deliveries to the cannery or wholesaler are unaware that eventually their products will end up in foreign countries. Of course, the same is true of many other agricultural and livestock products.

There is hardly a day goes by but what I hear this statement made: "Oh, well; we can get along without any foreign trade. We only export about 10 percent of our total production anyway." This is a good example of the old saying that a little knowledge is a dangerous thing.

Normally we export approximately 40 percent of our raw cotton, about 40 percent of our leaf tobacco, nearly 25 percent of our office appliances, approximately 16 percent of our tractors, 60 percent of our naval stores, about 30 percent of our lard, and 50 percent of our dried fruits. It is therefore evident that the statement so carelessly made about exporting 10 percent of our total production is misleading.

Let me cite a few more interesting facts. In 1937 we exported approximately $430,000,000 worth of cotton or cotton goods; nearly $150,000,000 worth of tobacco, both manufactured and unmanufactured; and almost $350,000,000 worth of agricultural products other than cotton and tobacco. The total value of all of our exports in 1937 exceeded three and a fourth billion dollars, which was an increase of 36 percent over the year 1936. The foreign trade of the United States increased more substantially in quantity and value in 1937 than in any year since the depression low in 1932. In fact, the total figure was the largest since 1930.

Many people do not realize the extent to which exports are serving to sustain employment and purchasing power at the present time. During the first quarter of 1938, 24 percent of the output of the automobile industry was shipped abroad, although usually foreign markets absorb only 11 percent or less of the industry's production. During the same period exactly 50 percent of the total orders received for machine tools were from purchasers in foreign countries. Approximately 45 percent of the entire factory deliveries of aircraft plants during the first quarter of 1938 were for export. Even the textile industry, which has had a difficult time in foreign markets during recent years, has expanded exports of cotton cloth from 53,000,000 square yards in the first quarter of 1937 to 87,000,000 in the same period of this year.

Among the factors which have aided in the expansion of our export trade in recent months, one of considerable importance is probably of a temporary character. I refer to armament programs abroad which have increased the demand not only for munitions and the materials to produce them, but also for the machinery, vehicles, and materials used in road building and the other activities which strengthen the national defense. It is questionable how long this business can continue.

Our merchandise exports are now averaging roughly a hundred million dollars a month more than our imports. We naturally cannot expect other countries to continue to purchase goods so far in excess of the goods we are buying from them—especially in view of our large net creditor position—for trade cannot move for a long time chiefly in one direction. In other words, the benefit we derive from the higher ratio of exports to domestic production during the recession in business cannot be permanent—it can only help to tide us over the difficulty.

It is frequently argued that greater imports would lead to unemployment. This notion is fallacious, for the records of the past century and a half prove conclusively that domestic activity has been high when imports were great. Imports, themselves, create employment rather than unemployment, in addition to the employment created by the exports which pay for them. Labor must be expended on them from the time they arrive in port until they reach their final point of consumption. Whether as raw materials, finished, or manufactured goods, they must be transported, warehoused, wholesaled, and retailed with labor and much of our imports require great quantities of processing labor before they are ready for final consumption.

I know that quite often our citizens say: "Oh, well, let's run our own business and have nothing to do with foreign countries." Anyone who makes that statement should stop and reflect that we can trace every step of progress and civilization to the fact that through the exchange of goods and ideas a better world has been built. And whenever anything is done to retard this progress, or diminish it, a serious step backward is made with unfortunate consequences for the present and future generations. Frankly, it is my opinion that not only our citizens, but people throughout the world, will not stand by peacefully and meekly adapt them-

selves to the lowered standards of living that would result if foreign trade were substantially cut off.

Economic disaster which brings suffering to a people will eventually lead to strife and conflict. Economic progress which brings satisfaction is a road to peace. I believe that this is a practical matter to which such organizations as are represented here today should give serious attention. Certainly as individuals you can study and analyze the facts and take an active part in awakening our people to the consciousness that our foreign trade is a great national benefit—not confined to any one locality—or any isolated group of our population. It is a trade without which we could not continue the present standards of our orderly society. There is not a man, woman, or child in your State who is not in one way or another partially supported and maintained by our foreign trade.

Retain Prevailing Rates of Wages

EXTENSION OF REMARKS

OF

HON. HENRY CABOT LODGE, JR.

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Wednesday, June 1 (legislative day of Wednesday, April 20), 1938

ADDRESS BY HON. PAT McCARRAN, OF NEVADA, MARCH 9, 1938

Mr. LODGE. Mr. President, there has come to my attention a most able address delivered some time ago by my distinguished friend, the junior Senator from Nevada [Mr. McCARRAN], on the question of prevailing wages. It commands my attention and respect, both because of the importance of the subject matter and because of my regard for its author. I ask unanimous consent that it be inserted in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My fellow countrymen, there is now pending in the Senate of the United States an appropriation bill for $5,000,000,000 to be devoted to relief and work relief. Of that sum, approximately one billion is to be devoted to direct relief and four billions to work relief.

I presented to the Appropriations Committee and to the Senate an amendment to the bill which has since become the subject of Nation-wide discussion. The specific language of the amendment has been stated and published, so, in the spirit of brevity, I will repeat only so much of the amendment as will give concisely the object to be accomplished. It is this:

That the wage scale to be paid in all public works, prosecuted pursuant to this bill, shall be in accordance with the established prevailing rate of wage for work of a similar nature in any city, town, village, or other civil division of the State in which the public work may be located.

The term "prevailing rate of wage" has been dwelt upon in all public discussions and by commentators generally as the same applies to the amendment now pending before Congress. Hence, the term "prevailing rate of wage" may well be adopted as the theme and thought of my discussion.

In opposition to this amendment it has been stated in the press and on the floor of the Senate and elsewhere that its adoption would mean an enlarged appropriation. Indeed, those who have considered the subject from this opposing angle have conjectured the additional cost in billions. So runs the course of fallacy. The adoption of the amendment would not entail the appropriation of a single dollar in excess of that contemplated in the bill, and as illustrating my positive statement I respectfully refer the American public to the fact that the spirit, and indeed the letter, of this amendment has already been written into law and been adopted where there was no actual statute.

Permit me to illustrate: There is now a Federal law known as the Davis-Bacon bill, providing that the prevailing rate of wages must be paid by the Government in the construction of any public building, and this provision is either specifically or inferentially written into every contract let for the erection of a public building.

Again, in that great public-works project the crowning achievement of Senator NORRIS, of Nebraska, which project is known as the Tennessee Valley Authority Act, there is prescribed in no uncertain terms that all contracts must contain a provision that not less than the prevailing rate of wage shall be paid, which prevailing rate of wage is the rate paid for work of a similar nature in a given community.

We are all familiar with the administration of public-works activity carried on under the efficient administration of Mr. Secretary Ickes, involving the expenditure of public moneys appropriated by Congress in the amount of $3,300,000,000. In all of that great work the prevailing rate of wage in the community in which a project is undertaken is fixed as the rate of wage to be paid by any contractor in the construction of the project.

In the work being prosecuted under the conservation corps, sometimes known as the C. C. C., we have the positive statement of Mr. James J. McEntee, Assistant Director, that wherever a project is constructed under this particular administration, the prevailing rate of wage in a given locality shall be and is being paid.

Where, in all Federal activities of the day would one most expect to find an absence of the principle of adhering to the prevailing rate of wage? Your thought like mine would naturally turn to the Federal Emergency Relief Administration because we might wonder why under direct relief the Administrator would adhere to the rule of paying the prevailing rate of wage.

It was with interest that I heard the statement of Mr. Harry L. Hopkins, Federal Relief Administrator, giving his testimony before the Committee on Appropriations, when he said—and I quote his words from the record—"We now pay the prevailing hourly rate of wages," and my attention has been arrested by the order issued by Mr. Hopkins of date March 6, 1934, which order is as follows: "Wages will be at the prevailing rate for the occupation and the locality in which work is done."

I have given these specific instances of statutory provision and administrative activity under Federal control in the expenditure of Federal money to bring to the attention of my countrymen at this hour, that I do not advocate a novel or radical provision to be written into the greatest appropriation law ever considered in the history of the world.

On the contrary, I am advocating this amendment because my country in the past has believed in the spirit of this provision and because in furtherance of the welfare of my country, I believe in and will strive for this policy.

I especially draw attention to the fact that in each of the foregoing instances, specific appropriations were made and the work was carried on within these appropriations.

But Federal legislation is not all the law on the subject. The States in their respective capacities have taken emphatic action and have written into their statutes terms of no uncertainty in furtherance of a maintenance of the prevailing rate of wages wherever public moneys were to be expended.

Public Document No. 27 gives prevailing wage-rate laws compiled by the Department of Labor under its Bureau of Labor Statistics and sets forth the statutes of 23 States, in each of which it is, in substance, provided that not less than the general prevailing rate of wages for work of a similar character in the locality shall be paid where public work is carried on by any county, city, town, or political subdivision of the State or by the State itself.

The names of these progressive States in alphabetical order are: Arizona, California, Colorado, Delaware, Florida, Idaho, Kansas, Kentucky, Maine, Maryland, Montana, Nevada, New Jersey, New Mexico, New York, Ohio, Oregon, Pennsylvania, Texas, Utah, Washington, Wisconsin; and in addition to the foregoing I may name the progressive Territories of Alaska, Hawaii, and Puerto Rico.

In a spirit of pride I point out the fact that the State I represent and in which I was born is listed among those which have legislation recognizing the prevailing-wage rule.

I make mention of the foregoing facts again to illustrate that in this activity for the adoption of the prevailing-wage amendment I am only in the stride of the spirit of the day in which we live.

The efforts we are making to maintain the prevailing-wage scale in respective communities in public works is only an attempt to prevent the tearing down of the prevailing-wage scale in private industry. It is only an effort to bring into the hearts of toiling humanity in this country a contentment resting upon a faith which they should have and will have in their Government.

And in this respect, may I with propriety take advantage of the theme of the great poet Goldsmith, when he said:

> "Princes and lords may flourish, or may fade;
> A breath can make them as a breath hath made,
> But a bald peasantry, the country's pride,
> When once destroyed, can never be supplied."

A democracy rests primarily upon the contentment which abides in the hearts of its toilers. When contentment is destroyed in that seat there is a threatening break in the cornerstone of governmental structure.

This battle is not being waged for dollars and cents; it is being put forward for the contentment of the toiling millions and for the perpetuity of American institutions.

Other countries have recognized the principle which I have just last announced; our neighbor across the northern border, going through the same trials and the same depression, has written into its laws and carried out in its policies and principles the spirit as well as the letter of the very amendment now pending in the Senate.

Canada is coming forth securely from the depression. I am confident America will not pause in our great effort. Every dollar that goes into the hand of the worker goes into circulation and enhances the purchasing power of those who toil. Every dollar

which enhances the purchasing power of the masses and augments the circulation medium of exchange, brings with it renewed life to everyday business in every line.

We speak freely today of maintaining the system of profits in industry. Profits in industry come from the sale of commodities, but remember that fundamentally a man's labor is not a commodity. The laborer's energy is a part of his life, not to be bartered or sold but to be maintained and nurtured as the Nation would maintain and nurture its whole existence.

In the effort being made in the Senate to write this amendment into law there is no thought of personal aggrandizement, but there is an everlasting and abiding determination that the wage structure of this country shall not be torn down and that the American standard of living, fought for and maintained by the toiling masses of this country, shall continue.

The McCarran amendment will permit the President to carry out his plan of a limited monthly aggregate of earning for one who is taken off the dole and placed in work relief, and at the same time the amendment will carry out the whole spirit and intent of established American policy.

The amendment would permit the President to limit the aggregate monthly earning of a worker on a work-relief project so that the worker will be more inclined to go to private industry, where his aggregate monthly earnings may be more—with this policy there is no controversy.

To put it in a homely way we say, "Yes; limit the aggregate monthly earnings on work-relief projects, but maintain the prevailing wage scale by hour, or by day, or by week, so that private industry will do likewise, and that private industry, by doing likewise, will thus entice the relief worker from relief-work rolls, where his aggregate monthly earnings are limited, into employment in private industry, where his aggregate monthly earnings will be, by reason of the maintained wage scale, augmented to a proper amount in keeping with the proper American standard of living."

My position in advocating this amendment is that American institutions shall go on to lead the world, and that by adopting this amendment a great administration, headed by a great President, will write history into the statutes of the country, serving notice to the world that the principles of Jefferson and the words of Lincoln were more than mere expressions, and that whatever crises may come upon us this Government, after all, listens to the heartbeats of humanity and is a government of and for and by the people.

The Pending Food and Drug Bill

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 1, 1938

Mr. COFFEE of Washington. Mr. Speaker, numerous organizations which for the past 5 years have been working for the passage of a new and adequate food and drugs bill have condemned S. 5 as it has been reported to the House by the Interstate and Foreign Commerce Commission. They have pointed out that court review of regulations as provided for in S. 5 would so hamper enforcement that those sections of the bill most vital to public welfare would be virtually nullified.

It cannot be emphasized too much that so long as the provision for court review of regulations remains in S. 5, the protection which Federal authorities could give to the public were the bill to be enacted under S. 5 would be far less than that extended under the existing law. At the same time, it must not be forgotten that even were the provisions for court review of regulations deleted, S. 5 would still be pitifully inadequate. In several respects it is even weaker than the existing law. In addition, it fails to contain those provisions for which consumers have fought hardest in the past 5 years and which are basic to real protection of the consumer in the field of food, drugs, and cosmetics.

Entirely apart from the court review of regulations, S. 5 is weaker than the present law in two important respects:

First. S. 5 curtails the power of the Food and Drug Administration to make multiple seizures. The authority to make multiple seizures has been one of the Administration's most potent weapons against offending manufacturers. It should in no way be limited.

Second. S. 5 is weaker than the law now in force in respect to mandatory definitions and standards of drugs. It recognizes definitions and standards established by the Homeopathic Pharmacopœia of the United States and supplements to it and to the United States Pharmacopœia and the National Formulary. None of these are now recognized as authorities.

In at least two ways, then, S. 5 is weaker than even the present law. In addition it fails to incorporate numerous measures essential to consumer protection.

S. 5 does not provide sufficient protection against the repetition of such tragedies as that which occurred last fall, when a so-called elixir of sulfanilamide, a new and untried product, killed almost 100 people in the course of a few weeks. Almost everyone is acquainted with the wholesale poisoning of men, women, and children caused by this product which was rushed on the market by a manufacturer so eager for profits that he did not trouble to carry out the few animal experiments needed to show the lethal properties of his "remedy."

At the time of this tragedy Secretary Wallace made excellent recommendations as to the minimum requirements of legislation which should be enacted to prevent the public thus becoming the prey of criminally careless or ignorant manufacturers. These recommendations have been followed but in part. For example, he recommended that license control should be established not only over drugs which might be classified as new in the strictest definition of the term but also combinations of well-known drugs which have not become generally recognized as safe, and well-known drug substances and drug combinations, the labels of which recommend doses larger or more frequent or over a longer period than has become generally recognized as safe.

Secretary Wallace stated the case for licensing the manufacturers of potentially harmful drugs briefly and well: "In the interest of safety, society has required that physicians be licensed to practice the healing art. Pharmacists are licensed to compound and dispense drugs. Electricians, plumbers, and steam engineers pursue their respective trades under license. But there is no such control to prevent incompetent drug manufacturers from marketing any kind of lethal potion."

But despite the great need for licensing at least those manufacturers of the type of preparations designated by the Secretary, no such control is provided by S. 5. S. 5 does provide licensing control of a sort for those drugs which can be termed new in the strictest sense of the word, but the licensing provision has serious defects. The Food and Drug Administration recommended that a bureau of experts should be provided to advise the Secretary on the safety of new drugs. According to S. 5, however, ordinarily a decision regarding the safety or danger of any new drug is to be based not on original investigation by the Secretary of Agriculture but on data submitted by the applicant.

Furthermore, the Secretary must reject an application within 180 days from its filing, if he rejects it at all, and if he does not it becomes effective. Six months may at first thought seem sufficient time in which to determine whether a drug is safe. Actually it is not. Take, for example, sulfanilamide (the drug itself, not the so-called "elixir," which owed its toxic property to the solvent used—diethylene glycol). Sulfanilamide has been used rather extensively by the medical profession for well over a year and medical opinion is as yet divided as to its possible harmful effects. There are many other similar examples. The harmful effects of drugs are often not recognized until they have been in use over a long period. No limitations should be placed upon the Secretary of Agriculture as to the length of time available to him to investigate the safety of new drugs.

A second major defeat of S. 5 is that patent medicines need not be labeled with a statement of their ingredients if the formula has been disclosed to the Secretary of Agriculture. The need for formula disclosure of patent medicines is obvious. Intelligent self-treatment of even minor ailments depends upon knowing what you are taking. Secretary Wallace included among his recommendations for legislation the—

Prohibition of secret remedies by requiring that labels disclose fully the composition of drugs.

According to him—

Many foreign countries now impose this requirement. Many drugs manufactured in the United States are exported to such countries under labels bearing such disclosure. The same drugs are sold to our citizens under labels that give no hint of their composition.

In a recent editorial, the Journal of the American Medical Association points out that many cases of poisoning occur from adults taking a dose from the wrong bottle or from bottles left within the reach of small children. In such cases, whether or not the formula of the preparation is given on the label may be a matter of life or death, for, without such information, the proper antidote cannot be administered. Many people do not know that a seemingly innocuous remedy such as a laxative, may contain as deadly a poison as strychnine.

A third important weakness of S. 5 is that proprietary foods are also exempt from formula disclosure if the ingredients have been disclosed to the Secretary and if a statement of the ingredients "would give to competitors information they could not otherwise obtain." Manufacturers can be expected to make full use of the excuse thus provided for not telling the public what their products contain.

The increasing number of prepared foods on the market, pie fillers, cake mixes, puddings, dessert mixtures of every type, all sorts of powders from which to make beverages, and so forth, makes it imperative that a housewife be able to know what she is purchasing if she is to protect the health of her family as well as her pocketbook. Some people are sensitive or allergic to even minute quantities of certain foods. Thus it is quite possible that a pudding preparation containing an amount of dried egg so small as to be insignificant nutritionally might be sufficient to precipitate a violent attack of asthma in an individual predisposed to asthma and allergic to eggs.

No woman can judge the nutritional value of the proprietary foods she buys. She cannot tell whether they represent a wise expenditure of money; she cannot select intelligently from among the many different brands unless she knows what she is purchasing. Mixed feeds for livestock are labeled with their composition. But although it is recognized that a farmer has a right to know what he feeds his pigs, S. 5 does not recognize that women are entitled to as much information about the foods they give their children.

Furthermore, the phrase which authorizes the Secretary to promulgate regulations limiting the quantity of poison permitted is evasive. He is charged to limit the quantity "to such extent as he finds necessary for the protection of public health." Public health is a vague term. It might be difficult to prove that the amount of lead arsenate found on apples is harmful to such an ambiguous entity as the "public health." It would be an entirely different matter considered in relation to the health of children who are especially susceptible to lead and who, incidentally, are large consumers of apples.

Still another weakness of S. 5 is that it does not provide for grade labeling of canned goods. Innumerable tests of canned fruits and vegetables have shown that neither brand name nor price is any criterion of quality. During the days of the N. R. A., a long list of women's organizations appeared at the hearings on the canning code and endorsed the grade labeling of canned goods. These organizations included the American Home Economics Association, the National League of Women Voters, the General Federation of Women's Clubs, the National Council of Women, and the American Association of University Women. But S. 5 has no provision for quality standards for canned goods and under it, as under the old law, women would have to continue to buy canned goods on guess.

The need for adequate regulation of cosmetics has been so urgent that it has constituted one of the main reasons for the concerted consumer drive for a new food and drugs law. S. 5 does provide for regulation of cosmetics, but only regulation of an ineffective sort. S. 5 does not require that cosmetics be labeled with a statement of their ingredients. As was pointed out in relation to the need for formula disclosure of drugs and proprietary foods, a woman must know what she is buying if she is to protect her health and her pocketbook. Certain women are allergic to substances used in some face powders, creams, lipsticks, and other cosmetics. Cosmetics which can be used with impunity by the majority may cause marked distress for them. Medical treatment over a long period is sometimes required in order to discover the offending substance, and frequently expensive laboratory tests must be made in order to determine the composition of the cosmetics being used.

Sensitivity to certain substances used in cosmetics is sufficiently widespread that the American Medical Association refuses to recognize the claim of any cosmetic that it is nonallergic. Women are obviously entitled to the health protection afforded by requiring cosmetics to bear a statement of their ingredients.

That they are in need of similar protection for their pocketbooks is evident from a knowledge of some of the products on the market. For example, Murine is a preparation advertised as having special merit for the proper care of the eyes. The American Medical Association has reported it to be essentially a water solution of borax containing a trace of berberine or some goldenseal preparation. A saturated solution of boric acid is equally good, if not superior, as an eyewash. One-half ounce of Murine sells for 60 cents. The amount of boric-acid solution that could be made for 60 cents would have to be measured by the gallons. Such examples could be multiplied many times. The right of consumers to know what fabrics they purchase has been recognized in the recent rules promulgated by the Federal Trade Commission, which require all garments made of rayon or part rayon to be identified as to fabric. It is absurd that women should be denied as complete information regarding the cosmetics they buy and use.

Senate bill 5 fails to set a minimum penalty for violations. Those who have followed the notices of judgment issued under the existing law are fully aware of the need for setting minimum fines. The fines are frequently so small—often no more than $5 or $10—that they act as little or no deterrent. It is imperative that minimum as well as maximum fines be set by law rather than left to the discretion of the court.

Furthermore, under Senate bill 5 the administration can start no criminal proceedings until the offender has been given an opportunity to present his views with regard to the contemplated proceedings (sec. 305, p. 56). Any such requirement tends to delay action against offenders and to weaken enforcement. It is not the practice in other cases of far less significance to public welfare.

Equally weak are the provisions regarding publicity. It should be part of the administration's protective work to disseminate warnings to consumers regarding foods, drugs, and cosmetics which may be hazardous. Except in cases of court actions Senate bill 5 provides that the Secretary may disseminate such information only—

In situations involving * * * imminent danger to health or gross deception of the consumer.

This does not pretend to be an exhaustive analysis of Senate bill 5 or of the ways in which it is inadequate as a consumer-protective measure. It has considered only some of the chief defects of Senate bill 5.

The more progressive and forthright members of even the food and patent-medicine industries have admitted that the existing law does not provide the consuming public adequate protection. To replace it with a law which is even weaker in many important respects, with a law which fails to incorporate most of the measures for which consumers and consumer groups have been fighting for the past 5 years, is unthinkable. It would represent a gross betrayal of consumer interests—a betrayal which the citizens of this Nation would not soon forget.

All public-minded Members of Congress should cast their votes against S. 5 and pledge themselves to support a food and drugs bill such as H. R. 5286, the Consumers' Union bill, introduced by myself, which would give the public the protection it so urgently needs. S. 5 would but perpetuate the vicious situation now existing under the present bill, which penalizes manufacturers of harmful preparations after injury, often of an irreparable nature, has been done; and frequently does nothing to interfere with their further sale. A licensing system for proprietary preparations such as that set up by H. R. 5286 would prevent harmful products from ever reaching the market. It would simplify the whole procedure of enforcement and would place the burden of the cost, not upon consumers, but upon those manufacturers whose ruthlessness has made it necessary to safeguard the public.

Memorial Day Address

EXTENSION OF REMARKS

OF

HON. D. LANE POWERS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 1, 1938

ADDRESS OF HON. D. LANE POWERS AT THE BEVERLY NATIONAL CEMETERY, NEW JERSEY

Mr. POWERS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me at the Beverly National Cemetery, New Jersey, on Memorial Day:

Mayor Keeler, honored guests, and friends, we are met here today on an occasion that is not only solemn and sacred, but joyous and thankful. At the close of these stirring ceremonies to commemorate Decoration Day and to dedicate the improvements to our national cemetery, we are impressed with the solemnity and sanctity of the occasion. However, let us each and every one feel at this time a sublime joy and a sense of true thanksgiving.

We are here to honor those who have lived and died in the service of their country—our country. From that source emanates the sacredness of our purpose in holding these ceremonies, in dedicating the addition to this revered and hallowed ground. But from the lives and deaths of those men whom we are honoring, we, the living, should obtain a new source of inspiration, a new desire to serve our Nation and our countrymen.

In the graves that dot this cemetery lie the sanctified remains of our glorious dead. In our hearts, the knowledge of what those remains exemplify should spur us to emulate their service and their purpose, to dedicate ourselves again to the high ideals which typified their existences.

We are met to honor the soldiers and sailors of all wars. We are honoring those who died in the heat of conflict, or those who survived the catastrophe of battle to pass peacefully to their rewards surrounded by their families and their friends. But whether taken by the toll of strife or gathered to their Maker in the quietude of their own homes, these men have left us a mighty heritage, an inalienable duty. That heritage is the love of liberty, that duty the sacred obligation to defend, with our lives if need be, the liberty they have cherished for us through the centuries.

From the examples of our honorable dead we should obtain the joy and thankfulness we are experiencing today. That joy comes from the knowledge of their sacrifice, that thankfulness from realization of their stewardship.

Each of us derives from the Divine an independent spirit. By law and franchise we have blossomed that spirit into a legal freedom, a liberty which is our most cherished individual and collective possession. Judging our national history from the larger viewpoint we can be proud to assert that our armies and navies have never gone to war except in the one cause—the cause of liberty.

In the Revolutionary War and the War of 1812 we fought to liberate our country from bondage of another power. In the Civil War we fought to liberate the Negroes from the bondage of slavery. In the Spanish-American War we fought to free our island neighbors from the tyranny of Spain. In the World War we sent our men and our money overseas to preserve the light of liberty for the whole world.

In his inspiring address on the shambles that was Gettysburg's battlefield, our President Lincoln gave utterance also to the primary purpose of our Nation and its peoples—the purpose of liberty. He said:

"Four score and seven years ago our fathers brought forth upon this continent a new nation, conceived in liberty and dedicated to the proposition that all men are created equal.

"Now we are engaged in a great civil war, testing whether that nation or any nation so conceived and so dedicated can long endure."

Through the years that have flowed swiftly into eternity since President Lincoln made his historic address, the prediction of his prophecy has proven entirely true. The Civil War was a test of our conception in liberty. Every day since then has put that same conception to a test. Our present troublous times, our national unrest and disturbance are each and every one of them a test of our democracy and our liberty.

To students of world affairs one of the most surprising and disconcerting exhibitions today in the international picture is the willingness of the peoples of foreign nations to surrender their liberty, to submit their necks to the yokes of dictatorship, whether in the form of fascism or nazi-ism, military domination, or communism.

We of this country are made of sterner stuff. Where these foreigners have experienced only for a short period the joys of democracy, or a semidemocracy, we in the United States have lived for years under the benefices of a full democracy. Where these foreigners are ready to lay down their arms and surrender their liberty for the doubtful protection of a dictatorial tyrant, we in America are ready and willing to fight—yes, tomorrow, if need be—for the preservation of our liberty.

Our democracy is being tested every day economically, socially, governmentally. Were we to have a clear-cut issue of liberty for which to fight, you would find every man in this Nation in arms and ready and eager for the fray. Unfortunately, the enemies of our democratic form of government are more subtle than we; are more experienced in the niceties of surreptitious propaganda. It is for us, then, for us who are living in this day and age of governmental and economic change, to remain constantly on the alert against all subversive influences, against the propagandist who misleads the press, against the subsidized orators whose golden tongues utter promises neither he nor his masters have any thought of keeping. We must guard against the enemy within the gates, the traitor who bores from within. By their stealthy maneuverings, by their hidden intent, these betrayers in high places are the vampires of our country, living off the life-blood they can leech from our desire for liberty, which is the heart of our democracy.

To those of us here today who have had the honor of defending our Nation, Memorial Day brings a special significance. We are here, inspired by the unforgettable remembrances of our service to keep fresh and green the memory of those with whom we shared the privations and endured the hardships of the trenches, the terrible chaos of the conflict. We are thinking of those by whose side we stood while the bedlam of the battlefield dinned in our ears, deafening us, bewildering us, frightening us, but at the same time imbuing us with an unquenchable determination to carry the torch of liberty before the peoples of the world. We are reminded of those who tasted with us the bitter gall of defeat, and of those who joined with us in the ecstatic ovation with which, in November of 1918, we welcomed the signing of the armistice.

We are reminded today of the veterans of the Spanish-American War, who braved the fevers of the jungle, the dangers of the sniper's bullet, to carry liberty's torch to our unfortunate island neighbors. We are especially reminded of the once strong line of blue, now thinned to a revered handful, which fought with General Grant to preserve our concept of liberty, and to liberate the Negro from his bondage.

A constant memory to us are these graves, so beautifully tended, above which waves the flag of the Republic. They mark the resting place of many men who died not as mortals usually die but as sacrifices upon the altar of liberty. These sleepers here were patriot citizens. They were not men who thirsted for strife and blood. They were not adventurers who, from restlessness and curiosity, challenged peril and death. They were not hirelings who sold themselves as instruments of ambition. They were patriots who, in the hour of our country's trial, volunteered for the defense of American Union and American liberty.

Shall we who are here today make all their sacrifices into nothingness? Shall we supinely surrender the land they won for us with their blood to the doubtful mercies of oppressors? Or shall we today consecrate ourselves to the task which Lincoln gave us—to the policy of testing our democracy by orderly and statutory change

rather than the abnegation of all rights and privileges of the individual?

I know what your decision will be. Each of you is pledging himself now to continue to support our Nation in this crisis, which is no worse than the crisis of yesterday and no better than the crises of tomorrow. Life is a strife, life is change. Those who conceived our Nation gave us a government which is elastic. Our inspired Constitution—the Bill of Rights of all American citizens—is sufficient to meet all governmental needs through its provisions for orderly change and legal amendment. In Europe the people have in many cases refused to meet the challenge of this test of liberty. Instead they have attempted to test liberty by substitution of despotism, which is not in any sense of the word a test but is a mere unequivocable surrender.

These hallowed mounds around us contain the remains of men who fought to preserve the honor of the flag which is the emblem of our nationality, the proud name of our country whose history is our most cherished possession. They fought for the dignity and the perpetuity of our Government, born amid the bloody throes of the Revolution and tested alike by the angry contentions of internal political disputes and the sharp conflicts of foreign war.

To these men we owe a solemn obligation. They must not have died in vain. The principles for which they fought and perished must be our principles, the ideals which spurred many of them to the supreme sacrifice must be our ideals.

We cannot be true to their heroism and surrender our heritage. We cannot keep faith with them and permit these subversive influences to sap the strength of our country. We cannot bow in memory to our national heroes and at the same time submit willingly to the doctrine of class hatred and class conflict. Ours is one Nation, united, free, vital. To us the living falls the obligation to maintain its union, its freedom, its vitality.

Let us, then, kindle afresh the fires of loyalty and fidelity on the altars of our hearts and renew our pledges of life and sacred honor, to transmit to posterity untarnished this matchless Government of ours, bought by the blood of our fathers and baptized by the young blood of our recent generations.

Today, we cannot live for the present alone. We have new duties coming with each hour, but we owe to our children and our children's children obligations most solemn and imperative. We are each of us a part of that great current of humanity that touches the beginning, the middle, and the end of time. Let us not forget the fraternal duties we owe each other, let us not forget our responsibilities to our flag and our country.

Our Nation will survive, our country will conquer its enemies. That survival and that conquest will be effected by you who, today, take from these honored dead increased devotion to the cause for which they gave the last great measure of devotion—from you who "highly resolve that these dead shall not have died in vain—that this Nation, under God, shall have a new birth of freedom—and that government of the people, by the people, for the people, shall not perish from the earth."

East Side Salutes Our Soldier Heroes

EXTENSION OF REMARKS
OF
HON. SAMUEL DICKSTEIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 1, 1938

EDITORIAL FROM THE EAST SIDE NEWS, MAY 28, 1938

Mr. DICKSTEIN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the East Side News of May 28, 1938:

With the passing of years another concept of Memorial Day has gradually taken precedence in the minds of Americans. The grim horrors of the recent World War has stripped militarism of its romantic dignity with which it was once embellished. It is natural, however, that the East Side News, the voice "of the people of all nations," should tender its tribute to and briefly paint a picture of the heroism and nobility of our fighting Americans unapproached in beauty and poetry by any of the classic stories of Greece and Rome. There flashes upon the screen of our memory the embattled farmers at Concord; the barefooted suffering at Valley Forge in that awful winter of 1777; the sacrifice at Gettysburg during the burning days of July 1863, and devotion and heroism in the Great War.

These noble men died and bled to perpetuate the American spirit of freedom. The East Side News is bold to assert that this principle is now menaced on every hand. No greater dream ever rose in the minds of man than the dream which came to the founders of our Republic. The basic idea was liberty. The glorious thrill of freedom spread until it attracted people from earth's remotest shores. This picture of consecrated zeal will never fade from the canvas of human memory. Out of this dream was born the American spirit which proved to be neither area nor population. It became the incarnate flame of freedom for the oppressed of the earth.

In all the wars of the Republic the immigrants and the sons of immigrants that make up the composition of our territory have written a glorious page in American history. They have kept the flag clean and unsullied. The East Side News sounds the bugle call for action today to rout that element in our midst who seek to sow seeds of discord among our people. There is no room for the political philosophy of either Lenin, Mussolini, or Hitler. These political systems are alien to the American spirit. Eccentric utopian vagaries and communistic altars are common dangers not to be tolerated by the sons of freedom. Autocratic usurpations and plutocratic dogmatisms are equally obnoxious to freedom-loving people. Extremes are the forerunners of doom.

Let us see to it that we hold to the principles of our fathers. Let us not lose, through lassitude and greed, the spirit that gave birth to the greatest document in political history. Surely it is the hope of all good people of the East Side that America revive her strength and rejuvenate her power. Our hopes are centered in our great leader—President Franklin D. Roosevelt. His brilliant statesmanship, fearlessness, magnificent courage during the dramatic moments in Washington today should stimulate us into confidence and consecrate anew our energies that America shall blaze again in the jeweled splendor among the nations of men.

The New Farm Bill

EXTENSION OF REMARKS
OF
HON. JOHN LUECKE
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 1, 1938

ADDRESS OF HON. JOHN LUECKE, OF MICHIGAN, BEFORE THE COMMUNITY CENTER FORUM

Mr. LUECKE of Michigan. Mr. Speaker, under leave to extend my remarks in the Record I include the following address delivered before the community center forum on the new farm bill:

I supported the new farm bill in part. My remarks in the RECORD when the bill was before the House will show that I did not think it was the final solution to the farm problem. It has some features which have merit. For instance, soil-conservation program; freight-rate adjustment by the Secretary of Agriculture where detrimental to marketing farm products; and crop insurance which now applies only to wheat, but which I believe will be extended to other crops as time goes on.

I wish first to mention some of the considerations which led me to doubt the value of this bill. I shall then present some suggestions for more effective legislation.

This farm bill was drafted on the theory that prices of farm products might be increased by means of limitation of acreage and by means of fixing quotas for marketing farm products in the domestic market.

This bill assumes that the way to increase agricultural prices is, by limiting acreage, to cause a scarcity of supplies, and, by fixing marketing quotas, to withhold all surplus from the market. The theory is that the law of supply and demand will automatically fix a proper price. I do not believe in the doctrine of scarcity in a land where wealth abounds and where one-third of the population is living below the poverty line.

The study I made in connection with the wage and hour bill led me quite clearly to see the close relationship between the total volume of wages paid to city workers and the total income of our farmers. I found that the incomes of the farmer and of the factory worker go up and down together. That close relationship is no mere accident. The fact is that people in the cities cannot prosper unless the farmer prospers, and that the farmers cannot prosper unless the people in the cities have means, in greater measure than at present, to purchase the products of the farm. This bill takes no notice of that fact.

As to limiting by quotas the amount of farm products which farmers may sell in the domestic market, it is my firm belief that, in the face of our present market machinery, with its price-making attachment, the law of supply and demand cannot work. Our present speculative marketing system is geared to world conditions of supply and demand, not to domestic conditions. Furthermore, it is estimated that there are now 11,000,000 wage earners out of work. It is difficult for me to see how any Secretary of Agriculture, however wise he may be, can possibly predict a proper quota of products to be marketed, without knowing in advance how much purchasing power consumers will have throughout the marketing year. At best, quota fixing is but an ineffectual guess.

But this bill attempts to carry water on both shoulders. The fixing of marketing quotas is supposed to increase prices of farm products by causing scarcity of supplies in the domestic market. Yet it actually provides for a large surplus. Take wheat, for example, section 335 (b) provides as follows:

"The amount of the national marketing quota for wheat shall be equal to a normal year's domestic consumption and exports plus 30 percent thereof, less the estimated carry-over of wheat as of the beginning of the marketing year with respect to which the quota is proclaimed and (2) the estimated amount of wheat which will be used on farms as seed or livestock feed during the marketing year."

This law provides (sec. 331) that "interstate and foreign commerce in wheat and its products be protected from such burdensome surpluses and distressing shortages, and that a supply of wheat be maintained which is adequate to meet domestic consumption and export requirements in years of drought, flood, and other adverse conditions as well as in years of plenty." It appears, then, that the law contemplates that marketing quotas shall always be high enough to be adequate "in years of drought, flood, and other adverse conditions." It is difficult to see how the Secretary of Agriculture can fix quotas that high without creating substantial surpluses.

In that case, even if the law of domestic supply and demand could work, in the face of our system of world-market machinery and its world-price level, these surpluses that are required to be maintained would constitute a continual threat to prices. That plan of price control was tried, under the Hoover administration, with disastrous results. The Farm Board bought up and stored large amounts of farm products, and held them off the domestic market, but prices kept falling until, in 1932, wheat sold for 30 cents a bushel and corn sold for 10 cents a bushel.

No better results can be expected from the acreage-limitation part of the new law. Section 333 provides that, for 1938, the national acreage allotment for wheat shall be 62,500,000 acres. That is only 3,426,000 acres less than the average acreage in 1930–32, when wheat prices reached an all-time low.

There are, however, two considerations that tend to nullify the intended effect of limitation of acreage. One is the fact that weather conditions are always uncertain and are never predictable. "Man proposes, but God disposes." This matter of crop control would better be left in the hands of Providence. Take corn, for example. In 1911, in 1912, and in 1920, the acreage was practically the same, that is, 101,000,000 acres in the United States sown to corn. In 1911 the yield in acres harvested was 24.4 bushels per acre. In 1912 it was 29.1 bushels per acre. In 1920 it was 30.3 bushels per acre.

Then there is the matter of the effective use of fertilizers. Farmers have been learning to make two blades of grass grow where one grew before. In order to limit production by means of acreage control, one would need to control also the farmers' use of fertilizer, as well as to control the weather. Acreage control can hardly be said to be crop control. However, if we are to proceed on the theory that there is such a thing in agriculture as the law of domestic supply and demand, and that acreage control and marketing quotas equal crop control, the next logical step will be to regiment the farmer in his purchase and use of fertilizer. If, as appears to be the case, there is no such thing as the law of domestic supply and demand, in the face of our world-market machinery and its world-price level, but only the law of world supply and demand, then we shall be obliged to invent a scheme of world acreage control and of world crop control and of world supply control before we can hope to regulate on that basis the price of products of the farm.

There is, however, a better and a simpler and a less-expensive way to reward the farmer with adequate prices and a proper income. This crop-control bill is at best a long-time proposition. But the country is now in a desperate condition. We cannot afford to experiment with the farmer much longer before we do something constructive to put farming on a paying basis. Why not deal with the problem of farm prices directly? Why go in such roundabout ways to attain the objective that all agree is just and right? Why not look our price-making machine in the face and fix it so that it will pay our farmers American prices instead of world prices? Why not build a floor under agricultural prices? Why not do it now?

There is much sentiment in the Congress just now for putting a floor under wages. That is generally conceded to be a desirable aim. If that is desirable for labor, why not for agriculture? Everyone admits that sweatshop conditions should not prevail. We must not forget that sweatshop conditions exist on the farms.

The cost-of-production plan, such as Senator McADOO presented and argued before the Senate last December, will give the farmer directly, not indirectly, what everyone agrees he should have, namely, a return from his labors that will pay him at least his production costs. The plan is simple and direct, and it needs no governmental subsidy to support it. It will instantly, as soon as it is enacted into law, inject substantial credit into agriculture, and it will enable the farmers at once to go into the market and buy factory-made goods, and thus will at once increase employment in the cities.

The cost-of-production plan will give American farmers American prices for American-grown products consumed in America. It is high folly for us to continue to force our farmers to take less than world prices in the American market. Our market machine can be geared to the American market, and it can be tuned to quote American prices, based on the American standard of living.

But there is the rub. The speculators, those who gamble on the price of the necessities of life, do not want their precious ticker tape removed from the agricultural market. They are powerful and they have influence. Thus far they have prevented the Congress, by means of clever and effective propaganda, from giving due consideration to the operations of their price-making machine, by means of which they hold prices down below world levels. La Salle Street has thus far prevailed over the Government and over the people of the United States. How much longer shall we endure that state of affairs?

Much has been said about stabilizing the market for farm products, but nothing has been done. Do we not know that that is the one thing that the commodity gamblers do not want us to do? There is no betting at the roulette table unless the wheel is in motion. Neither can there be any more betting on price fluctuations in the futures market after prices shall have been stabilized. Now I have spilled the beans. That is the whole story in a nutshell.

The futures market, with its ticker tape, quotes and will continue to quote only prices below the world level. It is so constructed that it cannot do otherwise. Tariff laws mean nothing to that ticker tape. Crop-control laws mean nothing to that ticker tape. The constant short selling of billions of bushels of fictitious, phantom farm products can have no other effect than to hammer prices down below world-price levels. Stabilized prices and futures trading do not mix. We must choose between these two.

Few of us who voted for the farm bill were free from doubt when we did so. Even Mr. JONES, chairman of the House Committee on Agriculture, just a few minutes before the vote was taken in the House, spoke these words:

"If this measure does not work out, I feel that the next step as to cotton and possibly as to other farm commodities will be to establish a price for that portion of the production which is used in this country, and through a penalty provision as a regulation of interstate commerce require that such portion be purchased at not less than the established price."

The more I consider this matter the more I am impressed with the fact that we cannot expect a domestic-crop-control law to operate to increase prices so long as our agricultural market is dominated by a speculative market.

Even the Department of Agriculture is beginning to have grave doubts on this subject. After this crop-control bill was passed in the House and a few hours before the vote was taken in the Senate, Dr. Louis H. Bean, economic adviser to Secretary Wallace, gave out an interview to the press. He said:

"Judging from the history of farm prices and some of the major supply and demand factors, including the new farm legislation, it would appear that the purchasing power of farm prices, and therefore of farmers, is likely to be lower over the next few years than it was in 1935–37."

Judging from the history of farm prices and some of the major supply and demand factors, I am inclined to think that what Dr. Bean said is true. Why, then, in Heaven's name, do we longer delay to do for agriculture that which most obviously ought to be done?

Alien Propaganda

EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 1, 1938

RADIO ADDRESS OF HON. SAMUEL DICKSTEIN, OF NEW YORK, MAY 28, 1938

Mr. DICKSTEIN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which was made by me over the radio on May 28:

The Congress of the United States by an overwhelming vote ordered an investigation of subversive activities throughout the Nation.

I am grateful for the public support I received during the many weary weeks that this matter was discussed before the Rules Committee and on the floor of the House and I wish to thank all the men and women of America, who so generously gave me their support in my effort to bring about a thorough investigation of all those subversive forces which have been engaged in the work of destroying the foundation of our American commonwealth, both from within and without.

The American public cannot permit itself to be misled by the type of propaganda originating from abroad by which, instead of being a country of free men and women, we should be converted

into slaves of a totalitarian state. We could not sit by while foreign agitators were seeking to remake America on the totalitarian model of Hitler, Mussolini, or Stalin.

The committee to investigate un-American activities has before it a tremendous task which will have to go into all the highways and byways of America to investigate the manner and method by which foreign agitators are seeking to destroy our constitutional liberties.

They are not always as clumsy as all that, permitting themselves to be caught in the net of ordinary propaganda. At times the enemy is more subtle and its poison is instilled into our people by indirect ways. It will be up to the committee to find out just where and when such is done. It will have to make a detailed and thorough study of all the propaganda which pours in upon our people, on the radio, by pamphlets, booklets, periodicals, magazines, leaflets, and what not.

A good many of our so-called native groups are being used as a tool for foreign propaganda. We have papers like the Liberation, and other magazines sponsored by the so-called "silver shirts," or other Fascist groups, by whatever name they may be known. These groups appear in native garb and make believe that they are not interested in anything else but free speech for Americans. There is a suspicious connection between these groups and the Fascist organizations of the world, and it will be up to the committee to establish this connection.

The committee will also have to examine a number of individuals who agitate constitutional changes in the United States to find out who is sponsoring their work and before they receive their compensation it will be the committee's duty to find out who is behind this un-American propaganda, and how the funds for that purpose are being collected.

No democracy has a right to look on calmly when its very foundations are being undermined by subversive groups. No democracy has a right to commit suicide by not defending its liberal institutions against such subversive attacks from within and from without. No democracy can survive with foreign propaganda penetrating its borders which seeks to array one American against another, and no democracy can survive when foreign propaganda seeks to destroy its constitution and substitute in its place a Fascist or totalitarian state.

Democratic nations of the world cannot sit by peacefully and permit this huge machine to crush us out of existence. Do not be deceived by this propaganda; do not fall for catch phrases like "away with communism," and the like, because under the guise of fighting communism these aggressive propagandists are simply seeking to impose their own ideology on our people. Remember that fascism and communism are equally obnoxious to American democracy, and we do not need the help of fascism to fight communism, nor do we need the help of Communists to fight nazi-ism or fascism.

We have at the present time in this country many organizations pledged to destroy our democracy; over 30 Nazi camps ostensibly organized for recreation and social purposes are a proving ground for military activities; we have 60 so-called units of the Nazi bund, ostensibly organized to fight communism in the United States, but in fact a machine to array one race against another, one group of our citizens against another, and one ideology against another.

We have an official pronouncement from a foreign country telling us that 500,000 of their nationals are still under their jurisdiction and control, irrespective of the fact that they may have assumed American nationality by naturalization.

They even go so far as to claim control over native-born Americans of German extraction, on the theory that they belong to the German Nation, even though they may be native-born citizens of the United States. So that the dictator of Germany claims, in his capacity as a leader of all the German people, irrespective of their citizenship, the right to dictate to these, our own citizens; and the fact is that the membership of the bund actually takes the pledge that they will follow the leadership principle. Everyone joining the German-American Bund signs a declaration to the effect that he subscribes to the leadership principle, which is the principle that the orders of the so-called leader must be executed. The leadership principle as such is in direct contrast to the democratic principles by which this country is governed. A leader who has absolute power, and who can command his followers wherever he chooses to send them, that is precisely the ideal of autocracy and the ideal of despotism.

To follow out this principle, men of foreign nationality join the State militia, gaining at the expense of our Government the training to fit them for war when called upon by the leader. We find thousands of women and children trained likewise to obey a leader so as to fit them for service to a foreign leader when called upon to do so.

The dictators of Europe are the true descendants of those cruel despots which enlightened communities had driven out from their midst hundreds of years ago. Tyranny and oppression is what our ancestors fought—from the time of the Declaration of Independence to the time of the last attempt at world dominion by Germany in 1914. We fought tyranny and oppression and gave our sons and daughters as a sacrifice to maintain the spirit of our democracy. Shall we give up without a struggle to the tyrants of today that priceless heritage which it took centuries to establish in our own democracy?

No one who serves a leader can serve the Constitution of the United States. In the words of the Holy Bible, one cannot serve two masters, and the two masters will surely lead in directions wholly opposite to each other. If we are to protect and preserve our democracy, if we are to continue with our cherished traditions of individual liberty, the traditions for which our ancestors bled and fought, we cannot accept Nazi or Fascist propaganda.

There may be some security in the fact that we are 3,000 miles away from our nearest foe, but we must not forget that we may not be as safe as we believe ourselves to be. True, this country may survive as a democracy, even though the rest of the world should embrace the belief that only "supermen" are fit leaders to direct its destinies, but remember that this can only be if the American people themselves wish to continue this democracy. Vast numbers of American citizens are being led to the belief that these foreign leaders are really saviors of their own people. This country has now become sort of a battleground of opposing foreign philosophies of government, all of which are contrary to our own principles of democracy.

Highly trained organizations, financed from foreign sources, are actually engaged in spreading their obnoxious propaganda by flooding this country with tons of literature describing in glowing colors antidemocratic principles and a doctrine of government, subversive to our own Constitution. If these poisonous activities and foreign propaganda are allowed to go on unchecked, then may God save our democracy.

In 1917 and 1918 we were engaged in a holy war to make the world safe for democracy. Woodrow Wilson, our wartime President, told us that it is necessary for our sons and daughters to go upon the battlefields of France, otherwise our democracy will perish, and it will mean the end of our Constitution and all that is dear to us.

Now, 20 years later, it again becomes necessary for us to fight a holy war. This time, however, we are not fighting a foreign foe but subversive activities in our own country directed from foreign sources. This is a more deep-rooted foe, because you cannot see him or fight him as we did the enemy in 1917 and 1918.

Nazi Germany is a vast jail. I have in my possession a map which shows that the country is dotted with concentration camps, penal institutions, and other devices to keep opponents away from the public gaze—and this is the country which dares to tell our people how to manage our affairs and how to bring the "blessings" of national socialism to our shores.

The courageous action of Congress in ordering this investigation deserves the whole-hearted thanks of the American public, and as a Member of that body I wish to express my thanks to you, ladies and gentlemen, for having given this matter your support.

Let me repeat what I stated on the floor of the House on several occasions: We are not opposed to the people of German extraction in this country or to German-Americans generally. All the right-thinking German-Americans are supporting this investigation 100 percent.

Tom Mooney Should Be Pardoned Immediately

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 1, 1938

RADIO ADDRESS OF HON. EMANUEL CELLER, MAY 28, 1938

Mr. CELLER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by myself over radio station WABC and the Columbia Broadcasting System, Saturday evening, May 28, 10:45 to 11, New York daylight-saving time:

One of the horrible chapters in our juridical history is the Tom Mooney case. It is a sad commentary on American justice. Foreigners point with a finger of scorn at the travesty of California courts.

California might well bow her head in shame for keeping in prison for 20 years an innocent man. Her Governors might well bow their heads in shame for their spinelessness and their cowardice in failing to right an egregious wrong by a complete pardon. Her courts will never wash away "that damned spot" of judicial lynching until her judges rise to demand of a recalcitrant Governor a pardon for Tom Mooney.

I have been appointed chairman of the committee of the House Judiciary Committee to investigate the facts surrounding the conviction of Tom Mooney and his continued imprisonment. After lengthy hearings, most members of my committee are thoroughly convinced that the witnesses whose testimony sent Mooney to jail were out-and-out perjurers and that the prosecuting officials of the State of California actually knew the testimony was perjured and connived at its production. We are convinced now that the Mooney case is one of the darkest blots upon justice in America.

The utterly shameless character of Mooney's trial in San Francisco has been emphatically and repeatedly condemned by the conventions of the American Federation of Labor. It has declared that the majority of our citizens believe the conviction of Mooney was brought about "through testimony which branded some of the witnesses as perjurers and those who endeavored to procure subornation of perjury for the purpose of securing such reward as might be given to them for their testimony." Scores of labor, liberal, and educational groups have persistently urged the Governors of the State of California to grant Mooney a full and complete pardon. Why have four Governors refused a pardon? That is a burning, unanswered question.

That the conviction of Mooney was based upon testimony so flimsy that it should have had no standing in a court of law, was confirmed by two Federal commissions—one appointed by President Wilson and one by President Hoover. They found the trial so tainted with perjury and chicanery that Mooney's conviction was a disgrace to all traditions of American jurisprudence. Yet, the Supreme Court of California has persistently refused to grant a new trial, and Mooney still languishes in San Quentin Prison, the victim of judicial blunders.

The Wickersham Commission appointed by President Hoover, amongst other things, stated:

"There was never any scientific attempt made by either the police or the prosecution to discover the perpetrators of the crime. The investigation was in reality turned over to a private detective, who used his position to cause the arrest of the defendants. The police investigation was reduced to a hunt for evidence to convict the arrested defendants.

"After the arrest of the defendants, witnesses were brought to the jails to 'identify' them, and their 'identifications' were accepted by the police and the prosecution, despite the fact that these witnesses were never required to pick the defendants out of a lineup, or to demonstrate their accuracy by any other test.

"Immediately after the arrests of the defendants there commenced a deliberate attempt to arouse public prejudice against them by a series of almost daily interviews given to the press by prosecuting officials.

"Witnesses were coached in their testimony to a degree that approximated subornation of perjury. There is a strong inference that some of this coaching was done by prosecuting officials, and other evidence points to knowledge by the prosecuting officials, that such coaching was being practiced on other witnesses.

"The prejudice against the defendants, stimulated by newspaper publicity, was further appealed to at the trials by unfair and intemperate arguments to the jury in the opening and closing statements of the prosecuting attorneys.

"After the trials, the disclosures casting doubt on the justice of the convictions were minimized, and every attempt made to defeat the liberation of the defendants, by a campaign of misrepresentation, shamefully false newspaper publicity, and propaganda carried on by the officials who had prosecuted them."

The Mooney case is not in reality limited to Mooney himself. There is a larger question involved. The real and basic principle in the case is this: Can an innocent man, sent to prison for life on what is generally admitted to be perjured testimony, be deprived of his freedom permanently by the technicalities of a State law which makes no provision for a new trial, even though the irregularities and essential injustice of the original trial are beyond question?

A crazy California statute precludes consideration of newly discovered evidence 10 days after the trial. No efforts are made to repeal it, despite the danger of another possible Mooney tragedy.

Under date of May 5, 1938, I sent the following wire to Gov. Frank Merriam, of California:

"As chairman of the congressional committee to which was referred the so-called O'Connell resolution to investigate the conditions surrounding the conviction and incarceration of Tom Mooney, I earnestly petition that you grant permission to this unfortunate man to come to Washington and give him the opportunity to testify before our committee. Under the circumstances it will be impossible to issue a subpena. In all likelihood it may not be honored by your State if issued. A subcommittee of the Wickersham Commission composed of men of unquestioned integrity made an impartial review in the case and their conclusions were to the effect that Mooney and Billings were not given a fair trial. The American Institute of Public Opinion, conducting a Nation-wide survey in this case, indicates a preponderating national opinion that this unfortunate man should be pardoned or released from prison. The American Federation of Labor, after mature investigation, concluded that the testimony against him was so weak and unbelievable that no conviction should have been had. Two Federal commissions, one appointed by President Wilson and one appointed by President Hoover, found his trial replete with perjury and unfairness. I believe 10 of the jurors that convicted him have now proclaimed him innocent. The justice that presided at his trial indicated that the trial was unfair. Mooney has become a symbol of injustice and unfair punishment. Won't you please permit him to come before us and give from his own lips the story of the events leading to the charges preferred against him, the unfortunate processes of his trial resulting in his conviction, and the accumulative evidence pointing to this grave miscarriage of justice?"

I am still awaiting reply from the Governor. He dared not reply. He cannot justify refusal to pardon.

Let us review here quickly the high lights of the case these past 4 years. In March of 1934 counsel for Mooney filed in the United States District Court for Northern California an original writ of habeas corpus. This was denied. They immediately filed the same writ in the United States Circuit Court of Appeals for the Ninth Judicial District, which was also denied. Then they went to the United States Supreme Court for an original writ of habeas corpus. The Court refused the writ on January 21, 1935, but with this provision: That Mooney must first seek such a writ from the State Supreme Court of California. If he failed there he could return. The Court's decision contained significant words about a State which "* * * has contrived a conviction through the pretense of a trial which in truth is but used as a means of depriving a defendant of liberty through a deliberate deception of court and jury by the presentation of testimony known to be perjured."

On August 5, 1935, the California court appointed one A. E. Shaw, a notary public, to open hearings in the case. These started on August 12, 1935, and ended over a year later. They covered 14,000 pages—5,000,000 words—of testimony. Mooney was brought from his prison cell to the county jail in San Francisco to testify.

On January 28, 1937, 2 years after the United States Supreme Court decision, Referee Shaw made public his decision. He gave no reason for the 2 years' delay. He decided that Mooney had had a fair trial. Nothing could be more absurd and ridiculous, especially in the light of the United States Supreme Court's criticism. Shaw's report becomes one more link in the chain of deceit and injustice.

Progressives in the California lower house introduced a bill granting Tom Mooney a legislative pardon. It passed 45 to 28. It was railroaded through and defeated in the State senate 6 days later, 34 to 5.

Undaunted, the progressive forces in the State legislature introduced a resolution memorializing Governor Merriam to free Tom Mooney. The resolution passed by a vote of 45 to 27.

But the Senate of the State of California stuck to its reactionary guns. It defeated the resolution again by a vote of 30 to 8. Curiously enough, the number of citizens represented by the 8 who voted for the resolution exceeded by about 500,000 the number of constituents represented by the 30 who voted against it. Meanwhile Mooney continues to be a symbol of American judicial blundering.

Congressman JERRY J. O'CONNELL of Montana introduced a resolution in the House of Representatives memorializing President Roosevelt to intercede with Governor Merriam to pardon Tom Mooney. A few days later Senator JAMES E. MURRAY, of Montana, introduced the same resolution in the United States Senate.

While this legislative activity was in progress, Tom Mooney was stricken in the San Francisco county jail. He was rushed to a San Francisco hospital, where his condition—bleeding ulcers—was considered extremely serious. Before he was anywhere near recovery he was ordered back to San Quentin Prison, where he was put through the grueling routine of a "new" prisoner, given only food which was dangerous to a man in his state of health, put to work in the broiling sun when he should have been in bed, and generally treated in such a fashion that labor all over the country had to act fast to save his life. This chapter of suffering is one of the worst in the Mooney saga.

In September of 1937 the United States Senate Judiciary Committee appointed a subcommittee to start an investigation of the Mooney case on the basis of the Murray-O'Connell resolution. It was about this time that new evidence was discovered in official Government documents proving beyond a shadow of doubt that the bomb which had caused the Preparedness Day disaster had been manufactured by German imperial agents in the United States, from whom it was purchased by a local crook working simultaneously for the Germans and for one Fickert. Moreover, the picture of the bomb which appeared in the early editions of Hearst's Examiner on July 22, 1916, was a picture of that very bomb.

On February 28, 1938, a subcommittee of the Senate Judiciary Committee, recommended to the full Judiciary Committee that the Murray resolution be favorably reported. The matter is now pending before the full Senate committee.

On January 27, 1938, Mooney's attorneys filed in the Supreme Court of the United States an appeal for review of the decision of the California Supreme Court, which had on October 30, 1937, ruled by a 5-to-1 decision that Mooney had had a fair trial and was not entitled to a writ of habeas corpus. The United States Supreme Court has as yet not rendered decision on this appeal for review.

Judge Franklin A. Griffin, who presided at the Mooney trial, in addressing a mass meeting of 2,000 San Francisco citizens at the Knights of Columbus Auditorium, February 25, 1929—the twelfth anniversary of his sentencing Tom Mooney to die on the gallows—made the following significant statements:

"I am old fashioned enough to believe that a court of justice should be a court of justice, and when I know a wrong has been done it is my duty and your duty to see that wrong righted. That's why I am here tonight to testify to what I have repeatedly said, that Tom Mooney is innocent and ought to be pardoned.

"The Mooney case is one of the dirtiest jobs ever put over and I resent the fact that my court was used for such a contemptible piece of work. I regret that the Governor takes so long a time to act."

Six months later, in addressing another overflow mass meeting at Trinity Auditorium, Judge Griffin stated as follows:

"Every witness who testified against Mooney has been shown by facts and circumstances developed since his trial, and which are incontrovertible, to have testified falsely. There is now no evidence against him; there is not a serious suggestion that any exists.

"In the face of this demonstrated perjury, in light of its willful presentation to the jury trying Mooney, and in view of the willful suppression at the time of all evidence favorable to him, no fair-minded person who will familiarize himself with the details of the truth of the Mooney case will now deny that Mooney is entitled to be pardoned."

More than 20 years have passed since Tom Mooney was unlawfully convicted and sent to the penitentiary. These have been 20 long years for Tom Mooney as well as for all liberty- and justice-loving Americans. The resentment of injustice never perishes. Tom Mooney must be freed at once so that the American tradition of justice may continue unabridged. I shall never rest until this foul wrong is righted. The subcommittee, of which I am chairman, will report favorably to the full Judiciary Committee. I am sure our Judiciary Committee in its wisdom will recommend pardon to the House of Representatives.

Mooney should no longer continue to be a sign of American judicial outrage and California gubernatorial cruelty.

Reciprocal-Trade Treaties With Great Britain and Canada

EXTENSION OF REMARKS

OF

HON. JAMES G. SCRUGHAM

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 1, 1938

LETTER TO THE SECRETARY OF STATE

Mr. SCRUGHAM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written by me to the Secretary of State:

MAY 31, 1938.

Hon. CORDELL HULL,
Secretary of State, Washington, D. C.

DEAR MR. SECRETARY: In connection with the pending reciprocal-trade treaties with the United Kingdom and with the Government of Canada in which the current tariff schedules on zinc and lead ores, metal, and pigments are concerned, the following facts pertaining to more recent developments are submitted:

1. Striking evidence of the strength of the Canadian zinc and lead industries is shown in official figures released by the Dominion Bureau of Statistics in Ottawa. For example, Canadian production of slab zinc in the first quarter of 1938 was 38½ percent greater than in the same period in 1937. In the face of a greatly depressed world market Canadian exports of slab zinc during the first 3 months of 1938 were 65 percent ahead of the first quarter of 1937.

2. In the United States, production of both slab zinc and refined lead has been substantially maintained to date in an effort to provide employment. This in spite of the fact that shipments in the first quarter of 1938 were off 49 percent in the case of slab zinc and off 40 percent in the case of refined lead compared with shipments in the first 3 months of 1937.

3. As a consequence of reduced consumption in the United States, some curtailment of mining operations has already occurred, more drastic shut-downs are in sight, stocks of metal which are rapidly piling up must inevitably force smelters to curtail. For example, slab-zinc stocks held by smelters totaled 135,000 tons at the end of April 1938; more than double the stocks on hand January 1.

4. Curtailment now in sight threatens to be most drastic because of the fears of mine operators and smelter operators that tariff protection will be reduced. The mine operators are in a dilemma. Many of them are facing a partial shut-down in any event but must plan to either reopen in a comparatively short time or arrange for an indefinite cessation of operations. In their present anxiety, many will choose the latter course unless their fears are soon allayed with a profound effect upon employment. These fears, whether justified or not, are having a wide effect in the mining areas which depend upon zinc and lead mining almost exclusively. The service trades are very much aware of the situation and are also planning curtailment, the neighborhood storekeepers and others similarly affected are worried at the outlook. Thus at a time when unemployment is already serious, thousands of men are likely to lose their jobs because of the present state of business and the anticipation of tariff reductions.

5. The increase in Canadian production and exports in a period of falling prices, forcibly illustrates the preeminent position enjoyed by Canadian producers of zinc and lead, and in the face of the unfortunate condition of the American industry, the overhanging menace of tariff concessions is an intolerable burden and threatens consequences which cannot be overemphasized.

Very truly yours,

J. G. SCRUGHAM, M. C.

Salaries of the W. P. A.

EXTENSION OF REMARKS

OF

HON. JAMES M. FITZPATRICK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 1, 1938

Mr. FITZPATRICK. Mr. Speaker, I wish to make a statement against the proposal of the Works Progress Administration limiting to $1,000 or less the cost per man-year on projects under their jurisdiction. Not only would this be detrimental to the "white collar" workers but, in my opinion, would also threaten to ruin some of the most valuable works now proposed and under way by the Works Progress Administration.

I refer to the field of "white collar" projects which includes medical, dental, public-health and nursing projects, statistical, research, education, art, music, theater, and writers' projects. These projects give work to professional people and people trained in technical fields—doctors, lawyers, dentists, architects, actors, musicians, artists, other highly trained people—in fields which let them use their specialized training for the benefit of the public. Back before the depression it took years of time and a lot of money to train these people, and such projects are keeping them fit for a return to private work as soon as they can find it. In the meantime, on these projects these people are making important contributions to public health, to our general knowledge, and to the cultural life of the country.

The recent ruling would force the stopping of a great many of these projects. It would require either the dismissal or transfer to other projects of the people employed on them. This is supposed to be economy. It is true that if a person is dismissed from a project, a definite saving results. But if a person working say as a nurse on a public-health project is transferred to a construction project to serve as a nurse on that project, she would continue to receive her check every 2 weeks. Where would the saving be in such a move? If a statistician on a technical research project employing mostly statisticians was moved to a project made up largely of clerical workers, his services would continue to be those of a statistician and his pay would continue as before. Of course, his salary would be lumped into an average with many persons of lesser skill, and that would meet the requirements as to an average man-year cost for the project as a whole; but the total cost to the Government would be the same. The Works Progress Administration, in undertaking a works program, has divided its activities into what are called "official projects." These are just convenient operating units of work. Naturally, certain projects consist mostly of unskilled workers, while other types consist mainly of people in the higher skill classes. If you try to force all projects into a single mold you ignore a fundamental idea of the W. P. A. which is to give the unemployed the kind of work wherever possible which make the greatest use of their skill and experience.

The ruling results only in a saving on the books, not a real one. The only way to make an actual saving, other than through firing people now employed, is to reclassify these specially trained people and put them at less skilled work for lower pay, or to cut the salaries in the higher skilled groups. The first idea is certainly undesirable; it would

mean putting architects at work with shovels and demoting trained accountants to simple clerical work. The second is also bad, because it puts the administration in the position of making pay cuts at the same time that it is urging industry to maintain wages.

I hope the Works Progress Administration will not make this reduction, but will continue their present salaries, which I believe will not only be beneficial to the "white collar" workers but to the country as a whole.

A Comparison of Tax Rates in Great Britain and the United States

EXTENSION OF REMARKS

OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 1, 1938

Mr. ROBERTSON. Mr. Speaker, the third session of the Seventy-fifth Congress, which will shortly come to an end, has spent much time in the consideration of our national tax structure. All signs point to the fact that taxation will be an issue and perhaps a major issue in the Seventy-sixth Congress. In view of the fact that reference is frequently heard to how our British cousins solve their problems, including the problem of a balanced budget, information on the British tax system and a comparison of some of the British rates with those of the United States should be helpful.

The income tax constitutes an important proportion of the total taxes and customs in both the United States and Great Britain. For the fiscal year ending March 31, 1937, the income tax in Great Britain (converting the pound at $5) yielded $1,553,885,000 or 39.7 percent of total taxes and customs. For the fiscal year ending March 31, 1938, the income tax yielded $1,775,230,000 or 42.2 percent of total taxes and customs. In the United States total income taxes for the fiscal year 1937 amounted to $2,148,664,000 or about 41.8 percent of total Federal taxes and customs.

Great Britain's income taxes begin at a lower level and are higher than American income-tax rates in all but the highest income brackets. In Great Britain the income-tax base is broader than in the United States. For the fiscal year 1936–37, 3,450,000 persons out of an approximate population of 47,000,000, or 7.3 percent, were chargeable with tax in Great Britain. If nontaxable returns were included, 8,400,000 out of 47,000,000, or 17.9 percent of the population, had incomes above the exemption limit. These percentages can be compared in a rough way with United States figures for the calendar year 1936, which, on the basis of preliminary data for returns filed through August 31, 1937, show that 2,816,657 persons out of a population of 128,884,000 persons as of July 1, 1936, or 2.2 percent of the population, were taxable under the income tax. If nontaxable returns are included, 5,334,513, or 4.1 percent of the population, filed income-tax returns.

Single individuals in Great Britain are allowed a personal exemption of $500 and married individuals with no children an exemption of $900, as against our exemptions of $1,000 for unmarried persons and $2,500 for married persons with no children. The credit for each child is $400 in this country but only $300 in Great Britain. The earned-income credit in Great Britain is somewhat greater than that allowed here. It is 20 percent of earned income but may not exceed $1,500, whereas in the United States the earned-income credit is 10 percent of earned income but may not exceed $1,400. Further, in the United States the first $3,000 of income is considered earned whether or not actually earned.

The following table shows the amounts of income-tax liability in the United States and in Great Britain for selected sizes of income:

Comparison of the amount of income tax payable and the effective rate of tax under present United States rates and under British rates as proposed by the chancelor in his 1938 budget speech for selected amounts of net income

Net income before exemptions (in thousands of dollars)	Amount of tax [1]				Effective rate (percent)			
	United States		Great Britain [2]		United States		Great Britain	
	Single person	Married person (no children)	Single person	Married person (no children)	Single person	Married person (no children)	Single person	Married person (no children)
1			$25				2.5	
2	$32		173	$63	1.6		8.7	3.2
2.5	50		283	173	2.0		11.3	6.9
3	68	$8	393	283	2.3	.3	13.1	9.4
5	216	116	1,053	943	3.6	1.9	17.6	15.7
8	378	248	1,521	1,411	4.7	3.1	19.0	17.6
10	560	415	2,071	1,961	5.6	4.2	20.7	19.6
12	762	602	2,731	2,621	6.4	5.0	22.8	21.8
14	984	809	3,411	3,301	7.0	5.8	24.4	23.6
16	1,234	1,044	4,140	4,030	7.7	6.5	25.9	25.2
18	1,514	1,299	4,910	4,800	8.4	7.2	27.3	26.7
20	1,834	1,589	5,680	5,570	9.2	7.9	28.4	27.9
22	2,196	1,919	6,560	6,450	10.0	8.7	29.8	29.3
24	2,594	2,289	7,440	7,330	10.8	9.5	31.0	30.5
28	3,454	3,119	9,283	9,173	12.3	11.1	33.2	32.8
34	4,854	4,489	12,198	12,088	14.3	13.2	35.9	35.6
40	6,384	5,979	15,168	15,058	16.0	14.9	37.9	37.6
48	8,714	8,249	19,568	19,458	18.2	17.2	40.8	40.5
56	11,394	10,869	24,133	24,023	20.3	19.4	43.1	42.9
64	14,514	13,869	28,753	28,643	22.7	21.7	44.9	44.8
72	18,074	17,309	33,373	33,263	25.1	24.1	46.4	46.2
80	22,034	21,269	38,130	38,020	27.5	26.6	47.7	47.5
90	27,494	26,669	44,180	44,070	30.5	29.6	49.1	49.0
100	33,354	32,469	50,230	50,120	33.4	32.5	50.2	50.1
150	64,324	63,394	81,855	81,745	42.9	42.3	54.6	54.5
200	98,304	98,344	114,855	114,745	48.2	47.7	57.4	57.4
250	129,294	128,294	147,855	147,745	51.7	51.3	59.1	59.1
300	163,294	162,244	182,230	182,120	54.4	54.1	60.7	60.7
400	233,244	232,194	250,980	250,870	58.3	58.0	62.7	62.7
500	305,224	304,144	319,730	319,620	61.0	60.8	63.9	63.9
750	490,204	489,094	491,605	491,495	65.4	65.2	65.5	65.5
1,000	680,184	679,044	663,480	663,370	68.0	67.9	66.3	66.3
2,000	1,450,174	1,449,019	1,350,980	1,350,870	72.5	72.5	67.5	67.5
5,000	3,790,164	3,788,994	3,413,480	3,413,370	75.8	75.8	68.3	68.3

[1] Maximum earned income allowed. Basis of computations: For United States earned income credit 10 percent (maximum credit $1,400), personal exemptions $1,000 for single person and $2,500 for married person; for Great Britain earned income credit 20 percent (maximum credit $1,500), personal exemptions $500 for single person and $900 for married person. It should be noted that British taxable income differs from United States taxable income. The British exclude certain items that we include; and they differ from the United States in the deductions they allow. The British surtax rates are applicable to total income before personal exemption and credits for dependents and "earned income" credit, whereas the United States surtax rates apply after deduction of personal exemptions and credits for dependents, but before "earned income" credit.

[2] Pound converted at $5.

From this it will be seen that a single individual with a net income before exemptions of $1,000 pays no tax in this country, but under the rates proposed in the last Budget message would pay a tax of $25 in Great Britain. A single individual with an income of $10,000 would pay $560, or an effective rate of 5.6 percent in the United States as against $2,071, or an effective rate of 20.7 percent in Great Britain. Married persons with no children, having a $10,000 income, would be subject to an effective rate of tax of 4.2 percent in the United States as against a 19.6-percent tax in Great Britain. (For married persons with two children, having a $10,000 income, the effective rate in the United States is 3.4 percent as against 18 percent in Great Britain.) The proposed British rates are consistently higher for both single individuals and married persons on all but the very high incomes. For incomes of about $750,000 and more, the United States rates become higher than the British. The effective rate on an income of $5,000,000 under the American law is 75.8 percent, and under the proposed British law 68.3 percent.

It should be pointed out that the United States figures do not include State income taxes. Among the 30 States imposing general types of individual income taxes, 10 have

top-bracket rates of less than 5 percent, 17 of from 5 to 10 percent, 1 of 10 percent, and 2 of 15 percent.

Death duties in Great Britain are more important from a revenue yield standpoint than they are in this country. The total yield of the death duties in Great Britain for the fiscal year ending March 31, 1937, was $439,950,000, or 11.2 percent of total taxes and customs. For the year ending March 31, 1938, death duties in Great Britain yielded $444,900,000, or 10.6 percent of total taxes and customs. In the United States the yield for the fiscal year 1937 was $281,636,000, or 5.5 percent of total internal revenue and customs.

In the United States the only Federal death duty is the estate tax against which there is allowed a $40,000 general exemption and a maximum $40,000 exemption for insurance. The bracket rates on estates in excess of these exemptions range from 2 percent on the first $10,000 to 70 percent on amounts of net estates in excess of $50,000,000. This rate schedule imposes effective rates of tax amounting to 0.4 percent, 4.2 percent, 21.1 percent, and 49.4 percent on net estates before exemption of $50,000, $100,000, $1,000,000, and $10,000,00, respectively. Further, all States except Nevada also impose death taxes which, despite the credit allowable under the Federal tax, frequently add to the aggregate tax liability. In Great Britain estates in excess of $500 become subject not only to an estate duty which ranges from an effective rate of 1 to 50 percent, according to the size of the estate, but also to a legacy duty and a succession duty which range from 1 to 10 percent, according to the relationship of the deceased legator.

Customs and excises together amount to approximately the same proportions of total taxes and customs in Great Britain as in the United States, although customs are more important than excises in Great Britain and excises more important than customs in the United States. Great Britain's customs and excises in fiscal 1937 yielded $1,603,910,000, or 41 percent of total taxes and customs, and in fiscal 1938, $1,676,305,000, or 39.9 percent. In the United States customs and excises, excluding pay-roll taxes, produced $2,250,918,000 in fiscal 1937, or 43.8 percent of total taxes and customs. Customs alone in Great Britain in fiscal 1937 aggregated $1,056,410,000, or 27 percent of total taxes and customs, and in fiscal 1938, $1,107,805,000, or 26.3 percent, whereas in the United States customs in fiscal 1937 aggregated $486,357,000, or only 9.5 percent of total taxes and customs. British excises accounted for $547,500,000, or 14 percent of total taxes and customs in fiscal 1937, and $568,500,000, or 13.5 percent, in fiscal 1938 as compared to United States excises, excluding pay-roll taxes, totaling $1,764,561,000, or 34.3 percent of all taxes and customs in fiscal 1937.

Liquor and tobacco are important items in the excises and customs of both Great Britain and the United States. It may be interesting to compare some of the rates. The British excise tax on spirits is several times as great as the American, being 72s. 6d. or $18.12 per British proof gallon as compared to our present rate of $2 per United States proof gallon. The main tobacco tax in Great Britain is the customs duty on unmanufactured tobacco amounting to 9s. 6d. or $2.37 per pound. The main tobacco tax in the United States is the excise of $3 per thousand on cigarettes weighing not more than 3 pounds per thousand. The British excise tax on gasoline is 18 cents per gallon and 16 cents per pound on tea.

Total tobacco and liquor excises and customs in Great Britain amounted to $908,905,000 for fiscal year 1937, and $949,465,000 for fiscal year 1938 as against $1,219,707,000 for fiscal year 1937 in the United States. In Great Britain for the fiscal year 1937 total revenue from liquor taxes amounted to $522,060,000. Of this amount $445,565,000 represented the excise taxes and $76,495,000 customs. For the fiscal year ending March 31, 1938, liquor excise taxes yielded $464,040,000 and customs duties $71,240,000, or a total of $535,280,000. With respect to British taxes on tobacco, by far the largest portion is derived from customs rather than from excises. For the fiscal year 1937, total collections amounted to $386,845,000, of which $386,840,000 were customs collections. For the fiscal year 1938, total collections were $414,185,000, of which customs collections on tobacco amounted to $414,180,000. In the United States for the fiscal year 1937, total liquor taxes yielded $640,375,000, of which excises accounted for $594,245,000 and customs $46,130,000. Tobacco taxes provided a revenue of $579,332,000, of which $552,254,000 came from excises and $27,078,000 from customs.

In Great Britain the flat rate on corporations is 27½ percent with fewer and smaller deductions than in the United States. In the United States the deduction for depreciation alone amounts to nearly three times the amount of the tax. Mining companies have liberal allowances for depletion and exploration. For instance, an oil company with $1,000,000 invested may bring in an oil well worth $10,000,000, and thereafter may deduct from income for depletion not $1,000,000 but $10,000,000.

In addition to national taxes the British subject also pays local taxes assessed by municipalities and counties which are called rates. For instance, the local rate on real estate is 53.6 percent of its fair annual rental value.

Peter J. DeMuth—A New Congressman

EXTENSION OF REMARKS
OF
HON. JAMES M. MEAD
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 1, 1938

Mr. MEAD. Mr. Speaker, every Congressman knows the problems and difficulties each new Member is confronted with on becoming a Member of Congress. Everyone here had to pass through that initial 2-year period in which he had very little opportunity to effectively participate, certainly in a capacity of leadership, regardless of how much ability and leadership he may have in his make-up. This has always been true. No Member becoming a part of this deliberative group for the first time can be expected to be more than studious, industrious, and in a mood for learning.

In this connection I wish today to refer to one particular Congressman who came here from Pennsylvania this last session of Congress. I refer to the Honorable PETER J. DEMUTH, of Pennsylvania. He came here unestablished, yet in a short time he has made his warm and pleasing personality felt throughout the Congress.

It is fitting that we offer an honest appraisement of his qualifications, for at no time has a Representative in Congress from the Pittsburgh district received such recognition and renown.

The good people he represents surely know and must appreciate the remarkable manner in which he has demonstrated his executive ability and his practical business judgment and capacity. His prompt and untiring efforts for his constituents are all well known to us.

Shortly after his election, and when the House convened, he immediately strove to become a member of that important committee, the Flood Control Committee, with the sole purpose in mind that he could be of great service to the people he represented and the Nation at large. There being but a few vacancies on this committee and notwithstanding the 35 applicants for appointment, Mr. DEMUTH was chosen a member and today is recognized by the committee chairman, Hon. WILLIAM WHITTINGTON, as one of the ablest members of the committee.

During Congressman DEMUTH's short time here the Tygart Flood Control Dam has been completed to protect Pittsburgh. Two additional flood-control dams on the Allegheny River have been started at Tionesta and Crooked Creek.

When the flood wall to protect the North Side of Pittsburgh was declared unjustified by the United States Army engineers he fought for and secured its authorization to be

built by the Government, at a cost of $8,000,000, as well as the approval of the flood walls for the "Strip" and South Side. He was successful in having the Flood Control Act of 1936 so amended to save Pennsylvania substantially $28,000,000. This amendment is retroactive so that it will be possible to start three additional flood-control reservoirs this fiscal year. His State was the first in the United States to receive any reservoirs under the 1936 National Flood Control Act. This testifies to his loyalty and aggressiveness.

He introduced a resolution in the Committee on Rivers and Harbors, which was passed, directing the United States Army engineers to survey and report upon the use of the Upper Allegheny Reservoir as a combination flood control pollution abatement and aid to low-water flow. When this reservoir is built it will save the city of Pittsburgh the expense of constructing a $100,000,000 reservoir and aqueduct.

Mr. DEMUTH was honored by being selected by the legislative counsel of the national committee of the American Legion to introduce a bill to increase the hospital facilities at Aspinwall, located in his congressional district. This project has been approved by the Veterans' Committee and will mean a 250-bed addition at a cost of $900,000 and should be built this year.

I am not particularly acquainted with his record insofar as local activities in his district are concerned. I can state to him that each first termer must not expect the whole organization to spring to its feet and change the full order of things because he has reached Congress.

He has been successful in having a new Federal post office constructed at Blawnox, Pa.; construction will start this year and will cost $75,000 when completed. Another new Federal post-office building in addition to the one mentioned above will be built in his district.

He carried on a successful fight and addressed the House of Representatives on the desterilization of the $2,800,000,000 gold fund and urged this action by the President of the United States. This action will save the United States Government millions of dollars annually.

He has been a consistent and tireless worker for wage and hour legislation and was the first among the Pennsylvania delegation to sign the petition to discharge the Rules Committee, thereby forcing action on the floor of the House.

Mr. DEMUTH introduced a bill for granting of loans to citizens who wish to build their own homes at an interest rate of 4 percent and has worked hard to make it possible to start a construction program of home building to stimulate business and make home ownership more secure.

It has been announced that the United States Housing Administration has allotted to the city of Pittsburgh in the last few days for housing projects the sum of $10,000,000, which compares most favorably with the amount allotted to any city in the entire Nation. It certainly shows that insofar as benefits are concerned, Mr. DEMUTH's congressional district has suffered no discrimination.

He appeared before the Senate Appropriation Committee and was successful in securing an appropriation of $36,000 for Pittsburgh's weather bureau for flood-warning service. It was necessary for him to take the floor of the House to speak for and urge its passage. He was successful in this most difficult task.

I merely insert this little statement and cite the case of this PETER J. DEMUTH to illustrate the fact that even though a new arrival in Congress is restricted and circumscribed, still, if tactful and industrious, he will find it a medium through which many things flow and in which he can make himself felt and appreciated while his character and personality will be quite amply reflected.

In 1916 Speaker Champ Clark, referring to this body, made the following address:

THE MAKING OF A REPRESENTATIVE

REMARKS OF HON. CHAMP CLARK, DELIVERED AT THE WASHINGTON NATIONAL PRESS CLUB RECEPTION, THURSDAY, MARCH 16, 1916

(Printed in CONGRESSIONAL RECORD March 17, 1916)

It is a high honor to be a Representative in Congress, if for only one term, and with the numbers of terms the honor increases in geometrical rather than in arithmetical proportion. A Member's usefulness to his country should increase in the same proportion. A man has to learn to be a Representative just as he must learn to be a blacksmith, a carpenter, a farmer, an engineer, a lawyer, or a doctor.

"Poeta nascitur non fit"—a poet is born, not made—says Horace; but Congressmen—that is, useful and influential Congressmen—are made largely by experience and practice.

The old Charlotte district in Virginia knew this and kept John Randolph, of Roanoke, in the House till he became a great national figure. Then the Old Dominion sent him to the Senate, and General Jackson sent him to St. Petersburg. There are spcradic cases of similar action in other districts.

It is an unwise performance for any district to change Representatives at short intervals. A new Congressman must begin at the foot of the class and spell up. Of course, the more brains, tact, energy, courage, and industry he has the quicker he will get up. If he possesses these qualities, and if his constitutents will keep him in the House, he is as certain to rise as the sparks are to fly upward. No human power can keep him down. It is only fair and rational to assume that every Representative's constituents desire to see him among the topnotchers.

Let us take the present House and see how long the men who hold the high places have served. I cannot name all, but will cite a few as samples.

Mr. Speaker Cannon is serving his fortieth year. He holds the record, or, in pugilistic parlance, "he holds the belt," for length of service in the House in our entire history. In several Congresses he was chairman of the great Committee on Appropriations and then was Speaker 8 years, only one man—Henry Clay—having been Speaker longer.

I am serving my twenty-second year; Minority Leader Mann is serving his twentieth year; Mr. Kitchin, chairman of the Ways and Means, his sixteenth; Mr. Fitzgerald, chairman of Appropriations, his eighteenth; Mr. Moon, chairman of the Post Office and Post Roads, his twentieth; Mr. Jones, chairman of Insular Affairs and "father of the House," his twenty-sixth year; Mr. Flood, chairman of Foreign Affairs, his sixteenth; Mr. Hay, chairman of Military Affairs, his twentieth; Mr. Glass, chairman of Banking and Currency, his sixteenth; Mr. Adamson, chairman of Interstate and Foreign Commerce, his twentieth; Mr. Slayder, chairman of the Library, his twentieth; Mr. Henry, chairman of Rules, his twentieth; Mr. Levy, chairman of Agriculture, his sixteenth; Mr. Lloyd, chairman of Accounts, his twentieth; and Mr. Padgett, chairman of the Navy, his sixteenth; and Mr. Sparkman, chairman of Rivers and Harbors, his twenty-second. There are other big chairmanships, but these will suffice to show that as a rule the big places go to old and experienced Members, for most of the men who rank close to the chairmen are old-timers. The same thing holds good with reference to Members of the minority. As an illustration, Messrs. Gillette and Cooper, who are serving their twenty-fourth year, are the ranking Republicans on Appropriations and Foreign Affairs, almost certain to be chairmen. Therefore, should the Republicans ever again have a majority in the House, in that event, in all probability, Mr. Mann will be Speaker, unless he is nominated for President next June.

Go through the whole list and you will find, with a few exceptions, that the men of long service have the high places.

New England and the cities of Philadelphia and Pittsburgh have understood the value of long service all along, and, having elected a fairly good man to Congress, they keep him in the harness.

The Member of longest consecutive service is called "the father of the House." Five Philadelphians in immediate succession bore that honorable title—Randall, Kelley, O'Neill, Harmer, and Bingham. Then it went to General Harmer, his immediate predecessor as "father of the House." He stated that the five Philadelphia "fathers of the House" had served a total of 147 years, and he served 8 or 10 years after making that interesting statement.

In the second and third Congresses in which I served, Maine, with only four Members, had the Speakership and the chairmanships of the great Committees on Ways and Means, Navy, and Public Buildings and Grounds—a most remarkable circumstance, giving the Pine Tree State an influence in the House and the country out of all proportion to her population and wealth. These four men—Reed, Dingley, Boutelle, and Millikin—each served in the House 20 years or more. Other States might profit by her example.

No man should be elected to the House simply to gratify his ambition. All Members should be elected for the good of the country.

The best rule, it seems to me, is for a district to select a man with at least fair capacity, industrious, honest, energetic, sober, and courageous, and keep him here so long as he discharges his duties faithfully and well. Such a man will gradually rise to high position and influence in the House. His wide acquaintance with Members helps him amazingly in doing this.

I can speak freely on this subject without violating the proprieties, for my constituents have kept me here 22 years, and for 20 years have given me nominations without opposition, for all of which favors I thank them from the bottom of my heart. Their generous action and unwavering friendship have enabled me to devote all my time to the public service. I have not been compelled to spend any portion of my time in "mending my fences." My constituents have attended to that. God bless them.

One other thing: I do not know what committee assignments you new Members secured. If they are good, you are to be congratulated. If bad, do not be cast down. No congressional tenderfoot ever had poorer assignments than I had—Claims and Old Pensions—but

I never complained or kicked. I went to work as though those committees suited me exactly. Here is an illustration of what may happen and how luck plays an important part. I was next to top Democrat on both Foreign Affairs and Patents for 8 years—never advanced a peg so far as committees went. Just when, at the beginning of the ninth year on those two committees, I was about to become top Democrat on Foreign Affairs, Hon. John Sharp Williams, then minority leader, assigned me to the foot of Ways and Means, and at the end of 4 years, through the happenings of politics in five different States, I jumped from the foot to the head of the Democratic minority on Ways and Means. So it may be with you. Events over which you have no control may advance you more rapidly than you dream of or hope for. My advice is this, "Whatever your hand finds to do, do it with all your might."

By way of continuity, establishing that the logic of Mr. Clark's reasoning of 22 years ago applies with equal truth today, I submit the following:

Mr. SABATH, the "dean of the House" and ranking majority member of the Committee on Rules, is serving his thirty-second year; Mr. Speaker BANKHEAD is now serving his twenty-second year; Mr. TAYLOR, chairman of the Committee on Appropriations, is serving his thirtieth year; Mr. DOUGHTON, chairman of the Committee on Ways and Means, is serving his twenty-eighth year; Mr. Sumners, chairman of the Committee on the Judiciary, is serving his twenty-sixth year; Mr. VINSON of Georgia, chairman of the Committee on Naval Affairs, is serving his twenty-sixth year; Mr. STEAGALL, chairman of the Committee on Banking and Currency, is serving his twenty-fourth year; Mr. LEA, chairman of the Committee on Interstate and Foreign Commerce, is serving his twenty-second year; Mr. MANSFIELD, chairman of the Committee on Rivers and Harbors, is serving his twenty-second year; Mr. JONES, chairman of the Committee on Agriculture, is serving his twenty-second year; I, myself, am serving my twentieth year and am chairman of the Committee on the Post Office and Post Roads; Mr. MCREYNOLDS, chairman of the Committee on Foreign Affairs, is serving his sixteenth year; Mr. O'CONNOR of New York, chairman of the Committee on Rules, is serving his sixteenth year. The same thing still holds good with reference to the minority. By way of illustration, Mr. TREADWAY, ranking minority member of Ways and Means, is serving his twenty-sixth year; Mr. SNELL, minority leader, is serving his twenty-fourth year.

As in Champ Clark's time, go through the list and you will find, with few exceptions, the men of long service have the high places and greatest opportunity for usefulness.

Of course, while every work that matchless Democrat stated is now true as it was then, this present case of PETER J. DEMUTH should be a challenge and a promise to those arriving for the first time to become a part of the Congress of the United States of America.

Wages and Hours

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 1, 1938

Mr. CELLER. Mr. Speaker, Congress is at last about to agree upon a wage and hour bill. Whether or not we approve all the details of the measure that finally emerges, at least there will be established the fundamental principle of the Federal Government's responsibility to establish a floor under wages and a ceiling over hours. This result, coming after months of struggle and recrimination, is a vindication of the unwavering purpose of our great President to do everything in his power to maintain and extend purchasing power throughout the country.

Our President has, from the very beginning of his administration, recognized that the well-being of our Nation is dependent upon a healthy flow of the workers' and farmers' purchasing power through the economic arteries of the country.

When history comes to write its estimate of the Roosevelt administration, I am certain the outstanding achievement to be recorded will be the substantial encouragement given by the administration to the laboring masses of our land to seek and attain better standards of living. At the base of the machinery set up under the President's skillful guidance for accomplishing this objective is, of course, the National Labor Relations Act. This is labor's Magna Carta, under which workers in this country have been for the first time organizing on a scale sufficiently broad to be a genuine bulwark against wage cutting and the resultant shrinkage of purchasing power.

The wage and hour legislation is another part of this machinery built on the fundamental assumption that this country cannot progress economically as long as the largest group of consumers, the wage workers, do not have a wage large enough to buy the things which our factories produce, our farmers grow, and our commercial establishments sell, or to obtain the services which our large professional groups have to offer.

This legislation should be welcomed by every economic group in our Nation. It will affect millions of workers whose wages have been too low to buy even the barest necessities of life. That "one-third of our population is ill-fed, ill-clothed, and ill-housed" is more than mere oratorical flourish; it is fact. A recent study by the W. P. A. which covered 59 cities revealed that it cost $1,260 a year for a family of four to live on a maintenance level in the cities, and over one-half of the urban families received less than $1,260 in 1936. And it cost $903 for a family of four to live on an emergency level, yet the total income of one-third of the urban families was below this level. The emergency standard, this study pointed out, would get people by for a short time, but if long continued would have serious consequences. And yet one-third of the people in the cities of our country cannot meet even this low level.

The wage and hour bill will help to raise the purchasing power of that one-third. And if we raise the purchasing power of the lowest-income groups, who will benefit?

Why, the farmer will benefit first of all, for a large proportion of such incomes goes into the purchase of food and other farm products. The extent to which our farming population depends upon the income of our factory workers was shown very clearly by Secretary of Agriculture Wallace in his last annual report. He pointed out there that—

> Farm cash income dropped more than $6,000,000,000 between 1929 and 1932. In the same period, factory pay rolls for the country as a whole dropped six and one-half billion dollars * * * between 1932 and 1937 the farm cash income increased by nearly $5,000,000,000, and factory pay rolls by about the same amount * * *. Farm income and factory pay rolls invariably go up and down together in about the same proportion.

The Department of Agriculture also pointed out recently that—

> How well city people eat and how much they spend for food depends in large part upon the size of the family income. If families of urban workers were able to completely satisfy their food wants, farmers would be called upon to provide city markets with much larger supplies * * *.

So the farmers will, undoubtedly, benefit from wage and hour legislation.

The commercial group is another economic group which is vitally dependent upon the purchasing power of the workers who will be affected by this bill. Every dollar which these lower-income workers earn will pass through the cash register of some commercial establishment. In every locality, no matter how small, the effect of this increased purchasing power will be felt by the local merchant groups. A large potential army of purchasers, running into millions, are not buying now because their wages are too low.

And the professional people are another large section of the population which will be greatly benefited by increasing the

wage income of workers. It is well known that when a worker's wages are low, the one item of expenditure which is reduced or eliminated is that which goes for professional services. The doctor, the dentist, the lawyer, the druggist, the optician, the barber—all will benefit from an increase in the purchasing power of the Nation.

And how about the employer? The fair and efficient employer will welcome this legislation as an instrument for eliminating the most unfair form of competition of all—that which is based upon human misery.

The sweatshop employer, paying low wages and working his employees long hours, is at all times a threat to the employer who tries to pay decent wages and maintain humane working hours. But in periods of economic depression he becomes a public danger. It is he who can and does bring the wage and price structure down ever lower and lower—who causes the purchasing power of the workers to dwindle more and more—and who thereby prolongs the depression. That is what the wage and hour bill is designed to prevent.

Surveys made before the present depression reached its depth show that a great proportion of both men and women, working in various branches of the textile industry, averaged well under $15 a week. In 1936, for example, an investigation of 72 knitwear mills in 12 States in the North, Middle West, and South, disclosed that 25 percent of the women workers received less than $10 a week and about 75 percent less than $15 a week. It is perfectly obvious that families cannot live in decency on such wages. And if these wages occur in periods of relative prosperity, how much lower they must be in periods of depression!

It is impossible on such incomes to maintain an adequate diet, to say nothing of providing suitable shelter and clothing. In a report last year, Commissioner of Labor Statistics Isador Lubin pointed out that in a number of cities a third of the employed workers' families do not have enough money to buy the food necessary for an adequate diet.

In some cities—

He said—

Only two-thirds of the workers' families have running hot water inside the house, almost every third family have no gas or electricity for cooking * * * many still use the window sill or cellar to keep their food fresh.

Mr. Lubin's description of the low living standards of families whose wage income is between $1,200 and $1,500 a year indicates how appallingly bad the living standards of those families whose wage income is considerably lower must be.

According to Mr. Lubin, the families whose incomes are from $1,200 to $1,500 a year spend only about $2 a week per person for food, in most cases they cannot afford anything better than a stove-heated house, the husband must make a suit of clothes last 3 years and cannot buy a coat more frequently than once every 4 or 5 years. The wife cannot afford to buy anything more than $5 or $6 dresses if her children and husband are to have the clothes they need for school and job.

I could cite endless statistics illustrating the shocking conditions under which an altogether too large a proportion of our workers have to live. The basic fact that 40 percent of the city families in this country had annual incomes of less than $1,000 during the year 1935 is an indication of the depth of degradation to which so many of our people are forced to sink.

It is the hope and expectation of the Roosevelt administration that the wage and hour legislation will help to check the downward spiral of income among the workers. It has been demonstrated again and again throughout the country what happens without the protection of such legislation. Under present conditions of competition, for example, it has become a common thing for an industry to move out of a community where wages are fairly decent and run away to other communities where it can get cheap help. And when this happens the whole community suffers. Hundreds of workers find their means of livelihood gone; the merchants of the town find they have no customers; real-estate values drop, and even the well-to-do feel the pinch. As for the town which receives the run-away industry, if it tolerates the low wages and long working hours, what kind of prosperity can it enjoy? And if it does not tolerate low wages and long hours, the sweatshop runs away again.

Some of you listening may question whether the wage and hour legislation, providing such low minimums at the start, will actually help much. I wish the minimums were higher, but even low as they are in the measure passed by the House, they will have a profound effect upon hundreds of thousands of workers. In that 40 percent of our city population which received less than $1,000 per year are a multitude whose wages range around $5 to $8 a week. A shamefully large number get even less than that. Nor are such wages peculiar to just one section of the country. We find them right here in our own State and in neighboring New Jersey. So it is not alone the principle of the legislation we are seeking. It is the actual and very concrete effect upon the vast hordes of disgracefully exploited workers in our society.

The tragic conditions of human misery to which I have been alluding cannot and must not continue indefinitely. Our democratic processes and institutions will not be able to survive unless the disparity between the income of the mass of our workers and the small elements of the population participating in the great concentrations of wealth and power is lessened. We have seen in Europe what happens when the selfish and frightened industrial and financial interests refuse to accept their responsibility to the workers—their responsibility to help accomplish a greater and more equitable distribution of income. Fascist dictatorships arise—brutal and tyrannical governments which in the long run jeopardize the very industrial and financial groups which brought them into being.

But such a course need not and will not be followed in this country if these selfish interests recognize the purposes of the Roosevelt administration to preserve our democratic system in the interests of all our people. I repeat what I indicated at the beginning. The wisdom of the administration is shown most clearly in its encouragement of union organization. This is the first depression in the history of the country in which there has not been widespread and wholesale wage cutting. That result has been achieved only through the great increase of unionization during this administration. Millions of workers never before organized have been brought into the unions, and through collective bargaining have been able to sustain wage schedules under circumstances which would undoubtedly have led to their serious collapse. The depression is bad enough as it is, but it would be immeasurably worse if wage slashing had been added to the great problem of unemployment.

And let us not forget that problem of unemployment. The National Labor Relations Act and the wage and hour bill are of little help to those who have no jobs at all. That is why there is another part to the administration's welfare machinery—the President's recovery program just passed by the House of Representatives. By giving work to some three and a half or four million of the unemployed not only will we help to sustain those people through the depression, but the added demands for materials and the added purchasing power coming from those employed by the Federal Government will give jobs to millions more.

There has been some talk and some murmuring against spoon feeding and coddling the American worker. Do not worry. Nobody is being coddled on a minimum wage of 25 cents an hour or on a relief wage which, according to a recent survey by the American Association for Social Workers, is so low in many States that it has to be supplemented by local relief agencies.

The effort of the administration to effect legislation such as the wage and hour bill and the relief bill to keep people alive until industry itself is capable of supporting them is not

spoon feeding. And that legislation, the National Labor Relations Act, which encourages the organization of workers so that they may themselves achieve a better standard of living, is not coddling. These are, rather, the greatest efforts made by any administration in the history of American government to give Americans a chance for security and a better life.

The Coming Purge

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 31, 1938

Mr. HOFFMAN. Mr. Speaker, the week of May 28 witnessed in Congress the unprecedented spectacle of Senator after Senator, Democrat and new dealer, arising in his place on the floor and solemnly and in no unmistakable terms charging the administration with using relief funds for political advantage and with attempting to defeat Senators who had dared to oppose in any instance the expressed wishes of the Executive.

The President has assumed the attributes of a dictator, this notwithstanding his statement that he had no desire to be a dictator. The President is attempting to exercise the powers of a dictator, in that he now demands that all those Senators and Congressmen who have ventured to oppose his slightest wish shall be replaced by puppets who will do his bidding.

The charge is no partisan one. It has been made by many of his personal friends. It has not been substantially denied by any responsible person. The facts cannot be disputed.

Today it is not denied in Washington that the administration—and this means the President, for he is responsible—has been playing politics with human misery and, by consent of the House, I insert here the views of a Nation-wide known editorial writer, which temperately but nonetheless plainly depict the situation:

[From the United States News, Washington, May 31, 1938]

MR. ROOSEVELT'S EFFORT TO PURGE HIS PARTY OF INDEPENDENT-MINDED SENATORS AND REPRESENTATIVES MAY PROVE A BOOMERANG AS THE PEOPLE REPUDIATE THE USE OF PUBLIC FUNDS TO INFLUENCE NOMINATIONS AND ELECTIONS

(By David Lawrence)

Every now and then Hitler orders a purge in Germany.
So does Mussolini in Italy.
So does Stalin in Russia.
Comes now the first Roosevelt purge.

True, men in public office here are not ordered to concentration camps or the gallows nor are they subjected to cruel and inhumane punishments. But nevertheless they are being made to feel the whip of intolerance. They are to be punished for intellectual honesty and integrity.

On this page a few weeks ago attention was called to the prospect of a hand-picked Congress and to the maneuvers in which President Roosevelt was secretly engaged to influence the primary elections. Since then the fight has come out in the open. There no longer is any secret about the fact that unless a Senator or Representative goose-steps to the administration command, unless he surrenders his independence of judgment and votes 100 percent for all New Deal measures, he runs the risk of having an administration-inspired opponent face him in the primaries.

If the President, as the leader of his party, were to line himself up against men who had deserted the party caucus or the party platform on several major measures, his attempts at party discipline would not only be logical but would hardly arouse such widespread resentment. In a political party, obedience to leadership, a bowing by the minority to the will of the majority whether in primary contest or State convention is ordinarily a desirable development because intolerance is rare. But no such circumstance of customary party differences surrounds the President's attempt to penalize the Members of Congress who dared oppose him in what proved in 1937 an unsuccessful attempt to destroy the Supreme Court of the United States.

SUPREME COURT ISSUE VOTE ONLY FACTOR

Mr. Roosevelt has made the acid test of purity in his party the way a man voted on the Supreme Court issue. The Senators marked for punishment have voted for almost every important New Deal measure. They have truly earned the name liberal or progressive in the sense in which the New Deal itself has applied the term on specific pieces of legislation—but they have not been willing to go so far as to break down the Constitution by sabotaging the Supreme Court itself.

Mr. Roosevelt's course in seeking reprisals against Democratic Senators who refused to go along with him in his attack on the Supreme Court can hardly be justified by any rule of party or precedent. There have been instances in which Presidents have tried, in isolated cases, to intervene in primary elections. But the resentment usually aroused thereby has put an end to such ill-conceived tactics.

Mr. Roosevelt, therefore, is introducing into American political and governmental life a new and unparalleled course. Because it seemingly touches merely the question of party it should not fail to develop an even larger significance. For, if Mr. Roosevelt wishes to make his own party members obedient to his wish to the extent of forcing them to vote 100 percent for his measures, of what avail at all is the National Legislature? Would it not be simpler to have fewer Members of Congress and to abolish the whole legislative institution, simply leaving it to a few contact men from the White House to go each day to the Capitol to tell the "king's men" what they are to do and how they are to vote?

INTOLERANCE BREEDS GREATER INTOLERANCE

Truly there can be no pretense now that Mr. Roosevelt who has sworn to preserve, protect, and defend the Constitution means to subscribe to that document as it has been interpreted for decades but only "as I understand it"—the fatal phrase uttered by Andrew Jackson. If by Mr. Roosevelt's tactics he brings about a merger of the legislative and executive power, he will have undermined the basic principle of separation of powers which guided our forefathers in ordaining the Constitution.

Perhaps the President thinks the end justifies the means; that the American people are ready for purges and for dictatorships of the so-called benevolent kind. Perhaps he thinks intolerance can be limited to politics and to matters of congressional elections. If he does, he is overlooking the deeper currents and provocations which so often in world history have bred resistance. The spirit of the hour is not healthy. The attempt to use Government funds and Government favor to influence elections is a throw-back to political medievalism in America. It smacks of the graft and boodle of aldermanic misfeasance in our cities. It suggests a materialistic philosophy which cannot but sap the moral fiber of large sections of the electorate and ultimately lead to a demand for even more intolerance and more purges when the pendulum swings the other way and the people express their wrath against those who have played politics with human misery.

CHARGES CALL FOR ACTION BY PRESIDENT

Let us assume, as presumably we should, that the President meant no such evil as his intervention in congressional primary contests would seem to imply. Let us assume that he has merely taken the advice of the amateur politicians at his side who, with the crusader's zeal, believe in a new militancy in handling party regularity. Does this excuse the failure of Mr. Roosevelt to disavow the action of the head of the biggest humanitarian agency in government—the Works Progress Administrator, Harry Hopkins—who has deliberately gone into politics to influence a senatorial primary contest in Iowa?

Many things, no doubt, are excused by the heat of party warfare or the eagerness of a reform administration to maintain its majority. But a President of the United States is supposed to be the spokesman for a Nation's morality, the protector of political virtues, and the defender of the people against political vices.

Surely upon reflection it would seem most desirable that every vestige of suspicion of politics in relief be removed, especially in this, an election year. To condone such practices as are being perpetuated, to ignore these charges of political manipulation, is not what the American people expect of any man who has been twice elected President of the United States.

The great respect which goes with a Presidential office, the esteem in which millions of citizens hold the Chief Executive, irrespective of party, demands at a moment like this unequivocal action. There can be no compromise with vice when it rears its ugly head in American democracy.

During the past week, the Governor of Kentucky, acting through his campaign manager in the fight against the administration leader, Senator BARKLEY, made public a series of charges to the effect that keymen in the W. P. A. were actually influencing votes for Mr. BARKLEY and that it was being intimated to persons on relief that they had better line up with the administration candidate.

INDEPENDENTS NOT WANTED BY NEW DEAL

It is not good Americanism to dismiss such complaints flippantly or to consider them as merely the essence of a political combat and hence not to be given consideration. No greater mistake could be made than to adopt such a course of inaction. The Governor of Kentucky has been a new dealer. He has been a friend of the administration. But the President, no doubt, feels he should pay back the debt he owes Senator BARKLEY who has been 100 percent subservient to his legislative demands.

Clearly the President must have come to the conclusion that he can pick the members of his own party who shall come back to the Senate and those who shall not, or that he may select the guber-

natorial candidates he likes and oppose those he doesn't like. To help the President have his way, the P. W. A. and the W. P. A. and the other so-called emergency agencies are to be used to line up votes with their billions of dollars of contracts and favors. Elections won that way can only breed a counter-attack the end of which would be sad to contemplate. The seeds of civil strife in democratic nations have been sown in causes even less penetrating and less provocative.

CONFIDENCE OF PEOPLE BEING UNDERMINED

Of what is the President afraid? Does he fear that the people of Kentucky or the people of Iowa or the people of Georgia or the people of Maryland or Indiana—in which States are to be found Democratic Senators who opposed him—will decide for themselves what kind of representation they want in the Capitol? Is Mr. Roosevelt by chance preparing for 1940 and hence insisting on the building up of a political machine which can assure him the nomination for a third term? What possible motive can the President have for intervening in these primary contests if he does not feel a certain alarm at the tendency of the American people to disapprove the acts of his administration?

Perhaps the President has been analyzing the returns in Oregon and Pennsylvania where in each case the "left wing" candidates in both party primaries were beaten. Possibly Mr. Roosevelt notes this drift toward sane liberalism and against the planned economy which has brought us a depression as bad, if not worse, than that of Hoover days.

Back in 1932 when Mr. Roosevelt was relatively unknown to the masses of our people, when the words of his platform were conservative and his own speeches too ambiguous to indicate the radicalism that he later exuded, it will be recalled that the election was won by 7,000,000 votes. It was agreed at the time that the verdict was negative—it was a vote against the "Hoover depression." Can it be that Mr. Roosevelt senses now a vote against the "Roosevelt depression" and that he is beginning to struggle in May against the tide that may be rolling up for next November?

Certainly while the Roosevelt administration won the 1936 election by pump priming this failed to bring real recovery. Plenty of excuses are available but all the alibis in the world didn't help Mr. Hoover win in 1932 and they can hardly help the party in power in 1938. The country is fast coming to believe that only by a conspicuous and dramatic reversal at the polls next November can confidence be instilled in the economic life of the United States. For inseparably interwoven with this question of confidence in business is the broader question of what form of government we are to have and whether long-term commitments of capital can safely be made again.

VOTERS SHOULD DISREGARD PARTY LINES

Business today is stagnant and discouraged largely because of political manipulation in Washington. Depressions and recessions have their economic as well as political causes, and their intensity, to be sure, is often exaggerated. Businessmen, however, cannot see opportunity ahead when the Government tax collector stands on one side ready to take what profits there are and the Government executioner stands with his socialistic hammer on the other ready to strike down the American system of private initiative.

Relief from this bugaboo, if it be psychological only, can come when assurance arises out of the mighty voice of a united people. Bribery of the voting system through the W. P. A. and P. W. A. will corral a large number of innocent-minded citizens but these will by no means amount to a majority if all the right-thinking people decide to cast their ballots, irrespective of party, for the men who intend to stand up for constitutional government.

ANY PURGE SHOULD BE AT THE BALLOT BOX

What the New Deal is counting upon is division in the ranks of the voters not reachable or influenced by Federal favors and also on the traditional habit of many millions of voters who stick to a party label even when the candidates have secured their respective nominations by improper means.

Deep in the problem is the attitude of those persons who are high in the councils of the two major political parties in the several States. Republicans who care more for local political advantage than the national issues which are at stake are just as short-sighted as Democrats who insist on voting their ticket irrespective of the vices that are associated with the boss system in the primaries.

There must be a feeling of country above party if the American constitutional system is to be preserved.

Will the conscience of the American people be aroused to the greatest moral issue we have ever had in the United States—honest elections and honest government? Will the constitutionalists—the citizens who care for the maintenance of the constitutional separation of the executive and legislative branches and the preservation of an independent judiciary as a check on the other two—be mobilized for action this autumn? If they are to be summoned to the battle for free elections, the time for aggressive organization is here.

Whenever a real issue is at stake, the women of America have risen to the call. Such a crisis exists today and the women with their energy and enthusiasm can mobilize America to repudiate dishonesty in government and dishonesty in elections.

If there is to be a purge, let it be peacefully achieved at the ballot box and let the American electorate once and for all serve notice that no man's ambition entitles him to continued power at the expense of free institutions.

The question before the voters in the coming November election is whether they shall abandon the government for which their forefathers fought and died; whether they shall follow the course of the Roman Empire, where, by the distribution of public funds, liberty was destroyed, freedom abolished, and the Nation sent into a tailspin which ended in its ruin.

If you love your country; if you have faith in our form of government; if you wish to protect the future of your children and your grandchildren, give consideration to the present situation and by your vote in November destroy all chance which this would-be dictator has of establishing himself upon a throne in Washington.

Opening of the Soldiers' Memorial Building St. Louis, Mo.

EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 1, 1938

ADDRESS OF BERNARD F. DICKMANN, MAYOR OF ST. LOUIS

Mr. ANDERSON of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following brief address delivered by Hon. Bernard F. Dickmann, mayor of St. Louis, at the formal opening of the Soldiers' Memorial Building in St. Louis, Mo.:

On this day, consecrated to our departed heroes, dedicated to patriotism and around which cluster precious memories of our fallen, it is most appropriate that we come here for the formal opening of this building as a memorial to our soldier dead of the World War.

For 70 years the people of our Nation on this day have turned aside from their busy everyday lives to honor the memory of those who died in defense of our country and as history moves on Memorial Day, with sad memories, acquires a greater significance. For here in the present we scan the past and peer into the future. We see valiant warriors marching through the pages of our country's history. Soldiers of the Revolution, who wrested America from the grasp of a foreign ruler and gave us freedom and independence. Soldiers of the War between the States, who welded and unified our young republic into this splendid Nation. Soldiers of the Spanish-American War, who gave the United States of America its proper place in the company of nations. Soldiers of various missions and expeditions; the lonely outpost in some far corner of the earth. Soldiers of the World War, who fought to preserve and uphold American principles and ideals. Soldiers from the very beginning of our history "recruited from the flower of our manhood, cheered only by their hope for humanity, strong in the confidence of their cause." The contemplation of their deeds and their sacrifices must surely be a powerful stimulus to our patriotism.

Ours is a splendid heritage, preserved by the blood of countless patriots; ours is the commanding duty to pass that heritage on through the perilous problems of today and tomorrow to the successive generations of posterity.

In a bond-issue election, on the 9th day of February, 1923, among other items, the people of St. Louis voted $6,000,000 "for the acquisition of land adjacent to and in the neighborhood of the city hall * * * for a public plaza, to be known as Memorial Plaza, and the erection thereon of a memorial building or monument in appreciation of the services rendered by the citizen soldiers of Missouri in the late World War, and for the purpose of preserving the records and perpetuating the memory of their honor, achievements, and sacrifices."

When I first took office as mayor of St. Louis in 1933, 10 years after a grateful people had voted its erection, there was still no building and no funds with which to build it. I cannot but feel a certain pride in the fact that my administration, almost at its inception, quickly set about to provide the Soldiers' Memorial Building, long overdue, and which our citizens 15 years ago had decreed should be built.

Here it stands, an imposing monument, with general dimensions of 190 feet by 89 feet, with a height of 72 feet from the sidewalk, the exterior being of limestone with a base of granite. It is built on a frame of reinforced concrete and structural steel, resting on precast pile foundations.

Thirty-eight fluted columns, 5 feet square and 31 feet 6 inches high, rise from the first floor level to the second, and above these

columns are carved stone medallions, representing the various branches of military service.

In each of the 4 corners of the 35-foot-wide terrace surrounding the building are located stone pylons, setting out the major war operations, and on the pylon at the southeast corner is a bronze tablet dedicated to our Navy.

Access to the terrace and the building is by means of granite steps on both Chestnut and Pine Streets. One flight of steps, 150 feet long, leads from the sidewalk level to the terrace, and a second flight from the terrace to the loggia on the first floor. These granite steps will be flanked by two sculptured stone groups, each group consisting of a heavy winged horse 16 feet high and a human figure 9 feet high. The horse represents Victory and the human figures represent Courage, Vision, Loyalty, and Sacrifice.

In the center of the loggia rests the cenotaph (an empty tomb), of black and polished granite, bearing on its sides, in alphabetical order 1,150 names of residents of St. Louis and St. Louis County, who were killed in action or died of wounds, or as a direct result of World War service. These names were carefully compiled, by a commission, and then checked by the United States Government. Carved from the everlasting granite, at each end of the cenotaph, are wreaths of laurel leaves. From within the empty tomb floodlights will shine at night upon the mosaic ceiling, symbolizing the sacrifice of the Gold Star Mothers. I have recounted to you but a few of the interesting details of this monument. Our schedule does not permit more, but appreciation of its beauty and magnificence will grow upon us as we study it.

This magnificent edifice, standing in the broad expanse of tree-studded lawns, erected as a perpetual reminder of the valor and sacrifice that made America live, will likewise spur us on as a people to make America greater.

Here at the very nerve center of our great metropolis, where was once the clamor of business and industry, there is now a fine open space from which rises this imposing structure, with quiet and peace and dignity prevailing.

We must not stop here.

There are other memorials to build, memorials of peace and advancement; memorials of service and improvement. The great project under way on our river front, known as the Jefferson National Expansion Memorial. The sharp decrease in death and injuries arising out of traffic accidents, through the cooperation of our various agencies, to make our citizens safety conscious. Our unrelenting drive against disease. Our sound and solid attack upon the smoke problem, which even at this early date has attained surprising success. Our planned campaign for slum clearance and better housing. Yes; all these are memorials that must be built, if we would keep faith with those whose deeds we remember.

New Deal Propaganda—Why Does Not the Congress Investigate It?

EXTENSION OF REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 1, 1938

Mr. THOMAS of New Jersey. Mr. Speaker, on March 2 of this year I called the attention of the House of Representatives to the enormous and ever-increasing amount of propaganda which is being disseminated by the New Deal. In my remarks on that day, I also cited the fact that much of this is contrary to a Federal statute enacted on October 12, 1913, and therefore, on legal grounds, as much as on any others, the matter should be investigated by our present Congress. So, on March 8th, I introduced a resolution, H. Res. 433, empowering the Speaker of the House of Representatives to appoint a special committee of nine members of the House to investigate the question of publicity and the dissemination of propaganda by our executive agencies and that a written report be submitted of its study and findings to the House of Representatives at the earliest opportunity. This resolution was immediately referred to the Committee on Rules, but no favorable action has yet been taken by the Rules Committee.

In my statement on New Deal propaganda, made to the House on March 2, I also pointed out the tremendous diversification of the Government's propaganda activities, the lost revenue from franking releases to the press and to others, the cost of printing such releases, the cost of the paper used, and the cost in salaries of those governmental employees who are hired to prepare such propaganda. I specifically cited the activities of certain departments, not only as to their preparation and dissemination of statements to the press, magazines, and directly to large mailing lists of individuals scattered throughout the entire United States, but also as to their activities in the spreading of propaganda by means of the radio, the moving pictures, and the legitimate stage.

Then, on March 17, after coming to the conclusion that for the time being at least, my resolution to investigate New Deal propaganda might have slow going in the Rules Committee, I started my own investigation by mailing out a questionnaire to all Federal Government agency heads. This questionnaire called for certain information relative to the employment of publicity experts, statisticians, and so forth, the number of releases issued, the kinds of magazines published, and other pertinent matter. Some of the agency heads have responded in detail, many in part, but three, including Mr. Harry L. Hopkins, of the Works Progress Administration, not at all. In the main, however, I am satisfied with the facts which have come to me as a result of the questions asked, but I am more convinced than ever that due to the enormity of the task, it is highly important that a committee of House Members be appointed to study and report upon this ever-growing un-American sore of New Deal propaganda.

I would like very much to turn over to an investigating committee of House Members the very conclusive evidence of New Deal propaganda and other activities of the publicity experts of our Federal agencies which I have collected. If, however, the committee is not soon appointed, I will make public much of the material which is now in my possession, and which I can assure you will be so damaging to the New Deal party. But, before divulging any of this I would like to present today to the Members of this legislative body some brief facts on the publicity activities of a few of our Federal Government agencies, as revealed by the appropriation hearings for the fiscal year 1939.

DEPARTMENT OF THE INTERIOR

The Department of the Interior has recently set up a unified publicity department called the Division of Information. The request was made for a total appropriation for this Division of $58,860 of which $50,900 is to be used for salaries. The division will have a staff of 21 persons and will include the work now being carried on by the Publications Section of the Office of the Secretary of the Interior, the Division of Motion Pictures, and the Office of Information attached to the Secretary's office.

Assistant Secretary Burlew of the Department of the Interior made the following statement concerning this Division in the hearings before the House Committee on Appropriations (p. 90):

> The enlarged conservation program of the Department, together with the increased programs of the various bureaus including the Bureau of Reclamation, the National Park Service, the Office of Indian Affairs, the Office of Education, the Bureau of Mines, the Grazing Division, the Division of Territories and Island Possessions, the General Land Office, and the Petroleum Conservation Division, combined with the unavailability of P. W. A. personnel which has been carrying on this informational work for the Department of the Interior for the past 4 years, has required the transfer of that work to a Division of Information as provided by this appropriation.
>
> The Office of Information of the Secretary's Office, heretofore appearing in the Budget as part of the Secretary's Office salary estimate, has been abolished.
>
> The staff proposed in this estimate is the minimum necessary to carry forward this work, in fact, it is considerably smaller than the separate units which are being merged. The Division will be in charge of the Director, who will be under the immediate direction of the Secretary, and whose duties it will be to advise the Secretary with respect to informational, educational, publications, radio, and public-relations policies. The proposed set-up also provides for a supervisor of press relations, a supervisor of illustrations, and an assistant supervisor of publications. In addition, two assistants to the Director will be required for editorial and research work. It will be the duty of these employees to conduct researches in connection with the various activities of the Department, to assemble and coordinate informational materials prepared by the bureaus, including the editing and translating of technical papers and reports into simple and popular form, and

the preparation of public announcements, pamphlets, bulletins, and correspondence. Other positions include those of the photographic unit transferred from the Division of Motion Pictures who are required to continue still photographic and other illustrative work incident to the informational services, particularly with respect to conservation education; those of the publications section transferred from the purchasing office, which are needed to handle duties essentially as at present, including the ordering, storing, and issuing printed matter, forms, and so forth, and the necessary secretarial, stenographic, messenger, and clerical assistants.

The cost of mimeographing and multigraphing in the Department of the Interior for 1937 was $54,190. (House hearings on Interior Department appropriation bill, 1939, pp. 94–95.)

FEDERAL HOUSING ADMINISTRATION

The Publicity Division of this organization is spending in 1938 and will spend in 1939, $100,000. An additional sum of $200,000 will be utilized for so-called educational work. In 1937 education and publicity in the Federal Housing Administration cost $1,100,000. The Publicity Division employs 17 persons.

Weekly releases for real-estate or business pages are issued to 800 newspapers. A monthly magazine entitled "The Insured Mortgage Portfolio" has a circulation of 22,500 copies. It is approximately 25 pages long. A semimonthly clip sheet is issued to 1,000 newspapers. In the last 6 months of 1937 the Division has prepared articles for more than 100 editors of trade magazines and other publications. Relative to radio activities in the fiscal year 1937, there were 328 network broadcasts, embracing 82 hours of broadcast time. On independent stations 147,339 broadcasts have been presented, covering 28,160 hours. It is estimated that the total value of all of this radio time is $7,200,000. From July to December 1937, 3,250 15-minute broadcasts were presented.

Motion pictures have not been neglected. Up to June 30, 1937, eight reels were prepared, the average projection time of which was 6 minutes. It is estimated that these were shown a total of 350,000 times to a total audience of 94,000,000 persons. Since July 1, 1937, two additional films have been prepared. Exhibits have been prepared for 867 home shows and 1,031 fairs. (Independent offices appropriation hearings, House of Representatives, 1939, pp. 862–863.)

HOME OWNERS' LOAN CORPORATION

The public relations department of the Home Owners' Loan Corporation in 1938 employed 15 persons, at an annual salary of $35,555. For 1939 they are asking for 15 employees, with a total pay roll of $33,880. (Independent offices appropriation hearings, House of Representatives, p. 1318.)

In addition, the Home Owners' Loan Corporation looks for an appropriation of $550,000 for printing and $96,110 for mimeographing and multigraphing work. (Ibid., p. 1347.)

FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS

The press section of the Public Works Administration employs 19 persons at a total salary of $49,620. The head of the division is Mr. Michael W. Straus, who receives a salary of $8,000 a year, and an assistant head is Aubrey S. Taylor, who receives a salary of $6,000 a year. (House independent offices appropriation hearings, p. 1426.)

The total cost of mimeographing and duplicating for the Public Works Administration is $80,000 a year. (Ibid., p. 1432.)

NATIONAL BITUMINOUS COAL COMMISSION

Concerning the National Bituminous Coal Commission no detailed data is printed in the hearings. There is a press section at present with two directors paid at the rate of $6,500 a year. In 1939 the division will be headed by one director at $6,000 a year. Concerning the rest of this staff and the total cost of this section no information is presented. (Interior appropriation hearings, p. 161.)

TENNESSEE VALLEY AUTHORITY

The information office of the Tennessee Valley Authority is staffed with 40 persons and has a total pay roll of $84,570. The head of the office is paid at the rate of $7,250 a year. In addition, the Tennessee Valley Authority is spending $100,000 a year supposedly on rural electrical education. The purpose of this expenditure is supposedly to increase the consumption of electricity in rural areas under the jurisdiction of the Tennessee Valley Authority. All in all, it seems to be a very clever way for the spreading of propaganda. (House hearings on independent offices appropriation bill, pp. 1052–1056.)

SOCIAL SECURITY BOARD

During the fiscal year 1938 the Office of Information of the Social Security Board has an allocation of $254,010. It has a staff of 97 persons. For the fiscal year 1939 the appropriation is to be cut to $229,320 which must necessitate a net reduction in the staff of 33 persons. So far during the fiscal year 1938 the Social Security Board has issued 1,167 press releases; 194 special articles have been written; and 28 speeches have been prepared. Since the inception of the Board four motion pictures have been prepared. (House hearings on independent offices appropriation bill, 1939, p. 1170.)

WORKS PROGRESS ADMINISTRATION

In 1938 the Works Progress Administration had in Washington a publicity staff of 25 persons, 5 of whom were especially devoted to writing press releases. In at least 25 of the field offices information sections exist, but no information is given as to the total number of people employed in the field service in publicity work. During the first 6 months of the fiscal year 1938, 74 press releases were issued by the Works Progress Administration in Washington. No statement is made as to the number issued in the field. During the current fiscal year, it is asserted, no motion pictures are being prepared but $9,332 is to be expended on the distribution of films already made. The Works Progress Administration is spending $15,000 a year in the preparation of radio transcriptions, but it asserts that it spends no money for the purchase of radio time. (Hearings before House Committee on Appropriations, pp. 66–67.)

RURAL ELECTRIFICATION ADMINISTRATION

The publicity work of the Rural Electrification Administration costs $60,360 with 22 persons employed in public relations activities. During the first 5 months of the fiscal year 1938, 20 special articles, 5 speeches, and 14 press releases were prepared by this division. They have also published a monthly magazine known as the Rural Electrification News, which costs $18,850 a year. Normally 240,000 copies are printed of each issue.

The total cost of all printing and binding for the Rural Electrification Administration is $17,000 a year. (House hearings on independent offices appropriation bill, 1939, pp. 647–669.)

NATIONAL LABOR RELATIONS BOARD

The National Labor Relations Board has a director of publicity and an assistant director of publicity and two stenographers. No information is given in the House hearings on the expenses of this division (House hearings on independent offices appropriations bill, p. 775).

TREASURY DEPARTMENT

Concerning public relations activities of the Secretary's office practically no material is contained in the hearings. The fact that Mr. Gaston is employed as assistant to the Secretary in this connection is the only point that is mentioned (House hearings, p. 34).

Relative to the sale of United States savings bonds, the Public Debt Service is spending $1,406,470 during the fiscal year 1938; $440,000 of this is being used for magazine advertising; $288,000 for bulletins, posters, and pamphlets; and $508,000 is being used for salaries of personnel. The hearings contain no information concerning the number of persons employed in the promotion of this sales activity. As you know, approximately $500,000 has been cut from the expenditures of the Public Debt Service for the fiscal year 1939, so as to preclude the use of any funds appropriated for this Service for the payment of magazine and newspaper advertising during the fiscal year 1939.

In addition to the Departments which I have just now mentioned, there are others—notably the important Department of Agriculture—which are also large disseminators of

publicity; so I take the liberty today of cautioning the Members of this House not to think for one second that the publicity activities of the Department which I have here mentioned are the only publicity activities now existing in our governmental agencies, nor are they the only publicity activities in the Departments mentioned by me today. The activities as I have mentioned them are merely the ones admitted by the Department heads at the appropriation hearings. I am definitely of the opinion that the unadmitted activities far outweigh and outnumber in almost every agency those which have been admitted.

So you see, our Government is in this propaganda business to an astounding extent—so huge that it is already rivaling the notorious dictatorships of Germany and Italy and the Communist Government of Russia in the dissemination of governmental propaganda. We may ridicule and criticize other undemocratic governments for their art of bamboozling their citizenry, but in the last analysis the present New Deal in this country is doing the same thing with its own publicity machinery. It is attempting to warp the minds of every individual citizen in this country by one-sided, highly colored press releases, fanfaring radio talks, jelly bean moving pictures, and insidious theatrical performances. By its propaganda dissemination it is breeding class hatred, religious animosity, and un-American activities. It is attempting to set up in this free country a perpetual New Deal and a perennial bureaucracy—a government by the President, of the bureaucrats, and for the pay-roll patriots.

Therefore, Mr. Speaker and Members of the House of Representatives, I humbly believe that the time is at hand when we should take definite legislative action not only to look into this pressing problem but that we should also and without further delay take whatever legislative action is necessary to curtail the growing dissemination of governmental propaganda in this country. We should take such action before our whole democratic structure is undermined by the bureaucratic dissemination of New Deal philosophy. If we do not act we may in time find that what was once a free and powerful Nation has become a Nation of dependent serfs struggling to pay into the governmental coffers their hard-earned wages in order that the governmental royalists and their satellites may live in luxury and grandeur.

More Satisfactory Wage and Hour Legislation

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 1, 1938

Mr. MURDOCK of Arizona. Mr. Speaker, some of my worried constituents have been frantically warning me of the destructive probabilities involved in our wage and hour legislation so far as certain small industries in the isolated regions of my State and of the Rocky Mountain area generally are concerned. There are numerous small mine operators, many miles removed from even small towns, and also many lumber camps equally isolated, which may be adversely affected by the pending legislation. Even the workmen themselves do not want the hour provisions to apply in such small isolated units.

Most of these laborers are away from home, and yet if restricted to 44 hours per week would have a very devastating kind of leisure enforced upon them. If they used the remaining portion of each week in enforced leisure as is so frequently done, it might be spent in the nearest town not in a way to increase their savings or subsequent efficiency. In such communities, of which we have so many throughout the great West, there is not the surplus of labor as elsewhere so that we need to reduce hours in order to double employment and thus keep the business operating. It is in such instances out West that injustice will be done by the rigid requirements as the bill in its present form contains.

In general, I have favored this type of legislation, and my vote attempted to make it possible for us to have a wage and hour law enacted by the Seventy-fifth Congress. Frankly, I have not been satisfied entirely with any bill as it has been before either branch of Congress this term. All legislation being a compromise, I have taken a chance of voting for a measure, unsatisfactory in some details, but needed in general, with the hope that the final outcome may be more nearly satisfactory. How else can the average new Member of the House help to get desirable legislation?

I sincerely hope that the conferees will find it within their scope and desire to liberalize the rigid provisions of both the House and Senate measures and put it in the power of some proper authority to adjust the law to suit local conditions in a fair manner. Without this wise provision inserted and leeway provided, very serious injury will be wrought upon the industries of the West, both for employers and laborers. As I see it, this is another case where very much depends upon the judgment of the conferees.

William P. Connery, Jr.

MEMORIAL ADDRESS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1938

On the life, character, and public service of Hon. WILLIAM P. CONNERY, Jr., late a Representative from the State of Massachusetts

Mr. MEAD. Mr. Speaker, the untimely death of our beloved colleague BILLY CONNERY leaves us with heavy hearts. Personally, I counted him among my dearest friends, and our years of association in the House found us often laboring for a common cause. He possessed an affectionate, disarming good nature that none could resist. Keen of wit, charitable of nature, genial of disposition, dynamic in action and personality, he fought hard for the principles of liberalism in which he so devoutly believed. His career as a public servant was studded with accomplishment, with many legislative battles—some won and some lost—but each fought with that characteristic vigor and determination that BILLY CONNERY always gave to his every effort. Now that we look back over the years we knew him, it does seem that he sped every task that he might crowd more achievement into a life already filled to the brim with tasks well done.

Born in the Commonwealth of Massachusetts, educated at Holy Cross and Montreal Colleges, as a young man his first love was histrionics. He actively entered the theatrical profession and was bound for success when a more patriotic obligation took him to the battlefields of France. There he served his country with courage and distinction over a period of 19 months. Upon his return to the States, he entered political life, was elected to the Sixty-eighth Congress and to each succeeding Congress until his death.

As a member and chairman of the House Committee on Labor, BILLY CONNERY undertook his duties with a zest and enthusiasm that expressed, far better than words, his love of service and his untiring interest in the welfare of his fellow man. His was an energetic statesman distinguished by a truly human philosophy, a deeply religious life, and an unshakable conviction of the things he thought to be right.

The infectiousness of his sparkling personality, the flash of his indefatigable vivacity, the influence of his vision and intellect are missing. We mourn our loss but we know how full well he has earned the reward he now enjoys.

Edward A. Kenney

MEMORIAL ADDRESS
OF
HON. ALFRED F. BEITER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 20, 1938

On the life, character, and public service of Hon. EDWARD A. KENNEY, late a Representative from the State of New Jersey

Mr. BEITER. Mr. Speaker, it is with deep regret that I speak of the passing of my good friend EDWARD A. KENNEY, whose untimely death on January 27, 1938, brought to a close a life which was dedicated to public service not only for the people of his own congressional district but to the citizens of the United States.

Although EDWARD KENNEY represented the State of New Jersey, he was born in Clinton, Mass., and was graduated from the Clinton High School. He later attended New York University, and was admitted to the bar of the State of New York in 1908. In 1917 he extended the practice of his profession to New Jersey and served with distinction in that State as judge of recorder's court of Cliffside Park, attorney for the board of education and chairman of the housing commission. He was elected to Congress from the Ninth District of New Jersey in 1932 and was reelected to two succeeding Congresses. At the time of his death he was a member of the House Committee on Interstate and Foreign Commerce.

He was a faithful public servant and the welfare of the people he represented was ever uppermost in his mind. His passing was a great loss to his family, his district and the country at large. We who knew him mourn his death and extend to his family our heartfelt sympathy in their great loss.

Politics on the Bench

EXTENSION OF REMARKS
OF
HON. JOSEPH F. GUFFEY
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Thursday, June 2 (legislative day of Wednesday, April 20), 1938

ARTICLE FROM THE PHILADELPHIA RECORD

Mr. GUFFEY. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial from a recent issue of the Philadelphia Record, under the heading "Politics on the Bench."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record]

Arthur James is Republican nominee for Governor.

He is also a judge of the superior court of Pennsylvania.

During the primary campaign, when he was criticized for not resigning from the bench, some of Judge James' friends replied that after all it was only a primary and that he would surely resign when he won the nomination.

It is now 2 weeks since the primary election, and Judge James has made no move toward resigning.

That this dual role of judge and partisan candidate is an improper one is made clear by the canons of judicial ethics of the American Bar Association:

"It is inevitable that suspicion of being warped by political bias will attach to a judge who becomes the active promoter of the interests of one political party as against another.

"He should avoid making political speeches, making or soliciting payment of assessments or contributions to party funds, the public endorsement of candidates for political office, and participation in party conventions."

Judge James is not only the promoter of the interests of one political party. He is its candidate. He is not only making political speeches; he is making them for himself. He is not only using contributions to party funds; he is using them for his own candidacy.

If the bar association has any respect for its own canons, it will make its position clear on the James candidacy.

America's Foreign Relations

EXTENSION OF REMARKS
OF
HON. HENRIK SHIPSTEAD
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Thursday, June 2 (legislative day of Wednesday, April 20), 1938

TWO EDITORIALS FROM THE WASHINGTON HERALD-TIMES

Mr. SHIPSTEAD. Mr. President, I ask unanimous consent to have printed in the RECORD two excellent editorials from the Washington Herald-Times dealing with our foreign affairs.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Herald-Times of Sunday, May 29, 1938]

NEVER AGAIN

Twenty-four years ago the murder of an Austrian Archduke in the Balkans started a train of action which quickly involved the four great powers of Europe in war.

As the flames spread, other countries were drawn in until we, ourselves, having no concern whatsoever in the obscure quarrel that touched off the explosion, found it necessary to join the conflict and to send 2,000,000 of our young men overseas to kill young men of other nations against whom they had not the slightest reason to feel animosity.

We entered that war because 2 years of persistent propaganda, combined with an uncertain and dangerous public policy, brought us to a point where it seemed inevitable and just that we should fight.

Persuading ourselves that we were defending the cause of democracy, we plunged into the fray and helped largely to bring about a complete victory for the Allies.

This victory was followed by one of the most iniquitous peace treaties in all history, for which we must take our share of responsibility, although our Senate had the good sense to repudiate it.

What we gained by our part in the Great War was a roll of young men killed and maimed and dead of disease, a staggering national debt, and a foreign debt of ten billions, which will never be paid and which has brought us nothing but ill will. For no debtor loves his creditor.

Now, once more, the old feud between German and Slav in Central Europe is urging the two races toward war, a war which may break out at any moment, and again the forces of propaganda are producing a state of public mind where it might soon appear inevitable that we should take our part.

Nothing could be more foolish, nothing more criminal, than the fostering of the notion that all wars nowadays must be world wars, or that we should, through any circumstances whatsoever, be dragged into a quarrel where our interests are not involved and where it is impossible for us to gage accurately the rights and wrongs.

As individuals we may maintain our right to express what opinions we please about the policies of this or that dictatorship in Europe, but Mr. Sumner Welles has also a right to admonish Americans to avoid condemnation of the internal policies of other nations regarding which we have no concern.

Mass condemnation is too apt to lead to congressional condemnation, and from there the step to Government action is but a short one.

We consider, therefore, that the learned professors of Chicago, who have just denounced Mr. Welles, and who support governmental action in order to express our horror of what is going on in Central Europe, show a deplorable lack of historical knowledge and of common sense.

There is not the slightest proof that condemnation by our Government of the internal policies of other nations has ever done the slightest good in the past, and we do know that on one occasion at least it led us into a costly and, from our point of view, useless war.

We should like once and for all to establish the proposition that on no account should we enter a war to settle questions of race and boundaries in Europe which are no concern of ours, and to silence the chatter of professors who have more humanity perhaps than good sense, but who, in the long run, would be guilty of the supreme inhumanity of driving us into another ghastly European war.

[From the Washington Herald-Times of Monday, May 30, 1938]

IN MEMORY OF A BIG WAR

Decoration or Memorial Day began to be an American holiday in 1868, when Gen. John A. Logan, commander in chief of the Grand Army of the Republic, nominated May 30 as the best day on which to commemorate the Civil War and renew the flowers on the graves of that war's dead.

That war, lasting from 1861 into 1865, was one of the bloodiest wars in history. The Union from first to last threw a total of about 2,200,000 men into the fight, the Confederacy an estimated total of 900,000. Union casualties were 360,000 killed in action and who died of wounds or disease, Confederate about 250,000. The war cost Abraham Lincoln's Government $3,289,000,000—of which $450,000,000 was paper money without gold backing. Cash cost to the Confederacy has not been computed so far as we know, but the South has not completely recovered yet, 73 years after.

MOST PUGNACIOUS PEOPLE ON EARTH

The underlying cause of the Civil War was Negro slavery, the secondary cause southern secession from the Union. The Government probably could have bought all the slaves in the South and set them free at a fraction of the cost of the war, as Lincoln at one time hoped to do; but then neither North nor South would have had the fun of expressing their convictions with guns for 4 bloody years. Americans, though they don't like it said out loud, are perhaps the most pugnacious people on earth.

Interestingly enough, the rank and file of the southern soldiers were not slave owners. In 1860, there were only 2,300 southerners who owned 100 or more slaves apiece, only 200,000 who owned as many as 20—out of a total white southern population of 8,000,000.

Most of the Civil War's crucial battles were fought between Richmond and Fredericksburg, Va., along what is now U. S. Route 1. Markers at all historic spots in that area enable you to study history where it was made.

Along U. S. Route 9, between New York and Albany, two generations before the Civil War, the American Revolution was fought in large part. It lasted 7 years, and it, too, was a ferocious and bloody war. The object was to pry the American Colonies loose from the overlordship of Great Britain—and the object was won.

In 1812 we started a war with Great Britain for the freedom of the seas, which ended in a draw.

LET'S NOT BE FOOLED AGAIN

The Mexican War (1846–47) was also fought for a purpose; namely to get a lot of land which Americans at that time thought they wanted. They got Texas, New Mexico, Arizona, California, and parts of other States.

With the Spanish-American War (1898), American war making entered into what might be called a cockeyed phase. That war was fought mainly for fun and adventure, though there was a lot of righteous talk about freeing the Cubans and Filipinos from savage Spain. We won; and the Cuban and Filipino objects of our charity have disliked us with varying intensity ever since.

The World War witnessed one of the prize sucker acts of all time; and Uncle Sam was the star in this act. We went into it saying we wanted to get nothing out of it for ourselves. That was what we got, while our allies were whacking up 1,000,000 or so square miles of Africa and wringing colossal reparations out of Germany.

We are inclined nowadays to look down our noses at persons like Mussolini, Hitler, and Hirohito, who preach the glories of war. They aren't very pleasant characters, true, but at least they are fomenting wars for a very realistic purpose—to get something for their own country. In that, they are more sensible than we were in 1917.

One alarming feature of it all is that sympathies are warming up in this country. A lot of us feel that somebody ought to stop Hitler and Mussolini and Hirohito from acting that way; some of us already feel that we ought to do the stopping, or help in it.

Let's hope the majority of us don't fall for that again. It's the same old bloody and expensive skin game in which we got burnt before. Only the labels are changed.

To keep any of these aggressive gents from trying to make us over to their hearts' desire, we need a powerful Navy—a Navy at least as powerful as the British Navy. It is noteworthy that we have never yet gone prepared into a war; we've always had to build up our fighting forces as best we could after war was declared. Maybe if we prepare for a war we shan't get into a war.